

# **CITY AND COUNTY OF SWANSEA**

## **MINUTES OF THE AUDIT COMMITTEE**

**HELD AT COMMITTEE ROOM 2, CIVIC CENTRE, SWANSEA ON  
TUESDAY, 11 JULY 2017 AT 2.00 PM**

**PRESENT:** Mr A M Thomas (Chair) Presided

**Councillor(s)**

T J Hennegan  
L James

**Councillor(s)**

P R Hood-Williams  
J W Jones

**Councillor(s)**

O G James  
W G Thomas

**Officer(s)**

Simon Cockings

Nick Davies

Jeremy Parkhouse

Sandie Richards

Richard Rowlands

Amanda Thomas

Chief Auditor

Auditor

Democratic Services Officer

Principal Lawyer

Strategic Delivery Unit Manager

Group Accountant / Interim Deputy Section 151 Officer

**Apologies for Absence**

Councillor(s): C Anderson, B Hopkins, P Jones, M B Lewis, L V Walton and  
T M White

14 **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: -

Councillor T J Hennegan – Minute No.16 – Draft Statement of Accounts 2016/17, Housing Revenue Account – I am a Council tenant – personal.

15 **TRAINING - FINANCIAL MANAGEMENT AND ACCOUNTING.**

Amanda Thomas, Group Accountant / Interim Section 151 Officer provided the Committee with Financial Management and Accounting training. Details provided included financial management; financial statements; CIPFA Code of Practice; status of the code and what it expects to see; receiving the external audit and opinion of the audit; materiality; what to look for in an opinion, broad types of opinion and other issues; reviewing audit recommendations relating to financial management; what the Audit Committee is looking for; the role of the Chief Financial Officer (CFO), how this is met, the CFO in a public service organisation and how they deliver their responsibilities; the law.

The Committee asked a number of questions relating to the training that were responded to accordingly.

The Chair thanked the Officer for providing the training presentation.

16 **DRAFT STATEMENT OF ACCOUNTS 2016/17.**

Amanda Thomas, Group Accountant / Interim Section 151 Officer presented the Draft Statement of Accounts 2016/17.

It was outlined that Legislation required the Council to produce an annual Statement of Accounts in respect of each Financial year as follows:-

- **By 30 June** following the year to which the Accounts relate – Accounts to be drafted and signed by the Section 151 Officer;
- **By 30 September** following the year to which the Accounts relate the Accounts are required to be audited and approved by Council.

The Draft Accounts for 2016/17 had been prepared and were signed by the Section 151 Officer on 12 June 2017. A copy was provided at Appendix A of the report.

The Accounts had been formally presented to the Council's auditors, Wales Audit Office, who had commenced the audit of the Accounts. As part of the audit process, the Accounts would be made available for inspection by the public for a four week period from 17 July 2017 to 11 August 2017.

The Committee asked questions in relation to HRA changes and assets; layout of accounts; expenditure and funding analysis; Movement in Reserves Statement; short term investments; General Fund balance; reserves used to fund redundancies.

**RESOLVED** that: -

- 1) The contents of the report be noted;
- 2) The Section 151 Officer be requested to provide the Committee with an update regarding the funding of reserves and overall good financial management.

17 **RISK MANAGEMENT POLICY AND FRAMEWORK - UPDATE.**

Richard Rowlands, Strategic Delivery Unit Manager presented a 'for information' report on Risk Management Policy.

The report presented the Council's revised Risk Management Policy. The revised Risk Management Policy was provided at Appendix A and was supported by the revised Risk Management Framework at Appendix B. He confirmed that the Authority followed the CIPFA definition of risk.

The Chair stated that the updated policy and framework stemmed from the Wales Audit Office review that had recommended that the Council challenged risk and had a more pro-active view towards risk.

The Committee discussed roles and responsibilities; registers of risk being up to date; overview on status of risk; providing confidence to the Committee in risk management; cascading risk registers and policy throughout the organisation; Councillor access to risk registers; risk of cyber attacks; using the risk template to make budget savings across the Authority; cross-cutting themes; commissioning reviews.

18 **DRAFT ANNUAL GOVERNANCE STATEMENT 2016/17.**

Simon Cockings, Chief Auditor presented the draft Annual Governance Statement 2016/17. The Council was required by the Accounts and Audit (Wales) Regulations 2014 to undertake a review of its governance arrangements, at least annually. The review was intended to show how the Council had complied with its Code of Corporate Governance.

It was added that in 2016/17, a new Annual Governance Statement Group was established, tasked with the compilation of a revised Code of Corporate Governance, as well as a revised Annual Governance Statement. An annual review of compliance with the Code of Corporate Governance had been completed and published each year, which was now in the format of the Annual Governance Statement. The 7 new core principles of the Framework for Delivering Good Governance in Local Government established by CIPFA and SOLACE, were outlined. Council was due to approve the revised Code of Corporate Governance based on the 7 principles on 24 August 2017.

The draft Annual Governance Statement 2016/17 was attached at Appendix 1. The final version of the Annual Governance Statement would be reported to Cabinet in September for approval, before being signed by the Chief Executive and Leader and published with the audited Statement of Accounts 2016/17.

The Committee discussed the information contained in the report.

**RESOLVED** that the contents of the report be noted.

19 **AUDIT COMMITTEE ACTION TRACKER REPORT. (FOR INFORMATION)**

The Audit Committee Action Tracker Report was reported 'for information'.

20 **AUDIT COMMITTEE WORK PLAN. (FOR INFORMATION)**

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

The meeting ended at 3.55 pm

**CHAIR**