



City and County of Swansea

Minutes of the **Audit Committee**

Remotely via Microsoft Teams

Tuesday, 19 January 2021 at 10.00 am

Present: P O'Connor (Chair) Presided

Councillor(s)

C Anderson
T J Hennegan
J W Jones
S Pritchard
T M White

Councillor(s)

P M Black
P R Hood-Williams
E T Kirchner
A H Stevens

Councillor(s)

D W Helliwell
P K Jones
M B Lewis
L V Walton

Lay Member

J Davies

Officer(s)

Adrian Chard

Simon Cockings

Adam Hill

Jeremy Parkhouse

Ben Smith

Debbie Smith

Strategic Human Resources and Organisational
Development Manager

Chief Auditor

Deputy Chief Executive / Director of Resources

Democratic Services Officer

Chief Finance Officer / Section 151 Officer

Deputy Chief Legal Officer

Apologies for Absence

None.

27 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: -

Julie Davies (Lay Member) declared a personal interest in Minute No.29 – Employment of Agency Staff Update.

28 Minutes.

Resolved that the Minutes of the previous meeting of the Audit Committee were approved as a correct record.

29 Employment of Agency Staff Update.

Adrian Chard, Strategic Human Resources & Organisational Development Manager, presented a report which provided an update on actions arising from the internal audit report into the employment of agency staff.

It was outlined that as a result of an internal audit on the Employment of Agency Staff carried out in 2019/20, an assurance level of "Moderate" was given. A follow up audit had now been completed, with confirmation that some progress had been made. However 5 of the 9 recommendations had still not been fully implemented.

Further discussions with the Audit team provided clarity that this related to the implementation of a revised Management of Agency Worker Policy, which was an identified action across the Management Action Plan. In addition, there were a few areas of non-compliance still evident in some services.

The Audit Team have acknowledged that Human Resources & Organisational Development had reminded Heads of Service of their responsibilities when it came to procuring agency workers and were are happy that there were processes in place.

It was added that an additional reminder had been issued to the Corporate Management Team and relevant Heads of Service had been contacted in areas of non-compliance to address the issues identified.

The Agency Workers Policy was currently being reviewed prior to consultation with the Trade Unions and regular reminders were being issued informing managers of their obligation to review any appointment of any agency workers for over 12 months and to consider appointing to the post. Furthermore, it was added that it had been proposed that an amendment be made to the policy limiting the amount of spend allowed on agency workers.

The Committee discussed the following: -

- Concern that only 5 out of 9 recommendations had been met, the need for further update reports / monitoring and how many of the recommendations had been completed;
- The lack of a response from a department and the follow-up process undertaken as a result of the failure to respond;
- The full review that would be undertaken by Internal Audit in 2021/2022;
- Recognising the operational need in some frontline services to employ agency staff, especially throughout the current Covid-19 Pandemic;
- How the responsibility of complying with the policy lay with individual managers.

The Chair stated that the cost of employing agency staff was significant. She also highlighted the high levels of sickness levels and queried whether these figures were linked to the cost of employing agency workers.

Adam Hill, Assistant Chief Executive stated that comparing the cost of employing agency workers against sickness levels was too simplistic and would require more detail in order to form a conclusion.

Resolved that: -

- 1) The content of the report be noted;
- 2) A follow up report be provided no later than June 2021;
- 3) A follow up report to include areas of non-compliance, the total costs involved and associated costs in relation to lost sickness days;
- 4) The Chief Auditor circulates details of the full Internal Audit report to the Audit Committee Lay Member.

30 Fundamental Audits 2019/20 Recommendation Tracker Report.

Simon Cockings, Chief Auditor presented a report which provided a summary of the recommendations made following the fundamental audits in 2019/20 and identified whether the agreed recommendations had been implemented.

Appendix 1 showed, for each fundamental audit, the number of recommendations made following the 2019/20 audits and whether they had been implemented, partly implemented, not implemented or were not yet due. A summary of the latest position on the 68 recommendations made was provided and the percentage of recommendations implemented by 18 December 2020 was 83%.

An analysis of the 11 recommendations, which had been partly or not implemented over the classification of audit recommendations used by the Internal Audit Section, was provided at Appendix 2.

The Appendix showed that of the five recommendations that had been partly implemented, one was classed as high risk and one was classed as medium risk. Both of these recommendations were in relation to the Accounts Receivable audit. This audit continued to be completed on an annual basis and as a result, the implementation of the outstanding recommendations would be reviewed as part of the 2020/21 audit. It was noted that all other partly or not implemented recommendations are classed as low risk or good practice. Further details on the recommendations which have been partly or not implemented were provided at Appendix 3.

It was commented that overall, the results of the Recommendations Tracker exercise to 18 December 2020 were positive with 55 (83%) of agreed recommendations due for implementation being implemented. A small number of recommendations still required work to implement or were due for implementation prior to the end of the financial year. Progress on the implementation of these recommendations would be reviewed during the fundamental audits for 2020/21.

It was added that the Accounts Receivable and the Accounts Payable fundamental audits were completed on an annual basis and the results of the current year audits would be reported to Committee in due course.

The Committee discussed the following: -

- Establishing if areas that had not improved were service areas or were central;
- Defining the root causes (**both central and services areas**) and introducing new methods to help prevent these causes.

The Chief Auditor confirmed that Accounts Receivable were scheduled to provide an update report to the Audit Committee scheduled for 9 February 2021 and any issues highlighted could be discussed at that meeting.

Resolved that the contents of the report be noted.

31 Election of the Audit Committee Representative on the Annual Governance Group.

Jeremy Parkhouse, Democratic Services Officer, presented a report which sought to appoint a Member representative of the Audit Committee on the Governance Group.

It was added that at the Audit Committee meeting held on 16 September 2019, Tracey Meredith, Chief Legal Officer highlighted the requirement for a Member of the Audit Committee to be a member of the Governance Group. The Committee agreed to proceed and Councillor L V Walton was appointed as the Audit Committee representative on the Governance Group for 1 year only. The Minute approving the appointment was provided at Appendix 1 and the terms of reference of the Annual Governance Group was provided at Appendix 2.

Councillors P M Black and L V Walton were proposed.

Resolved that: -

- 1) Councillor L V Walton be elected as the Audit Committee representative on the Governance Group;
- 2) The appointment be until the end of the current Council term in May 2022 only.

32 Revenue and Capital Budget Monitoring - 2nd Quarter.

Ben Smith, Chief Finance / Section 151 Officer presented the Revenue and Capital Budget Monitoring – 2nd Quarter report 'for information'.

He made reference to the difficulties being encountered by the Authority and Local Government throughout the Covid-19 Pandemic.

The Committee asked questions of the Chief Finance Officer / Section 151 Officer who responded accordingly. Discussions took place regarding the following: -

- Recovering the deficit highlighted in the report during Quarter 3;
- The expectation that any delay in processing, e.g. claiming Welsh Government funding, would not result in the final accounts being delayed;

- The Council acting as agents for Welsh Government in paying out grants to local businesses.

The Committee formally thanked the Chief Finance / Section 151 Officer and the Finance staff for the very efficient manner in which grant payments had been distributed to local businesses.

33 Audit Committee Action Tracker Report.

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

The Chair added that a number of papers had been circulated to the Committee and she requested that update reports in respect of the following be added to the Tracker: -

- Employment of Agency Staff / Staff Sickness Figures;
- Corporate Joint Committees;
- Recovery Plan.

She also requested that any responses in respect of the Future Generations Act impact assessments be forwarded to her / the Democratic Services Officer to decide if a future report is required.

Resolved that: -

- 1) Update reports in respect of the above list be added to the Audit Committee Tracker Report;
- 2) Responses in respect of the Future Generations Act impact assessments be forwarded to the Chair / Democratic Services Officer.

34 Audit Committee Work Plan.

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

The meeting ended at 10.51 am

Chair