



City and County of Swansea

Minutes of the **Audit Committee**

Remotely via Microsoft Teams

Tuesday, 21 July 2020 at 2.00 pm

Present: P O'Connor (Chair) Presided

Councillor(s)

C Anderson
T J Hennegan
J W Jones
S Pritchard

Councillor(s)

P M Black
P R Hood-Williams
E T Kirchner
L V Walton

Councillor(s)

D W Helliwell
P K Jones
M B Lewis
T M White

Officer(s)

Simon Cockings
Michelle Davies
Peter Field

Adam Hill
Kate Jones
Richard Rowlands
Ben Smith
Debbie Smith

Chief Auditor
Cash Management & Accounts Receivable Manager
Principal Officer Prevention, Wellbeing and
Commissioning
Deputy Chief Executive / Director of Resources
Democratic Services Officer
Strategic Delivery & Performance Manager
Chief Finance Officer / Section 151 Officer
Deputy Chief Legal Officer

120 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.

121 Minutes.

Resolved that the Minutes of the Audit Committee held on the 30 June 2020 were approved and signed as a correct record.

122 Update on Internal Audit of Social Care Contracts.

Peter Field, Principal Officer, Prevention, Wellbeing and Commissioning presented an update report on the Internal Audit of Social Care Contracts.

As a result of an internal audit on social care contracts carried out in December 2017 an action plan was developed to address contracts that were non-compliant with the corporate Contract Procedure Rules and the Public Contract Regulations 2015.

The Committee were provided with updates regarding progress to June 2020.

There were no non-compliant contracts, however, waivers and variations were in place to enable some to be compliant with corporate requirements.

Recommissioning work would continue over the coming 12 months and contracts covered by waivers, approximately 10, would be re-tendered where necessary. A follow up audit would be carried out in Autumn 2020.

The Chair congratulated the Officer on the progress made to date and noted that re-commissioning the contracts covered by waivers, should be a key focus.

Resolved that the contents of the report be noted.

123 Internal Audit Annual Plan 2020/21 – Monitoring Report for the Period 1 April 2020 to 30 June 2020.

The Chief Auditor presented a report which provided the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 April 2020 to 30 June 2020. It was noted that this is the first period of reporting since the exposure of the challenges of COVID-19.

A total of 18 audits were finalised during Quarter 1. The audits finalised were listed at Appendix 1, which also showed the level of assurance given at the end of the audit and the number of recommendation made and agreed. A summary of the scope of audits finalised during the quarter was also provided. One moderate report was issued in the Quarter.

A total of 105 recommendations were made which were all accepted. One high risk recommendation was made.

The Internal Audit Section certified the Housing Support Grant – Regional Development Co-ordinator during the quarter.

The status of the Internal Audit Annual Plan 2020/21 was provided as at 30 June 2020.

No moderate audit reports were followed up in Quarter 1. Follow ups of the Disclosure & Barring Service 2019/20 Audit and Concessionary Fares Audit 2019/20 were scheduled for Quarter 2. Follow ups at Cwm Glas Primary School and Pen y Bryn Special School would be undertaken in the new school year.

Information was provided on the impact of COVID-19 on the Internal Audit Section, with some staff seconded or assisting with COVID-19 work as well as the impact on completing and progressing some audits with staff working from home and not having access to certain required documentation and certain departments being closed.

Assurance was provided in respect of the maintenance of independence of the Internal Audit Section whilst helping with COVID-19 work.

The Committee discussed the impact of COVID-19 specifically in Accounts Receivable and Accounts payable.

The Chair requested clarification of the root cause of the issues highlighted in Accounts Receivable in the September Audit Committee.

Update from Accounts Receivable Audit 2019/20

Michelle Davies, Cash Management & Accounts Receivable Manager, provided an update to the Committee on the progress since the Accounts Receivable Audit 2019/20

The backlog of unpaid invoices over 6 months had reduced to 3,566. Larger debts had been prioritised with the value of outstanding invoices reducing to just over £1 Million.

At the time of the some staff had been allocated to the Oracle project and new staff required trained. There was a recovery plan in place working through backlog invoices and it was expected that debt recovery would resume by September.

Resolved that:

- 1) The contents of the report be noted
- 2) A further update on Accounts receivable be provided at the Audit Committee in September.

124 Internal Audit Recommendation Follow-Up Report Q1 2020/21.

The Chief Auditor presented a report to allow the Committee to monitor the implementation status for those audits that had been subject to a follow up review in the quarter.

Appendix 1 provided a summary of the recommendations accepted and implemented. Appendix 2 provided details of recommendations not implemented.

It was highlighted that from the 205 recommendations made. 201 had been implemented. The 4 not implemented were low risk and had not been implemented primary due to COVID-19.

Resolved that the contents of the report be noted.

125 COVID-19 Recovery of Risk Management.

The Strategic Delivery & Performance Manager presented a 'for information' report which presented the plan for the recovery of risk management monitoring and reporting.

Existing work would continue on developing the reporting functionality on the new Risk Register as well as a review of all risks following the impact of COVID-19.

Adam Hill, Deputy Chief Executive, provided an update on risk management. It was reported that all audits with moderate assurances would go to each Directorate's Performance and Financial Monitoring and anything identified as adverse or red risks would be escalated to the Corporate Management Team who would have an overview of all moderate assurance audits.

The risk register was being updated and was due to be completed by the end of July.

The Chair highlighted the shortfall in assurance on risk management, which was noted in the Annual Governance statement. The importance of maintaining timescales for the review of the risk register and providing greater assurance on risk management to the Audit committee was outlined.

Resolved that the contents of the report and update be noted.

126 Audit Committee Action Tracker Report.

The Audit Committee Tracker Report was provided 'for information'.

It was noted that outstanding items were primary outstanding due to COVID-19.

127 Audit Committee Work Plan 2019/21.

The Audit Committee Work Plan was reported for information.

It was noted that the Work Plan would be kept under constant review.

The meeting ended at 2.45 pm

Chair