



City and County of Swansea

Minutes of the **Audit Committee**

Remotely via Microsoft Teams

Tuesday, 8 December 2020 at 2.00 pm

Present: P O'Connor (Chair) Presided

Councillor(s)

C Anderson
P R Hood-Williams
M B Lewis
L V Walton

Councillor(s)

P M Black
P K Jones
S Pritchard
T M White

Councillor(s)

T J Hennegan
J W Jones
A H Stevens

Lay Member

J Davies

Officer(s)

Simon Cockings
Adam Hill
Jeremy Parkhouse
Ben Smith
Debbie Smith

Chief Auditor
Deputy Chief Executive / Director of Resources
Democratic Services Officer
Chief Finance Officer / Section 151 Officer
Deputy Chief Legal Officer

Apologies for Absence: Councillors D W Helliwell and E T Kirchner
Jason Garcia (Audit Wales)

18 Welcome.

The Chair welcomed Councillor A H Stevens and Julie Davies, newly appointed Lay Member to their first Audit Committee meeting.

19 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: -

Councillors P M Black and T M White declared personal interests in Minute No.21 – Internal Audit Progress Update Report as Governors of Pentrehafod School.

20 Minutes.

Resolved that the Minutes of the previous meeting of the Audit Committee held on 10 November 2020 were approved as a correct record.

21 Internal Audit Progress Update Report. (Simon Cockings)

Simon Cockings, Chief Auditor, presented a report which provided an update to the Audit Committee on the progress made by the Internal Audit Section up to 23 November 2020.

It was outlined that as previously reported, due to the Covid-19 pandemic access to Council sites continued to be restricted. This continued to have a significant impact on the Audit Team's ability to complete on-site testing and the Team had continued to complete as much testing as possible remotely.

A total of 44 audits had been finalised in the year to date and these were provided at Appendix 1, which also showed the level of assurance given at the end of the audit, plus the number of recommendations made and agreed.

The assurance levels of the audits finalised to date were High – 28; Substantial – 15; Moderate – 1; and Limited – 0. A total of 235 audit recommendations had been made and management had agreed to implement all of the recommendations.

The Internal Audit Section had also been assisting with the Council's Covid-19 related grant payment schemes by completing a number of pre-payment checks and the number of days spent on each type of grant was provided.

Appendix 2 provided progress up to 23 November 2020 and detailed that 36 audits from the 2020/21 audit plan had been completed to at least draft report stage (23%), with an additional 37 audits in progress (23%). As a result, approximately 46% of the Audit Plan was either completed or in progress. To allow greater flexibility for the audit team, an additional 35 audits (22%) had been allocated to staff to try to progress. A significant number of audits were noted as being 'in progress', as present restrictions were impeding the ability of the Team to complete some parts of the audit programme.

It was added that the Covid-19 pandemic was likely to have a detrimental impact on the ability to deliver the full audit plan for 2020/21. However, priority would be given to the completion of the fundamental audits to ensure key systems were reviewed to provide appropriate assurance to the Section 151 Officer and the Audit Committee in these areas. Resources would also be targeted to ensure that the highest risk audits were completed wherever possible.

By 23 November 2020, three of the seven fundamental audit reviews had been completed and an additional two reviews were in progress. As a result, the Audit Team was currently on target to successfully complete all of the fundamental audit reviews due this year by the end of the financial year.

The Committee discussed the following: -

- Council Tax Fundamental Audit in Quarter 3;
- The usual provision of assurance levels within quarterly reports;
- The excellent work undertaken by the Internal Audit Team to arrive at the current position;

- The performance of the Internal Audit Team to be considered over a two year rather than one year period, given the current situation;
- Involvement of Internal Audit in checking grant details and the large sums of finances involved;
- The possibility of Internal Audit being asked to assist in other areas of Council work given the current situation and the potential risks involved to the Authority;
- The effect of the Pandemic upon the ability of Internal Audit to complete fundamental audits of some Council Departments.

The Chief Auditor stated that CIPFA had issued updated guidance which would be taken into account in the Annual Governance Statement.

The Chair stated that the Chief Auditor had enhanced the information provided regarding ratings within the reports and had also been providing the Chair with full audit reports. She also provided positive feedback on the work completed to date by the Internal Audit Team and requested that she be informed of any significant additional work received by the Team.

Resolved that: -

- 1) The content of the report be noted;
- 2) The Chief Auditor circulate the updated CIPFA guidance to the Chair / Councillor L V Walton.

22 Annual Governance Statement 2019/20 Action Plan Update. (For Information) (Adam Hill)

Adam Hill, Deputy Chief Executive presented a 'for information' update report on progress made in respect of the action plan from the Annual Governance Statement 2019/20, in light of the impact from COVID-19.

It was outlined that work to implement the action plan from the Annual Governance Statement 2019/20 was continuing during 2020/21. The report outlined what progress had taken place, how the pandemic had affected it and what arrangements had been put in place to ensure that governance remained strong.

Appendix A provided the actions for improvement identified through the Annual Governance Statement 2019/20 and the progress made implementing them during 2020/21, which included the impact from the COVID-19 pandemic. The progress update covered the following areas: Budget pressures; Workforce capacity, capability and resilience; Appraisals; Future Generations Act; Partnership governance; ICT disaster recovery; Social media; and Risk Management.

It was added that an additional report would be provided regarding the impact of the Covid 19 Pandemic on the Swansea Bay Region and the actions undertaken to mitigate its effect and provide assurance would be addressed.

The Committee discussed the following: -

- Performance Reviews – staff issues being addressed in a systematic way in order to understand staff pressures and the Council adjusting if the Pandemic continued for some time and performance reviews were crucial to monitor this going forward;
- How the Council was managing performance on a one to one basis during the Pandemic and dealing with issues on a local level rather than through appraisals;
- Embedding the Future Generation Act principles into the Council's processes and decision making;
- Social Media – the potentially huge reputational risk it has for the Council, concern regarding it being removed from the governance side, the actions being looked into and adhering to the Welsh Language Standards;
- ICT Disaster Recovery – particularly the delay in moving to cloud services being delayed for a year;
- Provision of staff training in respect of the Future Generations Act / Environment Act;
- Praise for the performance of the workforce throughout the Pandemic;
- Brexit implications which will affect the Council and the planning undertaken to prepare;
- Relying on staff goodwill – how the Authority continued to engage with the workforce, the continued goodwill shown by the workforce to serve the Council, succession planning, staff training, improved staff sickness levels partly as a result of agile working / more flexibility, details contained within the Recovery Plan and ensuring continued contact with staff throughout the Pandemic;
- Budget issues surrounding Covid 19 Pandemic, particularly procedures with Welsh Government.

The Chair stated that the Council workforce were a key issue and concern which the Committee would monitor going forward.

Resolved that: -

- 1) The Deputy Chief Executive provides an additional report regarding the impact of the Covid 19 Pandemic on the Swansea Bay Region;
- 2) Figures regarding staff sickness are circulated to the Committee;
- 3) A demonstration regarding the Future Generations Act impact assessments be provided / circulated to the Committee;
- 4) A copy of the Recovery Plan be forwarded to the Committee.

23 Election of the Audit Committee Representative on the Governance Group.

Further to the election of Councillor L V Walton as the Audit Committee representative on the Governance Group in September 2019, the election of a representative onto the Governance Group was discussed.

The Committee sought clarification as to whether the appointment was intended to be made annually on a rotational basis or open to all Audit Committee members on an annual basis.

Resolved that the item be deferred to the next scheduled meeting.

24 An Update on a Review of Partnerships. (Adam Hill)

The Deputy Chief Executive presented a report which provided a summary of the Welsh Government's and WLGA's Review of Strategic Partnerships. The report also outlined the action taken by the Welsh Government to date and indicated the implications and potential actions that Swansea Council should consider.

It was outlined that the Welsh Government and the WLGA had agreed in April 2019 to undertake a Review of Strategic Partnerships and to report to the Partnership Council for Wales. The final document was completed in June 2020 during the middle of the COVID-19 pandemic, therefore the amount of progress that had been made was limited.

The aim of the Review was to consider the partnership landscape in Wales, identify key areas where unnecessary complexity or duplication existed and to identify opportunities for simplification and rationalisation in a focused and pragmatic way.

The report detailed the background to the review, methodology, the definition of partnerships, the alignment of strategic partnerships, the barriers to aligning and rationalising partnerships, the governance and accountability of partnerships and the recommendations of the review. Appendix A provided the progress made by Welsh Government and Swansea Council in terms of implementing the recommendations from 'A Review of Strategic Partnerships' and future implications and actions for Swansea Council.

The Committee discussed the following: -

- The lack of partnerships across environmental responsibilities, the role of Public Service Boards (PSB) and the focus of Swansea PSB on environment, education and wellbeing;
- Citizen engagement and being as open as possible, engaging with young people, concern regarding the overall aim of the creation of Statutory Joint Committee's, the cost of setting up Joint Committee's and a general lack of democratic accountability across partnerships;
- The need for all partners within partnerships to be fully committed to a common aim.

The Chair stated that this was a very complex area involving partners from different areas and requested that the Deputy Chief Executive keeps the Committee informed of any risks.

Resolved that: -

- 1) The content of the report be noted;
- 2) The Deputy Chief Executive circulates to the Committee the response of the Council to the Welsh Government regarding Corporate Joint Committees.

25 Audit Committee Action Tracker Report. (For Information) (Jeremy Parkhouse)

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

The Chair commented regarding Minute No.15 – Mid Year 2020/21 Overview of Risk and stated that Sarah Lackenby, Chief Transformation Officer had confirmed that Audit Committee Members should have access to the Risk Register before Christmas and would be in contact to establish the requirements of the Committee.

The Chair added that she had met with Phil Roberts, Chief Executive and had raised the concerns of the Committee surrounding resource and governance which he would discuss with the Corporate Management Team.

26 Audit Committee Work Plan. (For Information) (Jeremy Parkhouse)

The Audit Committee Work Plan was reported 'for information'.

The meeting ended at 3.28 pm

Chair