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Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

Bridgend County Borough Council



Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont, CF31 4WB / Civic Offices, Angel Street, Bridgend, CF31 4WB

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Rhowch wybod i ni os mai Cymraeg yw eich
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Annwyl Cyngorydd,

PWYLLGOR LLYWODRAETHU AC ARCHWILIO

Cynhelir Cyfarfod Pwyllgor Llywodraethu ac Archwilio Hybrid yn Siambr y Cyngor - Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr, CF31 4WB / O Bell Trwy Timau Microsoft ar **Dydd Iau, 6 Mehefin 2024 am 10:00.**

AGENDA

- Ethol Cadeirydd
Ethol Cadeirydd i'r Pwyllgor Llywodraethu ac Archwilio. Rhaid i'r sawl a benodir yn Gadeirydd y Pwyllgor fod yn aelod llebyg.
- Ethol Is-Gadeirydd
Ethol Is-Gadeirydd i'r Pwyllgor Llywodraethu ac Archwilio. Gall y sawl a benodir yn Is1Gadeirydd fod yn unrhyw aelod o'r Pwyllgor.
- Ymddiheuriadau am absenoldeb
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
- Datganiadau o fuddiant
Derbyn datganiadau o ddiddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
- Cymeradwyaeth Cofnodion 3 - 12
I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 18/04/24.
- Cofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio 13 - 16
- Adroddiadau Pwyllgor Llywodraethu ac Archwilio Cymru 17 - 36
- Asesiad Busnes Gweithredol 37 - 42
- Asesiad Risg Corfforaethol 43 - 48

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| 10. | <u>'Ymholiadau Archwilio i'r Rhai sy'n Gyfrifol am Lywodraethu a Rheoli' Archwilio Cymru ar gyfer Archwiliad 2023-24</u> | 49 - 76 |
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| 15. | <u>Materion Brys</u>
I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â Rhan 4 (pharagraff 4) o'r Rheolau Trefn y Cyngor yn y Cyfansoddiad. | |

Nodyn: Bydd hwn yn gyfarfod Hybrid a bydd Aelodau a Swyddogion mynychu trwy Siambr y Cyngor, Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr / o bell Trwy Timau Microsoft. Bydd y cyfarfod cael ei recordio i'w drosglwyddo drwy wefan y Cyngor. Os oes gennych unrhyw gwestiwn am hyn, cysylltwch â cabinet_committee@bridgend.gov.uk neu ffoniwch 01656 643148/ 643694/ 643513/ 643696.

Yn ddiffuant

K Watson

Prif Swyddog, Gwasanaethau Cyfreithiol a Rheoleiddio, AD a Pholisi Corfforaethol

Dosbarthiad:

Cynghorwyr:
C Davies
N Clarke
S Easterbrook
R J Smith

Cynghorwyr:
M L Hughes
MJ Williams
RM Granville
S J Griffiths

Aelodau Lleyg:
G Chapman
B Olorunnisola
A Bagley

COFNODION CYFARFOD Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO A GYNHALIWDYD AR FFURF HYBRID YN SIAMBR Y CYNGOR - SWYDDFEYDD DINESIG, STRYD YR ANGEL, PEN-Y-BONT AR OGWR CF31 4WB DDYDD IAU, 18 EBRILL 2024 AM 10:00

Yn Bresennol yn Rhithiol

G Chapman – Cadeirydd (aelod Lleyg)

S J Bletsoe
M L Hughes

C Davies
M J Williams

R M Granville

S J Griffiths

Aelodau Lleyg - n Bresennol yn Rhithiol

A Bagley

B Olorunnisola

Ymddiheuriadau am Absenoldeb

A Williams

Datganiadau o Fuddiant

G Chapman – Personol – eitem 6 - Cadeirydd Pwyllgor Archwilio a Llywodraethu Cyngor Bro Morgannwg.

Swyddogion:

Carys Lord
Kelly Watson
Deborah Exton
Nigel Smith
Martin Morgans
Rachel Keepins
Alex Rawlin
Kate Pask
Samantha Clements
David Williams

Prif Swyddog - Cyllid, Perfformiad a Newid
Prif Swyddog - Gwasanaethau Cyfreithiol a Rheoleiddio, AD a Pholisi Corfforaethol
Dirprwy Bennaeth Cyllid
Rheolwr Grŵp - Prif Gyfrifydd
Pennaeth Partneriaethau a Thai
Rheolwr Gwasanaethau Democrataidd
Rheolwr Polisi Corfforaethol a Materion Cyhoeddus
Swyddog Gwelliant Corfforaethol - Perfformiad
Archwilio Cymru
Archwilio Cymru

Rachel Harries
Andrew Wathan
Joan Davies
Simon Roberts
Stephen Griffiths

Archwilio Cymru
Pennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol
Dirprwy Bennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol
Uwch Ymchwilydd Twyll
Swyddog Gwasanaethau Democrataidd - Pwyllgorau/ Swyddog Craffu Dros Dro

135. Cymeradwyo Cofnodion

Penderfyniad	<u>PENDERFYNWYD:</u> Derbyn cofnodion cyfarfod 25 Ionawr 2024 fel cofnod gwir a manwl gywir.
Dyddiad y Penderfyniad	18 Ebrill 2024

136. Adroddiadau Pwyllgor Archwilio a Llywodraethu Archwilio Cymru

Penderfyniad	<p>Diben yr adroddiad hwn oedd cyflwyno adroddiadau i'r Pwyllgor gan Archwilio Cymru. Cyflwynwyd dau adroddiad i'w hystyried:</p> <p>Defnyddio gwybodaeth am berfformiad: Deilliannau a Phersbectif Defnyddiwr Gwasanaeth - Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr,</p> <p>Mewn ymateb i'r adroddiad, trafododd yr Aelodau nifer o faterion, yn cynnwys y canlynol:</p> <ul style="list-style-type: none">• Pwysigrwydd enghreifftiau a rhannu arfer da:• Yr angen am ffocws ar allbynnau a deilliannau.• Pryder yr Aelodau ynghylch persbectif y defnyddiwr i wella gwasanaethau.• Diffyg gwybodaeth gymharol ar sut mae Cyngor Bwrdeistref Pen-y-bont ar Ogwr yn cymharu ag awdurdodau eraill yng Nghymru.• Gwerth posibl edrych ar sectorau eraill.• A yw'r awduron wedi defnyddio profiad Ombwdsmon Gwasanaethau Cyhoeddus Cymru.
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	<p>Mewn ymateb i'r pwyntiau hyn, nododd swyddogion o Archwilio Cymru nad oedd Cyngor Bwrdeistref Pen-y-bont ar Ogwr yn allanolyn. Roedd rhai awdurdodau'n gwneud mwy ond fe all hynny fod o ganlyniad i'r adnoddau oedd ganddynt. Yn ychwanegol, fe fyddai adroddiad cenedlaethol yn dod â chanfyddiadau'r gwaith hwn ynghyd.</p> <p>Adolygiad o Strategaeth Ddigidol: Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr.</p> <p>Mewn ymateb i'r adroddiad, trafododd Aelodau a Swyddogion nifer o faterion, yn cynnwys y canlynol:</p> <ul style="list-style-type: none"> • Dull y Cyngor o greu achosion busnes a chyfiawnhau cost prosiectau TG sylweddol. • Pwysigrwydd dysgu o brosiectau: beth gafodd ei addo, beth gafodd ei gwblhau, beth oedd y deilliant, a sut wnaethom gyfathrebu â rhanddeiliaid, • Rôl y Bwrdd Trawsnewid Digidol. • Pwysigrwydd arweinyddiaeth a gweledigaeth (yn hytrach na thrwsio, derbyn a phwytho systemau ynghyd) i hyrwyddo lle rydym eisiau bod o bersbectif digidol. • Y bydd Strategaeth Ddigidol wedi'i diweddarau'n cael ei chreu erbyn diwedd y flwyddyn galendr. • Yr angen i fynd i'r afael â phob argymhelliad yn yr adroddiad wrth greu strategaeth newydd. • Gwerth y Grŵp Cyngori Digidol Cymdeithas Llywodraeth Leol Cymru (CLILC) • Yr heriau sy'n gysylltiedig â thrawsnewid digidol pan mae cyllidebau mor dynn. <p>Yn ychwanegol i'r ddau adroddiad, trafodwyd amserlenni'r adroddiadau yn ogystal â'r angen am gynlluniau gweithredu i'w cynnwys mewn cyflwyniadau i'r Pwyllgor.</p> <p><u>PENDERFYNWYD:</u></p> <p>Nododd y Pwyllgor Adroddiadau Pwyllgor Archwilio a Llywodraethu Archwilio Cymru yn Atodiad A ac Atodiad B.</p>
Dyddiad y Penderfyniad	18 Ebrill 2024

137. Cofnod Gweithredu'r Pwyllgor Archwilio a Llywodraethu

Penderfyniad	Diben yr adroddiad hwn oedd darparu diweddariad i'r Aelodau ar Gofnod Gweithredu'r Pwyllgor Archwilio a
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	<p>Llywodraethu.</p> <p>Gwnaeth yr Aelodau sylw ar benodi aelod lleyg newydd a'r angen i fod yn ymwybodol o'r anghydbwysedd rhywedd y Pwyllgor.</p> <p><u>PENDERFYNWYD:</u></p> <p>Nododd y Pwyllgor y Cofnod Gweithredu a gofynnwyd am ymgynghori â'r Swyddog Monitro ynghylch a oes modd i'r Cadeirydd fod yn rhan o broses benodi'r aelod lleyg newydd.</p>
Dyddiad y Penderfyniad	18 Ebrill 2024

138. Adnewyddu'r Cytundeb Partneriaeth Cydwasanaeth Archwilio Mewnol Rhanbarthol

Penderfyniad	<p>Diben yr adroddiad hwn oedd cael safbwyntiau'r Pwyllgor Archwilio a Llywodraethu ar y cynnig i adnewyddu'r Cytundeb Partneriaeth Cydwasanaeth Archwilio Mewnol Rhanbarthol (CAMRh) gyda Bro Morgannwg yn parhau'n awdurdod cynhaliol, cyn i'r cynnig gael ei argymhell i'r Cabinet i'w gymeradwyo.</p> <p>Darparodd yr Aelodau sylwadau ar nifer o faterion yn ymwneud â'r adroddiad, yn cynnwys y canlynol:</p> <ul style="list-style-type: none">• O ystyried sefyllfa ariannol llywodraeth leol, roedd partneriaethau'n hanfodol i ddarparu gwasanaethau.• Wrth symud ymlaen, dylai fod mwy o effeithiolrwydd i bob partner drwy arbedion maint gydag archwilwyr arbenigol yn cael eu datblygu ymhellach i weithio ar draws yr holl bartneriaethau.• Yr her o recriwtio archwilwyr i weithio yn y sector cyhoeddus.• O ran sicrhau gwerth am arian gan ddarparwr mewnol, ymatebodd Pennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol drwy nodi bod y gost fesul diwrnod archwilio yn is na chyfartaledd y sector ac oddeutu dwy ran o dair o Wasanaethau Archwilio Mewnol SWAP. <p><u>PENDERFYNWYD:</u></p> <p>Ystyriodd a chefnogodd y Pwyllgor:</p>
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	<ul style="list-style-type: none"> • Y cynnig bod y Cytundeb Partneriaeth Cydwasanaeth Archwilio Mewnol Rhanbarthol (CAMRh) yn cael ei adnewyddu, gyda Chyngor Bro Morgannwg yn parhau fel awdurdod cynhaliol, er mwyn atgyfnerthu gwytnwch busnes. • Bod tri o'r partneriaid gwreiddiol - Cyngor Bro Morgannwg, Pen-y-bont ar Ogwr a Merthyr Tudful - yn parhau â'r trefniant ac yn arwyddo Cytundeb Partner newydd. • Y cynnig bod y Cytundeb Partner yn cael ei gynnal yn barhaus gydag adolygiad partner ffurfiol bob pum mlynedd yn rhan ohono. • Y cynnig y gall partneriaid ychwanegol ymuno â'r CAMRh fel partneriaid cyfartal yn unol â chymeradwyaeth Bwrdd CAMRh. <p>Nodwyd y byddai unrhyw safbwyntiau'n cael eu cynnwys wrth i'r cynnig gael ei argymhell i'r Cabinet i'w gymeradwyo.</p>
Dyddiad y Penderfyniad	18 Ebrill 2024

139. Cynnydd yn Erbyn y Cynllun Archwilio Mewnol yn Seiliedig ar Risg 2023-24

Penderfyniad	<p>Diben yr adroddiad hwn oedd darparu datganiad sefyllfa i aelodau'r Pwyllgor ar y cynnydd a wneir yn erbyn y gwaith archwilio o fewn y Cynllun Archwilio Mewnol yn Seiliedig ar Risg 2023-24 a gymeradwywyd.</p> <p>Mae'r cynnydd a wnaed yn erbyn y cynllun archwilio mewnol seiliedig ar risg 2023-24 a gymeradwywyd yn dangos bod 33 o 47 adolygiad archwilio a gynlluniwyd wedi eu cwblhau sy'n cyfateb i gyfradd gwblhau o 70%. Yn ychwanegol, mae 11 archwiliad bron â'u cwblhau ac os byddant yn cael eu gorffen dros yr wythnosau nesaf byddant yn cael eu cynnwys yn y ffigwr cwblhau ar gyfer 2023-24. Mae'r Gwasanaeth Archwilio Mewnol Rhanbarthol (GAMRh) wedi gosod targed o gwblhau 80% erbyn diwedd y flwyddyn ariannol.</p> <p>Yn seiliedig ar asesiad o gryfderau a gwendidau'r meysydd a archwiliwyd drwy brofi effeithiolrwydd yr amgylchedd rheoli mewnol, rhoddwyd barn archwiliad i 31 allan o'r 33 archwiliad a gwblhawyd. Rhoddwyd sicrwydd Rhesymol neu Sylweddol i 27 archwiliad a rhoddwyd sicrwydd Cyfyngedig i 4 archwiliad.</p> <p>Gwnaed cyfanswm o 162 o argymhellion hyd yn hyn i wella'r amgylchedd rheoli. Mae'r cynnydd sy'n cael ei wneud yn gweithredu'r rhain yn cael eu monitro'n gyson gan Archwilio Mewnol a'u hadrodd i'r Pwyllgor.</p>
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	<p>Darparodd yr Aelodau sylwadau ar nifer o faterion yn ymwneud â'r adroddiad, yn cynnwys y canlynol:</p> <ul style="list-style-type: none"> • Barn sicrwydd cyfyngedig o ran Ysgol Gynradd Gatholig y Santes Fair. • Bod materion sy'n ymwneud ag ysgolion wedi eu trafod yn y Bwrdd Rheoli Corfforaethol. • Diffyg cynrychiolaeth o'r Gyfarwyddiaeth Addysg, Blynyddoedd Cynnar a Phobl ifanc yn y cyfarfod i fynd i'r afael â materion a nodwyd yn yr adroddiad ac i ateb cwestiynau'r Aelodau. <p><u>PENDERFYNWYD:</u></p> <p>Fe wnaeth Aelodau'r Pwyllgor:</p> <ul style="list-style-type: none"> • Nodi cynnwys yr adroddiad a'r cynnydd a wnaed yn erbyn Cynllun Archwilio Mewnol yn Seiliedig ar Risg 2023-24; a, • Gwnaed cais i'r Prif weithredwr a Chyfarwyddwr Corfforaethol - Addysg, Blynyddoedd Cynnar a Phobl Ifanc gael gwahoddiad i fynychu'r cyfarfod nesaf.
<p>Dyddiad y Penderfyniad</p>	<p>18 Ebrill 2024</p>

140. Monitro Argymhellion Archwilio Mewnol

<p>Penderfyniad</p>	<p>Diben yr adroddiad oedd darparu datganiad sefyllfa i aelodau'r Pwyllgor ar argymhellion archwilio mewnol sydd wedi eu gwneud i nodi'r rhai sydd wedi eu gweithredu a'r rhai sydd ar ôl ar 28 Mawrth 2024.</p> <p>Gwnaed cyfanswm o 87 argymhelliad blaenoriaeth uchel a chanolig yn dilyn diwedd yr archwiliadau o'r cynllun blynyddol 2023-24. Cytunwyd â phob un a, hyd yn hyn, mae 48 wedi eu gweithredu, mae 2 yn hwyr ac mae gan 37 ddyddiad gweithredu i ddod. O ran yr archwiliadau a gwblhawyd cyn y flwyddyn ariannol hon, mae 2 argymhelliad yn hwyr, hynny yw, mae'r dyddiad cytunedig eu gweithredu wedi bod, ac mae gan 7 ddyddiad gweithredu i ddod.</p> <p>Darparodd yr Aelodau sylwadau ar nifer o faterion yn ymwneud â'r adroddiad, yn cynnwys y canlynol:</p> <ul style="list-style-type: none"> • Rheoli tanwydd cerbydau (cardiau tanwydd), lle cafodd gweithredu ei ohirio ond bellach wedi dechrau. • Cyllid preifat mewn ysgolion, ac a fyddai modd mynd i'r afael â'r mater drwy'r broses graffu.
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	<ul style="list-style-type: none"> • Gwynwch busnes a chynllunio olyniaeth mewn perthynas â gohirio gweithredu'r argymhellion. • Yr angen i ddiweddarau'r strategaeth barcio. <p><u>PENDERFYNWYD:</u></p> <p>Nododd y Pwyllgor Archwilio a Llywodraethu:</p> <ul style="list-style-type: none"> • Gynnwys yr adroddiad ac ystyriwyd y wybodaeth a ddarparwyd o ran statws yr argymhellion blaenoriaeth uchel a chanolig a wnaed gan y Gwasanaeth Archwilio Mewnol Rhanbarthol. • Cais bod penaethiaid gwasanaeth yn darparu diweddariadau ysgrifenedig i'r cyfarfod nesaf o'r Pwyllgor o ran yr holl faterion a nodir yn Atodiad B a C, gan nodi lle maen nhw arni yn eu cynllun gweithredu a phryd fydd y materion a amlinellir yn cael eu cwblhau os nad yw hynny eisoes wedi digwydd erbyn y dyddiad hwnnw. • Cais i ystyried bod y mater o gyllid preifat i ysgolion yn cael ei gyfeirio at bwyllgor craffu.
<p>Dyddiad y Penderfyniad</p>	<p>18 Ebrill 2024</p>

141. Gweithdrefnau a Phrosesau'r Adran TGaCh

<p>Penderfyniad</p>	<p>Diben yr adroddiad oedd hysbysu Aelodau'r Pwyllgor Archwilio a Llywodraethu sut mae prosesau a gweithdrefnau'r Adran TGaCh yn cael eu cynnal i sicrhau model gweithredu effeithiol sy'n lleihau amharu ar y Cyngor. Amlygodd yr adroddiad y nodau allweddol i ddiogelu'r rhwydweithiau, data a gwasanaethau mae'r Cyngor yn eu darparu. Mae hyn yn cynnwys yr holl agweddau o ddiogelwch seiber, o ddylunio diogel systemau a gwasanaethau i reoli mynediad a delio â digwyddiadau.</p> <p>Darparodd yr Aelodau sylwadau ar rai materion yn ymwneud â'r adroddiad:</p> <ul style="list-style-type: none"> • Bod yr adroddiad yn darparu sicrwydd i'r Pwyllgor ynghylch yr agwedd at weithdrefnau a phrosesau TGaCh. • Bod hi'n amlwg bod ymdrechion sicr yn cael eu gwneud i rannu arfer dda yn y sector. • Bod recriwtio i rolau uwch mewn TGaCh mewn llywodraeth leol yn hynod o heriol. <p><u>PENDERFYNWYD:</u></p>
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	Nododd y Pwyllgor yr adroddiad.
Dyddiad y Penderfyniad	18 Ebrill 2024

142. Dull Hunan Asesu ar gyfer 2023/24

Penderfyniad	<p>Diben yr adroddiad oedd amlinellu dull datblygu hunan asesiad y Cyngor 2023-24.</p> <p>Tynnodd yr aelodau sylw at y ffaith bod hon yn broses eithaf newydd, a bod angen bod yn amyneddgar i sicrhau ei bod yn cael ei hymgorffori yn ein diwylliant.</p> <p>Cyhoeddwyd fod gweithdy yn cael ei gynnal i aelodau Pwyllgor Archwilio a Llywodraethu'r Gorfforaeth ar 3 Mehefin, i archwilio Safbwyntiau Defnyddiwr Gwasanaeth.</p> <p><u>PENDERFYNWYD:</u></p> <p>Nododd aelodau'r Pwyllgor Archwilio a Llywodraethu gan ystyried a chefnogi:</p> <ul style="list-style-type: none">• Y ffordd ymlaen arfaethedig ar gyfer hunan asesu yn 2023-24.• Y strwythur hunan asesu a nodir yn Atodiad 1.• Y fethodoleg arfaethedig i sgorio nodau a nodir yn Atodiad 2.• Yr opsiynau ar gyfer ymgynghoriad ac ymgysylltiad cyhoeddus parhaus a amlinellir ym mharagraffau 3.9 a 3.10
Dyddiad y Penderfyniad	18 Ebrill 2024

143. Datganiad o Gyfrifon 2022-23: Gwersi a Ddysgwyd

Penderfyniad	Diben yr adroddiad oedd cyflwyno'r gwersi a ddysgwyd i'r Pwyllgor Archwilio a Llywodraethu'n dilyn cwblhau archwiliad Datganiad o Gyfrifon 2022-23.
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	<p>Tynnodd Aelodau sylw at y gweithdy y cyfeirir ato ym mharagraff 3.4 a'r cyfle a ddarparodd i staff gyfrannu at wella'r prosesau a systemau.</p> <p><u>PENDERFYNWYD:</u></p> <p>Nododd Aelodau'r Pwyllgor Archwilio a Llywodraethu'r adroddiad.</p>
Dyddiad y Penderfyniad	18 Ebrill 2024

144. Blaenraglen Waith 2024-25

Penderfyniad	<p>Diben yr adroddiad oedd ceisio sicrhau cymeradwyaeth am y Flaenraglen Waith ar gyfer 2024-25 a ddiweddarwyd.</p> <p>Trafododd yr Aelodau nifer o faterion yn ymwneud â'r adroddiad hwn.</p> <ul style="list-style-type: none">• Y system dalu am brydau ysgol ac a oes angen ystyried hyn fel rhan o'r broses graffu.• Y meini prawf a chyfnod o ddisgwyl am adroddiadau i'r Pwyllgor. Nodwyd y bydd y Swyddog Monitro'n cael ei holi ynghylch hyn, ac y bydd Aelodau'n cael eu diweddarau'n uniongyrchol. <p><u>PENDERFYNWYD:</u></p> <p>Fe ystyriodd y Pwyllgor y Flaenraglen Waith wedi ei diweddarau ar gyfer 2024-25, a'i chymeradwyo.</p> <p>Dylai'r Prif weithredwr a Chyfarwyddwr Corfforaethol - Addysg, Blynyddoedd Cynnar a Phobl Ifanc gael gwahoddiad i fynychu'r cyfarfod nesaf.</p>
Dyddiad y Penderfyniad	18 Ebrill 2024

145. Eitemau Brys

Penderfyniad	Dim
Dyddiad y Penderfyniad	18 Ebrill 2024

Er mwyn edrych ar y drafodaeth bellach a gafwyd ar yr eitemau uchod, cliciwch y [ddolen](#) hon

Daeth y cyfarfod i ben am 12:46.

Agenda Item 6

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	6 JUNE 2024
Report Title:	GOVERNANCE AND AUDIT COMMITTEE ACTION RECORD
Report Owner / Corporate Director:	CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY
Responsible Officer:	STEPHEN GRIFFITHS DEMOCRATIC SERVICES OFFICER – COMMITTEES/ INTERIM SCRUTINY OFFICER
Policy Framework and Procedure Rules:	There is no impact on the policy framework and procedure rules.
Executive Summary:	This report seeks to update Members of the Governance and Audit Committee on follow-up actions or further information requested on reports considered by Members and/or requested by Committee, including any other related information in relation to previous agenda items.

1. Purpose of Report

- 1.1 The purpose of this report is to provide Members with an update on the Governance and Audit Committee Action Record.

2. Background

- 2.1 An Action Record has been devised to assist the Committee in tracking the decisions made by the Committee in the exercise of its functions.

3. Current situation / proposal

- 3.1 In order to assist the Governance and Audit Committee in ensuring that decisions made by the Committee are actioned and implemented, the Action Record is attached at **Appendix A**. The Action Record will be presented to each meeting of the Committee for approval.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change Implications

6.1 There are no climate change implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 The Committee is recommended to note the Action Record and provide any comment upon this, as appropriate.

Background documents

None.

Number	Date of Committee	Item	Lead	Target Date	Action	Date for action to be brought to GAC.	Response
1.	26 Jul 23	Annual Corporate Fraud Report 2022-23	Department for Work and Pensions	N/A	That Members receive a presentation from the Department for Work and Pensions (DWP).	Jun 24	ACTIONED – DWP contacted to arrange a presentation, and this will take place on 13 June.
2.	18 Apr 24	Audit Wales Reports	Chief Executive	Jun 24	The need for the action plans to be included in submissions to the Committee, in response to Audit Wales reports.	Jun 24	ACTIONED – The Chief Executive will attend the Committee meeting on 6 June to discuss the issues raised.
3.	18 Apr 24	Internal Audit Recommendation Monitoring	Chief Executive	Jun 24	Members requested that the heads of service provide written updates to the next meeting of the Committee in respect of all the matters set out in Appendix B and C, indicating where they are in their action plan and when the matters outlined will be concluded if they are not by that date.	Jun 24	ACTIONED – The Chief Executive will attend the Committee meeting on 6 June to discuss the issues raised.
4.	18 Apr 24	Progress Against the Internal Audit Risk Based Plan 2023-24/ School Vehicles	Chief Executive/ Corporate Director - Education, Early Years & Young People	Jan 24	To invite the Chief Executive and the Corporate Director - Education, Early Years & Young People to the next meeting of the Committee to discuss the issues raised.	Jun 24	ACTIONED – The Chief Executive and the Corporate Director - Education, Early Years & Young People will attend the Committee meeting on 6 June to discuss the issues raised.
5.	9 Nov 23	Local Transport Strategy	Corporate Director - Communities	N/A	A Member requested a written response on progress against the 2015 plan.	To be determined	ACTIONED - An update will be shared with Members.
6.	9 Nov 23	Appointment of a Lay Member	Chief Officer - Finance, Housing & Change/ Head of RIAS	N/A	To recruit a lay member to fill the outstanding position.	Apr 24	ACTIONED - The recruitment process to appoint a lay member to fill the outstanding position is underway.

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Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	6 JUNE 2024
Report Title:	AUDIT WALES GOVERNANCE AND AUDIT COMMITTEE REPORTS
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, HOUSING AND CHANGE
Responsible Officer:	DEBORAH EXTON DEPUTY HEAD OF FINANCE
Policy Framework and Procedure Rules:	There is no impact on the policy framework and procedure rules.
Executive Summary:	<ul style="list-style-type: none"> • The Council’s external auditors, Audit Wales, undertake a range of financial and performance audit work during the financial year. • They publish a number of reports in respect of the audit work undertaken. Some of the reports are national across all local authorities and others are local and specific to Bridgend. • Audit Wales also present a quarterly work programme and timetable to the Governance and Audit Committee to outline work completed, audits in progress and those still due to be undertaken. • This report provides details of the quarterly update on the Work Programme to the end of March 2024.

1. Purpose of Report

- 1.1 The purpose of this report is to submit to the Committee one report from Audit Wales.

2. Background

- 2.1 Audit Wales undertakes a programme of work during the year to help the Auditor General discharge his duties under the Public Audit (Wales) Act 2004. The Auditor General’s functions include auditing accounts and undertaking local performance audit work at a broad range of public bodies, alongside conducting a programme of national value for money examinations and studies. The Auditor General also assesses the extent to which public bodies are complying with the

sustainable development principle when setting and taking steps to meet their well-being objectives.

2.2 Part 2 of the 2004 Act sets out the powers and duties of the Auditor General to undertake studies in relation to local government bodies in Wales. The most widely used of these provisions is section 41, which requires the Auditor General to undertake studies designed to enable him to make recommendations for, among other things, improving the value for money in the provision of services.

2.3 In accordance with Section 89 of the Local Government and Elections (Wales) Act 2021 the Authority is required to keep under review the extent to which it is exercising its functions effectively, using its resources economically, efficiently and effectively and ensuring its governance is effective for securing these performance requirements.

3. Current situation / proposal

3.1 Audit Wales has produced one report for the Governance and Audit Committee to consider:-

- **The Audit Wales Work Programme and Timetable - (Appendix A)** - under the Local Government and Elections (Wales) Act 2021, the Auditor General is required to produce a work programme update for each financial year for each principal council covering both his functions and those of 'relevant regulators' (Care Inspectorate Wales and Estyn). At the meeting of the Governance and Audit Committee in July 2021, Audit Wales reported that they will provide an updated version of this report to the Council on a quarterly basis. **Appendix A** is an updated position as at 31st March 2024.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change Implications

6.1 There are no climate change implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 That the Committee notes the Audit Wales Governance and Audit Committee Report at **Appendix A**.

Background documents

None

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Audit Wales Work Programme and Timetable – Bridgend County Borough Council

Quarterly Update: 31 March 2024

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in April 2023.	June 2024	Issue Final June 2024

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2023-24 statement of accounts	We are required to issue a certificate and report on your financial statements which includes an opinion on their 'truth and fairness'. and an assessment as to whether the Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with your financial statements and my knowledge of the Authority.	30 November 2024	Audit planning work has commenced.
The limited assurance audits of Coychurch Crematorium and Porthcawl Harbour 2023-24 accounts	Per the Accounts and Audit (Wales) Regulations 2014 both bodies are classed as smaller bodies, and a limited set of audit procedures is required. Neither body is subject therefore to a full audit.	30 November 2024	Not started

Description	Scope	Timetable	Status
Certification of the Council's 2022-23 grant claims and returns	<p>We are required to certify three grant claims administered by the Council.</p> <ul style="list-style-type: none"> • Housing Benefit Subsidy • National Non-Domestic Rates • Teachers' Pension Return <p>All three grant claims for 2022-23 have been certified.</p>	Various	Complete

Performance Audit work

2022-23 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p> <ul style="list-style-type: none"> • Financial position 	Ongoing monitoring of financial position	Ongoing

2022-23 Performance Audit work	Scope	Timetable	Status
	<ul style="list-style-type: none"> • Capital programme management • Use of performance information – with a focus on service user feedback and outcomes 	<p>September – December 2023</p> <p>February – September 2023</p>	<p>Audit Wales will not undertake detailed work at all councils as part of our 2022-23 work programme. We intend to undertake a local government study looking at capital planning in local government commencing in 2024.</p> <ul style="list-style-type: none"> • Complete • Final report issued 22nd September 2023
Thematic Review – Unscheduled Care	<p>A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.</p>	<p>August 2022 – October 2023</p>	<p>Reporting from February 2024 onward.</p>

2022-23 Performance Audit work	Scope	Timetable	Status
Thematic review – Digital	A review of councils’ strategic approach to digital, and the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of councils’ resources.	January – September.	Complete
Local project – Review of performance management arrangements	We will review the Council’s performance management arrangements and establish how well they inform the Council of progress in meeting its priorities.	July to October 2022	Complete

2023-24 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	2023-24	Ongoing
	Setting of Wellbeing Objectives	Jan to July 2024	Drafting

2023-24 Performance Audit work	Scope	Timetable	Status
Thematic review – commissioning and contract management	A review focusing on how councils' arrangements for commissioning, and contract management apply value for money considerations and the sustainable development principle.	July – December 2024	Fieldwork planned for October/November 2024
Thematic review – Financial Sustainability	A review of councils' financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.	March – July 2024	Underway
Local project	Review of Decision-Making Arrangements to establish whether the Council has put in place proper decision-making arrangements to secure value for money in the use of its resources.	May- October	Final Project Brief issued 21 st May 2024

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Bridgend County Borough Council
Governance of special purpose authorities – National Parks	Review of systems and effectiveness of governance	November 2022 – September 2023	Report drafting – publication due April 2024.	No
Governance in Fire and Rescue Authorities	Review of systems and effectiveness of governance	September 2023 – August 2024	Fieldwork underway. Publication due July 2024.	No
Homelessness	Examining how services are working together to progress the response to homelessness	To be confirmed	Scoping	To be confirmed
Capital Planning in Local Government	Examining whether capital investment in the asset base in local government is able to keep pace with demand	To be confirmed	Not started	To be confirmed

Study	Scope	Timetable	Status	Fieldwork planned at Bridgend County Borough Council
Financial constraints/ discretionary local government services	Examining the potential impacts and councils' decision making processes in the context of the sustainable development principle.	To be confirmed	Not started	To be confirmed

Estyn

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern. Conwy local government education service report was published on 18 January 2024, and we highlighted strong practice in the way the local authority worked across its service areas to provide integrated support for vulnerable young people.

We piloted a few new approaches to our inspection arrangements in the Vale of Glamorgan in the week beginning 11 March. We also inspected the Vale of Glamorgan's youth work in the week beginning 19 February 2024, and the findings of that inspection informed the evidence base for the LGES inspection. Both the youth and the LGES reports will be published on 30 April. During the spring term, Estyn link inspectors contributed to the assurance and risk workshops with local authorities across Wales.

During the summer term, we will be piloting our enhanced link visits in two local authorities. The visits will involve three link inspectors visiting a local authority for two days, focusing on one or two specific aspects of the local authority's work. The output is a letter to the Chief Executive Officers which is published on our website. We will also be inspecting Ceredigion and Caerphilly local government education services. We will be carrying out field work in all local authorities on the Implementation of the Additional Learning Needs and Education Tribunal [Wales] Act 2018 in non-maintained settings, primary and secondary schools, and all-age schools Year 2. This review follows on from the year 1 review of the implementation of the ALNET Act in schools, which was published in September 2023.

Care Inspectorate Wales (CIW)

CIW planned work 2023-25	Scope	Timetable	Status
Thematic reviews Community Learning Disability Team (CLDT)	<p>Working jointly with HIW we completed an assurance check in Rhondda Cynon Taf focusing on Community Learning Disability Teams (CLDT).</p> <p>We are planning our second CLDT assurance check in Blaenau Gwent.</p>	<p>2024-25</p> <p>March 2024</p>	<p>Delivery</p> <p>Planning</p>
National Review of Care Planning for Children and Young People Subject to the Public Law Outline Pre-proceedings	<p>Purpose of the review</p> <p>To provide external scrutiny, assurance and to promote improvement regarding the quality of practice in relation to the care planning for children and young people subject to the public law outline pre-proceedings.</p> <p>To consider the extent to which practice has progressed since the publication of both the CIW 'National Review of care planning for children and young people subject to public law outline pre-proceedings' and the publication of the PLO working group report 2021 including best practice guidance.</p>	<p>January 2024</p>	<p>Published</p>
Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2022-23	<p>The 2021-22 report was published on 28 February 2024 Deprivation of Liberty Safeguards (DoLS) annual monitoring report 2022-23</p>	<p>February 2024</p>	<p>Published</p>

CIW planned work 2023-25	Scope	Timetable	Status
Performance review of Local Authorities	<p><u>We continue to inspect Local Authorities in line with our updated Code of Practice for our local authority inspection activity</u></p> <p><u>How we inspect local authority services and CAF/CASS Cymru</u></p> <p>We published our report for Flintshire County Council children and adult services in February 2024 – <u>Inspection report for Flintshire County Council’s adults and children’s services published</u></p> <p>We completed a Performance Evaluation Inspection in Monmouthshire County Council between February and March. We will publish our report shortly.</p>	Ongoing	Ongoing
Her Majesty’s Inspectorate of Probation – Youth Offending Inspection	<p>We supported the delivery of HMIP’s Youth Offending Services Inspection in Denbighshire and Conwy. The report will be published shortly</p>	Awaiting publication	Awaiting publication

Audit Wales national reports and other outputs published since March 2023

Report title	Publication date and link to report
Supporting Ukrainians in Wales	March 2024
From firefighting to future-proofing – the challenge for Welsh public services	February 2024
Betsi Cadwaladr University Health Board – board effectiveness follow-up	February 2024
Local Government Financial Sustainability Data tool update uses data from the draft 2022-23 accounts	January 2024
Planning for sustainable development – Brownfield regeneration	January 2024
Corporate Joint Committees – commentary on their progress	November 2023
Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales	November 2023
Failures in financial management and governance and losses incurred – Harlech Community Council	November 2023
Putting out the false alarms: Fire and Rescue Authorities’ responses to Unwanted Fire Signals	October 2023
Covering teachers’ absence – follow-up (letter to the Public Accounts and Public Administration Committee)	October 2023
NHS workforce – data briefing	September 2023

Report title	Publication date and link to report
Income Diversification for National Park Authorities in Wales	September 2023
Approaches to achieving net zero across the UK	September 2023
Springing Forward: Lessons learnt from our work on workforce and assets (in local government)	September 2023
NHS finances data tool – to 31 March 2023	September 2023
Public interest reports – Ammanford Town Council and Llanferres Community Council	September 2023
Cwm Taf Morgannwg University Health Board - Quality Governance Arrangements Joint Review Follow-up	August 2023
'Cracks in the Foundations' – Building Safety in Wales	August 2023
Maximising EU funding – the Structural Funds Programme and the Rural Development Programme	June 2023

Audit Wales national reports and other outputs (work in progress/planned)^{1, 2}

Title	Indicative publication date
Findings from community pharmacy data matching pilot	April 2024
A465 Section 2 – update	May 2024
Financial management and governance in town and community councils	May/June 2024
Local government digital strategy review – national summary	June 2024
Local government use of performance information, outcomes and service user perspective – national summary	June 2024
Affordable housing	Summer 2024
Active travel	Summer 2024
NHS finances data tool – to 31 March 2024	Summer 2024

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow-up work could also lead to other outputs, as may other local audit work where we consider there is merit in a national summary output of some kind.

² We have also published a paper on our website – [Our work programme for 2023-2026](#) – that provides additional detail about our national work (including local thematic reviews). In addition to new work that we will be taking forward in 2023-24, the paper includes details about indicative topics for work to start in 2024-24 or 2025-26. We have recently identified plans for new areas of work to start during 2024-25 in our Annual Plan 2024-25.

Title	Indicative publication date
NHS workforce planning (national messages)	Summer 2024
Cancer services	Late summer 2024
Findings from GP registration data matching pilot	Late summer 2024
National Fraud Initiative – biennial report	Autumn 2024
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	Pan-public sector review – autumn 2024 NRW to be confirmed (scoping)
Welsh Government capital and infrastructure investment	Late autumn 2024
Findings from sustainable development examinations (statutory report under the WFG Act)	By early May 2025
The senior public service	Scoping underway, delivery planned early summer
Challenges for the cultural sector	To be confirmed (scoping)
Rebalancing care and support	To be confirmed (scoping)
Tackling NHS waiting lists (local audit work at health boards)	To be confirmed (local work at each Health Board starting in May 2024)
Access to education for children with Additional Learning Needs	To be confirmed (scoping)

Title	Indicative publication date
Velindre Cancer Centre	To be confirmed (scoping)
Further and higher education funding and oversight – Commission for Tertiary Education and Research	To be confirmed (scoping)
Support for business	To be confirmed (starting in 2024-25)
Support for bus and rail services	To be confirmed (starting in 2024-25)
Progress with investment in school and college buildings through the Sustainable Communities for Learning Programme	To be confirmed (starting in 2024-25)
NHS bodies' approaches to digital transformation (local audit work)	To be confirmed (starting in 2024-25)

Good Practice Exchange events and resources

Title	Link to resource
Audit Committees. 'What does good look like?'. Research and Development work to understand the broad audit committee landscape across all sectors in Wales. Outputs to support Good Practice Exchange events and potential future audit work.	Research and Development work September – December 2023 Good Practice Event Spring 2024

Title	Link to resource
<p>Audit Committees: Effective practices and a positive impact</p> <p>Good governance arrangements are a critical part of how public service organisations function effectively and deliver value for money services for the citizens and communities of Wales. Audit Committees are one of the foundation stones that support good governance. With significant current and future pressures on public sector finances, there is an increasing need for effective practices and a positive impact. Audit Committees play a vital role in this. This event provides an opportunity to share experiences, learn, and network with peers across the public sector in Wales.</p>	<p><u>Register for this event – Audit Committees: effective practices and a positive impact – Cardiff City Stadium, Wed 22 May 2024 10 am to 3:30 pm (tickettailor.com)</u></p>
<p>The Good Practice Exchange – Our yearly round up of events and resources</p>	<p><u>December 2023</u></p>

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	6 JUNE 2024
Report Title:	GOING CONCERN ASSESSMENT
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, HOUSING & CHANGE
Responsible Officer:	NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT
Policy Framework and Procedure Rules:	There is no impact on the policy framework or procedure rules
Executive Summary:	<ul style="list-style-type: none"> • Following amendments to the Audit Standards under which the Council’s external auditors undertake their audits, the Council’s auditors have sought assurance that the Council is able to evidence that it has completed a ‘going concern’ assessment, which underpins the preparation of the annual Statement of Accounts. • This report confirms the assessment of the Council as a going concern as required by the Chartered Institute of Public Finance and Accountancy’s (CIPFA’s) Code of Practice on Local Authority Accounting.

1. Purpose of Report

- 1.1 This report informs the Committee of the Section 151 (s151) Officer’s (Chief Officer – Finance, Housing and Change) assessment of the Council as a ‘Going Concern’ for the purposes of producing the 2023-24 Statement of Accounts.

2. Background

- 2.1 The concept of a ‘going concern’ assumes that local authorities, their functions and services, will continue in operation for the foreseeable future. This assumption underpins the Statement of Accounts drawn up under the Chartered Institute of Public Finance and Accountancy’s Code of Practice on Local Authority Accounting (the Code). The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. The assumption is made because local authorities provide services essential to the local community and are themselves revenue-raising bodies through council tax, fees and charges. Should the council find itself in financial difficulty it would be anticipated that

Welsh Government would need to provide assistance and/or continuance of the Council's services.

2.2 Should the Council be deemed to not be a 'going concern' particular care would be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at the book values, and provisions might be needed for closure costs and redundancies. An inability to apply the going concern concept would potentially have a fundamental impact on the financial statements. The audit of Local Authorities will be carried out under a revised auditing standard (*ISA 315 (UK) Identifying and Assessing the Risks of Material Misstatement (Revised July 2020)*). This revised standard is effective for audits of accounts for periods beginning on or after 15 December 2021 and applies to the audit of all private and public sector entities across the UK. As part of the audit planning for the 2023-24 Statement of Accounts, the auditors will seek the Council's assessment of whether the Council is preparing its Statement of Accounts on a 'going concern' basis.

2.3 This report sets out the position for Bridgend County Borough Council. The Council's accounts are prepared in accordance with CIPFA's Code, which assumes the Council will continue to operate in the foreseeable future and that it is able to do so within the current and anticipated resources available. The main factors which underpin this are:

- The Council's current financial position
- The Council's Balance Sheet
- The Council's Cash Flow
- The Council's projected financial position
- The Council's Governance arrangements
- The External Regulatory and Control Framework.

Each of the above is considered below.

3. Current situation / proposal

3.1 The Council's current financial position

3.1.1 Overall the Council ended the 2022-23 financial year under budget by £2.057 million. As at 31 March 2023 the Council Fund was £9.832 million, a reduction from the previous year balance of £10.110 million. The Council also held earmarked reserves of £92.496 million, a decrease of £14.237 million from the previous year.

3.1.2 It is too early to advise on the outturn for 2023-24, but based on in-year monitoring reports it is expected that the Council will show an overspend in the current year. It is anticipated that there will be draw down from earmarked and / or general reserves and the closing balance of earmarked reserves is currently estimated to be around £75 million, though this may be reduced dependent on the final revenue outturn position. Going forward the budget will be monitored more closely and more regularly and mitigating action taken to reduce any future overspend, as the ability to draw down further from earmarked reserves and the Council Fund will be extremely limited.

3.2 The Council's Balance Sheet

- 3.2.1 The Council's net assets amounted to £570.604 million as at 31 March 2023 and usable reserves totaled £134.727 million. Officers are not aware of any material liabilities or underlying issues regarding the strength of the Council's balance sheet which present any material uncertainties regarding the Council's ability to continue as a going concern.

3.3 The Council's Cash Flow

- 3.3.1 The Council manages its cash, investments and borrowing in line with the approved Treasury Management Strategy. As at 31 March 2023 the Council had long term borrowing commitments of £100 million, held short term investments of £48.33 million and Cash and Cash Equivalent balances of £21.57 million. The Council has continued to manage its borrowing and investments during 2023-24 in line with the Treasury Management Strategy and has adequate financial resources to meet its immediate financial obligations. Officers are satisfied that there are no significant issues regarding the strength of the Council's underlying cash flow which present any material uncertainties regarding the Council's ability to continue as a going concern.

3.4 The Council's projected financial position

- 3.4.1 The anticipated revenue outturn position reported to Cabinet on 16 January 2024, was a forecast overspend of £10.932 million. This comprised a net overspend on Directorates of £15.284 million offset by a net underspend on Council wide budgets of £4.352 million. At that point it was still too early to provide a realistic indication of projected council tax income for the financial year and whether the Council is likely to see a reduction in the level of council tax income collected over the 2023-24 financial year. Council tax income may fall as a result of the impact of the cost-of-living crisis. Any overspend for the year will have to be met from either the Council's earmarked reserves or Council Fund, or a combination of both.
- 3.4.2 Going forward the situation is no less challenging with the budget for 2024-25 balanced on the basis of achieving £13 million of budget reductions and a council tax increase of 9.5%. Projections of funding for future years are still unknown but the situation looks extremely challenging and early and strong financial planning will be essential to setting a balanced budget. The Council currently has in place robust processes to support the budget planning process and received a 'Substantial Assurance' audit opinion on a recent internal audit review of budget savings 2023-24.

3.5 The Council's Governance Arrangements

- 3.5.1 The Council has a well-established and robust corporate governance framework. The Council's Code of Corporate Governance was updated during the financial year and approved by Cabinet on 21 November 2023. The governance arrangements include the statutory requirements for a Head of Paid Service, the Monitoring Officer and the Section 151 Officer in addition to the current political arrangements. An overview and review of the governance framework is provided within the Annual Governance Statement.

3.5.2 The overall conclusion of the review process outlined in the Annual Governance Statement is that the Council continues to have in place appropriate internal control and governance arrangements. The Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2022-23 was 'Reasonable Assurance' and it is anticipated that this will also be the position for 2023-24. Officers are satisfied that there are no significant issues regarding the Council's governance framework which present any material uncertainties regarding the Council's ability to continue as a going concern.

3.6 The External Regulatory and Control Framework

3.6.1 As a local authority the Council has to operate within a highly legislated and controlled environment. An example of this is the requirement to set a balanced budget each year combined with the legal requirement for the Council to have regard to consideration of such matters as the robustness of budget estimates and the adequacy of reserves. In addition to these there are other factors, such as the role of external audit, as well as the statutory requirements in some cases for compliance with best practice and guidance published by CIPFA and other relevant bodies.

3.6.2 The provision in the Code on the going concern requirements reflects the economic and statutory environment in which local authorities operate. The current economic climate for local authorities is challenging, and the Council will have to consider how it shapes its services to meet the financial constraints moving forward. Whilst this will be challenging officers are satisfied that there are not any material uncertainties regarding the Council's ability to continue as a going concern.

3.7 Material Uncertainties

3.7.1 The Council is required to consider any material uncertainties related to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern, and there are currently no concerns in this respect.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The following is a summary to show how the 5 ways of working to achieve the well-being goals have been used to formulate the recommendations within this report.

- **Long-term** - the confirmation of the Council as a going-concern underpins the continued provision of services in both the short-term and long-term.
- **Prevention** – assessing the Council as a going concern supports the continued provision of services to residents and visitors to the County Borough.
- **Integration** – the Council has a number of integrated services e.g. health and social care and as a going concern will continue to do so for the future.
- **Collaboration** – the Council will continue to provide services to its community in a collaborative way with other organisations.
- **Involvement** – the Council has effective partnership working, involving external organisations and individuals and communicates and collaborates with them where necessary.

6. Climate Change Implications

- 6.1 The assessment of the Council as a going concern will enable it to continue its progress towards decarbonisation.

7. Safeguarding and Corporate Parent Implications

- 7.1 The assessment supports the Council’s requirement of effective partnership working between all those involved in providing services for children, young people and adults at risk.

8. Financial Implications

- 8.1 There are no specific financial implications arising from this report. The report confirms the assessment of the Council as a going concern.

9. Recommendation

- 9.1 It is recommended that the Governance and Audit Committee accepts the outcome of the assessment of the Council’s going concern status for the purpose of preparing the 2023-24 Statement of Accounts.

Background documents

None

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Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	6 JUNE 2024
Report Title:	CORPORATE RISK ASSESSMENT
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, HOUSING AND CHANGE
Responsible Officer:	CARYS LORD CHIEF OFFICER – FINANCE, HOUSING AND CHANGE
Policy Framework and Procedure Rules:	There is no impact on the policy framework or procedure rules
Executive Summary:	<ul style="list-style-type: none"> • The Corporate Risk Assessment is reviewed by the Governance and Audit Committee as part of the Council’s quarterly Corporate Performance Assessment framework. • The Corporate Risk Assessment has been considered and reviewed in consultation with Corporate Management Board. • All risks have been updated to reflect the current corporate risks being managed by the Authority.

1. Purpose of Report

- 1.1. The purpose of this report is to provide the Governance and Audit Committee with an updated Corporate Risk Assessment.

2. Background

- 2.1 Good governance requires the Council to develop effective risk management processes, including an assessment of corporate risks.
- 2.2 The Governance and Audit Committee’s Terms of Reference require the committee to review, scrutinise and issue reports and recommendations on the appropriateness of the Council’s risk management, internal controls, and corporate governance arrangements.
- 2.3 The Corporate Risk Assessment is considered and reviewed by the Corporate Management Board (CMB) and the Governance and Audit Committee, as part of the Council’s quarterly Corporate Performance Assessment framework and is used to

inform the Overview and Scrutiny Committees' Forward Work Programme and the budget process.

- 2.4 The Corporate Risk Assessment at **Appendix A** is aligned with the Council's Medium Term Financial Strategy and Corporate Plan.

3. Current situation / proposal

- 3.1 The Corporate Risk Assessment, attached at **Appendix A**, has been reviewed in consultation with the Corporate Management Board. It identifies the main risks facing the Council, their link to the corporate well-being objectives under the Well-being of Future Generations (Wales) Act 2015, the likely impact of these risks on Council services and the wider County Borough. It also identifies what actions are being taken to manage the risks and who is responsible for the Council's response. The risk assessment is aligned with the Medium Term Financial Strategy.

- 3.2 When the Corporate Risk Assessment was last considered by Governance and Audit Committee in January 2024 there were 10 risks on the Register. Following the recent review it is proposed that the following changes are approved :

COR – 2019 - 01 : Setting a balanced budget sustaining services into the medium term. Due to the continuing financial pressures the Council is facing, it is proposed that the risk level is increased to 25.

COR – 2024 – 01 : Business continuity impacted by changes to large ICT systems. This is a new risk and relates to the procurement and implementation of two key systems in Education and Social Care.

- 3.3 All risks on the Corporate Risk Assessment are in the High category. The table below outlines how this has changed in recent years with the Authority managing increased risk across all service areas.

	Score	October 2022	Jan 2023	May 2023	Jan 2024	May 2024
Low	1-9	3	0	0	0	0
Medium	10-12	1	0	0	0	0
High	15-25	10	11	11	10	11

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty, and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services, and functions. It is considered that there will be no significant or unacceptable equality impacts because of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives because of this report

6. Climate Change Implications

6.1 There are no climate change implications as a result of this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no Safeguarding or Corporate Parent implications as a result of this report.

8. Financial Implications

8.1 There are no financial implications directly associated with the Corporate Risk Assessment. Implementation actions will be progressed within approved budgets.

9. Recommendation

9.1 It is recommended that

- the Committee consider the Corporate Risk Assessment (**Appendix A**) ; and
- Committee agrees to the amendment of the risks detailed in paragraph 3.2.

Background documents

None

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Corporate Risk Assessment

No.	IDENTIFIED RISK There is a risk that	Consequences of risk	Raw risk score			ACTION PLAN		How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	who	Last Reviewed	Next Review	Residual risk score			Well-Being Objective
			Li	Im	Total	Control method	Date Risk score assigned						Li	Im	Total	
Page 47 COR-2019-01	The council is unable to deliver a balanced budget and sustain services into the medium term	The Council has been making budget reductions since 2010 and identified revenue savings of £75.3m in that time. Therefore it is harder each year to identify and deliver ongoing budget reductions. The more difficult decisions to cut or reduce service levels must be made or the Council will not deliver the changes necessary to achieve a balanced budget which will result in the council being in breach of its legal responsibilities. Careful planning and difficult choices will be key to ensuring that a balanced financial position is maintained. Due to funding shortages across the public sector, the longer term predictions with regards to funding received from Welsh Government are challenging, with a flat cash settlement predicted for the 2025-26 revenue budget. Continuing inflationary pressure, most acutely in areas such as energy and pay awards, mean that there is inevitably a greater focus on the "here and now". The increased demand for services due to demographic pressures and increased levels of need in our communities also put pressure on the financial resources that the Council has. The Council has previously been able to make the identified budget savings but since 2021/2022 this has not been possible for all service areas. In recent years the Council has had to manage unprecedented in year financial pressures which has impacted on the financial resilience of the Council for future years. Ultimately if the Council fails to balance its budget or manage the increased pressures, the Sec 151 Officer would have to issue a Sec114 notice which could result in the management of the council being undertaken by Commissioners appointed by the government.	4	5	20	Treat	Jan-24	The council manages this risk through existing budget and business planning processes which include early identification of savings targets and development of options for cabinet, challenge from scrutiny and formal and informal briefings of members and political groupings. The in year pressures during 2022/23 were unprecedented due to inflationary pressures on both pay and non pay costs and this continued into 2023/2024 and a 5 point action plan was implemented in the third quarter of the year. Elected members were all briefed on this position during the year. In setting the 2023/2024 budget, difficult decisions had to be made re budget savings and limited growth across the budget.	Continuously review the assumptions built into the MTFs to promote multi year forecasting and longer term financial planning. Keep elected members informed of updated position and re-align MTFs as appropriate. A Revenue Monitoring Board is to be established in 2024-25 to enable a regular review of spend against budget. Earlier discussion with members on possible scenarios to get early buy in to the direction of travel. For MTFs 2024-28, more focus on potential areas of saving, even if not currently proposed, rather than just proposed savings. Focus to be more deep dives into targeted areas, with the benchmarking report being used to identify possible service areas for review. MTFs to consider longer term pressures and ensure these are fully considered beyond the life of the 4 year MTFs. It is clear that in the short term there will need to be a concerted "One Council" approach to identify and agree the immediate priorities while continuing to try to put the right changes and measures in place to develop an effective and sustainable longer term financial plan for the organisation. The impact of grant fall out on individual services will be monitored to determine financial and service impact. In the longer term, difficult policy decisions will have to be made regarding future levels of service delivery to ensure that the Council is able to set a balanced budget going forward. Ensure that during the period of significant change, robust governance is maintained to ensure the all decisions are made on the basis of information, financial and service risk analysis and taking account of the long term impact of decisions made. In view of the finite and scarce resources it is important the Council makes the right decisions in terms of priorities and budget allocation to mitigate the biggest risks, being fully cognisant of the implications and also the opportunity cost of all budget decisions it makes.	CMB	May-2024	Nov-2024	5	5	25	All Well-Being Objectives
COR - 2019 - 02	The council is unable to deliver transformation including projects and agreed financial savings	If the council is unable to change the way that staff work, including new roles, collaborations and the acquisition of new skills, it will be unsuccessful in delivering service transformation, which will lead to it not meeting its commitments within available budgets. Of particular importance here is the actions required to tackle service change to meet financial pressures and external requirements such as the Climate Emergency, the delivery of the universal free school meal offer and the Sustainable Communities for Learning Programme, the consequences of which will have a detrimental impact on all areas of the Borough. Our ability to have the amount of resource and expertise to implement significant transformation programmes is compromised by a lack of senior management strategic capacity, more limited back office corporate support, and insufficient specialist skilled resource, as well as an increased and large number of service change programme requirements	4	4	16	Treat	Jan-24	The council has a number of programmes and strategies in place that either directly support specific proposals for service improvement, deliver large scale capital regeneration projects, provide wider transformation opportunities and /or financial savings. Further transformation opportunities will be required to support a 'One Council' culture and support staff and managers through transformation. The Council does have programme boards in place to shape and deliver these programmes	The development of a 'One Council' culture and transformational change has progressed in recent years and accelerated resulting in a more corporate approach to service provision and transformation that has been driven by CMB. The Council has changed the way it operates in recent years. The new Service Delivery Programme and increased activity in areas such as "Grow Your own" together with helping to change the way the Council does its business and other strategically important projects such as our Digital Transformation Programme continue to progress. The current financial pressures will impact on priorities such as 2030 decarbonisation and areas where significant investment is required, so this will have to continue to be monitored and reviewed regularly. To ensure the key transformation priorities for the Council are delivered, the key priorities must be reviewed and agreed.	CMB	May-2024	Nov-2024	4	4	16	All Well-Being Objectives
CEX-2019-01	The council is unable to identify and deliver infrastructure improvements required in the medium to longer term due to the cessation of external grants, the increased cost of borrowing and the increased costs of construction and building works	If the council does not have sufficient capital to maintain, improve and replace its infrastructure, including roads, street lights, school buildings and technology then they will deteriorate bringing financial and safety risks which could lead to adverse incidents, reports, publicity, fines and ultimately prosecution. There is an increased risk that the Council will no longer be able to deliver capital investment to the same level making it more difficult for the Council to afford all of its ambitions around investing in its infrastructure to improve and enhance service delivery due to the impact on the revenue budget. Due to reduced capital finance, the Council will have to prioritise more effectively and there is a risk of reduced investment in some important infrastructure moving forward.	4	5	20	Treat	Jan-24	The council has a ten year capital programme. The development of this programme and arrangements for its review and updating are well established. However the council has identified scope to improve upon this to ensure that these needs are balanced with other demands for capital (such as new schools) through the development of the Capital Board. The capital programme is regularly reviewed, updated and reported to Members but it is evident that the costs of projects have risen, sometimes significantly, and the availability of contractors has often become more limited thereby reducing competition. The procurement process has been reviewed to reduce the number of returned tenders that exceed the budget available.	The Council will continue to seek external and match funding for projects where possible, in order to maximise its capital programme spending capability. Where feasible the capital earmarked reserve will be replenished on an annual basis to mitigate the decline in available and potential new capital receipts, although this will be challenging due to the financial pressures in the revenue budget. The Council will continue to operate a strategy where capital receipts are not ring-fenced, to ensure that maximum flexibility is available. All capital bids will be fully considered by CMB and CCMB in line with the Capital Strategy, before inclusion in the capital programme. Schemes must have been subject to a full feasibility assessment. These assessments will take account of the financial and supplier issues and manage the expectations of service users and managers at the planning stage. This should inform more accurate costings and profiling of spend to avoid potential overspends or delays in schemes. The procurement process will also be considered and qualification criteria updated to try and avoid supplier issues. The establishment of the capital programme board will enhance the monitoring of the programme	CMB	May-2024	Nov-2024	4	5	20	All Well-Being Objectives
SS-2019-01	The council fails to meet statutory responsibilities to respond to situations where individuals are at risk of neglect or abuse. This would include children, adults in need of social care, homeless individuals etc.	Risks to the safety and wellbeing of children and adults at risk of neglect or abuse are significant and require an effective, highly skilled response from the multi-agency safeguarding partnership with leadership from the local authority. There is a risk that, without adequate budgets and due to the lack of a sufficiently experienced workforce, the Council's safeguarding arrangements will not be effective, and that children and adults at risk will not be kept safe and will experience harm. The demand for services continues to increase which is particularly evident in referrals into MASH/Information Advice and Assistance and the level of assessment activity. Numbers on the Child Protection Register remains high indicating the level of concern of partners in respect of safeguarding risks to children. Significant work has been done to strengthen staff teams, but there is still an over reliance on agency staff in some areas. The Council has statutory duties to provide sufficient resources to safeguard children and adults as well as to set a balanced budget and could face intervention from Welsh Government if it fails in either duty	4	5	20	Treat	Jan-19	The Council continues to prioritise this area of work. A number of different actions are being taken to address these concerns. In relation to staffing matters additional staff have been employed to ensure the service is able to meet the increasing demand for services, the Council's Market Supplement Policy has been invoked to support the recruitment of staff to the childcare teams, resource has been found to support increased numbers of staff accessing the social work training scheme and work has been done to establish an overseas recruitment programme. Working practices in the service are being reviewed and the Council continues to work effectively with key partners. There is a reporting structure in the service to monitor the work required to address the range of issues and this feeds up to Social Services Improvement Board which consists of senior officers, the Leader and Deputy Leader of the Council and other elected members. Council approved a sustainability plan for children services and resources were made available to support this	A new Corporate Safeguarding Officer has been appointed to enhance the support to corporate safeguarding arrangements. The Regional Safeguarding Board is developing common quality and performance reporting via the steering group to include clear trigger points of escalated action. A reflective lessons learned exercise has been undertaken into the issues which led to the critical incident in IAA services to ensure lessons have been learned and sustainable improvements made to reduce the risk of such an escalated position being required again. Work is being undertaken to develop a sustainable model for the service which includes practice, workforce and funding issues	CMB	Jan-2024	May-2024	4	5	20	A County Borough where we protect our most vulnerable
COR - 2019-03	The council is unable to plan for and recover from major threats to service continuity such as civil emergencies, school failure, cyber attack and discontinuation of funding streams and major contracts	If the council does not have the capacity and expertise to plan for and protect itself against major threats such as cyber-attack, civil emergencies, fragility in our schools and significant financial variations there may lead to a failure to deliver services, both in the short and long term. The consequence of this risk would include a threat to business continuity due to lack of key resources such as ICT, the closure of a key building or asset due to structural damage, loss of confidence in the public regarding the ability of the council to manage in a time of emergency and increased demand for support from those effected	4	4	16	Treat	Jan-19	The council has anti virus software installed which is regularly updated. All critical data is backed up and located offsite. Software update processes exist that includes the installation of patches. Security awareness training is provided to all employees. The council has established emergency planning arrangements including a Major Incident Plan and contributes to the South Wales Local Resilience Forum (SWLRF) and South Wales Resilience Team (SWRT). Contract conditions are included in relevant contracts. The terms of these conditions will vary depending on the nature of the contract, but will cover compliance with GDPR, security of personal information and general cyber security. Where contracts are awarded via a framework the necessary conditions will be imposed by the contracting agency for the framework. Training is being provided to staff who will be involved in any civil emergency activity and this is updated on a regular basis	A review will be completed in relation to out of hours cover for the Council as a whole to ensure a timely and effective response can be made when required. The council has responded swiftly and appropriately to the increased risk posed by increased reliance on ICT and the network. A number of changes - some significant - were made during this period that has helped to mitigate the increased risk. This has included the procurement and implementation of a data centre refresh project which was completed in April 2024. Throughout the period the Council has stayed connected and resilient with many services being delivered remotely. The situation is being monitored on an ongoing basis. Ongoing work on resilience and business continuity will help mitigate the risks but keeping the Council services running effectively this winter and beyond becomes more challenging	CMB	May-2024	Nov-2024	4	4	16	All Well-Being Objectives
COR-2019-04	The council is unable to attract, develop or retain a workforce with the necessary skills to meet the demands placed upon the authority and its services	If there is a continued reduction in the number of suitably skilled and experienced staff then there will not be the expertise in the workforce to deliver services and protect the interests of the council. This could lead to the wellbeing of citizens suffering, a reduction in service quality, a delay in service provision and a loss of morale amongst the remaining staff if they feel unsupported and therefore seek to work elsewhere. In some service areas a reduced workforce may result in the service being unable to meet all of its statutory duties	4	5	20	Treat	Jan-19	There remains recruitment difficulties in key areas of the organisation. This is being seen at a regional and national level and therefore is not specific to BCBC. Measures have been implemented to seek to mitigate and treat the risks including the market supplement policy and further development of international recruitment. Use of agency staff continues to be high in certain areas and direct work is being undertaken to improve this position. The impact of the vacancies is evident in certain services, with additional pressure and demands being placed on those staff in post. There are impacts on the organisation's ability to deliver all of its objectives and continued frustration among the public and elected members about the pace of some responses and action.	There is a need to continue to seek alternative approaches to recruit to service areas, acknowledging that one size does not fit all. The benefits of working for the Council will continue to be promoted alongside different methods of attracting staff. Action plans are in place and being developed to address challenges in the Social Services and Wellbeing Directorate.	CMB	May-2024	Nov-2024	4	5	20	All Well-Being Objectives

No.	IDENTIFIED RISK There is a risk that	Consequences of risk	Raw risk score			Control method	Date Risk score assigned	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	who	Last Reviewed	Next Review	Residual risk score			Well-Being Objective
			Li	Im	Total								Li	Im	Total	
COR - 2024-05	Important council services are compromised due to the failure of a key supplier	If the suppliers of council services are not resilient there is a risk that they may fail to deliver those services leading to disruption for citizens and the Council, which will be impacted as it seeks to restore provision and suffers a loss of reputation. There is increasing evidence that this risk is becoming more apparent and prevalent. In particular in areas such as Home to School Transport, but also in residential care and construction there are increasing numbers of cases of market failure, companies falling into administration and increased costs being demanded to provide services or contracts will be handed back, which are difficult to mitigate as often there are very limited options to provide services, some of which are statutory.	4	4	16	Treat or Transfer	Jan-19	The council's strongest defence against this is through its procurement strategy and procurement processes. When tendering for services the Council requires contingency arrangements to be in place to allow for the eventuality of supplier failure (for example in the case of refuse and recycling collection contracts). The council also seeks to shape the market where possible to avoid over reliance on single suppliers (for example in social care). Where appropriate contract conditions are included to ensure the contractor has the appropriate level of security required for the service they provide. This will differ depending on the nature of the service and the legal requirements applicable. Services are also doing more to work with providers to ensure an early dialogue when services are under pressure to work towards an agreed outcome	Social Services have quarterly forum meetings with providers where risks, issues and pressures are identified. There are regular contract monitoring visits to monitor performance and quality.	CMB	May-2024	Nov-2024	4	4	16	All wellbeing objectives
COM - 2020 - 01	Invigorating the economy and economic recovery following the cost of living crisis, and local issues such as the closure of businesses in the area.	The ongoing cost of living crisis and political and market / financial uncertainty is impacting both individuals and local businesses. There has been increased demand for financial support with increased applications for Council Tax reduction requests, reduced payment of Council Tax and business rates and a corresponding increase for other relevant Council advice and support services. May local businesses are particularly impacted by the huge inflationary increases particularly in energy costs meaning it is inevitable that there will be increased fragility in this sector.	4	4	16	Treat	Sep-20	The Council is seeking to support local businesses and individuals by signposting them to appropriate financial support, skills training and support services, and progressing schemes to develop opportunities to set up and establish new business. The Council continues to act on behalf of Welsh Government through the administration of small business rates relief .	Support the aims set out by local economic recovery taskforce and identify and implement the recommended actions through the development of a new Economic Strategy . Liaise closely with colleagues in the Cardiff Capital Region and Welsh Government to identify and target opportunities for investment to add to investment provided by BCBC to stimulate and invigorate the economy. Seek to signpost opportunities for training, support and new jobs by targeting the work of the Council's Employability teams. Administer and target financial grant schemes and provide support to local businesses to adapt to new circumstances . Progress existing economic development schemes to provide more opportunities for business 'start up' by developing enterprise hubs throughout the County Borough. Implement proposals for the UK Government's Levelling Up Fund and the Shared Prosperity Fund which can be used to fund Employability/ skills based initiatives.	CMB / Economic Recovery Panel	May-2024	Nov-2024	4	4	16	A County Borough with fair work, skilled, high quality jobs and thriving towns
SS- 2023- 01	Significant service pressures in the health and social care sectors could impact on the ability of services to support vulnerable individuals	The health and social care system is not able to meet the health and care needs of people in a timely way resulting in harm and excess deaths. The immediate risk is that there is not sufficient capacity in community health and social care services to prevent hospital admissions and support timely discharge from hospital.	5	5	25	Treat	Jan-23	There are very regular meetings at senior levels across Health and the Local Authority to understand the current position and to agree the joint actions required to try to address the issues	The Cwm Taf Morgannwg health and social care partners have developed a range of immediate, short, medium and long term actions to enhance community capacity and review pathways of care. The most immediate actions are the enhancement of community beds through additional care home capacity and the implementation of Discharge to Recover and Assess pathways of care. There are timescales attached to the actions agreed. There is also a comprehensive plan to address the capacity issues in care and support at home services. The system has experienced significant pressures so despite the actions the residual risk remains at a very high level and the service continues to evaluate whether immediate actions have impacted.	CMB	May-2024	Nov-2024	5	5	25	A County Borough where we support people to live healthy and happy lives
EDFS - 2024 - 01	There is an increase in the financial fragility of schools in the Borough	Whilst the council seeks to mitigate the impact of the overall financial positions for schools, current financial planning includes the need to reduce the level of financial support previously given to schools. The consequences of this include schools having to use their balances to fund activity with increased risk of schools going into deficit. It is a requirement that schools address a deficit within 3 years, 5 in exceptional circumstances. This will be more difficult as funding to schools reduces	5	4	20	Treat	Jan-24	There are structures in place to escalate issues to senior officers and Members. There is a Schools Budget Forum in place that is a consultative body in relation to the schools funding formula and overall finance issues for schools. School governors are responsible for monitoring and reporting school finance positions. Schools are supported with the development and monitoring of individual school budgets by the central finance team.	Further work to be done with schools to understand the impact on any budget reductions on individual schools	CMB	May-2024	Nov-2024	5	4	20	A county borough where we help people to meet their potential
COR - 2024-01	There is a threat to business continuity if the Council is unable to procure and implement major ICT systems which support critical services such as a replacement system for Care Director (WCCIS) and the Capita One system for education.	In social care the failure to procure and implement a new system by January 2026 will result in the Council having to rely on an unsupported database or a complex interim solution. Operating social care case management and safeguarding services without a functional system is not a safe or viable option. Without a system, the Council can not fulfil its statutory safeguarding obligations and there is a risk to life of children and adults at risk of failing to do so. Failure to secure a new system increases risk to data security, regulatory compliance, system performance and functionality and workforce retention and recruitment. Without a fully supported case management system in place staff will lose core functionality such as the ease and speed at which current data and information is interrogated and monitored. Effective use of data and information sharing has been a learning theme in many child and adult practice reviews. The financial risks to the local authority from the system change are also significant. There is currently no budget identified to support the resource implications of changing system. Within education, the Capita One system will provide a single comprehensive record for each child which supports the Authority to manage education efficiently by connecting data securely resulting in more informed decisions and early intervention.	5	5	25	Treat		The Council is working with: - ADSS Cymru, WLGA and national programme to progress national approach to contingency planning, procurement strategy, data migration and scoring resources from Welsh Government via a clear business case - the Cwm Taf Morgannwg Region Councils and the Vale of Giamorgan have formed a regional consortia to manage evaluation and implementation of a new supplier. - a national or regional approach to procurement will enable better market management and should secure better value for money. - the WCCIS Regional Team provide some capacity to support system change. - BCBC have formed a cross directorate group to provide governance within the Council. Education is working with schools and the ICT Service to implement the system	Welsh Government to confirm funding allocation for Councils to support the Connecting Care Project. The national Connecting Care Programme to confirm if a single tender procurement on behalf of all Local Authority users is feasible. Contingency plan to be confirmed.	CMB	May-2024	Nov-2024	4	5	20	A County Borough where we protect our most vulnerable

Control Method Definition	
Definition	Meaning
Treat	To continue with the activity, but at the same time take action to bring the risk to an acceptable level.
Transfer	Transferring the responsibility of the risk to outside the Council.

Risk Scores
1-9 - Green - Low
10-12 - Amber - Medium
15-25 - Red - High

Risk ID number follows the sequence Directorate - year identified - risk number

Directorate codes mentioned above are:

- SS - Social Service
- COR - Corporate
- COM - Communities
- CEX - Chief Executives
- EDFS - Education and Family Services

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	6 JUNE 2024
Report Title:	AUDIT WALES’ ‘AUDIT ENQUIRIES TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT’ FOR THE 2023-24 AUDIT
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, HOUSING & CHANGE
Responsible Officer:	NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT
Policy Framework and Procedure Rules:	There is no impact on the policy framework or procedure rules.
Executive Summary:	<ul style="list-style-type: none"> • Audit Wales have submitted their ‘Audit enquiries to those charged with governance and management’ letter to the Council for completion by 30 June 2024. • The letter is for the purposes of informing Audit Wales’ understanding of the governance arrangements of the Council and its business processes, and to support their audit work in providing an audit opinion on the 2023-24 financial statements. • Reponses have been provided to the questions raised, and the Governance and Audit Committee are asked to consider and confirm the responses.

1. Purpose of Report

- 1.1 This report provides the Committee with Audit Wales’ ‘Audit enquiries to those charged with governance and management’ letter, which asks a number of questions in respect of the Council’s governance arrangements for completion by 30 June 2024. The letter is attached at **Appendix A** and the Governance and Audit Committee are asked to consider and confirm the responses and approve its return to Audit Wales.

2. Background

- 2.1 Audit Wales undertake the annual audit of the Council’s Statement of Accounts. As part of the planning of the audit, the Auditor General is required to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Those who are responsible for the

conduct of public business and for spending public money are accountable for ensuring that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. In discharging these responsibilities, public bodies and their management (both members and officers) are responsible for putting in place proper arrangements for the governance of their affairs and the stewardship of the resources at their disposal. Audit Wales' 'Audit enquiries to those charged with governance and management' letter formally seeks documented consideration and understanding on a number of governance areas that impact on their audit of the Council's financial statements.

3. Current situation / proposal

- 3.1 Appendices 1 to 3 of the letter set out a number of questions to management and those charged with governance. Responses have been provided to each of the questions, as set out in **Appendix A**. Audit Wales have requested that the completed responses be returned to them by 30 June 2024. The Governance and Audit Committee is asked to consider and approve the responses.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

6. Climate Change Implications

- 6.1 There are no climate change implications as a result of this report.

7. Safeguarding and Corporate Parent Implications

- 7.1 There are no Safeguarding or Corporate Parent implications as a result of this report.

8. Financial Implications

- 8.1 There are no financial implications arising from this report.

9. Recommendation

- 9.1 It is recommended that the Governance and Audit Committee agrees the responses to Audit Wales' 'Audit enquiries to those charged with governance and management' letter as attached at **Appendix A**.

Background documents

None

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Carys Lord
Chief Officer – Finance, Performance and Change
Bridgend County Borough Council
Civic Offices
Angel Street
Bridgend
CF31 4WB

Reference: BCBC 2023-24

Date issued: 11 April 2024

Dear Carys

Audit enquiries to those charged with governance and management

The Auditor General's Statement of Responsibilities sets out that he is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. It also sets out the respective responsibilities of auditors, management and those charged with governance.

This letter formally seeks documented consideration and understanding on a number of governance areas that impact on our audit of your financial statements. These considerations are relevant to both the management of Bridgend CBC and 'those charged with governance'.

I have set out below the areas of governance on which I am seeking your views:

1. Matters in relation to fraud;
2. Matters in relation to laws and regulations;
3. Matters in relation to related parties.

Audit enquiries to those charges with governance and management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

The information you provide will inform our understanding of the Council and its business processes and support our work in providing an audit opinion on your 2023-24 financial statements.

I would be grateful if you could update the attached table in [Appendix 1 to Appendix 3](#) for 2023-24.

The completed [Appendix 1 to Appendix 3](#) should be formally considered and communicated to us on behalf of both management and those charged with governance by 30 June 2024. In the meantime, if you have queries, please contact me on 02920 829326 or David.Williams@audit.wales.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Williams', with a horizontal line extending from the end of the signature.

David Williams

Audit Manager

Audit enquiries to those charges with governance and management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Appendix 1

Matters in relation to fraud

International Standard for Auditing (UK) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements. This standard has been revised for 2023-24 audits.

The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance', which for the Council is the **Audit Committee**. Management, with the oversight of those charged with governance, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- The intentional misappropriation of assets (cash, property, etc); or
- The intentional manipulation or misstatement of the financial statements.

We also need to understand how those charged with governance exercises oversight of management's processes. We are also required to make enquiries of both management and those charged with governance as to their knowledge of any actual, suspected or alleged fraud, management's process for identifying and responding to the risks and the internal controls established to mitigate them.

Enquiries of management – general		
Question	2022-23 Response	2023-24 Response
1 Has the management team carried out an assessment of the going concern basis for preparing the financial statements? What was the outcome of that assessment?	An assessment of the Council's position will be reported to Governance & Audit Committee on 1 June 2023 which confirms that the accounts will be prepared on the basis of a going concern in line with para 3.4.2.23 of the CIPFA Code of Practice on Local Authority Accounting	An assessment of the Council's position will be reported to the Governance and Audit Committee on 6 June 2024 which confirms that the accounts will be prepared on the basis of a going concern in line with para 3.4.2.23 of the CIPFA Code of Practice on Local Authority Accounting.
2 Do you have knowledge of events or conditions beyond the period of the going concern assessment that may cast significant doubt on the entity's ability to continue as a going concern?	No events or conditions that would affect the going concern	No events or conditions that would affect the going concern
3 What are your views on the entity's control environment? How would you assess the process for reviewing the effectiveness of internal control?	The Council has in place robust internal control processes. The Head of Internal Audit's opinion of the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2021-22 was of Reasonable Assurance.	The Council has in place robust internal control processes. The Head of Internal Audit's opinion of the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2022-23 was of Reasonable

Audit enquiries to those charges with governance and management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Enquiries of management – general		
Question	2022-23 Response	2023-24 Response
		Assurance. It is envisaged that this will stay the same for 2023-24.
4 If internal control deficiencies were reported in the prior year, please comment on the status of these.	Responses to Audit Wales audit of accounts 2021-22 memo has been completed. These were not significant and no other internal control deficiencies have been reported.	Responses to Audit Wales' audit of accounts 2022-23 memo has been completed. These were not significant and no other internal control deficiencies have been reported.
5 What procedures are in place to ensure the compliance and completeness of Governance reports?	<p>The Annual Governance Statement is reviewed by senior officers and agreed by the Corporate Management Board. The Leader and Chief Executive evidence their agreement via signing of the AGS. It is reviewed at the half year point and both the AGS and the review are presented to Governance and Audit Committee.</p> <p>The Council has introduced a regulatory tracker to the Governance and Audit Committee to ensure all governance issues are reported to the Committee and actions therefore are followed up. The Council's Code of Corporate</p>	<p>The Annual Governance Statement (AGS) is reviewed by senior officers and agreed by the Corporate Management Board (CMB). The Leader and Chief Executive evidence their agreement via signing of the AGS. It is reviewed at the half year point and both the AGS and the review are presented to the Governance and Audit Committee.</p> <p>The Council has introduced a regulatory tracker to the Governance and Audit Committee to ensure all</p>

Enquiries of management – general		
Question	2022-23 Response	2023-24 Response
	Governance has recently been updated and approved by Cabinet on 7 February 2023	governance issues raised by external assessors are reported to the Committee and actions are therefore followed up. The Council's Code of Corporate Governance was last updated in November 2023 and approved by Cabinet on 21 November 2023.

Enquiries of management – in relation to fraud		
Question	2022-23 Response	2023-24 Response
<p>6 What is management's assessment of the risk that the financial statements may be materially misstated due to fraud? What is the nature, extent and frequency of management's assessment?</p>	<p>Low risk/probability.</p> <p>Both internal and external audit work has provided assurance that there is unlikely to be any material misstatements of the accounts as a result of fraud.</p> <p>Budget monitoring reports are produced regularly throughout the year involving service accountants, finance managers and service staff, and reported regularly to Council, Cabinet and CMB. These are then subject to intense scrutiny by the Council's Corporate Overview and Scrutiny Committee.</p> <p>Processes are in place for the preparation of the Statement of Accounts which are reviewed at both Chief Accountant and s151 officer level, prior to scrutiny at Governance and Audit Committee.</p> <p>Internal audit provides review and assurance on the Council's systems and processes, including the main accounting and budgetary</p>	<p>Low risk/probability.</p> <p>Both internal and external audit work has provided assurance that there is unlikely to be any material misstatements of the accounts as a result of fraud.</p> <p>Budget monitoring reports are produced regularly throughout the year involving service accountants, finance managers and service staff, and reported regularly to Council, Cabinet and CMB. These are then subject to intense scrutiny by the Council's Corporate Overview and Scrutiny Committee.</p> <p>Processes are in place for the preparation of the Statement of Accounts which are reviewed at both Chief Accountant and s151 officer level, prior to scrutiny at the Governance and Audit Committee.</p> <p>Internal audit provides a review of, and assurance on, the Council's systems and processes, including the main</p>

Enquiries of management – in relation to fraud		
Question	2022-23 Response	2023-24 Response
	control systems as part of their annual internal audit plan.	accounting and budgetary control systems as part of their annual internal audit plan.
7	Do you have knowledge of any actual, suspected or alleged fraud affecting the audited body?	None
8	What is management's process for identifying and responding to the risks of fraud in the audited body, including any specific risks of fraud that management has identified or that have been brought to its attention?	<p>The Council has in place an Anti-Fraud and Bribery Policy, Fraud Strategy and Framework, and an Anti-Tax Evasion Policy which has been reviewed and updated during April 2023. Governance and Audit Committee have reviewed the updated Policy, which is being presented to Cabinet for approval 20 June 2023. The Council has clear codes of conduct for both members and officers as set out in the Council's constitution. Processes employed are:</p> <p>a. Specific controls in place relevant to applicable processes b. Focussed use of Internal Audit, with management follow-up</p>
		<p>The Council has in place an Anti-Fraud and Bribery Policy, Fraud Strategy and Framework, and an Anti-Tax Evasion Policy, which was reviewed and updated during April 2023. The Governance and Audit Committee have reviewed the updated Policy, which was presented to and approved by Cabinet on 20 June 2023. The Council has clear codes of conduct for both members and officers as set out in the Council's Constitution. Processes employed are:</p> <p>a. Specific controls in place relevant to applicable processes</p>

Enquiries of management – in relation to fraud		
Question	2022-23 Response	2023-24 Response
	<p>actions also scrutinised by Governance and Audit Committee.</p> <p>c. Contingency provision within Internal Audit Plan set aside for work as it arises. Governance and Audit Committee receive reports on days used.</p> <p>d. Generally, it is not possible for an individual officer to act alone</p> <p>Where any fraud is suspected or reported it is investigated by Internal Audit and the Council's Senior Fraud Investigator in conjunction with senior management and HR, where deemed appropriate/necessary.</p>	<p>b. Focussed use of Internal Audit, with management follow-up actions also scrutinised by the Governance and Audit Committee.</p> <p>c. Contingency provision within Internal Audit Plan set aside for work as it arises. The Governance and Audit Committee receive reports on days used.</p> <p>d. Generally, it is not possible for an individual officer to act alone.</p> <p>Where any fraud is suspected or reported it is investigated by Internal Audit and the Council's Senior Fraud Investigator in conjunction with senior management and HR, where deemed appropriate/necessary.</p> <p>All staff have access to the Fraud Prevention E-Learning Module.</p>

Enquiries of management – in relation to fraud			
Question	2022-23 Response	2023-24 Response	
9	What classes of transactions, account balances and disclosures have you identified as most at risk of fraud?	Areas at most risk would be Cost of Living grants, purchasing cards and Home to School Transport	Areas at most risk would be purchasing cards, council tax support and Home to School Transport.
10	Are you aware of any whistleblowing or complaints by potential whistle blowers? If so, what has been the audited body's response?	Whistleblowing referrals have been received by the Monitoring Officer and have been dealt with in accordance with the Whistleblowing Policy. None of these were fraud related.	Whistleblowing referrals have been received by the Monitoring Officer and have been dealt with in accordance with the Whistleblowing Policy. None of these were fraud related.
11	What is management's communication, if any, to those charged with governance regarding their processes for identifying and responding to risks of fraud?	Council Policies and procedures such as Anti-Fraud and Bribery Policy, Money Laundering Policy, Anti-Tax Evasion Policy and more generally a culture of openness and probity Reports to Governance and Audit Committee on Internal Audit work undertaken, including if appropriate discussion around areas of weakness and where fraud has been perpetrated and planned action/responses. Internal Audit Plan in place and updates taken to each Governance and Audit Committee. Regular updates and discussion of Corporate Risk Register at Governance and Audit	Council Policies and procedures such as Anti-Fraud and Bribery Policy, Money Laundering Policy, Anti-Tax Evasion Policy, Fraud Strategy and Framework and more generally a culture of openness and probity. In addition, reports to the Governance and Audit Committee on Internal Audit work undertaken including, if appropriate, discussion around areas of weakness and where fraud has been perpetrated and planned action/responses. Internal Audit Plan in place and updates taken to each Governance and Audit

Audit enquiries to those charges with governance and management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Enquiries of management – in relation to fraud		
Question	2022-23 Response	2023-24 Response
	<p>Committee and a Governance and Audit Committee Forward Work Programme in place.</p> <p>A Fraud Risk Register is maintained so that any risks can be monitored by CMB and any significant risks that may be identified would be fed into the corporate risk assessment and scored accordingly.</p> <p>A Corporate Fraud Report is presented to Governance and Audit Committee on an annual basis to update them on any fraud risks identified throughout the year and the activities conducted by the fraud department</p>	<p>Committee. Regular updates and discussion on Corporate Risk Register at the Governance and Audit Committee and a Governance and Audit Committee Forward Work Programme in place.</p> <p>A Fraud Risk Register is maintained so that any risks can be monitored by CMB on a quarterly basis and any significant risks that may be identified would be fed into the corporate risk assessment and scored accordingly.</p> <p>A Corporate Fraud Report is presented to the Governance and Audit Committee on an annual basis to update them on any fraud risks identified throughout the year and the activities conducted by the fraud team.</p>
12	<p>What is management's communication, if any, to employees regarding their views on business practices and ethical behaviour?</p>	<p>The Model Code of Conduct for Members provides certainty to Elected Members and the public as to what standards are expected. The Authority's Standards Committee also assists members and co-</p>
		<p>The Officer's Code of Conduct for employees can be found in the Constitution and outlines the highest standards of conduct expected. This will</p>

Enquiries of management – in relation to fraud		
Question	2022-23 Response	2023-24 Response
	<p>opted members of the Authority, together with members of town and community councils in the Borough to observe the Code and arrange for any advice and training to be provided.</p> <p>All Members are required to attend mandatory Code of Conduct training provided by the Monitoring Officer when they are elected. They also have the opportunity to attend refresher training when this is arranged.</p> <p>The Officer's Code of Conduct for employees can be found in the Constitution and outlines the highest standards of conduct expected. This will be communicated to staff as part of the mandatory corporate induction process.</p>	<p>be communicated to staff as part of the mandatory corporate induction process.</p>
13	For service organisations, have you reported any fraud to the user entity?	N/A

Enquiries of those charged with governance – in relation to fraud		
Question	2023-24 Response	2022-23 Response
14 Do you have any knowledge of actual, suspected or alleged fraud affecting the audited body?	See 16 below	See 16 below
15 What is your assessment of the risk of fraud within the audited body, including those risks that are specific to the audited body's business sector?	The council has in place processes and policies to minimise the risk of fraud. It is considered that the Council is a potential target for fraud, but that the controls in place reduce the likelihood of fraud taking place and considers the risk to be low.	The council has in place processes and policies to minimise the risk of fraud. It is considered that the Council is a potential target for fraud, but that the controls in place reduce the likelihood of fraud taking place and considers the risk to be low.
16 How do you exercise oversight of: <ul style="list-style-type: none"> management's processes for identifying and responding to the risk of fraud in the audited body, and the controls that management has established to mitigate these risks? 	Through the National Fraud Initiative process. Internal Audit reports to Governance and Audit Committee on any matters in relation to fraud. Governance is much wider than the Governance and Audit Committee as encapsulated in the Annual Governance Statement, which also sets out responsibilities and its review of the effectiveness of its	Through the National Fraud Initiative process. Internal Audit reports to the Governance and Audit Committee on any matters in relation to fraud. Governance is much wider than the Governance and Audit Committee, as encapsulated in the Annual Governance Statement, which also sets out responsibilities and its

Audit enquiries to those charges with governance and management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Enquiries of those charged with governance – in relation to fraud		
Question	2023-24 Response	2022-23 Response
	governance arrangements and the system of internal control.	review of the effectiveness of its governance arrangements and the system of internal control.

Appendix 2

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors' responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, is responsible for ensuring that the **Council's** operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

Audit enquiries to those charges with governance and management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

As part of our risk assessment procedures we are required to make enquiries of management and those charged with governance as to whether the Council is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Enquiries of management – in relation to laws and regulations		
Question	2022-23 Response	2023-24 Response
17 Is the audited body in compliance with relevant laws and regulations? How have you gained assurance that all relevant laws and regulations have been complied with? Are there any policies or procedures in place?	<p>The Council is not aware of any non-compliance.</p> <p>The Council follows all CIPFA guidance and stays up to date with technical bulletins, Codes of Practice and through informal officer networks including Chief Accountants' forum and CIPFA Code training courses and seminars. The Council also responds as appropriate to proposed changes to Codes of Practice so having early sight of potential changes.</p> <p>The Monitoring Officer's role includes reporting on any matters that she/he believes are, or likely to be, illegal or amount to</p>	<p>The Council is not aware of any non-compliance.</p> <p>The Council follows all CIPFA guidance and stays up to date with technical bulletins, Codes of Practice and through informal officer networks including Society of Welsh Treasurers, Chief Accountants' forum and CIPFA training courses and seminars. The Council also responds as appropriate to proposed changes to the Codes of Practice so having early sight of potential changes.</p> <p>The Monitoring Officer's role includes reporting on any matters that she/he</p>

Audit enquiries to those charges with governance and management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Enquiries of management – in relation to laws and regulations

Question	2022-23 Response	2023-24 Response
	maladministration. To this end the monitoring officer will provide reports to Cabinet / Council / Governance and Audit Committee, but also make referrals to the police or ombudsman where appropriate.	believes are, or likely to be, illegal or amount to maladministration. To this end the monitoring officer will provide reports to Cabinet / Council / Governance and Audit Committee, but also make referrals to the police or ombudsman where appropriate.
18 Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations in the financial year, or earlier with an ongoing impact on this year's audited financial statements?	The Council is not aware of any non-compliance.	The Council is not aware of any non-compliance
19 Are there any potential litigations or claims that would affect the financial statements?	There are term time settlement payments which are included in the statement of accounts.	There are no material claims that would affect the statement of accounts. There remains some term time settlement payments during 2024-25 but not of a material value (estimated circa £200k).

Enquiries of management – in relation to laws and regulations

Question	2022-23 Response	2023-24 Response
20 Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	None	None
21 Are you aware of any non-compliance with laws and regulations within service organisation since 1 April of the financial year?	N/A	N/A

Enquiries of those charged with governance – in relation to laws and regulations

Question	2022-23 Response	2023-24 Response
22 Are you aware of any non-compliance with laws and regulations that may be expected to have a fundamental effect on the operations of the entity?	No	No

Audit enquiries to those charges with governance and management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Enquiries of those charged with governance – in relation to laws and regulations

Question	2022-23 Response	2023-24 Response
<p>23 How does the audit committee, in your role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?</p>	<p>Through the internal audit process and reliance on Audit Wales reports to the Governance and Audit Committee.</p> <p>In discharging its responsibilities, the Committee expects that all communication with management and officers of the Authority as well as any external assurance providers will be direct, open and complete.</p> <p>The Council has in place Overview and Scrutiny Committees to act as a 'critical friend' to check and challenge decisions in a robust, constructive and purposeful way. The Governance and Audit Committee also constructively challenges decisions taken and ensures that appropriate policies and systems are in place.</p> <p>The Annual Governance Statement provides assurance to the Council in respect of the effectiveness of its governance arrangements and reviews by Audit Wales provide further assurance in areas reviewed.</p>	<p>Through the internal audit process and reliance on Audit Wales' reports to the Governance and Audit Committee.</p> <p>In discharging its responsibilities, the Committee expects that all communication with management and officers of the Authority, as well as any external assurance providers, will be direct, open and complete.</p> <p>The Council has in place Overview and Scrutiny Committees to act as a 'critical friend' to check and challenge decisions in a robust, constructive and purposeful way. The Governance and Audit Committee also constructively challenges decisions taken and ensures that appropriate policies and systems are in place.</p> <p>The Annual Governance Statement provides assurance to the Council in respect of the effectiveness of its governance arrangements and reviews by Audit Wales provide further assurance in areas reviewed.</p>

Enquiries of those charged with governance – in relation to laws and regulations		
Question	2022-23 Response	2023-24 Response
	The External Auditor also provides important information and direction to the Committee when it is fulfilling its obligations.	The External Auditor also provides important information and direction to the Committee when it is fulfilling its obligations.

Appendix 3

Matters in relation to related parties

Audit enquiries to those charges with governance and management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

International Standard for Auditing (UK) 550 covers auditors' responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Enquiries of management – in relation to related parties		
Question	2022-23 Response	2023-24 Response
24 Have there been any changes to related parties from the prior year? If so, what is the identity of the related parties and the	There have been a number of new members at the Council following the local elections in May 2022.	Related Party Disclosure process in place in relation to Members and Senior Officers where letters and forms for

Audit enquiries to those charges with governance and management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Enquiries of management – in relation to related parties		
Question	2022-23 Response	2023-24 Response
nature of those relationships? Confirm these have been disclosed to the auditor.	<p>Related Party Disclosure process in place in relation to Members and Senior Officers where letters and forms for completion are sent out as part of year end process. This was also reported to Council in March, and follow-up processes are in place for any delayed returns. These are collated and assessed and any material transactions are disclosed in the Statement of Accounts.</p> <p>Members are required to declare interest in a register which is accessible via the Council's website. Auditors are given access to all returns and working papers in relation to Related Party Transactions, and Audit Wales will review and challenge officers as appropriate.</p>	<p>completion are sent out as part of year end process. This was also reported to Council in March 2024, and follow-up processes are in place for any delayed returns. These are collated and assessed and any material transactions are disclosed in the Statement of Accounts.</p> <p>Members are required to declare interests in a register which is accessible via the Council's website. Auditors are given access to all returns and working papers in relation to Related Party Transactions, and Audit Wales will review and challenge officers as appropriate.</p>
25 What transactions have been entered into with related parties during the period? What is the purpose of these transactions? Confirm these have been disclosed to the auditor.	These will be identified and disclosed to the auditor as part of the Statement of Accounts audit.	These will be identified and disclosed to the auditor as part of the Statement of Accounts audit.

Enquiries of management – in relation to related parties

Question	2022-23 Response	2023-24 Response
26 What controls are in place to identify, account for and disclose related party transactions and relationships?	See 24 above	See 24 above
27 What controls are in place to authorise and approve significant transactions and arrangements: <ul style="list-style-type: none"> • with related parties, and • outside the normal course of business? 	The Council has in place authorisation processes for any payments made to 3rd parties. Members and senior officers are required to sign declarations of any related party transactions.	The Council has in place authorisation processes for any payments made to 3rd parties. Members and senior officers are required to sign declarations of any related party transactions.

Enquiries of those charged with governance – in relation to related parties

Question	2022-23 Response	2023-24 Response
<p>28 How does the Audit Committee in its role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>See process above. All Members and lay members have to comply with the Code of Conduct and any declarations included therein. Members and Senior Officers are required to complete and return declarations regarding any related party transactions. As part of the Statement of Accounts approval process Governance and Audit Committee Members have a scrutiny function over the Statements and are able to question officers at Governance and Audit Committee as to any element of the Accounts, including Related Party Disclosures. All transactions incurred must follow appropriate Council processes such as procurement processes.</p>	<p>See process above. All Members and lay members have to comply with the Code of Conduct and any declarations included therein. Members and Senior Officers are required to complete and return declarations regarding any related party transactions. As part of the Statement of Accounts approval process members of the Governance and Audit Committee have a scrutiny function over the Statements and are able to question officers at the Governance and Audit Committee as to any element of the Accounts, including Related Party Disclosures. All transactions incurred must follow appropriate Council processes such as procurement processes.</p>

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Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	6 JUNE 2024
Report Title:	ANNUAL INTERNAL AUDIT REPORT 2023-24
Report Owner / Corporate Director:	HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE
Responsible Officer:	ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE
Policy Framework and Procedure Rules:	The proposals in this report are in accordance with the policy framework and budget.
Executive Summary:	<ul style="list-style-type: none"> • This report provides the Head of Internal Audit’s Annual Opinion on the Council’s control environment in relation to governance, risk management and internal control. It also informs the Governance and Audit Committee of the work and performance of Internal Audit for the Financial Year 2023-24. This information is provided to comply with the Public Sector Internal Audit Standards. • Appendix A contains the Annual Internal Audit Report 2023-24 which details Internal Audit’s performance, opinions and recommendations made during the year which assist in forming the Head of Internal Audit’s Annual Opinion on the Council’s overall control environment. • From the work undertaken during the financial year 2023-24 and considering other sources of assurance, the Head of Internal Audit’s annual opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management and control for 2023-24 is of Reasonable Assurance. • Those audits that provided an audit opinion during the year are listed in Annex 1, the detailed position against the audit plan is at Annex 2 and Annex 3 is the recommendation monitoring position statement.

1. Purpose of Report

- 1.1 The purpose of this report is to provide the Governance and Audit Committee with the Head of Internal Audit's Annual Opinion on the Council's control environment in relation to governance, risk management and internal control and to inform the Committee of the work and performance of Internal Audit for the 2023-24 financial year.

2. Background

- 2.1 The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an Annual Report to support the Annual Governance Statement. The report should:
- Include an opinion on the adequacy and effectiveness of the Council's framework governance, risk management and internal control;
 - Present a summary of the audit work undertaken;
 - Draw attention to any issues that may impact on the level of assurance provided;
 - Provide a summary of the performance for the service;
 - Comment on conformance with the Public Sector Internal Audit Standards.
- 2.2 In accordance with the Public Sector Internal Audit Standards, the Head of Internal Audit is responsible for developing a risk-based annual audit plan which takes into account the Council's risk management framework. Within the Standards there is also a requirement for the Head of Internal Audit to review and adjust the plan, as necessary, in response to changes in the Council's business, risks, operations, programmes, systems, controls and resources. The Head of Internal Audit must also ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.
- 2.3 The Internal Audit Plan for 2023-24 was submitted to the Governance and Audit Committee for consideration and approval on 1st June 2023. The approved plan was flexible to be able to respond to changing circumstances and events that may occur during the year. The assurance gained from the audit work undertaken during the year assists the Head of Internal Audit in providing an overall annual opinion.

3. Current situation / proposal

- 3.1 The Annual Internal Audit Report is presented at **Appendix A** which summarises the reviews undertaken during 2023-24, the recommendations made and any control issues identified. A total of 41 reviews were completed with an audit opinion and a total of 230 recommendations made (25 High, 99 Medium, 106 Low). A breakdown is included at **Annex 1** of this Appendix. The annual report also discusses the performance of the internal audit service during the year and highlights individual staff development and training that has taken place.
- 3.2 Progress against the 2023-24 Risk Based Plan is attached at **Annex 2**. This details the status of each planned review. It should be noted that some reviews listed have no audit opinion, for example advice and guidance and Governance and Audit Committee / Corporate Management Board (CMB) reporting. This is because the

audit work carried out in respect of these items was planned but the nature of the work does not lead to testing and the formation of an audit opinion.

- 3.3 **Annex 2** illustrates the status of the 60 audit assignments included in the audit plan, 47 of which were opinion related of these 41 were concluded during 2023/24 with an audit opinion. Two audits were not started during the year after considering requests from services that were under pressure, these have been included in the 2024-25 audit plan. Four audits are ongoing and have been carried forward into the 2024-25 plan. It should be noted that 13 audit reviews listed have no audit opinion, this includes a data gathering exercise for School Cyber Security. The majority of these are routine internal audit work, for example advice and guidance, external audit liaison, fraud and irregularity work, audit planning and recommendation monitoring.
- 3.4 Based on the testing of the effectiveness of the internal control environment an audit opinion of *Substantial Assurance* has been given to 10 audit reviews (24%) and an opinion of *Reasonable* to 25 audit reviews (61%). The remaining 6 audit reviews (15%) have been given an audit opinion of *Limited*, that is only limited assurance can be placed on the current systems of internal control. Recommendations have been made for improvements and a follow up audit will be undertaken to ensure controls have been improved to mitigate the risks identified. Table 1 below illustrates the number of opinion / assurance audits completed in 2022/23 and 2023/24.

Table 1 – Number of Audit Opinion Reviews Completed

Opinion / Assurance	2022-23	2023-24
Substantial	13	10
Reasonable	20	25
Limited	1	6
No Assurance	0	0
Total	34	41

- 3.5 To ensure that appropriate action is taken on agreed management action plans, High and Medium recommendations are routinely followed up to assess the implementation progress. **Annex 3** provides a summary of the status of all High and Medium audit recommendations made.
- 3.6 Taking into account the results of the internal audit reviews completed during 2023-24, the recommendations made and considering other sources of assurance, such as Head Teacher and Chair of Governor Assurance Statements, the Head of Internal Audit’s annual opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management and internal control for 2023-24 is of:

“Reasonable Assurance.”

No significant cross-cutting control issues have been identified that would impact on the Council’s overall control environment and the weaknesses identified are service specific.

- 3.7 In providing this annual audit opinion, it should be noted that assurance can never be absolute. The most that internal audit can provide is a reasonable assurance that there are no major weaknesses in risk management, governance and control

processes. The matters raised in this report are only those which came to our attention during our internal audit work in the 2023-24 financial year and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change Implications

6.1 There are no climate change implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

8.1 There are no direct financial implications arising from this report however effective audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

9. Recommendation

9.1 The Governance and Audit Committee is requested to consider and note the Annual Internal Audit Report for the 2023-24 financial year including the Head of Internal Audit's Annual Opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control.

Background documents

None

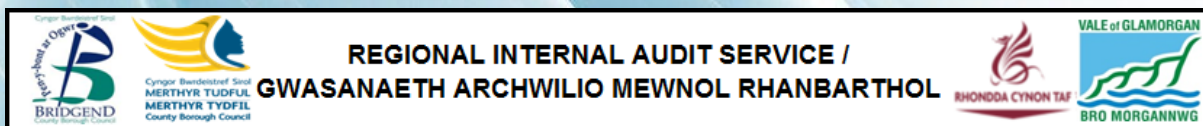


ANNUAL INTERNAL AUDIT REPORT

2023/2024

Andrew Wathan, CPFA

**Head of Regional Internal Audit Service
May 2024**



Annual Internal Audit Report 2023/24

Section 1 – Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) requires the Head of Internal Audit to deliver an annual internal audit opinion and report which can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
- 1.2 The 2023/24 Internal Audit Plan outlined the assignments to be carried out to enable the Head of Internal Audit to form an annual opinion of the Council's overall control environment including, governance, risk management and internal control.
- 1.3 The plan was flexible to respond to changing circumstances and events that may have occurred during the year such as pressures on services, the ability to access staff and evidence or requests to respond to new issues that may emerge.
- 1.4 The Internal Audit Service is delivered through the expanded shared service that came into existence on 1st April 2019. The service is hosted by the Vale of Glamorgan Council and provides internal audit services to the Vale, Bridgend, Merthyr Tydfil & Rhondda Cynon Taf Councils.
- 1.5 The service reported to the four Governance & Audit Committees and is overseen at a strategic level by the Board which consists of the Chief Finance Officers of the four Councils.
- 1.6 During the year Auditors have had the flexibility to work from home or the office and have undertaken site visits as appropriate for each audit.
- 1.7 The initial partnership agreement was signed for three years and extended for two years. The arrangement is underpinned by a detailed legal agreement between the four Councils which sets out a range of obligations (the core service is the same for each Council but there are differences in what is provided outside of the core service). At the five-year anniversary, April 2024, the original partners needed to sign a new partnership agreement. Positive feedback was received in relation to audit service delivery from all four partner S151 Officers and senior management teams however, Rhondda Cynon Taf (RCT) have given notice that they do not wish to continue with the shared service partnership arrangement with effect from April 2024. Therefore a 3 Partner Model will be adopted during 2024/25.

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Section 2 – Summary of Reviews Undertaken 2023/24

- 2.1 On completion of the audit reviews an audit opinion is formed providing assurance for management and those charged with governance on how well the internal controls and governance arrangements of the system, establishment or area of review are operating.
- 2.2 Based upon the findings and recommendations made, an overall conclusion as to the level of assurance that can be provided is given as follows:

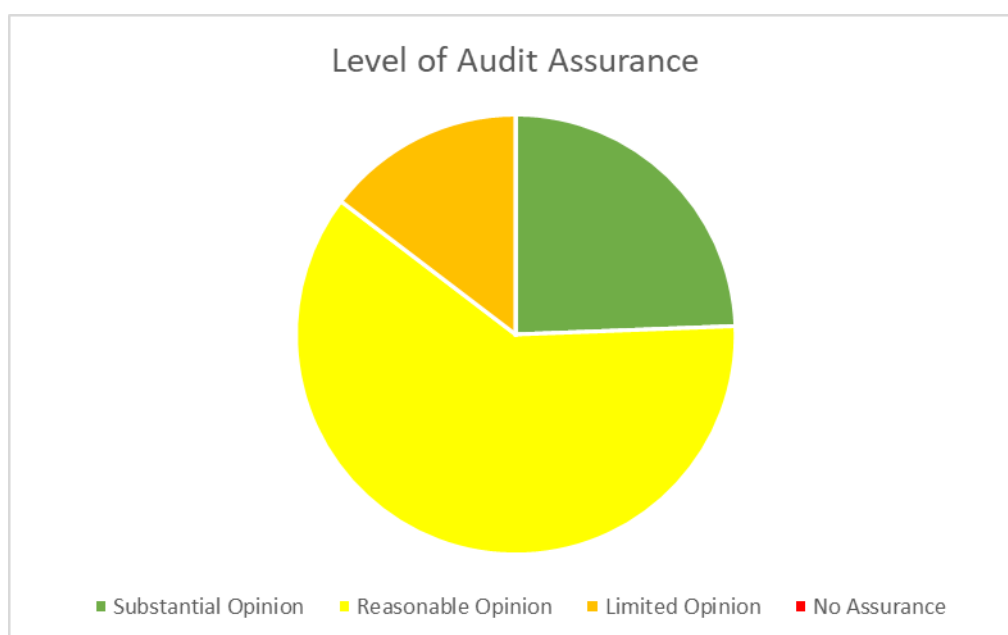
Table 1 - Audit Assurance Category Code	
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Table 2 – Audit Opinion Given to Completed Audit Reviews 2023/24

Opinion	Follow Ups	Financial Systems	Other Audit Reviews	Schools & Education	Grant Verification	Total	%
Substantial	0	4	2	0	4	10	24
Reasonable	1	2	12	9	1	25	61
Limited	0	0	4	2	0	6	15
No Assurance	0	0	0	0	0	0	0
Total	1	6	18	11	5	41	100

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Figure 1



- 2.3 Table 2 illustrates that a total of 41 reviews have been given an audit opinion. A list of these audits is at **Annex 1**. A comparison of opinions issued in the previous year is shown at Table 3 below:

Table 3: Comparison of Audit Opinions

Opinion	2022/23		2023/24	
	Total	%	Total	%
Substantial	13	38%	10	24%
Reasonable	20	59%	25	61%
Limited	1	3%	6	15%
No Assurance	0	0	0	0
Total	34	100%	41	100%

- 2.4 A summary of the key control issues identified within the 6 **Limited Assurance** opinion audits are in Section 3 of the report.
- 2.5 The final position against the 2023/24 approved audit plan is attached at **Annex 2**. This details the status of each planned review, the audit opinion and the number of any high, medium or low recommendations made to improve the control environment. It should be noted that 13 audit reviews listed have no audit opinion. The majority of these are routine internal audit work, for example advice and guidance, external audit liaison, fraud and irregularity work, audit planning and recommendation monitoring. This work is planned but the nature of the audit work

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carried out in respect of these items does not lead to testing and the formation of an audit opinion. Fact finding pieces of work were also undertaken.

- 2.6 **Annex 2** illustrates the status of the 60 audit assignments included in the audit plan, 41 of which were opinion related. A summary of the status of the planned audits is illustrated in Table 4 below.

Table 4 – Status of Planned Audits 2023/24

Status of Audits Assignments	Number	Percentage Completed (%)
Complete with audit opinion	39	
Draft with audit opinion	2	
Audit ongoing and carried forward	4	
Audit not started and included 2024/25 Plan	2	
Not undertaken or carried forward	0	
Sub Total	47	87%
Complete with no audit opinion	13	
Total	60	90%

- 2.7 The 2 planned audits which had not started during 2023/24 will be included in the 2024/25 audit plan. Both audits were delayed following the consideration of requests made by each relevant service area who were under pressure to deliver their service.
- 2.8 It is therefore considered that the level of Internal Audit coverage was sufficient for the Head of Audit to be able to give an annual overall opinion.

Section 3 – Limited Reports - Control Issues

- 3.1 Table 2 illustrates that 6 audit reviews identified control issues which meant that only *Limited Assurance* could be provided. These are detailed below:

3.2 School Vehicles

There is government guidance in respect of vehicle weight and the required licence category. The audit, which included 7 schools, identified that in one case the weight of the vehicle was unknown so compliance to the guidance could not be verified. In addition, some of the schools failed to regularly review staff driving licences to ensure validity and some vehicles had been driven by staff who did not hold the correct vehicle category on their driving licence or the licence was out of date which invalidates the insurance.

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3.3 Security & Access to Council Buildings

The following key issues were identified during the audit which need to be addressed:

- There is an exceptionally high number of individuals with administrator rights to the door access control system known as the ACT system.
- One building is no longer used by most council staff but staff access permissions have not been amended to restrict unnecessary access.
- Testing showed a high number of leavers from the council, agencies and shared services remaining live on the access system.
- There is no current contract in place with the provider of the out of hours keyholding service.

3.4 Adult Placement / Shared Lives

This service is run under a partnership agreement between the Vale of Glamorgan Council and Bridgend County Borough Council with the Vale of Glamorgan Council as the lead authority. The Adult Placement (Shared Lives) Service Board, consisting of nominated officers from both authorities, are responsible for the governance hence the audit report has been issued to both Councils. The areas of improvement identified during this audit were :

- The audit found a lack of formal procedures in place in relation to administrative processes
- Minimal signed agreements for both the approved hosts and the service users were on file, and these are required by Regulations.
- Inconsistent Project Worker methods of monitoring cases were identified and insufficient procedures were in place to support individuals to safely manage their finances in line with Regulations.
- In addition, approved hosts have not been provided with the appropriate training.

3.5 St Mary's Catholic School

The following key issues were identified during the audit which need to be addressed:

- Expenditure from the school budget, where applicable, has not adhered to the advertising and tendering requirements set out in the Financial Scheme for Schools.
- There was no evidence of prior authorisation being obtained, in accordance with Governing Body approved delegated spending limits, for procurements exceeding the Headteacher's delegated limit of £5,000.
- A finance agreement was not procured or authorised in accordance with the Financial Scheme for Schools
- No records are maintained to support cash withdrawals from the Private Fund account.
- The statutory Admissions Committee does not have an agreed Terms of Reference.

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- 3 staff members had gaps between their cyclical 3-yearly DBS rechecks.
- 34% (11/32) staff members have not completed the mandatory data protection training module.
- No VAT has been reclaimed for any purchasing card transaction between April 2022 and October 2023.

3.6 Procurement Tender Evaluation & Award

The key focus of this audit was on supplier payments for which there was no associated entry on the Council's contract register.

Various instances of non-compliance to the Council's Contract Procedure Rules were identified across the Council where supplier spend values did either not appear on the contract register or differed significantly to those on the register. In these 7 instances there was little or no evidence for the invitation of tenders and quotations, and therefore nothing to demonstrate that the Council had undertaken evaluation, approval and award in accordance with the Contract Procedure Rules. This could leave the Council at significant risk of challenge.

3.7 Recycling & Waste Management

The financial and performance monitoring of the waste and recycling contracts was audited, and it was found that no independent calculation or reconciliation is carried out as part of the review process prior to payment of monthly variable cost invoices to contractors. This resulted in financial errors and income not being recovered or claimed by the Local Authority.

- 3.8 Follow up audits are undertaken on previous limited assurance reports to ensure that improvements have been made to mitigate the risks previously identified. It is pleasing to note that the follow up audit undertaken at Abercerdin Primary school during 2023/24 demonstrated improvements and therefore a reasonable audit opinion was provided.

Section 4 – Recommendations 2023/24

- 4.1 Recommendations are made at the conclusion of an audit review if it is felt that improvements should be made to mitigate risk. Recommendations are included in a management action plan and following each audit report recipients are asked to complete the action plan showing whether they agree with the recommendations made and how they plan to implement them. The classification of each recommendation made assists management in focusing their attention on priority actions, these ratings being High, Medium and Low.

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Recommendation Categorisation	
Risk may be viewed as the chance, or probability, of one or more of the organisation's objectives not being met. It refers both to unwanted outcomes which might arise, and to the potential failure to realise desired results. The criticality of each recommendation is as follows:	
High Priority	Action that is considered imperative to ensure that the organisation is not exposed to high risks.
Medium Priority	Action that is considered necessary to avoid exposure to significant risks.
Low Priority	Action that is considered desirable and should result in enhanced control.

- 4.2 Management are asked to provide feedback on the status of each recommendation once the target date for implementation has expired. The implementation of these recommendations is monitored using MK Insight internal audit software to ensure improvements are being made and the monitoring is regularly report to Senior Officers via Corporate Management Board and to Governance and Audit Committee.

Table 5 – Analysis of Recommendations Made During 2023/24

Recommendations	Follow Ups	Financial Systems	Other Audit Reviews	Schools & Education	Grant Verification	Total	%
High	0	0	13	12	0	25	11%
Medium	7	2	43	46	1	99	43%
Low	4	7	32	62	1	106	46%
Total	11	9	88	120	2	230	100%

- 4.3 Table 5 illustrates that a total of 230 recommendations have been made to improve the control environment of the areas reviewed during 2023/24. Management has given written assurance that these will be implemented or have accepted the identified risk if the recommendation has not been accepted.
- 4.4 **Annex 3** provides a summary of the status of the high and medium internal audit recommendations made. This includes recommendations made in relation to audits completed in 2021/22 and 2022/23 which are yet to be implemented. The monitoring of recommendations is undertaken regularly by Auditors and any undue delays or issues are highlighted to Senior Management and ultimately the Governance and Audit Committee.

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Section 5 – Counter Fraud Work

- 5.1 In respect of suspected fraud, one matter was referred to Internal Audit for review during 2023/24 which related to the failure to declare a business interest. This review is included within **Annex 2**. A fact-finding exercise was undertaken, and fraud was not proven. However, areas for improvement within the Council's processes were identified and a recommendation was made to improve the controls and mitigate the identified risks within existing systems.
- 5.2 The National Fraud Initiative is also included in the audit plan. Internal Audit facilitates the upload of data and works with the Council's Senior Fraud Investigator to provide advice to officers reviewing the data matches. A biennial exercise commenced when data was extracted from the various Council systems and submitted for matching in October 2022. The matches were returned in January 2023 and work is still ongoing to review the data matches to identify if there any fraud or error has occurred. A new exercise will commence in October 2024.
- 5.3 A separate Annual Corporate Fraud Report will be presented to the Governance and Audit Committee which will outline the counter fraud work undertaken during 2023/24 which is being compiled by Bridgend's Senior Fraud Investigator. Internal Audit has an excellent working relationship with the Senior Fraud Investigator and significant liaison takes place in relation to policies, corporate fraud matters and related investigations.

Section 6 – Key Performance Measures – Client Satisfaction Questionnaires

- 6.1 The Internal Audit Service uses MK Insight (Internal Audit software) to enable clients to feedback with comments on the work undertaken by internal auditors. The client satisfaction questionnaires provide managers with the opportunity to feedback on the performance, professionalism and conduct of the auditor as well as the audit process in general. The questions are contained in **Annex 4**
- 6.2 The return rate was 46% (60% in 2022/23); this is an area that needs to be improved. A review of the process undertaken where surveys have not been returned will take place as well as a review of the questionnaires themselves to make sure they are easy to complete and submit.
- 6.3 The returned surveys however have confirmed satisfaction with the audit approach, the service provided and the conduct of the Auditors. It is pleasing that the average rate of satisfaction is 95% (94% in 2022/23). In addition to the above questions, the client also has an opportunity to make comments within the Client Satisfaction Questionnaire. Set out below are examples of comments received during the

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period. Most of the feedback received was positive and all comments received are considered.



Section 7 – Key Performance Measures – Staff Training

- 7.1 Investment in the development of staff continues as it is recognised that with the increasing challenges and complexity facing local government and other public sector services, the need for well trained, motivated, and versatile audit staff has never been higher.
- 7.2 In terms of professional training, our two Graduate Auditors have each successfully completed 4 Chartered Institute of Public Finance & Accountancy (CIPFA) exams attaining the CIPFA Certificate in Management and Financial Accounting. Their study will continue over the next 2 years and will result in them becoming fully qualified CIPFA Accountants. Another member of staff is working towards the Chartered Institute of Internal Auditors, Certified Internal Auditor qualification, whilst a further 5 members of the team have indicated they wish to commence professional training during 2024/25.
- 7.3 Staff are encouraged to complete on-line courses to develop their skills and networking opportunities. Listed below illustrate the range of training courses that staff have completed during 2023/24: -
- Information Security
 - Phishing Training
 - Data Protection
 - Equalities
 - Climate Change
 - Ethics
 - Challenging Conversations
 - Delivering Effective Feedback
 - Fraud Awareness

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- How to use data effectively
- Stress Awareness

7.4 In addition, those staff who hold professional qualification continue to meet their continuing professional development (CPD) requirements.

Section 8 – Key Performance Measures – Benchmarking

8.1 The Regional Internal Audit Service (RIAS) participates annually in the Welsh Chief Auditors Group (WCAG) benchmarking exercise. The key performance measures for the Service are illustrated in Table 6. It should be noted that 13 of the 22 Councils returned their performance figures for 2022/23 representing a return rate of 59%.

Table 6 – Performance Data

Performance Indicator	RIAS Performance BCBC 2023/24	RIAS Performance BCBC 2022/23	WCAG Average Performance 2022/23
% of Planned Audits Completed	90%	79 %	75%
% of recommendations accepted versus made	100%	99%	98%
% of clients responses at least satisfied	95%	94%	100%

8.2 The RIAS set quarterly targets to monitor the delivery of the approved audit plan to assist in ensuring sufficient audit coverage has been given to the Council to provide an overall opinion at the end of 2023/24. The year-end target set was 80% and Table 6 illustrates that this was exceeded as 90% of the audit plan was completed. A total of 60 assignments were planned during the year of which 54 were completed. Of these, 41 audits were completed with an audit opinion. The nature of the remaining 13 audits did not lead to testing and the formation of an audit opinion, although in some instances recommendations are made.

8.3 Table 6 and **Annex 3** illustrate that 100% of the 124 high and medium recommendations made during 2023/24 were accepted by managers. The implementation of these is regularly monitored by Internal Audit staff and reported to Governance and Audit Committee and the Corporate Management Board.

8.4 Table 6 illustrates that 95% of clients who responded to the questionnaire were at least satisfied with the work undertaken by Internal Audit. This level has improved slightly from last year.

Annual Internal Audit Report 2023/24

- 8.5 The PI's illustrate that the performance of the Regional Internal Audit staff within Bridgend Council is still comparable to the Welsh average.

Section 9 – Public Sector Internal Audit Standards

- 9.1 The Public Sector Internal Audit Standards (PSIAS) encompass the following mandatory elements:
- Definition of Internal Auditing;
 - Code of Ethics
 - International Standards for the Professional Practice of Internal Auditing.
- 9.2 The Standards aim to promote further improvement in the professionalism, quality, and effectiveness of Internal Audit Services across the public sector. The Standards require that each public sector Internal Audit Service has in place robust arrangements for quality assurance and requires that Internal Audit be the subject of an external assessment at least once every 5 years by a qualified, independent reviewer from outside of the organisation.
- 9.3 The two possible approaches to external assessments outlined in the standard include either a full external assessment or an internal self-assessment which is validated by an external reviewer.
- 9.4. Members of the Welsh Chief Auditor Group (WCAG) elected to adopt the self-assessment approach, with another member of the WCAG undertaking the validation, a peer review assessment. At the time this was agreed with the Section 151 Officers and the former Audit Committees of the regional service.
- 9.5 The Internal Audit Service undertook as self-assessment against the standards during 2022/23 and a few areas of improvement were identified. This self-assessment and the supporting documentation were provided to the external assessor, the Acting Chief Internal Auditor at Newport City Council, to inform an external assessment undertaken in accordance with the Standards.
- 9.6 The outcome of the external assessment was that the Regional Internal Audit Service is fully conforming to the Standards with no partial conformance or non-conformance areas. There were two areas for consideration which would further enhance conformance with the PSIAS, although these were not a significant concern. The result of the external assessment was presented to Governance & Audit Committee in September 2023.

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Section 10 – Regional Internal Audit Service Progress

- 10.1 The expanded shared service came into existence on 1st April 2019, it is hosted by the Vale of Glamorgan Council and provides internal audit services to the Vale, Bridgend, Merthyr Tydfil & Rhondda Cynon Taf Councils. Rhondda Cynon Taf (RCT) have given notice that they do not wish to continue with the shared service partnership arrangement with effect from April 2024. Therefore a 3 Partner Model will be adopted during 2024/25.
- 10.2 The vision for the service is to be the provider of Internal Audit Services of choice to the public sector in South Wales and be a centre of excellence for public sector internal auditing and to be a service that is regarded as:
- ✓ Professional
 - ✓ Approachable
 - ✓ Flexible
 - ✓ Independent but internal to the organisation – a critical friend
- 10.3 During 2023/24, the recruitment process continued with the successful recruitment of 1 Auditor to a fill vacant post. This is a positive development, particularly when many services are struggling to recruit staff. The Graduate Auditors are being supported to become professionally qualified which will assist in succession planning.
- 10.4 Audit work has been conducted using various digital solutions and audit staff and auditees all have adjusted well to this way of working. It is likely that the audit service will largely continue to be delivered remotely with an element of office based and face to face working as required.
- 10.5 The audit software solution continues to be used. Ongoing development will continue to ensure maximum use of the improved functionality and reporting tools.
- 10.6 The longer-term success of the Regional Internal Audit Service includes plans to develop a commercial approach and analysing the potential public sector market. Limited progress has been made on this aspect as the foundations referred to above need to be embedded before progressing this.

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Section 11 - Opinion Statement 2023/24

This statement of opinion is underpinned by:

Internal Control Framework

The control environment comprises the Council's policies, procedures and operational systems and processes in place to:

- Establish and monitor the achievement of the Council's objectives;
- Facilitate policy and decision making;
- Ensure the economical, effective and efficient use of resources;
- Ensure compliance with established policies, procedures, laws and regulations;
- Safeguard the council's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.

During the year, core financial and administrative systems were reviewed by Internal Audit either through specific reviews (e.g. Revenues and Benefits) or generally in the reviews undertaken in respect of directorate systems and processes.

In providing my annual audit opinion, it should be noted that assurance can never be absolute. The most that internal audit can provide is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The matters raised in this report are only those which came to our attention during our internal audit work in the financial year 2023/24 and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In arriving at my opinion, the following matters have been taken into account:

- The results of all internal audits undertaken during the year ended 31st March 2024
- The results of follow-up reviews of action taken to address audit recommendations;
- Whether or not any significant recommendations have not been accepted by management and the consequent risks;
- The effects of any material changes in the Council's objectives and activities.
- Other sources of assurance

Annual Internal Audit Report 2023/24

Risk Management

Effective Risk Management forms a key aspect of assurance and governance. The Corporate Risk Management Policy is aligned with Directorate Plans and the Council's performance management framework.

Key risks are distilled in the Corporate Risk Assessment which is regularly reviewed and challenged by senior management. Detailed reports are also provided quarterly to the Governance & Audit Committee. A Corporate Risk Management audit was undertaken during 2023/24 and a reasonable opinion provided. Risk management is also considered as part of every audit.

It is not possible to eliminate all risk of failure to meet the targets in the Council's policies, aims and objectives and cannot therefore provide absolute assurance of effectiveness, but one of **Reasonable Assurance** is given.

Governance Arrangements

Good Governance will facilitate effective management that can deliver long term success and performance of an organisation.

Governance arrangements are considered as part of every audit where applicable.

Whilst some governance issues were identified within the school audits, no other significant issues were identified from a governance perspective therefore an opinion of **Reasonable Assurance** is given.

Internal Control

I have based my opinion on internal control using the work undertaken by internal audit during the year.

A total of 41 reviews culminating in an overall opinion have been completed, 35 (85%) of which have been closed with either a *Substantial* or *Reasonable Assurance* opinion level. 6 reviews (15%) were given a *Limited* opinion which identified significant weaknesses in the overall control environment, and these have been summarised in Section 3 above.

Therefore, an opinion of **Reasonable Assurance** can be given on internal control.

Annual Internal Audit Report 2023/24

Head of Internal Audit Opinion Statement 2023/24

From the work undertaken during the financial year 2023/24 and taking into account other sources of assurance, such as Head Teacher and Chair of Governor Assurance Statements, the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2023/24 is:

“Reasonable Assurance”

The opinion states that, based on the work completed by the Regional Internal Audit Shared Service for the financial year, no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific.

Many Council staff are continuing to work remotely, and systems & processes have had to be adjusted to cater for the new ways of working. Similarly, Internal Audit has worked remotely, conducting audits and obtaining evidence digitally. Each audit has considered the potential impact of remote working to ensure adequate controls and governance arrangements remained in place.

The recommendations made to improve governance, risk management and control have been accepted and are at various stages of implementation.

Andrew Wathan CPFA
Head of Regional Internal Audit Service
May 2024

Audits Completed with an Audit Opinion & Recommendations 2023/24

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Audit	Opinion			Recommendations		
	Substantial	Reasonable	Limited	High	Medium	Low
Safeguarding		√		0	2	0
Bus Services Support Grant 2022-23	√			0	0	0
Regional Consortia School Improvement Grant 2022-23	√			0	0	0
Risk Management		√		0	2	1
Welsh Language Standards		√		0	4	1
Energy Efficiency Monitoring & Reporting		√		0	4	2
Security & Access to Council Buildings			√	1	5	1
Procurement Tender Evaluation & Award			√	5	3	0
Housing Benefits		√		0	1	2
Council Tax		√		0	1	1
Treasury Management	√			0	0	0
Banking Arrangements	√			0	0	2
Capital Accounting & Asset Register	√			0	0	0
Budget Savings	√			0	0	2
File Systems & Folder Access		√		1	1	0
Disposal of Electronic Media & Devices		√		0	2	2
Temporary Housing Solutions		√		1	1	0
Coychurch Crematorium	√			0	0	0
Porthcawl Harbour		√		0	1	1
Porthcawl Regeneration	√			0	1	1
Recycling & Waste Management			√	2	2	1
Rights of Way		√		0	3	5
Parking Enforcement		√		1	1	2
Abercerdin School Follow Up		√		0	7	4
School Vehicles			√	2	1	3
St Mary & St Patrick's Primary School		√		1	10	2
Ffaldau Primary School		√		1	5	9
St Mary's Catholic School			√	4	8	8
Porthcawl Comprehensive School		√		0	4	14
Archbishop McGrath School		√		2	8	11
Ysgol Bryn Castell School		√		0	4	8
School CRSA		√		0	0	0
School Admissions		√		1	1	1
School Exclusions		√		0	4	4
Additional Learning Needs (ALN)		√		1	1	2
Learner Travel		√		0	1	1
Adult Placements/ Shared Lives			√	2	7	7
Halo Leisure	√			0	1	0
Carers Assessments		√		0	1	3
Complaints Resolution		√		0	1	4
Compliance with PSIAS	√			0	0	1
Failure to Declare a Business Interest				0	1	0
	10	25	6	25	99	106

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Bridgend County Borough Council - Audit Plan 2023/24

Ref	Directorate	Area	Audit Scope / Risk	Status	Opinion			Recommendations			
					Substantial	Reasonable	Limited	High	Medium	Low	
Page 99	Cross Cutting	Good Governance	To provide assurance that key Corporate Governance processes are in place within the Council and that these are operating effectively to enable the Council to be provided with sufficient information to enable them to discharge their responsibilities. Assist in the AGS	carried forward							
	Cross Cutting	Safeguarding	To review a sample of contracts to ensure that safeguarding has been adequately considered and included where appropriate eg) contracts within schools, cleaners in certain settings, agency staff etc	complete		√		0	2	0	
	3	Cross Cutting	Grant Certification Work	Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.	complete	√			0	0	0
	4			Bus Services Support Grant 2022-23	complete	√			0	0	0
	5	Cross Cutting	Risk Management	A review of a sample of corporate risks to identify if they are being appropriately managed and progress is being reported accurately.	complete		√		0	2	1
	6	Cross Cutting	Welsh Language Standards	Select a sample of web based communications and verify compliance to the Welsh Language standards	complete		√		0	4	1
	7	Cross Cutting	Consultants	To review the use of consultants across the Council including procurement, payments and ongoing arrangements including authority to extend contracts	carried forward						
	8	Cross Cutting	Energy Efficiency Monitoring & Reporting	To undertake a review of how the Council aims to reduce its consumption of energy and provide assurance on the arrangements in place. This review will also examine the use of energy usage data across the Council and how this information impacts and informs strategic decisions	complete		√		0	4	2
	9	Cross Cutting	Security & Access to Council Buildings	To undertake a review of the Council's arrangements for the security and access to Council buildings and provide assurance that robust controls are in place	complete			√	1	5	1
	10	Cross Cutting	Project Management	To undertake a review of the governance and decision making around Major Projects. Particular emphasis will be placed on compliance to the Council's Rules and Regulations and Project Management Methodology associated with high risk contracts.	carried forward						
	11	Chief Executives	Procurement Tender Evaluation & Award	Review current processes and practices to ensure that they are reasonable, effective and efficient in the current economic landscape and compliant to the Council's contract procedure rules.	draft issued			√	5	3	0
	12	Chief Executives	Financial Systems	A rolling programme of audits is adopted, work programme for each year may differ. This approach enables us to deliver a more cost-effective service, whilst providing sufficient assurance as to the adequacy of the Council's material system control environment.							
	13			Housing Benefits	complete		√		0	1	2
	14			Council Tax	complete		√		0	1	1
	15			Treasury Management	complete	√			0	0	0
	16			Banking Arrangements	complete	√			0	0	2
				Payment Card Industry Data Security Standard Compliance	to be undertaken 2024/25						
	17	Chief Executives	Capital Accounting & Asset Register	To undertake a review of the Capital Accounting & Asset Register and provide assurance to Management of the controls in place	complete	√			0	0	0
	18	Chief Executives	Budget Savings	To identify and review the systems in place to monitor the high level of savings identified	complete	√			0	0	2
	19	Chief Executives	ICT Audit	In consultation with ICT, systems reviews will be undertaken across Directorates to ensure robust controls are evident and operating effectively in order to minimise the threat of cyber crime							
	20			File Systems & Folder Access	complete		√		1	1	0
	21			Disposal of Electronic Media & Devices	complete		√		0	2	2
				Mobile Devices	carried forward						
	22	Chief Executives	School Cyber Security	To gather information in respect of practices and policies in place to help maintain a resilient cyber security environment within the Local Authority's Schools	complete						
	23	Chief Executives	Temporary Housing Solutions	Examine compliance with this statutory duty, review process for availability, processing and prioritising cases to provide assistance that systems are efficient and effective.	complete		√		1	1	0
24	Communities	Coychurch Crematorium	A compliance review to complete the Annual Accounting Statement 2022/23	complete	√			0	0	0	
25	Communities	Porthcawl Harbour	A compliance review to complete the Annual Accounting Statement 2022/23	complete		√		0	1	1	

Ref	Directorate	Area	Audit Scope / Risk	Status	Opinion			Recommendations		
					Substantial	Reasonable	Limited	High	Medium	Low
26	Communities	Porthcawl Regeneration	To ensure the governance, structure and scope of the Project Board are in place and operating effectively to successfully deliver this programme.	complete	√			0	1	1
27	Communities	Recycling & Waste Management	To provide assurance that any external funding is being spent in compliance to the specific criteria as well as in compliance with the Council's Financial & Contract Procedure Rules and PCop and any agreed business plans.	complete			√	2	2	1
28	Communities	Rights of Way	To provide assurance on the control environment in respect of processes, charges and dispute resolution	complete		√		0	3	5
29	Communities	Parking Enforcement	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Parking Enforcement including testing of workflows, procedures and performance management.	complete		√		1	1	2
30	Education & Family Support	Schools	To undertake a number of school based reviews as well as cross cutting thematic reviews in accordance with the Internal Audit risk based assessment.							
31		Abercerdin Follow Up		complete		√		0	7	4
32		School Vehicles		complete			√	2	1	3
33		St Mary & St Patrick's Primary		complete		√		1	10	2
34		Faldau Primary School		complete		√		1	5	9
35		St Mary's Catholic School		complete			√	4	8	8
36		Porthcawl Comprehensive School		complete		√		0	4	14
37		Archbishop McGrath School		complete		√		2	8	11
		Ysgol Bryn Castell		complete		√		0	4	8
38	Education & Family Support	School CRSA	To undertake the annual controlled risk self – assessment for schools to enable Head Teachers and Governors to review their internal controls and to ensure that they comply with the requirements of current legislation and the Financial Procedure Rules.	complete		√		0	0	0
39	Education & Family Support	School Admissions	To ensure all processes and procedures are in place and operating effectively	complete		√		1	1	1
40	Education & Family Support	Exclusions	To provide assurance that schools are adhering to the Welsh Governance guidance in respect of fixed term and permanent exclusions	complete		√		0	4	4
41	Education & Family Support	Additional Learning Needs (ALN)	To provide assurance that robust arrangements are in place to monitor and evaluate additional learning needs services, with specific reference to the implementation of the reduced timetable policy	complete		√		1	1	2
42	Education & Family Support	Learner Travel	To provide assurance that procurement and contract monitoring is in adherence to Council policies and procedures to ensure the delivery of the agreed service within the agreed contract price.	complete		√		0	1	1
43	Social Services & Wellbeing	Adult Placements/ Shared Lives	To provide assurance to both Authorities (Vale and BCBC) and the Adult Placement (Shared Lives) Service Board that systems and processes have operated effectively in respect of governance, administration process and financial payments	complete			√	2	7	7
44	Social Services & Wellbeing	Halo Leisure	Review the contract management and performance measures in place. Verify the data and calculations used and examine the scrutiny and challenge that takes place in respect of the Halo contract	complete	√			0	1	0
45	Social Services & Wellbeing	Carers Assessments	to review the processes in place in respect of adult and young carers assessments	complete		√		0	1	3
46	Social Services & Wellbeing	Complaints Resolution	To provide assurance that the policy and procedures are being adhered to, performance is monitored and reported data is accurate	complete		√		0	1	4
47	Social Services & Wellbeing	Quality Assurance	To provide assurance that the quality assurance process is embedded and effective throughout the Directorate	to be undertaken 2024/25						
48	Internal Audit	Compliance with PSIAS	Review compliance with the Public Sector Internal Audit Standards.	draft issued	√			0	0	1
49	Internal Audit	Governance & Audit Committee /Members and CMB Reporting	This allocation covers Member reporting procedures, mainly to the Governance & Audit Committee. Regular reporting to, and meeting with, the Section 151 Officer, Corporate Management Board and the RIAS Board.							
50	Internal Audit	Meetings, Advice & Guidance	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority.							
51	Internal Audit	Data Analytics	Data Analytics is proving to be a useful internal audit tool as councils become more reliant on electronic data, as data analytics enables a vast amount of data to be analysed when selecting testing samples							
52	Internal Audit	External Audit Liaison	To ensure that a "managed audit" approach is followed in relation to the provision of internal and external audit services.							
53	Internal Audit	Recommendation Monitoring	Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations.							

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Bridgend County Borough Council Recommendation Monitoring Position Statement

Audit Name	Directorate	Audit Opinion	Final Report Date	Number Made			Not Agreed	Implemented			Overdue			Future Target Date
				High	Medium	Total		High	Medium	Total	High	Medium	Total	Total
2021-22														
Oper Security	Chief Executives	REASONABLE	02/09/2022	0	7	7	0	0	2	2	0	0	0	5
Total				0	7	7	0	0	2	2	0	0	0	5
2022-23														
Tynyrheol Primary School	Education & Family Support	REASONABLE	16/01/2023	0	5	5	0	0	4	4	0	1	0	0
Home To Work Mileage in Council Vehicles	Communities	REASONABLE	27/01/2023	0	4	4	0	0	2	2	0	0	0	2
Vehicles Fuel Management	Communities	REASONABLE	17/05/2023	0	6	6	0	0	5	5	0	1	0	0
Total				0	15	15	0	0	11	11	0	2	0	2
2023-24														
Housing Benefit	Chief Executives	REASONABLE	04/07/2023	0	1	1	0	0	1	1	0	0	0	0
Temporary Housing Solutions	Chief Executives	REASONABLE	24/08/2023	1	1	2	0	1	1	2	0	0	0	0
File Systems & Folder Access	Chief Executives	REASONABLE	06/09/2023	1	1	2	0	1	1	2	0	0	0	0
Abercerdin Primary School Follow-up	Cross Cutting	REASONABLE	08/09/2023	0	7	7	0	0	6	6	0	0	0	1
School Vehicles	Education & Family Support	LIMITED	15/09/2023	2	1	3	0	2	1	3	0	0	0	0
Rights of Way	Communities	REASONABLE	18/09/2023	0	3	3	0	0	1	1	0	0	0	2
Porthcawl Harbour Annual Return	Cross Cutting	REASONABLE	27/09/2023	0	1	1	0	0	1	1	0	0	0	0
St Mary's & St Patrick's RC Primary School	Education & Family Support	REASONABLE	27/09/2023	1	10	11	0	0	9	9	0	0	0	2
Carers Assessments	Social Services & Wellbeing	REASONABLE	05/10/2023	0	1	1	0	0	1	1	0	0	0	0
School Admissions	Education & Family Support	REASONABLE	16/10/2023	1	1	2	0	1	1	2	0	0	0	0
Adult Placement (Shared Lives) Service	Social Services & Wellbeing	LIMITED	06/11/2023	2	7	9	0	1	5	6	0	0	0	3
Halo Leisure Centres	Social Services & Wellbeing	SUBSTANTIAL	07/11/2023	0	1	1	0	0	0	0	0	0	0	1
Additional Learning Needs (ALN)	Education & Family Support	REASONABLE	01/12/2023	1	1	2	0	1	1	2	0	0	0	0
Corporate Safeguarding - Contracts	Cross Cutting	REASONABLE	01/12/2023	0	2	2	0	0	1	1	0	0	0	1
Security & Access to Council Buildings	Cross Cutting	LIMITED	15/12/2023	1	5	6	0	0	0	0	1	0	1	5
Disposal of Electronic Media & Devices	Chief Executives	REASONABLE	03/01/2024	0	2	2	0	0	2	2	0	0	0	0
Parking Enforcement	Communities	REASONABLE	10/01/2024	1	1	2	0	0	0	0	1	0	1	1
Porthcawl Regeneration Programme - Governance	Communities	SUBSTANTIAL	11/01/2024	0	1	1	0	0	1	1	0	0	0	0
Porthcawl Comprehensive School	Education & Family Support	REASONABLE	12/01/2024	0	4	4	0	0	4	4	0	0	0	0
Complaints Resolution (Social Services)	Social Services & Wellbeing	REASONABLE	12/02/2024	0	1	1	0	0	0	0	0	0	0	1
Ffaldau Primary School	Education & Family Support	REASONABLE	21/02/2024	1	5	6	0	0	0	0	0	0	0	6
Failure to Declare a Business Interest	Cross Cutting	N/A	21/02/2024	0	1	1	0	0	1	1	0	0	0	0
Welsh Language Standards	Cross Cutting	REASONABLE	23/02/2024	0	4	4	0	0	2	2	0	0	0	2
St Marys Catholic Primary School	Education & Family Support	LIMITED	04/03/2024	4	8	12	0	0	0	0	0	0	0	12
Learner Travel	Education & Family Support	REASONABLE	11/03/2024	0	1	1	0	0	1	1	0	0	0	0
Risk Management	Cross Cutting	REASONABLE	19/04/2024	0	2	2	0	0	0	0	0	0	0	2
Council Tax	Chief Executives	REASONABLE	22/04/2024	0	1	1	0	0	1	1	0	0	0	0
Archbishop McGrath School	Education & Family Support	REASONABLE	29/04/2024	2	8	10	0	0	0	0	0	0	0	10
School Exclusions	Education & Family Support	REASONABLE	30/04/2024	0	4	4	0	0	0	0	0	0	0	4
Recycling & Waste Management	Communities	LIMITED	01/05/2024	2	2	4	0	1	1	2	0	0	0	2
Energy Efficiency Monitoring & Reporting	Cross Cutting	REASONABLE	07/05/2024	0	4	4	0	0	0	0	0	0	0	4
Ysgol Bryn Castell	Education & Family Support	REASONABLE	10/05/2024	0	4	4	0	0	3	3	0	0	0	1
Procurement Tender Evaluation & Award	Cross Cutting	LIMITED	N/A	5	3	8	0	0	0	0	0	0	0	8
				25	99	124	0	8	46	54	2	0	2	68

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REGIONAL INTERNAL AUDIT SERVICE – CLIENT SATISFACTION QUESTIONNAIRE

No	Question
Audit Planning	
1	Were you satisfied with the notice given prior to the commencement of the Audit?
2	Were you adequately consulted with in respect of the nature, scope and objectives of the Audit?
Audit Fieldwork	
3	Was the audit fieldwork undertaken in a timely manner, with minimum disruption to service delivery?
4	Was a summary of the audit findings adequately explained to you following completion of the audit fieldwork and prior to the issue of the draft report?
Audit Report	
5	Did you find the recommendations within the report fair and accurate?
6	Were you adequately consulted and given sufficient opportunity to comment on the Draft Report?
7	Do you feel the recommendations within your report will be of value to you as a Manager?
8	Were you happy that the format of the Report was clear, concise and easy to read?
9	How do you rate the timeliness of the issue of the Final Report?
Conduct of the Auditor	
10	Were the auditor(s) generally helpful throughout the audit and offer appropriate assistance and/or advice (if applicable)?
11	How do you assess the Auditor(s) in terms of professionalism, helpfulness and politeness?
Overall	
12	How would you rate the usefulness of the audit?

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Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	6 JUNE 2024
Report Title:	INTERNAL AUDIT STRATEGY & RISK BASED PLAN 2024-25
Report Owner / Corporate Director:	HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE
Responsible Officer:	ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE
Policy Framework and Procedure Rules:	The proposals in this report are in accordance with the policy framework and budget.
Executive Summary:	<ul style="list-style-type: none"> • In line with the Public Sector Internal Audit Standards the Head of Internal Audit must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals. The risk-based audit plan should cover the Council’s overall control environment including risk, governance and internal controls as far as practicable. • Consideration of the Regional Internal Audit Service's Audit Strategy and Annual Risk Based Plan is one of the Governance and Audit Committee's key responsibilities. • The proposed Internal Audit Strategy for 2024-25 is attached at Appendix A and the Annual Risk Based Plan for 2024-25 is attached at Appendix B to this report. • The Strategy demonstrates how the Internal Audit Service will be delivered and developed in accordance with its Terms of Reference. The Strategy will be reviewed and updated annually in consultation with stakeholders, namely the Governance and Audit Committee, Corporate Management Board, External Auditors and Senior Management. • The plan provides this Committee with an overview of the work to be undertaken which will offer sufficient coverage to be able to provide an opinion at the end of 2024-25.

1. Purpose of Report

- 1.1 The purpose of this report is to provide members of the Governance and Audit Committee with the Annual Internal Audit Strategy and Risk Based Plan for 2024-25 for approval.

2. Background

- 2.1 The United Kingdom Public Sector Internal Audit Standards (Performance Standard - 2010 Planning) provides the framework within which an internal audit plan should be compiled.

- 2.2 In line with the Public Sector Internal Audit Standards (PSIAS) the Head of Internal Audit must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

- 2.3 To develop the risk-based plan, the Head of Internal Audit consults with senior management to obtain an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes. The Head of Internal Audit must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems and controls.

- 2.4 In order to produce the Internal Audit Plan the following information is taken into account:

- Corporate Risk Register;
- Corporate Plan;
- Key Financial Systems;
- Grant Claims that require Internal Audit certification;
- Follow-up reviews;
- Audit reviews that are carried forward from the previous Audit Plan;
- Feedback from questionnaires issued to Heads of Service
- Results of discussions with the Corporate Management Board, including the Chief Executive, Section 151 Officer and other senior officers as necessary.

- 2.5 The PSIAS require a risk-based audit plan to be produced to cover the Council's overall control environment including risk, governance and internal controls as far as practicable.

- 2.6 Consideration of the sources of information noted above supports Internal Audit to achieve the following:

- Compliance with the PSIAS in compiling the draft Annual Audit Plan;
- Enabling the Governance and Audit Committee to monitor the adequacy of the risk management framework and the associated control environment of the Council for 2024-25 based on the audit reviews set out in the draft Annual Audit Plan; and
- Enabling the Head of Internal Audit to form an opinion on the risk, governance and internal controls of the organisation.

2.7 Changes to the way the Council is operating since Covid-19, including any other changes have been considered and included within the draft Audit Plan for 2024-25.

3. Current situation / proposal

3.1 Attached at **Appendix A** is the draft Internal Audit Strategy document for 2024-25. It demonstrates how the Internal Audit Service will be delivered and developed in accordance with its Terms of Reference. The Strategy will be reviewed and updated annually in consultation with stakeholders namely the Governance and Audit Committee, Corporate Management Board, External Auditors and Senior Management.

3.2 The 2024-25 draft Annual Risk Based Plan of work has been formulated in compliance with the PSIAS and is attached at **Appendix B**.

3.3 The proposed Annual Plan is flexible to allow for changing circumstances and events that may occur, such as requests to respond to new issues that may emerge.

3.4 Internal Audit work will be undertaken using a hybrid approach of on-site visits and meetings as required for each audit, and also remotely using video conferencing (e.g. Microsoft Teams) and digital solutions as a basis for meetings and sharing documents and data, as required by each audit.

3.5 The proposed Annual Plan at **Appendix B** will offer sufficient coverage to be able to provide an opinion at the end of 2024-25.

3.6 The Governance and Audit Committee will receive updates on how the Plan is being delivered and any changes that may be required.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change Implications

6.1 There are no climate change implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

8.1 There are no financial implications as a result of the recommendations set out in the report.

9. Recommendation

9.1 The Committee is recommended to consider and approve the draft Internal Audit Strategy (**Appendix A**) and draft Annual Risk Based Audit Plan for 2024-25 (**Appendix B**).

Background documents

None



STRATEGY & ANNUAL RISK BASED INTERNAL AUDIT PLAN 2024-25

**REGIONAL INTERNAL AUDIT SERVICE /
GWASANAETH ARCHWILIO MEWNOL RHANBARTHOL**



1. Introduction

- 1.1 Internal Audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. This opinion forms part of the framework of assurances that the Council receives and should be used to help inform the Annual Governance Statement. The purpose of this document is to provide a detailed Internal Audit Risk Based Plan for 2024-25.
- 1.2 The audit plan ensures that the risks facing the Council are adequately addressed and internal audit resources are effectively utilised. The standards for “proper practice” in relation to internal audit are laid down in the Public Sector Internal Audit Standards (PSIAS).
- 1.3 The Internal Audit Service is delivered through the expanded shared service that came into existence on 1st April 2019. The service is hosted by the Vale of Glamorgan Council and originally provided internal audit services to the Vale, Bridgend, Merthyr Tydfil & Rhondda Cynon Taf Councils.
- 1.4 The initial partnership agreement was signed for three years and extended for two years. The arrangement is underpinned by a detailed legal agreement between the four Councils which sets out a range of obligations (the core service is the same for each Council but there are differences in what is provided outside of the core service). At the five-year anniversary, April 2024, the original partners needed to sign a new partnership agreement. Positive feedback was received in relation to audit service delivery from all four partner S151 Officers and senior management teams however, Rhondda Cynon Taf (RCT) have given notice that they do not wish to continue with the shared service partnership arrangement with effect from April 2024. Therefore a 3 Partner Model will be adopted during 2024-25.
- 1.5 The service reports to the three Governance & Audit Committees and is overseen at a strategic level by the Board which consists of the Chief Finance Officers of the three Councils.

2. Definition of Internal Audit

- 2.1 The Public Sector Internal Audit Standards (PSIAS) defines Internal Audit as follows:

“Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

3. Requirement for Internal Audit

- 3.1 Internal Audit is a mandatory statutory service. Part 3 of The Accounts and Audit (Wales) Regulations 2018 concerns financial management and internal control.

Regulation 5 (responsibility for internal control and financial management) of Part 3 directs that:

'The relevant body must ensure that there is a sound system of internal control which facilitates the effective exercise of that body's functions and which includes:

- (a) Arrangements for the management of risk, and*
- (b) Adequate and effective financial management.'*

3.2 Regulation 7 (Internal Audit) of Part 3 directs that:

'A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.'

3.3 PSIAS state:

"The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. The risk based plan must take into account the requirement to produce an annual internal audit opinion"

3.4 The overall opinion issued each year by the Head of Internal Audit on the adequacy and effectiveness of the control environment is used as a key source of assurance to support the Annual Governance Statement.

4. Section 151 Officer Responsibility

4.1 Internal Audit also has an important role to support the Council's Section 151 Officer in discharging their statutory responsibilities, which include: -

- S151 Local Government Act 1972 – to ensure the proper administration of financial affairs.
- S114 Local Government Act 1988 – to ensure the Council's expenditure is lawful.

5. Development of the Internal Audit Plan

5.1 The annual internal audit plan has been prepared after considering the risk registers and the views of Corporate Directors and Senior Management as to where audit resource and assurance is most needed. In line with the PSIAS, this plan should enable Internal Audit to maximise the value and assurance it provides to the Council, whilst ensuring it fulfils its statutory obligation to review and report on the Council's internal control environment, governance and risk management arrangements.

6. Risk Based Approach

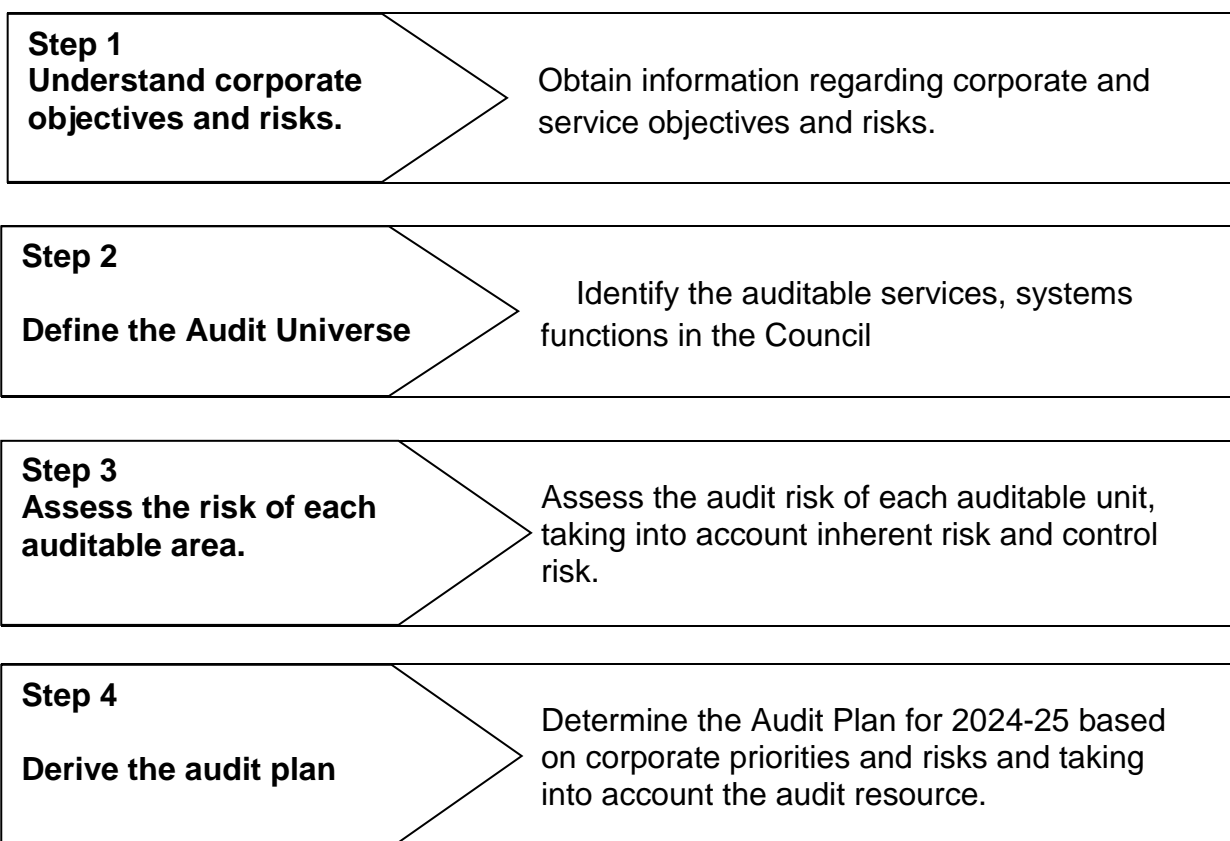
6.1 The internal audit function will be delivered in accordance with the Internal Audit Charter 2023-24, as agreed by the Governance & Audit Committee. The Charter defines the role, scope, independence, authority and responsibility of the internal

audit service and audits will be delivered in accordance with the Charter. The Internal Audit Charter will be updated for 2024-25 and taken to Governance and Audit Committee for endorsement.

- 6.2 Risk based work is critical to the Council, as it seeks to improve the risk awareness of staff and improve overall control. The internal audit work programme is designed to provide assurance that identified significant risks are being managed effectively. As part of this process Internal Audit will also examine the risk management and governance arrangements.
- 6.3 By adopting a risk based audit approach there is a clear linkage between the significant risks identified in the Council’s Corporate Risk Register and the work undertaken by Internal Audit in providing assurance against these. As a result, the starting point for the audit plan approach is an understanding of the Council’s objectives and risks.

7. Methodology

- 7.1 A summary of our approach to the development of the Audit Plan for 2024-25 is set out below. The Plan is driven by the Council’s organisational objectives and priorities as set out in the Corporate Plan and the risks that may prevent the Council from meeting these objectives.



Step 5
Include other mandatory
auditable areas.

Include within the Audit Plan those mandatory requirements additional to those identified through the risk assessment process.

8. The Risk Assessment Process

- 8.1 The information which has been used to prepare the risk assessment and proposed internal audit plan has been collected and collated from several different sources. The starting point for a risk-based audit approach is an understanding of the Council's priorities and risks. This has been achieved by reviewing the Corporate Plan, the Directorate's Service Plans, the Corporate Risk Register and meeting with Corporate Directors asking where they perceive to be the main risks within their individual areas and where they would require internal audit to provide assurance that such risks are being effectively mitigated and managed. This information is used to inform and design the audit plan.
- 8.2 The plan is based on an underlying risk assessment. The inherent risks existing within each area are then identified for audit as part of the audit planning process. The audits which make up the plan have been assessed on a priority basis. Internal Audit will endeavour to complete all reviews classified as "high" risk by the end of the year, "medium" risk reviews are the next level down, but still require a scheduled review. Although "low" risk reviews still carry a degree of risk, these have not been included on the plan but continue to be risk assessed annually to take account of any changes in their status. The priority and timing of audits may change during the year subject to discussions with senior management and resource availability.

9. The Annual Internal Audit Plan

- 9.1 In accordance with the PSIAS, the Head of Audit is responsible for developing a risk-based annual audit plan which considers the Council's risk management framework. Within the Standards there is also a requirement for the Head of Audit to review and adjust the plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, controls and resources. The Head of Audit must also ensure that Internal Audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.
- 9.2 An annual plan is derived following the audit risk assessment, whereby audits will be selected based on the greatest perceived risk. The Internal Audit Service will ensure that most effort is focused on high-risk areas while, at the same time, not ignoring the potential for problems that may materialise in other areas.
- 9.3 Whilst the Internal Audit Service will adopt a risk-based approach to determine relative risk, there will remain areas where a purely cyclical approach may still be required eg) programme of school audits, financial systems and grant verifications. Within a Council context it is also important to ensure audit coverage across the

service portfolio to provide assurances to senior management on the proper use of the public pound, minimising fraud and error.

- 9.4 Consideration is also given to planned external audit work to minimise duplication and to maximise audit coverage.
- 9.5 Attached at **Appendix B** is the detailed schedule of audits planned to be completed during 2024-25 for each of the Council's Directorates including Cross Cutting audits.
- 9.6 The Head of Internal Audit will monitor progress against the audit plan. Where there is a need for material changes to the plan; a revised plan will be re-submitted to the Governance & Audit Committee for endorsement. The Governance & Audit Committee will also be advised of performance against the audit plan and be kept informed of the results undertaken.
- 9.7 Systems & processes have been adjusted to cater for the new ways of working. Similarly, the Internal Audit team will continue to work remotely to a large extent, conducting audits and obtaining evidence digitally but will also include in person visits and meetings as required for each audit. Each audit will continue to consider the potential impact of remote working to ensure adequate controls and governance arrangements remained in place.

10. Resource Requirement

- 10.1 Resource requirements are reviewed each year as part of the audit planning process and are discussed and agreed with the Regional Internal Audit Service (RIAS) Board. RIAS has the appropriate level of resources to deliver the agreed number of audit days to the Council during 2024-25. If the situation arises where in-house resources are not able to deliver the agreed number of audit days, the Head of Internal Audit will look to alternative sources to enable completion of the plan.

11. Contingencies

- 11.1 The internal audit plan needs to be flexible enough to enable the RIAS to be able respond, as required, to situations arising during the period covered by the plan. A contingency reserve element has been built in to assist in dealing with any such matters arising.

12. Audit Approach

- 12.1 The primary purpose of an audit review is to provide an independent and objective opinion to the Council on the framework of internal control, risk management and governance in operation and to stimulate improvement.
- 12.2 The approach will be :

- Fieldwork will take place following agreement of the audit objectives with relevant evidence obtained.
- A draft report will be prepared and provided to Management for review and comment with an opportunity given for discussion or clarification.
- The final report will incorporate Management comments together with a Management Action Plan for the implementation of recommendations.
- The Governance and Audit Committee will be advised of the outcome of the audit and may receive a summary of the findings within the report.
- Any serious issues arising during the course of the audit review will be promptly reported to the Head of Internal Audit to determine the impact on the scope of the review. Serious issues will also be promptly brought to Management's attention to enable appropriate remedial action to be taken prior to being formally published in the audit report.
- The audit report will provide an overall assurance opinion, based on the auditor's professional judgement of the effectiveness of the framework of internal control, risk management and governance.

12.3 The audit assurance categories are :

AUDIT ASSURANCE CATEGORY CODE	
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

12.4 A Management Action Plan will form an integral part of the report and will be used to record:

- Those risks considered to be inadequately controlled;
- A prioritisation of audit recommendations and the actions management propose to bring the risks within acceptable parameters, the officer(s) responsible for those actions and the dates for completion.

12.5 Audit recommendations will be prioritised as follows :

RECOMMENDATION CATEGORISATION	
Risk may be viewed as the chance, or probability, of one or more of the organisation's objectives not being met. It refers both to unwanted outcomes which might arise, and to the potential failure to realise desired results. The criticality of each recommendation is as follows:	
High Priority	Action that is considered imperative to ensure that the organisation is not exposed to high risks.
Medium Priority	Action that is considered necessary to avoid exposure to significant risks.
Low Priority	Action that is considered desirable and should result in enhanced control.

12.6 The implementation of the agreed recommendations will be monitored. Management will be contacted and asked to provide feedback on the status of each agreed recommendation once the target date for implementation has been reached.

12.7 Any audits concluded with a *No Assurance* or *Limited Assurance* opinion will be subject to a follow up audit.

13. Follow Up Reviews

13.1 Where significant gaps in the control environment have been identified and where either *Limited* or *No Assurance* has been given; then these audits will be subject to a follow up. The timing of the follow up is very much dependent on available resources, but Internal Audit's aim will always be to complete the follow up within six months of completion of the finalised audit.

14. Reports to the Governance & Audit Committee

14.1 A status report on internal audit work will be present to the Governance & Audit Committee on a quarterly basis (approximately). The purpose of these reports is to provide an update on the progress made against the delivery of the Internal Audit Plan. The report will provide details of audits completed to date, the assurance opinions given and the number and type of recommendations made.

15. Annual Assurance Report

15.1 A formal annual report to the Governance & Audit Committee presenting the Head of Internal Audit's opinion on the overall adequacy and effectiveness of the framework of governance, risk management and internal control, will be published to enable it to be considered when preparing the Council's Annual Corporate Governance Statement. The format of the Head of Internal Audit's report will follow that set out in the Public Sector Internal Audit Standards (PSIAS) and will include:

- An opinion on the overall adequacy and effectiveness of the Council's framework of internal control, risk management and governance,
- Disclose any qualifications to that opinion, together with the reasons for qualification;
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
- Any issues considered by the Head of Audit to be particularly relevant to the Corporate Governance Statement;
- A comparison of work undertaken with that planned, with a summary of internal audit performance for the year; and comment on compliance with the Public Sector Internal Audit Standards and Internal Audit's Quality Assurance and Improvement Programme.

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Bridgend County Borough Council - Draft Internal Audit Plan 2024/25

	Directorate	Area	Audit Scope / Risk	Priority	
Page 121	1	Cross - Cutting	Limited Assurance Reports - Follow up	To ensure that improvements have been made to the control environment since the previous limited assurance review.	high
	2	Cross Cutting	Good Governance	To provide assurance that key Corporate Governance processes are in place within the Council and that these are operating effectively to enable the Council to be provided with sufficient information to enable them to discharge their responsibilities. Assist in the AGS	high
	3	Cross Cutting	Safeguarding	To review a sample of contracts to ensure that safeguarding has been adequately considered and included where appropriate eg) contracts within schools, cleaners in certain settings, agency staff etc	high
	4	Cross Cutting	Grant Certification Work	Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.	high
	5	Cross Cutting	Risk Management	Review a sample of corporate risks to identify if they are being appropriately managed and progress is being reported accurately.	high
	6	Cross Cutting	Consultants	To review the use of consultants across the Council including procurement, payments and ongoing arrangements including authority to extend contracts	high
	7	Cross Cutting	Agency Staff	To review the use of agency staff across the Council including procurement, payments and ongoing arrangements including authority to extend contracts	high
	8	Cross Cutting	Fees & Charges	To review the process Council wide to include bookings, payments in advance, use of online payment facilities and the ability to take payments electronically whether online or in person.	high
	9	Cross Cutting	Business Continuity Planning	To ensure the Council has a robust business continuity strategy for all business critical processes, that is regularly tested and reviewed and compliant to best practice and professional standards.	high
	10	Cross Cutting	Project Management	To undertake a review of the governance and decision making around Major Projects. Particular emphasis will be placed on compliance to the Council's Rules and Regulations and Project Management Methodology associated with high risk contracts.	high
	11	Chief Executives	Corporate Contracts	To undertake a review of the corporate contracts in place across the Council including the central recording and monitoring processes. This review will also aim to identify how awareness of corporate contracts is promoted, identify the number of non corporate contracts in place and establish whether these are appropriate (based on a selected sample)	high
	12	Chief Executives	Financial Systems	A rolling programme of audits is adopted, work programme for each year may differ. This approach enables us to deliver a more cost-effective service, whilst providing sufficient assurance as to the adequacy of the Council's material system control environment.	high
	13	Chief Executives	Budget Savings	To identify and review the systems in place to monitor the high level of savings identified	high
	14	Chief Executives	Financial Management Code	To provide assurance that the information presented is accurate	medium
	15	Chief Executives	Value Added Tax (VAT)	To provide assurance that VAT processes and procedures are in place to ensure that is correctly accounted for as per legislative requirements	high
	16	Chief Executives	Payment Card Industry Data Security Standard (PCI-DSS) Compliance	To review the procedures and processes in operation relating to PCI - DSS to determine if the control environment is compliant.	high
	17	Chief Executives	Corporate Complaints and Compliments	To provide assurance that the policy and procedures are being adhered to, performance is monitored and reported data is accurate	high
	18	Chief Executives	ICT Audit	In consultation with ICT, systems reviews will be undertaken across Directorates to ensure robust controls are evident and operating effectively in order to minimise the threat of cyber crime	high

	Directorate	Area	Audit Scope / Risk	Priority
19	Chief Executives	Residential & Non Residential Financial Assessments	To provide assurance that adequate controls are in place to manage the financial assessment process and reviews to ensure assessments are consistently applied in a timely manner, are accurate and comply to statute	high
20	Communities	Coychurch Crematorium	A compliance review to complete the Annual Accounting Statement 2023/24	high
21	Communities	Porthcawl Harbour	A compliance review to complete the Annual Accounting Statement 2023/24	high
22	Communities	Planning Appeals	Process of receiving and determining appeals	medium
23	Communities	Major Project Team	To review the process and procedures in place in respect of commercial and consultancy services	high
24	Communities	Contract Tender and Award	To provide assurance that the processes used to tender and award contracts comply with the Council's Contract Procedure Rules and any internal governance procedures	high
25	Communities	Shared Prosperity Funding	Review the process in place for receiving funding, funding and expenditure approval and the governance of decision making to provide assurance that the systems are robust and efficient.	high
26	Communities	Community Asset transfers	To provide assurance that controls in place in respect of the governance, risk and financial management of these transfers are effective	high
27	Communities	Highways Inspections	To provide assurance that the inspection regime and responses to service requests are robust and statutory objectives are fulfilled	medium
28	Education & Family Support	Schools	To undertake a number of school based reviews as well as cross cutting thematic reviews in accordance with the Internal Audit risk based assessment.	medium
29	Education & Family Support	School CRSA	To undertake the annual controlled risk self – assessment for schools. The aim of the process is to enable Head Teachers to review their internal controls and to ensure that they undertake and comply with the requirements of current legislation and the Financial Procedure Rules.	medium
30	Education & Family Support	Health & Safety Arrangements	To review the arrangements in place (corporate and schools) for undertaking health and safety visits and provide assurance that visits are undertaken on a timely basis, a central record is maintained and key risks are identified / information appropriately communicated	high
31	Education & Family Support	Bridge Alternative Provision	To undertake an establishment audit to provide assurance that the internal controls are effective.	medium
32	Social Services & Wellbeing	Quality Assurance	To provide assurance that the quality assurance process is embedded and effective throughout the Directorate	medium
33	Social Services & Wellbeing	Childrens' Respite Care	To review the controls in place in respect of financial management including payments and cash control	high
34	Social Services & Wellbeing	New Children's Home – Golygfa'r Dolydd	To undertake an establishment audit to provide assurance that the internal controls are effective.	high
35	Social Services & Wellbeing	Adoption Support & Foster Carer Payments	To provide assurance that payments are accurate, supported by adequate assessments, authorised appropriately, and comply with formal agreements and these are subject to regular review and re-assessment.	high
36	Social Services & Wellbeing	Flying Start	To provide assurance that the financial systems and controls are effective, efficient and comply to the Council's policies and procedures	high
37	Internal Audit	Compliance with PSIAS - Self Assessment	Review compliance with the Public Sector Internal Audit Standards.	high

	Directorate	Area	Audit Scope / Risk	Priority
38	Internal Audit	Governance & Audit Committee /Members and CMB Reporting	This allocation covers Member reporting procedures, mainly to the Governance & Audit Committee. Regular reporting to, and meeting with, the Section 151 Officer, Corporate Management Board and the RIAS Board.	n/a
39	Internal Audit	Meetings, Advice & Guidance	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority.	n/a
40	Internal Audit	Data Analytics	Data Analytics is proving to be a useful internal audit tool as councils become more reliant on electronic data, as data analytics enables a vast amount of data to be analysed when selecting testing samples	n/a
41	Internal Audit	Audit Wales Liaison	To maintain professional relationship in line with good practice and the PSIAS	n/a
42	Internal Audit	Recommendation Monitoring	Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations.	n/a
43	Internal Audit	Annual Opinion Report	To prepare and issue the Head of Audit's Annual Opinion Report 2023/24 and start preparation for 2024/25 report.	n/a
44	Internal Audit	Audit Planning	To prepare and monitor the annual risk based audit plan for 2024/25 and commence preparation for 2025/26 plan	n/a
45	Internal Audit	Quality Assurance & Improvement Programme	To review / ensure compliance with the Accounts and Audit (Wales) Regulations 2014 / Public Sector Internal Audit Standards (PSIAS).	n/a
46	Internal Audit	Closure of reports - 2023/24	To finalise all draft reports outstanding at the end of 2023-24.	n/a
47	Internal Audit	Emerging Risks / Unplanned	To enable Audit Services to respond to provide assurance activity as required.	n/a
48	Cross - Cutting	Fraud / Error / Irregularity	National Fraud Initiative - Collection of data and analysis of matches for the NFI exercise, acting as first point of contact and providing advice and guidance to key contact officers.	n/a
49	Cross - Cutting	Fraud / Error / Irregularity	Irregularity Investigations - Reactive work where suspected irregularity has been detected.	n/a
50	Cross - Cutting	Fraud / Error / Irregularity	Anti-Fraud & Corruption – Proactive - Proactive counter-fraud work that includes targeted testing of processes with inherent risk of fraud.	n/a
	RIAS		non professional training, management & supervision etc	n/a

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Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	6 JUNE 2024
Report Title:	REGIONAL INTERNAL AUDIT SERVICE CHARTER 2024-25
Report Owner / Corporate Director:	HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE
Responsible Officer:	ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE
Policy Framework and Procedure Rules:	The proposals in this report are in accordance with the policy framework and budget.
Executive Summary:	<ul style="list-style-type: none"> • The Regional Internal Audit Service (RIAS) Charter establishes the position of internal audit activity within each Council along with reporting lines. It is a formal document that defines the purpose, authority and responsibility of internal audit activities. • The Head of Internal Audit is responsible for reviewing the Charter and presenting it to each Council’s Governance and Audit Committee annually for review and approval in line with the Public Sector Internal Audit Standards. • One of the key roles which demonstrate the Governance and Audit Committee’s oversight is the approval of the Internal Audit Charter. • The Regional Internal Audit Service (RIAS) Charter has been reviewed for 2024-25 to ensure it continues to reflect the requirements of the Public Sector Internal Audit Standards (PSIAS) and that it remains applicable to all partners involved in the RIAS.

1. Purpose of Report

1.1 The purpose of this report is to present to members of the Governance and Audit Committee the Regional Internal Audit Service Charter for 2024-25 for approval.

2. Background

2.1 The Regional Internal Audit Service (RIAS) Charter establishes the position of internal audit activity within each Council along with reporting lines. It is a formal document

that defines the purpose, authority and responsibility of internal audit activities across Bridgend, Merthyr Tydfil and the Vale of Glamorgan Councils.

- 2.2 The Charter was fully reviewed and amended for 2020-21 to be consistent with the objectives of the Shared Service, that is, to eliminate duplication and apply best practice.
- 2.3 The Charter also sets out the authorisation of access to records, personnel, and physical property relevant to the performance of audit work and defines the scope of internal audit activities.
- 2.4 The Head of Internal Audit is responsible for reviewing the Charter and presenting it to each Council's Governance and Audit Committee annually for review and approval in line with the Public Sector Internal Audit Standards.
- 2.5 The Public Sector Internal Audit Standards (PSIAS) are applicable to all areas of the United Kingdom public sector and are based on the Chartered Institute of Internal Auditor's (CIIA's) International Professional Practices Framework.
- 2.6 The RIAS is committed to meeting the standards laid down in the Public Sector Internal Audit Standards Framework and any significant deviations from the Standards will be reported to the Governance and Audit Committee.
- 2.7 The Charter is split into the following sections:
 - Purpose, Authority and Responsibility;
 - Independence and Objectivity;
 - Proficiency and Due Professional Care;
 - Quality Assurance and Improvement Programme.
- 2.8 The Charter also has three annexes containing a Glossary of Terms, the Code of Ethics and Additional Requirements which outlines that staff must also comply with the Seven Principles of Public Life as well as the Vale of Glamorgan Council's Code of Corporate Governance.
- 2.9 The roles of the Governance and Audit Committee in relation to internal audit are to:
 - Oversee its independence, objectivity, performance and professionalism;
 - Support the effectiveness of the internal audit process;
 - Promote the effective use of internal audit within the assurance framework.
- 2.10 One of the key roles which demonstrate the Governance and Audit Committee's oversight is the approval of the Internal Audit Charter.

3. Current situation / proposal

- 3.1 The Public Sector Internal Audit Standards requires the Head of Internal Audit to review the Charter periodically, but final approval resides with the Governance and Audit Committee.
- 3.2 The Regional Internal Audit Service Charter for 2024-25 is attached at **Appendix A** and has been reviewed to ensure it continues to reflect the requirements of the PSIAS and that it remains applicable to all partners involved in the RIAS.

- 3.3 The Charter has been updated to reflect that the RIAS is now a 3 partner operating model. Reference to the Global Internal Audit Standards is included in paragraph 2.14, and a reference to the Anti-Fraud, Bribery and Corruption Policy is made following a recommendation made during the External Assessment of RIAS.
- 3.4 Paragraph 4.11 of the Charter relating to External Assessment has also been updated to reflect that this was successfully completed and reported to all partners' Governance and Audit Committees during 2023.
- 4. Equality implications (including Socio-economic Duty and Welsh Language)**
- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.
- 5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**
- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report
- 6. Climate Change Implications**
- 6.1 There are no climate change implications arising from this report.
- 7. Safeguarding and Corporate Parent Implications**
- 7.1 There are no safeguarding or corporate parent implications arising from this report.
- 8. Financial Implications**
- 8.1 There are no direct financial implications arising from this report however an effective Internal Audit Service is a key contributor in ensuring that the Council's assets and interests are properly accounted for and safeguarded.
- 9. Recommendation**
- 9.1 Members of the Governance and Audit Committee are requested to consider and approve the Regional Internal Audit Service Charter for 2024-25 as attached in **Appendix A** to this report.

Background documents

None

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Internal Audit Charter 2024-25

Bridgend County Borough Council



Merthyr Tydfil County Borough Council



Vale of Glamorgan Council



REGIONAL INTERNAL AUDIT SERVICE /
GWASANAETH ARCHWILIO MEWNOL RHANBARTHOL



March 2023
Updated June 2023
Updated May 2024

Review and Approval of the Internal Audit Charter

This Internal Audit Charter defines the purpose, authority and responsibility of the Internal Audit Service.

The Internal Audit Charter is defined within the Public Sector Internal Audit Standards as follows:

The Internal Audit Charter is a formal document that defines the purpose, authority and responsibility of Internal Audit activities. The Internal Audit Charter establishes Internal Audit's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit activities.

A professional, independent and objective Internal Audit Service is one of the key elements of good governance, as recognised throughout the UK Public Sector.

The purpose of this Regional Internal Audit Service Charter is to define the purpose, authority and responsibilities of the Regional Internal Audit Service (RIAS) across Bridgend, Merthyr Tydfil and the Vale of Glamorgan Councils.

The Charter establishes the position of internal audit activity within each Council along with reporting lines, authorising access to records, personnel and physical property relevant to the performance of audit work and defines the scope of internal audit activities.

The Head of Internal Audit is responsible for reviewing the charter and presenting it to each Council's Governance & Audit Committee annually for review and approval.

The Public Sector Internal Audit Standards sets out the Mission of Internal Audit (what internal audit aspires to accomplish within an organisation) and the definition of Internal Auditing.

Mission of Internal Audit

To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

Definition of Internal Auditing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

- A. In each of the partner Councils, the role of the Board, as defined within the Public Sector Internal Audit Standards, will be the responsibility of each Council's Governance & Audit Committee and any reference made throughout this document relating to the Governance & Audit Committee assumes the responsibilities of the Board as defined and referred to within the Standards.
- B. The Public Sector Internal Audit Standards require that the Internal Audit Charter defines the terms Board, Chief Audit Executive and Senior Management in relation to the work of internal audit. For the purposes of internal audit work the roles are defined as follows:
- Board – The internal audit activity is established and defined by the Board, (hereafter referred to as the Governance & Audit Committee) which has responsibility for overseeing the work of Internal Audit.
 - Chief Audit Executive – The role of the Chief Audit Executive is undertaken by the Head of the Regional Internal Audit Service.
 - Senior Management – Senior Management is defined as those officers designated as Chief Officers as set out in each Council's Constitution.
- C. The Public Sector Internal Audit Standards became effective from the 1st of April 2013 and were updated in March 2017. The Public Sector Internal Audit Standards replaced the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006. Conformance with the Standards, the Definition of Internal Auditing and Code of Ethics is mandatory.

The RIAS is committed to meeting the standards laid down in the Public Sector Internal Audit Standards Framework and any significant deviations from the Standards will be reported to the Governance & Audit Committee.

D. The Charter is split into the following sections;

1. Purpose, Authority and Responsibility;
2. Independence and objectivity;
3. Proficiency and due professional care;
4. Quality assurance and improvement programme.

1. Purpose, Authority and Responsibility (Standard 1000)

- 1.1 Internal Audit is an assurance function that primarily provides an independent and objective opinion to management and Members (including lay members) on the control environment comprising risk management, internal control and governance by evaluating its effectiveness in achieving the Council's objectives.
- 1.2 It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 1.3 It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance issues.
- 1.4 In addition, the other objectives of the function are to:
 - Support the Chief Finance Officer in each Council to discharge their Section 151 duties;
 - Contribute to and support the organisation with the objective of ensuring the provision of, and promoting the need for, sound financial systems;
 - Investigate allegations of fraud or irregularity to help safeguard public funds in consultation with relevant Council Services;
 - Support the work of the relevant Governance & Audit Committees; and
 - Provide an annual audit opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
- 1.5 These objectives will be delivered through maintaining a high quality RIAS function that meets the needs of each Council, supporting the relevant Section 151 Officers and the Governance & Audit Committees in discharging their responsibilities and meeting the requirements of the Public Sector Internal Audit Standards.
- 1.6 Internal Audit is a statutory service. Part 3 of The Accounts and Audit (Wales) Regulations 2018 concerns financial management and internal control. Regulation 5 (responsibility for internal control and financial management) of Part 3 directs that:

'The relevant body must ensure that there is a sound system of internal control which facilitates the effective exercise of that body's functions and which includes:

*Arrangements for the management of risk, and (b)
Adequate and effective financial management.'*

1.7 Regulation 7 (Internal Audit) of Part 3 directs that:

'A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.'

1.8 The work of Internal Audit forms part of the assurance framework, however, the existence of Internal Audit does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner.

1.9 Section 151 of the Local Government Finance Act 1972 requires every local authority to designate an officer to be responsible for the proper administration of its financial affairs. In each Council it is the Chief Finance Officer/Head of Finance/Director of Finance or equivalent.

Scope

1.10 The scope for Internal Audit work includes the control environment comprising risk management, control and governance.

1.11 This effectively means that Internal Audit has the remit to independently review all the Council's operations, resources, services and processes in place to:

- Establish and monitor the achievement of Council objectives;
- Identify, assess and manage the risks to achieving the Council's objectives;
- Facilitate policy and decision making;
- Ensure the economical, effective and efficient use of resources;
- Ensure compliance with established policies, procedures, laws and regulations;
- Safeguard assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption; and
- Ensure the integrity and reliability of information, accounts and data, including internal and external reporting.

1.12 All the Council's activities, funded from whatever source, and indeed the entire control environment fall within the remit of Internal Audit.

1.13 Internal Audit will consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to

confirm that management have taken all necessary steps to achieve these objectives.

1.14 The scope of Internal Audit work should cover all operational and management controls and should not be restricted to the audit of systems and controls necessary to form an opinion on the financial statements. This does not imply that all systems will necessarily be reviewed, but that all will be included in the audit needs assessment and hence considered for review following the assessment of risk. The Internal Audit activity is free from interference in determining the scope of internal auditing, performing work and communicating results.

1.15 It is not the remit of Internal Audit to challenge the appropriateness of Policy decisions. However, Internal Audit is required to examine the management arrangements of the Council by which such decisions are made, monitored and reviewed.

1.16 The Public Sector Internal Audit Standards provide the following definitions for assurance and consultancy work:

- Assurance Services

An objective examination of evidence for the purpose of providing an independent assessment on **governance, risk management and internal control** for the organisation. Examples may include financial, performance, compliance, system security and due diligence engagements. **This work will usually result in an opinion** being provided. (These Services may also be provided to other parties and organisations).

- Consulting Services

Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's **governance, risk management and internal control** without the Internal Auditor assuming management responsibility. Examples include counsel, advice, facilitation and training. The nature of Consulting Services provided includes acting as a 'critical friend' on Project Boards. This work **will not normally result in an opinion** being provided. (These Services may also be provided to other parties and organisations).

1.17 The core aim of the work undertaken is to establish a risk based annual Internal Audit Plan that is balanced and covers the control environment of the Council as far as is practicable. In order to undertake a balanced workload, Internal Audit plans to complete a mix of assurance and consultancy work, the outcomes

of which contribute to the Internal Audit Annual Report where it concludes with an opinion on the Council's overall risk, governance and control environment. The Head of Internal Audit should share information, coordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts.

Rights of Access

- 1.18 Internal Audit has right of access to all of the Council's records, information and assets that it considers necessary to fulfil its responsibilities, including those of partner organisations. Internal Audit staff shall have unrestricted access to all Council activities and records (whether manual or computerised systems), personnel, cash, stores, other assets and premises, including those of partner organisations and have authority to obtain such information and explanations as considered necessary to fulfil Internal Audit's responsibilities.
- 1.19 All staff are required to give complete co-operation to Internal Audit staff to enable the undertaking of an audit.
- 1.20 All partners/agents contracted to provide services on the Council's behalf are also required to co-operate with Internal Audit staff and make available all necessary information. Rights of access to other bodies funded by the Council should be set out in conditions of funding or contract documents.

Anti-Fraud

- 1.21 Internal Audit are responsible for evaluating the potential for the occurrence of fraud and how the organisation manages fraud risk. The Corporate Fraud Officer works with the Internal Audit team. The team will work in line with, and positively promote the Council's Anti-Fraud, Bribery and Corruption Policy.

2. Independence and Objectivity (Standard 1100)

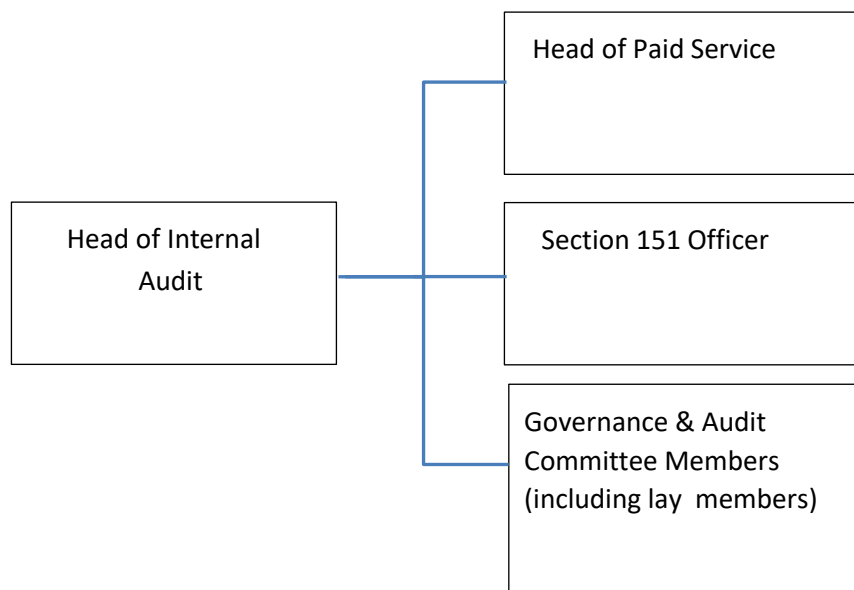
- 2.1 The main determinant of the effectiveness of Internal Audit is that it is seen to be independent and that Internal Auditors must be objective in performing their work. To ensure this, Internal Audit operates within a framework that allows:

- The Head of Internal Audit has direct access to the Chief Executive, the Section 151 Officer and Monitoring Officer;
- Unrestricted access to Directors, Heads of Service, Managers and Staff;
- Unrestricted access to Members (including the Leader, Cabinet Members and Governance & Audit Committee (including lay members));
- Unrestricted access to Audit Wales (i.e. the Council's External Auditor);
- Reporting in its own name; and

- Internal Audit is free from interference when determining the scope of audit reviews, performing the work and communicating the results.

2.2 This is achieved through a reporting relationship in each Council as shown in Figure 1 below:

Figure 1 – Internal Audit reporting arrangements



Section 151 Officer

2.3 The Section 151 Officer has overall responsibility for the proper administration of the Council’s financial affairs. Internal Audit assists the Officer by providing an opinion on the overall control environment and by regular assurance testing of the key financial systems.

Governance & Audit Committee

2.4 The Council operates a Governance & Audit Committee that meets on a cyclical basis. It monitors the performance of Internal Audit in relation to productivity, efficiency and quality. It receives regular reports from Internal Audit including progress in delivering the Annual Audit Plan and is attended by the Head of Internal Audit¹ as well as Officers from the Council.

2.5 In addition, the Governance & Audit Committee receives the Internal Audit Annual Report that provides a summary of all assurance and consultancy work

¹ Head of Internal Audit – denotes the Head of the Regional Internal Audit Service

undertaken and concludes by giving an opinion on the overall control environment within the Council. If a qualified or unfavourable annual internal audit opinion is issued, the reasons to support this will be stated within the Internal Audit Annual Report.

- 2.6 The Head of Internal Audit has unrestricted access to the Chair of Governance & Audit Committee.

Senior Management

- 2.7 Each Council is divided into various Services, and it is the role of the Chief Executive and each Director, Head of Service or equivalent to ensure delivery and operation of the service areas falling within their remit.

Relationships with key stakeholders and Service Managers

- 2.8 The Internal Audit Service develops constructive working relationships with Managers at all levels within the Council in terms of:

- Planning work;
- Carrying out audit assignments; and
- Agreeing action plans arising from the work undertaken.

- 2.9 Whilst maintaining its independence, the Internal Audit Service recognises that it must work with Managers to agree improvements that are deemed necessary.

External Auditors

- 2.10 The aim of the relationship between internal and external auditors is to achieve mutual recognition and respect, leading to a joint improvement in performance and to avoid, wherever possible, duplication of work.
- 2.11 The Head of Internal Audit liaises regularly with Audit Wales to consult on audit plans, discuss matters of mutual interest and to seek opportunities for co-operation in the conduct of audit work.

Elected Members and Lay Members

- 2.12 The Head of Internal Audit will aim to have sound working relationships and channels of communication with Elected Members and Lay Members and in particular, Governance & Audit Committee, Cabinet and Scrutiny Committees.

Internal Audit Standards

- 2.13 There is a statutory requirement for Internal Audit to work in accordance with the “proper audit practices”. These are set out in the Public Sector Internal Audit Standards (PSIAS) which the Chartered Institute of Public Finance and Accountancy (CIPFA) developed in collaboration with the Chartered Institute of

Internal Auditors (CIIA) and which came into force on the 1st April 2013 and updated in March 2017.

- 2.14 Revised and updated Global Internal Audit Standards were issued in January 2024 which will become effective from January 2025. They will then replace the International Professional Practice Framework, the mandatory elements of which are the basis for the current UK public sector internal auditing standards (the PSIAS). The UK Public Sector Internal Auditing Standards Advisory Board (IASAB) have been asked to carry out a review of the new standards with a view to identifying and producing any sector specific interpretations or other material needed to make them suitable for UK public sector use. The effective date for any new material developed by the IASAB will be 1 April 2025.
- 2.15 Internal Audit Staff will;
- Comply with relevant auditing standards;
 - Comply and promote compliance throughout the Council with all Council rules and policies;
 - Be expected at all times to adopt a professional, reliable, independent and innovative approach to their work; and
 - It is essential that Internal Audit staff are seen to be impartial. All Internal Audit staff are required to complete an annual declaration of their interests and must be kept up to date. This is reviewed as part of the annual appraisal and is in line with professional ethics. The Head of Internal Audit is responsible for ensuring that audit staff are not assigned to operational areas or investigations that could compromise their independence (including previous and / or secondary employment elsewhere in the relevant Council or organisation being audited).
- 2.16 The RIAS has adopted the CIIA's Code of Ethics. Where members of the RIAS have attained membership with other professional bodies such as: CIPFA or the Institute of Chartered Accountants in England and Wales (ICAEW), those officers must also comply with their relevant bodies' ethical requirements.
- 2.17 Each member of the Team will receive a copy of the Code of Ethics (included at Annex 2) and sign up to an annual declaration to confirm that they will work in compliance with the Code of Ethics as well as Councils standards and policies such as the Codes of Conduct. Where potential areas of conflict may arise during the year, the auditor will also be required to disclose this. It is critical that all Auditors maintain high standards of integrity, independence, objectivity, confidentiality and competence.
- 2.18 In addition to the Code of Ethics staff must comply with the Seven Principles of Public Life and the Vale of Glamorgan Council's Code of Corporate Governance which are referred to in Annex 3 – Additional Requirements.

Shared Service

- 2.19 Internal Audit is delivered through a shared regional service between Bridgend, Merthyr Tydfil and the Vale of Glamorgan Councils. The host authority for the delivery of the RIAS is the Vale of Glamorgan Council. The governance of the provision of the shared regional service is carried out by the Regional Board. This is made up of the Chief Financial Officers of each Authority or their nominated substitutes who shall be responsible for the strategic direction of the Service.
- 2.20 The activities of the Regional Board shall include but not be limited to:
- determining the strategic direction of the RIAS;
 - monitoring and reviewing standards;
 - determining the Authority Charging Rate on the basis of reasonable information provided by the Head of Internal Audit;
 - providing general supervision of the provision of the Service; and,
 - Resolving conflicts between competing interests amongst the authorities collectively and individually relating to RIAS, the Regional Board and / or the Service.
- 2.21 The Governance & Audit Committee for each Council reviews the performance and effectiveness of audit activity, including that of the RIAS.

3. Proficiency and Due Professional Care (standard 1200)

- 3.1 Directors, Heads of Service and Service Managers are responsible for ensuring that internal control arrangements are sufficient to address the risks facing their Service including the risk of fraud and corruption.
- 3.2 The Head of Internal Audit is required to manage the provision of a RIAS to each Council which will include reviewing the systems of internal control operating throughout each Council, and will adopt a combination of system based, risk based, regularity, computer and contract audit approaches in addition to the investigation of fraud.
- 3.3 In discharge of this duty, the Head of Internal Audit will:
- Prepare an annual strategic risk based audit plan for approval and ratification by the relevant Governance & Audit Committee; and
 - The Annual Audit Plan will be regarded as flexible and may be revised to reflect changing services and risk assessments; elements of the annual plan are also based on items within Corporate or Strategic Risk Registers.

Resources and Proficiency

- 3.4 For the RIAS to fulfil its responsibilities, the service must be appropriately staffed in terms of numbers, professional qualifications, skills and experience. Resources must be effectively developed and deployed to achieve the approved risk-based plan. The Head of Internal Audit is responsible for ensuring that there is access to the full range of knowledge, skills, qualifications and experience to deliver the audit plan and meet the requirements of the PSIAS.
- 3.5 The Head of Internal Audit must hold a full professional qualification, defined as CCAB, CMIIA or equivalent professional membership and adhere to professional values and the Code of Ethics. They must have sufficient skill, experience and competencies to work with Directors, Heads of Service, and other Managers and the Governance & Audit Committee to influence the risk management, governance and internal control of the Councils.
- 3.6 The current Head of RIAS is CIPFA qualified and has significant public sector experience within internal audit. Before starting with RIAS in April 2023, he had been a Chief Internal Auditor since May 2001, providing the service successfully across two unitary authorities on a collaboration basis since October 2005.
- 3.7 Each job role within the RIAS structure details the prerequisite skills and competencies required for that role and these will be assessed annually in line with Council policy and the PSIAS. Any development and training plans will be regularly reviewed, monitored and agreed with officers.
- 3.8 All Auditors are also required to maintain a record of their continual professional development in line with their professional body.

Due Professional Care

- 3.9 Internal Auditors must exercise due professional care by considering the:
- Extent of work needed to achieve the assignment objectives;
 - Relative complexity, materiality or significance of matters to which assurance procedures are applied;
 - Adequacy and effectiveness of governance, risk management and control processes;
 - Probability of significant error, fraud, or non-compliance;
 - Cost of assurance in relation to potential benefits; and
 - Considering various data analysis techniques and being alert to significant risks that may affect the objectives.

Relationships

- 3.10 All stakeholders will be treated with respect, courtesy, politeness and professionalism. Any confidential or sensitive issues raised with or reported to Internal Audit staff will be dealt with in an appropriate manner.

Internal – Our main contacts are with:

- Elected Members and Lay Members
- Chief Officers (as defined in the Council's Constitution)
- Corporate Directors and Section 151 Officers
- Heads of Service and Headteachers
- Group Managers / Operational Managers and line supervisors
- Front line employees delivering services to the public
- Back office support staff, in particular Financial Services, Legal Services, ICT and HR.

External – Our main contacts are with:

- The Council's External Auditors - Internal and External Audit work together to ensure audit resources are used to best advantage for the benefit of the Council. The External Auditors have regard to the work performed by Internal Audit when undertaking their final accounts audit.
- Various Government Agencies and Inspectorates.

4. Quality Assurance and Improvement Programme (Standard 1300)

- 4.1 To enable the Head of Internal Audit to assess the RIAS's activities with conformance to the PSIAS and to aid in the annual assessment of the RIAS's efficiency and effectiveness and identify opportunities for improvement, a Quality Improvement and Management Programme (QIMP) has been developed.
- 4.2 The QIMP includes both internal and external assessments in accordance with the Standards.
- 4.3 Assessment against QIMP forms part of the annual assessment of the effectiveness of internal audit (as contained within the Head of Internal Audit's Annual Opinion Report) which is presented to the relevant Governance & Audit Committee.
- 4.4 Where there are instances of non-conformance to the PSIAS this will be reported to the Governance & Audit Committee and the Regional Board with any significant deviations being detailed within the Annual Governance Statement.

Internal Assessment

- 4.5 All Auditors have access to up to date business processes, working instructions, the Internal Audit Charter, Council policies, the PSIAS, journals, publications and other relevant articles and electronic training material and websites. Where staff are members of bodies such as CIPFA and/or CIIA further guidance is available.
- 4.6 To maintain quality, work is allocated to staff with appropriate skills, competence and experience. All levels of staff are supervised. Work is monitored for progress, assessed for quality and to allow for coaching and mentoring.
- 4.7 Targets are set for individual auditors (such as completion of an audit within a set number of days) as well as for the team. Audit targets and performance indicators will be agreed with the Regional Board and reported to the relevant Governance & Audit Committee.
- 4.8 In addition to the QIMP, progress made against the annual audit plan and any emerging issues (i.e. fraud risks or governance issues) are reported regularly to the relevant Governance & Audit Committee.
- 4.9 Ongoing assessment of individuals is carried out through regular on-going reviews, one to one meetings, feedback from clients via the Client Satisfaction Surveys and formally in the annual personal development review process.

External Assessment

- 4.10 In compliance with the PSIAS, external assessment will be carried out once every five years by a qualified, independent assessor or assessment team from outside of the RIAS Councils.
- 4.11 A comprehensive and detailed self-assessment was carried out in 2022 and shared with the external assessors in November 2022. The external assessment of the RIAS was reported to the partners' Governance and Audit Committees during 2023, stating that RIAS currently fully conforms.

Annex 1 - Glossary of Terms

Charter

The internal audit charter is a formal document that defines the internal audit activity's purpose, authority and responsibility. The internal audit charter establishes the internal audit activity's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

Chief Audit Executive

Chief audit executive describes the role of a person in a senior position responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the mandatory elements of the International Professional Practices Framework. The chief audit executive or others reporting to the chief audit executive will have appropriate professional certifications and qualifications. The specific job title and/or responsibilities of the chief audit executive may vary across organisations. In the context of the RIAS this is the Head of Internal Audit.

Code of Ethics

The Code of Ethics of the Chartered Institute of Internal Auditors (CIIA) are Principles relevant to the profession and practice of internal auditing and Rules of Conduct that describe behaviour expected of internal auditors. The Code of Ethics applies to both parties and entities that provide internal audit services.

The purpose of the Code of Ethics is to promote an ethical culture in the global profession of internal auditing.

Compliance

Adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements.

Conflict of Interest

Any relationship that is, or appears to be, not in the best interest of the organisation. A conflict of interest would prejudice an individual's ability to perform his or her duties and responsibilities objectively.

Control

Any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Control Environment

The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements:

- Integrity and ethical values;

- Management's philosophy and operating style;
- Organisational structure;
- Assignment of authority and responsibility;
- Human resource policies and practices; and
- Competence of personnel.

Fraud

Any illegal act characterised by deceit, concealment or violation of trust. These acts are not dependent upon the threat of violence or physical force. Frauds are perpetrated by parties and organisations to obtain money, property or services; to avoid payment or loss of services; or to secure personal or business advantage.

Governance

The combination of processes and structures implemented by the board to inform, direct, manage and monitor the activities of the organisation toward the achievement of its objectives.

Public sector definition: Governance Statement

The mechanism by which an organisation publicly reports on its governance arrangements each year.

Independence

The freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner.

Internal Auditing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Overall Opinion

The rating, conclusion and/or other description of results provided by the chief audit executive addressing, at a broad level, governance, risk management and/or control processes of the organisation. An overall opinion is the professional judgement of the chief audit executive based on the results of a number of individual engagements and other activities for a specific time interval.

Risk

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Risk Appetite

The level of risk that an organisation is willing to accept.

Risk Management

A process to identify, assess, manage and control potential events or situations to provide reasonable assurance regarding the achievement of the organisation's objectives.

Annex 2 - Code of Ethics

Public sector requirement

Internal Auditors in UK public sector organisations (as set out in the Applicability Section) must conform to the Code of Ethics as set out below. If individual Internal Auditors have membership of another professional body then he or she must also comply with the relevant requirements of that body. The Code of Ethics promote an ethical and professional culture. It does not supersede or replace Internal Auditors' own professional bodies Code of Ethics or those of employing organisations.

The purpose of The Institute of Internal Auditor's Code of Ethics is to promote an ethical culture in the profession of Internal Auditing. A Code of Ethics is necessary and appropriate for the profession of Internal Auditing, founded as it is on the trust placed in its objective assurance about risk management, control and governance.

The Institute's Code of Ethics extends beyond the definition of Internal Auditing to include two essential components:

Components

1. Principles that are relevant to the profession and practice of Internal Auditing; and
2. Rules of Conduct that describe behaviour norms expected of Internal Auditors.

These rules are an aid to interpreting the Principles into practical applications and are intended to guide the ethical conduct of Internal Auditors.

The Code of Ethics provides guidance to Internal Auditors serving others. 'Internal Auditors' refers to Institute members and those who provide Internal Auditing services within the definition of Internal Auditing.

Applicability and Enforcement

This Code of Ethics applies to both individuals and entities that provide Internal Auditing services. For Institute members, breaches of the Code of Ethics will be evaluated and administered according to The Institute's Disciplinary Procedures. The fact that a particular conduct is not mentioned in the Rules of Conduct does not prevent it from being unacceptable or discreditable and therefore, the member liable to disciplinary action.

Public sector interpretation

The 'Institute' here refers to the Institute of Internal Auditors. Disciplinary procedures of other professional bodies and employing organisations may apply to breaches of this Code of Ethics.

1. Integrity

Principle

The integrity of Internal Auditors establishes trust and thus provides the basis for reliance on their judgement.

Rules of Conduct

Internal Auditors:

- 1.1 Shall perform their work with honesty, diligence and responsibility.
- 1.2 Shall observe the law and make disclosures expected by the law and the profession.
- 1.3 Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of Internal Auditing or to the organisation.
- 1.4 Shall respect and contribute to the legitimate and ethical objectives of the organisation.

2. Objectivity

Principle

Internal Auditors exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined.

Internal Auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements.

Rules of Conduct

Internal Auditors:

- 2.1 Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organisation.
- 2.2 Shall not accept anything that may impair or be presumed to impair their professional judgement.
- 2.3 Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3. Confidentiality

Principle

Internal Auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

Rules of Conduct

Internal Auditors:

- 3.1 Shall be prudent in the use and protection of information acquired in the course of their duties.
- 3.2 Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation.

4. Competency

Principle

Internal Auditors apply the knowledge, skills and experience needed in the performance of Internal Auditing services.

Rules of Conduct

Internal Auditors:

- 4.1 Shall engage only in those services for which they have the necessary knowledge, skills and experience.
- 4.2 Shall perform Internal Auditing services in accordance with the International Standards for the Professional Practice of Internal Auditing.
- 4.3 Shall continually improve their proficiency, effectiveness and quality of their services.

Annex 3 – Additional Requirements – Nolan Principles

In addition to the Code of Ethics, staff must comply with the Seven Principles of Public Life and the Vale of Glamorgan Council's Code of Corporate Governance.

The Seven Principles of Public Life (also known as the Nolan Principles) apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also apply to all those in other sectors delivering public services.

1.1 Selflessness

Holders of public office should act solely in terms of the public interest.

1.2 Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

1.3 Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

1.4 Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

1.5 Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

1.6 Honesty

Holders of public office should be truthful.

1.7 Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

More information is available via this link:

[www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2;](http://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2)

Vale of Glamorgan Council - Code of Corporate Governance

Staff also need to be aware of and comply with the Council's Code of Corporate Governance which is part of the Constitution. Below is a link to the document:

[https://www.valeofglamorgan.gov.uk/Documents/ Committee%20Reports/Committee %20Information/Constitution/November-2022/22-11-10-Section-23.pdf;](https://www.valeofglamorgan.gov.uk/Documents/Committee%20Reports/Committee%20Information/Constitution/November-2022/22-11-10-Section-23.pdf)

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	6 JUNE 2024
Report Title:	FORWARD WORK PROGRAMME 2024-25
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, HOUSING AND CHANGE
Responsible Officer:	DEBORAH EXTON DEPUTY HEAD OF FINANCE
Policy Framework and Procedure Rules:	There is no impact on the policy framework and procedure rules.
Executive Summary:	<ul style="list-style-type: none"> • The Governance and Audit Committee has a number of core functions and responsibilities within its remit. • It receives a number of reports and presentations throughout the year to enable it to carry out those core functions and responsibilities effectively and to provide it with confidence in the financial governance of the Authority. • To enable the Committee to provide this assurance and to ensure it is covering its range of responsibilities, a Forward Work Programme (FWP) is presented at each meeting, setting out the reports to be presented at future meetings, for approval or amendment, as necessary. • The updated Forward Work Programme (FWP) for 2024-25 is at Appendix A. • Committee is requested to approve the updated FWP or request changes for future meetings.

1. Purpose of Report

1.1 The purpose of this report is to seek approval for the updated Forward Work Programme for 2024-25.

2. Background

2.1 The core functions of an effective Governance and Audit Committee include the responsibility to:

- review, scrutinise and issue reports and recommendations in relation to the Authority’s financial affairs.
- consider the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting, governance processes, performance assessment and complaints arrangements.
- seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.
- consider the effectiveness of the Council’s anti-fraud and corruption arrangements.
- be satisfied that the Council’s assurance statements properly reflect the risk environment and any actions required to improve it.
- oversee the work of internal audit (including the annual plan and strategy) and monitor performance.
- review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- receive the annual report of the Head of Internal Audit.
- consider the reports of external audit and inspection agencies, where applicable.
- ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- review and approve the financial statements, external auditor’s opinion and reports to Members, and monitor management action in response to the issues raised by external audit.
- review and make any recommendations for change to the Council’s draft self-assessment report.
- consider panel performance assessment reports into how the Council is meeting its performance requirements.

2.2 Effective Governance and Audit Committees help to raise the profile of governance, internal control, risk management and financial reporting issues within an organisation, as well as providing a forum for the discussion of issues raised by internal and external auditors. They enhance public trust and confidence in the financial governance of an authority.

3. Current situation / proposal

3.1 In order to assist the Committee in ensuring that due consideration is given to all aspects of their core functions the updated Forward Work Programme for 2024-25 is attached at **Appendix A**. Committee Members are asked to endorse this schedule, confirm the list of people they would like to invite for each item (if appropriate), and indicate whether any additional information or research is required.

3.2 Shown below are the items scheduled to be presented at the next scheduled meeting, to be held on 19 July 2024.

Proposed Agenda Items – 19 July 2024	
1	Governance and Audit Committee Action Record
2	Audit Wales Governance and Audit Committee Reports

3	Statement of Accounts 2023-24 (unaudited)
4	Porthcawl Harbour Return 2023-24 (unaudited)
5	Draft Annual Governance Statement
6	Treasury Management Outturn Report 2023-24
7	Corporate Fraud Report 2023-24
8	Regulatory Tracker
9	Annual Self-Assessment of the Council's Performance (Corporate Self-Assessment)
10	Updated Forward Work Programme

3.3 The schedule of items for discussion at specific meetings may be subject to change, to take into account other items that need to be considered, and operational factors.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change Implications

6.1 There are no climate change implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 That the Committee considers and approves the updated Forward Work Programme for 2024-25.

Background documents

None

GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME 2024-25	Frequency	19 July 2024	26 September 2024	28 November 2024	30 January 2025	24 April 2025
Standing Items						
Governance and Audit Committee Action Record	Each meeting	✓	✓	✓	✓	✓
Audit Wales Governance and Audit Committee Reports	Each meeting	✓	✓	✓	✓	✓
Updated Forward Work Programme	Each meeting	✓	✓	✓	✓	✓
Annual Accounts						
Statement of Accounts 2023-24 (unaudited)	Annually	✓				
Porthcawl Harbour Return 2023-24 (unaudited)	Annually	✓				
Going Concern Assessment	Annually					
Audit Enquiries Letter	Annually					
Audit Wales Audit of Accounts Report <i>(included with Audited Statement of Accounts Report item)</i>	Annually			✓		
Audited Statement of Accounts <i>(including final Annual Governance Statement)</i>	Annually			✓		
Porthcawl Harbour Return (audit letter)	Annually			✓		
Governance						
Draft Annual Governance Statement	Annually	✓				
Half Year Review of the Annual Governance Statement	Annually			✓		
Code of Corporate Governance	Annually					✓
Audit Wales Annual Audit Plan <i>(included in Audit Wales Governance and Audit Committee Reports item)</i>	Annually					✓
Annual Audit Summary <i>(included in Audit Wales Governance and Audit Committee Reports item)</i>	Annually				✓	
Internal Audit Reports						
Annual Internal Audit Report 2023-24	Annually					
Internal Audit Shared Service Charter	Annually					✓
Internal Audit Annual Strategy and Audit Plan 2024-25	Annually					
Self Assessment of the Governance and Audit Committee	Annually				✓	
Internal Audit Progress Reports	Quarterly		✓	✓	✓	✓
Internal Audit Recommendation Monitoring Report	Quarterly		✓	✓	✓	✓
Governance and Audit Committee Annual Report	Annually (unless revised)		✓	✓		
Treasury Management						
Treasury Management Outturn Report 2023-24	Annually	✓				
Treasury Management Half Year Report 2024-25	Annually			✓		
Treasury Management Strategy 2025-26	Annually				✓	
Risk Assurance						
Corporate Risk Assessment	6 monthly				✓	
Corporate Risk Policy	Annually				✓	
Counter Fraud						
Corporate Fraud Report 2023-24	Annually	✓				
Anti Tax Evasion Policy (previously considered April 2023, due April 2025)	Biennially					✓
Performance Related						
Complaints Process	Annually			✓		
Regulatory Tracker	6 monthly	✓			✓	
Annual Self-Assessment of the Council's Performance (Corporate Self-Assessment)	Generally once or twice a year	✓				✓

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