



City and County of Swansea

## Minutes of the **Audit Committee**

Committee Room 5, Guildhall, Swansea - Guildhall, Swansea

Thursday, 9 November 2017 at 10.00 am

**Present:** Councillor L James (Vice-Chair) presided

<b>Councillor(s)</b>	<b>Councillor(s)</b>	<b>Councillor(s)</b>
P R Hood-Williams	O G James	M B Lewis
P Jones	J W Jones	L V Walton
S Pritchard	W G Thomas	

**Also Present: -**  
Councillor M H Jones      Chair of Scrutiny Programme Committee

<b>Officer(s)</b>	
Simon Cockings	Chief Auditor
Tal Davies	Corporate Fraud Manager
Jeremy Parkhouse	Democratic Services Officer
Sandie Richards	Principal Lawyer
Richard Rowlands	Strategic Delivery & Performance Manager.

Also Present: -  
Geraint Norman      Wales Audit Office

### **Apologies for Absence**

Councillor(s): B Hopkins and T M White  
Independent Member(s): Mr A M Thomas

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### **39 Disclosures of Personal and Prejudicial Interests.**

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

### **40 Minutes.**

**Resolved** that the Minutes of the previous meeting of the Audit Committee were approved as a correct record, subject to the following amendments: -

Add Geraint Norman and David Williams, Wales Audit Office to the list of attendees.

**41 Scrutiny Annual Report - Chair of Scrutiny Programme Committee - Councillor Mary Jones.**

Councillor M H Jones, Chair of the Scrutiny Programme Committee provided a report on the work of scrutiny for the Municipal year 2016-17 and highlighted scrutiny activities planned for 2017/18. The report was provided in order to share information that will help develop the relationship between Scrutiny and the Audit Committee.

She praised the work of Dave McKenna, Scrutiny Manager, who left the Authority in July 2017 and the work of the Scrutiny Team.

She highlighted the work of Scrutiny throughout the year, referring to the following: -

- The work carried out by Scrutiny;
- Show how Scrutiny had made a difference;
- Support continuous improvement for the Scrutiny function;
- Staff understanding of Scrutiny;
- Pre-decision Scrutiny undertaken, especially in relation to Commissioning Reviews and engagement with the public;
- The need for better communication and to improve engagement.

The Committee asked questions of the Chair of Scrutiny, who responded accordingly. The following was discussed: -

- Scrutiny recommendations that were fully or partially accepted;
- The drop in the number of staff who agreed that Scrutiny arrangements were working well;
- Involvement of the Wales Audit Office in monitoring Scrutiny reports;
- Loss of experienced staff and lack of resources for Scrutiny.

The Chair thanked the Chair of Scrutiny for providing the report.

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

**42 Counter Fraud Training.**

The Corporate Fraud Manager provided a detailed and informative training presentation on Counter Fraud. Details provided included: -

- Corporate responsibility - Statutory duty;
- Corporate Responsibility - Constitutional duty;
- Financial Procedure Rules (FPR);
  - FPR 1 - Role & scope of FPR's;
  - FPR 2 - Reasonable actions, training and awareness, compliance;
  - FPR 3 - Financial management responsibilities;
  - FPR 12 - Internal Audit;
- Corporate Fraud Team – background, Tackling Fraud Strategy, remit, aims, contact details.

The Committee asked questions in relation to the training presentation which were responded to by the Officer.

**Resolved** that the content of the training presentation be noted.

**43 Status Update - Wales Audit Office Proposals for Improvement.**

The Performance & Delivery Manager provided a report that presented an overview of the status of Swansea Council's response to proposals for improvement made by the Wales Audit Office to provide assurance to the Committee on progress. Appendix A provided the Wales Audit Office Proposals for Improvement: Status update report.

The Committee asked questions regarding the following: -

- Improving service business planning;
- Ensuring timescales for the delivery of specific savings proposals were realistic and act to drive delivery;
- Ensuring responsibility for delivery of planned savings be assigned to specific managers' services;
- Ensuring that records of delegated decisions made by Officers were accurately recorded.

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

**44 Overview of the Status of Corporate Risks.**

The Performance & Delivery Manager provided a report that presented an overview of the status of Corporate Risks to provide assurance to the Committee on the effectiveness of the risk management policy and framework and its operation within the Council. The report provided a snapshot of the Council's Corporate Risk Register taken at 22/05/17 with another snapshot taken on 03/10/17.

It was added that a review of risk and the Council's risk registers was underway following the approval of a new risk policy and framework by Cabinet and the publication of the Corporate Plan 2017/22. As a result, subsequent reports would describe the wider and overall status of risk within the Council. The next report would cover Quarter 3 2017/18 and would appear every quarter thereafter.

The Committee discussed the following: -

- Financial risks including safeguarding, Sustainable Swansea and financial control;
- Budget control and monitoring;
- Matters beyond the control of the Authority and being aware of risks;
- Assessing impact against risk;
- Reputation of the Authority and financial risk;
- The delay in reviewing and Member access to the Risk Register.

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

**45 Wales Audit Office Update Report.**

Geraint Norman, Wales Audit Office presented Wales Audit Office Update Report – November 2017.

Details provided included Financial Audit Work and Pension Fund Audit Work 2016-17 – City & County of Swansea and Performance Audit work.

The Committee commented regarding fees paid by the Pension Fund and Wellbeing and Future Generations Act Year one commentary.

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

**46 Audit Committee Performance Review Action Plan 2016/17 - Update.**

The Chief Auditor presented a report that provided an update following the Audit Committee Performance Review 2016/17. A summary of the key findings that came out of the performance review was provided at Appendix 1.

Progress to date included periodic updates on risk management from the Business Performance Manager being added to the Committee Workplan; the Committee receiving Risk Management Training and an overview of the updated Risk Management Policy and Framework; periodic updates from the Business Performance Manager on the work of other regulators and tracking of recommendations.

In order to identify best practice, the Committee were requested to consider different suggestions. The following was discussed: -

- Members leading on certain areas, e.g. education, performance and risk;
- The possibility of Members attending other bodies Audit Committee meetings;
- Receiving feedback from other bodies regarding the performance of the Committee.

**Resolved** that: -

- 1) The content of the report be noted;
- 2) The item be included on the December Committee agenda.

**47 Audit Committee Action Tracker Report. (For Information)**

The Audit Committee Action Tracker Report was provided for information.

The Committee raised queries in relation to procurement support for schools, school procurement in other local authorities in Wales and adopting a more regional approach to the issue.

The Chief Auditor stated that the Peer Review would commence in December 2017 when Cardiff Council will inspect the Authority.

**48 Audit Committee Work Plan. (For Information)**

The Audit Committee Work Plan was reported for information.

The meeting ended at 11.33 am

**Chair**