

CITY AND COUNTY OF SWANSEA

MINUTES OF THE SPECIAL AUDIT COMMITTEE

**HELD AT COMMITTEE ROOM 5, GUILDHALL, SWANSEA ON
TUESDAY, 13 DECEMBER 2016 AT 2.00 PM**

PRESENT: Mr A M Thomas (Independent Chair) Presided

Councillor(s)

C Anderson
L James
T M White

Councillor(s)

T J Hennegan
J W Jones

Councillor(s)

P R Hood-Williams
L V Walton

Officer(s)

Paul Beynon - Chief Auditor
Richard Rowlands - Business Performance Manager
Tal Davies - Corporate Fraud Manager
Jeff Fish - Corporate Fraud Investigations Officer
Chris Williams - Head of Commercial Services
Debbie Smith - Directorate Lawyer
Pamela Milford - Senior Lawyer
Jeremy Parkhouse - Democratic Services Officer
Kate Jones - Democratic Services Officer

Also Present

Geraint Norman - Wales Audit Office

Apologies for Absence

Councillor(s): P M Meara and R V Smith

44 **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 T M White – Agenda Item 9 – Corporate Fraud Team Investigation Report – Member of the LAWDAC Board – Personal.

45 **TRAINING PRESENTATION - RISK MANAGEMENT.**

Richard Rowlands, Business Performance Manager, provided training to the Committee on Risk Management. The training highlighted the following: -

- What is Risk
- The Risk Management Cycle
- Risk Identification
- Risk Evaluation
- Risk Response

- Risk Control
- Risk Management Framework on a Page
- Role of the Audit Committee

Questions were asked of the Officer, who responded accordingly. The questions centred around: -

- Process for Identifying Risks
- Level of Risks
- Risk Registers
- Review and Access to Risk Registers
- Risk Analysis on Individual Contracts
- Escalation of Risks
- Awareness and Training on Risk Management
- Performance Indicators
- New ICT System
- Timescales for Framework and ICT System
- Public Involvement
- Setting and Measuring Targets
- More Intelligent Outcome Focussed Targets

The Chair thanked the Presenting Officer for the training and update.

RESOLVED that: -

- 1) The contents of the training be noted;
- 2) An update on the progress of Risk Management be provided in March;
- 3) The presentation be circulated to the Committee.

46 **TRAINING PRESENTATION - COUNTER FRAUD.**

Tal Davies, Corporate Fraud Team Manager, provided training to the Committee on Counter Fraud. The training highlighted the following: -

- Corporate Responsibility Legislative Duty
- Corporate Responsibility Constitutional Duty
- Financial Procedure Rule (FPR) 1: Role and scope of FPR
- FPR 2: 2.1 Reasonable Actions
- FPR 2: 2.2 Training and Awareness
- FPR 2: 2.3 Compliance
- FPR 3: Financial Management Responsibilities
- FPR 12: Internal Audit
- Countering Fraud Strategy
- Corporate Fraud Team Aims and Remit
- Reinforcing the Remit and Aims
- Team Contact Details

Questions were asked of the Officer, who responded accordingly. The questions centred around: -

- Process for deciding on Prosecutions
- The Corporate Fraud Team being made permanent following the trial period
- Best Value
- Publication of Prosecuted Cases
- Targeted Areas

The Chair thanked the Officer for the training and comments and noted that good progress had been made. It was added that there was an excellent external network and it was positive news that the team had been made permanent.

RESOLVED that: -

- 1) The contents of the training be noted;
- 2) The presentation be circulated to the Committee.

47 **HEAD OF COMMERCIAL SERVICES PRESENTATION - COMMERCIALISM STRATEGY.**

Chris Williams, Head of Commercial Services, provided a presentation to the Committee on Commercialism Strategy. The presentation highlighted the following: -

- 1) Commercial Approach
- 2) Why do we Need Change?
- 3) City and County of Swansea Strategic Aims
- 4) City & County of Swansea Commercial Objectives
- 5) Commercialism

Questions were asked of the Officer, who responded accordingly. The questions centred around: -

- Criteria for analysing quotes
- Internal Pricing
- Education Department work
- Establishing Cost of Providing Services
- Selling Expertise
- Co-Working with Schools
- School Service Level Agreements
- Devolved Budgets

The Chair thanked the Presenting Officer for the presentation.

RESOLVED that

- 1) The contents of the presentation be noted;
- 2) Members of the Committee be invited to attend the forthcoming Headteacher Workshops;
- 3) The presentation be circulated to the Committee.

48 **AUDIT COMMITTEE ACTION TRACKER REPORT. (FOR INFORMATION)**

The Audit Action Tracker Report was reported for information.

The Committee sought clarity in respect of the Annual Report of School Audits 2015/16, Member access to the Section 106 database and procedures regarding audits that had received moderate assurance levels.

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

The Audit Committee Work Plan was reported for information.

50 **EXCLUSION OF THE PUBLIC.**

The Committee was requested to exclude the public from the meeting during consideration of the item(s) of business identified in its recommendation(s) to the report on the grounds that it / they involves the disclosure of exempt information as set out in the exclusion paragraph of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007 relevant to the item(s) of business set out in the report.

The Committee considered the Public Interest Test in deciding whether to exclude the public from the meeting for the items of business where the Public Interest Test was relevant as set out in the report.

RESOLVED that the public be excluded for the following items of business.

(CLOSED SESSION)

51 **CORPORATE FRAUD TEAM INVESTIGATION REPORT.**

Jeff Fish, Corporate Fraud Investigations Officer, presented a report which provided details of an investigation by the Corporate Fraud Team relating to a Civic Amenity Site.

Questions were asked of the Presenting Officer who responded accordingly. Questions were focussed on actions taken and lessons learnt following the investigation.

Minutes of the Audit Committee (13.12.2016)
Cont'd

RESOLVED that: -

- 1) The contents of the report be noted;
- 2) The Chair writes to the Head of Waste Management to seek assurance that the lessons learned from this investigation had been adopted by the service.

The meeting ended at 4.30 pm

CHAIR