



City and County of Swansea

Minutes of the **Governance & Audit Committee**

Remotely via Microsoft Teams

Tuesday, 12 April 2022 at 2.00 pm

Present: Paula O'Connor (Chair) Presided

Councillor(s)

C Anderson
O G James
L V Walton

Councillor(s)

T J Hennegan
M B Lewis

Councillor(s)

P R Hood-Williams
S Pritchard

Lay Member

Julie Davies

Officer(s)

Simon Cockings
Marlyn Dickson
Adam Hill
Jeremy Parkhouse
Richard Rowlands
Debbie Smith

Chief Auditor
Strategic Change Programme Manager
Deputy Chief Executive / Director of Corporate Services
Democratic Services Officer
Strategic Delivery & Performance Manager
Deputy Chief Legal Officer

Also Present

Justine Morgan
Gillian Gillett

Audit Wales
Audit Wales

Apologies for Absence

P M Black, D W Helliwell, J W Jones, C E Lloyd, J A Raynor and T M White

88 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.

89 Minutes.

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

90 Draft Internal Audit Charter 2022/23.

Simon Cockings, Chief Auditor presented a report which sought to approve the Internal Audit Charter 2022/23. He specifically highlighted the Charter outlined in 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.

The Committee queried the expanded role of Internal Audit, particularly with regard to partner organisations. The Chief Auditor confirmed that he would update the Charter.

The Chair added that the terms of reference would require revisiting in the future, particularly with regards to the impact of the South West Wales Corporate Joint Committee and the changes required to the Council Constitution.

Resolved that: -

- 1) The draft Internal Audit Charter 2022/23 be approved;
- 2) The Charter be updated to reflect the expanded role of Internal Audit with regards to partner organisations.

91 Internal Audit Strategy & Annual Plan 2022/23.

The Chief Auditor presented a report that sought approval of the Internal Audit Strategy and Internal Audit Plan for 2022/23.

The Internal Audit Strategy 2022/23 was provided at Appendix 1, a summary of the Internal Audit Plan 2022/23 at Appendix 2, the Internal Audit Annual Plan 2022/23 at Appendix 3, the Internal Audit Annual Plan 2022/23 including scope at Appendix 4 and the Assurance Map at Appendix 5.

He added that for 2022/23, the Internal Audit Section comprised of 9.1 full time equivalents plus the Chief Auditor, the same level of resources as 2021/22. This gave a total number of available days of 2,366. It was highlighted that the plan provided sufficient coverage across departments.

A discussion ensued and centred on the following: -

- The useful inclusion of the draft scopes;
- Performance and effectiveness of contract procedure rules (CPR) including procedures involved with large spends;
- Assurance provided by performance reviews;
- Corporate performance audits;

- Assurance provided by Directors annual reports on internal control;
- Effectiveness of services and feedback from those receiving services, consultation with users both internal and external;
- Communications / public participation;
- Engagement and effectiveness of services;
- Assurance provided by Internal Audit reports;
- Involving the public in the decision making process and the recommendations contained within the Annual Governance Statement regarding better participation.

Resolved that: -

- 1) The Internal Audit Strategy and Annual Plan be approved;
- 2) A report on the Public Participation Strategy be added to the work plan for 2022/23.

92 Corporate Risk Overview – Quarter 4 2021/22.

Richard Rowlands, Strategic Delivery & Performance Manager presented a 'for information' report that provided an overview of the status of Corporate Risk in the Council to provide assurance to the Committee that key risks 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 2021/22:

There were 7 Red status risks in the Corporate Risk Register at the end of the Quarter: -

- Risk ID 153. Safeguarding.
 - Risk ID 159. Financial Control: MTFP aspects of Sustainable Swansea.
 - Risk ID 221 Availability of Domiciliary Care.
 - Risk ID 222. Digital, Data and Cybersecurity.
 - Risk ID 274. COVID-19 Social Services.
 - Risk ID 306. WCCIS (Welsh Community Care Information System).
 - Risk ID 309. Oracle Fusion.
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- 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.
 - 2 Corporate risks were deactivated during Q4:
 - Risk ID 282. Post-EU Exit.
 - Risk ID 296. Supply of construction materials.
 - No risks were escalated to the Corporate Risk Register.
 - No Corporate risks were de-escalated from the Corporate Risk Register.
 - 1 Corporate Risk was reduced from Red to Amber and then to Green status during Q4 - Risk ID 264 - COVID-19.

Appendix A included the risks as at 31/03/22 recorded within the Council's Corporate Risk Register. The reports for each risk included general explanatory information relating to their classification.

The Committee queried the four T's – treat, transfer, tolerate and terminate, particularly their meaning in respect of risk.

The Chair highlighted the importance of keeping a close check on the risks and Internal Audit reports ensuring that risk management was embedded within departments.

93 Audit Wales Report – City & County of Swansea Annual Audit Summary 2021.

Justine Morgan and Gillian Gillett, Audit Wales (AW) presented the City & County of Swansea Annual Audit Summary 2021 which showed the work completed since the last Annual Improvement Report, which was issued in February 2021.

It was outlined that AW completed work each year to meet the following duties:

- Continuous Improvement
- Audit of Accounts
- Value for Money
- Sustainable Development Principle

Details of the findings of the Audit of the City & County of Swansea Council's 2020-21 Accounts were provided. The report also outlined the following work undertaken:

- AW work in response to the COVID-19 pandemic;
- Continuous Improvement;
- Financial sustainability;
- Recovery planning;
- Other Inspectorates;
- Local Government Studies;
- Discretionary services (April 2021);
- Regenerating town centres in Wales (September 2021);
- Ongoing work from 2020-21;
- Planned work for 2021-2022.

The Chair requested a progress update regarding the qualified opinion given by the Auditor General on the Council's financial statements. It was explained that work was ongoing and advice from the AW technical team was awaited.

Adam Hill, Deputy Chief Executive commented upon the progress made and stated that the Director of Finance was working hard to overcome the differences. He also recognised the positive change in working practices between the Authority and Audit Wales.

The Committee requested that an update be provided regarding the current position of discussions. He added that a joint Council & AW note would be circulated to the Committee regarding progress made.

The Chair also requested an update regarding progress in respect of the Deprivation of Liberty Safeguards (DoLS) review and requested that the Director of Social Services updates the Committee regarding progress when presenting his annual update on internal Social Services Department controls.

94 Achieving Better Together – Recovery Plan.

Marlyn Dickson, Change Programme Manager presented a 'for information' report which provided an assurance update on the Recovery and Transformation Plan, Swansea – Achieving Better Together.

She highlighted the purpose, Strategic Aims of Swansea – Achieving Better Together and the key milestones to date. It was noted that Internal Audit had examined the programme, its governance and structure, awarding a high level of assurance.

The phases of the Programme / recovery and its governance were outlined. It was added that the risks and issues were reported and monitored monthly.

The Committee discussed the following: -

- Benefits and quick wins, particularly how the streams were monitored monthly and quick wins identified through the trackers;
- How the focus was upon sustainable change resulting in cultural and transformational change;
- The capacity of staff resources to undertake the change and how the focus remained upon the day job, whilst building capacity for longer term gain.

Justine Morgan, Audit Wales commented that they had been observing and welcomed the changes in working practices being implemented. She added that implementing the change was challenging for the Authority and would see a new way of working by 2025. The process of dealing with risks was fit for purpose and provided assurance to external audit.

The Chair stated that she was very encouraged and assured by the very positive position reported.

95 Governance and Audit Committee Training Programme.

Adam Hill, Deputy Chief Executive presented a report which detailed the Governance and Audit Committee Training Programme.

He stated that following an initial report in July 2021, the report had been refined and specific dates included. He added that the training programme, attached at Appendix 1, would provide the Committee with assurance that the key requirements and general knowledge required to understand the duties needed, would be covered.

The Committee discussed the following: -

- Clearly outlining the annual work programme and outlining items in more detail;
- The need for regular / refresher training to assist the Committee with its knowledge and understanding;
- Introducing more narrative to provide more background to items;
- Ensuring that all Committee Members receive the same level of training.

The Chair requested that the performance management and performance monitoring / reporting process training is provided to the Committee prior to the September 2022 date included in the programme. The Deputy Chief Executive added that he would establish if the training could be moved to an earlier date.

Resolved that: -

- 1) The Governance and Audit Training Programme be approved;
- 2) The Deputy Chief Executive establishes if the performance management and performance monitoring / reporting training can be moved to an earlier date in the Programme.

96 Governance & Audit Committee Action Tracker Report.

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

The Chair noted that the Workforce Strategy had been scheduled to be reported in February 2023 and requested it be reported earlier. The Deputy Chief Executive added that the Strategy would be shortly going through the formal approval process and the Committee would be updated following this.

97 Governance & Audit Committee Work Plan.

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

The Chair added that the Work Plan would be developed going forward and would be discussed as part of the induction programme.

The Deputy Chief Executive commented that the different areas of Committee work Plan would feature in the induction training.

The meeting ended at 3.30 pm

Chair