



City and County of Swansea

Minutes of the **Governance & Audit Committee**

Multi-Location Meeting - Gloucester Room, Guildhall / MS

Teams

Wednesday, 17 May 2023 at 2.00 pm

Present: Paula O'Connor (Chair) Presided

Councillor(s)

P R Hood-Williams
M W Locke

Councillor(s)

A J Jeffery
S Pritchard

Councillor(s)

J W Jones
L V Walton

Lay Member(s)

David Roberts

Philip Sharman

Officer(s)

Ness Young
Ben Smith
Simon Cockings
Richard Rowlands
Huw Evans
Adrian Jeremiah
Aled Gruffydd
Sue Reed
Jamie Rewbridge

Interim Director of Corporate Services
Director of Finance / Section 151 Officer
Chief Auditor
Strategic Delivery & Performance Manager
Head of Democratic Services
Associate Lawyer
Associate Lawyer
Community Buildings Development Officer
Strategic Manager Leisure Partnerships, Health & Well
Being
Democratic Services Officer

Jeremy Parkhouse

Also Present

Gillian Gillett

Audit Wales

Apologies for Absence

Councillors M B Lewis and T M White
Julie Davies and Non Jenkins

116 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct adopted by the City and County of Swansea, no interests were declared.

117 Minutes.

Resolved that the Minutes of the previous meeting(s) of the Governance & Audit Committee were approved as a correct record, subject to the following amendment: -

Minute No. 111 – Internal Audit Strategy and Annual Plan 2023/24 – Amend paragraph 5, sentence 3 to read as follows: -

'Discussions took place regarding the size of the Plan, the know resource of Internal Audit and the potential for testing the effectiveness of the service delivery rather than testing compliance with financial procedures relating to lower areas of risk.

118 Draft Governance & Audit Committee Annual Report.

The Chair presented the draft Governance and Audit Committee Annual Report for the 2022/23 Municipal Year for the Committee to review and comment upon prior to the final report being presented to Council.

She thanked the Committee Members and officers for their work and added that the report demonstrates the breadth of work covered during the year and the challenges faced. It also provided assurances on the areas of significant risk.

The Committee discussed / highlighted the following: -

- Removing the word 'draft' from paragraphs 2.5, 2.6 and 2.7 of the report.
- Paragraph 1.8 – include the membership details of the South West Wales Corporate Joint Committee and its Governance and Audit Sub-Committee.
- Paragraph 1.9 – amend sentence two to read 'for the financial year April 2022-2023'.
- Paragraph 1.9 – amend sentence three to read '....the Council's Corporate Plan 'Delivery of a Successful and Sustainable Swansea.....'
- Paragraph 1.9 – amend last sentence to 'The Strategy was agreed by Cabinet in October 2022 and arrangements are in place to roll out the Strategy'.
- Paragraph 1.19 – Expand to explain the nature of significant challenges.
- Paragraph 3.25 – amend last sentence to '....December 2022'.
- Paragraphs 5.1 and 5.3 – Move sentences two and three of paragraph 5.3 to the end of paragraph 5.1.
- Paragraph 5.4 – amend the Committee met on 12 occasions to 11.

Resolved that the Governance and Audit Committee Annual Report 2022-2023 be agreed and subject to the amendments highlighted by the Committee being added, be forwarded to Council for approval.

119 Internal Audit Annual Report 2022/23.

Simon Cockings, Chief Auditor presented a report which summarised the work completed by Internal Audit 2022/23 and included the Chief Auditor's opinion for 2022/23, based on the work undertaken in the year.

The Internal Audit Plan 2022/23 up to 31 March 2023 was provided at Appendix 1. A complete list of each audits finalised during 2022-23, along with the level of assurance, the number of recommendations made and accepted were outlined in Appendix 2 and the performance indicators for 2022-23 were detailed in Appendix 3.

Details of the following were provided: -

- Review of 2022/23;
- Follow up work completed;
- Performance indicators;
- Quality assurance and improvement programme and Statement of Conformance with the Public Sector Internal Audit Standards (PSIAS);
- Statement of organisational independence;
- The Chief Auditor's opinion on the work completed in 2022-23.

The Chief Auditor highlighted the sickness absence within the Internal Audit Team and how that had impacted upon the delivery of the Internal Audit Plan 2022-2023.

The Committee discussed the following: -

- The benefits of inviting officers to meetings to provide progress updates in respect of moderate reports and the role of the Committee in assisting / supporting them to improve matters.
- Audit reports completed in the year establishing the number of deferred / legacy reports, the work currently in draft stage and the reports included in the opinion, the ongoing impact of Covid 19 which resulted in a rollover of work from previous years.
- Details of audit activities not included in reports, e.g. grant certification.
- The basis of the Chief Auditor's opinion.
- Confirmation that there were no areas of concern identified by the Chief Auditor beyond the 6 moderate reports already identified.
- Review of Governance arrangements within the Authority and potentially featuring this as part of the Chief Auditor's overall conclusion.
- Confirmation that the Review of Corporate Governance results would be fed into the Annual Governance Statement.
- The current resource situation within the Internal Audit Team.

The Chair highlighted that it had been a challenging year for the Chief Internal Auditor with vacancies / sickness and noted the provision for this to continue within the 2023-2024 Audit Plan. She added that the Chief Auditor had based his opinion on the work completed, had highlighted that there were no significant issues to be reported at present and provided assurance that the Corporate Governance Review was in progress, allowing time for any significant issues found to be reported to the Committee.

The Chair and Committee expressed their thanks to the Chief Auditor and the Internal Audit Team for their work throughout the previous year.

The Chief Auditor expressed his thanks to the Internal Audit Team for their work throughout the year.

Resolved that: -

- 1) The work undertaken by the Internal Audit Team in 2022/23 be noted;
- 2) The progress made against the Internal Audit Annual Plan be noted;
- 3) The Chief Auditor's opinion be noted.

120 Response to the Destination Lettings Audit Report 2022/23 - May 2023 Update.

Sue Reed, Community, Partnership & Destination (CPD) Development Manager and Jamie Rewbridge, Strategic Manager Leisure, Partnerships, Health & Well Being presented a 'for information' report which updated the Committee on progress made on the actions arising from the internal audit of destinations lettings in 2022.

It was outlined that the Action Plan at Appendix A was developed to address the recommendations identified in the audit report and provided an update on the implementation steps put in place.

The Committee were updated in respect of progress regarding Mumbles Hill Caravan Park. It was also confirmed that Langland hut rentals had received a positive response with a 100% take up and £98,000 had been received up front via online systems.

The Chief Auditor confirmed that Internal Audit were currently conducting a follow-up review and the outcome would be reported in the Quarter 1 2023-2024 report.

The Committee discussed the following: -

- The move to online accounts but still accommodating with some customers via the post.
- The huge turnaround from the previous position, how all outstanding debts were cleared and were up to date with their repayment schedules.

The Officers thanked their staff and Internal Audit colleagues for their support throughout the process.

121 Draft Annual Governance Statement 2022/23.

Richard Rowlands, Strategic Delivery & Performance Manager presented a report which provided the draft Annual Governance Statement (AGS) 2022/23 and sought the comments of the Committee prior to the report being forwarded to Council for approval as part of the Statement of Accounts.

The report referred to the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives revised framework guidance on the Code of Corporate Governance, which detailed the 7 principles provided within the framework. Details of how the Authority had complied with the framework were also outlined, along with significant issues faced during the year.

The draft AGS 2022/23 was provided at Appendix A and the final version would be reported to Council before being signed by the Leader and Chief Executive and published with the audited Statement of Accounts 2022/23.

Councillor L V Walton (Committee representative on the Governance Group) confirmed that the process remained robust and that departments continued to highlight new and significant issues promptly.

Ben Smith, Director of Finance added that senior management had discussed the document and took assurance from the AGS which was consistent and rigorous.

The Committee discussed the following: -

- Certain aspects, e.g. City Deal not being fully available to the public and the overall, how the AGS was a very useful document.
- Consider removing duplication in the report in future years to make it leaner, sharper and to provide more impact;
- The CIPFA Solace Framework being a good practice model to follow.
- The arguably lesser impact of Covid 19 throughout 2022-2023.
- Possibly further highlighting the number of governance issues at Section 13.12 in the final report.
- Highlighting the difference between the governance of risks and the risks themselves.
- Section 11.15 – including the notes of the Annual Meeting with Care Inspectorate Wales (CIW).

The Chair thanked Councillor L V Walton and officers for their work with the Governance Working Group, which was beneficial to officers and the Committee.

Resolved that: -

- 1) The Annual Governance Statement be agreed, subject to the amendments highlighted by the Committee being added.
- 2) The amended report be circulated to the Committee.
- 3) The report be forwarded to Council for approval as part of the Statement of Accounts.

122 Governance & Audit Committee - Self Assessment of Good Practice.

Ben Smith, Director of Finance / Section 151 Officer presented a 'for information' report which provided an update following the Governance and Audit Committee Members' self-assessment of good practice.

It was outlined that the self-assessment of the effectiveness of the Committee and its benchmarking against CIPFA good practice was completed in March / April 2023. The process was facilitated by Finance Department staff who were acting independently of the Internal Audit Section and Committee Members.

It was added that all Committee Members received the questionnaire and interactive self-evaluation tool issued by CIPFA. The results were summarised in Appendix 1, a

copy of the CIPFA tool provided at Appendix 2 and the previous review facilitated by Audit Wales was provided at Appendix 3.

The Committee discussed the following: -

- Committee Members meeting with Audit Wales representatives following the meeting.
- Future training needs of the Committee, particularly the provision of a training plan, the understanding of general audit processes, understanding the terminology used and measuring criteria used.
- Consideration of and expansion of work on all core areas.
- Improvements in efficiency / effectiveness since the introduction of lay members onto the Committee.
- The major advance in having officers appear before Committee to provide updates on moderate audit reports and how this fuels improvements.

The Chair commented that the whole purpose of the Committee was to be constructively challenging in order to improve Council services. She added that it was important that the Committee supported and helped officers to improve services and had a positive impact.

123 Audit Wales - City & County of Swansea Council - Outline Audit Plan 2023.

Gillian Gillett, Audit Wales presented the Outline Audit Plan 2023.

The report detailed the statutory responsibilities of the external auditor, the activities / planned outputs of the audit team, the audit responsibilities, the audit of financial statements, performance audit work, the fees and audit team.

The key dates for the delivery of the audit work and planned outputs was outlined, along with the commitment to the audit quality in Audit Wales. Appendix 1 provided the key changes to ISA 315 and the potential impact upon the Council.

The Chair thanked the Audit Wales representative for the report.

124 Governance & Audit Committee Action Tracker Report.

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

125 Governance & Audit Committee Work Plan.

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

The Committee queried when meetings would revert to a six-week cycle. It was noted that the Council Diary would be discussed at Annual Council on 18 May 2023. If agreed, Committee meetings would start a six-week cycle commencing on 14 June 2023.

The meeting ended at 3.30 pm

Chair