

CITY AND COUNTY OF SWANSEA

MINUTES OF THE AUDIT COMMITTEE

HELD AT COMMITTEE ROOM 6, GUILDHALL, SWANSEA ON
THURSDAY, 9 APRIL 2015 AT 3.00 PM

PRESENT: Mr A M Thomas (Independent Chair) presided

Councillor(s)	Councillor(s)	Councillor(s)
A M Cook P R Hood-Williams	L James D Phillips	R V Smith L V Walton

Officers:-

P Beynon – Chief Auditor
S Heys - Principal Lawyer
J Tinker - Democratic Services
Coordinator

Also present:-

D Hanley Crofts -
PricewaterhouseCoopers

84 **APOLOGIES FOR ABSENCE.**

Apologies for absence were received from Councillors J C Bayliss and R A Clay.

85 **DISCLOSURES OF PERSONAL AND PREJUDICIAL INTERESTS.**

In accordance with the Code of Conduct adopted by the City and County of Swansea, no interests were declared.

86 **MINUTES.**

RESOLVED the Minutes of the meeting of the Audit Committee held on 12 March 2015 be approved as a correct record.

Matters Arising

Coastal Project – Final Wavehill Evaluation Report

The Chair indicated that he had written to the Leader regarding the lessons learned from this Project and would attach the letter and any response to the agenda for the next meeting. The Chief Auditor also provided further information regarding WEFO as requested at the last Committee meeting.

Fundamental Audits 2013/14 – Recommendations Tracker Update

The Chief Auditor gave an update regarding the retention of hard copies of contracts for school based staff.

87 **PRESENTATION - PEER REVIEW.**

Dean Taylor, Director of Corporate Services gave a presentation regarding the progress of the Peer Review. He stated that further to the Peer Review Report being reported to Cabinet and Council in February 2015 the WLGA Peer Review Action Plan would be now submitted to Cabinet on 14 April 2015 and referred to Council for information. He gave an overview and explained how this was conducted as part of good governance with Council's expected to have a Peer Review every 4 years. The 4 main objectives were:-

- Learn from elsewhere
- Develop our approach to self - evaluation
- Assist our preparation for the WAO Corporate Assessment
- Support overall objective of self - regulation

The 3 areas of focus were Governance, Change and Delivery. How the interviews and workshops were conducted with officers was described. As a result an action plan had been produced with 22 recommendations. The key themes were outlined together with the proposed actions. It was hoped to dovetail the actions with the findings from the Welsh Audit Office Corporate Assessment. The key themes were:-

- Cultural Change
- Pace
- Celebrate Success
- Learning from Others

These themes were explained. It was considered beneficial if a separate presentation take place on the Cultural Change. It was stated that quarterly updates would be provided on the action plan.

The Director was thanked for his useful and informative presentation and it was requested that copies of this presentation and the Cabinet Report be circulated to all Members.

88 **BRIEFING - CORPORATE GOVERNANCE REVIEW.**

Patrick Arran, Head of Legal Democratic Services & Procurement gave a verbal update regarding the Corporate Governance Review and highlighted the priorities and values. It was stated that there was a need to transfer services to meet changing needs and demands. This would take place by means of engaging stakeholders. As part of this process a considerable amount about of work had been done on the model Constitution. A major part of this was the speed of decision making and the

scheme of delegation, which arose from the Peer Review. This would also include the suggestion from Wales Audit Office to record Officers' delegation.

The two main principles of this review were performance and effective roles.

The Chair thanked Patrick Arran for his update and he volunteered to attend a future meeting to detail the actions that had been carried out regarding this review.

89 **PRESENTATION - RISK MANAGEMENT ANNUAL REVIEW.**

Mike Hawes, Head of Financial Services and Delivery gave a presentation regarding the Risk Management Annual Review. The types of risks were described which included Financial, Operational and Reputational. The 4 T's in relation to risk were transfer, tolerate, treat and terminate. The risk classification matrix was explained and an outline provided of the current Corporate Risks. It was stated that there was a future commitment by the Executive Board to develop and review risk registers and adoption of a balanced scorecard aids in identifying risks.

Questions were asked if risks that were being treated would be monitored as part of this review.

The Chair thanked Mike Hawes for his useful and informative presentation.

90 **INTERNAL AUDIT CHARTER.**

The Chief Auditor outlined the background to the Public Sector Internal Auditing Standards (PSIAS) which were introduced with effect from 1st April 2013 and presented the Internal Audit Charter for approval by the Committee. It was stated that the Internal Audit Charter for the City and County of Swansea had been reviewed with some changes, as shown in Appendix of the report. Paragraphs 7.5 and 7.6 were highlighted in respect of establishing a Corporate Fraud Team.

RESOLVED that the Internal Audit Charter be approved.

91 **INTERNAL AUDIT ANNUAL PLAN 2015/16.**

The Chief Auditor presented the Internal Audit Annual Plan 2015/16 to the Audit Committee for approval. A summary of the Internal Audit Plan 2015/16 was shown in Appendix 1 and a list of audits planned for the year was shown in Appendix 2 of the report, together with the number of days planned for each audit.

Questions were asked regarding the number of audits that had been deferred as a result of staff resources and the impact of this. It was stated that a Self- Assessment approach was being developed for audits of primary schools, branch libraries, school kitchens and district housing offices. A discussion took place regarding Self- Assessment for primary schools in particular the process of spot checks and how many pilots were being undertaken.

It was reported that progress made by the Internal Audit Section in achieving the Audit Plan would be reported to the Audit Committee on a quarterly basis.

RESOLVED that the Internal Audit Annual Plan 2015/16 be approved.

92 **DRAFT AUDIT COMMITTEE ANNUAL REPORT 2014/15.**

The Chief Auditor presented a report which provided the draft Audit Committee Annual Report for 2014/15 Municipal year. The report described the assurance that had been gained by the Audit Committee from various sources during 2014/15 and also outlined a number of areas where briefings had been provided to the Committee.

RESOLVED that:

- 1) The Committee review and discuss the draft Audit Committee Annual Report 2014/15;
- 2) The Annual Report be presented to Council.

93 **AUDIT COMMITTEE WORK PLAN.**

The Audit Committee Workplan for 2015/16 were provided for information. It was stated that the final WEFO Coastal Report would be submitted on 18 August 2015. The dates of some of the forthcoming meetings were amended and therefore, the dates for meetings for the municipal year were as follows:-

16 June 2015

18 August 2015

20 October 2015

15 December 2015

16 February 2016

19 April 2016

The meeting ended at 4.55 p.m.

CHAIR