



Dinas a Sir Abertawe

Hysbysiad o Gyfarfod

Fe'ch gwahoddir i gyfarfod

Pwyllgor Llywodraethu ac Archwilio

Lleoliad: Cyfarfod Aml-Leoliad - Ystafell Gloucester, Neuadd y Ddinas / MS Teams

Dyddiad: Dydd Mercher, 17 Mai 2023

Amser: 2.00 pm

Cadeirydd: Paula O'Connor

Aelodaeth:

Cynghorwyr: P R Hood-Williams, A J Jeffery, J W Jones, M B Lewis, M W Locke, S Pritchard, K M Roberts, L V Walton a/ac T M White

Aelod(au) Lleyg: Gordon Anderson, Julie Davies, David Roberts a/ac Philip Sharman

Gwyllo ar-lein: <https://bit.ly/3nshPwD>

Agenda

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| 2 | Datgeliadau o fuddiannau personol a rhagfarnol.
www.abertawe.gov.uk/DatgeliadauBuddiannau | |
| 3 | Cofnodion.
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Cyfarfod nesaf:



Huw Evans
Pennaeth y Gwasanaethau Democrataidd
Dydd Iau, 11 Mai 2023

Cyswllt: Gwasanaethau Democrataidd: - 636923

Agenda Item 3



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

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.
-
- 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

Agenda Item 4



Report of the Chair of the Governance and Audit Committee

Governance and Audit Committee – 17 May 2023

Draft Governance and Audit Committee Annual Report 2022/23

Purpose:	This report provides the draft Governance and Audit Committee Annual Report for the 2022/23 municipal year.
Policy Framework:	None.
Consultation:	Legal, Finance and Access to Services.
Recommendation:	It is recommended that: - i) Members review and comment on the Draft Governance & Audit Committee Annual Report so that amendments may be considered prior to the final report being presented to Council.
Report Authors:	Paula O'Connor, Simon Cockings, Jeremy Parkhouse
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Draft Governance and Audit Committee Annual Report 2022/23

- 1.1 The Draft Governance and Audit Committee Annual Report for 2022/23 prepared by the Chief Auditor, Democratic Services and the Chair of the Governance and Audit Committee can be found in Appendix 1. The report provides an overview of the Governance and Audit Committee's work in the municipal year 2022/23.

2. Integrated Assessment Implications

- 2.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015

and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

2.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

2.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

2.4 The completion of the Integrated Impact Assessment Screening revealed that:

- The Governance and Audit Committee Annual Report has a low positive impact across all groups.
- It has been subject to consultation with Legal, Access to Services and the Chair of the Governance and Audit Committee.
- All Well-being of Future Generations Act considerations are positive and any risks identified are low.
- The overall impact of the Governance and Audit Committee Annual Report is positive as it will support the Authority in its requirement to protect public funds.

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

4.1 Part of the role of the Governance and Audit Committee as set out by the Local Government (Wales) Measure 2011 is to make reports and recommendations in relation to the authority's financial affairs, including an assessment of the risk management and corporate government arrangements and the adequacy and effectiveness of those arrangements.

Background Papers: None.

Appendices: Appendix 1 – Draft Governance and Audit Committee Annual Report
Appendix 2 – Governance and Audit Committee Terms of Reference
Appendix 3 – Integrated Impact Assessment



Draft Governance and Audit Committee Annual Report 2022/23

City & County of Swansea

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1. Foreword by Mrs Paula O'Connor, Chair of the Audit Committee

- 1.1 I am pleased to present this report prepared by the Chief Auditor and Democratic Services that reflects on the work of the Governance & Audit Committee. The report provides an overview of the Governance & Audit Committee's work in the municipal year 2022/23. On 31st May 2022 the Governance & Audit Committee considered the election of Chair for 2022/23 Municipal Year where it was resolved that Paula O'Connor be elected Chair. At the same meeting Councillor P R Hood-Williams was elected Vice-Chair for the 2022/23 Municipal Year.
- 1.2 The full Council agreed that the Governance & Audit Committee would be set at 15 members with one third of those being Lay Members to comply with the requirements of the Local Government and Election (Wales) Act. This resulted in the Council seeking to recruit a further three Lay Members. By May 2022 an additional two new Lay Members were successfully recruited – Mr Phillip Sharman and Mr Gordon Anderson. In March 2023 the Council were successful in appointing the fifth Lay Member Mr David Roberts who will assume his position in April 2023 thus being fully compliant with legislative requirements.
- 1.3 In addition, Cllr Lesley Walton was elected by the Governance & Audit Committee to be the Representative on the Governance Group. This Group ensures that the Annual Governance Statement is complete and accurate and is in harmony with the work of the Governance & Audit Committee. The Annual Governance Statement will be presented together with this Annual Report of the Governance & Audit Committee at the May 2023 meeting.
- 1.4 A formal Training Programme has been in place throughout the year to ensure the Committee Members understand their roles and responsibilities. This also provides a clear understanding of the roles of Performance and Scrutiny.
- 1.5 The Local Government and Election (Wales) Act requires careful coordination between Governance & Audit Committee and the Scrutiny Committee. To aide this, the Work Programme of both Committees are appended to every meeting of the Governance & Audit Committee.
- 1.6 In addition, the Chair of Scrutiny attends the Governance & Audit Committee to present the Annual report. Similarly, the Council's Performance Report was brought to the attention of the Governance & Audit Committee on 14th December 2022 by Cllr Chris Holley, Chair of the Service Improvement & Finance Scrutiny Panel in order to give assurance to the Committee that it had been subject to review and challenge by the Panel.
- 1.7 The Chair has assured the Council that every effort will be made to gain maximum effectiveness in the work of scrutiny and audit in order to avoid stepping outside of the remits of their terms of reference. More recently, on 14th March 2023 the Chair attended the Scrutiny Programme Committee to

discuss Governance & Audit Committee and Scrutiny relationships to reinforce and clarify those responsibilities. The terms of reference are reviewed annually in conjunction with the Monitoring Officer to ensure that they reflect the most up to date legislation. The Committee terms of reference forms part of each Agenda as an aide to ensure that Members are sighted of its role.

- 1.8 The Chair would note that the South West Wales Corporate Joint Committee was established early 2022 to meet the requirements of Part 5 of the Local Governance and Elections (Wales) Act 2021. Further insight was given to Members as to the current status and progress of the CJC at the September 2021 Governance & Audit Committee and then in December 2021 the Governance & Audit Committee were informed of progress and next steps being taken in establishing a formal governance framework. At that time, it was envisaged that the status and progress of the work of the CJC would be brought back to the Governance & Audit Committee during the early part of 2022 when consideration would be given to any further changes to Terms of Reference of the Governance & Audit Committee. In March 2023 the Committee received a report on the Governance and Assurance Arrangements of Swansea Council's Strategic Partnerships. One of the Partnerships was the South West Wales Corporate Joint Committee. The Chair confirms that the Governance and Audit Sub Committee of this Partnership met on 11 November 2022 to agree Terms of Reference, but no further meetings have taken place since this date. However, recent notification indicates that a July 2023 is being arranged. As a result, the Terms of Reference for the Council's Governance & Audit Committee will need to be kept under review.
- 1.9 The Governance & Audit Committee have continued to express concern around the absence of the Workforce Strategy and the challenges placed on resources. In February 2022 the Strategic HR&OD Manager confirmed that a proposed Workforce Strategy has been developed for the financial year April 2022-2025. It was also confirmed that the Strategy took into consideration the Council's Corporate Plan "Delivery a Successful and Sustainable Swansea" as well as the provisions of the Well-Being of Future Generations (Wales) Act 2015. The Strategy was launched during 2022.
- 1.10 Subsequently, a key report was presented to the Committee on 17th November 2022 informing the Committee of the Council's Transformation Goals and Strategy. This report noted that the first two phases of Achieving Better Together strategy and goals ended in May 2022 with the development of the council workforce strategy amongst other activities. However, to deal with the challenges ahead the Council declares that "between 2022 and 2027 the Council will deliver at least the same if not better outcomes for our population and improve our efficiency by making significant changes to the way we work and how our services are designed and delivered". The Governance & Audit Committee will receive future updates.

- 1.11 The Committee noted that a number of key staff changes took place during the year including the departure of the Chief Executive and the Deputy Chief Executive/Director of Corporate Services. As a result, Interim arrangements were put in place, but this did not impact on the access that the Chair had to Senior Officers. The Chair has continued to speak regularly to the new Chief Executive and Director of Corporate Services.
- 1.12 The Chair also highlights that the Committee has previously reported on the shortfall in assurances being received around the Council's Risk Management arrangements. However, the Chair has ensured that the Service Directors have attended the Governance & Audit Committee during the year to provide assurance to the Committee that individual functions are exercised effectively, and there is economic, efficient, and effective use of resources and effective governance. The Director of Corporate Services has been reviewing the risk management system with the aim of enhancing the current reporting to the Committee.
- 1.13 The Governance & Audit Committee terms of reference states that the Committee "oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
- 1.14 In March 2022 the Chief Internal Auditor presented the Draft Internal Audit Plan for 2022/23 and methodology applied. The Chair commented that the Committee was able to support approval of the Plan to Council with the caveat that assurances had been obtained from the Chief Internal Auditor that the Plan was risk based and complied with the Public Sector Internal Audit Standards. The Committee continued to seek further understanding of the scope of the reviews during 2022/23.
- 1.15 The Committee received the 2022/23 Internal Audit Plan and Charter on 8th March 2022 and has received reports regularly during the year from the Chief Internal Auditor. The Chief Internal Auditor explained the staff resource pressures throughout the year and also advised that at the year end 62% of the plan would be completed which would be sufficient to provide the Head of Internal Audit Opinion. The Chair has expressed her gratitude to the Chief Auditor and his Team in progressing with the plan during a period of unplanned staff absences. During 2022/23 the Chief Auditor reported a number of Moderate Assurance audit reports that resulted in those responsible attending Governance & Audit Committee to give assurance that appropriate action was being taken where significant weaknesses in control were identified. During the year the Chief Internal Auditor updated the Governance & Audit Committee of those audit assignments that had to be deferred. The final Chief Internal Auditor opinion is due to be presented to the Audit Committee in May 2023.
- 1.16 Audit Wales presented their 2022 Audit Plan to the Governance & Audit Committee on 15th June 2022, and has provided the Committee with regular updates to their work. Their Quarterly update to 30 September 2022 was presented to the December 2022 Committee meeting. Also, the update to 31 December 2022 was presented to the March 2023 Committee meeting.

Audit Wales have encountered staffing pressures throughout the year and have kept the Committee and full Council abreast of the situation.

- 1.17 The Committee has repeatedly checked progress with the development of the tracker to give focus to completion of external audit recommendations. Until this tracker is fully developed and put into place the Scrutiny Committee has a role in challenging non implementation of Audit Wales recommendations as well as the Governance & Audit Committee. The Council has also implemented a system whereby they are able to track who was allocated Audit Wales reports for actioning recommendations.
- 1.18 On 13 July 2022 the Committee received the 202/23 Fraud Function Annual Plan. The 2021/22 Anti-Fraud Annual Report was received at the same meeting. In December 2022 the Corporate Counter Fraud Function presented their mid-year update report on progress against the plan. This report identified the Teams limited resources that impacts on their ability to be proactive in certain areas albeit the National Fraud Initiative work is considered proactive.
- 1.19 The Council has continued to face significant challenges during 2022/23. However, Audit Wales has confirmed at the March 2023 meeting that they intend to issue an unqualified opinion on the 2021/22 accounts.

2. Role of the Governance and Audit Committee

- 2.1 The Local Government & Elections (Wales) Act became law in January 2021. The Act superseded the Local Government (Wales) Measure 2011. The Act also extended the remit of the Governance and Audit committee, with Members now having additional responsibility to review and assess the Council's performance management and complaints handling procedures.
- 2.2 The Measure requires the Governance and Audit Committee to:
 - Review and scrutinise the Council's financial affairs.
 - Make reports and recommendations in relation to the Authority's financial affairs.
 - Review and assess the risk management, internal control and corporate governance arrangements of the Authority.
 - Make reports and recommendations to the Authority on the adequacy and effectiveness of those arrangements.
 - Oversee the Council's internal and external audit arrangements and review the financial statements prepared by the Authority.
 - Review the Council's draft response to the Panel Performance Assessment Report, and make any appropriate recommendations for changes.
 - Review and assess the authority's ability to handle complaints effectively and to make any associated reports and recommendations in relation to the authority's ability to handle complaints effectively.

- 2.3 The Local Government & Elections (Wales) Act 2021 also stipulates that at least one third of the Governance and Audit Committee must be Lay Members. The current Chair of the Committee is a Lay Member and a further four Lay Member have been appointed to the Committee to satisfy the requirements of the Act.
- 2.4 The work of the Governance and Audit Committee is structured so that the Committee can gain assurance over the areas identified above and to comply with its terms of reference as amended to reflect the changes introduced by the Local Government and Elections (Wales) Act 2021. The Terms of Reference of the Committee can be found in Appendix 2.
- 2.5 This draft report describes the assurance that has been gained by the Governance and Audit Committee from various sources during 2022/23 and also outlines a number of other areas where briefings have been provided to the Committee.
- 2.6 The draft Governance and Audit Committee Annual Report 2022/23 is reported to the Committee to provide Members with the opportunity to give their views on the assurances received and to identify the key messages arising from the work of the Committee during the year which should be reported to full Council.
- 2.7 The draft report will be amended for any comments made at this meeting with the final report being presented to the Governance and Audit Committee for formal approval at a later meeting. The Chair will then present the Annual Report to Council later in the year.

3. Work of the Governance and Audit Committee in 2022/23

- 3.1 The Governance and Audit Committee has received regular reports in relation to standard agenda themes and received reports of interest based on risk, governance and internal control. Each aspect is reported on below.

Standard Items

Internal Audit Assurance

- 3.2 The Governance and Audit Committee approved the Internal Audit Charter 2022/23 as required by the Public Sector Internal Audit Standards.
- 3.3 The Committee also approved the Internal Audit Annual Plan 2023/24 and has received quarterly monitoring reports from the Chief Auditor showing progress against the 2022/23 Audit Plan.
- 3.4 The quarterly monitoring reports identified any audits that received a moderate or limited level of assurance along with an outline of the issues which led to the audit receiving the negative assurance level. A second quarterly report has also been presented to the Committee to allow members

to review and monitor the implementation of the recommendations made in the internal audit reports that had been issued during the year.

- 3.5 From April 2018 the relevant Head of Service and Service Manager (or Headteacher and Chair of Governors) have been required to attend the Governance and Audit Committee following a moderate or limited audit report being issued in order to provide an update to members as to what action is being taken to address the issues that have been highlighted by the audit.
- 3.6 The Internal Audit Annual Report for 2021/22 was reported to the Committee in May 2022. The report included a review of actual work completed compared to the Annual Plan.
- 3.7 The Internal Audit Annual Report for 2021/22 also included the Chief Auditor's opinion on the internal control environment which stated that based on the audit testing carried out reasonable assurance could be given that the systems of internal control were operating effectively and that no significant weaknesses were identified which would have a material impact on the Council's financial affairs.
- 3.8 The Internal Audit Annual Report of School Audits 2021/22 was presented to the Governance and Audit Committee in July 2022. This report summarised the findings of the thematic audits and a small number of school audits undertaken during the year and identified some common themes across the schools that had been included in the audits undertaken.

Annual Governance Statement 2021/22

- 3.9 The draft Annual Governance Statement for 2021/22 was presented to the Committee in May 2022, prior to being reported to Council for approval.
- 3.10 A Governance Group was established by the Council in 2018/19 comprising of the Deputy Chief Executive, the Director of Finance & Section 151 Officer, Monitoring Officer, Strategic Delivery and Performance Manager and the Chief Auditor (in an advisory capacity). A member of the Governance and Audit Committee is also a member of the Group. The Group is tasked with overarching responsibility for ensuring existing corporate governance arrangements are effective across the Council.
- 3.11 The presentation of the draft Annual Governance Statement gave the Committee the opportunity to review and comment upon the Statement to ensure it properly reflected the assurances provided to the Committee.

Annual Statement of Accounts 2021/22

- 3.12 The Deputy Director of Finance & Section 151 Officer presented the draft Statement of Accounts 2021/22 for the Council in March 2023. Officers answered a number of queries raised by members of the Committee.

- 3.13 Following completion of the audit of the Statement of Accounts 2021/22, Audit Wales presented its ISA 260 reports on the audit of financial statements of the Council to the Governance and Audit Committee prior to the report going to full Council. The report presented the detailed findings of the audit and stated that Audit Wales's view was that the accounts gave a true and fair view of the financial position of the Council with an unqualified audit opinion.

External Audit Assurance

- 3.14 As well as the Audit of the Statement of Accounts (ISA 260) reports mentioned above, Audit Wales also provided update reports at a number of the scheduled meetings. The reports outlined the progress being made in financial and performance audit work to the Committee providing assurance by presenting the following reports:

- Audit Wales - 2022 Audit Plan – City and County of Swansea Council.
- Joint Presentation - Audit of the Council's coming out of COVID activities.
- Audit Wales Work Programme and Timetable – City and County of Swansea Council – Quarters 1-4.
- Audit Wales - Assurance & Risk Assessment (ARA) Progress Update Letter.
- Audit Wales Reports - Readiness of the Public Sector for Net Zero Carbon by 2030.
- Audit Wales - Assurance and Risk Assessment 2021-22 Financial Position Update.

Implementation of Audit Recommendations

- 3.15 An important role undertaken by the Governance and Audit Committee is monitoring the implementation of agreed audit recommendations arising from both internal and external audit.
- 3.16 The implementation of any Internal Audit recommendations arising from fundamental audits is reported to the Governance and Audit Committee in the Recommendations Tracker Report. For 2021/22, the results of the tracker exercise showed that 67% of agreed recommendations had been implemented by September 2022.
- 3.17 The implementation of any high or medium risk recommendations arising from non-fundamental audits that received a moderate or limited level of assurance are subject to follow up visits by Internal Audit to confirm they have been implemented. The results of the follow up audits are reported to the Governance and Audit Committee in the Quarterly Internal Audit Monitoring Reports.
- 3.18 The Internal Controls Report presented to the Governance and Audit Committee by the external auditors includes any recommendations made as a result of their work and the action taken by management to implement the recommendations.

Governance and Risk Management

- 3.19 The Local Government & Elections (Wales) Act 2021 makes the overview of risk management a function of the Governance and Audit Committee
- 3.20 The Strategic Delivery & Performance Manager provided regular updates to the Committee in relation to Risk Management throughout the year via the Quarterly Overall Status of Risk Reports.
- 3.21 A new Risk Management System was introduced in December 2019. Following the introduction of the new system, work was undertaken to embed in the new risk management processes across the Council. The Strategic Delivery and Performance Manager began presenting reports outlining the contents of the new Risk Management System from February 2021 and work has continued in year to enhance the reporting functionality of the system. This remains one of the key areas of focus for the Governance and Audit Committee in 2023/24.

Relationship with Scrutiny Function

- 3.22 The Governance and Audit Committee has continued to develop a relationship with the Scrutiny function. The relationship is intended to ensure the following:
- Mutual awareness and understanding of the work of Scrutiny and the Governance and Audit Committee.
 - Respective workplans are coordinated to avoid duplication / gaps.
 - Clear mechanism for referral of issues if necessary.
- 3.23 The Chair of the Scrutiny Programme Committee attended the Governance and Audit Committee to provide an update on the work of Scrutiny in October 2022. The Chair of the Scrutiny Committee is Councillor Peter Black.
- 3.24 The Chair of the Governance and Audit Committee has also attended the Scrutiny Programme Committee and provided an update on the Governance & Audit Committee / Scrutiny Relationship in March 2023. This was part of ongoing efforts to strengthen that relationship and closer working.

Anti-Fraud

- 3.25 A Corporate Fraud Function was established during 2015/16 within the Internal Audit Section. The Corporate Fraud Function Annual Report 2021/22 and Corporate Fraud Anti-Fraud Plan for 2022/23 were presented to the Governance and Audit Committee in July 2022. The Fraud Function Annual Report for 2022/23 is due to be presented later in the 2023/24 Municipal Year. The Governance and Audit Committee also received a Mid-Year Fraud Function Update Report in December 2023.

Governance and Audit Committee Reports

- 3.26 The Governance and Audit Committee received a number of reports during 2022/23, agendas and reports can be located at: -
<https://democracy.swansea.gov.uk/ieListMeetings.aspx?CIId=123&Year=0&LLL=0>

- Internal Audit Annual Report 2021/22.
- Draft Governance and Audit Committee Annual Report 2021/22.
- Draft Annual Governance Statement 2021/22.
- Election of Governance & Audit Committee Representative on the Governance Group.
- Internal Audit Annual Plan 2021/22 - Monitoring Report for the Period 1 January 2022 to 31 March 2022.
- Response to the Freedom of Information Audit 2022.
- Service Centre – Accounts Receivable – Moderate Report.
- Internal Audit Recommendation Follow-Up Report Q4 2021/22.
- Internal Audit Section - Fraud Function Annual Report 2021/2022.
- Internal Audit Section - Fraud Function Anti-Fraud Plan for 2022/23.
- Annual Report of School Audits 2021-22.
- Update Report South West Wales Corporate Joint Committee.
- Internal Audit Report - Accounts Receivable Action Plan.
- Workforce Strategy.
- Annual Complaints Report - Six Month Update.
- Local Code of Corporate Governance: Framework of Assurance.
- Overview of the Governance and Assurance arrangements of Partnerships and Collaborations.
- Internal Audit Monitoring Report Q 1 2022/23.
- Internal Audit Recommendation Follow-Up Report Q1 2022/23.
- Corporate Risk Overview 2022/23 - Quarter 1.
- Education Directorate: Internal Control Environment 2022/2023.
- Absence Management Audit Report Update.
- Employment of Agency Staff Audit Report 2019/20 - 2022 Update.
- Public Services Ombudsman for Wales Annual Letter to the Council for the Period 2020-21.
- The Annual Review of Performance 2021-22.
- Scrutiny Annual Report 2021-22 & Scrutiny Work Programme.
- Joint Presentation - Coming Out Of COVID. Fraud Function Annual Report 2020/21.
- Internal Audit Monitoring Report Quarter 2 2022/23.
- Moderate Report - Destination Lettings 2022/23.
- Corporate Risk Overview - Quarter 2 2022/23.
- Finance Directorate: Internal Control Environment 2022/2023.
- Social Services Directorate: Internal Control Environment 2022/23.
- Internal Audit Recommendation Follow-Up Report Quarter 2 2022/23.
- Fundamental Audits 2021/22 Recommendation Tracker.
- Response to the Rechargeable Works Report 2022/23.
- Western Bay Adoption Service Report 2022/23.
- Internal Audit Section - Corporate Fraud Function Mid-Year Update Report for 2022/2023.
- Transformation Goals & Strategy Reviews.
- Annual Complaints Report 2021-22.
- Accounts Receivable.
- Report on the Audit Wales 'Time for Change' – Poverty in Wales Report Recommendations.
- Internal Audit Monitoring Report - Quarter 3 - 2022/23.

- Internal Audit Recommendation Follow-Up Report Quarter 3 2022/23.
- Corporate Risk Overview 2022/23 - Quarter 3.
- Place Directorate: Internal Control Environment 2022/2023.
- Social Services Absence Management Audit Report Update.
- Employment of Agency Staff Audit Report 2019/20 - February 2023 Update.
- Draft Statement of Accounts 2021/22.
- Internal Audit Annual Plan Methodology.
- Draft Internal Audit Annual Plan 2023/24.
- The Governance and Assurance Arrangements of Swansea Council's Strategic Partnerships.
- Progress on the Upgrade of Oracle.
- Public Participation Strategy.
- Update on the Council's Transformation Programme, including Governance.
- Draft Internal Audit Charter 2023/24.
- Internal Audit Strategy & Annual Plan 2023/24.
- Corporate Risk Overview - Quarter 4 2022/23.
- Corporate Services Directorate: Internal Control Environment 2022/23.

Governance and Audit Committee Training

3.27 The Governance & Audit Committee Training Plan 2022/23 was approved by the Committee on 12 April 2022. Councillors and Lay Members received the following training throughout the Municipal year: -

- Governance and Audit Committee Induction Training.
- Organisational Knowledge / Committee Role & Function / Financial management & accounting / External audit / Values of good governance.
- Corporate complaints / Governance / Performance management & monitoring.
- Counter fraud.
- Corporate complaints Update / Cyber Security.
- Understanding Financial Statements.

4. Looking Forward

4.1 Looking ahead to 2023/24 the Governance & Audit Committee's membership and responsibilities will need to be kept under review to ensure that a Training Programme continues to be in place that reflects the needs of new Councillors and Lay Members. Governance & Audit Committee Members completed an assessment of performance in March 2023 and the outcome of this self-assessment will be considered at the May 2023 meeting. If the self-assessment identifies any additional Member needs, this will be added to the Training Programme.

4.2 The Committee's concerns expressed during the 2022/23 Municipal year will be appropriately reflected in the Annual Governance Statement and will include performance against the Transformation Strategy, and the further

improvements required to embed the risk management arrangements and enhanced reporting of risk. In addition, for those Moderate or Limited Assurance Internal Audit reports issued during the year the Committee will seek further updates to ensure all internal audit recommendations have been actioned. Also, the Significant Governance issues noted in the Annual Governance Statement will be considered by the Committee and will include Workforce capacity and capabilities (including Agency use and Sickness), Performance Management review, ICT Disaster Recovery and Procurement.

5. Committee Membership & Attendance

- 5.1 The membership of the Governance & Audit Committee at the start of the 2022/23 Municipal Year consisted of 4 Lay Members and 10 Non-Executive Councillors elected by Council. Lay Members are appointed for no more than two administrative terms with Council Members reappointed annually.
- 5.2 The Committee is serviced by Council Officers, principally the Director of Finance / Section 151 Officer, Deputy Chief Legal Officer, Strategic Delivery & Performance Officer, Chief Auditor and Democratic Services. Representatives from the Audit Wales also attend Committee meetings.
- 5.3 During 2022/23 the Committee has followed a structured workplan which covered all areas of the Committee's responsibilities with the aim of obtaining assurance over the areas included in its terms of reference. The Committee now includes 5 Lay Members as required by the Local Government and Elections (Wales) Act 2021. A Lay Member is also the Chair of the Committee.
- 5.4 The Governance and Audit Committee met on 12 occasions up to 12 April 2023, during the 2022/23 Municipal year. The meeting agendas, minutes and recordings can be located at:

<https://democracy.swansea.gov.uk/ieListMeetings.aspx?CId=123&Year=0&LLL=0>

5.5 Committee Member attendance in 2022/23 is shown in the following table:

Attendance 2022/23	Possible	Actual
Independent Lay Members		
Mrs Paula O'Connor (Chair)	11	10
Gordon Anderson	11	7
Julie Davies	11	10
Phil Sharman	11	11
David Roberts	1	1
Non-Executive Councillors		
Councillor Paxton Hood-Williams (Vice Chair)	11	10
Councillor Alan Jeffrey	11	8
Councillor Terry Hennegan	11	3
Councillor Jeff Jones	11	11
Councillor Mike Lewis	11	8
Councillor Michael Locke	11	11
Councillor Sam Pritchard	11	11
Councillor Kelly Roberts	11	7
Councillor Lesley Walton	11	10
Councillor Mike White	11	11

6. Future Governance and Audit Committee Meetings

- 6.1 As agreed by the Head of Democratic Services, the Council Diary for the 2023/2024 Municipal year includes Governance and Audit Committee meetings on a six-weekly basis. The Chair has confirmed that the impact of the six weekly meetings will be kept under review as it is likely that the meetings will extend beyond the current two-hour timeframe.
- 6.2 Additional/special meetings may need to be held at certain times of the year to ensure the smooth delivery of the Committee's work programme. The Committee also has the ability to call further additional meetings when required.

7. Governance and Audit Committee Contact Details

Paula O'Connor Chair of Governance and Audit Committee	Chair.Audit@swansea.gov.uk
Councillor Paxton Hood-Williams Vice Chair of Governance and Audit Committee	Cllr.Paxton.Hood-Williams@swansea.gov.uk 01792 872038
Ben Smith Director of Finance & Section 151 Officer	Ben.Smith@swansea.gov.uk 01792 636409
Jeff Dong Deputy Chief Finance & Section 151 Officer	Jeffrey.Dong@swansea.gov.uk 07810438119/ 07811847582
Simon Cockings Chief Auditor	Simon.Cockings@swansea.gov.uk 01792 636479
Gillian Gillett Audit Wales	Gillian.Gillett@audit.wales
Tracey Meredith Monitoring Officer & Chief Legal Officer	Tracey.Meredith@swansea.gov.uk 01792 637521
Debbie Smith Deputy Monitoring Officer & Chief Legal Officer	Debbie.Smith@swansea.gov.uk 07976659500
Richard Rowlands Strategic Delivery & Performance Manager	Richard.Rowlands@swansea.gov.uk 01792 637570

Governance & Audit Committee – Terms of Reference

Statement of Purpose

The Governance and Audit Committee is a key component of the City and County of Swansea's corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Governance and Audit Committee is to provide independent assurance of the adequacy of the risk management framework, the internal control environment and the performance assessment of the Council. It provides an independent review of the governance, performance assessment, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Membership

The Local Government (Wales) Measure 2011 provides that two thirds of the members of the Committee are to be members of the council and one third must be lay members. Only one member of the Cabinet or Assistant to the Cabinet may sit on the Committee, and that person must not be the Leader. The Chair must be a lay member and the vice chair must not be a member of the Cabinet or an Assistant to the Cabinet.

Governance, Performance, Risk and Control

- a) To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- b) To review the Council's draft annual Self-Assessment Report, and make any appropriate recommendations for changes to the conclusions or actions the Council intends to make.
- c) To review the Council's draft response to the Panel Performance Assessment Report, and make any appropriate recommendations for changes.
- d) To review the Council's draft response to any Auditor General's recommendations arising from a special inspection in respect of the Council's performance requirements and to make any appropriate recommendations for changes.
- e) To review and assess the authority's ability to handle complaints effectively and to make any associated reports and

recommendations in relation to the authority's ability to handle complaints effectively.

- f) To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances.
- g) To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- h) To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- i) To monitor the effective development and operation of risk management in the Council.
- j) To monitor progress in addressing risk related issues reported to the Committee.
- k) To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- l) To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- m) To monitor the counter fraud strategy, actions and resources.
- n) To review any proposals in relation to the appointment of external providers of internal audit services and to make recommendations.
- o) To review the governance and assurance arrangements for significant partnerships or collaborations.

Internal Audit

- p) To approve the internal audit charter and resources.
- q) To approve the risk-based internal audit plan, containing internal audit's resource requirements, the approach to using other sources of assurances and any work required to place reliance upon those other sources.
- r) To approve significant interim changes to the risk based internal audit plan and resource requirements.

- s) To make appropriate enquiries of both management and the Chief Internal Auditor to determine if there are any inappropriate scope or resource limitations.
- t) To consider the Chief Internal Auditor's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- u) To consider the Chief Internal Auditor's annual report.
- v) To consider reports from the Chief Internal Auditor on Internal Audit's performance during the year including the performance of external providers of internal audit services.
- w) To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.
- x) To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Chief Internal Auditor. To approve and periodically review safeguards to limit such impairments.
- y) To consider summaries of specific internal audit reports as requested.
- z) To receive reports outlining the action taken where the Chief Internal Auditor has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
- aa) To consider reports dealing with the management and performance of the providers of internal audit services.
- bb) To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
- cc) To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- dd) To contribute to the Quality Assurance and Improvement Programme and in particular the external quality assessment of internal audit that takes place at least once every five years.

- ee) To provide free and unfettered access to the Governance and Audit Committee Chair for the Chief Internal Auditor, including the opportunity for a private meeting with the Committee.

External Audit

- ff) To consider the external auditor's annual letter, relevant reports, and to those charged with governance.
- gg) To consider specific reports as agreed with the external auditor.
- hh) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- ii) To commission work from external audit.
- jj) To advise and recommend on the effectiveness of relationships between external audit and other inspector agencies or relevant bodies

Financial Reporting

- kk) To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- ll) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability Arrangements

- mm) To report to full Council on a regular basis on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.
- nn) To report to Council on an annual basis and to publish an annual report on the Committee's work, its performance in relation to the Terms of Reference, and its effectiveness in meeting its purpose.
- oo) To raise the profile of probity generally within the Council and to report on matters of concern to the individual Cabinet Member, relevant Scrutiny Committee, Cabinet or to Council as necessary and appropriate.
- pp) To work in synergy with the Scrutiny Committees of the Council and liaise with other Council Committees as and when appropriate to avoid duplication in work programmes.

- qq) To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the Appendix 1 adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions
- rr) To publish an annual report on the work of the committee.

Training and Development

- ss) To attend relevant training sessions including specialist training tailored for Members of the Governance and Audit Committee.

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Internal Audit

Directorate: Resources

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services

(b) Please name and fully describe initiative here:

Review of the Governance and Audit Committee Annual Report 2022/23.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

	High Impact		Medium Impact		Low Impact		Needs further investigation
	+	-	+	-	+	-	
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches?

Integrated Impact Assessment Screening Form

Please provide details below – either of your activities or your reasons for not undertaking involvement

Consultation undertaken with Legal, Access to Services and the Chair of the Audit Committee.

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan's Well-being Objectives when considered together?
Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
Yes No
- c) Does the initiative apply each of the five ways of working?
Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk

Medium risk

Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes

No

If yes, please provide details below

Q7 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

To ensure an effective Governance and Audit Committee is in place for the City and County of Swansea as set out by the Local Government (Wales) Measure 2011 to make reports and recommendations in relation to the authority's financial affairs, including an assessment of the risk management and corporate government arrangements and the adequacy and effectiveness of those arrangements.

Integrated Impact Assessment Screening Form

Outcome of Screening

Q8 Please describe the outcome of your screening below:

The completion of the Integrated Impact Assessment Screening revealed that:

- The Governance and Audit Committee Annual Report has a potentially low positive impact across a number of identified groups.
- It has been subject to consultation with Legal, Access to Services and the Chair of the Audit Committee.
- All WFG considerations are positive and any risks identified are low.
- The overall impact of the Annual Report is positive as it will support the Authority in its requirement to ensure an effective Governance and Audit Committee is in place as set out by the Local Government (Wales) Measure 2011 and to protect public funds.

(NB: This summary paragraph should be used in the relevant section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Simon Cockings
Job title: Chief Auditor
Date: 15/03/23
Approval by Head of Service:
Name: Ben Smith
Position: Director of Finance & S151 Officer
Date: 15/03/23

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 5



Report of the Chief Auditor

Governance & Audit Committee – 17 May 2023

Internal Audit Annual Report 2022/23

Purpose:	This report summarises the work completed by Internal Audit in 2022/23 and includes the Chief Auditor's opinion for 2022/23 based on the work undertaken in the year.
Policy Framework:	None
Consultation:	Legal, Finance and Access to Services
Recommendations:	It is recommended that the Governance & Audit Committee: - a) Review the work undertaken by the Internal Audit Team in 2022/23. b) Note the progress made against the Internal Audit Annual Plan. c) Consider the Chief Auditor's opinion.
Report Author:	Simon Cockings
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) define Internal Audit as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

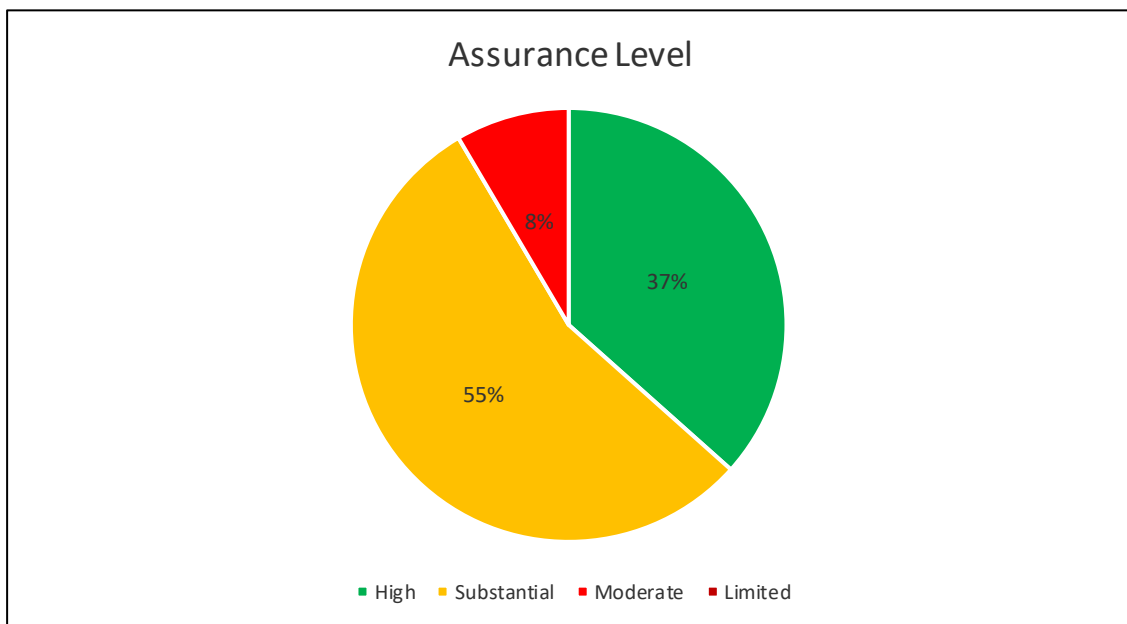
- 1.2 This report summarises the work of the Internal Audit Team in 2022/23 and compares its performance against the Internal Audit Annual Plan for the year which was approved by the Governance & Audit Committee on 12th April 2022.
- 1.3 A series of Performance Indicators are used to measure the performance of the Internal Audit Team against agreed targets set at the start of the year and also in comparison with other Welsh Authorities. A review of the Performance Indicators in 2022/23 is included in this report.
- 1.4 This report also contains the Chief Auditor's opinion on the overall standards of the control environment in operation in the Council based on the work undertaken by Internal Audit in 2022/23.
- 1.5 This report and the Chief Auditor's annual opinion are key elements of assurance that are referenced in the Council's Annual Governance Statement.

2. Review of 2022/23

- 2.1 The long-awaited transition out of the Covid-19 pandemic has seen a number of changes for the Internal Audit Team. The team now have access to a shared office space in the Guildhall, so that staff can return to the office environment on a flexible basis should they choose to do so. However, the team continues to embrace the post-pandemic agile way of working. It has also been pleasing to see most of the Council's operations return to business as usual and council sites reopen over the past year.
- 2.2 Despite the return to relative normality, the Audit Team has faced a number of challenges this year as outlined in the Quarterly Monitoring Reports presented to the Governance & Audit Committee. As detailed later in the report, a significant amount of time has been lost to long term sickness absence during the year. In addition, two members of staff left the team in the year resulting in further time lost due to unavoidable delays filling the vacant posts.
- 2.6 The original Internal Audit Annual Plan for 2022/23 contained 131 separate audit activities. As at 31 March 2023, 80 audit activities (61%) from the 2022/23 audit plan had been completed, with one additional activity (1%) substantially complete with the audit report issued as draft. As a result, 81 audit activities had been completed to at least draft report stage (62%). An additional 4 activities were in progress at year end (3%). As a result, approximately 65% of the audit activities included in the 2022/23 Audit Plan had either been completed or were in progress. The team also successfully completed all of the Fundamental audits (audits of the Council's key financial systems) by the year end. A copy of the plan showing the status of the activities as at the 31 March 2023 can be found in Appendix 1.

- 2.7 A list of the audits finalised (reports issued) in each quarter has been included in the quarterly monitoring reports presented to the Governance & Audit Committee throughout the year. A complete list of audits finalised during 2022/23 along with the assurance level awarded, and the number of recommendations made and accepted, is shown in Appendix 2.
- 2.8 It should also be noted that due to the challenges faced by the team in progressing and finalising some audits as a result of the pandemic in 2021/22, 14 audits from 2021/22 were also completed in 2022/23. These were not included in the 2022/23 Audit Plan and so are in addition to the 81 audit activities (62% of the 2022/23 plan) completed in year.
- 2.9 A total of 73 Audit Reports were issued in the year. An analysis of the assurance levels awarded to the audits finalised is shown in the following table and chart:

Assurance Level	High	Substantial	Moderate	Limited	Total
Number	27	40	6	0	73



- 2.10 An audit report was produced for each audit which was discussed and agreed with the client. Our reports include recommendations to improve any weaknesses or areas of concern identified during audits in relation to systems, procedures and controls. In total, 444 recommendations were made, with 442 being accepted by clients. It is pleasing that almost 100% of the recommendations made in our reports were accepted, against a target of 95%. Any recommendations that are not accepted are highlighted to the Governance and Audit Committee via the quarterly monitoring reports. The two recommendations not accepted were both classified as low risk recommendations.

2.11 All recommendations made are classified as High Risk, Medium Risk, Low Risk or Good Practice. An analysis of the recommendations agreed during the year is shown in the following table and chart:

Risk Level	High Risk	Medium Risk	Low Risk	Good Practice	Total
Number	7	78	292	65	442



2.12 The implementation status for those audits that have been subject to a standard follow-up in the quarter is reported separately in the quarterly Recommendation Follow-up Report. This includes all routine follow-up reviews completed, except for the outcome of the follow-up reviews of the fundamental audits as these are reported to the Committee via the separate Fundamental Audit Recommendation Tracker Report.

2.13 We successfully completed two thematic audits across a sample of Primary Schools during the year. One review covered the procurement practices and controls, and the second was a review of the controls in place around the employment status of individuals paid by schools (IR35). It should also be noted that the team was able to successfully complete four individual Secondary School audits in the year.

2.14 As noted in the quarterly monitoring reports presented to the committee during the year, staff sickness in the Internal Audit Team has been significant during 2022/23, with a total of 234 days lost due to sickness absence. At the time of compiling this report, one member of staff continues to be absent due to long-term sickness and they are currently being supported by the Council's Human Resources section.

- 2.15 In addition to the sickness absence noted above, two Auditors left the team during the second quarter. Following a successful recruitment campaign, the vacant posts were filled by two new members of staff who joined the team in November 2022. However, it should be noted that a total of 272 days were lost in year due to the posts being vacant.
- 2.16 The possible use of agency staff to support the existing resources of the internal audit team was considered by the Chief Auditor and the Director of Finance throughout the year. However, given the ongoing budgetary concerns across the Council and Cabinet's decision to seek containment of in year spending by all Directors, the Director of Finance continues to advise against the use of agency staff.
- 2.17 In total, 506 days were lost in 2022/23 due to long term sickness and vacancies. The total resources available in 2022/23 as outlined in the Internal Audit Annual Plan consists of 9.1FTE staff, which represents a total of 2,366 days. The number of days lost in year is the equivalent of approximately 21% of the total resources available in the year.
- 2.18 As a result of the absence noted above, 46 audit activities totalling 501 days (35% of the activities on the 2022/23 Audit Plan) had to be deferred.
- 2.19 Despite the challenges faced by the team as noted above, it is pleasing to note that 62% of the 2022/23 plan has been completed. As Chief Auditor, I would like to thank the Team for their hard work and dedication throughout the year.
- 2.20 As noted in the Internal Audit Quarterly Monitoring Reports presented to the committee, the audit resource has been targeted throughout 2022/23 to provide maximum assurance over key areas and risks such as the Fundamental audits and cross-cutting reviews. In addition, thematic audits have been completed in areas such as schools, to ensure a broad level of assurance can be provided across the Council. With the agreement of the Director of Finance & Section 151 Officer, this targeted approach has been taken to limit the risk of any potential impairment to the annual opinion on the Council's internal control environment for 2022/23.
- 2.21 As well as the planned internal audit activities, several additional pieces of work were undertaken by the Team during the year as summarised below:
- i) The following grants were audited and certified in 2022/23:

Grant	Amount
Enable – Support for Independent Living Grant 2021/22	£379,500
Housing Support Grant 2021/22	£18,489,233
Regional Consortia School Improvement Grant (EIG Element) 2021/22 End of Year	£8,874,439
Housing Support Grant – Regional Development Coordinator	£44,497

- ii) The Principal Auditor also compiled the Schools Annual Report 2021/22 which was presented to the Audit Committee in July 2022.
- iii) The Fundamental Audit Recommendation Tracker exercise for the Fundamental audits completed in 2021/22 was also completed and this was reported to the Committee in December 2022.
- iv) Other pieces of work undertaken in year have been reported to the Committee as part of the quarterly monitoring reports throughout the year.

3. Follow-Ups

3.1 It is important that action is taken to ensure that management have implemented the recommendations agreed following each audit. The Internal Audit Team uses a risk based approach to follow up audits as shown below:

- Fundamental audits are subject to a Recommendations Tracker exercise mid-way through the year to confirm that the agreed recommendations have been implemented. The results of the Recommendation Tracker exercise are reported to the Governance & Audit Committee.
- Routine audits which are awarded a 'Moderate' or 'Limited' level of assurance have historically received a follow-up visit usually within 6 months to test whether the 'High' and 'Medium' risk recommendations have been implemented. The results of any follow-up visits for routine audits are included in the quarterly monitoring reports presented to the Governance & Audit Committee.

3.2 Any audits that are awarded a 'Moderate' or 'Limited' level of assurance are also reported to the relevant Directorate Performance and Financial Monitoring (PFM) meeting to allow senior management to monitor the implementation of the recommendations arising from the audit.

3.3 The findings of the Fundamental Audit Recommendations Tracker exercise carried out in 2022/23 were reported to the Governance and Audit Committee on 9 November 2022 where the conclusion was positive, with 67% of agreed recommendations being confirmed as

implemented by the end of September 2022. The report also noted that the majority of the recommendations that had either been partly implemented or had not been implemented related to the Accounts Receivable and Accounts Payable audits. These audits continue to be completed on an annual basis. It was noted that the remaining outstanding recommendations relating to the Employee Services, Business Rates and Housing Rents audits were all classed as either 'Low Risk' or 'Good Practice' recommendations. These will be followed up when the audits are next completed.

- 3.4 One unplanned follow-up review was undertaken in 2022/23. The audit of Freedom of Information (FOI), Subject Access Requests (SAR) and Environmental Information Regulations (EIR) was undertaken in January 2022 with the final report being issued in March 2022 with a Moderate assurance rating. The follow-up was completed in November 2022 which confirmed that 9 of the 13 recommendations made had been fully implemented. However, 3 Medium Risk recommendations and 1 Low Risk recommendation had not been addressed. As a result, a further follow-up review has been scheduled to take place in quarter 1 of 2023/24. Three additional follow-up reviews are also due to take place in quarter 1 of 2023/23 namely Western Bay Adoption Service & Adoption Allowances, Rechargeable Works and Destination Lettings.

4. Performance Indicators

- 4.1 A series of Performance Indicators (PI's) are used to measure the work of the Internal Audit Team as agreed by the Welsh Chief Internal Auditors Group (WCIAG). The PI's measure output, quality and cost and are also measured by some other Local Authority Internal Audit Sections across Wales to provide comparable statistics.
- 4.2 The PI's are presented in detail in Appendix 3 which shows that in 2022/23, the Internal Audit Section met or exceeded the target set at the start of the year for six out of the eight PI's.
- 4.3 The significant increase in unplanned sickness absence and the additional staffing issues experienced by the team in year has meant that the team was unable to achieve the targets set for the two of the PI's.
- 4.4 In previous years, PI data has been compared to the average results of other Local Authorities in Wales, with the results being shown in Appendix 3. However, at the time of writing this report the results from a number of suitable comparator authorities had not been received.
- 4.5 Unfortunately, the comparison with other Internal Audit Sections across Wales is becoming less meaningful over time as a number of Authorities no longer collect the data or are only able to provide results for some of the PI's. In addition, consideration should be given to the variances in size of both the Local Authorities and their internal audit teams when attempting to compare the results.

4.6 It should also be noted that the WCIAG reviews the PI's that are in use on an annual basis, so these may be subject to further change going forward.

5. Quality Assurance & Improvement Programme and Statement of Conformance with the PSIAS

5.1 It is a requirement of the PSIAS that internal audit providers must maintain a Quality Assurance and Improvement Programme (QAIP) which covers all aspects of the internal audit activity and is intended to assist in raising standards across the public sector and ensuring consistency in improvement.

5.2 The QAIP allows internal audit providers to be assessed, both internally and externally, to show that the provider is fully complying with the PSIAS. Internal assessments are both ongoing and periodic and an external assessment must be undertaken at least once every 5 years.

5.3 The preferred method adopted in Swansea was a self-assessment review subject to external validation using the peer review group established by the Welsh Chief Auditors Group. Following discussions at the last Wales Chief Auditors Group meeting, it has been proposed that this approach would be repeated for the next round of external reviews.

5.4 The outcome of the last peer review was presented to the Director of Finance & Section 151 Officer (then Head of Financial Services & Service Centre), the Director of Resources and the Chief Executive on 28 March 2018 and to the Governance and Audit Committee on the 10 April 2018. In summary, the peer review concluded that the City and County of Swansea's Internal Audit Section was compliant with the PSIAS and CIPFA Application Note with no significant deviations from the Standards being noted. Some areas for improvement were highlighted as part of the review, all of which have been fully addressed as has been previously reported to the Governance and Audit Committee.

5.5 The results of the annual internal assessment of compliance with the PSIAS using CIPFA's detailed Local Government Application Note completed in March 2023 can be found in Appendix 4. The self-assessment review of conformance against the PSIAS revealed that the Internal Audit Section is fully compliant with the best practice of the PSIAS.

5.6 As noted in Appendix 4, the second external review is underway at the time of compiling this report. The results of the review will be provided to the Director of Finance & Section 151 Officer, the Corporate Management Team and the Governance & Audit Committee as soon as the review is concluded.

5.7 In addition to the self-assessment review, as part of the QAIP an action plan is compiled in order to set targets for improvement for the coming year in relation to those PI's that have not been achieved. A copy of the QAIP report and action plan for 2022/23 can be found in Appendix 5.

5.8

Statement of Conformance with the PSIAS

The results of the external peer review and the updated internal assessment of conformance against CIPFA's detailed Local Government Application note confirm that the Internal Audit Team of Swansea Council conforms to the International Standards for the Professional Practice of Internal Auditing and all engagements are undertaken in conformance with the Public Sector Internal Audit Standards.

6. Statement of Organisational Independence

6.1 The PSIAS also require the Chief Auditor to confirm the organisational independence of the internal audit activity. As outlined in the self-assessment review, the organisational independence of the Chief Auditor can be confirmed for the following reasons:

- i) The Chief Auditor reports to the Director of Finance & Section 151 Officer who is a permanent member of Corporate Management Team.
- ii) The Chief Auditor reports functionally to the Governance and Audit Committee and has unrestricted access to the Committee.
- iii) As a third tier officer, the Chief Auditor can influence the control environment, has sufficient status to pursue audit issues and provide credible, constructive challenge to management.
- iv) The Internal Audit Charter is reviewed and approved by the Governance and Audit Committee and the Corporate Management Team on an annual basis.
- v) The risk-based audit plan is reviewed and approved by the Corporate Management Team and the Governance and Audit Committee on an annual basis.
- vi) The performance of the Internal Audit Function is reported to the Governance and Audit Committee on a quarterly basis via quarterly monitoring reports, annually as part of the Internal Audit Annual Report and also as part of the QAIP programme.
- vii) The Chief Auditor has no other management responsibilities other than Internal Audit and the Corporate Fraud Function.
- viii) The Chief Auditor also has unrestricted access to senior management and the Governance and Audit Committee and has the ability to report to all levels in his own name which allows the internal audit activity to fulfil its responsibilities.

- ix) The Chief Auditor also has the right of direct access to the Chief Executive as agreed by the Director of Finance & Section 151 Officer.

7. Chief Auditors Opinion

- 7.1 System of internal control are designed to help the Council manage and control the risks which could affect the achievement of the Council's objectives. However it is not possible to eliminate all risks completely.
- 7.2 As a result, Internal Audit can only provide 'reasonable' assurance that the systems of internal control within the areas of the Council reviewed are operating adequately and effectively.
- 7.3 The Internal Audit Section awards an assurance level for all audits undertaken. The basis used for each level of assurance is shown in Appendix 6.
- 7.4 The table below provides a summary of the assurance levels awarded to the audits completed in 2022/23:

Audit Assurance Results 2022/23		
Total Number of Audits Finalised	73	
Assurance Level	Number	%
High Assurance	27	37
Substantial Assurance	40	55
Moderate Assurance	6	8

- 7.5 As can be seen in the table above, the outcome of 67 of the 73 audits completed (92%) was positive with the audits being awarded either a High or Substantial assurance level.
- 7.6 Six audits received a Moderate level of assurance in the year. A summary of the key issues that result in Moderate assurance ratings being awarded are presented to the Governance & Audit Committee as part of the Chief Auditor's Quarterly Monitoring Reports, together with the outcome of the follow-up reviews undertaken to assure the Committee that action has been taken by management to address the issues identified.
- 7.7 In total there are 14 audits which are classed as Fundamental audits. The Fundamental audits are the core financial systems that are considered to be so significant to the achievement of the Council's objectives that they are audited either annually or bi-annually. Following the audits completed in 2022/23, 10 of the 14 Fundamental audits were awarded a High level of assurance and 3 were awarded a Substantial level of assurance (Accounts Payable, Business Rates and Employee Services).

- 7.8 The Fundamental Accounts Receivable audit was awarded a Moderate assurance level in 2022/23, as has also been the case in the previous four financial years. The Governance & Audit Committee has received several updates from the relevant managers within the service in relation to the work that is ongoing to address the issues that have been identified. The Committee will continue to receive updates on this during 2023/24 as required.
- 7.9 It is disappointing that the Accounts Receivable audit received a Moderate assurance rating once again in 2022/23. As detailed in updates provided to the Governance & Audit Committee from the service management, the reasons for the weaknesses identified in this area are primarily in relation to reduced staff resources. As noted in previous annual reports, continuity and maintenance of core grip with changing, and more often diminishing resources was a recognised clear challenge across the Council, and this continued to be the case in 2022/23 and going into 2023/24.
- 7.10 Despite this, as stated previously it should be noted that of the 14 fundamental system audits, 10 have a High assurance level and 3 have a Substantial assurance level. In addition, the results of the work undertaken in 2022/23 shows that 92% of all audits completed in year were awarded either a High or Substantial assurance level. This provides reasonable assurance that the systems of internal control are operating effectively across the Council.
- 7.11 The Internal Audit Team has continued to operate in a very challenging environment throughout 2022/23. Approximately 500 days were lost to sickness absence and vacancies. As a result, approximately 35% of the original 2022/23 Audit Plan had to be deferred. However, I wish to express my gratitude the Internal Audit Team who have worked tirelessly throughout the year to complete as much audit work as possible.
- 7.12 The Audit Plan for 2022/23 contained 131 separate audit activities. As at 31 March 2023, 80 activities (61%) had been completed, with one additional activity (1%) substantially complete with a draft report issued. As a result, 81 activities had been completed to at least draft report stage (62%). An additional 4 activities were in progress at year end (3%). As a result, approximately 65% of the audit activities included in the 2022/23 Audit Plan had either completed or were in progress at year end. The team also successfully completed all of the Fundamental audits. This is a positive result given the resources available in the Team during the year. It is also pleasing to note the overall positive outcomes of the work that has been completed in year as highlighted above.
- 7.13 Throughout the year, a significant amount of effort has continued to be directed at further strengthening the systems of risk management across the Council. The Governance and Audit Committee has received regular update reports from the Strategic Delivery and Performance Manager outlining the status of key risks from the Corporate Risk Register. The

Corporate Management Team and Risk Owners have also reviewed the risk register entries regularly throughout the year to ensure the register is up to date. The new Risk Management System has also been further embedded in the year which has continued to improve the monitoring and control of risks. The introduction of the new Risk Management System has facilitated greater scrutiny of the risk management arrangements in place by the Governance and Audit Committee, and detailed reports from the new system have been presented to the Committee throughout the year.

- 7.14 At the time of writing this opinion, it is unclear as to the scale of additional spending the Council faces, from persistent relatively high inflation across both revenue and capital and demands on our services post pandemic whilst also in the midst of a cost of living crisis. The Director of Finance & Section 151 Officer has advised that his view is that there is adequate assurance of sufficient budget cover for 2023/24, but the future budget outlook remains extremely challenging in real terms. In March 2023, the Leader of the Council set out the Council's intention to continue with utilising the residual part of the locally funded Covid-19 Economic Recovery Fund during 2023/24. This will in part may mitigate the known certainty of the expected significantly reduced real terms Government funding increases in future years. This may also assist with dealing with some, but not all, of the immediate inflationary effects, which means future real terms reductions seem inevitable. However, this is pending formal certification of the final outturn and statement of accounts by the Section 151 Officer and Council.
- 7.15 The work undertaken by the Internal Audit Team in the year did not uncover any significant concerns in relation to governance and overall management control across the areas of the council that were subject to internal audit review. Despite the ongoing period of upheaval and change, officers have continued to adapt speedily and effectively to the move out of the pandemic.
- 7.16 Given the completion rate of the 2022/23 Audit Plan noted previously, and the fact that the Internal Audit Team has completed all of the planned Fundamental audits in year, the Chief Auditor feels that no impairment to the Chief Auditor's opinion is required. Assurance can be provided across a range of Council services as a result of the audits completed and other assurance work undertaken in the year.
- 7.17 In addition, for the reasons set out previously, the Chief Auditor is of the opinion that governance arrangements across the Council have proved to be robust and resilient throughout the continuing period of challenge and change that the Council has faced over the past year in the transition out of the pandemic.

7.18

Chief Auditors Opinion for 2022/23

Based on the programme of audit work undertaken in 2022/23, the Chief Auditor's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control is effective with no significant weaknesses identified in 2022/23 which would have a material impact on the Council's financial affairs or the achievement of its objectives.

8 Integrated Assessment Implications

8.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage

The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

Our Integrated Impact Assessment process ensures that we have paid due regard to the above.

8.2 The completion of the Integrated Impact Assessment Screening revealed that:

- The Internal Audit Annual Report 2022/23 has a potentially low positive impact across a number of identified groups.
- It has been subject to consultation with the Director of Finance & S151 Officer, Legal and Access to Services.
- All WFG considerations are positive and any risks identified are low.
- The overall impact of the Internal Audit Annual Report 2022/23 is positive as it will support the Authority in its requirement to protect public funds.

9. Financial Implications

9.1 There are no financial implications associated with this report.

10 Legal Implications

10.1 There are no legal implications associated with this report.

Background Papers: Internal Audit Plan 2022/23.

Appendices: Appendix 1 – Audit Plan 2022/23 Status as at 31/03/23.

Appendix 2 – Audits Finalised 2022/23.

Appendix 3 – Performance Indicators 2022/23.

Appendix 4 – PSIAS Compliance Report.

Appendix 5 – QAIP Report & Action Plan 2022/23.

Appendix 6 – Audit Levels of Assurance.

Appendix 7 – Integrated Impact Assessment.

Audit Title	Risk Rating	Status as at 31/03/2023	Corporate Priority	Days
Level 1 – Cross Cutting Reviews – Council Governance & Control				
Review of Departmental Gifts & Hospitality Registers	Med/High	Final Issued	Cross Cutting	15
Corporate Governance Review	Med/High	In Progress	Cross Cutting	15
Corporate Safeguarding	Med/Low	Final Issued	Cross Cutting	10
Achieving Better Together – Transformation (inc. workforce strategy and savings delivery)*	New	Deferred	Cross Cutting	15
Oracle Cloud / Fusion Project	New	Deferred	Cross Cutting	10
Regional Working	New	Deferred	Cross Cutting	10
Sickness & Overtime Review	New	Deferred	Cross Cutting	15
Risk Management	Med/High	Final Issued	Cross Cutting	15
Level 2 – Fundamental Systems - Section 151 Officer Assurance				
Financial Services & Service Centre – (1) Annual Audit, (2) 2-yearly Audit				
Employee Services (1)	Med/High	Final Issued	Section 151 Assurance	30
Accounts Receivable (1)	High	Final Issued	Section 151 Assurance	35
Business Rates (NDR) (1)	Med	Final Issued	Section 151 Assurance	20
Treasury Management Borrowing & Investments (2)	Med	Final Issued	Section 151 Assurance	18
Accounts Payable (1)	Med	Final Issued	Section 151 Assurance	35
Cash (2)	Med	Final Issued	Section 151 Assurance	30
Council Tax (2)	Med/High	Final Issued	Section 151 Assurance	30
Main Accounting System (2)	Med	Final Issued	Section 151 Assurance	20
Level 3 – Service Level Audits – Other Assurance				
Education Planning & Resources				
Cefn Hengoed Comprehensive School	Med	Final Issued	Education	10
Penyreheol Comprehensive School	Med	Final Issued	Education	10
Dylan Thomas Comprehensive School	Med	Final Issued	Education	10
Gowerton Comprehensive School	Med	Final Issued	Education	10
School Kitchens	Med/High	Deferred	Education	15
Catering & Cleaning HQ*	Med	In Progress	Education	10
Primary School Procurement – Thematic	Med	Final Issued	Education	15
Decarbonisation Programme	New	Final Issued	Education	10
Business Manager Remuneration Review	New	Final Issued	Education	10

Headteachers Remuneration above recommended Individual School Range Review	New	Final Issued	Education	10
IR35 Employment Status of Individuals - Thematic	New	Final Issued	Education	10
Vulnerable Learner Service				
Elective Home Education Provision	New	Final Issued	Education, Safeguarding & Poverty	10
EOTAS Value for Money Review	New	Deferred	Education, Safeguarding & Poverty	5
Education Grants & Other				
Schools Annual Report	n/a	Final Issued	Education, Safeguarding & Poverty	3
Regional Consortia School Improvement Grant	n/a	Final Issued	Education, Safeguarding & Poverty	15
Pupil Deprivation Grant	n/a	Final Issued	Education, Safeguarding & Poverty	15
Child & Family Services				
Emergency Duties Team	Med	Final Issued	Safeguarding	10
Adoption Allowances*	Med	Final Issued	Safeguarding	10
Western Bay Adoption Services	Med/Low	Final Issued	Safeguarding	15
Foster Swansea	Med	Final Issued	Safeguarding	10
Youth Provision in Early Help	Med	Deferred	Safeguarding	15
Residential & Outdoor Centres*	Med	Final Issued	Safeguarding	10
Adult Services				
Home Care*	Med/High	Deferred	Safeguarding	10
West Glamorgan Regional Partnership	New	Deferred	Safeguarding	5
All Wales Community Care Information System (WCCIS)	New	Final Issued	Safeguarding	10
Fforestfach Day Services	Low	Final Issued	Safeguarding	10
CREST*	Med	Final Issued	Safeguarding	10
Housing Support Grant	n/a	Final Issued	Safeguarding	10
Enable Support for Independent Living Grant	n/a	Final Issued	Safeguarding	10
Adult Services – Directorate Services				
Client Property & Finance	Med	Deferred	Safeguarding	15
Review of Transitional Placement Agreements	New	Deferred	Safeguarding	10
Tackling Poverty				
Local Area Coordinator Review	New	Deferred	Poverty	5
Building Services				

Heol y Gors – Stores, Admin & Finance, Oracle T&L*	Med/High	Deferred	Economy & Infrastructure, Safeguarding	20
Heol y Gors – Plant & Transport	Med/Low	In Progress	Economy & Infrastructure, Safeguarding	7
Day to Day Repairs / Maintenance Section*	Med	Deferred	Economy & Infrastructure, Safeguarding	20
Property Services				
Quadrant Rents & Estates Management (inc. Rentals)	Med	Final Issued	Economy & Infrastructure	10
Waste Management & Parks				
Waste Management	Med	Final Issued	Economy & Infrastructure, Resource & Biodiversity	10
Grounds Maintenance & Central Operations (inc. Burials, Stores and Workshops)	Med/Low	Final Issued	Economy & Infrastructure, Resource & Biodiversity	15
Cleansing Strategy	New	Deferred	Economy & Infrastructure, Resource & Biodiversity	5
Highways & Transportation				
Transport Support	Med	Final Issued	Economy & Infrastructure	10
Concessionary Bus Fares**	Med	Final Issued	Economy & Infrastructure	5
Civil Parking Enforcement	Med/Low	Final Issued	Economy & Infrastructure	20
Swansea City Bus Station	Med	Final Issued	Economy & Infrastructure	8
Advance Payment Code	Med	Deferred	Economy & Infrastructure	8
Streetworks	Med	Final Issued	Economy & Infrastructure	10
Fleet Maintenance **	Med/High	Final Issued	Economy & Infrastructure	15
Traffic Orders	High	Deferred	Economy & Infrastructure	10
Transport Depot	Med	Final Issued	Economy & Infrastructure	15
Live Kilometre Support Grant	n/a	Final Issued	Economy & Infrastructure	5
Housing & Public Health				
Housing Options	Med	Deferred	Poverty, Safeguarding	20
Leasehold Properties	Med	Deferred	Poverty, Safeguarding	15
Furnished Tenancy Scheme	Med/Low	Final Issued	Poverty, Safeguarding	12
Home Improvement Team	Med	Draft Issued	Poverty, Safeguarding	10
Application Controls – CX System (Flare Replacement)*	Med	Deferred	Poverty, Safeguarding	5
Burials & Cremations – Swansea Crematorium	Med	Final Issued	Poverty, Safeguarding	10
Trading Standards Division	Med/Low	In Progress	Poverty, Safeguarding	10
Licensing Division	High	Deferred	Poverty, Safeguarding	15
Rechargeable Works*	Med	Final Issued	Poverty, Safeguarding	15
Pollution Control Division	Med	Deferred	Poverty, Safeguarding	10
Welsh Housing Quality Standards	New	Deferred	Poverty, Safeguarding	10

Cultural Services				
Foreshore & Lettings (inc. Land Train & Caravans)	Med/High	Final Issued	Economy & Infrastructure	15
St Helen's Ground	Med/Low	Final Issued	Economy & Infrastructure	5
Spot Checks	Med	Final Issued	Economy & Infrastructure	5
Libraries Admin & Central Library*	Med	Final Issued	Economy & Infrastructure	15
Tourism Marketing	Med	Final Issued	Economy & Infrastructure	10
Planning & City Regeneration				
Swansea Market	Low	Deferred	Economy & Infrastructure, Resources & Biodiversity	20
Economic Development – Admin	Med	Final Issued	Economy & Infrastructure, Resources & Biodiversity	10
External Funding Team	Med	Deferred	Economy & Infrastructure, Resources & Biodiversity	5
Planning Services – Administration & Fees	Med	Final Issued	Economy & Infrastructure, Resources & Biodiversity	15
Section 106 Agreements	Med/High	Deferred	Economy & Infrastructure, Resources & Biodiversity	10
Communications & Marketing				
Communications & Public Relations	Med	Final Issued	Transformation & Council Development	10
Corporate Marketing	Low	Deferred	Transformation & Council Development	7
Civic Admin/Mayoral Service/Mansion House*	Med	Final Issued	Transformation & Council Development	10
Design Print	Med	Final Issued	Transformation & Council Development	15
Emergency Planning & Business Continuity*	Med	Final Issued	Transformation & Council Development	10
Health & Safety (inc. Wellbeing)	Med/Low	Final Issued	Transformation & Council Development	10
Financial Services & Service Centre				
Cashiers Office – CCI Reconciliation	Med/High	Final Issued	Section 151 Assurance	5
Write-Off Requests	n/a	Final Issued	Section 151 Assurance	5
Cashiers Write-off's	n/a	Final Issued	Section 151 Assurance	5
Insurance	Med	Final Issued	Section 151 Assurance	10
Taxation – VAT	Med	Deferred	Section 151 Assurance	10
Pension Fund Other Transactions**	Med	Final Issued	Section 151 Assurance	10
AP Project Bank Accounts	New	Deferred	Section 151 Assurance	8
Non-Residential Care	Med/High	Deferred	Section 151 Assurance, Safeguarding	25
Purchase Card Transactions Monthly Review	Med	Final Issued	Section 151 Assurance	10
Purchase Card Administration	Med/Low	Deferred	Section 151 Assurance	15

Application Controls – Foster Care System	Med	Final Issued	Section 151 Assurance	5
Legal, Democratic Services & Business Intelligence				
Coroners Service	Med	Final Issued	Monitoring Officer Assurance	12
Election Expenses (Local Government Elections)	n/a	Deferred	Monitoring Officer Assurance	10
Legal Services Management of Risk	Med	Deferred	Monitoring Officer Assurance	10
Welsh Translation Unit	Med	Final Issued	Monitoring Officer Assurance	10
Commercial Services				
Review of Contracts in IT	New	Deferred	Section 151 Assurance	10
Review of invoices paid with retrospective order placed on Oracle	Med/High	Final Issued	Section 151 Assurance	10
Formal Contracts & Waivers	New	Deferred	Section 151 Assurance	10
Digital & Customer Services Audits				
Blue Badges	Med/Low	Final Issued	Transformation & Council Development	5
Corporate Complaints	Med	Deferred	Transformation & Council Development	8
Corporate Learning & Development Team*	New	Deferred	Transformation & Council Development	5
Management of Absence	Med/High	Deferred	Transformation & Council Development	10
Contract Audits				
Contracts Register	Med	Deferred	Transformation & Council Development	10
Computer Audits				
Internet Controls – Corporate Network	Med/Low	Deferred	Transformation & Council Development	10
Web Development	New	Deferred	Transformation & Council Development	10
Physical & Environmental Controls	Med	Deferred	Transformation & Council Development	10
Software Licences (FAST)	Med	Final Issued	Transformation & Council Development	5
Change Controls (CIPFA Matrix)	Med	Deferred	Transformation & Council Development	5
Change Control –Oracle*	Med	Deferred	Transformation & Council Development	5
Digital Strategy	Med	Deferred	Transformation & Council Development	10
Use of Idea - Data Matching NFI	n/a	Final Issued	Section 151 Assurance	5
Projects & Special Investigations				
Unpresented Cheques	n/a	Final Issued	Section 151 Assurance	5
Galileo Management System	n/a	Final Issued	Section 151 Assurance	10
Annual Plan & Annual Report	n/a	Final Issued	Section 151 Assurance	5

Annual Consultation Exercise	n/a	Final Issued	Section 151 Assurance	10
Fundamental Recommendation Tracker Exercise	n/a	Final Issued	Section 151 Assurance	5
Follow-ups	n/a	Final Issued	Section 151 Assurance	20
PSIAS External Inspection	n/a	Final Issued	Section 151 Assurance	10
Miscellaneous Audits				
Swansea Central Phase 1 Programme & City Deal Update	New	Deferred	Transformation & Council Development	10

* Audits deferred from 2021/22 plan.

** Audits issued as final shortly after year end

Cross Cutting Audits – 105 days

Section 151 Officer Assurance – 426 days

Corporate Priorities

Safeguarding (Safeguarding People from Harm) – 412 days

Education (Improving Education and Skills) – 168 days

Economy & Infrastructure (Transforming our Economy and Infrastructure) – 313 days

Poverty (Tackling Poverty) – 170 days

Resources & Biodiversity (Maintaining and Enhancing Swansea’s Natural Resources and Biodiversity) – 90 days

Transformation & Council Development (Transformation and Future Council Development) – 165 days

AUDITS FINALISED 2022/23

Head of Service	Audit Title	Date Finalised	Assurance Level	Recommendations		
				Made	Agreed	Not Agreed
Quarter 1 (18 Audits)						
Cross Cutting Reviews	Local Government and Elections (Wales) Bill *	11/04/22	High	1	1	0
Highways & Transportation	Building Services - Control of Contracts *	20/04/22	High	0	0	0
Child & Family Services	Foster Swansea	28/04/22	High	0	0	0
Communications & Marketing	Communications and Public Relations Team	19/05/22	High	3	3	0
Cultural Services	Tourism and Marketing	24/05/22	High	6	6	0
Cross Cutting Reviews	Corporate Governance Review 2021/22 *	16/06/22	High	2	2	0
Legal, Democratic Services & Business Intelligence	Coroners Service	29/06/22	High	1	1	0
Planning & City Regeneration	Nature Conservation *	22/04/22	Substantial	11	11	0
Cultural Services	St Helen's Ground	26/04/22	Substantial	3	3	0
Commercial Services	Education - Review of Contracts *	10/05/22	Substantial	1	1	0
Housing & Public Health	Burials and Cremations	19/05/22	Substantial	9	9	0
Highways & Transportation	Swansea City Bus Station	24/05/22	Substantial	5	5	0
Highways & Transportation	Transport Depot	25/05/22	Substantial	10	10	0
Chief Transformation Officer Audits	Employment of Agency Staff *	01/06/22	Substantial	5	5	0
Digital & Customer Services	ICT Administration (inc. ICT Assets) *	08/06/22	Substantial	4	4	0
Child & Family Services	Nant-y-Felin Children's Home *	16/06/22	Substantial	13	13	0
Digital & Customer Services	Blue Badges	16/06/22	Substantial	3	3	0
Child & Family Services	Swansea Children's Centre & Mayhill Family Centre *	30/06/22	Substantial	7	7	0
Quarter 2 (16 Audits)						
Cross Cutting Reviews	Review of Departmental Gifts & Hospitality Registers	02/09/22	High	2	2	0
Computer Audits	ICT Data Storage*	05/09/22	High	2	2	0
Fundamental Systems	Employee Services (Payroll) 2022/23	06/09/22	High	5	5	0
Cultural Services	Spot Checks	26/09/22	High	2	2	0
Fundamental Systems	Treasury Management - Borrowing & Investments 2022/23	29/09/22	High	2	2	0
Education Planning & Resources	Penyrheol Comprehensive School	09/09/22	High	8	8	0
Housing & Public Health	Food & Safety Division*	21/09/22	High	5	5	0
Cross Cutting Reviews	Corporate Safeguarding	23/09/22	High	2	2	0
Child & Family Services	Discretionary Payments*	07/07/22	Substantial	10	10	0
Education Planning & Resources	Business Manager Remuneration Review	12/08/22	Substantial	3	3	0
Planning & City Regeneration	Economic Development Admin	17/08/22	Substantial	6	6	0

AUDITS FINALISED 2022/23

Housing & Public Health	Public Protection Housing Division (Environmental Health & Housing)*	31/08/22	Substantial	5	5	0
Education Planning & Resources	Cefn Hengoed Comprehensive School	07/09/22	Substantial	10	10	0
Housing & Public Health	Rechargeable Works	01/09/22	Moderate	4	4	0
Cultural Services	Destination Lettings	21/09/22	Moderate	6	6	0
Child & Family Services	Western Bay Adoption Service & Adoption Allowances	28/09/22	Moderate	12	12	0
Quarter 3 (10 Audits)						
Communications & Marketing	Emergency Management & Business Continuity	04/10/22	High	7	7	0
Education Planning & Resources	Dylan Thomas Comprehensive School	18/10/22	High	8	8	0
Computer Audits	Software Licences	28/12/22	High	3	3	0
Cultural Services	Libraries Admin & Central Library	27/10/22	Substantial	5	5	0
Child & Family Services	Residential & Outdoor Centres	27/10/22	Substantial	20	20	0
Legal, Democratic Services & Business Intelligence	Welsh Translation Unit	16/11/22	Substantial	12	12	0
Waste Management & Parks	Waste Management	14/12/22	Substantial	7	7	0
Education Planning & Resources	Gowerton Comprehensive School	20/12/22	Substantial	9	9	0
Education Planning & Resources	Primary School Procurement Thematic Review	20/12/22	Substantial	2	2	0
Highways & Transportation	Civil Parking Enforcement	22/12/22	Substantial	7	7	0
Quarter 4 (29 Audits)						
Fundamental Systems - Financial Services	Cash 2022/23	12/01/23	High	2	2	0
Highways & Transportation	Transport Support	23/01/23	High	3	3	0
Education Planning & Resources	Decarbonisation Programme	24/01/23	High	1	1	0
Financial Services	Insurance	24/01/23	High	0	0	0
Financial Services	Fostercare System - Application Controls	30/01/23	High	1	1	0
Child & Family Services	Emergency Duty Team	08/02/23	High	4	4	0
Fundamental Systems - Financial Services	Main Accounting System 2022/23	10/03/23	High	1	1	0
Property Services	Estates Management & Quadrant Rents	23/03/23	High	5	5	0
Highways & Transportation	Concessionary Fares **	31/03/23	High	1	1	0
Adult Services	Fforestfach Day Service	13/01/23	Substantial	17	17	0
Housing & Public Health	Furnished Tenancy Scheme	24/01/23	Substantial	8	8	0
Communications & Marketing	Health Safety & Wellbeing	13/02/23	Substantial	15	15	0
Vulnerable Learner Service	Elective Home Education Provision	24/02/23	Substantial	4	4	0
Waste Management & Parks	Grounds Maintenance & Central Operations	02/03/23	Substantial	15	13	2
Fundamental Systems - Financial Services	Council Tax 2022/23	10/03/23	Substantial	5	5	0
Planning & City Regeneration	Planning Services - Administration & Fees	17/03/23	Substantial	11	11	0
Cross Cutting Reviews	Risk Management (Education) 2022/23	22/03/23	Substantial	4	4	0

AUDITS FINALISED 2022/23

Fundamental Systems - Financial Services	Accounts Payable 2022/23	24/03/23	Substantial	14	14	0
Highways & Transportation	Streetworks	27/03/23	Substantial	5	5	0
Adult Services	CREST	27/03/23	Substantial	8	8	0
Fundamental Systems - Financial Services	Business Rates (NNDR) 2022/23	29/03/23	Substantial	8	8	0
Education Planning & Resources	Schools IR35 Thematic Review	29/03/23	Substantial	10	10	0
Communications & Marketing	Design Print	30/03/23	Substantial	10	10	0
Communications & Marketing	Civic Admin Mayoral Services & Mansion House	31/03/23	Substantial	8	8	0
Commercial Services	Retrospective Orders on Oracle	31/03/23	Substantial	5	5	0
Financial Services	Pension Fund Other Transactions **	31/03/23	Substantial	2	2	0
Human Resources & Service Centre	Disclosure & Barring Service (DBS)*	01/02/23	Moderate	6	6	0
Fundamental Systems - Financial Services	Accounts Receivable 2022/23	24/03/23	Moderate	14	14	0
Highways & Transportation	Fleet Maintenance **	31/03/23	Moderate	9	9	0
				Total	444	442
						2

*Audits completed from the 2021/22 audit plan

**Audits finalised shortly after year end

2022/23 Audit Assurance Ratings Summary		
Total Number of Audits Finalised	73	%
High Assurance	27	37%
Substantial Assurance	40	55%
Moderate	6	8%
Limited	0	0%

INTERNAL AUDIT - PERFORMANCE INDICATORS 2022/23

APPENDIX 3

Performance Indicator			2021/22		2022/23		2022/23	2023/24
			Target	Actual	Target	Actual	WCIAG Average	Target
1	The percentage of the Audit Plan completed	%	75	82	75	62	Unavailable	75
2	The percentage of Client Quality Control Questionnaires returned	%	90	97	90	95	Unavailable	90
3	The percentage of Client Quality Control Questionnaires rated at least Satisfied	%	98	99	98	99.5	Unavailable	98
4	Audit percentage of audit recommendations accepted against made	%	95	99	95	99.5	Unavailable	95
5	Audits completed within planned time	%	70	84	70	85	Unavailable	70
6	Average period - from client response to final report being issued	Days	3	0.4	3	0.4	Unavailable	3
7	Average period - between closing meeting to draft report being issued	Days	10	0.6	10	0.8	Unavailable	10
8	Average cost per directly chargeable day	£	300	329	335	365	Unavailable	350

Notes

> Target for PI 8 amended to £335 for 2022/23 rising to £350 in 2023/24 and £380 in 2024/25 to reflect salary inflation going forward.
 > Comparator figures for 2022/23 above relate to the average results of the Welsh Local Authorities in the Welsh Chief Auditors Group were not available at the time of writing this report.



Report of the Chief Auditor

Governance and Audit Committee – 17 May 2023

Internal Audit

Self-Assessment of PSIAS Conformance 2022/23

It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that internal audit providers must maintain a Quality Assurance and Improvement Programme (QAIP) which covers all aspects of the internal audit activity and is intended to assist in raising standards across the public sector and ensuring consistency in improvement.

The QAIP allows internal audit providers to be assessed, both internally and externally, to show that the provider is complying with the PSIAS. Part of the internal assessment involves an annual review of compliance with the PSIAS using the detailed checklist included in CIPFA's Local Government Application Note. CIPFA released an updated version of the Local Government Application Note in February 2019 and this updated version has been used to complete the self-assessment for 2018/19. The annual self-assessment also fulfils the requirement established in the Accounts and Audit (Wales) Regulations 2014 for an annual assessment of the effectiveness of the Internal Audit service.

An external assessment of compliance with the PSIAS must be completed at least once every 5 years and may either be a full external assessment or a self-assessment which is subject to independent external validation.

The first external assessment in Swansea was completed in quarter 4 2017/18. The assessment method adopted was a self-assessment subject to external validation using the peer review group established by the Welsh Chief Auditors Group. The validation was completed by Cardiff Council.

In summary, the peer review concluded that the City and County of Swansea's Internal Audit Section is broadly compliant with the PSIAS, with no significant deviations from the Standards being noted. Some areas for improvement were highlighted as part of the review. All recommendations arising from the review have been fully implemented.

The results of the annual internal assessment of compliance with the PSIAS using CIPFA's detailed Local Government Application Note can be found in the table in

Appendix A. The assessment for 2022/23 confirms that the Internal Audit Section is fully compliant with the PSIAS.

In summary there are 336 best practice lines within the PSIAS. A self-assessment review of conformance against the PSIAS undertaken in March 2023 by the Chief Auditor concluded that the Internal Audit Section is fully compliant with the PSIAS.

The table below summarises the outcome of the self-assessment.

Standard	Conformance			Total
	C	P	N	
1. Mission of Internal Audit	1			1
2. Definition of Internal Audit	2			2
3. Core Principles	10			10
4. Code of Ethics	13			13
5. Attribute Standards				
1000. Purpose, Authority and Responsibility	21			21
1100. Independence and Objectivity	37			37
1200. Proficiency and Due Professional Care	21			21
1300. Quality Assurance and Improvement Programme	25			25
6. Performance Standards				
2000. Managing the Internal Audit Activity	41			41
2100. Nature of Work	30			30
2200. Engagement Planning	58			58
2300. Performing the Engagement	18			18
2400. Communicating Results	53			53
2500. Monitoring Progress	4			4
2600. Communicating the Acceptance of Risks	2			2
Total	336	0	0	336
Percentage	100%	0%	0%	100%

Key: C - Compliant. P – Part-compliant. N – Non-compliant.



Report of the Chief Auditor

Governance and Audit Committee – 17 May 2023

Internal Audit

Quality Assurance and Improvement Programme 2022/23

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) are mandatory for all providers of public sector internal audit services in the UK.
- 1.2 It is a requirement of the PSIAS that internal audit providers must maintain a Quality Assurance and Improvement Programme (QAIP) which covers all aspects of the internal audit activity and is intended to assist in raising standards across the public sector and ensuring consistency in improvement.
- 1.3 The establishment of a QAIP will allow the evaluation of the operations of Internal Audit and identify any areas for improvement. The QAIP should allow for quality to be assessed at both individual member of staff level and at the team level.
- 1.4 The QAIP allows internal audit providers to be assessed, both internally and externally, to show that the provider is fully complying with the PSIAS. Internal assessments are both ongoing and periodic and an external assessment must be undertaken at least once every 5 years.
- 1.5 The results of the QAIP will provide evidence to all relevant stakeholders that the City and County of Swansea's Internal Audit Section is:
 - Performing its work in accordance with its Internal Audit Charter which is consistent with all aspects of the PSIAS i.e. the Mission of Internal Audit, Definition of Internal Audit, the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics and the Attribute and Performance Standards.
 - Operating in an efficient and effective manner.
 - Is adding value and continually improving internal audit operations.

1.6 The QAIP should be based on the following key elements to ensure compliance with the Standards:

- Supervision of the work undertaken by internal auditors as an ongoing process throughout the year.
- Internal reviews or self-assessments to appraise the quality of the audit work and compliance with the PSIAS which is usually undertaken on an annual basis.
- External reviews carried out by a qualified independent person to appraise the quality of the audit work and compliance with the PSIAS which must be completed at least once every 5 years.

2. Internal Assessment – Ongoing Review

2.1 The following systems and procedures have been established to form the internal assessment ongoing review element of the QAIP.

- Policies and procedures have been established to guide staff in the performance of their internal audit duties. Guidance in policies and procedures is provided to internal audit staff by the Chief Auditor, Principal Auditor and Senior Auditors. The Team also has access to a set of guidance notes and templates that are stored on a shared drive for staff to refer to when necessary.
- Audit work is allocated to staff based on their level of skills, experience and competence. A quarterly Audit Plan is prepared by the Principal Auditor which allocates audit assignments to staff and is reviewed by the Chief Auditor before being issued.
- A Lead Auditor is assigned to each audit and will be either the Principal Auditor or a Senior Auditor. The role of the Lead Auditor is to supervise and monitor progress in completion of the audit and to complete a quality assurance review to ensure that the work has been completed to the required level and complies with the PSIAS. The level of supervision required will depend upon the competence and experience of the auditor.
- The Lead Auditor will also review the draft and final report to ensure it fully reflects the findings of the audit and includes appropriate recommendations and level of assurance.
- All draft and final reports are subject to review by the Principal Auditor prior to being issued.
- A Quality Control Questionnaire is issued with the final report to the client to obtain their feedback on the audit. Any issues identified in the completed QCQ are discussed with the auditor and action taken where required.
- A comprehensive set of Performance Indicators are maintained as shown in Appendix 1. The PI's are measured at team and individual level with targets being set at the start of each year. The PI's measured at individual

auditor level are monitored on a quarterly basis by the Principal Auditor and Chief Auditor and any issues identified are discussed with the auditor and action taken where necessary. The team PI's are monitored annually and are reported to the Director of Finance and the Governance and Audit Committee in the Internal Audit Annual Report.

- An action plan has also been produced as part of this report as shown in Appendix 2 to provide some justification in relation to those PI's that have not been achieved, together with proposed action that will be taken in 2023/24 to try and rectify this going forward.
- The Welsh Chief Auditors Group collects performance indicator information from across Wales which is used to compare performance against other similarly sized internal audit teams.
- Performance indicator information is also used as part of the annual appraisal process under the Employee Performance Management Policy. All employees receive an annual appraisal which is a competency based process that reviews performance and training and development needs.
- Use is made of available training programmes to keep staff up to date with professional practice and to meet any skill shortages identified. Particular use is made of the annual training programme put together by the South Wales Chief Auditors Group.

3. Internal Assessment – Periodic Review

3.1 The following systems and procedures have been established for the periodic internal assessment:

- A quarterly review of progress made against the Annual Audit Plan is made by the Chief Auditor to ensure the Section is meeting its aims and objectives. The results of the review are reported to the Director of Finance and the Audit Committee in the quarterly Internal Audit Monitoring Report.
- The Chief Auditor completes an annual self-assessment of compliance with the PSIAS using the detailed checklist included in CIPFA's Local Government Application Note.
- The annual self-assessment also fulfils the requirement established in the Accounts and Audit (Wales) Regulations 2014 for an annual assessment of the effectiveness of the Internal Audit service.
- The annual self-assessment was completed in July 2017 and this formed the basis for the external assessment validation that was completed in quarter 4 2017/18. A self-assessment review of conformance against the PSIAS undertaken in March 2022 by the Chief Auditor concluded that the Internal Audit Section is fully compliant with the PSIAS.

4. External Assessments

- 4.1 An external assessment of compliance with the PSIAS must be completed at least once every 5 years and may either be a full external assessment or a self-assessment which is subject to independent external validation.
- 4.2 The format of the external assessment must be considered fully by the Chief Auditor and discussed with the Audit Committee. If an independent validation is to be used, the person or team appointed must be appropriately qualified, have sufficient knowledge of the PSIAS and there must be no conflicts of interest or impairment to objectivity.
- 4.3 The external assessment in Swansea was undertaken during quarter 3 and quarter 4 2017/18 with the preferred method being a self-assessment subject to an external validation using the peer review group established by the Welsh Chief Auditors Group. This approach was agreed with the Chief Finance Officer (now the Director of Finance) and was approved by the Governance and Audit Committee on the 8 August 2017.
- 4.4 As agreed by the Welsh Chief Auditors Group, the external assessment saw Chief Auditors acting as independent assessors of other Internal Audit Sections arranged on a random basis.
- 4.5 The outcome of the external assessment was presented to the Chief Finance Officer (now the Director of Finance), the Director of Resources and the Chief Executive on 28/03/18 and to the Governance and Audit Committee on the 10/04/18. In summary, the peer review concluded that the City and County of Swansea's Internal Audit Section is broadly compliant with the PSIAS and CIPFA Application Note with no significant deviations from the Standards being noted.
- 4.6 The external assessment must be undertaken at least every 5 years. The second assessment for the City and County of Swansea commenced in December 2022 and is being undertaken by the Chief Internal Auditor at Blaenau Gwent County Borough Council. The external assessment is ongoing at the time of compiling this report.

5 Reporting

- 5.1 The Chief Auditor will report the outcome of the periodic internal assessment to the Director of Finance and Section 151 Officer, the Corporate Management Team, and the Governance & Audit Committee on an annual basis.
- 5.2 The results of the ongoing external assessment will also be reported to the Director of Finance & Section 151 Officer, the Corporate Management Team, and the Governance & Audit Committee when the assessment has concluded

along with an Action Plan to address any issues raised following the assessment. The Action Plan will be subject to regular monitoring with progress being reported to the Director of Finance & Section 151 Officer, the Corporate Management Team, and the Governance & Audit Committee.

- 5.3 The Chief Auditor will only use the phrase 'Conforms with International Standards for the Professional Practice of Internal Auditing' in reports where the results of the QAIP support the statement.

Performance Indicators 2022/23

No.	Performance Indicator		Target 2022/23	Actual 2022/23	Achieved/ Not Achieved
1	The percentage of the Audit Plan completed	%	75	62	Not Achieved
2	The percentage of Client Quality Control Questionnaires returned	%	90	95	Achieved
3	The percentage of Client Quality Control Questionnaires rated at least Satisfied	%	98	99.5	Achieved
4	The percentage of Audit recommendations accepted against made	%	95	99.5	Achieved
5	Audits completed within planned time	%	70	85	Achieved
6	Average period from client response to final report being issued	Days	3	0.4	Achieved
7	Average period between closing meeting to issue of draft report being issued	Days	10	0.8	Achieved
8	Average cost per directly chargeable day	£	335	365	Not Achieved

Performance Indicator - Actions 2023/24

PI	Target / Actual	Justification	Action to be taken 2023/24
1 - The percentage of the Audit Plan completed	Target: 75% Actual: 61%	61% of the audit plan was completed to at least draft report stage, with an additional 4% of the planned audits in progress at year end, thus 65% of the plan was complete or in progress at year end. Due to increased sickness and unpredicted vacancies in year, 35% of the planned audits had to be deferred.	It is anticipated that uncertainty around sickness absence and further staffing issues is likely to continue into 2023/24. The 2023/24 audit plan has been drafted to reflect this and this will be closely monitored throughout the year. The Governance & Audit Committee will be kept up to date with any further issues as they arise.
8 - Average cost per directly chargeable day <i>(Total Salary +NI +Pension Costs) / (Actual No. of Productive Days)</i>	Target: £335 Actual: £365	Total actual costs only increased slightly in year taking into account the period where there two posts were vacant. However, as noted above the total number of directly chargeable days was reduced significantly due to increased unplanned sickness and additional time spent on recruitment, training and induction of two new staff.	Marginally missed the target in year. Costs will continue to be monitored throughout 2023/24 but these costs are outside of the control of the audit team. To reflect continued salary inflation, the target for this PI has been amended to £350 for 2023/24 and £380 for 2024/25.

AUDIT LEVELS OF ASSURANCE**Basis of Audit Level of Assurance**

Assurance Level	Basis	Description
High Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High or Medium Risk. Any recommendations are mainly Good Practice with few Low Risk recommendations.	There is a sound system of internal control designed to achieve the system objectives and the controls are being consistently applied.
Substantial Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High Risk. Occasional Medium Risk recommendations allowed provided all others are Low Risk or Good Practice	There is a sound system of internal control but there is some scope for improvement as the ineffective controls may put the system objectives at risk
Moderate Assurance	Recommendations for ineffective controls affecting the material areas of the service are at least Medium Risk	The ineffective controls represent a significant risk to the achievement of system objectives
Limited Assurance	Recommendations for ineffective controls affecting the material areas of the service are High Risk	The ineffective controls represent unacceptable risk to the achievement of the system objectives

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Internal Audit

Directorate: Resources

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services

(b) Please name and fully describe initiative here:

Internal Audit Annual Report to the Audit Committee outlining the findings and work undertaken by the Audit Team in 2022/23 which includes the Chief Auditors Annual Opinion.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

n/a – no impact

	High Impact		Medium Impact		Low Impact		Needs further investigation
	+	-	+	-	+	-	
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Integrated Impact Assessment Screening Form

Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches?
Please provide details below – either of your activities or your reasons for not undertaking involvement

Consultation undertaken with the Director of Finance & S151 Officer, Legal and Access to Services.

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan's Well-being Objectives when considered together?
Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
Yes No
- c) Does the initiative apply each of the five ways of working?
Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
Yes No

Q5 What is the potential risk of the initiative? (*Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...*)

High risk

Medium risk

Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes No If yes, please provide details below

Council Services included within the Internal Audit programme of work for 2022/23 will be subject to internal audit reviews which may result in recommendations being made to improve compliance with Council policies and procedures and consequentially may result in changes to operations/processes within service areas if required.

Q7 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?
(*You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.*)

To update committee on the work undertaken by Internal Audit in the period and provide the Chief Auditors Annual Opinion.

Integrated Impact Assessment Screening Form

Outcome of Screening

Q8 Please describe the outcome of your screening below:

The completion of the Integrated Impact Assessment Screening revealed that:

- The Internal Audit Annual Report 2022/23 has a potentially low positive impact across a number of identified groups.
- It has been subject to consultation with the Director of Finance & S151 Officer, Legal and Access to Services.
- All WFG considerations are positive and any risks identified are low.
- The overall impact of the Internal Audit Annual Report 2022/23 is positive as it will support the Authority in its requirement to protect public funds.

(NB: This summary paragraph should be used in the relevant section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Simon Cockings
Job title: Chief Auditor
Date: 14/04/23
Approval by Head of Service:
Name: Ben Smith
Position: Director of Finance & S151 Officer
Date: 14/04/23

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 6



Report of the Head of Cultural Services

Governance and Audit Committee – 16 May 2023

Response to the Destination Lettings Audit Report 2022/23 – May 2023 Update

Purpose:	To report on actions arising from the 2022 internal audit of Destination lettings.
Report Author:	Sue Reed (Community, Partnership & Destination Development Manager) & Jamie Rewbridge (Strategic Manager, Cultural Services)
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Miller
For Information	

Update to service response to the internal audit of Destination lettings

1. Introduction

- 1.1 As a result of an internal audit on the Destination Lettings function carried out in 2022, an assurance level of moderate was given.
- 1.2 An action plan (Appendix A) was developed to address the recommendations identified and this report now provides an update on the implementation steps put in place.

- **Mumbles Hill Caravan Park**

(2.1.4) Care should be taken to ensure all licensees are invoiced as required. (MR)

Agreed and updated actions – An online system that issues licences to licence holders is now in place for season 23/4 and the use of the online service has been offered to all licence holders, signed using an online form and resubmitted. Of 63 licence holders,

currently 56 use online and 7 are still requesting licences to be sent via postal services.

A new member of staff started on 31/10/22 and a monitoring process is now in place.

At the time of preparation of this report, internal audit officers are conducting a follow-up audit, but no follow up report issued as yet. However, as noted through dialogue with audit, confirm that the invoice flagged within the previous audit has been cancelled and new invoice raised, as recommended. At this stage officers are unable to provide an update on other actions due to the implementation of the Oracle Fusion system. A verbal update may be available at the Governance and Audit Committee from Audit Officers.

(2.1.5) Licences should not be renewed if there are significant arrears from previous years. (HR)

Agreed and updated actions – All outstanding debts are now cleared and service confirms that the debt highlighted is currently up-to-date with their repayment schedule. Officers are ensuring continuation of this hard system of recovery and the online service will also flag issues earlier.

- 1.3 There has been a positive response regarding this seasons hut rentals with 100% take up and the sum of £98k has been received up front for these services via online systems.

2. Integrated Assessment Implications

- 2.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

- 2.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development.

Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

- 2.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 2.2 An IIA screening has been undertaken (Appendix B). The Screening is for a set of actions that will improve the administrative and accountancy function of the Destination Lettings service including improvements in booking systems and processes for licences, credit control and payment functions. The screening identified very minor impact although clearer systems for invoicing and licence acceptance process via online system which can only improve the overall service to the caravan owners who use the council site.

3. Financial Implications

- 3.1 There are no financial implications other than those set out in the body of the report.

4. Legal Implications

- 4.1 There are no legal implications other than those set out in the body of the report.

Background Papers: None

Appendices:

Appendix A – Action Plan

Appendix B - IIA Screening

Classification of Audit Recommendations

Recommendation	Description
High Risk	Action by the client that we consider essential to ensure that the service / system is not exposed to major risks .
Medium Risk	Action by the client that we consider necessary to ensure that the service / system is not exposed to significant risks .
Low Risk	Action by the client that we consider advisable to ensure that the service / system is not exposed to minor risks .
Good Practice	Action by the client where we consider no risks exist but would result in better quality, value for money etc.

Audit Assurance Levels

Assurance Level	Basis	Description
High Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High or Medium Risk. Any recommendations are mainly Good Practice with few Low Risk recommendations.	There is a sound system of internal control designed to achieve the system objectives and the controls are being consistently applied.
Substantial Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High Risk. Occasional Medium Risk recommendations allowed provided all others are Low Risk or Good Practice.	There is a sound system of internal control but there is some scope for improvement as the ineffective controls may put the system objectives at risk.
Moderate Assurance	Recommendations for ineffective controls affecting the material areas of the service are at least Medium Risk.	The ineffective controls represent a significant risk to the achievement of system objectives.
Limited Assurance	Recommendations for ineffective controls affecting the material areas of the service are High Risk.	The ineffective controls represent unacceptable risk to the achievement of the system objectives.

**SWANSEA COUNCIL
MANAGEMENT ACTION PLAN
DESTINATION LETTINGS 2022/23**

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE
Mumbles Hill Caravan Park					
2.1.2	Licences should be obtained from all licensees. <i>(Previous Recommendation)</i>	LR	New online licence agreement system been looked at with view to be in place in readiness for next season. Discussions with officers and webpage colleagues to ensure system is able to flag non return of licence.	Destination Coordinator	March 2023 Actioned and Complete
2.1.3	Where a Licensee no longer wishes to retain their plot, it should revert to the Council for allocation to applicants on the site waiting list.	LR	Agreed.	Destination Coordinator	October 2022 Actioned and Complete
2.1.4	a) Invoice 60371886 should be cancelled.	GP	Agreed.	Destination Coordinator / Lettings Team	October 2022 Actioned and Complete
2.1.4	b) Care should be taken to ensure all licensees are invoiced as required.	MR	Agreed.	Destination Coordinator / Lettings Team	September 2022 Actioned and Complete
2.1.5		HR			September 2022

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE
	<p>Licences should not be renewed if there are significant arrears from previous years.</p> <p><i>(Previous Recommendation)</i></p>		<p>AR Transactions and debt recovery together with officers confirm that all debts, other than 1, are now repaid or have repayment schemes in place.</p> <p>Regarding the large outstanding debt this is now being taken to court and the tenant has legally as of 15/9/22 been asked to remove their caravan off site. There have been ongoing discussions with legal and debt recovery over a number of months regarding this debt.</p> <p>Officers will now look at ensuring a hard system of recovery and to be able to get Legal involved at an early stage and agreed that licences would be cancelled and would not continue into next licence period if a similar situation was to arise in the future.</p>	Destination Coordinator	Actioned and Complete
Langland Beach Huts					
2.2.3	Evidence of the draw should be retained. If the draw is carried out using Microsoft Teams then the call should be recorded.	LR	Agreed that the draw in future will be recorded.	Destination Coordinator / Lettings Team	January 2023 2023 draw undertaken face to face by Lettings team, in the presence of Team Leader/ Coordinator

Integrated Impact Assessment Screening Form – Appendix B

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Cultural Services

Directorate: Place

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services

(b) **Please name and fully describe initiative here:** As a result of an internal audit on the Destination Lettings function carried out in 2022, an assurance level of moderate was given. As a result an action plan has been developed to address the recommendations identified and appropriate implementation steps put in place to improve internal practices and procedures.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

	High Impact		Medium Impact		Low Impact		Needs further Investigation	No Impact
	+	-	+	-	+	-		
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Integrated Impact Assessment Screening Form – Appendix B

Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches?

Please provide details below – either of your activities or your reasons for not undertaking involvement

This report is to describe and confirm the implementation of the recommendations of Audit in tightening up systems and transparency for transactions. Steps have been put in place to improve internal practices and procedures.

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

a) Overall does the initiative support our Corporate Plan's Well-being Objectives when considered together?

Yes No

b) Does the initiative consider maximising contribution to each of the seven national well-being goals?

Yes No

c) Does the initiative apply each of the five ways of working?

Yes No

d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?

Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk

Medium risk

Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes No If yes, please provide details below

Q7 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

Very minor impact although clearer systems for invoicing and licence acceptance process via online system which can only improve the overall service to the caravan owners who use the council site.

Integrated Impact Assessment Screening Form – Appendix B

Outcome of Screening

Q8 Please describe the outcome of your screening below:

- **Summary of impacts identified and mitigation needed (Q2)**
- **Summary of involvement (Q3)**
- **WFG considerations (Q4)**
- **Any risks identified (Q5)**
- **Cumulative impact (Q7)**

The Screening is for a set of actions that will improve the administrative and accountancy function of the Destination Lettings service including improvements in booking systems and processes for licences, credit control and payment functions.

(NB: This summary paragraph should be used in the relevant section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Sue Reed
Job title: Community, Partnership & Destination Development Manager
Date: 26/10/22
Approval by Head of Service:
Name: Tracey McNulty
Position: Head of Cultural Services
Date: 26/10/22

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 7



Report of the Director of Corporate Services

Governance & Audit Committee – 17 May 2023

Draft Annual Governance Statement 2022/23

Purpose:	This report provides the draft Annual Governance Statement 2022/23 and allows the Governance & Audit Committee the opportunity to comment prior to approval by Council as part of the Statement of Accounts.
Policy Framework:	Code of Corporate Governance.
Consultation:	Corporate Management Team, Annual Governance Group, Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that the Governance & Audit Committee reviews the Annual Governance Statement 2022/23 prior to approval by Council as part of the Statement of Accounts.
Report Author:	Richard Rowlands
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 The Council is required by the Accounts and Audit (Wales) Regulations 2014 to undertake a review of its governance arrangements, at least annually. The review is intended to show how the Council has complied with its Code of Corporate Governance.
- 1.2 The Governance & Audit Committee's role in Corporate Governance is set out in the Local Government (Wales) Measure 2011. Paragraph 9.2 of the statutory guidance relating to the Measure states that one of the functions of the Audit Committee is to:

‘Review, scrutinise and issue reports and recommendations on the appropriateness of the authority’s risk management, internal control and corporate governance arrangements’

- 1.3 The review of governance is brought together in the Annual Governance Statement (AGS) which is to accompany the Council’s Annual Statement of Accounts. The AGS is a key document informed by a number of both internal and external assurance sources.
- 1.4 This report provides the opportunity for the Governance & Audit Committee to review and contribute to the draft AGS prior to being signed off and published.

2.0 Code of Corporate Governance

2.1 Following a number of high profile cases of failed corporate governance, in both the private and public sectors, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) published a Framework for Delivering Good Governance in Local Government in 2007. The Framework was reviewed by CIPFA and SOLACE in 2015 to ensure it remained fit for purpose and a revised Framework was published in spring 2016. The new ‘Delivering Good Governance in Local Government Framework 2016’ applies to annual governance statements prepared for the financial year 2016/17 onwards.

2.2 The revised framework defines governance as:

‘Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.’

2.2.1 The Framework also states that:

‘To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.’

2.3 The Framework introduces 7 principles as follows: A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. B) Ensuring openness and comprehensive stakeholder engagement. C) Defining outcomes in terms of sustainable economic, social and environmental benefits. D) Determining the interventions necessary to optimise the achievement of the intended outcomes. E) Developing the entity’s capacity, including the capability of its leadership and the individuals within it. F) Managing risks and performance through robust internal control and strong public financial

management. G) Implementing good practices in transparency, reporting and audit to deliver effective accountability.

- 2.4 To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the core and sub-principles contained in the Framework. It should therefore develop and maintain a local Code of Corporate Governance reflecting the principles set out in the Framework.

3.0 Annual Governance Statement

- 3.1 The AGS should report publically on the extent to which the Council has complied with its own code of governance on an annual basis, including how it has monitored and evaluated the effectiveness of the governance arrangements in the year, and on any planned changes in the coming period. The process of preparing the AGS should itself add value to the effectiveness of the corporate governance and internal control framework.

- 3.2 The draft AGS 2022/23 is attached at Appendix A.

- 3.3 The final version of the AGS will be reported to Council before being signed by the Chief Executive and Leader and then published with the audited Statement of Accounts 2022/23.

4. Integrated Assessment Implications

- 4.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

- 4.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

4.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

4.3 The Annual Governance Statement is incorporated within the Annual Statement of Accounts and is a description of the Council's Governance arrangements 'as is' at the time of writing and does not have a direct impact on the relevant groups considered within the IIA.

5. Financial Implications

5.1 There are no financial implications associated with this report.

6. Legal Implications

6.1 Production of the Annual Governance Statement is required under the Accounts and Audit (Wales) Regulations 2014 and supports the Annual Statement of Accounts.

Background Papers: None.

Appendices:

Appendix A Annual Governance Statement 2022/23

Appendix B IIA

1. Scope of Responsibility

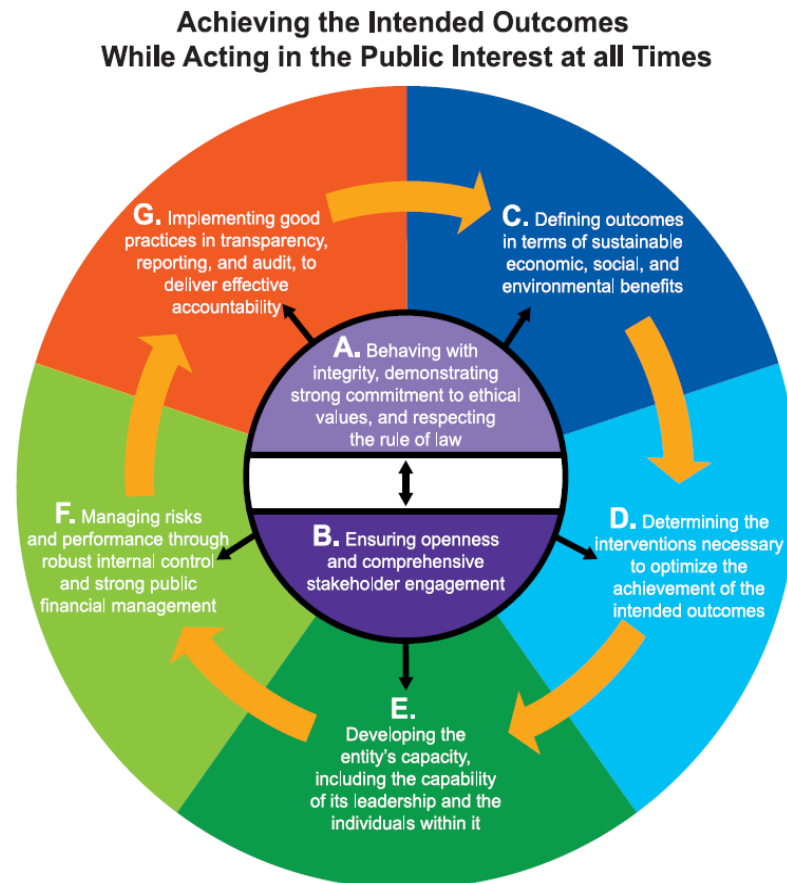
- 1.1 The City and County of Swansea is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the City and County of Swansea is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 The City and County of Swansea adopted a Code of Corporate Governance on 24 August 2017, which is consistent with the principles of the new CIPFA/SOLACE Framework '*Delivering Good Governance in Local Government 2016*'. A copy of the Code can be found on the Council's website.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at the City and County of Swansea throughout the year ended 31 March 2023 and up to the date of approval of the Statement of Accounts.

3. The Governance Framework

3.1 The Council has adopted a Code of Corporate Governance based on the “*Delivering Good Governance in Local Government*” framework published by CIPFA and SOLACE in 2016.



3.2 This Statement explains how the Council has complied with the Governance Framework and meets the requirements of the Accounts and Audit (Wales) Regulations 2014 (as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018). The Council aims to achieve a good standard of governance by adhering to the 7 key principles of the CIPFA/Solace 2016 Guidance.

3.3 The 7 key principles are:

- A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B) Ensuring openness and comprehensive stakeholder engagement.
- C) Defining outcomes in terms of sustainable economic, social and environmental benefits.
- D) Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E) Developing the entity’s capacity, including the capability of its leadership and the individuals within it.

- F) Managing risks and performance through robust internal control and strong public financial management.
 - G) Implementing good practices in transparency, reporting and audit to deliver effective accountability.
- 3.4 The application of the principles of good governance is summarised below which sets out supporting information for the 7 key principles.
- 3.5 **Note - The issues set out within the Governance Statement have been materially affected by the COVID-19 pandemic. However, it should be noted that the Statutory Governance Chief Officers and CMT continued to maintain corporate grip to ensure that sufficient governance was maintained throughout this unprecedented crisis and during the recovery.**

Annual Governance Statement 2022/23

Principle A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Sub Principles:

Behaving with Integrity

Demonstrating strong commitment to ethical values

Respecting the rule of law

How we do this:

- The behaviour and expectations of officers/members is set out in the Constitution, Officer and Member Code of Conduct and Protocol.
- The Monitoring Officer provides training on the code of conduct and ensures the highest standards of conduct by the authority, members and officers – including use of Council email protocol.
- The Standards Committee is responsible for monitoring and scrutinising the standards of Members.
- Member led authority principles with training to senior officers and Cabinet members.
- Compliance with a suite of policies/rules set out in the Constitution.
- The Constitution sets out requirements as to gifts and hospitality and there are regular reminders circulated to both officers and members.
- Adoption of Member Dispute Resolution Protocol.
- Officers/members declarations of interest.
- Officer Secondary Employment Policy.

- The Council's appraisal and recruitment system based on competencies, training and objectives underpin personal behaviours with ethical values.
- Commitment to working to promote high standards of performance based on the Nolan principles.
- Adoption of Welsh Government ethical ways of working.
- The Swansea Pledge.
- The Constitution contains comprehensive Procurement and Financial Procedure Rules.

- The Statutory officers and Members ensure compliance with legislative and regulatory requirements via a robust framework including the scheme of delegation, induction training, standing procedures and rules set out in the Constitution.
- Reports to Committees have legal/finance clearance.
- Robust Scrutiny and Call-In function.
- Robust audit challenge.
- External challenge from auditors, Ombudsman and other external agencies.
- The Monitoring Officer ensures the Council complies with statute and reports on any maladministration.
- An effective anti-fraud and corruption framework supported by a suite of policies i.e. whistleblowing.

Principle B

Ensuring openness and comprehensive stakeholder engagement

Sub Principles:

Openness

Engaging comprehensively with institutional stakeholders

Engaging stakeholders effectively, including individual citizens and service users

How we do this:

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- The Council is committed to ensuring an open culture evidenced by open meetings and publication of agendas and minutes.
- A Forward Plan showing key decisions to be made by Council and Cabinet is published.
- There is appropriate Consultation and Engagement supporting the decision making process including annual budget consultation, co-production, engagement with trade unions and engagement with Disability and LGBT communities.
- There are Public questions at Council and Cabinet.
- There is engagement with children and young people to meet the requirement of the UNCRC.
- There is pre-decision scrutiny of Cabinet decisions and Call-In procedure
- Corporate risks are published.

- The Council adopts a Team Swansea approach working as a whole Council and effectively engages with stakeholders to ensure successful and sustainable outcomes by:
 - targeting communications;
 - effective use of social media;
 - formal and informal meetings with key stakeholder groups i.e. External auditors, Welsh Government, Health board.
- The Council has an extensive range of partnerships to support the delivery of the Council's objectives including:
 - The Public Services Board.
 - The Safer Swansea Partnership.
- The Council has adopted the Community/Town Council Charter and facilitates the Community/Town Council forum meetings with the 24 Councils.

- The Council has appropriate structures in place to encourage public participation which is used to inform proposals and key decisions including:
 - A Consultation and Engagement Strategy.
 - A Co-production Framework.
 - "Have your Say" consultations on website.
 - The Scrutiny Programme Committee invites stakeholder contributions and participation.
 - A Staff Survey with responses considered by CMT/Senior Management.
 - A Complaints Policy and Annual Report to assess organisational learning and change.
 - The appointment of Councillor Champions who provide a voice for under-represented groups.
 - An Integrated Impact Assessment to assess the equality, socio-economic and sustainability impacts on people with protected characteristics and future generations.

Principle C

Defining outcomes in terms of sustainable economic, social and environmental benefits

Sub Principles:

Defining outcomes

Sustainable economic, social and environmental benefits

How we do this:

- The Council has a clear vision which is set out in the Corporate Plan *Delivering a Successful & Sustainable Swansea* which prioritises 6 Well-being Objectives.
- Delivery of the Corporate Plan is monitored through the Council's Performance Management Framework with quarterly and annual performance monitoring by CMT/Cabinet.
- There is an Annual Performance Review.
- Annual Service Plans address the sustainability of service delivery along with key corporate priorities.
- There is monthly Performance and Financial Monitoring meetings held for each Directorate.
- There is a Corporate Risk Management Policy ensuring consistent application of risk registers and terminology and audit scrutiny.

- The Council takes a long term and sustainable view and balances the economic, social and environmental impact of policies and plans by:
 - Medium Term Financial Planning covering 3 financial years approved annually by Council.
 - Refresh of the Corporate Plan annually
 - Annual service planning.
- The Council's Corporate Transformation Plan to modernise and transform the council to meet the longer term challenges and ensure sustainable provision of services.
- There is public and stakeholder engagement.
- Council has passed a motion on tackling the climate emergency and has set a target and means to achieve net zero carbon emissions by 2030, including expanding our fleet of green vehicles, increasing tree cover, installing solar panels and improving energy efficiency.

Principle D

Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub Principles:

Determining interventions

Planning interventions

Optimising achievement of intended outcomes

How we do this:

- The Council ensures that decision makers receive objective and rigorous analysis of options with intended outcomes and risks by:
 - written reports from Officers;
 - report clearance by legal, finance and Access to Services officers;
 - embedding of impact assessment in decision making process;
 - clear option appraisals reflected in reports detailing impact, risk and any best value considerations.
- The results of consultation exercises are fully considered by decision makers with consultation responses set out in report.
- Consultation on budget proposals is extensive and includes roadshows with staff.
- The Council has a Corporate Risk Management Policy.

- The Council has established robust planning and control cycles covering strategic and operational plans, priorities and targets which is achieved through:
 - A timetable for producing and reviewing plans on an annual basis.
 - Working with a consultation and engagement strategy.
 - Quarterly and annual performance monitoring including achievement of national and local performance indicators.
- There is robust Medium Term Financial Planning.
- There is an Annual budget setting process in place including an extensive consultation exercise.

- The Council ensures the Medium Term Financial Strategy integrates and balances service priorities, affordability and other resource constraints by setting out any shortfall in resources and spending requirements in the context of service priorities.
- To ensure that the budget process is all inclusive there is regular engagement with members with robust scrutiny by the Service Improvement & Finance Scrutiny Performance Panel.
- Corporate Transformation Plan.
- The Council ensures the achievement of “social value” through the effective commissioning of service in compliance with CPR’s e.g. Beyond Bricks and Mortar (community benefit clauses in council contracts).

Principle E

Developing the entity’s capacity, including the capability of its leadership and the individuals within it.

Sub Principles:

Developing the entity’s capacity

Developing the capability of the entity’s leadership and other individuals

How we do this:

- The Council aims to ensure that Members and Officers have the right skills, knowledge and mind set to operate efficiently and effectively to achieve intended outcomes by:
 - adopting a comprehensive induction training programme for members and officers;
 - a Councillor Training Programme based on a Training Needs Assessment;
 - annual performance review of staff;
 - adoption of a mentoring scheme.
- Operational capacity is supported by the Transformation & Future Council objective to help tackle rising demand and reducing revenue budget.
- The Organisational Development Strategy aims to develop the right staff with the right skills to work in a sustainable way.
- There is engagement with benchmarking groups such as APSE, CIPFA.
- There is collaborative and partnership working including the Public Service Board, Regional Partnership Board, ERW.

- Effective shared leadership and understanding of roles and objectives is supported by:
 - The Leader and Chief Executive have clearly defined leadership roles.
 - The Chief Executive Appraisal and Remuneration Committee have responsibility for the appraisal of the Chief Executive.
 - There has been member led training with both senior officers and cabinet members.
 - There are regular 1-2-1 meetings with the Leader, Cabinet members, Chief Ex, CMT and Heads of Service.
 - The Transformation and Future Council objective and the Organisational Development Strategy.
- The Constitution sets out the Scheme of Delegation which is regularly reviewed.
- Annual appraisal and performance review.

Principle F

Managing risks and performance through robust internal control and strong public financial management

Sub Principles:

Managing risk

Managing performance

Robust internal control

Managing data

Strong public financial management

How we do this:

- Risk management is an integral part of decision making supported by:
 - A Corporate Risk Management Policy with clear nominated officer responsibility.
 - New risk register application.
 - Monthly review of risks by CMT.
 - Monthly review of Directorate Risks at PFM meetings.
 - The publication of Corporate Risks allowing greater scrutiny.
 - The Governance & Audit Committee regular review of risks (see paras 8.34 & 9)

- There are quarterly performance monitoring reports to Cabinet.
- Each Head of Service produces an Annual Service Plan setting out clear objectives and SWOT analysis of their service.
- There are regular reports as to performance indicators and milestones against intended outcomes.
- There is robust scrutiny challenge by pre decision scrutiny, inquiries and Call-In.
- Monthly Directorate Performance and Financial Monitoring meetings.

- CIA provides independent assurance on the adequacy of internal control through the IA plan approved by the Governance & Audit Committee.
- The Governance and Audit Committee provides independent assurance of the adequacy of the risk management framework, the internal control environment and the performance assessment of the Council.
- The Council is dedicated to tackling fraud and corruption and has an Anti-Fraud and Corruption Policy and Whistleblowing Policy
- The Governance & Audit Committee receives an annual report on the fraud function and Anti-Fraud Plan.
- The Internal Audit Plan is approved by Governance & Audit Committee.

- The Council demonstrates effective safeguarding of personal data and information by:
 - The appointment of a Data Protection Officer.
 - The adoption of a Data Protection Policy.
 - An Information Governance Unit and Senior Information Risk Officer.
 - An information asset register
 - The Council is signed up to the Wales Accord for Sharing Personal Information (WASPI).
 - Data Protection training is mandatory.

- The Council ensures both long term achievement of outcomes and short term performance through the delivery of the Medium Term Financial Plan.
- Financial management is integrated at all levels of planning and control by:
 - financial implications are included in all decision making reports;
 - there is a specific Corporate risk around Financial Control and MTFP owned by the S151 officer.

Principle G

Implementing good practices in transparency, reporting and audit to deliver effective accountability

Sub Principles:

Implementing good practice in transparency

Implementing good practices in reporting

Assurance and effective accountability

How we do this

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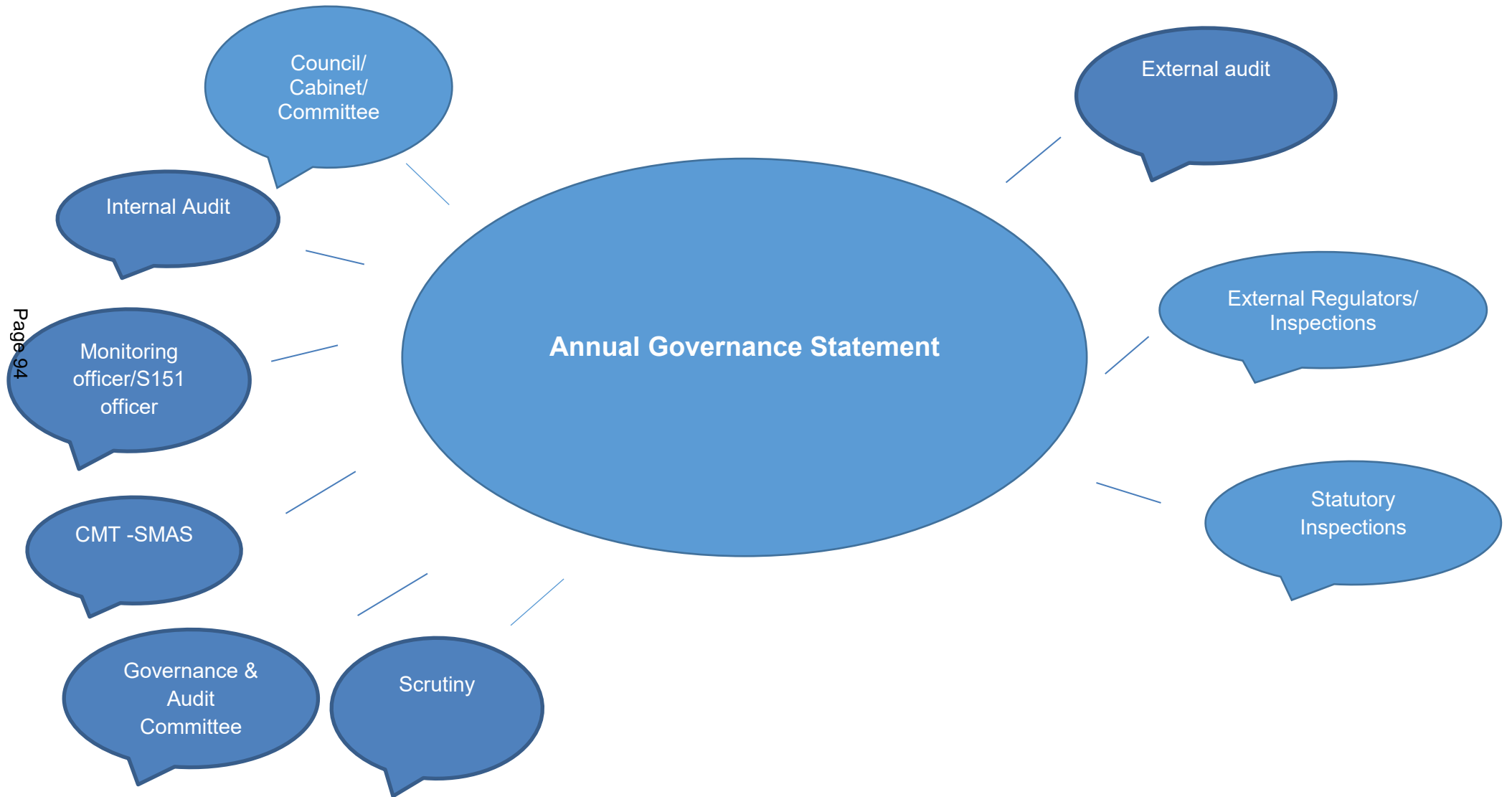
- The Council aims to present understandable and transparent reports for both stakeholders and the public which is supported by:-
 - A Report Authors Protocol which ensures consistency in reports.
 - A Clear Writing guide for Officers.
 - All reports are signed off by Cabinet Member, legal, finance and Access to Services officers.
 - The Council has a Publication Scheme which is available on the website.
 - Where possible exempt reports are split so that the main report can be heard in public with confidential information being a separate exempt report.
 - Publication of delegated decisions.
 - Reports are published on the website and agendas are published in the Welsh Language.

- The Council reports at least annually on performance as evidenced by:
 - Quarterly and annual reports to Cabinet on performance.
 - An annual Review of Performance report setting out how the Council has performed in meeting its Corporate Objectives.
 - The Annual Statement of Accounts audited by external auditor and approved by Council and published demonstrates how the Council has achieved performance, value for money and the stewardship of resources.
- Senior Managers complete Self-Assessment & Management Assurance Statements (SMAS) reflecting performance against governance, risk management and internal control. The SMAS contribute to the Annual Governance Statement.
- The Council have adopted the Code of Corporate Governance based on CIPFA framework.

- Through the assurance mechanisms set out below the Council can demonstrate effective accountability:
- The Internal Audit work plan provides assurance on the council's control mechanisms, risk management and governance arrangements which is monitored by the Governance & Audit Committee.
- All agreed actions from Internal Audit reviews are monitored.
- Reports and plans to implement Audit Wales and Internal Audit recommendations reported (as relevant) to Scrutiny and Governance & Audit Committee.
- Peer Review and inspection from regulatory bodies and external compliance reviews which are reported to CMT/Cabinet and used to improve service delivery.
- There is Scrutiny and audit review of Audit Wales reports and action plans.
- Assurance on risks associated with delivery of services through third parties is achieved by:
 - Commissioning and monitoring arrangements and compliance with Contract Procedure Rules.
 - SMAS reflect risk assessments in relation to partnership/third party working.

Internal Assurance

External Assurance



4. Review of Effectiveness

4.1 The City and County of Swansea annually reviews the effectiveness of its governance framework including the system of internal control.

- (a) Statements from Corporate Management Team (CMT), Statutory Officers, the Internal Audit Manager and the Audit Committee.
- (b) External organisations i.e. Audit Wales and regulators.
- (c) Core evidence mapped to Council, Cabinet and Committees.

4.2 The following highlights the review of the governance framework in order to compile the Annual Governance Statement and sets out the assurance of CMT, officers and external organisations.

INTERNAL SOURCES OF ASSURANCE

5. Corporate Management Team/SMAS

5.1 The Senior Management Assurance Statements (SMAS) form part of the governance assessment framework. Through the SMAS each Director responds to 15 good governance statements covering:

- Risk Management.
- Partnership/Collaboration governance.
- Compliance with Policies/Rules/Legal & Regulatory requirements.
- Programme and Project Assurance.
- Budget Monitoring.
- Planning and Decision Making.
- Internal Control Environment.
- Fraud & Financial Impropriety.
- Performance Measurement & Management.

5.2 The Directors assess assurance using a 5 point maturity scale for their areas of responsibility ranging from “Not in place” to “Embedded”. Directors are expected to consult with their Heads of Service to support a directorate approach to each statement.

5.3 The assurance statements summarised by 9 categories showed overall in 2022/23 that there were no categories that were deemed as being “Not in place” and 1 (1.4%) with “Limited Application” (Performance Measurement & Management - Performance Reviews). A small number 8 (11.4%) of categories were regarded as showing “Mixed Application”. These categories were: Compliance Improvement (3); Planning and Decision Making - Service Planning (1); Planning and Decision Making - Future Generations & Equality (1); Performance Measurement & Management (1); Performance Measurement & Management - Performance Reviews (3). These will be captured in the significant governance risks for 2022/23 where relevant.

However, 39 (55.7%) demonstrated “Strong Application” and 22 (31.4%) were described as “Embedded”.

5.5 The Council established an Annual Governance Group for the purpose of challenging the SMASs and assisting and overseeing the development of the Annual Governance Statement. The Group is chaired by the Interim Director of Corporate Services and members include the Council’s Section 151 Officer and Monitoring Officer, as well as the Strategic Delivery & Performance Manager and a member of the Governance & Audit Committee. The Chief Internal Auditor attends in an advisory capacity. The Annual Governance Group met on 15th March 2023 to review the draft SMAS submitted by each Director. CMT reviewed the draft SMAS and the findings from the Annual Governance Group on 29th March. The Annual Governance Group reviewed the revised SMAS and the draft Annual Governance Statement on 19th April 2023. The Significant Governance Issues for 2023/24 as identified by CMT after reviewing the draft Annual Governance Statement on 26th April 2023 are those set out below.

6. The Monitoring Officer

6.1 The Chief Legal Officer is the Monitoring Officer with a specific duty to ensure that the Council, Officers and Members maintain the highest ethical standards of conduct. The Standards Committee has the responsibility for monitoring the ethical standards of conduct and to deal with any breaches of the Code referred to the Committee by the Public Service Ombudsman (PSOW).

6.2 During 2022/2023 the Monitoring Officer was notified of 12 complaints relating to members conduct by the PSOW. The PSOW decided not to investigate 11 of those complaints. 1 complaint is being investigated and is still outstanding. In relation to complaints reported to the PSOW the Committee receive regular updates as to the status of complaints. Regular PSOW bulletins are circulated to all councillors as to Code of Conduct issues when issued.

6.3 The Local Government and Election (Wales) Act 2021 brought in new duties for Standards Committees and Group Leaders in Wales from May 2022. The Committee considered changes to their Terms of Reference on 9 March 2022 so as to comply with the legislation. Council approved the changes to the terms of reference on 24 May 2022.

6.4 The Chair presented the Standards Committee Annual Report 2021/22 to Council on 7 July 2022. The Report reflected the Committee’s view that generally the conduct of members was high..

6.5 In February and March 2023 the Standards Committee interviewed the Leader and all Leaders of the Opposition Groups. The discussion with group leaders focused on their new duties under the legislation and how they would meet that duty. The Monitoring Officer is therefore of the view that the Authority is in a good position to comply with the new legislative requirements.

- 6.6 The Monitoring Officer has not had to issue any statutory Section 5 Local Government and Housing Act 1989 reports during 2022/23
- 6.7 Members and co-opted members are required to register their personal interests in any business of the authority and to comply with the rules set out in the Members Code of Conduct. Members must also comply with the rules around Gifts and Hospitality.
- 6.8 All staff are required to disclose any personal interests which actually or potentially conflict with their duties to the council and to register any secondary employment.
- 6.9 Substantial work on the Council Constitution has been progressed with some major amendments being made at the Annual Meeting of Council on 24 May 2022 following the implementation of the Local Government and Elections (Wales) Act 2021. These included a Multi-Location Meeting Policy, a Petition Procedure and an index to the Constitution. Further constitutional changes will be progressed during 2023/24.

7. The S151 Officer

- 7.1 Quarterly **Financial Monitoring Reports** were presented to Cabinet throughout 2022/23. The third quarter report identified a net £8.995m shortfall in service revenue budgets, almost entirely in relation to the recently accepted 2022/23 pay award together with anticipated costs/loss of income as a result of COVID19 which when combined with a forecast £2.0m shortfall in Council Tax collection leads to a total shortfall of £10.995m. To date the amount actually claimed in relation to COVID related additional costs/loss of income is £9.3m. It is assumed that all the TTP costs will also be recovered and for 2022/23 some additional grant is £3.8m. It is also possible that Council tax losses, or part of them at least, will be met by future WG grant support, but this is yet to be assured. In addition as identified above further mitigation is anticipated from the Apprenticeship/Inflation provision of £3.13m and Contingency fund of £5.457m. Taking account all of these mitigations and including the shortfall in Council Tax collection this results in a net forecast underspend for the council of £1.345m (after contingency and other reserve draws). Ongoing uncertainty over NDR receipts (after a succession of complicated interim relief schemes may likely need to utilise this residual under spend after reserve draws).
- 7.1.1 The current indication is that, for 2022/23, and for 2023/24 there needs to be continued targeted mitigating action and delivery of savings proposals to help reduce the overall overspend or likely future overspends. It looks inevitable major some significant draws from contingency and earmarked reserves will be needed to achieve a fully balanced budget for the year but this was somewhat anticipated throughout the year. Any inroads to net spending will reduce the necessary draw from reserves and preserve the amount of reserves available to carry into 2023/24 and the anticipated need for a repeat

of the mitigation strategy given our biggest cost driver, local government and teacher pay, remains far from resolved, agreed or fully funded.

- 7.2 A verbal **Mid Term Budget Statement 2022/23** was presented to Council in December 2022 given the substantially delayed settlement. The written report on the **Review of Reserves** was presented to Council on 06/10/22, which provided a strategic and focussed assessment of the current year's financial performance and an update on strategic planning assumptions over the next 3 financial years.
- 7.2.1 The conclusion of the Statement was that the Council could potentially struggle to deliver within the overall resources identified to support the budget in 2022/23 and beyond unless the local government settlement was continued to be permanently much enhanced and preferably routinely multi-year (the quantum was duly confirmed much enhanced by March 2022 and pleasingly was a three year settlement albeit heavily front loaded then dropping off significantly). The likely projected outturn was dependent upon the ability of the Council to reduce and restrict ongoing expenditure across all areas, its ability to recover expenditure and lost income from Welsh Government and continued reliance on active capital financing strategies to maximise the short term savings to enable the capital equalisation reserve to be bolstered for the medium to long-term recognising the major future capital commitments already irrevocably made by Council decisions on the size of the capital programme and associated borrowing.
- 7.2.2 The Revenue and Capital Budgets were approved by Council on 02/03/23. They continued to set out an ongoing ambitious programme of approved capital spending plans and future capital spending plans (partly financed by the Swansea Bay City Deal but predominantly by unsupported borrowing now fully externalised at fixed rates for up to 50 years de-risking general fund exposure to future interest rate movements) which would require modest budget savings to be delivered to help facilitate that major capital investment and economic regeneration stimulus. Future capital spending plans of up to a further £50m are nominal only at present and require financing from capital borrowing and revenue headroom to be yet created with only a temporary and interim reserve funding solution. These plans are likely to still be affected by ongoing ripple effects of COVID-19 and much wider economic aftershocks. It remains entirely unclear as to the scale of additional spending, the loss of income, and the funding arrangements for reimbursement in part, or in full, that the Authority faces in responding both locally, with partners, and supporting the national strategic response to COVID-19 and the economic outlook.
- 7.2.3 The impact will be very financially material on the 2022/23 accounts but the prioritisation of the response to COVID-19 and wider economic crises may have impaired our ability to fully prepare the accounts to our normally exceptionally high standards (and timeliness) in line with accounting standards. Any necessary deviation caused will be disclosed separately throughout these accounts.

- 7.3 The **Medium Term Financial Plan 2024/25 – 2026/27** was approved by Council on 02/03/2023. The Plan outlined the range of options around funding faced by the Council over the period, the key reliance on the scale and value of future local government finance settlements and the strategy to be adopted to address the various scenarios as well as the inherent risks to the success of the adopted strategy.
- 7.3.1 All spending and funding assumptions were set before the ongoing economic scale of the repayment of costs incurred during COVID-19 pandemic was fully apparent, exacerbated by the late nature of the UK and Welsh government budget setting processes. Whilst the Authority will consider future spending plans in line with projected funding announcements there is no indication at present that any of the assets of the Authority may be impaired as a result of a need to close facilities and reduce the level of service provision.
- 7.4 Each Corporate Director held monthly **Performance and Financial Monitoring** meetings where Chief Officers and Heads of Service reported on progress in terms of continuous improvement and budgets.
- 7.5 **Audit Wales Annual Audit Summary 2023.** Audit Wales provided their opinion on the financial statements which was an unqualified opinion. Their report outlined their continuing challenges in delivering the audit within their original timetable and deadlines resulting in the accounts not being formally approved until March 2023. Their summary recognised 3 immaterial uncorrected misstatements.
- 7.5.1 The Auditor General certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2021-22, as saved by an order made under the Local Government and Elections (Wales) Act 2021.
- 7.5.2 Audit Wales reviewed the arrangements the Council has put in place to secure value for money in the use of its resources. Their work was focussed on the Council's arrangements on implementing the Local Government and Elections Act (Wales) 2021, carbon reduction plans and the financial position; the outcome from this work were reported to Governance & Audit Committee on 27th September 2022, 9th February 2023 and 8th March 2023 respectively. Audit Wales also carried out studies across the local government sector to make recommendations for improving value for money.
- 7.6 The Council is the Administering Authority for the City and County of Swansea Pension Fund (the Pension Fund) and Swansea Bay Port Health Authority (SBPHA). The governance arrangements detailed in this Annual Governance Statement apply equally to the Council's responsibilities to the Pension Fund and SBPHA. There are further specific requirements for the Pension Fund which are to produce:
- Investment Strategy Statement.

- Governance Compliance Statement
- Internal Dispute Resolution Process.
- Funding Strategy Statement.
- Administration Strategy Statement.
- A full actuarial valuation to be carried out every third year.
- Communications Strategy Statement.

7.6.1 In 2022/23, the SBPHA reviewed and implemented a revised model of service delivery.

8. Chief Auditors Opinion

8.1 System of internal control are designed to help the Council manage and control the risks which could affect the achievement of the Council's objectives. However it is not possible to eliminate all risks completely.

8.2 As a result, Internal Audit can only provide 'reasonable' assurance that the systems of internal control within the areas of the Council reviewed are operating adequately and effectively.

8.3 The Internal Audit Section awards an assurance level for all audits undertaken.

8.4 The table below provides a summary of the assurance levels awarded to the audits completed in 2022/23:

Audit Assurance Results 2022/23		
Total Number of Audits Finalised	73	
Assurance Level	Number	%
High Assurance	27	37
Substantial Assurance	40	55
Moderate Assurance	6	8

8.5 As can be seen in the table above, the outcome of 67 of the 73 audits completed (92%) was positive with the audits being awarded either a High or Substantial assurance level.

8.6 Six audits received a Moderate level of assurance in the year. A summary of the key issues that result in Moderate assurance ratings being awarded are presented to the Governance & Audit Committee as part of the Chief Auditor's Quarterly Monitoring Reports, together with the outcome of the follow-up reviews undertaken to assure the Committee that action has been taken by management to address the issues identified.

8.7 In total there are 14 audits which are classed as Fundamental audits. The Fundamental audits are the core financial systems that are considered to be so significant to the achievement of the Council's objectives that they are audited either annually or bi-annually. Following the audits completed in

2022/23, 10 of the 14 Fundamental audits were awarded a High level of assurance and 3 were awarded a Substantial level of assurance (Accounts Payable, Business Rates and Employee Services).

- 8.8 The Fundamental Accounts Receivable audit was awarded a Moderate assurance level in 2022/23, as has also been the case in the previous four financial years. The Governance & Audit Committee has received several updates from the relevant managers within the service in relation to the work that is ongoing to address the issues that have been identified. The Committee will continue to receive updates on this during 2023/24 as required.
- 8.9 It is disappointing that the Accounts Receivable audit received a Moderate assurance rating once again in 2022/23. As detailed in updates provided to the Governance & Audit Committee from the service management, the reasons for the weaknesses identified in this area are primarily in relation to reduced staff resources. As noted in previous annual reports, continuity and maintenance of core grip with changing, and more often diminishing resources was a recognised clear challenge across the Council, and this continued to be the case in 2022/23 and going into 2023/24.
- 8.10 Despite this, as stated previously it should be noted that of the 14 fundamental system audits, 10 have a High assurance level and 3 have a Substantial assurance level. In addition, the results of the work undertaken in 2022/23 shows that 92% of all audits completed in year were awarded either a High or Substantial assurance level. This provides reasonable assurance that the systems of internal control are operating effectively across the Council.
- 8.11 The Internal Audit Team has continued to operate in a very challenging environment throughout 2022/23. Approximately 500 days were lost to sickness absence and vacancies. As a result, approximately 35% of the original 2022/23 Audit Plan had to be deferred. However, I wish to express my gratitude the Internal Audit Team who have worked tirelessly throughout the year to complete as much audit work as possible.
- 8.12 The Audit Plan for 2022/23 contained 131 separate audit activities. As at 31 March 2023, 80 activities (61%) had been completed, with one additional activity (1%) substantially complete with a draft report issued. As a result, 81 activities had been completed to at least draft report stage (62%). An additional 4 activities were in progress at year end (3%). As a result, approximately 65% of the audit activities included in the 2022/23 Audit Plan had either completed or were in progress at year end. The team also successfully completed all of the Fundamental audits. This is a positive result given the resources available in the Team during the year. It is also pleasing to note the overall positive outcomes of the work that has been completed in year as highlighted above.
- 8.13 Throughout the year, a significant amount of effort has continued to be directed at further strengthening the systems of risk management across the

Council. The Governance and Audit Committee has received regular update reports from the Strategic Delivery and Performance Manager outlining the status of key risks from the Corporate Risk Register. The Corporate Management Team and Risk Owners have also reviewed the risk register entries regularly throughout the year to ensure the register is up to date. The new Risk Management System has also been further embedded in the year which has continued to improve the monitoring and control of risks. The introduction of the new Risk Management System has facilitated greater scrutiny of the risk management arrangements in place by the Governance and Audit Committee, and detailed reports from the new system have been presented to the Committee throughout the year.

- 8.14 At the time of writing this opinion, it is unclear as to the scale of additional spending the Council faces, from persistent relatively high inflation across both revenue and capital and demands on our services post pandemic whilst also in the midst of a cost of living crisis. The Director of Finance & Section 151 Officer has advised that his view is that there is adequate assurance of sufficient budget cover for 2023/24, but the future budget outlook remains extremely challenging in real terms. In March 2023, the Leader of the Council set out the Council's intention to continue with utilising the residual part of the locally funded Covid-19 Economic Recovery Fund during 2023/24. This will in part may mitigate the known certainty of the expected significantly reduced real terms Government funding increases in future years. This may also assist with dealing with some, but not all, of the immediate inflationary effects, which means future real terms reductions seem inevitable. However, this is pending formal certification of the final outturn and statement of accounts by the Section 151 Officer and Council.
- 8.15 The work undertaken by the Internal Audit Team in the year did not uncover any significant concerns in relation to governance and overall management control across the areas of the council that were subject to internal audit review. Despite the ongoing period of upheaval and change, officers have continued to adapt speedily and effectively to the move out of the pandemic.
- 8.16 Given the completion rate of the 2022/23 Audit Plan noted previously, and the fact that the Internal Audit Team has completed all of the planned Fundamental audits in year, the Chief Auditor feels that no impairment to the Chief Auditor's opinion is required. Assurance can be provided across a range of Council services as a result of the audits completed and other assurance work undertaken in the year.
- 8.17 In addition, for the reasons set out previously, the Chief Auditor is of the opinion that governance arrangements across the Council have proved to be robust and resilient throughout the continuing period of challenge and change that the Council has faced over the past year in the transition out of the pandemic.

8.18

Chief Auditors Opinion for 2022/23

Based on the programme of audit work undertaken in 2022/23, the Chief Auditor's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control is effective with no significant weaknesses identified in 2022/23 which would have a material impact on the Council's financial affairs or the achievement of its objectives.

9. The Governance & Audit Committee

- 9.1 I am pleased to present this report prepared by the Chief Auditor and Democratic Services that reflects on the work of the Governance & Audit Committee. The report provides an overview of the Governance & Audit Committee's work in the municipal year 2022/23. On 31st May 2022 the Governance & Audit Committee considered the election of Chair for 2022/23 Municipal Year where it was resolved that Paula O'Connor be elected Chair. At the same meeting Councillor P R Hood-Williams was elected Vice-Chair for the 2022/23 Municipal Year.
- 9.2 The full Council agreed that the Governance & Audit Committee would be set at 15 members with one third of those being Lay Members to comply with the requirements of the Local Government and Election (Wales) Act. This resulted in the Council seeking to recruit a further three Lay Members. By May 2022 an additional two new Lay Members were successfully recruited – Mr Phillip Sharman and Mr Gordon Anderson. In March 2023 the Council were successful in appointing the fifth Lay Member Mr David Roberts who will assume his position in April 2023 thus being fully compliant with legislative requirements.
- 9.3 In addition, Cllr Lesley Walton was elected by the Governance & Audit Committee to be the Representative on the Governance Group. This Group ensures that the Annual Governance Statement is complete and accurate and is in harmony with the work of the Governance & Audit Committee. The Annual Governance Statement will be presented together with this Annual Report of the Governance & Audit Committee at the May 2023 meeting.
- 9.4 A formal Training Programme has been in place throughout the year to ensure the Committee Members understand their roles and responsibilities. This also provides a clear understanding of the roles of Performance and Scrutiny.
- 9.5 The Local Government and Election (Wales) Act requires careful coordination between Governance & Audit Committee and the Scrutiny Committee. To aide this, the Work Programme of both Committees are appended to every meeting of the Governance & Audit Committee.

- 9.6 In addition, the Chair of Scrutiny attends the Governance & Audit Committee to present the Annual report. Similarly, the Council's Performance Report was brought to the attention of the Governance & Audit Committee on 14th December 2022 by Cllr Chris Holley, Chair of the Service Improvement & Finance Scrutiny Panel in order to give assurance to the Committee that it had been subject to review and challenge by the Panel.
- 9.7 The Chair has assured the Council that every effort will be made to gain maximum effectiveness in the work of scrutiny and audit in order to avoid stepping outside of the remits of their terms of reference. More recently, on 14th March 2023 the Chair attended the Scrutiny Programme Committee to discuss Governance & Audit Committee and Scrutiny relationships to reinforce and clarify those responsibilities. The terms of reference are reviewed annually in conjunction with the Monitoring Officer to ensure that they reflect the most up to date legislation. The Committee terms of reference forms part of each Agenda as an aide to ensure that Members are sighted of its role.
- 9.8 The Chair would note that the South West Wales Corporate Joint Committee was established early 2022 to meet the requirements of Part 5 of the Local Governance and Elections (Wales) Act 2021. Further insight was given to Members as to the current status and progress of the CJC at the September 2021 Governance & Audit Committee and then in December 2021 the Governance & Audit Committee were informed of progress and next steps being taken in establishing a formal governance framework. At that time, it was envisaged that the status and progress of the work of the CJC would be brought back to the Governance & Audit Committee during the early part of 2022 when consideration would be given to any further changes to Terms of Reference of the Governance & Audit Committee. In March 2023 the Committee received a report on the Governance and Assurance Arrangements of Swansea Council's Strategic Partnerships. One of the Partnerships was the South West Wales Corporate Joint Committee. The Chair confirms that the Governance and Audit Sub Committee of this Partnership met on 11 November 2022 to agree Terms of Reference, but no further meetings have taken place since this date. However, recent notification indicates that a July 2023 is being arranged. As a result, the Terms of Reference for the Council's Governance & Audit Committee will need to be kept under review.
- 9.9 The Governance & Audit Committee have continued to express concern around the absence of the Workforce Strategy and the challenges placed on resources. In February 2022 the Strategic HR&OD Manager confirmed that a proposed Workforce Strategy has been developed for the financial year April 2022-2025. It was also confirmed that the Strategy took into consideration the Council's Corporate Plan "Delivery a Successful and Sustainable Swansea" as well as the provisions of the Well-Being of Future Generations (Wales) Act 2015. The Strategy was launched during 2022.

- 9.10 Subsequently, a key report was presented to the Committee on 17th November 2022 informing the Committee of the Council's Transformation Goals and Strategy. This report noted that the first two phases of Achieving Better Together strategy and goals ended in May 2022 with the development of the council workforce strategy amongst other activities. However, to deal with the challenges ahead the Council declares that "between 2022 and 2027 the Council will deliver at least the same if not better outcomes for our population and improve our efficiency by making significant changes to the way we work and how our services are designed and delivered". The Governance & Audit Committee will receive future updates.
- 9.11 The Committee noted that a number of key staff changes took place during the year including the departure of the Chief Executive and the Deputy Chief Executive/Director of Corporate Services. As a result, Interim arrangements were put in place, but this did not impact on the access that the Chair had to Senior Officers. The Chair has continued to speak regularly to the new Chief Executive and Director of Corporate Services.
- 9.12 The Chair also highlights that the Committee has previously reported on the shortfall in assurances being received around the Council's Risk Management arrangements. However, the Chair has ensured that the Service Directors have attended the Governance & Audit Committee during the year to provide assurance to the Committee that individual functions are exercised effectively, and there is economic, efficient, and effective use of resources and effective governance. The Director of Corporate Services has been reviewing the risk management system with the aim of enhancing the current reporting to the Committee.
- 9.14 The Governance & Audit Committee terms of reference states that the Committee "oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
- 9.15 In March 2022 the Chief Internal Auditor presented the Draft Internal Audit Plan for 2022/23 and methodology applied. The Chair commented that the Committee was able to support approval of the Plan to Council with the caveat that assurances had been obtained from the Chief Internal Auditor that the Plan was risk based and complied with the Public Sector Internal Audit Standards. The Committee continued to seek further understanding of the scope of the reviews during 2022/23.
- 9.16 The Committee received the 2022/23 Internal Audit Plan and Charter on 8th March 2022 and has received reports regularly during the year from the Chief Internal Auditor. The Chief Internal Auditor explained the staff resource pressures throughout the year and also advised that at the year-end 62% of the plan would be completed which would be sufficient to provide the Head of Internal Audit Opinion. The Chair has expressed her gratitude to the Chief Auditor and his Team in progressing with the plan during a period of unplanned staff absences. During 2022/23 the Chief Auditor reported a number of Moderate Assurance audit reports that resulted in those

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responsible attending Governance & Audit Committee to give assurance that appropriate action was being taken where significant weaknesses in control were identified. During the year the Chief Internal Auditor updated the Governance & Audit Committee of those audit assignments that had to be deferred. The final Chief Internal Auditor opinion is due to be presented to the Audit Committee in May 2023.

- 9.17 Audit Wales presented their 2022 Audit Plan to the Governance & Audit Committee on 15th June 2022, and has provided the Committee with regular updates to their work. Their Quarterly update to 30 September 2022 was presented to the December 2022 Committee meeting. Also, the update to 31 December 2022 was presented to the March 2023 Committee meeting. Audit Wales have encountered staffing pressures throughout the year and have kept the Committee and full Council abreast of the situation.
- 9.18 The Committee has repeatedly checked progress with the development of the tracker to give focus to completion of external audit recommendations. Until this tracker is fully developed and put into place the Scrutiny Committee has a role in challenging non implementation of Audit Wales recommendations as well as the Governance & Audit Committee. The Council has also implemented a system whereby they are able to track who was allocated Audit Wales reports for actioning recommendations.
- 9.19 On 13 July 2022 the Committee received the 202/23 Fraud Function Annual Plan. The 2021/22 Anti-Fraud Annual Report was received at the same meeting. In December 2022 the Corporate Counter Fraud Function presented their mid-year update report on progress against the plan. This report identified the Teams limited resources that impacts on their ability to be proactive in certain areas albeit the National Fraud Initiative work is considered proactive.
- 9.20 The Council has continued to face significant challenges during 2022/23. However, Audit Wales has confirmed at the March 2023 meeting that they intend to issue an unqualified opinion on the 2021/22 accounts.
- 9.21 Looking ahead to 2023/24 the Governance & Audit Committee's membership and responsibilities will need to be kept under review to ensure that a Training Programme continues to be in place that reflects the needs of new Councillors and Lay Members. Governance & Audit Committee Members completed an assessment of performance in March 2023 and the outcome of this self-assessment will be considered at the May 2023 meeting. If the self-assessment identifies any additional Member needs, this will be added to the Training Programme.
- 9.22 The Committee's concerns expressed during the 2022/23 Municipal year will be appropriately reflected in the Annual Governance Statement and will include performance against the Transformation Strategy, and the further improvements required to embed the risk management arrangements and enhanced reporting of risk. In addition, for those Moderate or Limited Assurance Internal Audit reports issued during the year the Committee will

seek further updates to ensure all internal audit recommendations have been actioned. Also, the Significant Governance issues noted in the Annual Governance Statement will be considered by the Committee and will include Workforce capacity and capabilities (including Agency use and Sickness), Performance Management review, ICT Disaster Recovery and Procurement.

EXTERNAL SOURCES OF ASSURANCE

10. External Auditors

- 10.1 Audit Wales provided their opinion on the financial statements which was an unqualified opinion. Their report outlined their continuing challenges in delivering the audit within their original timetable and deadlines resulting in the accounts not being formally approved until March 2023. Their summary recognised 3 immaterial uncorrected misstatements. The Auditor General certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2021-22, as saved by an order made under the Local Government and Elections (Wales) Act 2021.
- 10.2 Audit Wales reviewed the arrangements the Council has put in place to secure value for money in the use of its resources. Their work was focussed on the Council's arrangements on implementing the Local Government and Elections Act (Wales) 2021, carbon reduction plans and the financial position; the outcome from this work were reported to Governance & Audit Committee on 27th September 2022, 9th February 2023 and 8th March 2023 respectively. Audit Wales also carried out studies across the local government sector to make recommendations for improving value for money.
- 10.3 Audit Wales on behalf of the Auditor General for Wales presented the **Audit of Financial Statements Report 2021/22** to Governance & Audit Committee on 8/3/23 and to Council on 30/03/23. The report highlighted any significant issues to those charged with governance that needed to be considered prior to the approval of the financial statements. The Auditor General issued an unqualified audit report for the financial statements. The report concluded that the financial statements for the City & County of Swansea and the City and County of Swansea Pension Fund, (which was presented separately to the Pension Fund Committee on the 16/11/22), gave a true and fair view of the financial position of the Council and had been properly prepared.

11. Statutory external inspections/regulators

- 11.1 Audit Wales, Estyn and CiW recently provided feedback to the Council through a Joint Regulators Assurance and Risk Assessment 2022-23 workshop, which delivered to CMT on 11th January 2023.
- 11.2 At the workshop, Estyn outlined the following assurances on the Council:
- Swansea's education directorate has an ambitious aspiration for all its children and young people.

- Officers work collaboratively and productively with other services and external organisations on many levels.
- The director and officers promote and support a strong and effective culture of self-improvement amongst Swansea schools.
- Learner well-being and welfare is a priority. A wide range of support and interventions for pupils with behavioural and emotional difficulties ensures that learners succeed and remain in education.
- The number of pupils progressing to Year 11 and remaining in school until the end of the academic year is consistently higher than national averages.
- The directorate has a strong culture of self-reflection and they produce swift and precise improvement plans when appropriate.
- There are well-established monitoring and quality assurance processes in place

11.3 Estyn identified what they perceived as risks:

- Concerns over future budgets and the ability to deliver services effectively across the authority and fulfil proposed capital spending plans.
- The new regional partnership arrangement 'Partneriaeth' is at an early stage of implementation and is too soon to judge its effectiveness.
- Two recommendations from local government inspection: review post-16 provision to ensure that it meets the needs of all learners; strengthen Welsh-medium provision across all ages and areas of the local authority

11.4 CiW described the following overarching assurances on the Council:

- Corporate understanding of & support for post –pandemic position.
- Innovative approach to service delivery and planning.
- Stable, experienced senior management team.
- Workforce strategy / planning.
- Quality assurance becoming more embedded.

11.5 CiW outlined the following assurances on childrens social care services:

- Demonstrable compliance in meeting statutory duties, despite ongoing / significant pressures.
- Stable / decreasing CLA population.
- Robust and comprehensive PFM reports.
- Enhanced multi-agency / partnership working.

11.6 The following risks were described by CiW concerning childrens social services:

- Managing increasing scope & complexity of demand.
- Significant, ongoing recruitment & retention challenges.
- Recent use of emergency placements, due to lack of availability.

11.7 CiW outlined the following assurances on adults social care services:

- Re-structuring led to improvement in some key areas of service delivery, including Safeguarding & DoL's teams.
- Strengthened integration / positive relationships with health colleagues.
- Supplementing resource via managed team to help address assessment and reviews.

11.8 The following risks were described by CiW concerning adults social services:

- Ongoing fragile position of Domiciliary Care provider market –growing waiting lists / shrinking capacity.
- Ongoing pressures due to demand in the system.
- Delays in assessments.

11.9 CiW outlined their planned future work for 2022/23 as follows:

- Continue to test and evaluate their revised approach, including assurance checks, improvement checks and PEI's (in conjunction with LAAG and other interested parties).
- Continuous programme of activity from April 2023 –it is anticipated that all 22 Local authorities will have some activity whether that be an assurance check, a performance evaluation inspection and / or involvement in a national thematic review.
- Continue with programme of formal meetings with Heads of Service and also the annual meeting with the Director of Social Services
- National thematic review - to be confirmed.

11.10 Audit Wales listed the following assurances on the Council:

- Stable political landscape with continuity of leadership.
- Council is refreshing much of its corporate framework, including its Corporate Strategy and performance management arrangements to ensure they are aligned to deliver its ambitions, within the constraints of its developing MTFS.
- Council has high levels of reserves which it is using (estimated £30m for 23/24) to help with its financial sustainability over the short to medium term.
- Has historically had a low cost of borrowing on capital that is now being used to deliver its ambitious regeneration priorities.
- Pension Fund has performed well over the last few years.
- Reviewed achieving better together programme and have developed a refreshed Transformation Programme.
- The Council is reviewing its risk management arrangements and has recently reviewed its Corporate Risk Register and identified a number of new corporate risks, such as: homelessness and cost of living

- The Council has a strong grasp of the scale and complexity of the challenge to achieve net zero by 2030 and has ambitions for the county of Swansea to become net zero by 2050.

11.11 The following emerging risks were described by Audit Wales concerning the Council:

- Positive financial settlement for 2023/24 (£31m uplift). However, future financial pressures remain a risk with a saving target of £25m for 2023/24 and significant saving targets for 2024/25 –2026/27.
- High levels of school reserves which will be reduced in 2023/24 as schools have to find savings of £2.9m and also need to cover this year's pay award–potential risk for 2024/25.
- Net Zero plans are not fully costed and do not identify the funding and resources required to deliver all the identified activity.
- Sustainability of some strategic private sector delivery partners such as those in Leisure.
- Challenges in relation to recruitment and retention in particular sectors such as care and senior posts in education.
- Budget proposals principle is minimal compulsory redundancy – although not ruled out in services areas where the greatest savings are required, potential risk around service delivery.
- Significant historical delays in delivering the new ERP solution Oracle Fusion current system will be unsupported from June 2023.
- Ambitious local and regional economic regeneration plans, however the sustainability of private sector support for this remains a risk in the current economic climate.
- Concerns over the progress being made on some of the largest Swansea Bay City deal projects such as “homes as power stations” of particular significance given the cost of living crisis.
- Recently established Corporate Delivery Committees to support Policy development, however some concerns over duplication with Scrutiny.
- Impact on Transformation Programme of current financial crisis.
- Track record - delivering financial savings, delivering on significant projects such as IT; how is the Council assuring itself that it can prioritise and deliver?

11.12 Swansea's Director of Social Services' Annual Report 2021/22 was presented to full Council in October 2022. The report is an opportunity to show how well Swansea is meeting the new statutory requirements under the Social Services and Well-being (Wales) Act 2014, and how we are applying the five ways of working within the Well-being of Future Generations (Wales) Act 2015. The report has to evaluate the local authority's improvement journey to 2021/22, performance within the six National Quality Standards and contributing the wellbeing outcomes for the citizens of Swansea.

11.13 In December 2021, CiW published a National Overview Report of Assurance Checks with Children's and Adult Social Services. This report gives the key finding from the 19 assurance checks carried out across Wales between

September 2020 and July 2021, and sets out the future challenges for social services. Future challenges identified within this report can be summarised as:

- Unprecedented increase in demand for social care.
- Partnership working.
- Recruitment and retention.
- Fragility within domiciliary support services.
- Placement insufficiency within the childcare sector.
- Advocacy.
- Support for Carers.
- Grant funding.

11.14 Care Inspectorate Wales (CiW) hold an annual performance review meetings with each local authority social services. Senior management, cabinet members and senior managers are invited to the meeting to share in feedback from recent inspection activity and to discuss progress against the statutory requirements, improvement priorities and against performance measures. Minutes noting the outcome of the meeting are then sent to the Director of Social Services; the most recent meeting notes are dated 16th December 2021.

11.15 CiW's new approach to assurance and review places the voice of the citizen at the centre, and inspectors gather intelligence on performance from a range of sources ahead of the annual review meeting. Regular meetings are held with Heads of Service, and monthly performance reports are made available. Review work for the year ahead includes: child protection (rapid review), public law outline (joint thematic review), Community Mental health national, alongside Council specific reviews. The latest Annual Meeting with CiW was held on 31st January 2023, with notes yet to be made available.

11.16 CiW has also recently published two national reports: 'Let me flourish' -a national review of early help, care and support and transition for disabled children in Wales (Nov.2021). The report sets out several actions for local authorities including:

- Obtaining and hearing the voice of each disabled children
- Working with parent-carers
- Taking a rights-based approach

11.17 More recently published, a national review of the use of Deprivation of Liberty Safeguards (DoLS) in Wales 2021-22 (Feb.2023). The report notes that Swansea continues to report the highest number of DoLS applications in Wales, but numbers have fallen in 2021-22 when compared to previous years.

11.18 The Welsh Government are working on the regulations and guidance for the implementation of the new Liberty Protection Safeguards (LPS) set to replace DoLS, following recent consultation, with a date yet to be set.

- 11.19 Estyn conducted an inspection of Local Government Inspection Services in June 2022 and published its findings in September 2022. The inspection report noted many strengths and features of Swansea's education services and that officers work collaboratively and productively with other local authority services and external organisations on many levels. Two case studies were requested, one in relation to strong support for school improvement and quality of support in mainstream schools for pupils at risk of disengagement. Two recommendations were made, one to strengthen Welsh-medium provision across all ages and areas of the local authority, and one to review post-16 provision to ensure that it meets the needs of all learners. Audit Wales led the financial element of the inspection and noted that the authority had prioritised funding for education and worked well with schools through the Schools Budget Forum.
- 11.20 The Local Authority has made effective progress in revising its additional learning needs (ALN) strategy – this was a finding of the Estyn inspection, where 'How well does the local authority support schools and providers to implement the ALNET Act 2018' was a local inspection question. Whilst positive progress has been made, it remains too early to fully measure the impact on a wide scale, as the transfer from the SEN system to ALN system continues in a phased approach.
- 11.21 A wholesale review of specialist provision for learners with ALN has begun, however further work is required to conclude this review and implement changes.
- 11.22 Inspection outcomes had been strong in both primary and secondary schools prior to the pandemic. School inspections resumed in 2022 and the use of outcome judgements are no longer in place. Between April 2022 and 1 March 2023, 16 schools were inspected, with 11 of those reports published. Of the 11 reports published, nine schools have no follow-up, one school is in an Estyn Review category, and one school is in a Special Measures category. Schools that are in an Estyn category receive support from the School Improvement Team. Five schools have been invited to submit case studies of effective practice.
- 11.23 There has been a third tier restructure of the Education Senior Leadership Team, which followed the previous second tier review that resulted in a structure of three Head of Service posts.
- 11.24 The Council continues to take appropriate steps to ensure that the new regional partnership with two other local authorities, Partneriaeth, results in an offer that better suits the needs of schools in Swansea; this is still developing.
- 11.25 School reserves continue to be high, although are decreasing. A delivery plan to realise the aims of the 10-year Welsh in Education Strategic Plan has been agreed by Welsh Government, however the needs of learners and local requirements will need to be kept under review.

CORE EVIDENCE

12. Council & Cabinet

- 12.1 The following provide assurance based on reports covering 2022/23. In some instances reports from 2021/22 are reflected in the Annual Governance Statement as the reports for 2022/23 are not yet available.
- 12.2 Council adopted a revised Corporate Plan 2017/22 *Delivering a Successful and Sustainable Swansea* on 25 October 2018. The Corporate Plan for 2017/22 was refreshed and approved at Cabinet on 19th March 2019 and was refreshed again and approved by Cabinet on 19th March 2020. The five year Corporate Plan was rolled forward into 2021/22 and was refreshed and rolled forward for a further year into 2022/23 until after the local government elections. A new 5-year Corporate Plan has been produced for the 2023/28 period, which was adopted at Council on 30th March 2023. The Corporate Plan sets out the Council's values and principles underpinning the delivery of its six well-being objectives and sets out how the Council will monitor progress through quarterly and annual performance monitoring reports and the Annual Review of Performance, which is the Council's annual self-assessment and well-being report.
- 12.3 Performance on delivery of the Council's well-being objectives is monitored quarterly by Cabinet. The reports contain outturn compliance with performance indicators and an overview of performance for each Objective provided by Directors/Heads of Service. The End of Year Performance Monitoring Report for 2021/22 was presented to Cabinet on 21st July 2022. The report showed that 20 out of 40 (50%) of comparable indicators showed improvement or stayed the same compared to the previous year. Continued disruption from COVID-19 meant that performance targets were not set during 2021/22 and any comparisons to previous performance were appropriately contextualized.
- 12.4 The Annual Review of Performance 2021/22 was approved at Council on 2nd March 2023. The Annual Review of Performance 2021/22 meets the statutory requirements to publish an annual self-assessment report and annual well-being report under Part 6 of the Local Government & Elections Act (Wales) 2021 and Well-being of Future Generations (Wales) Act 2015 respectively. The report showed the results of each performance measure for the 6 Objectives set out in the Corporate Plan 2017/22. The results showed that the Council is effectively delivering its functions; that there is a strong application and effective use of resources, although more mixed around workforce planning and performance management, and; a strong application and effectiveness of governance, although more mixed around vision, strategy and performance.
- 12.4.1 The Service Improvement and Finance Scrutiny Performance Panel and the Governance & Audit Committee met to discuss the Annual Review of

Performance 2021/22 on 8th November 2022 and 14th December 2022 respectively. The Governance & Audit Committee proposed the following, which have been implemented or, where relevant, will be implemented in the 2022/23 Review:

- Consider the methods and methodologies for 2022/23 in parts 1, 2 and 3. This will be addressed in the 2022/23 assessment.
- Linking the performance and risk assessments for 2022/23. This will be addressed in the 2022/23 assessment.
- Recognizing improvements that would need to be articulated within the report around stronger analysis. This has been acknowledged within the Review and will be addressed as an ongoing area for improvement starting in 2022/23.
- Correlation between parts 1, 2 and 3, ensuring they are all in harmony prior to the report being presented to Council and if they are not in harmony, outlining the reasons why. The different parts of the assessment are congruent and there is some cross-over between them, although with differing emphasis.
- Ensuring the report is proof read prior to being presented to Council. This has been completed.
- Improving the links between consultation engagement / stakeholder reference. This will be addressed in the 2022/23 assessment.

12.5 The Annual Complaints Report 2021/22 was presented to the Service Improvement and Finance Scrutiny Performance Panel Committee on the 14th March 2023. In addition, the Ombudsman's annual report was presented to Cabinet in September 2022. The Annual Complaints Report reflects the continued emphasis on prompt resolution of complaints and includes compliments about services. Some Ombudsman complaints can carry across different financial years. 76 Ombudsman complaints were closed in 2021-22, ten of which received intervention including: six early resolution / voluntary settlement and four which were upheld. There were 73 Ombudsman complaints in 2020-21, nine of which received early intervention including: five early resolution / voluntary settlement and four which were upheld. There were no s16 Public Interest reports during the year.

12.6 The Governance & Audit Committee Annual Report 2021/22 was presented to Council on 1st September 2022 and outlined the assurance the Committee had gained over control, risk management and governance from various sources over the course of 2021/22. In particular, the report highlighted the work that had been undertaken throughout the year in line with the Committee's terms of reference.

12.7 The Annual Equality Review 2021/22 was reported to Cabinet on 17th November 2022, which highlighted progress against the Council's Equality Objectives. The report highlighted work linked to the core principles i.e. co-production, engagement and embedding of children's rights.

12.8 The Welsh Language Annual Report 2020/21 reflected progress and compliance on the 163 Welsh Language Standards across five categories

with which the Council has to comply. The report contained an overview of activity and how the Council internally promotes the Welsh Language Standards with tools and information. The report concluded that good progress continued to be made on implementing the Welsh language standards during 2020/21 and highlighted some areas to support ongoing development and improvement.

- 12.9 There were a number of key reports presented to Cabinet/Council during 2022/23 including reports relating to Net Zero 2030, UK Prosperity Fund, Digital Strategy, regeneration and capital works amongst others.
- 12.10 The second phase of the Achieving Better Together Programme concluded in May 2022. In November the Cabinet approved a report on the council's transformation strategy and goals and agreed to the development of a new corporate transformation plan. The development and implementation of that plan, which is scheduled for approval by Cabinet in April 2023, will be overseen by a Transformation Delivery Board, chaired by the Cabinet Member for Service Transformation and reporting to Cabinet / CMT three times a year. A formal report on progress against the Corporate Transformation Plan will be presented to Cabinet in April of each year.

13. Committees

- 13.1 The Council's Scrutiny function is carried out by a **Scrutiny Programme Committee**, which delivers an agreed programme of work through Committee meetings and through **Scrutiny Panels and Working Groups** established by the Committee. Through this range of activity, scrutiny councillors make sure the work of the Council is accountable and transparent, effective and efficient, and help the Council to achieve its objectives and drive improvement, by questioning and providing challenge to decision-makers on issues of concern. This covers a wide range of policy, service and performance issues. The Committee is a group of 13 cross-party councillors who organise and manage what Scrutiny will look at each year, and develop a single work programme showing the various topics of focus and activities that will be carried out. The Committee has questioned Cabinet Members on specific portfolio responsibilities and is the statutory Committee for Scrutiny of Swansea Public Services Board and Crime & Disorder Scrutiny. It also co-ordinates pre-decision scrutiny enabling consideration of specific Cabinet reports and views being brought to the attention of Cabinet ahead of decision-making.
- 13.2 Over the last year the work of Scrutiny has included an in-depth scrutiny inquiry examining the issue of Anti-Social Behaviour, with the key question: How can the Council ensure that it is working with its partners to appropriately and effectively tackle Anti-Social Behaviour in Swansea? In order to ensure ongoing monitoring and challenge to key service areas there have been regular meetings of Scrutiny Performance Panels, looking at Education, Adult Services, Child & Family Services, Development & Regeneration, and Climate Change & Nature, as well as one looking at overall Service Improvement & Finance focusing on corporate performance and financial monitoring and

budget scrutiny. One-off Scrutiny Working Groups met to consider the following topics: Road Safety and Co-production, and others are planned including a look at Customer Contact. There has also been collaborative scrutiny with other Local Authorities for topics / issues of shared interest or concern, and models of regional working. Scrutiny activity has continued to be flexible and responsive to organisational pressures following the COVID-19 pandemic, which has affected the delivery of some planned activities. There are also clear processes in place for members of the public to raise issues for scrutiny, or ask questions and contribute views on matters being discussed. A number of public requests were considered over the past year.

- 13.3 Views and recommendations from scrutiny activities are communicated either by reports to Cabinet or letters sent directly to individual Cabinet Members, with responses provided as requested and followed up. The practice of writing 'chair's letters' is well-established way of communicating quickly with Cabinet Members, and letter and responses are monitored to ensure scrutiny is getting a timely response.
- 13.4 The **Scrutiny Annual Report 2021/22** was presented to Council on 1st September 2022. The report reflected on the final year of the 2017-2022 Council term and work carried out, showed how Scrutiny had made a difference and supported continuous improvement for the Scrutiny function. .
- 13.5 Although Scrutiny and Audit have distinctive roles, there are common aims in terms of good governance, improvement in performance and culture, and financial management, and so a regular conversation is held which helps to ensure we are working together effectively. The Chair of the Scrutiny Programme Committee addressed the Governance & Audit Committee on this in October 2022 and the Committee also heard from the Chair of the Governance & Audit Committee, at the Scrutiny Programme Committee in March 2023. This has made sure there is good awareness of each other's work, avoiding duplication and gaps in work programmes, and the ability to refer issues between Committees.
- 13.6 The **Standards Committee** met on 8 occasions during 2022/23 and the **Standards Committee Annual Report 2021/22** was presented to Council on 7 July 2022. The Committee is chaired by an independent person and is responsible for monitoring the ethical standards of the authority and maintaining the highest standards of conduct by elected councillors. The Committee has been updated as to their new duties under the Local Government and Elections (Wales) Act 2021 and has been consulted on both the statutory guidance in relation to the new duty and their new terms of reference. During 2022-2023 the Committee met with the Leader and all political group leaders to discuss with them how they intend to discharge their new duties to ensure the highest ethical standards within their group. Further informal discussions between the Group Leaders, Chair and Vice Chair of the Standards Committee are planned for 2023-2024.

- 13.7 The **Governance & Audit Committee** met on 11 occasions during 2022/23 and followed a structured work-plan, which covered all areas of the Committee's responsibilities with the aim of obtaining assurance over the areas included in its terms of reference. The Committee includes five lay members, one of which is also the Chair of the Committee. The Committee receive all Audit Wales reports once reported to Scrutiny Programme Committee. The Committee may decide to track or prioritise specific proposals or recommendations in addition to the oversight provided by Scrutiny. This arrangement provides additional assurance that the Council responds and puts in place action plans to address any recommendations. The Committee also receives quarterly updates on the overall status of risk within the Council to give assurance that the risk management process is being followed.
- 13.8 The Local Pension Board was established in 2015/16, in compliance with the Public Service Pensions Act 2013. The role of the Board is to assist the Council (and Pension Fund Committee) as Scheme Manager and Administering Authority to secure compliance with LGPS regulations and other legislation relating to the scheme. Terms of Reference for the Board were established and appropriate Board members were appointed. The Board successfully convened meetings on 4 occasions during 2022/23.
- 13.9 The **Pension Fund Committee** establishes and keeps under review policies to be applied by the Council in exercising its obligations duties and discretions as an administering Authority under the Local Government Pension Scheme (LGPS) Regulations. The Committee is Chaired by a Councillor and membership consists of six elected Members, including the Chair, and two co-opted members. The Committee met on 4 occasions during 2022/23, and dealt with all issues relating to investment matters, governance and administration of the Pension Fund. The Chair of the Pension Fund Committee also represents the Council on the Joint Governance Committee (JGC) of the Wales Pension Partnership, a collaborative working arrangement between the 8 local government pension funds in Wales.
- 13.10 The **Democratic Services Committee** reviews the adequacy of provision by the authority of staff, accommodation and other resources to discharge Democratic Services functions. The Committee is chaired by a Councillor and, along with the Chair, membership consists of thirteen Councillors. The Committee met twice during 2022/23 and considered the Timing of Council Meetings survey, reviewed the Councillor Training & Induction Programme 2022, Democratic Services Annual Report 21/22, Councillors Annual Reports and the Draft Independent Remuneration Panel for Wales (IRPW Annual Report 2023/24).
- 13.11 The purpose of the **Corporate Delivery Committees (CDCs)** is to drive the development of policy for consideration and adoption by Cabinet and or Council as appropriate. CDCs are aligned to the Council's function of developing policy and are linked to the corporate objectives. Both CDCs and

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Scrutiny are open to all non-executive Councillors, in developing policy then reviewing its effectiveness.

13.12 The CDCs are chaired by a Councillor and, along with the Chair, membership consists of twelve elected Members. There were five Committees meeting in 2022/23: listed here with examples of both completed work and that in progress:

- **Climate Change** – Nature Recovery Plan, Waste Strategy, Renewable Energy, Sustainable Food Policy and Sustainable Products
- **Economy & Infrastructure** – Residents Rewards App, Tawe Riverside Corridor Strategy & Levelling Up, Local Economic Delivery Plan, Swansea Bay Strategy and Draft Economic Development Strategy Framework.
- **Education & Skills** – Strengthening School Leaders, Attendance & Inclusion, Strengthened and Effective School Governance.
- **Organisational Transformation** –Transformation, Reward & Recognition of staff, Agile Working, Recruitment & Selection, Co-production and Illumination Policy.
- **Safeguarding People & Tackling Poverty** – Swansea Council Volunteering Strategy / Policy, Corporate Debt Policy, Local Area Co-ordination Best Practice Policy / Guide and Social Services Workforce Programme.

Significant Governance Issues

The following table identifies issues that had been identified in 2021/22 during the review of effectiveness, together with the proposed actions to be taken during 2022/23 to address the issues.

Significant Governance Issue linked to Framework	Action to be taken	Update	Status
Lack of workforce capacity, capability and resilience and relying on staff goodwill.	<ul style="list-style-type: none"> • Workforce Strategy approved. Action Plan to be adopted in each service area and the groups to be established to lead and monitor actions. End August 2022. 	<ul style="list-style-type: none"> • The Workforce Strategy was approved by Cabinet in October 2022. • Workforce delivery groups were established to lead and monitor actions, but these will now report through to the Workforce and OD Transformation 	<ul style="list-style-type: none"> • In progress

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		Programme Board	
Performance Reviews, i.e. appraisals system / induction training not fit for purpose.	<ul style="list-style-type: none"> Continue to develop a new appraisal solution to be delivered digitally through the new Oracle Cloud solution in October 2022. Develop Corporate Induction training for delivery in 2022. 	<ul style="list-style-type: none"> The 'Goals and Performance' module in Oracle Fusion is ready to launch in April 2023 upon go-live of the full system. The 'Learn' module in Oracle Fusion is ready to launch in April 2023 upon go-live of the full system and will include a revised mandatory training offer for induction purposes. 	<ul style="list-style-type: none"> Arrangements in place from April 2023
ICT Disaster recovery.	<ul style="list-style-type: none"> Resolve through the move to cloud services, particularly Oracle Cloud in October 2022. National performance issues with WCCIS being addressed nationally through a review of continued viability and a local / regional options appraisal being undertaken in partnership with Health. 	<ul style="list-style-type: none"> Oracle Cloud going live April 2023. Strategy for cloud and new data centre agreed and in implementation. National performance issues with the Welsh Community Care System (WCCIS) now stabilised. Options appraisal and subsequent action plan completed by Health. Migration of corporate system to Azure started. Training on Disaster Recovery response held with 3rd party, 	<ul style="list-style-type: none"> In progress

		Digital Services and Emergency Planning.	
New - Procurement – Governance around Contracts.	<ul style="list-style-type: none"> • Internal Audit to undertake a review in 2022 on the operation of contracts within CPR and the UK PCR. • Review how advice and support can be given and whether capacity can be increased to assist Schools to consider the full implications from decisions from entering into contract with third parties. • Review the process from sign-off to Contract issued to ensure any risk is removed. • Review Governance arrangements for involvement by commercial services. 	<ul style="list-style-type: none"> • The Funding and Information Team in the Education directorate have led on a review of the Accounting Instructions for Schools and also the School Procurement Guide. • Training on procurement has been provided to all schools on Teams. • Financial training continues to be provided to school leadership staff, governors and admin officers, which includes a section on contracts. • Training is also offered termly on IR35 (HMRC contracting rules for employees). Similar training has also been provided to EDSLTL. • Following the internal audit review undertaken, a schedule of recommendations was recommended for implementation in memo from the Chief Auditor which was 	<ul style="list-style-type: none"> • In progress.

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		approved by the S 151 Officer and Head of Commercial Services in 25/11/22.	
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The following table identifies issues which have been identified during the review of effectiveness, and also highlights any other significant governance issues that need to be considered, together with the proposed actions to be taken during **2023/24** to address the issues.

Significant Governance Issue linked to Framework	Action to be taken
Lack of workforce capacity, capability and resilience and relying on staff goodwill.	<ul style="list-style-type: none"> • Workforce delivery groups lead and monitor actions and report through to the Workforce and OD Transformation Programme Board. • Implement the control measures to mitigate the Corporate risk on workforce recruitment and retention. • Help cater for effective demand management through robust service planning.
Performance Reviews, i.e. appraisals system / induction training not fit for purpose.	<ul style="list-style-type: none"> • Launch 'Goals and Performance' module in Oracle Fusion in April 2023 upon go-live of the full system. • Launch 'Learn' module in Oracle Fusion in April 2023 upon go-live of the full system; include a revised mandatory training offer for induction purposes. • Review mandatory training requirements to release frontline staff from some of the mandatory training; for example, Display Screen Equipment for staff that do not use a computer.
ICT Disaster recovery.	<ul style="list-style-type: none"> • Oracle Cloud going live April 2023. • Complete migration of corporate system to Azure.
Procurement – Governance around Contracts.	<ul style="list-style-type: none"> • Reinforce and rollout the recommendations outlined in the Chief Auditors Procurement Memo approved on the 25/11/22.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will

Annual Governance Statement 2022/23

address the need for improvements that were identified in our review of effectiveness. **We will review progress during the course of the year at Corporate Management Team / Leadership Team and will monitor their implementation and operation as part of our next six monthly and annual review.**

Signed Interim Chief Executive

Date

Signed..... Leader

Date

Integrated Impact Assessment Screening Form – Appendix B

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area:

Directorate:

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services
- Other

(b) Please name and fully describe initiative here:

Annual Governance Statement 2022/23 – providing assurance on the soundness of the Council’s governance arrangements.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

	High Impact		Medium Impact		Low Impact		Needs further Investigation	No Impact
	+	-	+	-	+	-		
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Integrated Impact Assessment Screening Form – Appendix B

Human Rights

Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches?
Please provide details below – either of your activities or your reasons for not undertaking involvement

The Annual Governance Statement is incorporated within the Annual Statement of Accounts and is a description of the Council’s Governance arrangements ‘as is’ at the time of writing and does not have a direct impact on the relevant groups considered within the IIA and so no consultation with the public or with people with protected characteristics is necessary.

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan’s Well-being Objectives when considered together?
Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
Yes No
- c) Does the initiative apply each of the five ways of working?
Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
Yes No

Q5 What is the potential risk of the initiative? (*Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...*)

High risk

Medium risk

Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes

No

If yes, please provide details below

Q7 Will this initiative result in any changes needed to the external or internal website?

Yes

No

If yes, please provide details below

Integrated Impact Assessment Screening Form – Appendix B

Q8 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

Outcome of Screening

Q9 Please describe the outcome of your screening using the headings below:

- Summary of impacts identified and mitigation needed (Q2)
- Summary of involvement (Q3)
- WFG considerations (Q4)
- Any risks identified (Q5)
- Cumulative impact (Q7)

The Annual Governance Statement is incorporated within the Annual Statement of Accounts and is a description of the Council's Governance arrangements 'as is' at the time of writing and does not have a direct impact on the relevant groups considered within the IIA.

(NB: This summary paragraph should be used in the 'Integrated Assessment Implications' section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Richard Rowlands
Job title: Strategic Delivery & Performance Manager
Date: 24/04/23
Approval by Head of Service:
Name: Lee Wenham
Position: Head of Communications & Marketing
Date: 24/04/23

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 8



Report of the Director of Finance/Section 151 Officer

Governance and Audit Committee – 17 May 2023

Governance & Audit Committee – Self Assessment of Good Practice

Purpose:	This report provides an update following the Audit Committee members' self assessment of good practice.
Policy Framework:	None
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that Committee discuss the proposals noted in the report to formulate any agreed actions to take forward.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 The Audit Committee members' self assessment of the effectiveness of the Committee and its benchmarking against CIPFA good practice was completed during March and April 2023. It was facilitated this time by the S151 Officer's own staff acting independently of the internal audit function and the Governance and Audit Committee Members.
- 1.2 All committee members received the questionnaire and interactive self evaluation tool issued by CIPFA. The results are summarised in Appendix 1. A copy of the tool is reproduced in Appendix 2. As a reference point and reminder the previous review facilitated by Audit Wales from 2019 is reproduced in full **for information only** at Appendix 3.

- 1.3 11 returns were received but one was not fully completed and discounted. 10 (with only 2 very minor omissions) were analysed and summarised in this report.
- 1.4 Overall, the outcome of the self-assessment evaluation remains positive, and the view pretty consistently expressed is one of overall compliance in full, or mostly only requiring minor improvement, across the 29 questions (and sub questions) and assessments posited. There are, as should be expected, and somewhat reassuring, in an honest self assessment process, some areas identified for moderate improvement.
- 1.5 A summary of the key findings that came out of the performance review can be found in Appendix 1.

2. The CIPFA model and Self Assessment Results

- 2.1 The model posits 29 different questions or self assessment tests and sub questions totalling 40 components overall. It is qualitative as to judgments made by the individual members completing their scoring.
- 2.2 The overall scoring is reproduced in Appendix 1 for all 29 areas. It may be summarised as follows.

Action needed	<i>Major Improvement</i>	<i>Significant Improvement</i>	<i>Moderate Improvement</i>	<i>Minor Improvement</i>	<i>No Further Improvement</i>
Summary	0	0	4	50	344

Out of a maximum of 400 (NB 2 returns both did not answer Q15 which accounts for the missing 2 - when cross casting - the answered returns come to 398 out of 400)

- 2.3 The areas requiring moderate improvement should be the main are of focus, despite low numbers, (numbers scoring at this level are in the final column):

12	Has the committee met privately with the external auditors and head of internal audit in the last year?	1
14	Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	2
25	Does the committee make recommendations for the improvement of governance, risk and control arrangements?	1

2.4 The areas requiring minor improvement are (numbers scoring at this level in final column):

3	Has the committee maintained its advisory role by not taking on any decision-making powers, etc)?	2
7	Does the governing body hold the audit committee to account for its performance at least annually?	1
8	Does the committee publish an annual report in accordance with the 2022 guidance, including:	
	<ul style="list-style-type: none"> Results of the annual evaluation, development work undertaken and planned improvements 	1
	<ul style="list-style-type: none"> How it has fulfilled its terms of reference and the key issues escalated in the year? 	1
9	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?	
	Governance arrangements	1
	Internal audit	1
10	Over the last year, has adequate consideration been given to all core areas?	3
11	Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?	1
12	Has the committee met privately with the external auditors and head of internal audit in the last year?	4
13	Has the committee been established in accordance with the 2022 guidance as follows?	
	<ul style="list-style-type: none"> A size that is not unwieldy and avoids use of substitutes 	1
	<ul style="list-style-type: none"> Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation 	1
14	Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	3

15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?	3
17	Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?	3
19	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	1
20	Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	3
22	Are meetings effective with a good level of discussion and engagement from all the members?	1
23	Has the committee maintained a non-political approach to discussion throughout?	2
26	Do audit committee recommendations have traction with those in leadership roles?	3
27	Has the committee evaluated whether and how it is adding value to the organisation?	5
28	Does the committee have an action plan to improve any areas of weakness?	7
29	Has this assessment been undertaken collaboratively with the audit committee members?	2

2.5 The model questions and assessments as posited are reproduced in Appendix 2.

2.6 The assessment provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee. A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

3. For Discussion

- 3.1 The committee is invited to discuss the self assessment results and to determine what steps it would like officers and auditors to take to improve, where such improvement is identified.

4. Integrated Assessment Implications

- 4.1 There are no integrated assessment implications associated with this report.

5. Financial Implications

- 5.1 There are no financial implications associated with this report.

6. Legal Implications

- 6.1 There are no legal implications associated with this report

Background Papers: None

Appendix 1 – Results of member self-assessment

Appendix 2 – Self Assessment Questionnaire – blank copy

Appendix 3 - Previous Audit Wales effectiveness review reproduced for information only – it has not been reissued by Audit Wales)

Governance & Audit Committee
CIPFA Self Assessment Questionnaire 2023 Results

Appendix 1

		<i>Major Improvement</i>	<i>Significant Improvement</i>	<i>Moderate Improvement</i>	<i>Minor Improvement</i>	<i>No Further Improvement</i>
	<i>Audit Committee Purpose & Governance</i>					
1	Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?					10
2	Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority					10
3	Has the committee maintained its advisory role by not taking on any decision-making powers, etc)?				2	8
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CPFIA's 2022 Position Statement?					10
5	Doe all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?					10
6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?					10

7	Does the governing body hold the audit committee to account for its performance at least annually?				1	9
8	Does the committee publish an annual report in accordance with the 2022 guidance, including:					
	<ul style="list-style-type: none"> Compliance with the CIPFA Position Statement 2022 					10
	<ul style="list-style-type: none"> Results of the annual evaluation, development work undertaken and planned improvements 				1	9
	<ul style="list-style-type: none"> How it has fulfilled its terms of reference and the key issues escalated in the year? 				1	9
	Functions of Committee					
9	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?					
	Governance arrangements				1	9
	Risk management arrangements					10
	Internal control arrangements, including: <ul style="list-style-type: none"> financial management value for money ethics and standards counter fraud and corruption 					10
	Annual governance statement					10

	Financial reporting					10
	Assurance framework					10
	Internal audit				1	9
	External audit					9
10	Over the last year, has adequate consideration been given to all core areas?				3	7
11	Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?				1	9
12	Has the committee met privately with the external auditors and head of internal audit in the last year?			2	4	4
	Membership & Support					
13	Has the committee been established in accordance with the 2022 guidance as follows?					
	<ul style="list-style-type: none"> Separation from executive 					10
	<ul style="list-style-type: none"> A size that is not unwieldy and avoids use of substitutes 				1	9
	<ul style="list-style-type: none"> Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation 				1	9

14	Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?			1	3	6
15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?				3	6
16	Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?					10
17	Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?				3	7
18	Is adequate secretariat and administrative support provided to the committee?					10
19	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?				1	9
	<i>Effectiveness of Committee</i>					
20	Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?				3	7
21	Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?					10

22	Are meetings effective with a good level of discussion and engagement from all the members?				1	9
23	Has the committee maintained a non-political approach to discussion throughout?				2	8
24	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?					10
25	Does the committee make recommendations for the improvement of governance, risk and control arrangements?			1		9
26	Do audit committee recommendations have traction with those in leadership roles?				3	7
27	Has the committee evaluated whether and how it is adding value to the organisation?				5	5
28	Does the committee have an action plan to improve any areas of weakness?				7	3
29	Has this assessment been undertaken collaboratively with the audit committee members?				2	8

Self-assessment of good practice

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

Good practice questions	Does not comply				Fully complies
	Partially complies and extent of improvement needed*				
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5

Audit committee purpose and governance

- 1 Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?
- 2 Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?
- 3 Has the committee maintained its advisory role by not taking on any decision-making powers?
- 4 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?
- 5 Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?
- 6 Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?
- 7 Does the governing body hold the audit committee to account for its performance at least annually?

* Where the committee does not fully comply with an element, three options are available to allow distinctions between aspects that require significant improvement and those only requiring minor changes.

Good practice questions	Does not comply					Partially complies and extent of improvement needed			Fully complies	
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement					
Weighting of answers	0	1	2	3	5					
8 Does the committee publish an annual report in accordance with the 2022 guidance, including:										
<ul style="list-style-type: none"> compliance with the CIPFA Position Statement 2022 										
<ul style="list-style-type: none"> results of the annual evaluation, development work undertaken and planned improvements 										
<ul style="list-style-type: none"> how it has fulfilled its terms of reference and the key issues escalated in the year? 										
Functions of the committee										
9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?										
Governance arrangements										
Risk management arrangements										
Internal control arrangements, including:										
<ul style="list-style-type: none"> financial management value for money ethics and standards counter fraud and corruption 										
Annual governance statement										
Financial reporting										
Assurance framework										
Internal audit										
External audit										
10 Over the last year, has adequate consideration been given to all core areas?										
11 Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?										
12 Has the committee met privately with the external auditors and head of internal audit in the last year?										

Good practice questions	Does not comply					Partially complies and extent of improvement needed					Fully complies														
	Major improvement					Significant improvement					Moderate improvement					Minor improvement					No further improvement				
Weighting of answers	0					1					2					3					5				

Membership and support

13 Has the committee been established in accordance with the 2022 guidance as follows?																				
<ul style="list-style-type: none"> Separation from executive 																				
<ul style="list-style-type: none"> A size that is not unwieldy and avoids use of substitutes 																				
<ul style="list-style-type: none"> Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation 																				
14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?																				
15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?																				
16 Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?																				
17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?																				
18 Is adequate secretariat and administrative support provided to the committee?																				
19 Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?																				

Effectiveness of the committee

20 Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?																				
21 Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?																				
22 Are meetings effective with a good level of discussion and engagement from all the members?																				
23 Has the committee maintained a non-political approach to discussions throughout?																				

Good practice questions	Does not comply				Partially complies and extent of improvement needed		Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement		
Weighting of answers	0	1	2	3	5		
24 Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?							
25 Does the committee make recommendations for the improvement of governance, risk and control arrangements?							
26 Do audit committee recommendations have traction with those in leadership roles?							
27 Has the committee evaluated whether and how it is adding value to the organisation?							
28 Does the committee have an action plan to improve any areas of weakness?							
29 Has this assessment been undertaken collaboratively with the audit committee members?							
Subtotal score							
Total score							
Maximum possible score					200**		

** 40 questions/sub-questions multiplied by five.



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Audit Committee self-assessment – **City and County of Swansea**

Audit year: 2018-19

Date issued: October 2019

Document reference:

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at

infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Contents

This document summarises the feedback provided by Audit Committee members to the self-assessment questionnaire discussed at the Audit Committee meeting on 16 September 2019.

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Summary report

Introduction

- 1 On 16 September 2019, the Audit Committee of City and County of Swansea Council undertook their annual self-assessment process. This was facilitated by Wales Audit Office staff and involved the completion of a questionnaire which is attached at [Appendix 1](#) to this report.
- 2 This questionnaire covered the following 3 areas:
 - a. Regularity and Length of Audit Committee meetings;
 - b. Outstanding Actions from Audit Committee Performance Review 2017-18; and
 - c. Information Provided to Audit Committee members
- 3 Members completed the questionnaire in three groups of 3 to 4 people and this report will summarise the feedback provided in each of the above areas:

Regularity and Length of Audit Committee meetings

- 4 The questionnaire asked 5 questions relating to the regularity and length of Audit Committee meetings and the feedback provided is summarised below:

Question 1 – What are your views on the current regularity and length of audit committee meetings?

- 5 All three groups suggested that meetings should last for a maximum of 2 hours and that meetings should be held every 6 weeks to allow for members to receive the information needed to discharge their terms of reference. One group suggested that meetings should start at 10am rather than at 2pm.

Question 2 – Do you think the current meetings give you enough time to discharge your duties in regard to the Committee's terms of reference?

- 6 Feedback outlined that currently there were too many items on the agenda and that it was not possible to deal with all items in 2 hours. One group suggested that agendas should be prioritised so that the most important items are dealt with first.

Question 3 – What are your views on Audit Committee meetings on occasions overrunning to ensure an agenda is fully dealt with?

- 7 Two groups indicated that they had no issues with meetings overrunning up to a maximum of 30 minutes. The other group commented that agendas should be prioritised so that the most important items are dealt with first which would mean that the least important items are not dealt with if the meeting reaches its 2-hour limit.

Question 4 – If there were changes to the calendar of Audit Committee meetings would you prefer fewer longer length meetings or more regular shorter length meetings?

8 As per the answers to question 1 there was a consensus that meetings should last no longer than 2 hours and meetings should be held on a 6 weekly basis to allow the committee sufficient time to fully discharge its terms of reference.

Question 5 – Do you think that having a periodic meeting between external auditors and audit committee members without officers' present would be beneficial?

9 Two groups did not see a need for such a meeting to be held and were content that the Audit Committee chair met with auditors periodically. The other group did suggest that it would be beneficial for auditors to turn up half hour before the start of each meeting to be available for any member who wished to speak with them.

Conclusion

10 The Council's Audit Committee needs to review the answers given in this section of the self-assessment and decide what changes if any are needed to be made to the regularity and length of Audit Committee meetings.

11 If changes are made to the calendar of meetings it will also be necessary to amend the Committee's work programme so that there is clarity as to exactly what is on the agenda for each committee meeting.

Outstanding actions from the Audit Committee Performance Review 2017-18

12 In 2018 the Audit Committee's self-assessment process highlighted a series of actions that needed to be undertaken. As at September 2019, the following recommendations were to be completed:

- a. Benchmarking – The Corporate Management team will consider how best to use benchmarking information and provide an update to the committee
- b. Risk Management – It has been commented that more guidance and support should be given to audit committee members to allow them to discharge their duties in relation to risk management
- c. Partnerships – Review the mechanisms for assessing and scrutinising the risk associated with partnerships

13 As part of this year's self-assessment process members were asked to outline what actions were needed to be undertaken to fully satisfy these recommendations. The feedback received is summarised below:

Benchmarking

14 Members were not sure as to what should be done to satisfy this recommendation and could not see how it fell within their terms of reference.

Risk Management

- 15 Members recognised this was an area that more work was needed to be undertaken to fully discharge their terms of reference. Some members acknowledged that they did not fully understand the mechanisms the Council employed to mitigate and monitor their corporate risks.
- 16 One group recognised that processes were in place to have directors present to the committee the governance and risk management framework employed in their directorates. However, it was also recognised that the committee could undertake more detailed reviews of individual risks.

Partnerships

- 17 Generally, members commented that they did not fully understand the number of different partnerships the Council was involved in. They also were not clear as to the split of duties in relation to partnerships between scrutiny committees and the Audit Committee.
- 18 One group suggested that a presentation should be made to the committee outlining all the different partnerships the Council was involved in. This would allow the committee to establish the partnerships which require a more detailed review. It would also allow the committee to establish what processes relevant scrutiny committees were following in relation to partnerships and decide what additional work the Audit Committee needed to undertake.

Conclusion

- 19 The Council's Audit Committee needs to review the answers given in this section of the self-assessment and decide exactly what actions are needed to fully satisfy these previous recommendations. Officers need to be advised as to what members require from them to help them discharge their duties in relation to risk management and partnership work.

Information provided to Audit Committee members

- 20 We reviewed the committee's current terms of reference and identified a number of separate areas that members had duties to discharge. We asked members to assess whether the current information provided was too little, about right or too much to allow them to discharge their duties.
- 21 We also asked for any examples of information that satisfied one of the two criteria below:
 - a. Information that the Committee had received that members did not think was needed to discharge their terms of reference; and
 - b. Information that the Committee had not received that members believed was needed to discharge their terms of reference.

- 22 The specific areas that members were asked about are shown in **Exhibit 1** as well as the answers provided by members:

Exhibit 1: Assessment of current information provided

Term of reference area	Assessment of Current Information provided to Audit Committee		
	Too Little	About Right	Too Much
Council's Corporate Governance Arrangements	1	2	0
Annual Governance Statement	0	3	0
Council's arrangements to achieve value for money	2	1	0
Council's risk management arrangements	2	1	0
Council's arrangements to manage fraud	0	3	0
Internal Audit plans and reports	1	1	1
External Audit plans and reports	0	3	0
Statement of Accounts	0	1	2
Accounting Policies	0	3	0
External Auditor's report to those charged with governance	0	3	0
Audit Committee's compliance with their terms of reference	1	2	0

- 23 **Exhibit 1** highlights that generally members were of the view that they need more information to allow them to discharge their duties in relation to risk management and value for money but felt the amount of information they received on the statement of accounts was too much and generally overly complex.
- 24 Some of the other comments that were made in completing this area of the questionnaire are shown below:
- a. An executive report for the statement of accounts summarising key information would be more beneficial than a detailed presentation on the full document.
 - b. The report on the corporate governance framework provided by the Deputy Chief Executive was beneficial but it would be useful to have this knowledge developed by more detailed presentations on individual elements of the framework.
 - c. Including a representative of the Audit Committee onto the formal Governance group was a positive step and will allow the Audit Committee to better discharge its duties in relation to the Annual Governance Statement.

- d. More information needed on the mitigation procedures in place for individual corporate risks. This will allow members to challenge these processes and better discharge their duties in relation to risk management.
- e. Internal Audit should undertake more work on areas which consider the efficiency of Council services and the achievement of Value for Money. This would help the committee discharge their duties in relation to Value for Money.

Conclusion

- 25 The Council's Audit Committee needs to review the answers given in this section of self-assessment and decide exactly what actions are needed to allow members to fully discharge their duties under their individual terms of reference.
- 26 One these actions are agreed, officers need to be advised as to what members require from them to help them discharge their duties.

Appendix 1

Audit Committee Workshop - Group Session Questionnaire

Regularity and Length of Audit Committee meetings

Question 1 – What are your views on the current regularity and length of audit committee meetings

Question 2 – Do you think the current meetings give you enough time to discharge your duties in regard to the committee's terms of reference?

Question 3 – What are your views on Audit Committee meetings on occasions overrunning to ensure an agenda is fully dealt with?

Question 4 – If there were changes to the calendar of Audit Committee meetings would you prefer fewer longer length meetings or more regular shorter meetings?

Question 5 – Do you think that having a periodic meeting between external auditors and audit committee member without officers' present would be beneficial?

Outstanding Actions from Audit Committee Performance Review 2017-18

The following recommendations are to be completed from the above performance review:

- **Benchmarking** – The Corporate Management team will consider how best to use benchmarking information and provide an update to the committee
- **Risk Management** – It has been commented that more guidance and support should be given to audit committee members to allow them to discharge their duties in relation to risk management
- **Partnerships** – Review the mechanisms for assessing and scrutinising the risk associated with partnerships

Question – What actions do you think are needed to fully satisfy these recommendations?

Information Provided to Audit Committee members

The Committee’s term of reference covers the areas shown below: For each area can you please provide your views as to the level of information you currently receive.

Governance, Risk and Control

Area 1 - Council’s Corporate Governance Arrangements

Information received is

Too Little		About Right		Too Much	
------------	--	-------------	--	----------	--

Can you please give some examples of?

What do you get that you do not believe you need?

What do you not receive that you think would be useful to allow you to discharge your duties?

Area 2 – Annual Governance Statement

Information received is

Too Little		About Right		Too Much	
------------	--	-------------	--	----------	--

Can you please give some examples of?

What do you get that you do not believe you need?

What do you not receive that you think would be useful to allow you to discharge your duties?

Area 3 - Council's arrangements to achieve Value for Money

Information received is

Too Little		About Right		Too Much	
------------	--	-------------	--	----------	--

Can you please give some examples of?

What do you get that you do not believe you need?

What do you not receive that you think would be useful to allow you to discharge your duties?

Area 4 - Council's Risk Management Arrangements

Information received is

Too Little		About Right		Too Much	
------------	--	-------------	--	----------	--

Can you please give some examples of?

What do you get that you do not believe you need?

What do you not receive that you think would be useful to allow you to discharge your duties?

Area 5 - Council's arrangements to manage Fraud

Information received is

Too Little		About Right		Too Much	
------------	--	-------------	--	----------	--

Can you please give some examples of?

What do you get that you do not believe you need?

What do you not receive that you think would be useful to allow you to discharge your duties?

Internal Audit and External Audit

Area 6 – Internal Audits Plans and reports

Information received is

Too Little		About Right		Too Much	
------------	--	-------------	--	----------	--

Can you please give some examples of?

What do you get that you do not believe you need?

What do you not receive that you think would be useful to allow you to discharge your duties?

Area 7 – External Audits Plans and reports

Information received is

Too Little		About Right		Too Much	
------------	--	-------------	--	----------	--

Can you please give some examples of?

What do you get that you do not believe you need?

What do you not receive that you think would be useful to allow you to discharge your duties?

Financial Reporting

Area 8 – Statement of Accounts

Information received is

Too Little		About Right		Too Much	
------------	--	-------------	--	----------	--

Can you please give some examples of?

What do you get that you do not believe you need?

What do you not receive that you think would be useful to allow you to discharge your duties?

Area 9 – Accounting Policies

Information received is

Too Little		About Right		Too Much	
------------	--	-------------	--	----------	--

Can you please give some examples of?

What do you get that you do not believe you need?

What do you not receive that you think would be useful to allow you to discharge your duties?

Area 10 – External Auditor’s report to those charged with governance

Information received is

Too Little		About Right		Too Much	
------------	--	-------------	--	----------	--

Can you please give some examples of?

What do you get that you do not believe you need?

What do you not receive that you think would be useful to allow you to discharge your duties?

Area 11 – Audit Committee’s compliance with their Terms of Reference

Information received is

Too Little		About Right		Too Much	
------------	--	-------------	--	----------	--

Can you please give some examples of?

What do you get that you do not believe you need?

What do you not receive that you think would be useful to allow you to discharge your duties?

City and County of Swansea Council

Outline Audit Plan 2023

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Audit year: 2022-23

Date issued: May 2023



Agenda Item 9

This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions. Audit Wales is not a legal entity and itself does not have any functions.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

About Audit Wales

Our aims:

Assure



the people of Wales
that public money is
well managed

Explain



how public money
is being used to
meet people's
needs

Inspire



and empower the
Welsh public sector
to improve

Our ambitions:



Fully exploit our
unique perspective,
expertise and
depth of insight



Strengthen our
position as an
authoritative,
trusted and
independent voice



Increase our
visibility,
influence and
relevance



Be a model
organisation for the
public sector in
Wales and beyond

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Introduction

This Outline Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice. It also sets out details of my audit team and key dates for delivering my audit team's activities and planned outputs. I intend sharing a Detailed Audit Plan later in the year following the completion of my planning work. It will set out my estimated audit fee and the work my team intends undertaking to address the audit risks identified and other key areas of audit focus during 2023.



Adrian Crompton
Auditor General for
Wales

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My audit responsibilities

I complete work each year to meet the following duties:

- I audit City and County of Swansea's (the Council's) financial statements to make sure that public money is being properly accounted for.
- the Council has to put in place arrangements to get value for money for the resources it uses, and I have to be satisfied that it has done this.
- the Council needs to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

Audit of financial statements

I am required to issue a certificate and report on your financial statements which includes an opinion on their 'truth and fairness' and an assessment as to whether the Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with your financial statements and my knowledge of the Authority.

In addition to my responsibilities for auditing the Council's financial statements, I also have responsibility for:

- certifying a return to the Welsh Government which provides information about the Council to support preparation of Whole of Government Accounts;
- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary);
- the audit of Swansea Bay Port Health Authority Annual Return; and
- the certification of a number of grant claims and returns as agreed with the funding bodies.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to you in my Detailed Audit Plan.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

Performance audit work

I carry out a programme of performance audit work to discharge my duties as Auditor General in relation to value for money and sustainable development.

My local performance audit programme will continue to be delivered through a

combination of an Assurance and Risk Assessment Project, bespoke local projects and thematic projects examining risks common to all councils.

Fees and audit team

In January 2023, I published the [fee scheme](#) for the year, approved by the Senedd Finance Committee. This sets out my fee rates and also highlights the impact of the revised auditing standard ISA 315: Identifying and Assessing the Risks of Material Misstatement on my financial audit approach. More details of the revised auditing standard and what it means for the audit I undertake is set out in **Appendix 1**.

I will provide an estimate of your fee in my Detailed Audit Plan in July 2023, following completion of my detailed risk assessment.

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Your engagement team:

Derwyn Owen	Engagement Director
Gillian Gillett	Audit Manager (Financial Audit)
Non Jenkins	Audit Manager (Performance Audit)
Leanne Malough	Audit Lead (Financial Audit)
Justine Morgan	Audit Lead (Performance Audit)

We confirm that our audit team members are all independent of the Authority and your officers.

Audit timeline

We set out below key dates for delivery of our audit work and planned outputs.

Planned output	Work undertaken	Report finalised
Outline Audit Plan 2023	March 2023	March 2023
Detailed Audit Plan 2023	April – July 2023	July 2023
Audit of financial statements work: <ul style="list-style-type: none"> • Audit of Financial Statements Report • Opinion on the Financial Statements. 	August – November 2023	November 2023
Performance audit work: <ul style="list-style-type: none"> • Assurance and Risk Assessment and any follow up work. • Thematic review – commissioning and contract management • Thematic review – financial sustainability in local government 	Timescales for individual projects will be discussed with you and detailed within the specific project briefings produced for each audit.	

Audit quality

My commitment to audit quality in Audit Wales is absolute.

I believe that audit quality is about getting things right first-time.

We use a three lines of assurance model to demonstrate how we achieve this.

We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD¹ and our Chair acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2022](#).



Our People

The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review



Arrangements for achieving audit quality

The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



Independent assurance

The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.

- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

¹ QAD is the Quality Assurance Department of ICAEW.

Appendix 1 – the key changes to ISA315 and the potential impact on the Council

Key change	Potential impact on the Council
<p>More detailed and extensive risk identification and assessment procedures</p>	<p>Your finance team and others in the Council may receive a greater number of enquiries from our audit teams at the planning stage of the audit. Requests for information may include:</p> <ul style="list-style-type: none"> • information on the Council’s business model and how it integrates the use of information technology (IT); • information about the Council’s risk assessment process and how the Council monitors the system of internal control; • more detailed information on how transactions are initiated, recorded, processed, and reported. This may include access to supporting documentation such as policy and procedure manuals; and • more detailed discussions with the Council to support the audit team’s assessment of inherent risk.
<p>Obtaining an enhanced understanding of the Council’s environment, particularly in relation to IT</p>	<p>You may receive more enquiries to assist the audit team in understanding the IT environment. This may include information on:</p> <ul style="list-style-type: none"> • IT applications relevant to financial reporting; • the supporting IT infrastructure (eg the network, databases); • IT processes (eg managing program changes, IT operations); and • the IT personnel involved in the IT processes. <p>Audit teams may need to test the general IT controls and this may require obtaining more detailed audit evidence on the operation of IT controls within the Council.</p>

Key change	Potential impact on the Council
	On some audits, our audit teams may involve IT audit specialists to assist with their work. Our IT auditors may need to engage with members of your IT team who have not previously been involved in the audit process.
Enhanced requirements relating to exercising professional scepticism	Our audit teams may make additional inquiries if they identify information which appears to contradict what they have already learned in the audit.
Risk assessments are scalable depending on the nature and complexity of the audited body	The audit team's expectations regarding the formality of your policies, procedures, processes, and systems will depend on the complexity of your Council.
Audit teams may make greater use of technology in the performance of their audit	Our audit teams may make use of automated tools and techniques such as data analytics when performing their audit. Our teams may request different information or information in a different format from previous audits so that they can perform their audit procedures.

Agenda Item 10



Report of the Head of Democratic Services

Governance & Audit Committee – 17 May 2023

Governance & Audit Committee Action Tracker Report

Purpose:	This report details the actions recorded by the Governance & Audit Committee and response to the actions.
Report Author:	Jeremy Parkhouse
Finance Officer:	N/A
Legal Officer:	N/A
Access to Services Officer:	N/A
For Information	

1. Introduction

- 1.1 During the course of Governance & Audit Committee meetings various actions may be decided which are recorded on the minutes of the meetings.
- 1.2 As agreed in 2016/17 an Action Tracker process was put in place to ensure transparency over the outcomes of actions agreed by Committee.
- 1.3 The Action Tracker records the actions agreed by the Governance & Audit Committee and provides an outcome for each action.
- 1.4 The up to date Action Tracker 2022/23 is attached at Appendix 1.
- 1.5 The Action Tracker is regularly updated and any completed actions will be marked 'Completed' and coloured in grey.
- 1.6 The Action Tracker is reported to each Governance & Audit Committee meeting for information.

2. Integrated Assessment Implications

2.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

2.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

2.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

2.2 There are no implications associated with this report.

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

4.1 There are no legal implications associated with this report.

Background Papers: None

Appendices:

Appendix 1 Governance & Audit Committee Action Tracker 2022/23 (Recently closed actions highlighted).

Governance & Audit Committee - Action Tracker 2021/2022

Date of Meeting	Minute Ref	Action	Nominated Officer(s)	Status / Timescale
12/04/23	111	Internal Audit Strategy & Annual Plan 2023/24		
		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.	Simon Cockings	Ongoing
12/04/23	110	Draft Internal Audit Charter 2023/24		
		The draft Internal Audit Charter 2023/24 be approved, subject to the correct Committee terms of reference being included.	Simon Cockings	Closed Correct terms of reference included.
08/03/23	105	Governance & Audit Committee Action Tracker Report		
		<p>The Chair highlighted the following: -</p> <ul style="list-style-type: none"> Minute 90 (08/02/2023) – Audit Wales Reports – Readiness of the Public Sector for Net Zero Carbon by 2030 – Councillor A S Lewis (Deputy Leader of the Council) had updated the Climate Change and Nature Performance Panel regarding progress and would provide the Committee with a briefing note in order to provide assurance. 	Councillor Andrea Lewis / Geoff Bacon	<p>Ongoing</p> <p>Audit Wales have rightly identified the need for all public bodies to develop costed plans to meet political aspirations and legal obligations. It remains relatively early days and at this stage it is not realistic to have a fully costed plan that's aligned to the MTFP and beyond. The costed plan doesn't and couldn't align with a 4-year MTFP as the programme will develop and continues up until 2030.</p> <p>As yet there has been no statement from WG concerning additional funding. The council recognises its obligations and the expectations placed upon it and the wider public sector and will continue to develop its own methodology and share and learn best practice with others to try and ensure comparability and consistency where possible. Conversations are ongoing with Welsh Government Energy Services as to</p>

				how an action plan can be refined and properly delivered which strikes a pragmatic balance between the realistic and affordable at a truly local, council wide level and what will require regional, national and international joint working and very substantial additional funding support . A future draft/interim report will follow when completed.
08/03/23	105	<ul style="list-style-type: none"> Minute 77 (11/01/2023) – Annual Complaints Report 2021/22 – Scrutiny Performance Panel had received a report from the Ombudsman which stated that the Ombudsman would welcome feedback from the Governance & Audit Committee’s review into the Authority’s ability to handle complaints effectively. The Chair had requested that this be included in the next complaints report and the Ombudsman would use this information to feed future work. 	Sarah Lackenby	Ongoing Update to be provided on 19 July 2023.
08/02/23	88	Social Services Absence Management Audit Report Update		
		Comparators being provided in future reports to allow the Committee to observe if absences are reducing or not and Introducing measures that were aimed at reducing future sickness.	Adrian Chard	Ongoing Update to be provided in September 2023.
11/01/23	78	Accounts Receivable		
		Providing the value and volume totals of write offs / disputed invoices in future reports to allow the Committee to be able to better understand the position.	Rachael Davies / Michelle Davies	Ongoing Update to be provided on 7 June 2023.
11/01/23	77	Annual Complaints Report 2021-22		
		Providing year on year information including numbers not only percentages and in table format to allow the Committee to monitor any changes.	Sarah Lackenby	Ongoing Update to be provided on 19 July 2023.
14/12/22	70	Annual Review of Performance 2021-22		
		The following be added to the 2022/23 report: - <ul style="list-style-type: none"> Consider methods & methodologies for 2022/23 in parts 1, 2, 3. Linking the performance and risk assessments for 2022/23. Recognizing improvements that would need to be articulated within the report around stronger analysis. Improving the links between consultation engagement and 	Richard Rowlands	Ongoing To be included in the 2022/23 report.

		stakeholder reference.		
	66	The Oracle Fusion project and identifying clear completion dates in order to hold Officers to account.	Ness Young	Ongoing Updated deadlines to be included in next AR/AP update reports.
		The Chair had asked the Chief Auditor to examine a CIPFA questionnaire which would allow the Committee to examine its effectiveness.	Simon Cockings / Ben Smith / Chair	Closed Report included on the agenda for 17 May 2023.
27/09/22		The Chair requested that an evaluation of the effectiveness of Occupational Health be completed.	Rachael Davies	Ongoing A review of sickness management and the end-to-end absence management process including Occupational Health will be completed by September 2023. The timeline is expected to be completed by the end of September 2023.
08/02/22	74	Internal Audit Recommendation Follow-Up Report - Quarter 3 2021/22		
		The Chair highlighted that a suitable solution in respect of External Audit Recommendation Tracking should be found as soon as possible in order for the Council to have a far better control of the situation.	Ness Young / Richard Rowlands	Ongoing New performance management software has been procured in 2022-23 which will be used for performance and risk management (phase 1) and for tracking external audit recommendations (phase 2) when implemented over the course of 2023-24. Until then all reports will be tracked using a corporate email folder.

Agenda Item 11



Report of the Head of Democratic Services

Governance & Audit Committee – 17 May 2023

Governance & Audit Committee Work Plan

Purpose:	This report details the Governance & Audit Committee Work Plans to May 2024.
Report Author:	Jeremy Parkhouse
Finance Officer:	N/A
Legal Officer:	N/A
Access to Services Officer:	N/A
For Information	

1. Introduction

- 1.1 The Governance & Audit Committee Work Plan to May 2023 in Terms of Reference Order is attached at Appendix 1.
- 1.2 The Governance & Audit Committee Work Plan to May 2024 in Terms of Reference Order is attached at Appendix 2.
- 1.3 The Additional Work programme Governance and Audit Committee as a result of the Local Government and Elections Act is attached at Appendix 3.
- 1.4 The Scrutiny Programme Committee Work Plan 2022/23 is attached at Appendix 4.
- 1.5 The Scrutiny & Monitoring of External Audit / Inspection / Regulatory (AIR) Reports (2022/23) is attached at Appendix 5.
- 1.6 The updated Governance & Audit Committee Terms of Reference is attached at Appendix 6.

1.7 The dates included for the meetings in 2022/23 were approved at the Council's Annual Meeting on 24 May 2022 and the dates for 2023/24 are scheduled to be agreed at Annual Council on 18 May 2023.

2. Integrated Assessment Implications

2.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

2.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

2.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

2.2 There are no impact assessment implications associated with this report.

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

4.1 There are no legal implications associated with this report.

Background Papers: None.

Appendices:

Appendix 1 - Governance & Audit Committee Work Plan to May 2023 in Terms of Reference Order.

Appendix 2 - Governance & Audit Committee Work Plan to May 2024 in Terms of Reference Order.

Appendix 3 - Additional Work Programme - Governance and Audit Committee as a result of the Local Government and Elections Act.

Appendix 4 - Scrutiny Programme Committee Work Plan 2022/23.

Appendix 5 - Scrutiny & Monitoring of External Audit / Inspection / Regulatory (AIR) Reports (2022/23).

Appendix 6 - Governance & Audit Committee Terms of Reference.

Governance & Audit Committee Workplan 2022/23

Appendix 1

Terms of Reference	31 May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023
Training	Governance and Audit Committee Induction Training	Organisational Knowledge / Committee Role & Function / Financial management & accounting / External audit / Values of good governance	Corporate complaints / Governance / Performance management & monitoring					Counter fraud	Corporate complaints Update / Cyber Security		Understanding Financial Statements		
Governance & Assurance	Election of Chair & Vice Chair Appointment of Committee Member on Annual Governance Group Annual Governance Statement 2021/22 Draft Governance & Audit Committee Annual Report		Local Code of Corporate Governance: Framework of Assurance Overview of Governance & Assurance arrangements - Partnerships & Collaborations Workforce Strategy Update Update Report – South West Wales CJC		Public Services Ombudsman for Wales Annual letter to the Council for the period 2020-21	Scrutiny Annual Report 2021-22.	The Annual Review of Performance 2021-22 (including Self-Assessment Report)	Transformation Goals & Strategy Review	Annual Complaints Report		The Governance and Assurance Arrangements of Swansea Council's Strategic Partnerships. Public Participation Strategy Update on the Council's Transformation Programme, including Governance		Annual Governance Statement 2022/23 Draft Governance & Audit Committee Annual Report Draft Committee Work Programme 2023/24
Internal Audit	Internal Audit Annual Report	IA Quarter 4 Monitoring Report Service Centre – Accounts Receivable Update. FOI/SAR/EIR Audit Update IA Recommendation Tracking Report – 4	Annual Report of School Audits 2021-22 Internal Audit Report - Accounts Receivable Action Plan.		IA Recommendation Tracking Report – IA Q1 Recommendations Tracker IA Quarter 1 Monitoring Report Management of Absence Update Employment of Agency Staff		IA Q 2 Monitoring Report Moderate Report – Destination Lettings	IA Recommendation Follow-up Report – Q2 Fundamental Audits – Recommendation Tracker Report Rechargeable Works Western Bay Adoption Services & Adoption Allowances	Accounts Receivable	IA Recommendation Tracking Report – Q3 IA Q 3 Monitoring Report Management of Absence Update Employment of Agency Staff	Internal Audit Annual Plan Methodology. Draft Internal Audit Annual Plan 2023/24 Progress on the Upgrade of Oracle.	IA Charter 2023/24 IA Strategy & Annual Plan 2023/24	Update - Moderate Report – Destination Lettings
Risk Management & Performance					Q1 Risk Monitoring Report		Q2 Risk Monitoring Report	The Annual Review of Performance 2021-22 (including Self-Assessment Report)		Q3 Risk Monitoring Report		Q4 Risk Monitoring Report	

Governance & Audit Committee Workplan 2022/23

Appendix 1

Counter Fraud			Internal Audit Section – Fraud Function Annual Report 2021/2022 Internal Audit Section – Fraud Function Anti-Fraud Plan for 2022/23					Corporate Fraud – Six Month Update					
Operational matters / key risks			Complaints Report – 6 Month Update.		Update on Internal Control Environment – Director of Education		Update on Internal Control Environment - Director of Social Services / Director of Finance		Delivery of Corporate Priority – Tackling Poverty	Update on Internal Control Environment – Director of Place		Update on Internal Control Environment – Director of Corporate Services	
External Audit Page 176		Audit Wales Work Programme and Timetable – City and County of Swansea Council. Audit Wales – 2022 Audit Plan			Audit Wales Work Programme and Timetable – City and County of Swansea Council. Assurance Risk Assessment (ARA) progress update letter	Joint Presentation - Audit of the Council's coming out of COVID activities		Audit Wales Work Programme and Timetable – City and County of Swansea Council.		Public Sector Readiness for Net Zero Carbon by 2030 & Assurance and Risk work - carbon reduction - C&C Swansea	Audit Wales Work Programme and Timetable – City and County of Swansea Council. Audit Wales - Audit of Accounts Report - City & County of Swansea - Draft. Audit Wales - Assurance and Risk Assessment 2021-22 Financial Position Update		Audit Wales Report - City & County of Swansea Annual Audit Summary 2022. 2023 Audit Plan
Financial Reporting											Draft Statement of Accounts 2021/22		

Terms of Reference	June 2023	July 2023	September 2023	October 2023	December 2023	January 2024	February 2024	April 2024	June 2024 (24/25)
Training									
Governance & Assurance	Election of Chair & Vice Chair Appointment of Committee Member on Annual Governance Group	Complaints Update Report 2022/23	Public Services Ombudsman for Wales Annual letter to the Council for the period 2022-23	Scrutiny Annual Report 2022-23. The Governance and Assurance Arrangements of Swansea Council's Strategic Partnerships – 6 Month Update		Annual Complaints Report	The Governance and Assurance Arrangements of Swansea Council's Strategic Partnerships. Update on the Council's Transformation Programme, including Governance	Draft Committee Work Programme 2024/25	Annual Governance Statement 2023/24 Draft Governance & Audit Committee Annual Report 2023/24
Internal Audit	IA Quarter 4 2022/23 Monitoring Report IA Quarter 4 2022/23 Recommendation Tracker Report Fleet Maintenance Update Accounts Receivable Update DBS Update	Annual Report of School Audits 2022-23	A Quarter 1 2023/24 Monitoring Report IA Quarter 1 2023/24 Recommendation Tracking Report	Employment of Agency Staff Update Management of Absence Update IA Quarter 2 2023/24 Monitoring Report IA Quarter 2 2023/24 Recommendation Tracker Report Fundamental Audits 2022/23 – Recommendation Tracker Report			Employment of Agency Staff Update Management of Absence Update IA Quarter 3 2023/24 Monitoring Report IA Quarter 3 2023/24 Recommendation Tracker Report IA Annual Plan Methodology Report 2024/25 Draft IA Annual Plan 2024/25	IA Charter 2024/25 IA Strategy & Annual Plan 2024/25	Internal Audit Annual Report 2023/24
Risk Management & Performance			Q1 Risk Monitoring Report The Annual Review of Performance 2022-23 (including Self-Assessment Report) (Provisional)		Q2 Risk Monitoring Report		Q3 Risk Monitoring Report		Q4 Risk Monitoring Report
Counter Fraud		Corporate Fraud Annual Report 2022/23 and Corporate Fraud Annual Plan 2023/24			Corporate Fraud – Six Month Update				

Governance & Audit Committee Workplan 2023/24

Appendix 2

Operational matters / key risks			Update on Internal Control Environment – Director of Education	Update on Internal Control Environment - Director of Social Services	Update on Internal Control Environment - Director of Finance		Update on Internal Control Environment – Director of Place	Update on Internal Control Environment – Director of Corporate Services	
External Audit	<p>Audit Wales Work Programme and Timetable – City and County of Swansea Council.</p> <p>Audit Wales – 2023 Audit Plan</p> <p>Audit Wales Report - City & County of Swansea Annual Audit Summary</p>		<p>Audit Wales Work Programme and Timetable – City and County of Swansea Council.</p> <p>Audit Wales - Audit of Accounts Report - City & County of Swansea - Draft.</p>		<p>Audit Wales Work Programme and Timetable – City and County of Swansea Council.</p>		<p>Audit Wales Work Programme and Timetable – City and County of Swansea Council.</p>	<p>Audit Wales - Assurance and Risk Assessment - Financial Position Update</p> <p>Audit Wales Report - City & County of Swansea Annual Audit Summary</p> <p>Audit Wales - 2024 Audit Plan</p>	
Financial Reporting			Draft Statement of Accounts 2022/23						

Additional Work programme Governance and Audit Committee
As a result of the Local Government And Elections Act.

Across all areas of the work programme, consideration and acknowledgement will be given to the views, feedback and assurance from the scrutiny and performance committees that robust overview and scrutiny has taken place of decisions, policies and proposals and the assurance then given to Audit committee when they are reviewing the area of work in relation to Assurance, risk environment, Regulatory compliance and overall governance.

Area of work	Owner	Frequency	Month to present to committee
		<i>The frequencies are a guide and additional reviews may take place as and when the committee feel necessary.</i>	
To review the Council's corporate governance arrangements against the good governance framework	Ness Young / Richard Rowlands	Every 2 years	See Annual Governance Statement
To review the Council's draft annual Self-Assessment Report,	Richard Rowlands	Annual	December
To review the Council's draft response to the Panel Performance Assessment Report	Richard Rowlands	Once every 4 years	TBC
To review the Council's draft response to any Auditor General's recommendations arising from a special inspection in respect of the Council's performance requirements	Ness Young	As and When required	TBC
To review the programme of work from regulators	Richard Rowlands	Annually	Quarterly

Appendix 3

To review and assess the authority's ability to handle complaints effectively	Sarah Lackenby	Annual	January
To review the Annual Governance Statement prior to approval	Richard Rowlands	Annual	May
To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	Richard Rowlands / Ness Young	Annual	Possibly covered to a degree in the self-assessment report but too early to say.
To consider the Council's framework of assurance	Richard Rowlands / Ness Young	Annual	See Internal Audit Assurance Map
To monitor the effective development and operation of risk management	Richard Rowlands	Each meeting	Quarterly Overview of Risk Reports
To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions	Simon Cockings	As and when required	Quarterly Monitoring Reports throughout the year.
To review the assessment of fraud risks and potential harm to the Council from fraud and corruption	Simon Cockings	Every 6 months	Fraud Function Annual Plan – March Fraud Function Annual Report – July Fraud Function Half-Year Update Report - December
To monitor the counter fraud strategy, actions and resources	Simon Cockings	Every 6 Months	Fraud Function Annual Plan – March Fraud Function Annual Report – July

Appendix 3

			Fraud Function Half-Year Update Report - December
To Receive proposals in relation to the appointment of external providers of internal audit services and to make recommendations	Simon Cockings	as and when	n/a
To review the governance and assurance arrangements for significant partnerships or collaborations	Deputy Chief Executive / Richard Rowlands / Relevant Director	Annual / as and when new Partnerships or collaborations are established	June/July
To approve the internal audit charter and resources	Simon Cockings	Annual	Internal Audit Charter Report – April
To consider the Chief Internal Auditor's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements	Simon Cockings	Annual	Internal Audit Annual Report – May
To consider reports from the Chief Internal Auditor on Internal Audit's performance during the year including the performance of external providers of internal audit services	Simon Cockings	Every 6 months	Quarterly Monitoring Reports throughout the year.
To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations	Simon Cockings	Annual	Internal Audit Annual Report – May

Appendix 3

To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Chief Internal Auditor. To approve and periodically review safeguards to limit such impairments	Simon Cockings	Annual	Internal Audit Charter Report – April
To receive reports outlining the action taken where the Chief Internal Auditor has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions	Simon Cockings	As and when	Quarterly Monitoring Reports throughout the year.
To consider reports dealing with the management and performance of the providers of internal audit services	Simon Cockings	As and when required	Quarterly Monitoring Reports throughout the year.
To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.	Simon Cockings	Quarterly	Quarterly Monitoring Reports throughout the year.
To contribute to the Quality Assurance and Improvement Programme and in particular the external quality assessment of internal audit that takes place at least once every five year	Simon Cockings	Every 5 Years	Internal Audit Annual Report – May
To consider the external auditor's annual letter, relevant reports, and to those charged with governance.	Ben Smith	Annual	External Auditor's annual letter – July

Appendix 3

To review the annual statement of accounts.	Ben Smith	Annual	Report of S151 officer including Statement of Accounts – July
To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts	Ben Smith	Annual	External Audit Annual Report - July
To publish an annual report on the work of the committee.	Paula O'Connor	Annual	Draft Audit Committee Annual Report – May

Scrutiny Programme Committee – COMPLETED Work Plan 2022/23

ACTIVITY	19 Jul 2022	16 Aug 2022	13 Sep 2022 CANCELLED	18 Oct 2022	15 Nov 2022	13 Dec 2022
Scrutiny Work Programme	Agreement of Scrutiny Work Programme	Draft Scrutiny Annual Report 2021/22				
Cabinet Member Portfolio Responsibility Q & A Sessions		Archives / Community Hub (CM for Equalities & Culture)	Fly Tipping (CM for Community Services)	Scrutiny of Swansea Public Services Board	Fly Tipping (CM for Community Services)	Homelessness (CM for Service Transformation)
Other Cabinet Member / Officer Reports					Annual Corporate Safeguarding Report (CM for Care Services / Director of Social Services)	
Scrutiny Performance Panel Progress Reports						
Pre-decision Scrutiny				Oracle Project Investment Update		
Final Scrutiny Inquiry Reports / Follow Up on Scrutiny Recs.					Follow Up: Scrutiny Working Group - Workforce (CM for Corporate Service & Performance)	

ACTIVITY	17 Jan 2023	14 Feb 2023	14 Mar 2023	20 Mar 2023 (special)	18 Apr 2023	16 May 2023
Scrutiny Work Programme			Audit / Scrutiny Relationship – Discussion w/ Chair of Governance & Audit Committee			End of Year Review
Cabinet Member Portfolio Responsibility Q & A Sessions	Leader / Economy, Finance & Strategy (incl. focus on Policy Commitments / Council Priorities; Recovery & Transformation Plan; Council Budget)	Houses in Multiple Occupation (CM for Corporate Service & Performance)				
Other Cabinet Member / Officer Reports	Delivery of Corporate Priority – Tackling Poverty (annual item) (Leader / CM for Wellbeing)	Scrutiny of Public Services Board (Draft Local Well-being Plan)			Crime & Disorder Scrutiny - Safer Swansea Community Safety Partnership	
Scrutiny Performance Panel Progress Reports	<ul style="list-style-type: none"> • Service Improvement & Finance • Education 	Adult Services	Child & Family Services		Development & Regeneration	Climate Change & Nature
Pre-decision Scrutiny				National 20 Mph Default Speed Limit		
Final Scrutiny Inquiry Reports / Follow Up on Scrutiny Recs.						

Other topics to schedule:

- Pre-Decision Scrutiny: Cabinet Report on 'FPR7 Redevelopment of 277-278 Oxford Street - Community Hub Project'
- Children & Young People's Rights Scheme (annual report) (Cabinet Members for Care Services / Education & Learning) – Sep 2023?
- Follow Up on Bus Services Working Group recommendations (CM for Environment & Infrastructure) – Oct / Nov 2023?
- Cabinet Member Portfolio Responsibility Sessions:
 - Parks (Cabinet Member for Investment, Regeneration & Tourism)
 - Community Growing (Cabinet Member for Community Support)
 - Community Groups, Engagement & Development (Cabinet Member for Community Support)

Scrutiny & Monitoring of External Audit / Inspection / Regulatory Reports (2022/23)

The Chair of the Governance & Audit Committee and Chair of the Scrutiny Programme Committee decide between them the route that specific reports should take, i.e., whether reported to and monitored by G & A Committee or SPC, as deemed appropriate.

External reports that are relevant for Scrutiny are allocated either to the Scrutiny Programme Committee or referred to relevant Scrutiny Performance Panels and scheduled for discussion, as appropriate.

When a report has been issued to the Council and is available for Scrutiny, the relevant Scrutiny Chair / Convener is made aware, and it can be highlighted to Committee / Panel members within the next available meeting agenda.

Reporting to Scrutiny will typically require relevant Cabinet Members / Officers to attend meetings to discuss implications and present action plans along with statements about progress. Scrutiny Officers will engage with relevant Cabinet Members / Officers to forward plan the scheduling of Committee / Panel discussion at the right time, e.g., with a response / action plan (showing any progress to date), making the best use of time given pressure on scrutiny work plans / workloads.

The Committee / Panel can then receive assurance from Council leads about their response to any external reports and provide challenge to ensure improvement, making observations, and arranging further monitoring as necessary.

Depending on content, every report may not require the same level of involvement and consideration (given degree of importance or interest) therefore it will be up to relevant scrutiny lead member(s) to determine best approach in dealing with relevant reports. In certain cases, the Committee / Panel may take an exceptional approach to reports, e.g., being provided with information outside of meetings and only scheduling for discussion at a meeting with relevant Cabinet Member / Officer where there are specific issues, concerns about action / progress. Flexible approaches will relieve pressure on workloads and ensure best use of time and resources.

The Governance & Audit Committee is provided with a log of reports being dealt with by Scrutiny so that it can maintain an oversight of monitoring and be assured that reports are being effectively followed up.

Report Title	Type of Report	Lead Cabinet Portfolio	Scrutiny Committee / Performance Panel	Report(s) to Scrutiny	Monitoring by Scrutiny Complete (YES / NO?)
Direct Payments for Adult Social Care (published April 2022)	Audit Wales (National)	Care Services	Adult Services Panel	8 November 2022	YES
Public Sector Readiness for Net Zero Carbon by 2030 (July 2022)	Audit Wales (National)	Service Transformation	Climate Change & Nature Panel	10 January 2023	YES
A report on education services in City and County of Swansea (September 2022)	Estyn	Education & Learning	Education Panel	27 October 2022 15 December 2022	NO Further monitoring scheduled for 15 June 2023
Equality Impact Assessments: more than a tick box exercise? (September 2022)	Audit Wales (National)	Equalities & Culture	Service Improvement & Finance	6 December 2022	YES
‘Time for Change’ – Poverty in Wales (November 2022)	Audit Wales (National)	Economy, Finance & Strategy AND Well-being	Scrutiny Programme Committee	17 January 2023	NO Tackling Poverty is an annual item at Committee – actions arising from Audit to be followed up in Dec 2023

‘A missed opportunity’ – Social Enterprises (November 2022)	Audit Wales (National)	Care Services	Adult Services Panel	tbc	
Regenerating Town Centres in Wales (September 2021)	Audit Wales (National)	Investment, Regeneration and Tourism	Development & Regeneration Panel	20 March 2023	YES

NOTE:

Estyn: All individual School Estyn Inspection outcome summaries and links to full reports are included in Education Scrutiny Performance Panel agendas for information / awareness. The Panel will follow up on any where there are concerns and some when good practice has been highlighted.

Governance & Audit Committee – Terms of Reference

Statement of Purpose

The Governance and Audit Committee is a key component of the City and County of Swansea's corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Governance and Audit Committee is to provide independent assurance of the adequacy of the risk management framework, the internal control environment and the performance assessment of the Council. It provides an independent review of the governance, performance assessment, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Membership

The Local Government (Wales) Measure 2011 provides that two thirds of the members of the Committee are to be members of the council and one third must be lay members. Only one member of the Cabinet or Assistant to the Cabinet may sit on the Committee, and that person must not be the Leader. The Chair must be a lay member and the vice chair must not be a member of the Cabinet or an Assistant to the Cabinet.

Governance, Performance, Risk and Control

- a) To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- b) To review the Council's draft annual Self-Assessment Report, and make any appropriate recommendations for changes to the conclusions or actions the Council intends to make.
- c) To review the Council's draft response to the Panel Performance Assessment Report, and make any appropriate recommendations for changes.
- d) To review the Council's draft response to any Auditor General's recommendations arising from a special inspection in respect of the Council's performance requirements and to make any appropriate recommendations for changes.
- e) To review and assess the authority's ability to handle complaints effectively and to make any associated reports and

recommendations in relation to the authority's ability to handle complaints effectively.

- f) To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances.
- g) To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- h) To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- i) To monitor the effective development and operation of risk management in the Council.
- j) To monitor progress in addressing risk related issues reported to the Committee.
- k) To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- l) To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- m) To monitor the counter fraud strategy, actions and resources.
- n) To review any proposals in relation to the appointment of external providers of internal audit services and to make recommendations.
- o) To review the governance and assurance arrangements for significant partnerships or collaborations.

Internal Audit

- p) To approve the internal audit charter and resources.
- q) To approve the risk-based internal audit plan, containing internal audit's resource requirements, the approach to using other sources of assurances and any work required to place reliance upon those other sources.
- r) To approve significant interim changes to the risk based internal audit plan and resource requirements.

- s) To make appropriate enquiries of both management and the Chief Internal Auditor to determine if there are any inappropriate scope or resource limitations.
- t) To consider the Chief Internal Auditor's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- u) To consider the Chief Internal Auditor's annual report.
- v) To consider reports from the Chief Internal Auditor on Internal Audit's performance during the year including the performance of external providers of internal audit services.
- w) To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.
- x) To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Chief Internal Auditor. To approve and periodically review safeguards to limit such impairments.
- y) To consider summaries of specific internal audit reports as requested.
- z) To receive reports outlining the action taken where the Chief Internal Auditor has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
- aa) To consider reports dealing with the management and performance of the providers of internal audit services.
- bb) To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
- cc) To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- dd) To contribute to the Quality Assurance and Improvement Programme and in particular the external quality assessment of internal audit that takes place at least once every five years.

- ee) To provide free and unfettered access to the Governance and Audit Committee Chair for the Chief Internal Auditor, including the opportunity for a private meeting with the Committee.

External Audit

- ff) To consider the external auditor's annual letter, relevant reports, and to those charged with governance.
- gg) To consider specific reports as agreed with the external auditor.
- hh) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- ii) To commission work from external audit.
- jj) To advise and recommend on the effectiveness of relationships between external audit and other inspector agencies or relevant bodies

Financial Reporting

- kk) To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- ll) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability Arrangements

- mm) To report to full Council on a regular basis on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.
- nn) To report to Council on an annual basis and to publish an annual report on the Committee's work, its performance in relation to the Terms of Reference, and its effectiveness in meeting its purpose.
- oo) To raise the profile of probity generally within the Council and to report on matters of concern to the individual Cabinet Member, relevant Scrutiny Committee, Cabinet or to Council as necessary and appropriate.
- pp) To work in synergy with the Scrutiny Committees of the Council and liaise with other Council Committees as and when appropriate to avoid duplication in work programmes.

- qq) To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the Appendix 1 adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions
- rr) To publish an annual report on the work of the committee.

Training and Development

- ss) To attend relevant training sessions including specialist training tailored for Members of the Governance and Audit Committee.