

Audit Committee Workplan 2018/19

Terms of Reference	12 June 2018	26 June 2018 (Special)	17 July 2018	14 August 2018	11 September 2018	9 October 2018	11 December 2018	12 February 2019	9 April 2019
<b>Training</b>	Audit Committee Initial Training  Risk Management		Financial Management & Accounting  Governance	Internal Audit	External Audit	Counter Fraud			
<b>Governance</b>	Election of Chair & Vice Chair  Audit Committee Training Programme 2018/19		*Draft Annual Governance Statement 2017/18	Draft Audit Committee Annual Report 2017/18	AC Performance Review 17/18 Action Plan Update	Chair of Scrutiny Programme Committee  Update on work of PDC's	AC Performance Review 17/18 Action Plan Update	AC Performance Review 17/18 Action Plan Update	
<b>Internal Audit</b>	Internal Audit Monitoring Report Q4 2017/18  Performance Review 16/17 Action Plan Update Report			Internal Audit Annual Report 2017/18  Audit Committee Review of Performance 2017/18 Action Plan - Draft	Internal Audit Monitoring Report Q1 2018/19	Annual Report of School Audits 2017/18  Chief Education Officer response to Schools Audit Report	Internal Audit Monitoring Report Q2 2018/19  Recommendation Tracker Report 2017/18  Social Care Contracts & ICT Disaster Recovery Updates	Internal Audit Monitoring Report Q3 2018/19  Internal Audit Annual Plan Methodology Report 2019/20	Internal Audit Charter 2019/20  Internal Audit Annual Plan 2019/20  Social Care Contracts Update
<b>Risk Management &amp; Performance</b>	WAO Proposals for Improvement Report – Six Month Update  Overview of the Overall Status of Risk Report Q4 2017/18			Overview of the Overall Status of Risk Report Q1 2018/19			Overview of the Overall Status of Risk Report Q2 2018/19	WAO Proposals for Improvement Report – Six Month Update  Overview of the Overall Status of Risk Report Q3 2018/19	Overview of the Overall Status of Risk Report Q4 2018/19  Local Government Use of Data Report - CCS
<b>Counter Fraud</b>					Corporate Fraud Annual Report 2017/18				Corporate Fraud Annual Plan 2019/20
<b>External Audit</b>		Audit Committee Review of Performance 2017/18			WAO ISA 260 Report 2017/18 – CCS  WAO ISA 260 Report 2017/18 – Pension Fund		WAO Annual Audit Letter 2017/18	WAO Grants Report 2017/18	Audit Committee Review of Performance 2018/19  WAO Annual Audit Plan 2018/19 CCS & Pension Fund

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<p><b>Financial Reporting</b></p>			<p>Draft Statement of Accounts 2017/18 - CCS</p> <p>Letters of Representation CCS &amp; Pension Fund</p>	<p>Draft Statement of Accounts 2017/18 - Pension Fund</p>			<p>Review of Reserves Report.</p> <p>Trusts &amp; Charities Update Report.</p> <p>Treasury Management Annual Report</p>		
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*Note: Audit Committee Action Tracker Report and Audit Committee Workplan will be included as agenda items at each meeting. An update from WAO will also be on the agenda for each meeting*

*\*Special Meeting held 23/08/18 to discuss and approve the amended Annual Governance Statement 2017/18*

**KEY FINDINGS & PROPOSED ACTION PLAN**  
**AUDIT COMMITTEE PERFORMANCE REVIEW 2017/18**

Key Finding	Proposed Actions	Target Date	Progress Update 31/01/19
<p><b>Assurance Framework</b> – The Audit Committee needs clarity on the Council’s Assurance Framework.</p>	<p>Audit Committee to be provided with a report that outlines the governance and assurance arrangements operating across the Council.</p> <p><b>Lead Office: Chief Executive</b></p>	September 2018	<b>Ongoing</b>
<p><b>Risk Register</b> – The Audit Committee needs to see the detail behind the Corporate Risk Register.</p>	<p>Corporate Risk Register to be reported to Audit Committee at future meetings.</p> <p><b>Lead Officer: Strategic Delivery &amp; Performance Manager</b></p>	August 2018	<b>Complete</b> Committee received register details on 14/08/18.
<p><b>Annual Governance Statement (AGS)</b> – The Audit Committee would like to see the AGS separated from the Annual Accounts and a draft copy sent to them for comment prior to approval.</p>	<p>Annual Governance Statement received at the July 2018 meeting and comments made by members. The Chair also met with Officers after the meeting to highlight further queries.</p> <p>The Annual Governance Statement to be brought back to Audit Committee as a second draft.</p> <p><b>Lead Officer: Head of Legal, Democratic Services &amp; Business Intelligence</b></p>	September 2018	<b>Complete</b> AGS was presented to Committee separated from the Annual Accounts on 17/17/18.  Amended version was distributed to Members on 13/08/18. Special Meeting was arranged to discuss and approve final amended version of the AGS on 23/08/18.
<p><b>Benchmarking</b> – The Chair has provided benchmarking detail to Internal Audit (from other Councils) but there are no plans to visit and meet with other Audit Committees:</p> <p>i) Consider how to best use this benchmarking information.</p> <p>ii) Consider visits to other audit committees to search for good practice.</p>	<p>The Corporate Management Team will consider this further and update the Audit Committee.</p> <p>The Chair has asked for arrangements to be made to visit Cardiff Audit Committee.</p> <p><b>Lead Officer: Head of Democratic Services</b></p>	December 2018  September 2018	<b>Ongoing</b>  <b>Completed</b> Cardiff Council has been approached and visit is being arranged. Visit took place 13/11/18 – Chair, Vice Chair and Chief Auditor attended.

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<b>Key Finding</b>	<b>Proposed Actions</b>	<b>Target Date</b>	<b>Progress Update 31/01/19</b>
<p><b>Council Objectives</b> – The Audit Committee would like to see the amount of over-run and deferred audits to be included in the AGS.</p>	<p>As noted above comments and queries will be progressed/actioned by the Head of Legal, Democratic Services &amp; Business Intelligence and the Governance Group.</p> <p><b>Lead Officer: Head of Legal, Democratic Services &amp; Business Intelligence</b></p>	September 2018	<p><b>Complete</b> Amended version of the AGS included commentary to reflect this, as approved by Committee on 23/08/18.</p>
<p><b>Partnerships</b> – Review the mechanisms for assessing and scrutinising the risk associated with partnerships.</p>	<p>Audit Committee to be provided with a report that outlines the mechanisms for assessing and scrutinising the risks associated with partnerships.</p> <p><b>Lead Officer: Chief Executive / Head of Legal, Democratic Services &amp; Business Intelligence.</b></p>	December 2018	<p><b>Ongoing</b></p>
<p><b>Reporting</b> – produce a programme of expected external reports for Audit Committee to receive.</p>	<p>Known expected external reports will be added to the Audit Committee Work Programme.</p> <p><b>Lead Officer: Strategic Delivery &amp; Performance Manager.</b></p>	December 2018	<p><b>Ongoing</b> Email sent to RR 16/08/18, expected by December.</p>
<p><b>Recommendations</b> – produce a tracker for the recommendations that arise from the work of internal and external audit so that Audit Committee can effectively monitor progress.</p>	<p>Tracker for recommendations to be developed that will capture internal and external recommendations.</p> <p>To be discussed with Chief Auditor and Chief Finance Officer.</p> <p><b>Lead Officer: Chief Auditor, Chief Finance Officer</b></p>	December 2018	<p><b>Ongoing</b> Report provided to Committee outlining the method of tracking internal and external audit recommendations on 11/12/18.</p>

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<b>Key Finding</b>	<b>Proposed Actions</b>	<b>Target Date</b>	<b>Progress Update 31/01/19</b>
<p><b>Wales Audit Office (WAO) escalation process</b> – clarify the process the WAO uses to escalate actions when recommendations have not been completed.</p>	<p>WAO to explain the process at the next Audit Committee Meeting.</p> <p>Lead: Wales Audit Office</p>	<p>September 2018</p>	<p>WAO Response received 22/08/18 for discussion:</p> <p><b>There is no formal process as such. The process is to agree actions with service managers and directors. If we have any problems with agreement or progress we will escalate to the Chief Executive. If we still have issues we will then raise with the Audit Committee Chair Audit Committee.</b></p>
<p><b>Meeting with WAO</b> – consider who should attend meetings with the WAO as external auditor (just the Chair or the whole committee).</p>	<p>To be discussed by Committee.</p> <p>Lead: Chair of the Audit Committee</p>	<p>September 2018</p>	<p>WAO Response received 22/08/18 for discussion:</p> <p><b>This is a decision for the Audit Committee although as a minimum we would expect at least an annual meeting with the Chair. We are happy to meet the Chair and the Committee or a combination of both during the year. As per comment above, if we feel it is necessary we will request an ad hoc meeting with the Chair or the full Audit Committee.</b></p>

**Audit Committee Statement of Purpose**

1. Our 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.
2. The purpose of our audit committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the City and County of Swansea's governance, 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.

**Governance, Risk and Control**

3. To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
4. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances.
5. To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
6. To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
7. To monitor the effective development and operation of risk management in the Council.
8. To monitor progress in addressing risk related issues reported to the committee.
9. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
10. To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
11. To monitor the counter fraud strategy, actions and resources.

**Internal Audit and External Audit**

12. To approve the internal audit charter and resources.
13. To consider the head of internal audit'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.
14. To consider summaries of specific internal audit reports as requested.
15. To consider reports dealing with the management and performance of the providers of internal audit services.
16. To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
17. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
18. To consider specific reports as agreed with the external auditor.
19. To comment on the scope and depth of external audit work and to ensure it gives value for money.

## **Audit Committee Workplan 2018/19**

20. To commission work from internal and external audit.

### **Financial Reporting**

21. 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.

22. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

### **Accountability Arrangements**

23. 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.

*Note: Audit Committee Statement of Purpose extracted from the Council Constitution (31.01.18).*