



City and County of Swansea

Minutes of the **Governance & Audit Committee**

Remotely via Microsoft Teams

Tuesday, 13 July 2021 at 10.00 am

Present: Paula O'Connor (Chair) Presided

Councillor(s)

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

Councillor(s)

P M Black
O G James
S Pritchard
T M White

Councillor(s)

D W Helliwell
J W Jones
J A Raynor

Lay Member

Julie Davies

Officer(s)

Simon Cockings
Jeff Fish
Adam Hill
Richard Horlock
Simon Jones

Jeremy Parkhouse
Paul Relf
Jonathon Rogers
Kelly Small
Ben Smith
Debbie Smith

Chief Auditor
Corporate Fraud Team Investigator
Deputy Chief Executive / Director of Resources
Principal External Funding Officer
Social Services Strategy and Performance Improvement Officer
Democratic Services Officer
Economic Development & External Funding Manager
Corporate Fraud Team Investigator
Head of Funding and Information Unit
Chief Finance Officer / Section 151 Officer
Deputy Chief Legal Officer

Also Present

Jason Garcia

Wales Audit Office

Apologies for Absence

Councillor C E Lloyd

11 Election of the Vice-Chair for the 2021-2022 Municipal Year.

Resolved that Councillor P R Hood-Williams be elected Vice-Chair for the 2021-2022 Municipal year.

12 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 J A Raynor declared a personal & prejudicial interest in Minute No.14 – Annual Report of School Audits 2021-21 and left the meeting prior to any discussions taking place regarding that item.

Councillors P M Black and T M White declared personal interests in Minute No.14 – Annual Report of School Audits 2021-21.

13 Minutes.

Resolved that the Minutes of the previous meeting of the Governance & Audit Committee be approved as a correct record.

14 Annual Report of School Audits 2020-21. (For Information) (Nick Davies / Kelly Small)

Nick Davies, Principal Auditor presented a report which provided a summary of the school audits undertaken by the Internal Audit Section during 2020-/21 and identified some common issues found during the audits.

Kelly Small, Head of Funding and Information Unit provided responses on behalf of the Director of Education. She added that the Department were very pleased with the report and welcomed the support provided by Internal Audit.

It was outlined that an audit of each primary, secondary and special school in Swansea was undertaken every 3 years. A standard audit programme existed for each school sector.

For a number of years, a report summarising the school audits undertaken each year had been prepared for the Director of Education and Audit Committee. The report also identified the common themes which had been found during the audits.

The School Audits Annual Report 2020/21 was attached at Appendix A.

It was highlighted that this year was particularly difficult when trying to arrange and carry out school audits across the authority due to the coronavirus pandemic and the restrictions in place in relation to physical site visits. It was acknowledged that the measures introduced across the Council had inevitably had an impact on the team's ability to initiate and progress individual school audits.

It was added that whilst Internal Audit were unable to complete the majority of the primary, special and comprehensive school audits, they were able to undertake thematic reviews covering the previously reported key risk areas of Procurement and School Funds to provide assurance across this population. Three thematic audit reviews covering procurement activities across the primary, special and comprehensive schools that were due to be audited in the year were completed, in

addition to an audit of unofficial funds, managed by the primary schools and one scheduled special school. The Team were also able to successfully complete eight individual primary school audits remotely during the year.

The Committee asked a number of questions of the Principal Auditor and Head of Funding and Information Unit, who responded accordingly. Discussions centred around the following: -

- Comprehensive School audits not completed due to the pandemic restrictions and therefore being rolled forward to the current financial year.
- Ensuring details regarding training for unofficial funds being placed on schools governing body meeting agendas in September 2021.
- School Audit reports also being provided to the chair of governing bodies and the ongoing monitoring provided by the Education Department.
- Obtaining best value in schools and providing assurance, especially since the Contract Procedure Rules Band A threshold rise from £5,000 to £10,000.
- Best value obtained from the themed reviews undertaken.
- Including risk management within future school audits to ensure governance structures were adequate.
- The recommencing of Estyn inspections in September 2021, the lack of inspections between April 2020 and September 2021 due to Covid 19 and the assurance gained by challenge advisors visiting schools.
- Increased testing of school unofficial fund accounts, the resulting in an increase in non-compliance and the proposed training being organised to address the issues highlighted.

The Chair noted the gap in Estyn inspections between April 2020 and September 2021 due to Covid 19.

15 Internal Audit Section – Fraud Function Annual Report for 2020/2021. (For Information) (Jeff Fish / Jonathon Rogers)

Jeff Fish and Jonathan Rogers, Corporate Fraud Team Investigators presented a 'for information' summary of the work completed by the Fraud Function of Internal Audit in 2020/21.

The report provided a summary of the activities of the Fraud Function for 2020/2021, the value of the function and reviewed achievements compared to target outcomes contained in the Fraud Function Anti-Fraud Plan 2020/21.

The overview of the work undertaken highlighted the significant amount of work completed on the Covid-19 grant support schemes, developing preventative procedures, risk assessments and post-assurance checking in addition to investigating potential cases of fraud.

The volume of reports received by the team during 2020/21 significantly increased by almost 50% in addition to the unplanned Covid-19 work, details of which are shown in the appropriate tables within the report. This increase continued to reflect

the heightened awareness and visible profile of the team as the repository for external and internal allegations relating to the Councils functions.

The key activities in 2020/21 covered the following areas of work: -

- Joint work with Department of Work & Pensions' (DWP) Counter Fraud, Compliance and Debt Service.
- National Fraud Initiative 2020.
- Fraud Awareness.
- Inter-Agency work and Data Exchange.
- Employee related investigations.
- Covid 19.

The Review of outcomes against Fraud Function Plan for 2020/21 reported that of the seven planned Fraud Function activities, only one was fully achieved with four being partly achieved. Appendix 1 provided details of these activities. The main factor for not achieving the planned outcomes in 2020/21 was the diversion of resources for Covid 19 to grant support work.

The Committee asked questions of the Officers, who responded accordingly. Discussions centred around the following: -

- Applications by grant type – premises adaption grant application checks.
- Investigating referrals received, particularly those not achieved last year as a result of Covid 19.
- The importance of public awareness of the service as a preventative and to provide assurance.
- How the matches within the National Fraud Initiative are managed within the Authority and how the results had been very similar over a number of years.

Ben Smith, Section 151 / Chief Finance Officer thanked and congratulated the team for their achievements. He highlighted the value of the team and stated that additional resources would be considered.

The Chair and Committee also thanked the team for their work and were greatly encouraged that additional team resources were being considered.

Councillor P R Hood-Williams (Vice-Chair) presided

16 Draft Governance and Audit Committee Training Programme. (Adam Hill)

Adam Hill, Deputy Chief Executive presented the draft Governance and Audit Committee Training Programme.

It was explained that guidance issued by CIPFA in 2018 titled 'Practical Guidance for Local Authorities and Police' provided a Knowledge and Skills Framework for Audit Committees. The Framework recommended the following Core Areas of Knowledge for Audit Committee Members:

- Organisational knowledge
- Audit committee role and functions
- Governance
- Internal audit
- Financial Management and Accounting
- External Audit
- Risk Management
- Counter Fraud
- Values of good governance

A summary of the details of the core knowledge required and how this may be applied was provided at Appendix 1.

It was noted that the dates of the training were yet to be agreed and would be programmed once the training plan was agreed.

The Committee confirmed that they would be happy to attend training sessions outside of meetings and added that online training provided more flexibility for the timing / content of the sessions.

Resolved that the Governance and Audit Committee Training Programme be approved.

17 Audit Wales - Follow Up Review of Corporate Safeguarding Arrangements - Children in Swansea Council. (For Information) (Simon Jones)

Simon Jones, Social Services Strategy and Performance Improvement Officer presented 'for information' the Audit Wales (AW) – Follow Up Review of Corporate Safeguarding Arrangements – Children in Swansea Council report.

It was outlined that the report provided an overview of the AW report and recommendations, in relation to safeguarding children. It also highlighted the improvement actions taken by the Corporate Safeguarding Group to address recommendations.

A summary of the background to the follow up review carried out last year, and the approach used by AW in producing their report published in February 2020, was provided, along with the proposed actions. Appendices 1 and 2 provided the work programme and actions identified by the Corporate Safeguarding Group / task groups.

It was added that progress against Audit Wales recommendations and report would be monitored within the Council's Annual Report on Safeguarding.

The Vice-Chair noted that the Committee had previously highlighted concerns in respect of the DBS testing provided by the Authority and a further report was expected later in the year.

The Committee discussed the following: -

- Corporate performance measures in respect of DBS check compliance.
- Training school staff on Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV).
- Monitoring of and accelerating the rate of compliance with regards to safeguarding training.
- Ensuring action plan delivery dates are achieved.
- Monitoring contracts and the potential risk of school procurement in the future.
- Moving volunteers in schools onto the Oracle system.
- The patchy training provided to Councillors who act as school governors and the need for improvement in the future.
- The number of groups involved in safeguarding and ensuring clear terms of references are in place for each to avoid duplication / understand responsibilities.
- Recent introduction of private children's homes in Swansea and the need to ensure the system is dynamic enough to address the changes.
- Schools option out of the Service Level Agreement with the Authority because they felt they were not getting value for money and some schools gaining the relevant skills internally.

The Deputy Chief Executive stated that he would discuss the issues raised in the report with the Social Services Strategy and Performance Improvement Officer and report back to the Committee.

Resolved that an update report be provided to the Committee which gives assurances on the following: -

- that Action Plan dates are being met;
- the potential risk with school procurement / monitoring contracts be addressed;
- Future training provision for Councillor School Governors is provided;
- Clarity is provided regarding the terms of reference / responsibilities of the various groups supporting the Corporate Safeguarding Board.

18 Governance & Audit Committee Action Tracker Report. (For Information) (Jeremy Parkhouse)

The Governance and Audit Committee Action Tracker report was provided 'for information'.

19 Governance & Audit Committee Work Plan. (For Information) (Jeremy Parkhouse)

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

It was noted that the next meeting would be a Special Committee meeting at 10 a.m. on Tuesday, 24 August 2021.

The meeting ended at 11.34 am

Chair