



City and County of Swansea

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

Multi-Location Meeting - Gloucester Room, Guildhall / MS

### Teams

Wednesday, 8 February 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)**

A J Jeffery  
S Pritchard

#### **Councillor(s)**

J W Jones  
L V Walton

#### **Lay Member(s)**

Gordon Anderson  
Philip Sharman

Julie Davies

#### **Officer(s)**

Ness Young  
David Howes  
Mark Wade  
Chris Howell  
Debbie Smith  
Simon Cockings  
Adrian Chard

Interim Director of Corporate Services  
Director of Social Services  
Interim Director of Place  
Head of Waste Management  
Deputy Chief Legal Officer  
Chief Auditor  
Strategic Human Resources and Organisational  
Development Manager  
Strategic Delivery & Performance Manager  
Project Manager  
Principal Auditor  
Democratic Services Officer

Richard Rowlands  
Rachel Lewis  
Nick Davies  
Jeremy Parkhouse

#### **Also Present**

Non Jenkins  
Jeff Brown  
Duncan MacKenzie

Audit Wales  
Audit Wales  
Audit Wales

#### **Apologies for Absence**

Councillors M B Lewis, K M Roberts, R C Stewart, D H Hopkins, A S Lewis and Martin Nicholls.

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## **82 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 L V Walton declared a personal interest as a school governor in Minute No.84 - Internal Audit Monitoring Report Quarter 3 – 2022/23.

**83 Minutes.**

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

**84 Internal Audit Monitoring Report - Quarter 3 - 2022/23.**

Simon Cockings, Chief 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 the period 1 October to 31 December 2022.

A total of 10 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.

A total of 80 audit recommendations were made and management agreed to implement all 80 of the recommendations, i.e. 100% of the recommendations made were accepted against our target of 95%.

An analysis of the details in Appendix 3 showed that as at 31/12/22, 41 audit activities from the 2022/23 audit plan had been completed to at least draft report stage (32%), with an additional 30 activities noted as being in progress (23%). As a result, approximately 55% of the audit activities included in the 2022/23 Audit Plan had either completed or were in progress.

Staff sickness within the Internal Audit Team had continued to be significant during the quarter, with a total of 61 days absence recorded. One member of staff continued to be absent due to long-term sickness and the cumulative sickness in the year to date totalled 180 days.

In addition, two auditors left the team in quarter one and following a successful recruitment campaign, two candidates joined the Internal Audit Team in November. However, approximately 272 days were lost due to the posts being vacant.

It was added that in light of the ongoing sickness and the 452 total days lost to date, the Chief Auditor was in the process of reviewing the Audit Plan for 2022/23. The Committee had already been advised that the Level 1 Cross Cutting Reviews and the Level 2 Fundamental Systems Audits had been prioritised to date to ensure these were completed by the end of the financial year and this continued to be the case.

The follow up of the audit of Freedom of Information (FOI), Subject Access Requests (SAR) and Environmental Information Regulations (EIR) was completed. 9 of the 13 recommendations made had been implemented but 3 medium risk and 1 low risk recommendations had not been address and a further review had been scheduled for quarter 4.

The Committee discussed the following: -

- Primary school procurement thematic review – particularly obtaining quotations for work over £10,000 and the steps being taken, e.g. additional training, to address the problem.
- Level 1 cross-cutting reviews – Achieving Better Together, Phases 1, 2 and 3 of the programme, particularly possibly deferring the scope to look at the risk of the impact upon the Council budget and savings delivered from Phases 1 and 2.
- Phase 3 – Assurance that the transformation element of Achieving Better together was on track.
- Fire and safety checks at residential and outdoor centres and the impact of the Covid Pandemic on the checks.
- The impact upon the Internal Audit Section of lost days due to sickness / vacant posts, the overall effect upon the Audit Plan, the possible impact upon the Audit Opinion and the actions taken to address the impact. The Chief Auditor stated that he expected 65-70% of the Audit Plan to be completed by the end of the financial year.
- Highlighting the audits at risk of not being completed this financial year and including details within the draft Audit Plan report at the next meeting.
- The status of audits contained in the plan.
- Days allocated to undertake the desktop review of head / deputy head teachers' salaries.

The Chair asked the Chief Auditor to possibly reconsider the approach towards fundamental audits, e.g. sample sizes / efficiency savings, while recognising the positive reports received in previous years, to make room for other high risk areas which were being considered for deferral.

She also asked the Chief Auditor to consider other smarter methods of gaining assurance from follow up audits instead of having to revisit the service area, due to the pressures the Internal Audit Team were currently facing.

The Chief Auditor and Internal Audit Team were thanked for their work and performance in difficult circumstances.

## **85 Internal Audit Recommendation Follow-Up Report Quarter 3 2022/23.**

The Chief Auditor presented a 'for information' a report which provided the status of the recommendations made in those audits where the follow-ups had been undertaken in Quarter 3 2022/23, to allow the Committee to monitor the implementation of recommendations made by Internal Audit. Details of external audit recommendation tracking was also provided.

Appendix 1 provided a summary of the recommendations accepted and implemented. Appendix 2 provided details of recommendations not implemented.

The Committee requested a progress update on the software solution to track external audit recommendations.

Richard Rowlands, Strategic Delivery & Performance Manager explained that progress had been made but he could not provide an expected date of completion. He added that the development of a central in-box to receive all Audit Wales reports had assisted with tracking reports.

## **86 Corporate Risk Overview 2022/23 - Quarter 3.**

Richard Rowlands, Strategic Delivery & Performance Manager presented 'for information' the Quarter 3 2022/23 report which 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 as at Quarter 3, 2022/23: -

There were 5 Red status risks in the Corporate Risk Register as at the end of Q3 2022/23: -

- Risk ID 94 Pupil attainment and achievement.
- Risk ID 153. Safeguarding.
- Risk ID 159. Financial Control: MTFP aspects of Sustainable Swansea.
- 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 Quarter 3.

6 new risks were added to the Corporate Risk Register as follows: -

- Risk ID 333. Corporate Transformation Plan.
- Risk ID 334. Cost of living crisis.
- Risk ID 335. Workforce recruitment and retention.
- Risk ID 336. Mandatory training.
- Risk ID 337. Social cohesion.
- Risk ID 338. Net Zero 2030 target.

2 Corporate risks were deactivated during Quarter 3 as follows: -

- Risk ID 276. Achieving Better Together Recovery.
- Risk ID 320. Safeguarding mandatory training.

No risks were escalated and 2 Corporate risks were de-escalated from the Corporate Risk Register as follows: -

- Risk ID 319. Escalating provider costs.
- Risk ID 221. Availability of domiciliary care.

2 Corporate Risks had their RAG status changed during Quarter 3 as follows:

- Risk ID 309. Oracle Fusion. RED to AMBER.
- Risk ID 94. Pupil attainment and achievement. AMBER to RED.

The Committee discussed the following: -

- Pupil attainment and achievement rising from amber to red on the risk register.
- Residual risk assessments, particularly effective measures to lower the risk and providing additional information for the Committee to further understand individual risks / actions being taken.
- How managers are managing risk without any information around residual risks and mitigating actions.
- Progress being made with regards to the new risk management ICT solution, which would be tested very shortly.
- New Corporate risks and identifying new and inherent risks.
- The alarming status of identifying of 6 new risks and looking at the mitigating factors in order to reduce the risks.
- Editing the risk on a page in respect of the Corporate Transformation Plan.
- Cost of Living Crisis – Advice provided by the Housing Options Team in respect of homelessness, housing, debt advice and tenancy support and communications provided by the Council to highlight the services provided.

The Chair requested that the following be added to the Committee Action Tracker report: -

- Pupil attainment and achievement rising from amber to red on the risk register in order for the Director of Education to provide an evaluation.
- An update be provided regarding the communications being circulated by the Council in relation to the Cost of Living Crisis risk.

Mark Wade, Interim Director of Place confirmed that he would arrange for an update to be provided.

## **87 Place Directorate: Internal Control Environment 2022/2023.**

Mark Wade, Interim Director of Place presented a 'for information' report which provided the Place 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.

The report outlined the procedure within the Directorate relating to risk management and it was noted that there was an expectation that the Place Directorate was fully compliant with reviewing control measures, risk wording and risk level each month as part of a joined up approach. Appendix A outlined the (Directorate) Corporate and Directorate Risks.

The risks are shared with the responsible Cabinet Members. The Performance and Financial Management meeting makes the decision about whether Directorate risks should be escalated to Corporate Management Team for consideration as to whether they should become a corporate risk.

The addition of two new corporate risks within the period of 2022-23 were noted: -

- RISK: 334 - Cost of Living Crisis.
- RISK: 338 - Achieving the Net Zero 2030 Swansea Council target.

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

It was also outlined that the directorate had developed a cross cutting project management team to develop and deliver a wide range of projects and examples were provided. The progress of projects was also reviewed on a monthly basis.

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

The Committee asked a number of questions of the Officer, who responded accordingly. Discussions included the following: -

- The current low risk given to the Net Zero 2030 target as a result of it being a new risk and early in its progress.
- Processes followed within the Directorate in relation to risk, particularly the cross-cutting approach used and the overall management of risk.
- Management of expenditure and management of staff across the Directorate.
- Recognition of how the Place Directorate contained many frontline staff and the importance of ensuring that the essential services were available every day, which is expected by the public.
- The provision of new waste collection vehicles.

The Chair thanked the Interim Director for providing a detailed Place Directorate review.

## **88 Social Services Absence Management Audit Report Update.**

Adrian Chard, Strategic Human Resources and Organisational Development Manager and Dave Howes, Director of Social Services presented 'for information' an update on the Absence Management audit report in relation to the Social Services Directorate.

It was outlined that in line with the Oracle Fusion project, a Manager dashboard was in development and nearing readiness for User Acceptance testing. This would provide real time information for all Managers with absence management responsibility and provide them with information on the following:-

- Staff absent due to sickness (within their area only) and days lost.
- Return to Work Interviews Outstanding.
- Record of Action Meetings Outstanding.

This information would also be available to the “Manager’s” Manager, providing additional data and information to improve Absence Management across the authority.

The monthly reminders to Managers had provided a positive impact in terms of queries and requests for additional training. The development of the Learning Module in Fusion was progressing and would provide an additional tool to further improve compliance in completing mandatory sickness management training. Management of Absence Advisors had also been appointed in the Education, Place and Social Services Directorates to support Managers in ensuring compliance with our Sickness Absence Policy and to identify pro-active ways in managing and reducing sickness.

A breakdown of long term sickness days and intermittent sickness days for the Social Services Department per Section within each Service Area for the Period 1 April to 31 December 2022, was provided. The top 5 absence reasons based on working days lost for the period 1 April to 31 December 2022 were also provided.

The report outlined details of support to address high levels of cases which are progressing into 6 months and over; working in conjunction with the Occupational Health Service to monitor best use of Occupational Health referrals and appointments; training, guidance and upskilling; support with manager compliance; Dying to Work Charter; HR support and advice in terms of stress, Coronavirus and critical illness absences; and Occupational Health support.

The Director of Social Services highlighted the challenges being faced by the Department, including high levels of sickness, particularly in the area of domiciliary care and the difficult circumstances which placed additional burdens upon staff, which had resulted in high levels of absence due to stress.

The Committee discussed the following: -

- Recognition of the support being provided by Occupational Health / HR and the support being provided to staff, which was very important.
- Challenges being faced by the independent / thirds sector providers and the support being provided by the Council in ‘needs must’ situations.
- Use of agency workers to ensure service provision.
- Comparators being provided in future reports to allow the Committee to observe if absences are reducing or not.
- Reviewing the root causes of stress and the support provided to staff on their return to work.
- The impact of introducing Management of Absence Advisors in significantly reducing levels of sickness.
- Addressing future sickness challenges going forward.

- Introducing measures that were aimed at reducing future sickness.

## **89 Employment of Agency Staff Audit Report 2019/20 - February 2023 Update.**

Adrian Chard, Strategic Human Resources and Organisational Development Manager and Chris Howell, Head of Waste, Cleansing and Parks presented a 'for information' report which provided an update report on the actions arising from the Employment of Agency Staff Audit report.

The report outlined the following information, which was previously requested by the Committee: -

- Provision of details of agency workers employed for more than 12 months.
- Provision of details of high usage of agency workers against high sickness levels.
- Provision of details of agency worker figures from the amalgamated Parks and Cleansing Services.

Details of compliance arrangements and the total number of agency workers engaged through the corporate contracted agencies (Staffline and RSD Social Care), were provided.

It was noted that numbers had remained steady in the Place Directorate and had reduced overall in Waste Parks and Cleansing. It was further noted that the agency numbers reflected the number of different individuals employed through the month, and did not reflect the average numbers of agency staff employed on any particular day, which was of the order of 70.

There had also been an increase in numbers in Adult Services to help meet the resource challenges facing this service area. These were primarily part-time workers and some working in multiple roles.

The total spend / cost of agency workers for 2021/22 was £5,879,140. The monthly spend to August 2022 was detailed.

The Head of Waste, Cleansing and Parks outlined the numbers of traineeships employed by the Service Area during the previous year.

The Committee discussed the following: -

- Concern regarding the high levels of agency workers / lack of qualified social workers in Social Services Department and the recruitment / retaining of staff efforts being made by the Authority, including regional working with other local authorities.
- Mitigating actions being taken to ensure there is no hindrance in the recruitment process.
- Provision of up to date figures and spend in relation to agency worker use across the Authority / briefing report to be circulated with the Committee Tracker report.



- Concern regarding staffing levels in some services and the additional pressures on staff.

**90 Audit Wales Reports - Readiness of the Public Sector for Net Zero Carbon by 2030.**

The following reports were provided 'for information' as part of the Audit Wales reports on the readiness of the public sector for net zero carbon by 2030: -

- Audit Wales - Public Sector Readiness for Net Zero Carbon by 2030.
- Public Sector Readiness for Net Zero Carbon by 2030 - Evidence Report.
- Assurance and Risk Assessment Progress Update.
- Swansea Council Response - December 2022.
- Swansea Council Net Zero 2030 - Costed Plan.

The Chair stated that the reports had been discussed at the Climate Change and Nature Scrutiny Performance Panel on 10 January 2023 and proposed that to avoid duplication, the reports be deferred until details of those discussions were available.

Audit Wales representatives commented that the Committee could gain assurance from the work completed to date by the Council. It was added that the main focus was on what the Council was doing to address the issue. Audit Wales would provide a response and follow-up on progress at a future meeting.

The Chair thanked the Audit Wales representatives for attending the meeting.

**Resolved** that the item be deferred to a future meeting / subject to the discussions that occurred at the Climate Change and Nature Scrutiny Performance Panel.

**91 Governance & Audit Committee Action Tracker Report.**

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

Councillor L V Walton noted that the Committee training on understanding financial statements had been moved from 28 February to just prior to the next meeting on 8 March 2023. She requested that the information to be provided at the training session be circulated beforehand.

The Chair referred to the update on Minute No.70 – Annual Review of Performance 2021-22 and requested that the Committee be updated regarding the changes to the report prior to it being reported to Council on 30 March 2023.

The Chair also referred to the update on Minute No.62 – CIPFA questionnaire and stated that the Committee would be receiving a questionnaire very shortly on the effectiveness of the Governance & Audit Committee.

**92 Governance & Audit Committee - Work Plan 2022/23.**

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

Minutes of the Governance & Audit Committee (08.02.2023)  
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The meeting ended at 4.03 pm

**Chair**