

# **CITY AND COUNTY OF SWANSEA**

## **MINUTES OF THE AUDIT COMMITTEE**

**HELD AT COMMITTEE ROOM 6, GUILDHALL, SWANSEA ON  
TUESDAY, 20 OCTOBER 2015 AT 2.00 PM**

**PRESENT:** Mr A M Thomas (Chair) presided

<b>Councillor(s)</b>	<b>Councillor(s)</b>	<b>Councillor(s)</b>
C Anderson	J W Jones	D W W Thomas
R A Clay	D Phillips	L V Walton
P R Hood-Williams	R V Smith	T M White

### **Officers:**

P Beynon – Chief Auditor  
S Heys – Principal Lawyer  
S Cockings – Senior Auditor  
J Parkhouse – Democratic Services Officer

### 34 **APOLOGIES FOR ABSENCE.**

Apologies for absence were received from Councillor L James and Patrick Arran, Head of Legal and Democratic Services.

### 35 **DISCLOSURES OF PERSONAL AND PREJUDICIAL INTERESTS.**

In accordance with the code of conduct adopted by the City and County of Swansea, the following interests were declared: -

Councillor C Anderson – Minute No.39 – Annual Report of School Audits 2014/15 – I am an LA Governor – personal.

Councillor T M White - Minute No.39 – Annual Report of School Audits 2014/15 – I am an LEA Governor – personal.

### 36 **MINUTES.**

**RESOLVED** that the Minutes of the meeting of the Audit Committee held on 18 August and Special Audit Committee held on 21 September 2015 be approved as a correct records, subject to the following amendment: -

Amend references to Councillor C A Anderson with C Anderson.

37 **CHAIR OF SCRUTINY PROGRAMME COMMITTEE.**

In the absence of the Chair of the Scrutiny Committee, the Chair stated that it was important that both Committee's worked closely together in order to avoid duplication and have a co-ordinated approach towards their work plans.

**RESOLVED** that the Chair of Scrutiny Committee be invited to the Audit Committee meeting scheduled for 15 December 2015.

38 **CORPORATE GOVERNANCE REVIEW - UPDATE.**

The Chief Auditor stated that the Head of Legal and Democratic Services had sent his apologies due him being required at a Standards and Ethics conference and would attend the Audit Committee scheduled for 15 December 2015.

He added that Rod Alcott of the WLGA had been appointed by the Council to undertake a review of the Council's Corporate Governance arrangements and had forwarded a draft report to the Head of Legal and Democratic Services for consideration, prior to it being discussed by Executive Board and Corporate Briefing. The report would be reported to the Audit Committee scheduled for 15 December 2015.

The Committee queried the proposed reporting passage outlined and highlighted that as the Audit Committee were responsible for reviewing and scrutinising the corporate governance arrangements of the Authority, the report should be discussed by the Committee first. It was added that the report should be included within the agenda papers and not circulated at the meeting in order for Members to consider the information provided.

The Chair proposed that Rod Alcott be invited to the Special Audit Committee on 17 November 2015 in order to present the draft report.

**NOTED** Members' comments in relation to verbal items listed on the agenda.

**RESOLVED** that: -

- 1) The contents of the update be noted;
- 2) Rod Alcott be invited to attend the Special Audit Committee meeting scheduled for 2 p.m. on Tuesday, 17 November 2015 in order to present the draft report.

39 **ANNUAL REPORT OF SCHOOL AUDITS 2014/15.**

The Group Auditor presented the Annual Report of School Audits 2014/15. The report provided a summary of the school audits undertaken by the Internal Audit Section during 2014/15 and identified some common issues found during the audits.

It was outlined that an audit of each primary, secondary and special school in Swansea was undertaken every 3 years. A standard audit programme exists for each school sector. It was added that for a number of years, a report summarising the school audits undertaken each year had been prepared for the Chief Education

Officer. The report also identified the common themes which had been found during the audits. The School Audits Annual Report 2014/15 was provided at Appendix 1.

The report identified that all schools audited during 2014/15 had received a positive level of assurance and that there was a good working relationship between schools and Internal Audit with Head teachers generally responding positively to audit recommendations.

The Committee asked a number of questions of the Officer who responded accordingly. Discussions centred around the following: -

- Tendering procedures for schools, obtaining best value and Service Level Agreements;
- The need for schools and the Authority to work in partnership;
- Schools not following Contract Procedure Rules / setting up their own tenders and contracts;
- Concerns previously outlined by the Committee in relation to schools not following Contract Procedure Rules;
- The dedicated Procurement Officer fully funded by Schools being given additional corporate work that which led to considerable change in the Schools Procurement Service Level Agreement (SLA). Most schools now opt for the basic SLA which no longer funds a dedicated Procurement Officer. It was noted that 9 primary schools had dropped out of the agreement and the committee asked who gave the authority to change matters;
- Views of schools regarding the level of service provided by the Authority;
- Loss of trust by schools in the Authority as a result of the change;
- Role of school governors in school financial matters, procedures to make governors aware of financial issues within their schools and training for governors;
- Identifying bad performing schools, identifying repeat bad performing schools and outcomes resulting from investigations;
- Providing reports regarding schools to City and County of Swansea governors;
- Future school audit programmes.

**RESOLVED** that: -

- 1) The contents of the report be noted;
- 2) The Chief Auditor further investigates why the procurement officer was given corporate work in addition to school based work in order for the Chair to write to the appropriate officer;
- 3) A review be undertaken to ensure that school audit reports are placed upon school governor meeting agenda's.

40 **AUDIT COMMITTEE ANNUAL REPORT 2014/15 - FOLLOW UP.**

The Chair provided the Committee with an update regarding the Audit Committee Annual Report 2014/15 that he presented to Council.

The Chief Auditor stated that he would circulate a Knowledge and Skills Framework for Audit Committee Members questionnaire for Members to complete in line with CIPFA best practice. The results of the questionnaire will act as a guide to future training needs.

**RESOLVED** that: -

- 1) The contents of the update be noted;
- 2) The Chief Auditor circulates the questionnaire to the Committee as outlined above.

41 **SCRUTINY ANNUAL REPORT 2014/15. (FOR INFORMATION)**

The Scrutiny Annual Report 2014/15 was provided for information.

42 **SCRUTINY WORK PROGRAMME 2015/16. (FOR INFORMATION)**

The Scrutiny Work Programme 2015/16 was provided for information.

43 **AUDIT COMMITTEE WORK PLAN. (FOR INFORMATION)**

The Audit Committee Work Plan was provided for information.

The meeting ended at 3.30 pm

**CHAIR**