



City and County of Swansea

## Minutes of the **Governance & Audit Committee**

Multi-Location Meeting - Gloucester Room, Guildhall / MS

### Teams

Tuesday, 27 September 2022 at 10.00 am

**Present:** Paula O'Connor (Chair) Presided

#### **Councillor(s)**

P R Hood-Williams  
M B Lewis  
L V Walton

#### **Councillor(s)**

A J Jeffery  
M W Locke  
T M White

#### **Councillor(s)**

J W Jones  
S Pritchard

#### **Lay Member(s)**

Gordon Anderson  
Philip Sharman

Julie Davies

#### **Officer(s)**

Jeremy Parkhouse  
Richard Rowlands  
Ben Smith  
Adrian Chard

Democratic Services Officer  
Strategic Delivery & Performance Manager  
Director of Finance / Section 151 Officer  
Strategic Human Resources and Organisational  
Development Manager  
Principal Auditor  
Head of Digital and Customer Services  
Director of Education  
Interim Head of Education Planning & Resources  
Service  
Associate Lawyer  
Head of HR & Service Centre  
Head of Democratic Services

Nick Davies  
Sarah Lackenby  
Helen Morgan-Rees  
Kelly Small

Rebecca Blackwood  
Rachael Davies  
Huw Evans

#### **Also Present**

Councillor D H Hopkins  
Gillian Gillett  
Non Jenkins

Deputy Leader of the Council  
Audit Wales  
Audit Wales

#### **Apologies for Absence**

Councillor K M Roberts

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### 34 **Disclosures of Personal and Prejudicial Interests.**

In accordance with the Code of Conduct adopted by the City and County of Swansea, the following interest was declared: -

Councillor L V Walton declared personal interest as a school governor in Minute No. 36 – Internal Audit Monitoring Report Quarter 1 2022/23.

**35 Minutes.**

**Resolved** that the Minutes of the previous meeting(s) of the Governance & Audit Committee were approved as a correct record.

**36 Internal Audit Monitoring Report Quarter 1 2022/23.**

Nick Davies, Principal Auditor presented a detailed 'for information' report which showed the audits finalised and any other work undertaken by the Internal Audit Section during the period the period 1 April 2022 to 30 June 2022.

A total of 18 audits were finalised during the quarter. The audits finalised were listed in Appendix 1, which also showed the level of assurance given at the end of the audit and the number of recommendations made and agreed. Appendix 2 provided a summary of the scope of the reviews finalised during the period.

A total of 84 audit recommendations were made and management agreed to implement 84 of the recommendations, i.e. 100% of the recommendations made were accepted against a target of 95%. All recommendations made were classified as high risk, medium risk, low risk or good practice. An analysis of the recommendations agreed during the quarter were provided.

It was added that some of the Internal Audit team's time had been taken up in the quarter assisting with the office move within the Guildhall. The team now had access to a shared agile working area within the Guildhall, which may be used for up to three days a week.

Staff sickness within the Internal Audit Team had been significant during the quarter, with a total of 32 days absence recorded. Two members of staff continue to be absent due to long-term sickness. In addition to the sickness absence, two auditors left the team during the quarter. One had retired and the other has moved to a different position within the Council.

There were no audit reports with a "Moderate" assurance level issued in the quarter.

The Committee were provided with details of follow up's completed between 1 April 2022 to 30 June 2022.

The Committee discussed the following: -

- Expectations of moderate reviews later in the year.
- Progress on filling vacant Internal Audit posts.
- The impact of long term sickness on resources.
- Work undertaken when issuing moderate reports and allowing departments the opportunity and time to implement the recommendations listed.
- Potential non-delivery of the Audit Plan as a result of sickness absence.

- Audit of Swansea Bus Station and the lack of the involvement of the Manager.
- Data security within shared agile working offices, particularly how Internal Audit secure files within locked areas.

The Chair also noted that Jeff Fish, Corporate Fraud Officer was shortly leaving the section to a new role within the Authority. She offered her best wishes and thanks to the Officer on behalf of the Committee for the support he had provided over many years.

### **37 Internal Audit Recommendation Follow-Up Report Q1 2022/23.**

The Principal Auditor presented a 'for information only' report which provided the Committee with the status of the recommendations made in those audits where the follow-up's had been undertaken in Quarter 1 - 2022/23, which allowed the Audit Committee to monitor the implementation of recommendations made by Internal Audit. Details of external audit recommendation tracking was also provided.

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

It was noted that the Audit Wales Electronic Recommendation Tracking system being developed would be rolled out once ready.

### **38 Corporate Risk Overview 2022/23 - Quarter 1.**

Richard Rowlands, Strategic Delivery & Performance Manager presented 'for information' the Quarter 1 2022/23 report which provided an overview of the status of Corporate Risk in the Council to provide assurance to the Committee that key risks were being managed in accordance with the Council's risk management policy and framework.

The following summarised the status of risks recorded in the Corporate Risk Register as at Quarter 1 2022/23:

There were 6 Red status risks in the Corporate Risk Register as at the end of Quarter1 2022/23:

- Risk ID 153. Safeguarding.
- Risk ID 159. Financial Control: MTFP aspects of Sustainable Swansea.
- Risk ID 221 Availability of Domiciliary Care.
- Risk ID 222. Digital, Data and Cybersecurity.
- Risk ID 309. Oracle Fusion.
- Risk ID 319. Escalating Provider Costs.
  
- All of the Corporate risks were recorded as having been reviewed at least once during Q1.
- 2 new risks were added to the Corporate Risk Register.
  - Risk ID 319. Escalating Provider Costs.
  - Risk ID 320. Safeguarding Mandatory Training.

- 1 Corporate risk was deactivated during Q1:
  - Risk ID 196. Workforce Strategy.
- 1 Corporate Risk was escalated to the Corporate Risk Register.
  - Risk ID 290. Impact of Poverty.
- No Corporate risks were de-escalated from the Corporate Risk Register.
- 2 Corporate Risks were changed from no RAG status to Amber status during Q1:
  - Risk ID 235. Emergency Planning, Resilience and Business Continuity.
  - Risk ID 236. Health & Safety.

The report at Appendix A includes the risks as at 30/06/22 recorded within the Council's Corporate Risk Register. The reports for each risk included general explanatory information relating to their classification.

Information regarding control measures and the internal control environment and risk reporting were outlined.

The following were discussed: -

- ID 269 – Local economy and infrastructure – concern that the review was in June 2022 and how the review of all risks would be reflected in the Quarter 2 report.
- ID 196 – Workforce Strategy being deactivated.
- Forthright and formal advice provided by the Section 151 Officer.
- Annual review undertaken by Corporate Management Team.
- Safeguarding risk and awaiting the report of the Director of Social Services.

### **39 Education Directorate: Internal Control Environment 2022/2023.**

Helen Morgan-Rees, Director of Education and Kelly Small, Head of Education Planning & Resources, provided a 'for information' report which presented the Education Directorate control environment, including risk management, in place to ensure: functions were exercised effectively; there was economic, efficient and effective use of resources, and; effective governance to secure these arrangements.

A broad break down of the Education Portfolio Budget, key points to note, key elements of the assurance framework, key aspects of the Authority's oversight of schools financial arrangements, details of schools audit arrangements and key aspects of the Education Directorate's arrangements were outlined.

Details of risk management, business continuity, Performance management / KPI's, planning, decision making, budget, fraud and impropriety, compliance with policies, rules and regulatory requirements and resources management were provided.

It was added that Risks within Education were promptly identified and managed at appropriate levels (corporate, directorate, service, programme/project), and as far as possible mitigated, as part of the service review and planning cycle processes and ongoing self-evaluation. Monitoring was conducted through the Directorate performance management and reporting mechanisms at PFM, SLB and EDSLTT meetings and programme / project boards with risks escalated as appropriate (with particular focus on 'red' risks).

Programme and project level risks associated with the Quality in Education (QEd)/Sustainable Communities for Learning Programme were managed via mature programme and project risk management processes in line with corporate requirements and the Welsh Government's grant conditions and gateway review recommendations.

The report also highlighted key elements of internal controls, data security and partnership / collaboration governance.

Appendix A provided (Directorate) Corporate and Directorate Risks and Appendix B provided the updated (Directorate) Assurance Map.

The Committee discussed the following: -

- The recently successful Estyn inspection.
- Risk management in schools and Internal Audit thematic reviews being undertaken.
- New SIMS contract with schools.
- Training provided for schools, particularly financial / procurement.
- Achieving 2010 target.
- The Department focussing upon both Directorate and Corporate risks.

The Chair thanked the Officers for providing a detailed Education Directorate review.

#### **40 Absence Management Audit Report Update.**

Adrian Chard, Strategic Human Resources and Organisational Development Manager presented a 'for information' report which provided an update on the Absence Management Audit Report.

The action plan identified High Risk and Medium Risk actions and, as previously reported to the Committee in September 2021, all recommendations had been implemented, with the exception of;

"Consideration should be given to having a discussion with the provider of the Interflex system to provide reports highlighting instances of 'unauthorised absences' – this was considered non-cost-effective."

It was explained that in line with the Oracle Fusion project, a Manager dashboard was in development and nearing readiness for User Acceptance testing. This would provide real time information for all Managers with absence management responsibility and provide them with information on the following:-

- Staff absent due to sickness (within their area only) and days lost
- Return to Work Interviews Outstanding
- Record of Action Meetings Outstanding

This information would also be available to the “Manager’s” Manager, providing additional data and information to improve Absence Management across the Authority. The positive impact of monthly reminders to managers and the appointment of Management of Absence Advisors in Education, Place and Social Services Directorates were highlighted.

The report also outlined the partnership working with Trade Unions and updated guidance had been developed in relation to the ‘Dying to Work’ Charter. Stress and Coronavirus related absences were being monitored and had started to decrease, Education, Place and Social Services Directorates feedback were detailed. Figures in relation to sickness absences since 2019/20 were listed, including a breakdown of reasons for sickness during the current financial year and progress made by Occupational Health.

The Committee discussed the following: -

- Sickness data relating to the current financial year, the potential financial implications if the figures remained high until the end of the financial year and how Directorates would have to absorb the costs from budgets.
- Remit of Management of Absence Advisors and training provision provided.
- Assurances that frontline managers were aware of the Council’s policies and procedures.
- Management of Absence Advisors working across all Directorates.
- Provision of additional details including reasons in relation to sickness within the Social Services Directorate.
- The impact of training, support and Occupational Health in driving down the overall figures.

The Chair requested that an evaluation of the effectiveness of Occupational Health be completed.

#### **41 Employment of Agency Staff Audit Report 2019/20 - 2022 Update.**

The Strategic Human Resources and Organisational Development Manager presented a ‘for information’ report on the actions arising from the Employment of Agency Staff Audit report.

Further to the report made to the Committee in October 2021, a progress update on a number of areas was provided.

The total number of Agency Workers engaged through the corporate contracted agencies (Staffline and RSD Social Care) were provided. The numbers had remained steady in the Place Directorate, reduced overall in Waste Parks and Cleansing and increase in Adult Services to help meet the resource challenges facing this service area. It was also noted that these were primarily part-time workers and some working in multiple roles.

The total spend / cost of Agency Workers for 2021/22 was £5,879,140. The monthly spend for 2022/23 to date was also provided. The largest total spend this year was with Staffline (circa £1.36 million) and RSD Social Care (circa £373 thousand). The

above figures also included provision for consultancy work, primarily in Social Services and the provision of the Welsh Government Social Care Bonus.

It was explained that further analysis of these costs had identified small numbers of agency workers engaged via non-corporate contracted agencies.

The report updated the Committee on compliance, Social Services, Place and Education Directorate's feedback.

The Committee discussed the following: -

- The number of Agency Workers being employed in Waste, the continuous need to maintain frontline services within that service area and recent recruitments made by the service.
- Provision of details of agency workers employed for more than 12 months in a future report.
- Provision of details of high usage of agency workers against high sickness levels in a future report.
- Provision of agency worker figures from the amalgamated Parks and Cleansing Services.
- The use of contractors instead of agency workers.
- The need to hire agency workers to complete seasonal jobs due to the lack of candidates.

#### **42 Public Services Ombudsman for Wales Annual Letter to the Council 2021-22.**

Sarah Lackenby, Head of Digital & Customer Services presented a 'for information' report which provided the Public Services Ombudsman of Wales Annual Letter 2021-22 for City and County of Swansea, which included the complaints performance of both Swansea Council and across the whole of Wales.

It was added that the Council recognised that in order to meet the needs and concerns of members of the public, the monitoring of complaints was a valuable resource in its requirement to continually improve services. All complaints were taken very seriously and provided valuable customer insight.

The report highlighted the good progress made by the Council including a new IT system which is under development for Corporate Complaints which will make the process easier for the public and more efficient for staff with improved reporting functionality.

The Annual Letter was provided at Appendix A and it highlighted the activities undertaken by the Ombudsman's office during the year and the Council's performance. It also contained requests by the Ombudsman for the Council to take specific actions in relation to the letter.

The Committee discussed the following: -

- The request by the Ombudsman to report the letter to Cabinet and Governance & Audit Committee.

- The role of Scrutiny in the process, particularly monitoring the Council's performance in relation to complaints.
- Progress regarding the new IT system.

The Chair and Committee noted the report and added that it was important for the Committee to see the full picture regarding complaints, particularly after examination by Internal Audit and Scrutiny in order to have assurance and to comment appropriately.

**43 Annual Review of Performance 2021-22.**

**Resolved** that the item be deferred to a future meeting.

**44 Audit Wales - Assurance & Risk Assessment (ARA) Progress Update Letter.**

Non Jenkins, Audit Wales presented 'for information' an Assurance and Risk Assessment Progress Update letter. The letter provided a progress update on the Council's arrangements for responding to the requirements of the Local Government and Election (Wales) Act 2021.

Updates were provided on the following: -

- Arrangements for self-assessment and panel assessment
- Arrangement for the consultation duty and Participation Strategy
- Arrangements for the changes to Governance & Audit Committee
- Arrangements for establishing Corporate Joint Committees (CJC's)
- Use of the Power of Competence (GPoC)

The Committee discussed the progress made by the Council, participation strategies of other local authorities in Wales, the function of CJC's across Wales, including their set-up, role of partner organisations and future updates on the areas discussed.

**45 Audit Wales Work Programme and Timetable - City and County of Swansea Council.**

Non Jenkins, Audit Wales presented 'for information' the Audit Wales Work Programme and Timetable – City and County of Swansea.

The report detailed the quarterly update and listed the following: -

- Annual Audit Summary
- Financial Audit Work
- Performance Audit Work
- Local Government National Studies Planned / In Progress
- Estyn
- Care Inspectorate Wales (CIW)
- Audit Wales National Reports and Other Outputs Published Since January 2022
- Audit Wales National Reports and Other Outputs Due to be Published (and other work in progress / planned)



- Good Practice Exchange Resources
- Recent Audit Blogs

**46 Governance & Audit Committee Action Tracker Report.**

The Governance & Audit Committee Action Tracker was reported 'for information'.

**47 Governance & Audit Committee - Work Plan 2022/23.**

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

Huw Evans, Head of Democratic Services updated the Committee on the Public Participation Strategy. He added that the Strategy was subject to a 4-week public consultation period and would be reported to Council and to a future Governance & Audit Committee meeting.

The meeting ended at 11.52 am

**Chair**