



City and County of Swansea

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

Multi-Location Meeting - Gloucester Room, Guildhall / MS

Teams

Wednesday, 13 September 2023 at 2.00 pm

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

**Councillor(s)**

P R Hood-Williams  
M W Locke  
T M White

**Councillor(s)**

J W Jones  
S Pritchard

**Councillor(s)**

M B Lewis  
L V Walton

**Lay Member(s)**

Julie Davies

David Roberts

**Officer(s)**

Ness Young  
Ben Smith  
Richard Rowlands  
Jeremy Parkhouse  
Stephen Holland  
Nick Davies  
Helen Morgan-Rees  
Kelly Small

Director of Corporate Services  
Director of Finance / Section 151 Officer  
Strategic Delivery & Performance Manager  
Democratic Services Officer  
Principal Solicitor  
Principal Auditor  
Director of Education  
Head of Education Planning & Resources Service

**Apologies for Absence**

Councillor A Davis, Gillian Gillet, Non Jenkins and Bethan Roberts

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**24 Change of Committee Membership.**

The Chair noted that the membership of the Committee had reduced to 8 Councillors and 4 Lay Members. She thanked Councillors A J Jeffrey and K M Roberts, who were no longer Committee Members, for their support and participation.

**25 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 a personal interests in Minute No.26 - Internal Audit Monitoring Report - Quarter 1 - 2023/24.

Councillors P R Hood-Williams and L V Walton declared personal interests in Minute No.28 - Internal Audit Recommendation Follow-Up Report Quarter 1 2023/24.

**26 Minutes.**

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

**27 Internal Audit Monitoring Report - Quarter 1 - 2023/24.**

Nick Davies, Principal Auditor presented a detailed 'for information' report which showed the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 April to 30 June 2023.

A total of 12 audits were finalised during the quarter. The audits finalised were listed in Appendix 1, which also showed the level of assurance given at the end of the audit and the number of recommendations made and agreed. Appendix 2 provided a summary of the scope of the reviews finalised during the period.

An analysis of the assurance levels of the audits finalised was given and a total of 120 audit recommendations were made and management agreed to implement all of the recommendations.

It was added that staff sickness in the Internal Audit Team continued to be significant during the quarter, with a total of 43 days absence recorded. One member of staff continued to be on long-term sickness. In addition, a Senior Auditor left during the quarter and was replaced by an existing Auditor within the team. The vacant Auditor post was filled and the new member of staff was in post and receiving training. A total of 10 days were lost due to the post being vacant.

The Internal Audit Plan 2023/24 included 116 audit activities and as at 30 June 2023, 16 audit activities (14%) had been completed, with two additional activities (2%) substantially completed, with the audit reports issued as draft. As a result, 18 audit activities had been completed to at least draft report stage (16%). An additional 20 activities were in progress at the quarter end (17%). As a result, approximately 33% of the audit activities included in the 2023/24 Audit Plan had either completed or were in progress.

Two moderate reports were issued during the quarter in respect of the following: -

- Clydach Primary School 2023/24.
- Catering and Cleaning Team 2023/24.

The Committee were also provided with details of the follow-ups completed between 1 April and 30 June 2023.

The Committee discussed the following: -

- The Senior Auditor leaving the team and the confidence that there was sufficient expertise within the section to fill the post.
- The audit of regional working, the scope of testing and the possibility of providing information to committee on what areas had been tested.
- Gas boiler servicing, the related risk potential with delays as a result of covid and providing an update in a future quarterly report.
- Lettings at Swansea Marina and Boat Parks, assurances provided by officers and gaining further assurance with follow-up information during the next quarter.
- Destinations Lettings audit – providing confirmation that the unpaid licence fee had been paid, was being recovered or had been revoked.

The Chair requested that the actions highlighted be added to the Action Tracker Report.

## **28 Moderate Report - Catering and Cleaning Team 2023/24.**

Kelly Small, Head of Education Planning and Resources Service presented a 'for information' report which provided an update on the moderate audit report for the Catering and Cleaning Team.

It was outlined that an internal audit of the Catering and Cleaning Team was undertaken in the summer of 2023, and an assurance level of moderate was given. The previous audit of the catering team, conducted in 2017/18 and the cleaning team, conducted in 2018/19, also resulted in moderate assurance levels. An action plan was developed to address the issues identified and appropriate implementation steps put in place.

The report highlighted the seven Medium Risk items identified in the audit. All items were provided within the management action plan at Appendix A, which detailed all recommendations, Medium Risk (MR), Low Risk (LR) and recommended Good Practice (GP) as well as the associated actions taken to remove them.

The action plan addressed the Medium Risk (MR) items covering expenditure; cash and credit income; petty cash; travelling expenses; personnel records; and vehicles.

The Committee discussed the following: -

- Ensuring that all staff concerned were aware of and trained in the procurement process.
- The small number of schools which organised their own catering / cleaning and the centrally based services offered by the Education Department.
- Assurance provided by all but one of the recommendations being progressed, including completing claims correctly which safeguarded the Authority and employees.

The Chair thanked the officer for the report and for the speed at which the recommendations had been completed.

## **29 Internal Audit Recommendation Follow-Up Report Quarter 1 2023/24.**

The Principal Auditor presented a 'for information' report which provided the Committee with the status of the recommendations made in those audits where the follow-up's had been undertaken in Quarter 1 2023/24, which allowed the Committee to monitor the implementation of recommendations made by Internal Audit.

Appendix 1 provided a summary of the recommendations accepted and implemented.

The Chair requested that in future, this report be combined with the quarterly monitoring report. The Committee also queried the reporting of all outstanding high / medium risks that had not been actioned in future in order for long term outstanding risks to be identified. The Principal Auditor stated that any areas that were not actioned would be highlighted in the follow-up report and service areas had to explain why recommendations had not been actioned. He added that he would discuss both requests with the Chief Auditor and it was requested that the action be included in the Action Tracker Report.

Ness Young, Director of Corporate Services updated the Committee on progress regarding the installation of an external audit action tracker. She added that it was taking longer than anticipated but all external audit recommendations were currently being tracked on a spreadsheet. A report regarding external audit recommendations would be provided in December 2023 and the action added to the Action Tracker Report.

## **30 Corporate Risk Overview 2023/24 - Quarter 1.**

Richard Rowlands, Strategic Delivery & Performance Manager 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 1 2023/24: -

There were 4 Red status risks in the Corporate Risk Register as at the end of Q1 2023/24:

- 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 Q1.
- One new risk was added to the Corporate Risk Register:  
Risk ID 350: Successful and Sustainable Swansea Corporate Transformation Plan.

- Two corporate risks were deactivated:  
Risk ID 309: Oracle Fusion Project Implementation.  
Risk ID 333: Corporate Transformation Plan.
- No risks were escalated to the Corporate Risk Register.
- No corporate risks were de-escalated from the Corporate Risk Register.
- Two Corporate risks changed their RAG status during Q1:  
Risk ID 309: Oracle Fusion Project Implementation – Amber to green.  
Risk ID 290: Impact of Poverty – No RAG to Amber.
- Two corporate risks changed their residual risk score during Q1:  
Risk ID 159: Financial Control – MFTP Delivery – score 20 to score 25.  
Risk ID 309: Oracle Fusion Project Implementation – score 8 to score 2.

Appendix A presented the risks recorded on the Council's Corporate Risk Register as at 30 June 2023. The reports for each risk included general explanatory information relating to their classification.

Discussions followed regarding the following: -

- Review of Corporate Risk Management Framework – The very positive move in providing risk management training by Association for Public Service Excellence (APSE) to Cabinet / CMT as part of the review, which would be rolled out to officers. It was confirmed that the training costs were funded by the Welsh Local Government Association (WLGA) Improvement Fund and that further training would be provided in-house.
- Risk ID 309 – Oracle Fusion Project Implementation – it was noted that the new system had gone live in April in line with the project timetable.
- Risk ID 159 – Financial Control – MFTP Delivery – Ben Smith, Director of Finance stated that local government finances were very grave at present and was the current position the Council faced. He added that the risk would remain elevated until the budget for 2024/25 had been set. The effect upon transformation savings was queried. The Director of Finance stated that although the Authority was in a better position than most local authorities in Wales, the financial position remained extremely sensitive. He added that the 2023/24 budget delivered some significant savings and transformation was an important aspect over the life of the Medium Term Financial Plan. However, the Council would be faced with making some tough choices in the future, which may impact the Council's ability to find additional savings and to invest in transformational projects.
- Risk ID 153 – Safeguarding – It was queried whether workforce pressures remained and noted that the issue would be raised with the Director of Social Services in October 2023 when he presents his Directorate Internal Control Environment Report.

### **31 Education Directorate: Internal Control Environment 2023/2024.**

Helen Morgan-Rees, Director of Education and Kelly Small, Head of Education Planning and Resources, provided a 'for information' report which presented the Education Directorate control environment, including risk management, in place to

ensure: functions were exercised effectively; there was economic, efficient and effective use of resources, and; effective governance to secure these arrangements.

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

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

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

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

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

Appendix A provided (Directorate) Corporate and Directorate Risks at 1 September 2023 and Appendix B provided the updated (Directorate) Assurance Map.

The Director of Education also updated the Committee with the background, progress made and current position regarding Clydach Primary School, which was currently in special measures, in order to provide assurance that the department were closely monitoring the situation.

The Committee discussed the following: -

- Procurement training – it was noted that the numbers attending the training had been positive and the department monitored the schools that had attended.
- Clydach Primary School – It was confirmed that the school was currently in special measures, the school leadership had changed, the school should be operating properly in approximately 12 months and should be out of special measures in approximately 18 to 24 months. The Committee expressed concern at the lack of financial control within the school.

The Chair noted that the monitoring of the position at Clydach Primary School would be done by the Education Performance Scrutiny Panel and added that the

Committee would gain assurance from their findings. She requested that it be added to the Action Tracker Report.

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

### **32 Annual Review of Performance 2022-23 (including Self-Assessment Report).**

Richard Rowlands, Strategic Delivery & Performance Manager provided a report which presented the Committee with a draft of the Council's Annual Review of Performance 2022/23, which met 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 Chair explained that the report had been discussed at the Strategic Governance Group meetings in May and August and had been scrutinised by the Service Improvement, Regeneration and Finance Scrutiny Panel early in September 2023, so it had been through a process of challenge.

It was stated that the report provided the progress the Council had made meeting its wellbeing objectives, as set out in its Corporate Plan 2022/23.

The approach, method, improvements made following the 2021/22 assessment and a summary of the 2022/23 self-assessment, were outlined.

Ness Young, Director of Corporate Services commented that this was the second year of self-assessment and there were a number of elements included to make the report more accessible, reflecting the Committee's comments on the 2021-22 report, while also ensuring the requirements of the act were met.

The Committee discussed the following: -

- 30% not meeting their performance targets and how Council would review the information.
- The level of detail contained in Section 7 – Areas for continued improvement.
- The need for the document to be proof read due to typographical errors.
- The positive addition of case studies into the report.
- The level of detail provided in respect of partnership working and the possibility of undertaking 360 degree reviews with partner organisations in future.
- Contributions made by staff to the self-assessment which was advertised internally at different locations.
- The need to check the performance figures were consistent with those in Cabinet corporate performance reports.
- How to facilitate greater public engagement in the development of future reports.

**Resolved** that: -

- 1) The draft Annual Review of Performance 2022/23 be noted.

- 2) The suggested amendments to the draft report be updated prior to the report being presented to Council.

### **33 Governance & Audit Committee Action Tracker Report.**

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

The Chair highlighted that the action relating to Minute 40 – 27/09/22 - Absence Management Audit Report Update, was scheduled to be reported to the Committee in October 2023.

The Director of Corporate Services stated that the review of sickness management and the end-to-end absence management process, including Occupational Health would be reported to Corporate Management Team in October and to the Committee in December 2023.

It was also noted that the following actions had been completed: -

- Minute 17 – 19/07/23 – Annual Complaints Report – Six Month Update.
- Minute 70 – 14/12/22 – Annual Review of Performance 2021-22.

### **34 Governance & Audit Committee Work Plan.**

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

The Director of Finance stated that the Draft Statement of Accounts 2022/23 and Audit Wales – Audit of Accounts Report – City & County of Swansea – Draft were delayed and would be deferred to the December Committee meeting.

The meeting ended at 3.51 pm

**Chair**