



City and County of Swansea

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

Multi-Location Meeting - Gloucester Room, Guildhall / MS

Teams

Wednesday, 12 April 2023 at 2.00 pm

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

**Councillor(s)**

A J Jeffery  
M W Locke  
T M White

**Councillor(s)**

J W Jones  
S Pritchard

**Councillor(s)**

M B Lewis  
L V Walton

**Lay Member(s)**

Gordon Anderson  
David Roberts

Julie Davies  
Philip Sharman

**Also Present**

Councillor D H Hopkins

Deputy Leader of the Council

**Officer(s)**

Ness Young  
Sarah Lackenby  
Debbie Smith  
Simon Cockings  
Jeremy Parkhouse

Interim Director of Corporate Services  
Head of Digital and Customer Services  
Deputy Chief Legal Officer  
Chief Auditor  
Democratic Services Officer

**Also Present**

Gillian Gillett

Audit Wales

**Apologies for Absence**

P R Hood-Williams

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**107 New Lay Member.**

The Chair welcomed David Roberts to his first Governance and Audit Committee meeting following his appointment as a Lay Member by Council on 30 March 2023.

**108 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 M B Lewis and T M White declared personal interests in Minute No.110 - Internal Audit Strategy & Annual Plan 2023/24.

**109 Minutes.**

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

**110 Draft Internal Audit Charter 2023/24.**

Simon Cockings, Chief Auditor presented a report which sought to approve the Internal Audit Charter 2023/24.

He highlighted the Charter was provided at Appendix 1 of the report, which included the following: -

- Definition of Internal Audit;
- Role and Function of Internal Audit;
- Scope of Internal Audit;
- Independence of Internal Audit;
- Consultancy Role of Internal Audit;
- Fraud, Bribery and Corruption Role of Internal Audit;
- Internal Audit Resources; and
- Quality Assurance and Improvement Programme

The Chief Auditor confirmed that he had no other management responsibility which restricted the independence of the Internal Audit.

It was confirmed that the Chief Auditor of Blaenau Gwent Council was undertaking the external assessment, which had already commenced. The Chair would be contacted as part of the assessment.

The Committee discussed the following: -

- The reporting lines of the Chief Auditor.
- The external assessment process and the expertise to undertake the review contained within the Chief Auditors for Wales Group.
- Possible alternative options in future years for the external assessment, particularly using an external independent assessor.
- Ensuring that the correct version of the Committee terms of reference was included with the report.

The Chair requested that the alternative options for external assessment in future years be given consideration by the Chief Auditor and CMT. The Chief Auditor informed the Committee that he would raise it at the Chief Auditors for Wales Group and highlighted that the external assessment process took place every 5 years.

**Resolved** that the draft Internal Audit Charter 2023/24 be approved, subject to the correct Committee terms of reference being included.

**111 Internal Audit Strategy & Annual Plan 2023/24.**

The Chief Auditor presented a report that sought approval of the Internal Audit Strategy and Internal Audit Plan for 2023/24.

The Internal Audit Strategy 2023/24 was provided at Appendix 1, a summary of the Internal Audit Plan 2023/24 at Appendix 2 and the Internal Audit Annual Plan 2023/24 including scope, at Appendix 3.

It was added that for 2023/24, the Internal Audit Section would be made up of 9.1 full time equivalents, plus the Chief Auditor, the same level of resources to those available in 2022/23. This gave a total number of available days of 2,366. It was highlighted that the plan provided sufficient coverage across departments.

The progress made by the Internal Audit Section in completing the Audit Plan would be reported to the Governance and Audit Committee on a quarterly basis.

The Chair commented that she had met with the Chief and Principal Auditors regarding the Plan. She added that the meeting had been very productive and comments made had been taken on Board. Discussions took place regarding the size of the Plan, the known resource of Internal Audit, the effectiveness of the Plan and compliance with lower level financial procedures.

She further added that suggested amendments were included in the Plan and the focus would initially be upon the higher risk areas until the staffing resource was confirmed.

The Committee discussed the following: -

- The difficulties faced with staffing resources.
- Revision to the cycle of Fundamental Audits to a hybrid system and monitoring of progress to free additional days.
- Consideration be given to increasing the amount of cross-cutting reviews to provide more balanced, high risk reviews which were more future focussed and how the Plan could potentially change within the year due to resources issues.
- The realistic approach being taken by the Chief Auditor in respect of the Plan and the assurance it provided to the Committee.
- Prioritisation of higher risk areas.
- Key priorities of cross-cutting and Fundamental Audits.
- Risk assessment ratings for new reviews and the procedures followed by the Chief Auditor.

The Chair asked the Chief Auditor to consider whether the reviews of Clydach and Crwys Primary Schools, which had been requested by the Education Department, were the responsibility of the department and not Internal Audit. She added that due to the size of the Plan and the resources issues, the request could be pushed back to be dealt with by central management.

**Resolved** that the Internal Audit Strategy be noted and the Annual Plan 2023/24 be approved.

## **112 Corporate Risk Overview - Quarter 4 2022/23.**

Ness Young, Interim Director of Corporate Services provided a 'for information' report which presented an overview of the status of Council's corporate risks to provide assurance to the Committee that they 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 at the end of Quarter 4 2022/23:

There were 4 Red status risks in the Corporate Risk Register as at the end of Quarter 4 2022/23:

- Risk ID 153: Safeguarding.
  - Risk ID 159: Financial Control: Medium Term Financial Plan delivery
  - Risk ID 222: Digital, Data and Cybersecurity.
  - Risk ID 334: Cost of living crisis.
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- All of the corporate risks were recorded as having been reviewed at least once during Q4.
  - No new risks were added to the Corporate Risk Register.
  - No corporate risks were deactivated.
  - No risks were escalated to the Corporate Risk Register.
  - No corporate risks were de-escalated from the Corporate Risk Register.
  - The RAG status changed Risk ID 94: Pupil attainment and achievement changed from RED to AMBER.

Appendix A presented the risks recorded on the Council's Corporate Risk Register as at 30 March 2023. It was noted that March 2023 data would appear in the Quarter 1 2023/24 risk overview report. The reports for each risk included general explanatory information relating to their classification.

Discussions followed regarding the following: -

- Whether actions introduced to control risk were working.
- Inherent / residual risks and the focus on the measures to reduce risk.
- Future training for the Committee to better understand the process, particularly the scoring processes.
- The glitch in the system which resulted in some inconsistent scores being pulled through.
- Consideration be given towards building risk tolerance into reports.

## **113 Corporate Services Directorate: Internal Control Environment 2022/23.**

Ness Young, Interim Director of Corporate Services presented a 'for information' report which provided the Corporate Services 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.

The report outlined the procedure within the Directorate relating to risk management and it was noted that there was an expectation that the Corporate Services Directorate was fully compliant with reviewing control measures, risk wording and risk level each month as part of a joined up approach. Appendix A outlined the (Directorate) Corporate and Directorate Risks up to 24 March 2023 and Appendix B the Corporate Services Assurance Map.

Details of risk management, business continuity, Performance management / KPI's, planning, decision making, budget and resources management, fraud and financial impropriety procedures, and compliance with policies, rules and regulatory requirements were provided. The partnership and collaboration governance details were also outlined.

The Committee discussed the following: -

- Partnership and collaboration, the common themes and good practice found between partner organisations and the processes being followed by the Swansea Public Services Board which would highlight the themes.
- The benefits and level of assurance Oracle Fusion would bring to the Authority and the associated risks with the project.

The Interim Director of Corporate Services was thanked for a detailed and comprehensive review.

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

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

**115 Governance & Audit Committee Work Plan 2022/23.**

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

Noted the comments of the Committee regarding meetings reverting to a six-week cycle following the Annual Meeting of Council in May 2023.

The meeting ended at 3.14 p.m.

**Chair**