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Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

Bridgend County Borough Council



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Annwyl Cyngorydd,

PWYLLGOR LLYWODRAETHU AC ARCHWILIO

Cynhelir Cyfarfod Pwyllgor Llywodraethu ac Archwilio o bell - trwy Microsoft Teams
ar **Dydd Iau, 10 Tachwedd 2022 am 10:00.**

AGENDA

1. Ymddiheuriadau am absenoldeb
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
2. 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.
3. Cymeradwyaeth Cofnodion 3 - 8
I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 13/10/2022
4. Cofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio 9 - 12
5. Traciwr Rheoleiddio 13 - 18
6. Rheoli'r Trysorlys - Adroddiad Hanner Blwyddyn 2022-23 19 - 36
7. Adolygiad Hanner Blwyddyn o'r Datganiad Llywodraethu Blynnyddol 37 - 78
8. Aseiad Risg Corfforaethol 2022-23 79 - 90
9. Cynnydd yn erbyn Cynllun Seiliedig ar Risg Archwilio Mewnol 2022-23 91 - 98
10. Monitro Argymhellion 99 - 104
11. Rhaglen Gwaith Cychwynol 2022-23 105 - 110
12. Materion Brys

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Ystyriedunrhyw eitem(au) arall o fusnes y rhoddwyd rhybudd yn eu cylch yn unol â Rheol 4 o Reolau Gweithdrefn y Cyngor ac y mae'r sawl sy'n llywyddu'r cyfarfod o'r farn y dylid eu trafod yn y cyfarfod oherwydd amgylchiadau arbennig. cyfarfod fel mater o frys.

Nodyn: Sylwch: Oherwydd rhesymau iechyd a diogelwch ni fydd y cyfarfod hwn yn cael ei gynnal yn ei leoliad arferol. Bydd hwn yn gyfarfod rhithwir a bydd Aelodau a Swyddogion yn mynychu o bell. 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 643147 / 643148.

Yn ddiffuant

K Watson

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

Dosbarthiad:

Aelodau Lleyg

Mr G Chapman
Mr B Olorunnisola
Ms S Davies
Mr A Bagley

Cynghorwyr

S J Griffiths
D M Hughes
M L Hughes
A Wathan

Cynghorwyr

A Williams
RM Granville
S J Bletsoe
C Davies

Agenda Item 3

PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 13 HYDREF 2022

COFNODION CYFARFOD Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO A
GYNHALIWYD YN REMOTELY - VIA MICROSOFT TEAMS DYDD IAU, 13 HYDREF 2022, AM
10:00

Presennol

Mr G Chapman – Cadeirydd

Mr B Olorunnisola
A Wathan
C Davies

S J Griffiths
A Williams

D M Hughes
RM Granville

M L Hughes
S J Bletsoe

Ymddiheuriadau am Absenoldeb

Ms S Davies a/ac Mr A Bagley

Swyddogion:

Rachel Freitag	Archwilio Cymru
Rachel Keepins	Rheolwr Gwasanaethau Democrataidd
Carys Lord	Prif Swyddog - Cyllid, Perfformiad a Newid
Deborah Exton	Dirprwy Bennaeth Cyllid dros dro
Samantha Clements	Archwilio Cymru
Nigel Smith	Rheolwr Cyllid
Eilish Thomas	Rheolwr Cyllid – Rheoli Ariannol a Chau
Joan Davies	Dirprwy Pennaeth Gwasanaeth Archwilio Rhanbarthol
Alex Rawlin	Rheolwr Polisi Corfforaethol a Materion Cyhoeddus
Janine Nightingale	Cyfarwyddwr Corfforaethol - Cymunedau
Kelly Watson	Prif Swyddog – Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio
Lynne Berry	Rheolwr Grŵp Adfywio Tai a Chymuned
Martin Morgans	Pennaeth Gwasanaeth - Perfformiad a Gwasanaethau Partneriaeth
Justin Kingdon	Rheolwr Buddsoddi a Rheoli Asedau Strategol

26. DATGANIADAU BUDDIANT

Dim un

27. CYMERADWYO'R COFNODION

PENDERFYNWYD:

Bod cofnodion cyfarfod 28/7/22 yn cael eu cymeradwyo fel cofnod gwir a chywir.

28. COFNOD GWEITHREDU'R PWYLLGOR LLYWODRAETHU AC ARCHWILIO

Cyflwynodd y Rheolwr Gwasanaethau Democrataidd adroddiad a oedd yn rhoi'r wybodaeth ddiweddaraf i'r aelodau am Gofnodion Gweithredu'r Pwyllgor Llywodraethu ac Archwilio.

Lluniwyd y Cofnod Gweithredu i gynorthwyo'r Pwyllgor i olrhain y penderfyniadau a wnaed gan y Pwyllgor wrth iddo gyflawni ei swyddogaethau. Roedd y Cofnodion Gweithredu wedi'u hatodi yn Atodiad A o'r adroddiad.

Dywedodd y Cadeirydd nad oedd unrhyw eitem Datganiad o Gyfrifon a'i fod yn ymwybodol y gallai fod oedi wrth ddod â'r eitem hon i'r Pwyllgor. Gofynnodd am eglurhad am hyn.

Eglurodd Rheolwr y Grŵp - Prif Gyfrifydd fod trafodaethau cenedlaethol wedi'u cynnal gyda CIPFA ynghylch y ffordd yr oedd balansau'n cael eu dwyn ymlaen mewn asedau seilwaith, a bod y trafodaethau hyn yn parhau. Cytunodd i roi'r wybodaeth ddiweddaraf i'r pwyllgor am hyn pan fydd datblygiadau newydd yn digwydd.

PENDERFYNWYD: Nododd y pwyllgor y Cofnodion Gweithredu a rhoi unrhyw sylwadau ar hyn, fel y bo'n briodol.

29. **LLYTHYR BLYNYDDOL YR OMBWDSMON 2021 – 2022**

Cyflwynodd y Prif Swyddog Gwasanaethau Cyfreithiol a Rheoleiddiol, Adnoddau Dynol a Pholisi Corfforaethol adroddiad a oedd yn rhoi'r wybodaeth ddiweddaraf i'r Pwyllgor am Llythyr Blynyddol yr Ombwdsmon ar gyfer 2021-2022.

Dywedodd fod Ombwdsmon Gwasanaethau Cyhoeddus Cymru (OGCC) yn annibynnol o holl gyrff y llywodraeth a bod ganddo bwerau cyfreithiol i ymchwilio i gwynion am wasanaethau cyhoeddus a darparwyr gofal annibynnol yng Nghymru. Mae hefyd yn ymchwilio i gwynion bod Aelodau o gyrff llywodraeth leol wedi torri Cod Ymddygiad eu hawdurdod. Y Swyddog Cwynion yw'r Swyddog Cyswllt ar gyfer OGCC a'r Swyddog Monitro sy'n gyfrifol am gysylltu ag OGCC ynghylch cwynion Cod Ymddygiad Aelodau

Darparodd y Prif Swyddog Gwasanaethau Cyfreithiol a Rheoleiddiol, Adnoddau Dynol a Pholisi Corfforaethol nifer y cwynion a dderbyniwyd rhwng y cyfnod 2021-2022. Roedd rhagor o fanylion yn adran 4 o'r adroddiad. Roedd llythyr blynyddol yr ombwdsmon wedi'i atodi yn atodiad A.

Gofynnodd Aelod p'un a oedd y Cyngor yn edrych am atebion wrth ymdrin â chwynion cyn iddynt fynd at yr Ombwdsmon. Eglurodd y Prif Swyddog Gwasanaethau Cyfreithiol a Rheoleiddiol, Adnoddau Dynol a Pholisi Corfforaethol y drefn gwyno a dywedodd fod llawer o gwynion yn aml yn cael eu datrys yn y cyfnod cynnar ac felly dim ond canran fechan o'r cyfanswm a dderbyniwyd oedd heb eu datrys neu angen eu symud ymlaen ymhellach.

Gwnaeth Aelod sylwadau ar y weithdrefn gwyno a'r tryloywder i'r cyhoedd. Awgrymodd y dylai'r wybodaeth ar wefan y Cyngor fod yn fwy eglur a hawdd ei deall fel nad yw'r cyhoedd yn ei chael yn rhy anodd i'w defnyddio os ydynt yn dymuno.

Gofynnodd y Cadeirydd a fyddai'n bosibl i'r Pwyllgor dderbyn yr adroddiad Cwynion Corfforaethol yn yr un cyfarfod ag y derbyniwyd adroddiad Llythyr Blynyddol yr Ombwdsmon. Credai fod y ddau adroddiad hyn yn berthnasol i'w gilydd ac y byddai'n ddefnyddiol i'r Pwyllgor gael darlun cyflawn.

Gofynnodd Aelod a oedd ffordd o ddeall cost cwynion o ran gwaith gweinyddol, dyrannu amser a staff ac ati. Eglurodd pe byddai angen newid y broses oherwydd bod gormod o staff neu ormod o amser yn cael eu neilltuo i brosesu cwynion, byddai hynny'n rhoi gwell dealltwriaeth a oedd y broses yn gadarn ac yn addas.

Eglurodd y Prif Swyddog Gwasanaethau Cyfreithiol a Rheoleiddiol, Adnoddau Dynol a Pholisi Corfforaethol y byddai'n anodd costio meysydd gwasanaeth penodol i ymwneud â chwynion, fodd bynnag cytunodd i fynd â'r mater hwn ymaith ac edrych arno mewn perthynas â chwynion corfforaethol. Awgrymodd efallai y gallai Pwyllgor Trosolwg a Chraffu edrych ar hyn a rhoi adborth ar y broses a darparu adroddiad pellach i'r pwyllgor hwn.

PENDERFYNWYD: Bod y Pwyllgor wedi nodi'r Llythyr Blynyddol a oedd wedi'i atodi fel Atodiad A.

30. **ADRODDIADAU PWYLLGOR LLYWODRAETHU AC ARCHWILIO – ARCHWILIO CYMRU**

Cyflwynodd y Rheolwr Archwilio – Archwilio Cymru adroddiad a oedd yn manylu ar adroddiadau gan Archwilio Cymru, gan gynnwys diweddariad ar y gwaith archwilio ariannol a pherfformiad a wnaed, ac sydd i'w wneud, gan Archwilio Cymru.

Eglurodd fod Archwilio Cymru wedi cynhyrchu nifer o adroddiadau i'r Pwyllgor Llywodraethu ac Archwilio eu hystyried, a rhoddwyd crynodeb ohonynt yn adran 4 yr adroddiad. Y rhain oedd:

- Rhaglen Waith ac Amserlen Archwilio Cymru – (Atodiad A)
- Llamu Ymlaen – Rheoli Gweithlu'n Strategol – Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr – (Atodiad B)
- Llamu Ymlaen – Rheoli Asedau'n Strategol – Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr - (Atodiad C)
- Adolygiad Sicrwydd ac Asesu Risg – Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr – (Atodiad D)

Mewn perthynas ag Atodiad B, esboniodd cynrychiolydd Archwilio Cymru fod y gwaith maes wedi digwydd ym mis Rhagfyr 2021 / Ionawr 2022. Nod yr adolygiad oedd gweld sut roedd y Cyngor yn cynllunio'n strategol ar gyfer defnyddio ei weithlu, sut yr oedd yn monitro hyn, yn ogystal ag adolygu a gwerthuso effeithiolrwydd y trefniadau hyn. Ychwanegodd mai'r prif bwynt i'w amlygu oedd bod y Cyngor yn gweithredu ac yn ymateb i'r materion gweithlu a oedd yn arbennig o amlwg ar ddechrau'r pandemig a'r angen am adleoli staff a newid dulliau gweithio i ymdopi â'r heriau.

Amlygodd cynrychiolydd Archwilio Cymru yr argymhellion yn dilyn yr adolygiad, a amlinellir yn Atodiad B yr adroddiad.

Dywedodd Aelod ei bod yn amlwg bod llawer o gynlluniau ar y gweill ar hyn o bryd, fodd bynnag byddai'n ddefnyddiol i'r Pwyllgor gael catalog o'r cynlluniau mwy strategol i sicrhau bod y Pwyllgor yn gallu gweld y sefyllfa yr ydym ynddi fel awdurdod.

Awgrymodd y Prif Swyddog Cyllid, Perfformiad a Newid y gallai'r Pwyllgor Trosolwg a Chraffu perthnasol, yn gweithio ar y cyd gyda'r Pwyllgor Llywodraethu ac Archwilio bob chwe mis, fod y ffordd fwyaf addas o fonitro'r cynlluniau a sicrhau y cedwir at y terfynau amser.

Amlygodd cynrychiolydd Archwilio Cymru yr argymhellion yn dilyn yr adolygiad, a amlinellir yn Atodiad C yr adroddiad. Tynnodd sylw at gamgymeriad sillafu yn argymhelliad 1 yr atodiad a ddylai ddarllen 'cynllunio rheoli asedau'n strategol' yn lle hynny.

Gofynnodd Aelod mewn perthynas â strategaeth datgarboneiddio 2030, sut yr ydym fel Cyngor yn canolbwyntio ar wneud newidiadau a sicrhau ein bod ar y trywydd i gyflawni'n targedau, o ystyried yr argyfwng costau byw a'r ffaith bod llawer o newidiadau'n cymryd nifer o flynyddoedd i'w gweithredu.

Cytunodd Cyfarwyddwr Corfforaethol Cymunedau y byddai'r blynyddoedd i ddod yn heriol, ond roedd yn darged corfforaethol a bod angen denu mwy o sylw i hyn er mwyn

codi ymwybyddiaeth. Roedd trafodaethau wedi bod yn mynd rhagddynt i weld beth arall y gellir ei wneud ac un o'r pwyntiau a godwyd oedd penderfynu p'un a ddylai amcan llesiant gynnwys strategaeth 2030. Roedd llawer o waith wedi'i wneud hefyd ar y rhwydwaith gwres ac roedd hynny'n dal i fynd rhagddo. Mae Aelod Cabinet Cymunedau bellach yn eistedd ar Fwrdd Rhaglen 2030 i sicrhau bod y sgysiau'n cael eu bwydo'n ôl yn uniongyrchol i'r Cabinet ar gyfer dull symlach o'r safbwynt hwnnw. O ran awdurdodau lleol, roedd Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr hefyd yn cael ei ystyried ar flaen y gad o ran datgarboneiddio, fodd bynnag roedd mwy o waith i'w wneud o hyd.

Awgrymodd Aelod fod y Pwyllgor Trosolwg a Chraffu Corfforaethol yn edrych ar y bwrdd hwn fel ffordd o fonitro perfformiad yn rheolaidd.

Gwnaeth y Cadeirydd sylw bod ysgolion yn rhan fawr o'r ôl troed carbon a gofynnodd p'un a ymgynghorwyd â nhw ar faterion. Dywedodd Cyfarwyddwr Corfforaethol Cymunedau mai ysgolion yn ogystal â dysgwyr ifanc oedd cenhedlaeth y dyfodol a'u bod yn eiriolwyr delfrydol ar gyfer gwaith hyrwyddo yn ogystal â gwneud newidiadau a all gyfrannu at ddatgarboneiddio. Ychwanegodd fod Refit yn gynllun yr ymgwymerwyd ag ef mewn llawer o ysgolion a oedd yn caniatáu ar gyfer arbedion costau ynni a datgarboneiddio dros gyfnod o amser.

Mynegodd yr aelodau eu barn ar lefel y pryder y maent yn ei osod ar yr argymhellion. Cynhaliwyd pleidlais i benderfynu p'un a nododd y pwyllgor bryder, neu bryder difrifol am yr adroddiad. Ni phasiwyd y bleidlais ac felly'r hyn wnaeth y Pwyllgor oedd:

PENDERFYNU: Gyda pheth pryder, nododd y Pwyllgor yr Adroddiadau Pwyllgor Llywodraethu ac Archwilio – Archwilio Cymru yn Atodiadau A, B, C a D

31. **DATGANIAD HARBWR PORTHCAWL 2021-22 LLYTHYR ARCHWILIO BLYNYDDOL**

Cyflwynodd y Rheolwr Grŵp, Prif Gyfrifydd, adroddiad a oedd yn darparu Llythyr Archwilio Blynyddol 2021-22 yr Archwilydd penodedig ar gyfer Harbwr Porthcawl, wedi'i atodi fel Atodiad A, i'w nodi.

Esboniodd fod y ffurflen wedi'i hardystio ar 26 Medi 2022, gan gadarnhau bod yr archwiliad o'r ffurflen flynyddol wedi'i gwblhau. Cadarnhaodd nad oedd unrhyw ddiwygiadau wedi'u gwneud.

PENDERFYNWYD: Bod y Pwyllgor wedi nodi'r Llythyr Archwilio Blynyddol yn Atodiad A.

32. **GRANT CYFLEUSTERAU I'R ANABL – ADRODDIAD CYNNYDD A DATGANIAD SEFYLLFA**

Cyflwynodd Pennaeth y Gwasanaethau Partneriaeth adroddiad a oedd yn rhoi'r wybodaeth ddiweddaraf i'r Pwyllgor Llywodraethu ac Archwilio am y camau a gymerwyd i symud ymlaen â gwelliannau i'r gwasanaeth Grant Cyfleusterau i'r Anabl a rhoddodd wybodaeth am y sefyllfa hyd yma. Rhoddodd gefndir i'r adroddiad fel y nodir yn adran 3.

Eglurodd Pennaeth y Gwasanaethau Partneriaeth fod nifer o risgiau a nodwyd ym mharagraff 3.4 yr adroddiad wedi effeithio ar gyflymder y newid a bod angen cymryd nifer o gamau lliniaru i'w rheoli. Amlygwyd manylion y cynnydd a'r risgiau yn adran 4 o'r adroddiad.

Gofynnodd Aelod mewn perthynas ag elfen cost y grantiau. Gofynnodd pe bai rhywun yn gwneud cais am y grant, a oedd risg na fyddai'r gwaith yn gallu cael ei gwblhau i'w

gofynion ac felly y byddai gwasanaeth eilradd yn cael ei ddarparu. Eglurodd Pennaeth y Gwasanaethau Partneriaeth fod y gwaith a wnaethpwyd yn bennaf o fewn yr amrediad cost o £7,500 a £12,500, felly roedd ystod i weithio gyda hi. Yr anhawster oedd bod cost nwyddau a gwasanaethau wedi codi dros y blynyddoedd diwethaf ac felly yr her oedd cadw o fewn yr ystod ond roedd y gallu yno i ddarparu mwy lle bo angen.

Gwnaeth Aelod sylw am yr oedi cyn i drigolion dderbyn arian grant. Soniodd fod trigolion yn aml yn aros 12 mis neu fwy i gael arian a ganiatawyd a gofynnodd i ni fel awdurdod fod yn ymwybodol o'r cyfnod oedi a gweithio i'w wella, yn enwedig ar adeg pan fo pobl ei angen fwyaf. Amlygodd Pennaeth y Gwasanaethau Partneriaeth y bydd y gwasanaethau sy'n cael eu cyflwyno'n fewnol yn caniatáu mwy o reolaeth ar y broses ac mai'r dyhead oedd gwella'r cyflymder y darperir arian grant yn ogystal â'r contractwyr a geisir i wneud gwaith. Ychwanegodd fod fframwaith yn cael ei ddatblygu mewn pryd ar gyfer y flwyddyn ariannol nesaf a fyddai'n symleiddio'r broses ymhellach. Ychwanegodd Aelod fod y broses Grantiau Cyfleusterau i'r Anabl ar Raglen Gwaith i'r Dyfodol hirdymor y Pwyllgor Trosolwg a Chraffu Corfforaethol.

Gofynnodd y Cadeirydd sut mae Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr yn gwneud o'i gymharu ag awdurdodau eraill wrth ymdrin â Grantiau Cyfleusterau i'r Anabl. Dywedodd Pennaeth y Gwasanaethau Partneriaeth fod Pen-y-bont ar Ogwr yn y chwarter isaf, gyda'r gobaith erbyn y flwyddyn nesaf y byddai Pen-y-bont ar Ogwr ar ganol y rhestr o ran amseroedd aros Grant Cyfleusterau i'r Anabl i'r trigolion. Ychwanegodd fod llawer o'r Grantiau Cyfleusterau i'r Anabl mwy cymhleth yn gwro'r ffigur a rhywfaint o'r gwaith oedd yn cael ei wneud oedd rhannu'r amseroedd aros yn waith tymor bach, canolig a hir.

Gofynnodd y Cadeirydd p'un a oedd y dyheadau yn afresymol a/neu'n amhosibl eu cyflawni. Eglurodd Pennaeth y Gwasanaethau Partneriaeth y credwyd cyn y pandemig, y byddai'r dyheadau hyn yn gyraeddadwy ond bod y ddwy flynedd ddiwethaf wedi bod yn anodd cyflawni'r nodau hyn ond nad oeddent yn afresymol ar gyfer y dyfodol.

PENDERFYNWYD: Bod y Pwyllgor yn nodi'r cynnydd hyd yma i wella'r gwasanaeth Grant Cyfleusterau i'r Anabl a'r sefyllfa bresennol.

33. **HUNANASESIAD CORFFORAETHOL**

Cyflwynodd y Rheolwr Polisi Corfforaethol a Materion Cyhoeddus adroddiad a oedd yn rhoi'r wybodaeth ddiweddaraf i'r Pwyllgor am adroddiad hunanasesu corfforaethol y Cyngor, fel sy'n ofynnol gan Ddeddf Llywodraeth Leol ac Etholiadau (Cymru) 2021, a gofynnodd am sylwadau ar yr adroddiad yn Atodiad 1.

Rhoddodd gefndir i'r Pwyllgor fel y nodir yn adran 3 o'r adroddiad. Esboniodd fod Cyngor Sir Powys eisoes wedi cyhoeddi eu hunanasesiad a oedd wedi darparu cipolwg craff i ddysgu ohono ac yr adlewyrchwyd hyn yn adroddiad hunanasesu ein Cyngor.

Eglurodd y Rheolwr Polisi Corfforaethol a Materion Cyhoeddus fod Llywodraeth Cymru wedi cyfeirio awdurdodau lleol i ffwrdd o gynnal ymgynghoriad / ymgysylltu ffurfiol ar yr adroddiad hunanasesu. Byddai'n well ganddynt weld crynodeb o waith ymgysylltu / ymgynghori allweddol dros y flwyddyn, yn ymwneud â'r amcanion llesiant. Mae'r adborth hwn wedi'i integreiddio i'r adroddiad drafft. Roedd rhagor o wybodaeth yn adran 4 o'r adroddiad.

Holodd y Cadeirydd p'un a yw'n bosibl cwblhau'r nifer o dasgau / blaenoriaethau a amlygwyd yn yr atodiad. Cytunodd y Rheolwr Polisi Corfforaethol a Materion Cyhoeddus fod y tasgau'n llethol a bod llawer ohonynt wedi'u nodi fel rhai newydd. Ychwanegodd fod trafodaethau'n cael eu cynnal â swyddogion allweddol i edrych ar y cynllun gwella a

sut orau i grwpio'r tasgau a chyflwyno'r canlyniadau mewn modd sy'n briodol i'r pwyllgor edrych arno.

Gwnaeth Aelod sylw ar 'Helpu pobl a chymunedau i fod yn iach ac yn wydn' a gofynnodd fod y marciwr Gwasanaethau Cymdeithasol yn cael ei amlygu fel un anfoddfaol er mwyn i'r pwyllgor gael gwell dealltwriaeth o'r heriau a wynebir.

PENDERFYNWYD: Bod y Pwyllgor yn adolygu ac yn darparu unrhyw argymhellion ar gyfer newid i adroddiad hunanasesu corfforaethol 2021-22.

34. **BLAENRAGLEN WAITH 2022-23**

Cyflwynodd y Dirprwy Bennaeth Cyllid adroddiad a oedd yn gofyn am gymeradwyo'r Flaenraglen Waith ddiwygiedig ar gyfer 2022-23.

Er mwyn cynorthwyo'r Pwyllgor i sicrhau bod ystyriaeth briodol yn cael ei rhoi i bob agwedd ar ei swyddogaethau craidd, roedd y Flaenraglen Waith arfaethedig ddiwygiedig ar gyfer 2022-23 wedi'i hatodi yn Atodiad A. Gofynnir i Aelodau'r Pwyllgor gymeradwyo'r rhaglen hon, cadarnhau'r rhestr o bobl yr hoffent eu gwahodd ar gyfer pob eitem (os yw'n briodol), a nodi p'un a oes angen unrhyw wybodaeth neu ymchwil ychwanegol.

Ychwanegodd fod yr eitemau i'w cyflwyno yn y cyfarfod nesaf ar 10 Tachwedd 2022 fel a ganlyn:

- 1 Cofnodion Gweithredu'r Pwyllgor Llywodraethu ac Archwilio
- 2 Adroddiadau Pwyllgor Llywodraethu ac Archwilio – Archwilio Cymru
- 3 Datganiad Archwiliedig o Gyfrifon a Datganiad Llywodraethu Blynyddol
- 4 Adolygiad Hanner Blwyddyn o'r Datganiad Llywodraethu Blynyddol 2022-23
- 5 Adroddiad Cynnydd Archwilio Mewnol
- 6 Adroddiad Monitro Argymhellion Archwilio Mewnol
- 7 Adroddiad Hanner Blwyddyn Rheoli'r Trysorlys 2022-23
- 8 Asesiad Risg Corfforaethol 2022-23
- 9 Blaenraglen Waith Ddiwygiedig 2022-23

PENDERFYNWYD: Bod y Pwyllgor wedi ystyried a chymeradwyo'r Flaenraglen Waith ddiwygiedig ar gyfer 2022-23.

35. **EITEMAU BRYD**

Dim un

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

10 NOVEMBER 2022

REPORT OF THE CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY

GOVERNANCE AND AUDIT COMMITTEE ACTION RECORD

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. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
3. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

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

4. Current situation/proposal

- 4.1 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.

5. Effect upon policy framework and procedure rules

- 5.1 There is no effect on the policy framework and procedure rules.

6. Equality Act 2010 Implications

- 6.1 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 primarily 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.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 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.

8. Financial implications

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

9. Recommendations:

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

Kelly Watson

**Chief Officer – Legal and Regulatory Services, HR and Corporate Policy
November 2022**

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Senior Democratic Services Officer - Committees

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Background Documents:

None

Governance and Audit Committee Action Record

Date of Committee	Agreed Action	Lead	Target Date	Progress	Date for action to be brought to Committee	Completed Date
11 November 2021	Disabled Facilities Grants	Chief Officer – Finance, Performance and Change	June 2022	A further report be presented to the Committee on the progress of Disabled Facilities Grants to see how the service was being embedded.	October 2022	October 2022
15 March 2022	Corporate Complaints	Chief Officer – Finance, Performance and Change	June 2022	Update to be provided to the Committee on how school complaints were recorded and ensuring they were recorded effectively.	April 2023	
22 June 2022	<p>Audit Wales Governance and Audit Committee Report</p> <p>Audit Wales to provide Assurance and Risk Assessment report.</p> <p>Verbal update at Committee</p>	<p>Audit Wales</p> <p>Chief Officer – Finance, Performance and Change</p> <p>Audit Wales</p>	<p>September 2022</p> <p>July 2022</p>	<p>1. Update on report on the Assurance and Risk Assessment project to be provided to the Committee.</p> <p>2. Council to develop an Action Plan on each of the recommendations emanating from the national report on Direct Payments.</p> <p>3. Audit Wales to discuss with its Local Government Studies Team on what steps are to be taken by the Welsh Government in working with local authorities on the implementation of best practice on Direct Payments.</p>	<p>October 2022</p> <p>January 2023</p> <p>January 2023</p>	<p>October 2022</p>
22 June 2022	Corporate Risk Assessment 2022-23	<p>Chief Officer – Finance, Performance and Change</p> <p>Chief Officer – Finance, Performance and Change</p>		<p>1. A Task and Finish Group be set up to monitor and agree a framework of key risks and mitigating actions being taken by officers on the Risk Register.</p> <p>2. Information to be provided to the relevant Overview and Scrutiny Committee that the assurance and review of risks scores is ongoing.</p>	<p>January 2023</p> <p>January 2023</p>	
28 July 2022	<p>Audit Wales Governance and Audit Committee Report</p> <p>Update to Committee</p>	Audit Wales	September 2022	Audit Wales representative to clarify how metrics are defined in relation to sleeping rough and homelessness across Councils with the Project Manager responsible for this piece of work and she would update the Committee in the future.	January 2023	

28 July 2022	Statement of Accounts 2021-22 (Unaudited)	Deputy Head of Finance	September 2022	Information to be included in this year's Statement of Accounts on climate change in connection with the Council's commitment around 2030 and the Council's progress towards 2030.	January 2023	
28 July 2022	Annual Governance Statement 2021-22	Chief Officer – Finance, Performance and Change	September 2022	A statement be included in the Annual Governance Statement on the control mechanisms the Council has in place on the movement of former Councillors becoming officers of the Council.	January 2023	
28 July 2022	Annual Treasury Management Outturn Report 2021-22	Group Manager – Chief Accountant	Ongoing	Narrative on risk profile and also the cost of borrowing be included in future Treasury Management reports.	November 2022	
13 October 2022	Audit Wales Governance and Audit Committee reports	Chief Officer – Finance, Performance and Change		A process be brought back to committee outlining how Audit Wales and other regulators recommendations will be dealt with via the Scrutiny and G&AC process	November 2022	
13 October 2022	Corporate Complaints	Chief Officer – Finance, Performance and Change		Timing of Corporate Complaints internal update report to be updated and submitted to Members in April 2023 with a further 6 month update then coinciding with the Ombudsman's report on the same topic in October	April 2023	

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

10 NOVEMBER 2022

REPORT OF THE CHIEF OFFICER - FINANCE, PERFORMANCE AND CHANGE

REGULATORY TRACKER

1. Purpose of report

- 1.1 The purpose of this report is to draw Governance and Audit Committee's attention to issues raised by Audit Wales about our monitoring, sharing and use of regulator reports, and recommendations arising from the reports and to propose solutions to improve processes.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
3. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 Audit Wales have raised issues about our use of their reports and recommendations. They believe we are not regularly / transparently logging their findings, effectively scrutinising or using them to improve our activities.

- 3.2 In developing the corporate self-assessment, there was no straightforward way to access or get a full understanding of regulator reports, findings or recommendations or how we had used them to influence our work.
- 3.3 The performance assessment functions of the Committee introduced by the Local Government and Elections (Wales) Act 2021, and information from Audit Wales, confirms that Governance and Audit Committees are expected to consider relevant reports and recommendations from external review bodies, and to receive assurances on the arrangements for their oversight and delivery.
- 3.4 Directorates have responsibilities to report on and respond to regulator activities (e.g. in the Director of Social Services Annual Report) but they are not collated, scrutinised or reviewed corporately.

4. Current situation/proposal

- 4.1 A high-level summary of the planned regulatory activity of Audit Wales is systematically included at Governance and Audit Committee. It is proposed that this is extended to cover all completed audits, reviews and inspections, and the specific recommendations they make for the Council. This would form a 'regulatory tracker' for Bridgend County Borough Council (BCBC). It could also be extended to cover all regulators (in terms of their broad, corporate or service wide inspections), including Estyn, Care Inspectorate for Wales (CIW) and HM Inspectorates for Probation and Prisons. This would bring us into line with many councils across Wales, including the updated approaches at the Vale of Glamorgan Council and Cardiff Council.
- 4.2 It is proposed that we focus primarily on the previous two financial years, 2020/21 and 2021/22, add further inspections as they are published and take out inspections only when all the recommendations against them are closed.
- 4.3 It is not proposed to include inspections of regulated services e.g. CIW inspections of residential homes, where there are numerous inspections each year, with numerous recommendations against each. For these inspections, responsibility sits more clearly with the appropriate Subject Overview and Scrutiny Committee.
- 4.4 It is not proposed to include thematic or national reports from Estyn or CIW. Again, there are large numbers of these reports with large numbers of recommendations for local authorities. Responsibility for these inspections and studies should sit with the appropriate Subject Overview and Scrutiny Committee.
- 4.5 It is proposed that this 'regulatory tracker' be considered in detail at Governance and Audit Committee twice yearly, in January and July to cover the first, then second half year's progress. This should include -

- a summary position to demonstrate progress made in responding to recommendations received from external regulators since the introduction of the tracker approach.
 - a more detailed position showing all recommendations which are currently open (or where other recommendations for the inspection are still open) or recently completed / closed. This will ensure a focused consideration of all open and recently closed recommendations. A draft recommendation tracker for Committee's consideration is included in Appendix 1.
- 4.6 Actions against recommendations in the regulatory tracker should be owned by the relevant Directorates and regularly considered and scrutinised at Directorate Management Teams. It should be considered by Corporate Management Board and Cabinet regularly (quarterly) to ensure corporate and political oversight.
- 4.7 Regulatory reports are currently considered by Scrutiny Committees on an ad hoc, as required basis. It is proposed that the regulatory tracker (or the relevant parts of it) are added to scrutiny committee meetings as a regular item, with the various regulator recommendations and the actions the Council will put in place to respond considered in more detail. This will ensure that regulators' reports and findings are monitored and scrutinised in a more systematic, transparent way. If done effectively, it will also result in a clearer understanding of where regulator input has led to change and improvement in services.
- 4.8 The regulatory tracker should be owned and updated by the Corporate Performance Team with support from Democratic Services, Scrutiny and Directorate Business Managers.

5. Effect upon policy framework and procedure rules

- 5.1 There will be no effect on the policy framework and procedure rules.

6. Equalities Act 2010 Implications

- 6.1 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.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 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 as a result of this report.

8. Financial implications

8.1 There are no financial implications associated with this report. Work will be undertaken by existing staff, within existing resources.

9. Recommendation

9.1 Governance and Audit Committee is recommended to: -

Consider and approve the proposed process and arrangements for a regulatory tracker for BCBC.

Carys Lord

CHIEF OFFICER - FINANCE, PERFORMANCE AND CHANGE

2 November 2022

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Background documents: None.

Report issued	Name of Audit / regulator	Recommendation / proposal for improvement	Directorate	Oversight	Action required	R, A, G status	Open / Closed
Oct-22	Audit Wales, Springing Forward – Strategic Workforce Management	R1 The Council needs to urgently develop its strategic workforce approach, embedding the sustainable development principle at its core, to enable it to address the significant workforce issues it faces.	Cex	COSC	Action plan to be developed		Open
		R2 The Council should develop a suite of strategic quantitative and qualitative measures to enhance its ability to understand the impacts and affordability of its workforce plans and actions.			Action plan to be developed		Open
		R3 The Council should also explore opportunities to benchmark its own performance over time and its arrangements with other bodies to provide a different dimension to its performance management data. Whilst also offering an insight to how other bodies are performing and discovering notable practice elsewhere.			Action plan to be developed		Open
Oct-22	Audit Wales, Springing Forward - Asset Management	R1 The Council needs to ensure the sustainable development principle is driving and shaping its approach to all its assets as it develops its strategy during 2022.	Communities	SOSC3	Action plan to be developed		Open
		R2 The Council should address as a priority its health and safety related statutory building compliance performance so that it is meeting its statutory duties relating to electrical, gas, asbestos, legionella, and fire risk testing.			Action plan to be developed		Open
		R3 The Council should develop a suite of strategic quantitative and qualitative measures to enhance its ability to understand the impacts of its assets plans and actions as part of its strategy development during 2022.			Action plan to be developed		Open
		R4 To strengthen its arrangements, during the next 12 months, the Council should explore how it can compare its data, arrangements, and the learning from other organisations, for example through existing professional networks.			Action plan to be developed		Open
Jun-22	HM Inspectorate of Probation, inspection of youth offending services in Bridgend	1. The Chair of the YJS Management Board should: consider the membership of the board, to ensure that it is attended by representatives with the right level of seniority and put in place a plan to develop the board so that its members understand their role and responsibilities	EFS	SOSC1	Membership has been adapted to ensure effective multi agency responses. A new child and adolescent mental health services (CAMHS) representative and a Forensic Adolescent Consultation and Treatment Service (FACTS) Board member have been identified to attend to ensure strategic decision making for these service areas is optimised. Challenges continue with consistency of membership from some key partners eg health.		Open
		2. The Chair of the YJS Management Board should: review the format and purpose of the Bureau, and ensure that it has the relevant information and input from the necessary agencies so that the out-of-court disposal meets the needs of the child.			Youth Justice Board are reviewing the format and purpose of the Bureau through an independent consultation. Draft guidance for Youth Justice Services is expected to be produced by January 2023 which will provide improved consistency for Out of Court Disposals.		Open
		3. The YJS Management Board should: make sure that the partnership has a multi-agency framework in place for children who are at risk of, or subject to, child exploitation and ensure that there are clear procedures for practitioners to follow.			All YJS staff have received extensive training in exploitation / Section 45 legislation which places a duty on practitioners to report risks of exploitation through the National Referral Mechanism process. YJS Manager attends the regional Safeguarding Multi-Agency Exploitation Strategic Group and the Exploitation Task Group and is part of the multi-agency development of a framework for Cwm Taf Morgannwg.		Open
		4. The YJS service manager should: improve the quality of planning and services to manage children's safety and wellbeing			Significant improvements have been made on joined up planning between Children's Services and YJS. There is an increase of invites for YJS staff to attend strategy and child protection conferences which result in improved plans for children. YJS continue to invite all relevant partners including children's social care, to all risk and vulnerability meetings and for trauma case formulation meetings. The YJS manager attends a wide range of safeguarding operational and strategic meetings to ensure YJS are integral to safeguarding planning. The YJS manager also attends the Channel Panel for those at risk of terrorist activity to achieve a joined up planning approach that aims to reduce safety and wellbeing risks in children.		Open
		5. The YJS service manager should: review the quality assurance processes and improve the effectiveness of management oversight in all cases.			YJS quality assurance processes have been reviewed. The service is facilitating effective change by introducing a peer quality assurance process and group. The group has completed an audit on reoffending and has assisted to produce a Management Board report. The group has commenced a second audit on Voice of the Stakeholder which will be completed by the end of November 2022. The management team have completed joint AssetPlus audits to create consistency for managerial oversight of assessments.		Open
May-22	CIW, Report of Performance Evaluation Inspection of Children's Services	PE1 - Opportunities for children's views to be consistently sought and appropriately recorded need to be strengthened	Social services	SOSC2	Develop an engagement and involvement framework for children		Open
		PE2 - Limited Evidence of Direct Work			Finalise / launch recording policy for social workers / managers		Open
		PE3 - Inconsistent use of chronologies and genograms			Audit implementation / impact of recording guidance for social workers		Open
		PE4 - Strengthen business support for practitioners			Review of practice guidance		Open
		PE5 - Variable evidence of management oversight/Quality of supervision			Changes to guidance plus reminders, refreshers and training		Open
		PE6 - Practice model – implementation of Signs of Safety			Review the Business support to practitioners		Open
		PE7 - Review of direct payments scheme			Review policy and framework		Open
		PE8 - Consistent offer of a carers assessment			Focus on skills and training		Open
		PR1 - Opportunities to prevent escalation of need continues to be a challenge for the local authority given the persistently high volume of referrals together with the complexity of needs of children and families, and workforce challenges			Develop reflective communities of practice		Open
		PR2 - Missed opportunities to thoroughly explore and mitigate risk and a lack of professional curiosity			Implementation plan for a model of strength-based practice		Open
		PR3 - Placement sufficiency and support			Explore solutions including the use of direct payments / family help services as part of care and support arrangements		Open
		PR4 - Accessibility of information, advice and assistance			Undertake engagement exercise with carers		Open
		PR5 - Strengthening of Quality Assurance (QA) framework and alignment of performance and quality assurance systems			Undertake a review of integrated family support service / family group conferencing arrangements		Open
		PI1 - Inconsistent thresholds and standards of practice			Develop an updated commissioning strategy for family support services and interventions		Open
		PI2 - The local authority will need to ensure its communication strategy is sufficiently robust to effectively communicate to staff and partners the vision for children's services and the many developments taking place/planned to take			Implement the workforce plan for Children's Services		Open
		PI3 - Share learning from audits and reviews with staff and partners			Raise awareness of the need for practitioners to exercise professional curiosity / critical evaluation in their practice		Open
		W1 - Furtherwork is required to improve the timeliness of meeting statutory responsibilities			Establish the children's assessment hub at Brynmenyn		Open
		W2 - Facilitation of supervised contact			Work with national and regional partners		Open
		W3 - Consistent high quality written records			Establish a commissioning strategy		Open
		W4 - CSE and CCE – strengthen interventions and mapping			Undertake a review of the MASH /IAA team structure, duties and responsibilities		Open
W5 - First year of practice – ensure competence and confidence of staff and provide consistent supervision and oversight	Commission a programme of independent detailed Quality Assurance to provide a thorough assessment of our strengths and areas for development		Open				
Aug-21	Audit Wales, Financial Sustainability Assessment	P1 Accurate forecasting of expenditure Officers should provide full Council with its annual outturn to budget report to improve transparency and provide members with opportunities to compare and challenge budget to outturn.	CEX	COSC	The final out turn report for 2021/22 was presented to both Council and Governance and Audit Committee in June this year		Closed
Jun-21	Audit Wales, Review of Arrangements to Become a 'Digital Council'	P1 The Council could improve its digital strategy	CEX	COSC	A light touch review of the Digital Strategy was completed in 2022. A full review will be undertaken in 2023 when the Digital priorities for the Council have been reaffirmed		Open
		P2 The Council should strengthen some governance arrangements to deliver the strategy			A digital Transformation Board is now in place, consisting of representation from across all service areas. Updates from each Board meeting is fed back to Directorate DMT meetings and to CMB on a quarterly basis.		Open
		P3 - The Council should consider improving communication with staff / members to evoke the culture necessary to change			When the new digital strategy is agreed, it is proposed to launch the new strategy and then a regular update will be included in the staff news letter. Work is also being done to develop an Extranet/Intranet to aid communication with employees that don't have corporate ICT so that they can access via their own ICT equipment		Open

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

10 NOVEMBER 2022

REPORT OF THE CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

TREASURY MANAGEMENT – HALF YEAR REPORT 2022-23

1. Purpose of report

1.1 The purpose of this report is to:

- update the Governance and Audit Committee on the mid-year review and half year position for treasury management activities and treasury management indicators for 2022-23.
- highlight compliance with the Council's policies and practices, which will be reported to Cabinet and Council.

2. Connection to corporate well-being objectives / other corporate priorities

2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

2.2 Treasury Management is integral to the delivery of all of the Council's well-being objectives as the allocation of resources determines the extent to which the well-being objectives can be delivered. The work of the Governance and Audit Committee supports corporate governance and assists in the achievement of all corporate and service objectives. Prudent Treasury Management arrangements will ensure that investment and borrowing decisions made by officers on behalf of the Council contribute to smarter use of financial resources and hence assist in the achievement of the Council's well-being objectives.

3. Background

3.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council is exposed to financial risks including the loss of invested funds and the revenue effect of

changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management. The Governance and Audit Committee has been nominated to be responsible for ensuring effective scrutiny of the Treasury Management Strategy (TMS) and policies.

- 3.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's (CIPFA) 'Treasury Management in the Public Services: Code of Practice' 2017 Edition (the TM Code) which requires the Council to approve a Treasury Management Strategy (TMS) before the start of each financial year. The CIPFA Code also requires the Council to set a number of Treasury Management Indicators, which are forward looking parameters and enable the Council to measure and manage its exposure to treasury management risks, and these are included throughout this report. In addition, the Welsh Government (WG) issued revised Guidance on Local Authority Investments in November 2019 that requires the Council to approve an Investment Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Welsh Government Guidance.
- 3.3 The Prudential Code for Capital Finance in Local Authorities (the Prudential Code) requires Local Authorities to determine a Capital Strategy, which is a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The definition of investments covers all the financial assets of the Council as well as other non-financial assets which the authority holds primarily for financial return. However, a significant change in the Prudential Code is that, in order to comply with the Code, an authority must not borrow to invest primarily for financial return. The Code does not require existing commercial investments, including property, to be sold, however it does set out that authorities who have a need to borrow should review options for exiting their financial investments for commercial purposes. The Council's Capital Strategy 2022-23, complying with CIPFA's requirement, includes the Prudential Indicators along with details regarding the Council's non-treasury investments. The Capital Strategy and TMS should be read in conjunction with each other as they are interlinked as borrowing and investments are directly impacted upon by capital plans and were approved together by Council on 23 February 2022.
- 3.4 The Council's treasury management advisors are Arlingclose Ltd. The current services provided to the Council include:
- advice and guidance on relevant policies, strategies and reports
 - advice on investment decisions
 - notification of credit ratings and changes
 - other information on credit quality
 - advice on debt management decisions
 - accounting advice
 - reports on treasury performance
 - forecasts of interest rates
 - training courses

4. Current situation/proposal

- 4.1 The Council has complied with its legislative and regulatory requirements during the period 1 April to 30 September 2022.
- 4.2 A summary of the treasury management activities for April 2022 – September 2022 is shown at table 1 in **Appendix A**. Since the start of the financial year the Council has had surplus funds for investment. The balance on investments at 30 September 2022 has decreased from £102.2 million in Quarter 1, to £98.45 million as a result of day to day cash movements, with an average rate of interest of 0.88%.
- 4.3 The Council has not taken long-term borrowing since March 2012. The TMS approved for 2022-23 included an assumption that the Council would need to borrow £9.36 million during the year, based on the Council holding £76 million usable reserves that it could use in the short term to finance expenditure. These figures were based on the assumption that the Council's reserves would reduce by £11.04 million from balances held at 31 March 2021. However, as a result of slippage in the Capital Programme 2021-22, the amount of reserves needed to be drawn down to fund the capital programme in 2021-22 was significantly lower than anticipated. In addition, the Council received £20.6 million from the Welsh Government Hardship Fund during 2021-22, which was more than had been anticipated during the year, as well as further additional grants from Welsh Government in the final quarter of 2021-22 which enabled the Council to set aside £27.62 million in additional reserves in 2021-22. However, it is important to note that while the use of usable reserves in lieu of new borrowing is prudent, it is a short-term position and as the reserves are used for specific projects it will become necessary to borrow in the future to finance capital expenditure. Based on the current capital programme and the expected use of reserves allocated therein, it is expected that there will not be a requirement for new long-term borrowing in 2022-23. Details on forecast capital spend is provided in the Capital Strategy 2022-23 which was approved by Council on 23 February 2022 and the 2021-22 Capital Programme Outturn and Quarter 1 Monitoring reported to Council 20 July 2022.
- 4.4 Restructuring of the debt portfolio, and in particular the Lender Option Borrower Option (LOBO) loans has been previously considered. The LOBOs have two trigger points during the year at which point the lender may consider offering the Council the option to repay the loan without penalty. While interest rates are low the lender is not likely to exercise that option however, this may change as interest rates continue to rise. Any renegotiation or early repayment of the LOBO by the Council would result in a premium payable by the Council. At current rates the premium would outweigh the savings achievable however the Council will continue to review its long-term lending and would take the option to repay these loans if it has the opportunity and it is cost effective to do so.
- 4.5 Table 4 in section 4 of **Appendix A** details the movement of the investments by counterparty types and shows the average balances, investment income

received, average original duration and weighted average interest rates from April 2022 to September 2022.

- 4.6 The TM Code requires the Council to set and report on a number of Treasury Management Indicators. The indicators either summarise the expected activity or introduce limits upon the activity. Details of the estimates for 2022-23 set out in the Council's TMS, against current projections, are shown in **Appendix A** and these show that the Council is operating in line with the approved limits.
- 4.7 The Council defines high credit quality as organisations and securities having a credit rating of A- or higher and **Appendix B** shows the equivalence table for credit ratings for Fitch, Moody's and Standard & Poor's and explains the different investment grades.

5. Effect upon policy framework and procedure rules

- 5.1 As required by Financial Procedure Rule 22.3 within the Council's Constitution, all investments and borrowing transactions have been undertaken in accordance with the TMS 2022-23 as approved by Council with due regard to the requirements of CIPFA's Code of Practice on Treasury Management in the Public Services.

6. Equality Act 2010 implications

- 6.1 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 the report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or 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.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. As the report is for information only and is retrospective in nature 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.

8. Financial implications

- 8.1 The financial implications are reflected within the report.

9. Recommendations

- 9.1 It is recommended that the Governance and Audit Committee:
 - note the Council's treasury management activities for 2022-23 for the period

1 April 2022 to 30 September 2022 and the projected Treasury Management Indicators for 2022-23.

Carys Lord
Chief Officer – Finance, Performance and Change
November 2022

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Background documents:

None

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APPENDIX A

SUMMARY OF TREASURY MANAGEMENT ACTIVITIES 2022-23 1 APRIL TO 30 SEPTEMBER 2022

1. External Debt and Investment Position

On 30 September 2022, the Council held £99.94 million of external long-term borrowing and £98.45 million of investments. The Council's external debt and investment position for 1 April to 30 September 2022 is shown below in Table 1; more detail is provided in section 3 - Borrowing Strategy and Outturn - and section 4 - Investment Strategy and Outturn:

Table 1: External debt and investment position 1 April 2022 to 30 September 2022

	Principal 01/04/2022 £m	Average Rate 01/04/2022 %	Principal 30/09/2022 £m	Average Rate 30/09/2022 %
External Long Term Borrowing:				
Public Works Loan Board	77.62	4.70	77.62	4.70
Lender's Option	19.25	4.65	19.25	4.65
Borrower's Option	2.68	0.00	3.07	0.00
Total External Borrowing	99.55		99.94	
Other Long Term Liabilities (LTL):				
Private Finance Initiative (PFI)*	14.77		14.33	
Other LTL	0.39		0.31	
Total Other Long Term Liabilities	15.16		14.64	
Total Gross External Debt	114.71		114.58	
Treasury Investments:				
Debt Management Office	30.20	0.54	29.00	1.14
Local Authorities	45.50	0.37	52.00	0.54
Banks	8.37	0.53	6.95	0.93
Money Market Fund***	0.00	0.00	10.50	1.16
Total Treasury Investments	84.07	0.43	98.45	0.88
Net Debt	30.64		16.13	

* (PFI) arrangement for the provision of a Secondary School in Maesteg 11.5 years remaining term

** these funds provide instant access

Where a Council finances capital expenditure by debt, it must put aside revenue resources to repay that debt in later years and this amount charged to revenue is called the Minimum Revenue Provision (MRP). The Local Authority (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008 requires the Council to produce and approve an annual Minimum Revenue Provision (MRP) Statement before the start of the financial year that details the methodology for the MRP charge and this is detailed in the Council's Capital Strategy. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to delay the need to borrow externally by temporarily using cash it holds for other purposes such as earmarked reserves. This is known as internal borrowing. This strategy is prudent as investment returns are low and counterparty risk is relatively high. The CFR is forecast to increase from 2021-22 levels due to the amount of prudential borrowing in the capital programme in future years. The Loans CFR (which excludes PFI & Other Long Term Liabilities) is at the half year position estimated to be £171.35 million as shown in table 2 below.

The liability benchmark measures the Council's projected net debt requirement plus a short-term liquidity allowance in the form of minimum cash and investment balances. The purpose of the benchmark is to set the level of risk which the Council regards as its balanced or normal position. The forecast liability benchmark, or level of debt estimated for 31 March 2023 is £76.83 million, which is lower than the estimate within the TMS. The current level of long-term borrowing is £99.94 million. As the Council has available reserves it can use them to fund capital expenditure in the short term, which is a prudent approach to managing its cash resources. Table 2 below has been produced using estimates of capital spend and forecasts on usable reserves for the current financial year. The Loans CFR ignores cash balances and may be too high if the authority benefits from long term positive cash flows which this Council does benefit from. The benchmark assumes that cash and investment balances are kept to a minimum level of £10 million at to maintain sufficient liquidity but minimise credit risk.

Table 2: Liability benchmark

	2021-22 Actual	2022-23 Estimate TMS	2022-23 Projection
	£m	£m	£m
Loans Capital Financing Requirement	162.31	180.02	171.35
Less: Usable reserves	(141.69)	(76.29)	(104.52)
Plus: actual/minimum investments	10	10	10
Liability Benchmark	30.62	113.73	76.83

2. External Context

The ongoing conflict in Ukraine has continued to put pressure on global inflation and the economic outlook for UK and world growth remains weak. Towards the end of the period there was some uncertainty in the markets following the then Chancellor's fiscal plan. The economic backdrop during the April to September period continued to be characterised by high oil, gas and commodity prices, ongoing high inflation and its impact on consumers' cost of living, no imminent end in sight to the Russia-Ukraine hostilities and its associated impact on the supply chain, and China's zero-Covid policy.

The Bank of England, Federal Reserve and the European Central Bank all increased interest rates over the period and committed to fighting inflation, even when the consequences were, in all likelihood, recessions in those regions.

UK inflation remained extremely high. Annual headline Consumer Price Index (CPI – which excludes housing costs) hit 10.1% in July, the highest rate for 40 years, before falling modestly to 9.9% in August and then returning to 10.1% in September. Retail Prices Index (RPI – including mortgage interest payments) registered 12.3% in both July and August increasing in September to 12.6%. The energy regulator, Ofgem, increased the energy price cap by 54% in April, while a further increase in the cap from October, which would have seen households with average energy consumption pay over £3,500 per annum, was dampened by the UK government stepping in to provide around £150 billion of support to limit bills to £2,500 annually until 2024, although it has since been announced it will end in April 2023.

The Bank of England's official Bank Rate was 0.75% at the start of the financial year. At the next two meetings of the Monetary Policy Commission it was decided to raise it each time by a further 0.25%, before following that with further increases of 0.50% in both August and September. This has increased the rate to 2.25%. The Committee noted that domestic inflationary pressures are expected to remain strong and so given ongoing strong rhetoric around tackling inflation further Bank Rate rises should be expected.

Bank of England policymakers noted that any resulting inflationary impact of increased demand would be met with monetary tightening, raising the prospect of a much higher Bank Rate and consequential negative impacts on the housing market.

3. Borrowing Strategy and Outturn for 1 April to 30 September 2022

At 30 September 2022, the Council held £99.94 million of long-term loans as part of its strategy for funding previous years' capital programmes. The TMS 2022-23 forecast that the Council would need to borrow £9.36 million in 2022-23. However, currently it is anticipated that the Council will not need to take out new borrowing during the year 2022-23, although this will be dependent on the progress of the Capital Programme expenditure and the use of available funding set aside for earmarked reserves during the remainder of the year.

More detail on forecast capital spend is provided in the Capital Strategy 2022-23 which was approved by Council on 23 February 2022 in conjunction with the Capital Annual Outturn 2021-22 and the Quarter 2 Capital Monitoring 2022-23 reported to Council on 19 October 2022.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans, should the Council's long-term plans change, is a secondary objective. Therefore the major objectives to be followed in 2022-23 are:

- to minimise the revenue costs of debt
- to manage the Council's debt maturity profile i.e. to leave no one future year with a high level of repayments that could cause problems in re-borrowing
- to effect funding in any one year at the cheapest cost commensurate with future risk
- to monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movement
- to reschedule debt if appropriate, in order to take advantage of potential savings as interest rates change
- to optimise the use of all capital resources including borrowing, both supported and unsupported, usable capital receipts, revenue contributions to capital and grants and contributions

The impact of the Covid-19 pandemic and ongoing conflict in Ukraine are still continuing to make a defined imprint on the economy, public finances in general, as well as on local government funding in particular. With uncertainty going forward, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The ever-increasing uncertainty over future interest rates increases the risks associated with treasury activity. As a result, the Council will take a cautious approach to its treasury strategy. At present interest rates are rising rapidly and as there is uncertainty at the level at which rates will level out, it is likely to be more beneficial to either use internal resources or take out short term loans instead.

The Council's primary objective for the management of its debt is to ensure its long-term affordability. The majority of its loans have therefore been borrowed from the Public Works Loan Board (PWLB) at long term fixed rates of interest, but we will also investigate other sources of finance, such as Welsh Government and local authority loans and bank loans that may be available at more favourable rates. Following the increase in the numbers of local authorities taking out PWLB loans to buy commercial properties for yield, a UK government consultation by HM Treasury issued revised lending terms for PWLB borrowing by local authorities in November 2020. As a condition of accessing the PWLB, local authorities will be asked to confirm that there is no intention to buy investment assets primarily for yield in the current or next two

financial years. Local authorities' Section 151 Officers, or equivalent, will be required to confirm that capital expenditure plans are current and that the plans are within acceptable use of the PWLB. Whilst this in itself does not preclude the Council from investing in commercial activities, investing in assets for yield would preclude the Council from accessing PWLB borrowing. In December 2021, CIPFA published a new edition of the Prudential Code for Capital Finance in Local Authorities. A significant change to the Code is that, in order to comply with the Code, an authority must not borrow to invest primarily for financial return. It goes further to clarify that "*it is not prudent for local authorities to make any investment or spending that will increase the capital financing requirement, and so lead to new borrowing, unless directly and primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose*".

The Council has a number of energy schemes which are funded via Salix interest free loans. These loans are required to be repaid between 7 and 10 years. Excluding these loans the last time the Council took out long term borrowing was £5 million from the PWLB in March 2012. Should the need to borrow materialise as expected it is likely that we would look to borrow from the PWLB. For estimate purposes it has been assumed that this would be over 30 years. The Council may also take out short term loans (normally for up to one month) to cover unexpected cash flow shortages. Market conditions have meant that there has been no rescheduling of the Council's long term borrowing so far this year however, in conjunction with the Council's Treasury Management advisors Arlingclose Ltd, the loan portfolio will continue to be reviewed for any potential savings as a result of any loan rescheduling.

The £19.25 million in table 1 above relates to Lender's Option Borrower's Option (LOBO) loans which have a maturity date of 2054, however these may be re-scheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending upon the prevailing market rates, the lender exercising their option to increase rates at one of the bi-annual trigger points (the trigger dates being July and January) and therefore, the Council being given the option to accept the increase or to repay the loan without incurring a penalty. The lender didn't exercise their option on 22 July 2022 and the next trigger point is 22 January 2023. The lender is unlikely to exercise their option during low interest rate environments, however, an element of refinancing risk remains given the current economic climate and increasing interest rates. The Council would likely take the option to repay these loans at no cost if it has the opportunity to do so in the future. The current average interest rate for these LOBOs is 4.65% compared to the PWLB Loans average interest rate of 4.70%. The premiums payable to renegotiate the Council's Lender's Option Borrower's Option (LOBO) continues to be cost prohibitive at present.

The Treasury Management indicator shown in Table 3 below is for the Maturity Structure of Borrowing and is set for the forthcoming financial year to control the Council's exposure to refinancing risk with respect to the maturity of the Council's external borrowing and has been set to allow for the possible

restructuring of long-term debt where this is expected to lead to an overall saving or reduction in risk. It is the amount of projected borrowing maturing in each period as a percentage of total projected borrowing. The upper and lower limits on the maturity structure of borrowing set out in the TMS 2022-23 and the projections for 2022-23 are:

Table 3: Treasury Management Indicator Maturity Structure of Borrowing 2022-23

Refinancing rate risk indicator Maturity structure of borrowing	TMS 2022-23 Upper limit %	TMS 2022-23 Lower limit %	Projection 31-3-23 %
Under 12 months	50	-	19.87
12 months and within 24 months	25	-	-
24 months and within 5 years	25	-	12.47
5 years and within 10 years	40	-	13.45
10 years and within 20 years	50	-	16.64
20 years and above	60	25	37.57

The 19.87% shown in Table 3 above relates to the £19.25 million LOBO loans which may be re-scheduled in advance of their maturity date of 2054, as detailed in the paragraph above. The CIPFA Code requires the maturity of LOBO loans to be shown as the earliest date on which the lender can require payment, i.e. the option/call dates in 2022-23, so the maturity date is actually uncertain but is shown in the “Under 12 months” category as per the Code.

4. Investment Strategy and Position 1 April to 30 September 2022

Both the CIPFA Code and the WG Guidance require the Council to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council’s objective when investing money is to strike an appropriate balance between risk and return, balancing the risk of incurring losses from defaults against receiving unsuitably low investment income.

The major objectives during 2022-23 are to:

- Maintain capital **security**
- Maintain **liquidity** so funds are available when expenditure is needed
- Achieve a **yield** on investments commensurate with the proper levels of security and liquidity

The Annual Investment Strategy incorporated in the Council’s TMS 2022-23 includes the credit ratings defined for each category of investments and the liquidity of investments. The Council’s investments have historically been placed in mainly short-term bank and building society unsecured deposits and

local and central government. However, investments may be made with any public or private sector organisations that meet the minimum credit criteria and investment limits specified in the Investment Strategy. The majority of the Council's surplus cash is currently invested with other Local Authorities, Central Government (DMO) and in Money Market Funds, but the Council will continue to look at investment options in line with the limits detailed in the Investment Strategy. Arlingclose Ltd constantly stress tests the financial institutions on its recommended counterparty list and as a result, removing or in some cases adding back some previously removed on its recommended list for unsecured deposits and revising the credit rating, outlook and recommended deposit period for a number of others. The Council takes into account updated advice from its advisors before making any investment decisions.

The Council holds surplus funds representing income received in advance of expenditure, plus balances and reserves, and, as shown in Table 1 above, the balance on investments at 30 September 2022 was £98.45 million. Table 4 below details these investments by counterparty type. The average investment rate in the period 1 April to 30 September 2022 was 0.88%.

Table 4: Investments Profile 1 April to 30 September 2022

Investment Counterparty Category	Balance 01 April 2022 (A) £m	Investments raised (B) £m	Investments Repaid (C) £m	Balance 30 September 2022 (A+B-C) £m	Investment income received** Apr-Sep 2022 £'000	Average original duration of the Investment Days	Weighted average investment balance Apr-Sep 2022 £m	Weighted average interest rate Apr-Sep 22 %
Government DMO	30.20	217.90	219.10	29.00	146.08	26	32.62	1.14
Local Authorities	45.50	31.00	24.50	52.00	53.05	298	45.22	0.54
Banks (Fixed Maturity)	3.00	12.00	12.00	3.00	13.32	49	3.00	1.34
Banks Instant Access/Notice Period Account	5.38	47.85	49.28	3.95	13.77	-	7.38	0.76
Building Societies				-		-		
Money Market Fund (Instant Access)		38.00	27.50	10.50	108.40	-	21.80	1.17
Total/Average	84.08	346.75	332.38	98.45	334.62	93	110.02	0.88

* actual income received in year excluding accruals

The Treasury Management indicator shown below in Table 5 is for Principal Sums Invested for periods longer than a year. Where the Council invests, or plans to invest, for periods longer than a year, an upper limit is set for each

forward financial year period for the maturing of such investments. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of long-term investments. The limit on the long-term principal sum invested to final maturities beyond the period end are set out in the TMS 2022-23.

Table 5: Treasury Management Indicator Principal Sums Invested for periods longer than a year

Price risk indicator	TMS 2022-23 £m	Projection 31-3-23 £m
Limit on principal invested beyond financial year end	15	5

All investments longer than 365 days (non-specified) will be made with a cautious approach to cash flow requirements and advice from Arlingclose Ltd will be sought as necessary.

There is only 1 long-term investment (original duration of 12 months or more) outstanding at 30 September 2022. This is with Medway Council and is repayable on 25 July 2024. All other investments at 30 September 2022 were short term deposits including Government Debt Management Office (DMO), Money Market Funds, Local Authorities, instant access and notice accounts. Table 6 below details these investments by counterparty type based on the remaining maturity period at 30 September 2022:

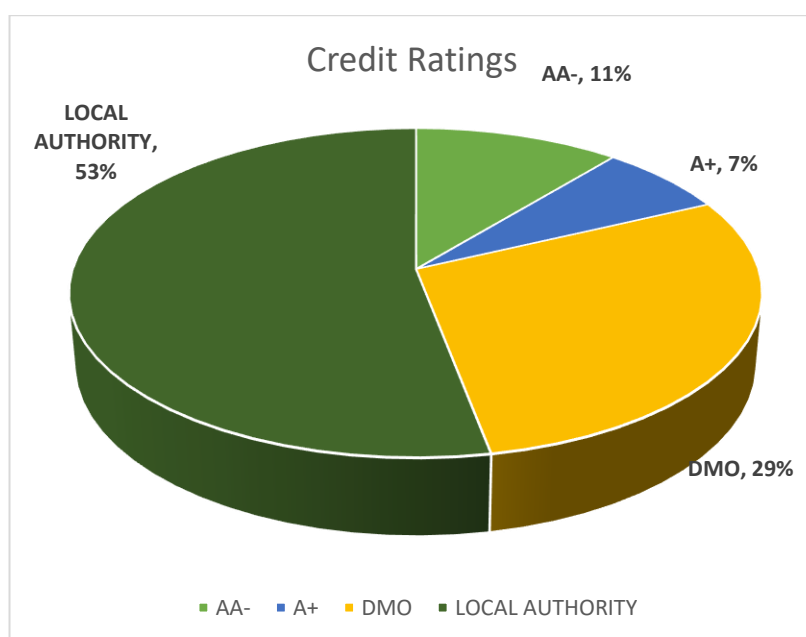
Table 6: Investments Outstanding Maturity Profile 30 September 2022

Counterparty Category	Instant Access £m	Deposits Maturing Within 1 Month £m	Deposits Maturing Within 2-3 Months £m	Deposits Maturing Within 4-12 Months £m	Deposits Maturing Over 12 Months £m	Total £m
Government DMO	0.00	0.00	29.00	0.00	0.00	29.00
Local Authorities	0.00	0.00	0.00	47.00	5.00	52.00
Banks	0.95	0.00	3.00	3.00	0.00	6.95
Money Market Fund	10.50	0.00	0.00	0.00	0.00	10.50
Total	11.45	0.00	32.00	50.00	5.00	98.45

Investment decisions are made by reference to the lowest published long-term credit rating from a selection of external rating agencies to ensure that this lies within the Council's agreed minimum credit rating. Where available the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account. **Appendix B** shows the equivalence table for credit ratings for three of the main rating agencies: Fitch,

Moody's, and Standard & Poor's, and explains the different investment grades. The Council defines high credit quality as organisations and securities having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

The pie chart below summarises Table 6 by credit ratings and shows the £98.45 million investments at 30 September 2022 by percentage. Most Local Authorities do not have credit ratings and the £10.5 million invested with AA-rated MMF's were on an approved counterparty by Arlingclose Ltd, whilst the remainder of the investments all had a credit rating of A or above.



5. Interest Rate Exposures – Borrowing and Investments

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council depending on how variable and fixed interest rates move across differing financial instrument periods. Short term and variable rate loans expose the Council to the risk of short-term interest rate rises and are therefore subject to the Treasury Management indicator in Table 7 below to manage Interest Rate Exposures.

Table 7: Treasury Management Indicator Interest Rate Exposures

Interest rate risk indicator	Indicator £'000	As at 30.9.22 £'000
One year revenue impact of a 1% rise in interest rates	(537)	(786)
One year revenue impact of a 1% fall in interest rates	726	978

This has been set as an **indicator** (not a limit) to measure the net impact over one year on the revenue account of both a 1% rise and a 1% fall in all interest rates for borrowing net of treasury investments. This is calculated at a point in time on the assumption that maturing loans and investments will be replaced at rates 1% higher or lower than they would otherwise have been on their maturity dates and that the treasury investment and borrowing portfolios remain unchanged over the coming year. Interest rates can move by more than 1% over the course of a year and since April 2022 interest rates have increased by 1.5% with further increases anticipated. The council has benefitted from additional investment income as rates have risen.

The figures for the 1% fall in interest rates indicator are not the same figures as the 1% rise in interest rates (but reversed) as the borrowing relates to variable LOBO loans where it is assumed that the lender would not exercise their option if there was a fall in interest rates. All other borrowing does not have a rate reset in the next year and is with the PWLB at fixed rates

Table 8: Interest Expenditure & Receipts

A comparison of interest expenditure against income for the period 1 April to 30 September is shown below:

	2021-22 £'000	2022-23 £'000
Interest expenditure payable on long term borrowing*	2,273	2,273
Interest income received in period	(69)	(335)
Net interest cost	2,204	1,938

* Estimated as at 30 September 2022. Actual payments may occur after this date.

APPENDIX B

Credit Rating Equivalence Table

	Description	Fitch		Moody's		Standard & Poor's	
		Long	Short	Long	Short	Long	Short
INVESTMENT GRADE	Extremely strong	AAA		Aaa		AAA	
	Very strong	AA+	F1+	Aa1	P-1	AA+	A-1+
		AA		Aa2		AA	
		AA-		Aa3		AA-	
	Strong	A+	F1	A1	P-2	A+	A-1
		A		A2		A	
		A-		A3		A-	
	Adequate	BBB+	F2	Baa1	P-3	BBB+	A-2
		BBB		Baa2		BBB	
BBB-		Baa3		BBB-			
SPECULATIVE GRADE	Speculative	BB+	B	Ba1	Not Prime (NP)	BB+	B
		BB		Ba2		BB	
		BB-		Ba3		BB-	
	Very speculative	B+	B	B1	Not Prime (NP)	B+	B
		B		B2		B	
		B-		B3		B-	
	Vulnerable	CCC+	C	Caa1	Not Prime (NP)	CCC+	C
		CCC		Caa2		CCC	
		CCC-		Caa3		CCC-	
		CC		Ca		CC	
	C				C		
Defaulting	D	D	C		D	D	

Standard & Poor's (S&P), Moody's and Fitch are the three most significant rating agencies in the world. These agencies rate the creditworthiness of countries and private enterprises.

"AAA" or "Aaa" is the highest rating across all three rating agencies and indicates the highest level of creditworthiness. A "D" rating ("C" rating from Moody's) indicates poor creditworthiness of a company or government. A difference is made between short-term and long-term ratings.

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

10 NOVEMBER 2022

REPORT OF THE CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

HALF YEAR REVIEW OF THE ANNUAL GOVERNANCE STATEMENT

1. Purpose of report

- 1.1 The purpose of this report is to provide an update on the Action Plan that accompanied the Annual Governance Statement (AGS) included in the Draft Statement of Accounts 2021-22 against the significant issues identified and how they are being addressed in 2022-23.

2. Connection to corporate well-being objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

- 2.2 Effective governance arrangements underpin the delivery of the well-being objectives defined in the Corporate Plan.

3. Background

- 3.1 Regulation 5 (2) of the Accounts and Audit (Wales) Regulations 2014 requires an authority to undertake, as part of its arrangements for corporate governance, an annual review of governance and report on internal control.

- 3.2 The Annual Governance Statement 2021-22 was presented to the Governance and Audit Committee on 28 July 2022.

4. Current situation/proposal

- 4.1 Good corporate governance requires the active participation of Members and Officers across the Council. These arrangements are reviewed on an annual basis and the findings used to update the AGS. This helps to ensure the continuous improvement of the Council's corporate governance culture.

- 4.2 The AGS provides an overall assessment of the Council's corporate governance arrangements and an appraisal of the controls in place to manage the Council's key risks and identifies where improvements need to be made. The AGS 2021-22 included in the draft Statement of Accounts is attached at **Appendix A**.

4.3 Local authorities are required to monitor and evaluate the effectiveness of their governance arrangements in the year. A review of the Action Plan for the year provides a basis for reviewing progress against each significant governance issue identified. The action plan is included at **Appendix B** together with an update on progress against each significant governance issue.

5. Effect upon policy framework and procedure rules

5.1 The report does not have any effect upon policy framework or procedure rules.

6. Equality Act 2010 implications

6.1 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.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 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.

8. Financial implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 It is recommended that the Committee:

- consider the Annual Governance Statement 2022-23 Action Plan and progress on the actions to 30 September 2022.

Carys Lord
Chief Officer – Finance, Performance and Change
November 2022

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Background documents:

None

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Annual Governance Statement



Bridgend County Borough Council
Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr



Contents

	Page
1 Foreword	
2 Governance Framework	
3 Assessing Performance	
4 Audit Assurance	
5 Improving Governance	
6 Assurance Statement	

1 Foreword

“One Council working together to improve lives”

This is the Council’s vision as stated in the [Corporate Plan](#) for 2018-2023 reviewed for 2022-23, which also sets out what our long-term well-being objectives are so that amongst all of the complexity of increased demand and reduced resources we can keep a clear focus on what is really important for our communities.

We want to contribute to a place where people want to live, work, study and do business, where people have the skills and qualifications they need to improve their life chances, enjoy good health and a sense of well-being and independence.

It is necessary to ensure that our communities and those that use and pay for our services, those who deliver our services, and our partners and suppliers, have confidence in our governance arrangements. They must be assured that our services are provided effectively and efficiently and delivered on a consistent basis, that public money is safeguarded and properly accounted for and that decisions are taken transparently and lawfully. This is especially the case given the challenges arising in recent years, particularly the unprecedented impact of the Coronavirus pandemic, the ongoing implications of the exit from the European Union and the ramifications arising from the current conflict in Ukraine. Additional measures were in place to ensure the Council maintains proper governance throughout these unprecedented events, and they continue to be monitored and strengthened as we go forward.

The Council also has a duty to set well-being objectives under the Well-being of Future Generations (Wales) Act 2015 and the Local Government Elections (Wales) Act 2021 to make arrangements and keep under review the extent to which it is exercising its functions effectively, using its resources economically, efficiently and effectively and to ensure its governance is effective for securing these performance requirements.

Our governance arrangements operate effectively in supporting the Council in meeting its challenges and responsibilities and have continued to do so in the current uncertain times. Improvements are continually being made and opportunities to do so going forward have been identified. These will be monitored during 2022-23 to ensure that the necessary improvements are made.



Cllr Huw David
Leader of the Council



Mark Shephard
Chief Executive

2 Governance Framework

What is Corporate Governance?

Corporate governance comprises the systems, processes, culture and values by which the Council is directed and controlled, led and held to account, and how it engages with stakeholders. It is also about the way that Councillors and employees think and act.

The Governance Framework enables the Council to monitor the achievement of its strategic objectives and to consider whether they have led to the delivery of appropriate, cost-effective services.

What this Statement tells you

This Statement describes the extent to which the Council has complied with its Code of Corporate Governance and the requirements of the Accounts and Audit (Wales) Regulations 2014 and the Accounts and Audit (Wales) (Amendment) Regulations 2018 for the year ended 31 March 2022.

It also sets out how the Council has responded to governance issues identified during 2021-22 and actions to be undertaken during 2022-23 following an annual review of the Governance Framework.

The Statement has been prepared in accordance with the 2016 guidance: [‘Delivering Good Governance in Local Government Framework’](#) produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE).



Porthcawl Town

The Council's Governance Responsibilities

The Council is responsible for ensuring that its 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.

The Council must consider the longer term impact of any decisions it makes, and should work collaboratively with other public bodies to improve well-being in Wales.¹

As a public body the Council has to ensure it delivers sustainable social, cultural, environmental and economic outcomes as a key focus of its governance process and structures. This is achieved by:

- behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- ensuring openness and comprehensive stakeholder engagement

The Council's Code of Corporate Governance sets out its commitment to, and responsibility for, ensuring that there is a sound system of governance in place. The [Code](#) and [Governance Framework](#) is on the Council's website or can be obtained from the Section 151 Officer.

The Council's Code of Corporate Governance sets out the seven principles of good governance in line with CIPFA's 'Delivering Good Governance in Local Government: Framework'.

Bridgend County Borough Council Code of Governance (2017)	
The Council's Governance Principles are based on the following:	
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B	Ensuring openness and comprehensive stakeholder engagement
C	Defining outcomes in terms of sustainable economic, social and environmental benefits
D	Determining the interventions necessary to optimise the achievement of the intended outcomes
E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
F	Managing risks and performance through robust internal control and strong public financial management
G	Implementing good practice in transparency, reporting, and audit to deliver effective accountability



¹ Well-being of Future Generations (Wales) Act 2015

The Council's Governance Framework

The Governance Framework comprises the systems, processes and values by which the Council is directed and controlled and the means by which it accounts to, engages with and leads the local community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to make appropriate use and prevent loss of public funds. It also assists with managing the risk of failure to achieve policies, aims and objectives. It does not eliminate all the risk; the system of internal control is designed to identify and prioritise risks, evaluate the likelihood of those risks materialising and manage their impact.

In order to review the effectiveness of the governance framework, assurances are provided to, and challenged by, the Governance and Audit Committee, Scrutiny Committees, Standards Committee, Council, Cabinet and Corporate Management Board as appropriate. In addition the Section 151 Officer promotes and delivers good financial management and the Monitoring Officer promotes and delivers legal and ethical assurance.

Some of the key elements of the governance framework are highlighted below.



More widely, as part of its partnership and joint working arrangements, the Council is involved in bespoke external governance arrangements driven by the different partnership and delivery arrangements in place. Examples of these include the following:

- The Council is one of ten Councils jointly delivering the Cardiff Capital Region City Deal (CCRCD), which has in place joint Scrutiny and Cabinet arrangements to ensure governance in

its implementation. The CCRCD aims to raise economic prosperity, job prospects and improve digital and transport connectivity and is a significant investment into the South Wales economy. The Council is committed to contributing to the delivery of these objectives across the region to ensure that the community and business within the Borough can benefit from this investment.

- The Local Government and Elections (Wales) Act provides Ministers with the powers to establish Corporate Joint Committees covering the four functions of economic wellbeing, transport, strategic planning and school improvement. The Welsh Government's South East Wales Corporate Joint Committee Regulations 2021 established a Corporate Joint Committee (CJC) for the Cardiff City Deal region and provided that the three core functions (economic wellbeing, transport and strategic planning) would be conferred on the South East Wales CJC on the 28 February 2022. However, in January 2022 the Welsh Government laid amendment regulations to change the date on which the three core functions will be conferred on the South East Wales CJC from 28 February 2022 to 30 June 2022. Cardiff Capital Region Cabinet has put in place steps to enable the transition to a Corporate Joint Committee by the required deadline.
- The Council works closely with Health and there is in place regional arrangements managed by the Cwm Taf Regional Partnership Board. The Regional Safeguarding Board and Regional Partnership Board provide leadership across the region for safeguarding and integrated planning of health and social care services though the Adoption Service continues to operate on the previous 'Western Bay' footprint.
- The Council is a participant in a number of shared services, with other local authorities, such as the Shared Regulatory Services with Cardiff and the Vale of Glamorgan Councils, and Central South Consortium, a joint education service for five local authorities. These are governed by joint committees which comprise elected members from each of the local authorities. The Council also is a partner in the Regional Internal Audit Shared Services with Vale of Glamorgan, Rhondda Cynon Taf and Merthyr Tydfil Councils.

Decision Making and Responsibilities

Following the Local Democracy and Boundary Commission for Wales' Review of the Electoral Arrangements of the County Borough of Bridgend in 2019, and the Local Government Elections in May 2022 the Council now consists of 51 elected Members (a reduction of 3 members), with an elected Leader and Cabinet who are supported and held to account by Scrutiny Committees.

The Council's constitution sets out how the Council operates, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules governing the Council's business and sets out a list of functions and decisions exercisable by officers. It also contains the rules and protocols by which the Council, Members and officers operate.



Through the Constitution, along with the Member's Code of Conduct, Standards Committee and role of Internal Audit, the Council operates with **integrity**, **ethical values** and within its **legal** powers. The Model Welsh Constitution, which was commissioned at the request of the All-Wales Monitoring Officer Group to take into account the new legislative requirements placed on local authorities under the Local Government and Elections (Wales) Act 2021, will be presented to Council subsequent to the Annual

General Meeting. The new model, when adopted, ensures a greater degree of consistency in approach across local authorities.

All Council and Committee meetings' agendas, papers and minutes can be viewed on-line and pre-pandemic all meetings were open to the public unless exempt or confidential matters were being discussed. Since the pandemic meetings have been held virtually and recorded and placed on the Council's website for the public to access. The Council's forward work programme contains information about all matters that are likely to be the subject of a decision taken by full Council or Cabinet during the forthcoming period. They also include information regarding Scrutiny Committees. To further enhance **openness** and **comprehensive stakeholder engagement** the Council has a Citizen's Panel, which takes part in surveys on a range of issues. The Council also uses social media to promote services and engage with the public and makes information available in a range of formats to maximise the opportunity for information sharing and to enable residents to communicate with the Council.

Local Government and Elections (Wales) Act 2021

The Local Government and Elections (Wales) Act received Royal Assent on 20 January 2021. The Act is a substantial piece of legislation covering electoral reform, public participation, governance and performance and regional working. There are many reforms within the Act, however, in summary the Act introduces:

- Reform of electoral arrangements for local government, including extending the voting franchise to 16 and 17 year olds;
- Introduction of a general power of competence;
- Reforming public participation in local government;
- Reforms around democratic governance and leadership;
- Collaborative working;
- Reform of the performance and governance regime;
- Powers to facilitate voluntary mergers of principal councils.

In order to provide local authorities with certainty as to which legislative changes are being implemented when, and to ensure the required preparations can be made, Welsh Government made three Commencement Orders, which will be accompanied by other relevant subordinate legislation, which brought the relevant provisions into force on a series of dates between March 2021 and 5 May 2022.

The Act is having, and will continue to have, a wide-ranging impact on the organisation, powers, performance measurement and governance of the Council, including changes to the composition and terms of reference of the Governance and Audit Committee. New responsibilities, some of which the Committee has already started to assume, include:

- a role in reviewing the Council's self-assessment report and making any recommendations for change;
- consideration of the outcome and response to a panel performance assessment of the Council, and;
- responsibility for making reports and recommendations in relation to the authority's ability to handle complaints effectively.

In addition, from May 2022 the composition of the Governance and Audit Committee has changed, and there is a requirement for one-third of its members to be lay members, and for the Chair of the Committee to be a lay member. For Bridgend this means that the Committee will comprise 8 elected members and 4 lay members.

Role of the Governance and Audit Committee

The **Governance and Audit Committee** provides independent assurance on the Council's internal control environment. It is a statutory Committee and consists of 8 Councillors and 4 Lay Members. Its main functions are:

- Review and scrutinise reports and recommendations in relation to the Council's Financial Affairs
- Review and scrutinise reports and recommendations on the appropriateness of the Council's risk management, internal control and corporate governance arrangements
- Oversee the Council's internal and external audit arrangements
- To be responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies
- To monitor the Council's Anti-Fraud and Bribery Strategy, Anti-Money Laundering Policy and Anti-Tax Evasion Policy
- To review and approve the Council's Annual Governance Statement and the Annual Statement of Accounts
- To review and consider reports from the External Auditor and Inspectors
- To review and assess the Council's ability to handle complaints effectively and make recommendations in this respect
- To review the Council's draft self assessment report on its performance and, if deemed necessary, make recommendations for changes to the conclusions



Garw Valley

3 Assessing Performance

Under the Local Government and Elections (Wales) Act 2021 the Council has a duty to report on its performance through an annual self-assessment report. This is a wider assessment than the previous [Annual Report](#), which was an annual self-evaluation of progress against the Council's Corporate Plan. The Annual Report looked back on the progress made during the year on the steps to meet the well-being objectives. The report considered measures of success with targets set annually and used to drive improvement. The self-assessment report is much wider and must set out the Council's conclusions on the extent to which it met the performance requirements during that financial year, and any actions it intends to take, or has already taken, to increase the extent to which it is meeting the performance requirements. The duty includes a requirement for Governance and Audit Committee to review the draft report, and for the final report to be submitted to at least the Auditor General for Wales, Her Majesty's Chief Inspector of Education and Training in Wales and Welsh Ministers.

During 2021-22 the Council was still managing the impact of the Covid-19 pandemic, and trying to move into the recovery and renewal phase. The governance arrangements and processes that the Council had put in place during the earlier stages of the pandemic were continually reviewed and amended to ensure it could continue to support residents and businesses during these difficult and challenging times.

The Corporate Plan

The Corporate Plan 2018-23, updated for 2022-23, agreed in February 2022 sets out the Council's vision: '**One Council working together to improve lives**'. The Plan defines the Council's three priority well-being objectives and its organisational values and principles that underpin how it will work to deliver its priorities. The Council defines its purpose to 'contribute to a place where people love to live, work, study and do business, where people have the skills and qualifications they need to improve their life chances, and enjoy good health and a sense of well-being and independence'.



Underpinning the Council's Corporate Plan and throughout its decisions-making process, the principles of the Well-being of Future Generations (Wales) Act 2015 are applied. The table shows how the Council's well-being objectives contribute to the seven well-being goals.

Well-being Goal	Well-being Objective		
	Supporting a successful sustainable economy	Helping people and communities to be more healthy and resilient	Smarter use of resources
A prosperous Wales	✓		✓
A resilient Wales			✓
A healthier Wales	✓	✓	✓
A more equal Wales	✓	✓	✓
A Wales of cohesive communities	✓	✓	✓
A Wales of vibrant culture and thriving Welsh language	✓	✓	
A globally responsible Wales	✓		✓






In addition to the seven well-being goals, the Well-being of Future Generations (Wales) Act 2015 puts in place the sustainable development principle and defines the five ways of working that public bodies must adopt to demonstrate they have applied the sustainable development principle. The five ways of working are:


















Long-term: thinking of future generations and of our natural resources.

Prevention: this is the step before any issues arise and is aimed at making sure that solutions and interventions are targeted and available to stop statutory services being required.

Integration and Collaboration: with colleagues and partners. Ensure decisions are joined up across services and work more closely with partners in the public, private and third sectors.

Involvement: consult and involved local people in planning and delivering services.

5 Ways of Working	Long term	Prevention	Integration	Collaboration	Involvement
Our Principles					
To support communities and people to create their own solutions and reduce dependency on the Council.					
To focus diminishing resources on communities and individuals with the greatest need.					

5 Ways of Working	Long term	Prevention	Integration	Collaboration	Involvement
To use good information from service users and communities to inform its decisions.					
To encourage and develop capacity amongst the third sector to identify and respond to local needs.					
To not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public sector bodies.					
To work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches.					
To transform the organisation and many of its services to deliver financial budget reductions as well as improvements.					

Welsh language – Wales has two official languages, Welsh and English, and services and information should be equally available in both. The Council’s internal business language is English, but all the services and information we provide for local people will be equally available in either language.

The Corporate Plan identifies a number of key principles which underpin its Well-being objectives and has adopted a set of values that represent what the Council stands for and influences how it works. The key principles are set out below.

- Wherever possible the Council will support communities and people to create their own solutions and reduce dependency on the Council
- The Council will focus diminishing resources on communities and individuals with the greatest need
- The Council will use good information from service users and communities to inform its decisions
- The Council will encourage and develop capacity amongst the third sector to identify and respond to local needs
- The Council will not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public sector bodies
- The Council will work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches
- The Council will transform the organisation and many of its services and in so doing will deliver financial budget reductions as well as improvements

The Council’s values, or the **FACE** of the Council are:

- **F**air – taking into account everyone’s needs and situations
- **A**mbitious – always trying to improve what we do and aiming for excellence
- **C**itizen-focused – remembering that we are here to serve our local community
- **E**fficient – delivering services that are value for money

Covid-19

The UK was first put into lockdown on 23 March 2020 in an unprecedented step to attempt to limit the spread of coronavirus. During the summer of 2020 some of the rules were relaxed but subsequent lockdowns were put into place over the remainder of that year to deal with significant surges in cases from new strains of the virus, in order to protect lives and support the NHS. NHS Wales developed very detailed plans and strategies in preparation for the Covid-19 vaccination programme and from December 2020 the Pfizer BioNTech vaccine was launched, just in advance of the rollout of the Oxford AstraZeneca vaccine in January 2021. Since then a total of almost 7 million doses of first, second and booster vaccinations have been provided to adults and young people.

The Council has continued to adapt to new ways of working throughout this period, and learned from, and built on, some of the new practices that were put into place during the initial lockdown period. These changes have impacted upon governance and decision making processes and continue to be reviewed as we enter the recovery and renewal phase. A report was presented to Cabinet in September 2021 on the Future Service Delivery Model for the Council which outlined the challenges that the pandemic had provided the Council with, and plans for future service delivery going forward, including the guiding strategic principles, potential benefits and challenges, and other influencing factors. A key principle was that the Council's model would align with Welsh Government's goal of 30% of our workforce being agile and working from home, at any given point, by 2024. The model is to be taken forward by a cross-cutting project board.

Covid-19 restrictions have been removed in Wales from 18 April 2022, . However, businesses, employers and other organisations must continue to undertake a specific coronavirus risk assessment and take reasonable measures to minimise exposure to, and the spread of, coronavirus. As a consequence, and in line with the adopted strategic principles, many of the Council's staff continue to work from home. The Council is working on the interim phase of the Future Service Delivery Model currently and, since late 2021, has enabled service areas to return to the office, subject to an approved business case, which sets out the benefits of the proposal along with a risk assessment of the health and safety considerations of that return. In addition, where staff are experiencing well-being issues, they are able to book a desk in advance for a period of time, and work has recently been completed on the development of a digital Booking App for this process to replace the previous manual process. In March 2022 the Civic Offices re-opened for the first time in 2 years, to enable members of the public to attend in person to deal with their specific queries. However, the focus is on using this mechanism to signpost customers to online services and to support them through this, in order to safeguard the good work and opportunities that arose whilst the Civic Offices were closed.

Office-based staff are equipped to work at home either with laptops and telephone facilities installed on the laptops, or on home computers linked to the Council's corporate network. The Council significantly increased its infrastructure ability to enable all who could work from home to do so. This included providing multiple accessibility platforms to enable access. The capacity of back end storage has been increased and the security of the network remains at a high level. The ICT Service Unit are audited and accredited on an annual basis to comply with the Public Services Network Code of Connection (PSN CoCo). During the Coronavirus pandemic and the conflict in Ukraine the National Cyber Security Centre advised all government organisations to be on high alert to the threat of cyberattacks. The Council's ICT service are progressing towards Cyber Essentials Plus certification to complement the current PSN CoCo.

At the start of the pandemic a number of services, including schools, were closed, although the Council continued to maintain a significant number of essential services running, particularly the provision of social care services for vulnerable adults and children and waste collection services. Services that were closed included cultural venues, leisure centres, community recycling centres and day services. During the year, as lockdown restrictions initially eased, a number of these reopened, but with social

distancing measures in place, or were provided differently. Schools adapted to provide blended learning and during full lockdown, online learning, with most pupils being taught via their home computers. Those pupils eligible for free school meals have been provided with weekly food parcels, delivered to their homes, and funding was secured to enable digitally excluded pupils to continue to learn from home.

During 2021-22 all Council committee meetings were held virtually via Microsoft Teams and recorded and uploaded to the Council's website following the meeting. This enables full and transparent decision making and includes procedures for enabling Members to vote on key decisions. Going forward, work is scheduled to be undertaken on the Council Chamber and in a number of Committee rooms to enable hybrid meetings to take place. In January 2021, as the latest lockdown came into place, CMB introduced a specific CMB Gold meeting to discuss Covid related issues, outside of their regular CMB agenda. This was supplemented by a Covid Silver Group, consisting of Heads of Service, some group managers and other key officers, to consider more of the operational implications of the pandemic. The Covid Silver Group escalates any decisions required and any recommendations made to CMB. As the crisis has reduced both groups have continued to meet but have widened their coverage to include other non-Covid related strategic issues which benefit from a cross-directorate perspective.

Part of the national response to the impact of the pandemic has been to provide additional financial support to the economy and individuals, including the distribution of business grants, business rates relief, winter fuel payments and self-isolation payments, all of which have been administered by the Council. This is in addition to a number of social care workforce payments, intended to financially recognise and reward the hard work and commitment of social care staff, both those working for the Council and those in independent and private settings, who provided essential care to the most vulnerable citizens during the Covid-19 pandemic. This has required staff to focus on administering, managing and paying a large volume of grants in short timescales. During the financial year there have been a number of different grants and schemes funded by Welsh Government, but managed and administered by the Council, including:

Grant	Amount paid out
NDR Covid Grants January 2022	£1,945,780
Hardship Fund (including loss of income)	£14,682,415
Self-isolation payments	£1,736,750
Social Care Workforce Payments	£3,600,905
Statutory Sick Pay top-ups	£181,849
Winter Fuel Payments	£1,720,400
Economic Resilience Fund	£451,500
TOTAL	£24,319,599

Each of these grants has had different criteria, different awards processes (automatically paid or application process) and different funding amounts. This has required a coordinated effort between the taxation section, regeneration team, ICT, payroll, Finance and the social services department, often within very short timescales, at the same time ensuring that public funds are used appropriately and that control mechanisms are in place to safeguard the funding.

All have required new processes to be put in place to administer them, including digital changes to enable applications to be submitted online, system changes, cash management and accounting processes to be considered. We have used knowledge acquired from previous grant rounds to improve and automate our processes for the more recent grants, improving efficiency, reducing delays and avoiding fraud and duplication. The new winter fuel payments are highly automated and require much less staff input than the initial grants the Council had to administer.

Other services have had to think differently about how they could continue to provide services during the lockdown period. Most service areas have had to adapt and many employees have been able to work in a different and more agile way. There is a significant challenge to the organisation moving forward in ensuring that many of the new ways of working that have worked well continue to do so. Other services have had to reconsider how they continue to deliver to the public over time. One example is the provision of free school meals, which initially was provided through a 'packed lunch' style arrangement, which pupils collected from specific locations. This subsequently changed to a food parcel delivery service to pupils' homes, and then in October 2021, as a result of feedback from parents, new arrangements were put into place and food payment vouchers were issued to the parents and carers of children eligible for free school meals.

In addition to the business grants, Welsh Government has continued to provide a number of specific grants to meet the additional costs of Local Authorities as a result of the pandemic, for costs in general and targeted at specific areas, such as adult social care, free school meals, homelessness and personal protective equipment. Costs are collated across the Council to enable these grants to be drawn down, the majority of which are claimed against the Welsh Government Hardship Fund. There is also the impact of lost income from fees and charges, which creates an additional pressure. The Council has claimed and received the following amounts:

Welsh Government Hardship Fund	Claimed £000	Paid £000	Disallowed £000
Additional expenditure	14,748	14,682	66
Loss of income	1,762	1,762	0
Total	£16,50	£16,444	£66

Cost pressures and loss of income not covered by Welsh Government have created additional pressures on the Council budget, so the Council established a specific earmarked reserve at the end of 2019-20 to enable it to mitigate any non-funded Covid related costs in both 2020-21 and beyond. In addition, in recognition that the WG Hardship Fund is ending on 31 March 2022, a budget pressure of £1 million was approved by Council for 2022-23 as part of the Medium Term Financial Strategy 2022-23 to 2025-26 to meet ongoing budget pressures, both in respect of additional cost pressures and ongoing loss of income.

Over the past year the Council has continued to respond to the Covid-19 pandemic by continuing to make payments in advance of supply where appropriate, maintaining management fee levels for some of our key providers during the pandemic, and when necessary increasing the number of BACS payments made per week to ensure funding reached supplier accounts more quickly. Introducing more streamlined methods of payment were also used, to minimise the time taken to process payments into the Council's Finance system and release payments to recipients.

In recent months the Council has experienced additional costs not only as a result of the pandemic, but also rising costs resulting from Brexit, increases in inflation not seen for over a decade, and more recently the impact of the war in the Ukraine. The impact is being felt in food and energy prices, amongst others. These have resulted in a so-called Cost of Living crisis and will only get worse once the increase in National Insurance contributions come into effect from April 2022. It is unclear what the longer term consequences of these will be, or how they will be managed. However, it seems inevitable that a large number of businesses and individuals will find themselves in financial difficulties and may go out of business or require additional financial support, despite the various support schemes that have been put in place over the last 2 years. Town centre businesses are likely to continue to struggle as staff continue to work from home, either on a permanent or part-time basis, thus impacting on the footfall in these main retail areas.

Inspections

In March 2019 Estyn inspected Bridgend's local government education services. Following the inspection Estyn identified four recommendations to further improve Bridgend's provision of education services to children and young people. Following the inspection, the Council developed a post-inspection action plan (PIAP) to ensure the areas for improvement identified within the Estyn report would be addressed. The Council (supported, where appropriate, by Central South Consortium) have continued to work to address all of the recommendations from the Inspection. The Council conducts regular monitoring to ensure that progress is made and that next steps for improvement are identified and understood by all officers.

Care Inspectorate Wales carry out regulatory inspections of the Council's registered care provision. The Council is a significant provider of adult and children's regulated care services and the Head of Adult Services and the Head of Children's Services are Responsible Individuals for the provision, with legal responsibilities in accordance with the Regulation and Inspection of Care (Wales) Act (2018). There have been regular meetings between senior officers and Care Inspectorate Wales during 2020-21 to provide assurance in respect of the safety and wellbeing of people during the Covid-19 pandemic. An assurance check was carried out by Care Inspectorate Wales in April 2021, this was followed by a Performance Evaluation Inspection of Children's Services in May 2022. The Cabinet has approved a 3 year strategic plan to improve outcomes in children's social care, and the improvements in this plan, and the Care Inspectorate Wales inspection, are being overseen by a board chaired by the Chief Executive and advised by an independent expert in children's social care.

Annual Improvement

Audit Wales², our External Auditor, assesses the Council's arrangements for delivering continuous improvement and subsequent performance, the results of which are published in their [Annual Audit Summary 2021](#). In February 2022 they reported that the 'Auditor General certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2020-21, as saved by an order made under the Local Government and Elections (Wales) Act 2021'. The Summary also states that in August 2021 he concluded that 'the Council has maintained a strong financial position during the pandemic and has strengthened its Medium Term Financial Strategy'.

Audit Wales have undertaken and reported on a number of reviews during the year, the key outcomes of which are set out below.

Report	Key outcomes
At Your Discretion – Local Government Discretionary Services, April 2021	<p>Whilst not specific to Bridgend, this review looked at how Councils define their services and look to protect essential services when dealing with reductions in funding. Audit Wales focused on how Councils define services, the systems and processes they have used to review services and how robust and comprehensive these are.</p> <p>The Key Facts arising from the review were:</p> <ol style="list-style-type: none"> 1. Defining whether a service is discretionary or statutory can be complicated and does not reflect the important work of councils 2. Despite providing essential services that people depend on, councils have had to make difficult choices on what to protect in responding to over a decade of austerity

² Since 1 April 2020 the Wales Audit Office and Auditor General are branded as Audit Wales. The statutory names remain Wales Audit Office and Auditor General for Wales.

	<p>3. Service review processes help councils make tough choices but do not always draw on all key data - Citizens are willing to get involved in helping shape and run services, but councils are neither effectively nor consistently involving them in decisions</p> <p>4. Councils are not confident that they can continue to deliver all their services in the face of rising and complex demand</p> <p>5. COVID-19 offers an opportunity to reevaluate and reset the role and value of local government - COVID-19 has demonstrated the importance of Councils as key leaders in our communities who provide essential services and a safety net for people across Wales. Also, Councils need to build on their response to COVID-19 and take the opportunity to transform the way they provide services and interact with communities</p>
<p>Review of the Council's Arrangements to Become a 'Digital Council' – Bridgend County Borough Council, September 2021</p>	<p>The review was undertaken to enable Audit Wales to understand if the Council has effective arrangements to support its ambitions of becoming a digital council. This included exploring how the Council has learned from its shift to more digital working as a result of the pandemic. Their findings from the review were:</p> <p>"The Council has begun to put arrangements in place to support its digital ambitions but needs to strengthen its plans for delivering them".</p> <p>They reached this conclusion because:</p> <ul style="list-style-type: none"> • the Council has a new digital strategy which would benefit from reflecting the impact of the pandemic and emerging national policy direction; • the Council set up a Board to oversee delivery of its digital strategy, which has provided fresh impetus, but there is scope to strengthen some governance arrangements; and • the Council has not yet determined the resource requirements needed to deliver the strategy and there is scope to further instil a corporate culture for change.
<p>Financial Sustainability Assessment – Bridgend County Borough Council, August 2021</p>	<p>This review followed the national summary report 'Financial Sustainability of Local Government as a result of the COVID-19 Pandemic', published in October 2020, and concluded phase 2 of Audit Wales' financial sustainability assessment work during 2020-21, which has resulted in a local report for each of the 22 principal councils in Wales. Their key findings from the review were:</p> <ul style="list-style-type: none"> • The Council has maintained a strong financial position during the pandemic, and has strengthened its Medium Term Financial Strategy • The immediate impact of COVID-19 on the Council's financial sustainability has been mitigated by additional Welsh Government funding • The Council has strengthened its Medium Term Financial Strategy to better reflect medium-term budget pressures and forecast changes in demand for services • There are no apparent risks to the Council's financial sustainability in relation to its use of useable reserves which continue to be at a comparatively high level • In recent years, the Council has consistently underspent its annual budget and expects to underspend again in 2020-21 • The Council has a track record of delivering the majority of its in-year planned savings. However, in common with other councils, identifying and delivering future savings will be more challenging

- The Council has a positive liquidity ratio placing it in a good position to meet current liabilities.

In September 2021 Audit Wales compiled and published a national report on financial sustainability, capturing the key themes and challenges from the individual local authority review, and outlining four steps that could help to improve council's financial sustainability, namely:

Financial Strategies	Understand short, medium and long-term challenges and clearly set out the overall priorities for the council's finances
Reserves	Plan your approach to, and use of, reserves to ensure that it supports longer-term financial sustainability
Performance against budget	Know what's realistic for services to achieve and then understand and act on areas of consistent overspends
Savings Delivery	Understand what is realistic for services to deliver on savings or cost reductions and act on areas that do not consistently deliver planned savings

Managing Risk

The Council faces a range of risks as would be expected from the broad range of services it delivers and activities it is engaged with. On a day-to-day basis operational risk arises from the challenge of ensuring sufficient capacity and capability to advise on, and to deliver, the key policy objectives of the Council.

The Council has developed a robust approach to the management of risk. The Corporate Risk Management Policy is aligned with Directorate Plans and the Council's performance management framework. The Council defines risk as: 'Any potential development or occurrence which, if it came to fruition, would jeopardise the Council's ability to:

- achieve its well-being objectives
- provide services as planned
- fulfil its statutory duties, including the duty to make arrangements to secure continuous improvement.'

Risks are viewed from both a Service and Council-wide perspective which ensures the key risks are distilled in the [Corporate Risk Assessment](#). The Risk Assessment sets out how the Council is addressing these risks and the mitigating actions it will put in place to reduce them. It is regularly reviewed and challenged by both senior management and the Governance and Audit Committee. 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.

During 2021-22 detailed Risk Management Guidance was developed for use by all departments across the Council. It enables staff to identify risks, prioritise them and implement actions to mitigate them, in a consistent and timely manner. Training was rolled out to all directorate management teams and the roles and responsibilities at each stage of the process outlined. Directorate Business Plans were revised to ensure that processes and actions are aligned with the corporate risk management process.

Financial Management

The financial management of the Council is conducted in accordance with all relevant legislation and the Constitution. The Council has in place Financial Procedure Rules, Contract Procedure Rules, a specific Financial Scheme for Schools, and the scheme of delegation also provides the framework for financial control. The Section 151 Officer is responsible for establishing a clear framework for the management of the Council's financial affairs and for ensuring that arrangements are made for their proper administration.

The Council's ability to deliver savings and contain its expenditure within its overall budget is well established. However, the Council faces significant challenges in the future in the face of uncertain funding levels and cost pressures, and the long term impact of Brexit, the pandemic and the current conflict in the Ukraine. The Council estimates that it will need to generate approximately £21 million of savings over the period 2022-23 to 2025-26. The Medium-Term Financial Strategy has taken account of known cost pressures and priority areas in line with the Corporate Plan and undertaken extensive consultation to ensure a robust process. To ensure greater involvement of stakeholders in the development of the Medium Term Financial Strategy an eight week consultation 'Shaping Bridgend's Future' was undertaken between 20 September and 14 November 2021, the emphasis of which was on what the public felt worked well during the pandemic, and where we need to continue to make changes or improvements as we recover from the pandemic to ensure that the Council is able to deliver sustainable and effective services for the next five to ten years. Due to social distancing requirements, the budget consultation was pre-launched on social media prior to the live survey date and the consultation itself focused more on online, social media and interactive engagement methods. Communication took place through a wide variety of methods, including surveys, social media, online engagement sessions, online Frequently Asked Questions as well as videos, radio adverts and media releases. To gather the views of young people the consultation team attended a Bridgend Youth Council meeting and promoted the consultation amongst learners, staff and parents at Bridgend secondary schools and Bridgend College. The Medium Term Financial Strategy can be found on the Council's website [here](#). For the first time in a number of years Welsh Government has given all-Wales indicative funding levels for the next two financial years, but no indications of likely funding for Bridgend. Given this uncertainty, the Council has developed detailed budgets for year one of the Strategy with indicative budgets thereafter based on a range of funding scenarios.

The Council has in place robust arrangements for effective financial control through the Council's accounting procedures, key financial systems and the Financial Procedure Rules. The Financial Procedure Rules were reviewed during the financial year to better reflect current working practices and were approved by Cabinet in November 2021. Arrangements in place to demonstrate good financial control include established budget planning procedures and regular budget monitoring reports to Cabinet and Scrutiny Committee, as well as detailed information to budget holders. The Council prepares its Annual Accounts as required by the Accounts and Audit (Wales) Regulations and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

The Council follows the CIPFA Code on Treasury Management and Welsh Government's Guidance on Local Authority Investments to ensure that funds invested are secure, accessible when necessary and attract an appropriate return and any borrowings needed are in line with the Council's Treasury Management Strategy, as approved by Council. During the Coronavirus pandemic reliance on Treasury Management advice has been crucial, and increased levels of cash movements has meant a continued

focus has been needed on managing cash flows in as secure a manner as possible. 2021-22 did not see the same level of grant funding for businesses as a result of Welsh government Covid grants as was seen at the start of the pandemic in March and April 2020, and the market uncertainty as a result. The Council has been able to invest monies across its wider investment options in line with the Council's [Treasury Management Strategy](#) and enable it to reduce its reliance on the Debt Management Office, though this remains a key investment option for the Council.

CIPFA issued a revised Treasury Management Code of Practice in December 2021, with full implementation from 2023-24. CIPFA also issued a new edition of the Prudential Code for Capital Finance in Local Authorities in December 2021. The Code requires local authorities to determine a Capital Strategy, to be approved by Council, which demonstrates that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. A significant change in the Code is that, to comply with the Code, an authority must not borrow to invest primarily for financial return. The Code does not require existing commercial investments, including property, to be sold. However it does set out that authorities that have a need to borrow should review options for exiting their financial investments for commercial purposes. The Council is unlikely to invest for commercial purposes but will focus on delivering schemes that meet its service objectives. New indicators have been included on affordability, and a 'Liability Benchmark' replaces the prudential indicators on gross debt and the capital financing requirement. The [Capital Strategy 2022-23](#) has been revised to reflect the changes in the Prudential Code. The Strategy continues to evolve to provide a robust, medium to long term capital plan for the Council.

Compliance with the CIPFA Financial Management Code of Practice

The Chartered Institute of Public Finance and Accountancy (CIPFA) launched the Financial Management Code of Practice (FM Code) in November 2019. The FM Code was developed in the context of increasing concerns about the financial resilience and sustainability of local authorities.

The FM Code sets out the principles by which authorities should be guided in managing their finances and the specific standards that they should, as a minimum, seek to achieve. It clarifies how Chief Finance Officers should satisfy their statutory responsibility for good financial administration as required in section 151 of the Local Government Act 1972 and emphasises the collective financial responsibility of the whole leadership including the relevant elected members.

By complying with the principles and standards within the code authorities will be able to demonstrate their financial sustainability. Whilst the Code is designed to be flexible to the nature, needs and circumstances of individual authorities, it is up to each authority to determine the extent to which it complies with the FM Code and to identify what action it may wish to take to better meet the standards that the FM Code sets out. Full compliance is expected for the 2021-22 financial year (i.e. from April 2021). In its Guidance Bulletin 06 (*Application of the Good Governance Framework 2020/21*) CIPFA stated that the Annual Governance Statement should include the overall conclusion of an assessment of the organisation's compliance with the principles of the FM Code. Also, that where there are outstanding matters or areas for improvement, these should be included in the action plan.

Whilst the 2020-21 financial year was a shadow year for compliance with the FM Code, the Council did make an assessment of current compliance with the 19 Standards outlined in the FM Code. The assessment identified that the Council could demonstrate compliance with all of the Standards, but that further actions could be taken to enhance compliance during 2021-22. These actions were included in the Action Plan for 2021-22 and were to review the Financial Procedure Rules, Code of Corporate Governance and to continue to support professional development. Progress against these are included in Section 5 – Improving Governance.

4 Audit Assurance

Audit and Audit Assurances

The Council is audited externally by the Auditor General for Wales, supported by Audit Wales. The objectives of this are to obtain assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; that the accounts have been prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom; and to issue an opinion thereon. They also assess our arrangements for securing economy, efficiency and effectiveness in the use of resources.

In 2021 the External Auditor gave an unqualified audit opinion on the financial statements 2020-21.

Audit Wales also audit a number of grant claims and in the year completed 7 audits of grants and returns. Two claims were qualified, including Housing Benefit due to a few errors and a further grant was qualified as a result of an increase in costs on the scheme and authorisation of an invoice not in line with the Council's policies and procedures.

In addition Audit Wales undertake reviews of various services and also performance reviews throughout the year, the outcome of which are reported to the Governance and Audit Committee.

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 2021-22 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.

As described earlier in the Annual Governance Statement the way the Council has had to operate during 2021-22 has been severely affected by the COVID 19 pandemic. Many staff have worked 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 COVID 19 and remote working to ensure adequate controls and governance arrangements remained in place.

The pandemic did have some impact on the delivery of the internal audit plan for 2021-22 and a limited number of audits were deferred due to the pressures on some service areas. These audits will be carried out in 2022-23. The Internal Audit coverage was still sufficient for the Head of Audit to be able to give an opinion.

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

For most of the financial year there continued to be interim arrangements in place to cover the statutory position of the Council's Section 151 Officer/Head of Finance. However, a permanent appointment was made during the year and the successful applicant took up post in December 2021. The postholder is an experienced Section 151 Officer from a neighbouring Welsh local authority and has brought a raft of experience and knowledge to the role. In addition, the finance section has been undergoing a restructure during most of the financial year to make permanent a number of temporary positions and

to provide more resilience in certain areas. It also enabled the team to update staffing requirements following changes to working practices over recent years. The structure was implemented from 1 January 2022 and most positions are now filled on a permanent basis. Where necessary staff have been undergoing training and development in their new roles and this will continue going forward to ensure that staff have the correct skills for their new roles.



Bridgend Bus Station

5 Improving Governance

A number of significant issues were identified in the Council's 2020-21 Annual Governance Statement. The progress made on the significant issues is shown below:

Issue	Governance Principle	Action	Update
Implementing the Local Government and Elections (Wales) Act 2021	A	The Council will need to implement measures to comply with the Act. This will include for example changes to the composition and terms of reference of the Governance and Audit Committee from May 2021, the establishment of Corporate Joint Committees, wider performance review and self-assessment, and the introduction of measures to establish public participation. The Council will consider the Welsh Government Commencement Orders and subordinate legislation and will put in place processes for implementing the required changes.	Council received a report on 20 January 2021 outlining the main provisions of the Act together with an Action Plan to ensure that the Council is prepared for the various elements of the Act as they come into force. A report was presented to Council on 20 October 2021 seeking approval for changes to the membership of the Governance and Audit Committee (GAC) to take effect following the Annual Meeting of Council on 18 May 2022. The GAC received an information report outlining those changes on 11 November 2021. The GAC has also assumed some of its new responsibilities under the Act, including review of the Complaints process. Discussions are taking place with the Cardiff Capital Region City Deal (CCRCD) Regional Cabinet on the preferred delivery model and governance arrangements for the statutory Corporate Joint Committee (CJC) and this will be taken forward over the coming months. A task and finish group has been established to establish systems to enable the Council to embed and report on a

			<p>culture of self-assessment, as required under the Act, and work is underway with directorates to ensure a consistent and thorough approach is in place. CMB have received a number of reports and have agreed a consistent approach to scoring and making judgements.</p>
Financial Sustainability	F	<p>External funding to support additional pressures will be sought where possible from Welsh Government via the Hardship Fund. Earmarked reserves will be reviewed and maintained to support specific Covid-19 costs arising as a result of local decisions, in addition to provision to meet other unfunded pressures such as reductions in council tax income and additional costs of council Monthly claims have been made to the WG Hardship fund for additional Covid related expenditure since the start of the financial year, along with quarterly claims for loss of income. WG has announced that the Hardship Fund will continue until the end of the financial year. Most claims to date have been paid in full, with only minor amounts disallowed. The Council's Covid Recovery Fund continues to meet the costs of local decisions, such as free car parking, which are approved by Cabinet. This tax support. Assumptions for future years' budgets will continue to be reviewed and amended to reflect the changing circumstances.</p>	<p>Monthly claims have been made to the WG Hardship fund for additional Covid related expenditure since the start of the financial year, along with quarterly claims for loss of income. WG announced that the Hardship Fund would continue until the end of the financial year, after which time Council would need to meet any additional costs from within their 2022-23 settlement. Most claims to date have been paid in full, with only minor amounts disallowed. The Council's Covid Recovery Fund continues to meet the costs of local decisions, such as free car parking, which are approved by Cabinet. This reserve, along with all other earmarked reserves are reviewed on a quarterly basis. Council received its Provisional Local Government Settlement in December 2022 and due to the significantly higher than anticipated increase in Aggregate External Finance, was able to make provision for a number of pressures going forward, including to meet any ongoing costs arising from</p>

			the pandemic. WG has provided indicative all-Wales increases in funding for 2023-24 and 2024-25 to provide some level of certainty for local authorities going forward. However, the current economic circumstances, and unforeseen increases in inflation and other costs, will place further pressures on local authorities going forward and this will need close monitoring during 2022-23.
Review of Financial Procedure Rules	F	Last updated in 2017, needs review and update to reflect current practices, especially with agile and home working arrangements.	The review of the Financial Procedure Rules is complete, following a thorough review by officers across the Council, and a report was taken to Council in November 2021 to approve the revised version and include them in the Council's Constitution. Council approved their inclusion in the Constitution also in November 2021.
Review of Code of Corporate Governance and associated schedule	A	Last updated in 2017, needs review to ensure it reflects current governance framework.	A review of the Code of Corporate Governance was undertaken in the second half of the financial year. Following an initial review it was determined that a more robust review would be undertaken, so this will now be completed in the new financial year.
To continue to support professional development	E	To assess skills needs as part of the finance restructure and support continuing professional development at all levels where considered necessary. Also to consider other training to both finance and non-finance staff, as well as Elected Members.	The finance restructure was implemented on 1 January 2022 and all vacant posts advertised and filled. Where a training need has been identified it has been provided through a combination of formal external training, plus in-house training. A plan for Members' training is in place for the 2022-23

			financial year, which is to follow the Local Government Elections in May 2022. This includes Financial Awareness training and Treasury Management specific training, which will be supported by our Treasury Management Advisors.
Digital / management and control of ICT assets with new ways of working	A	Change control processes – including patch management for all devices and applications across the ICT landscape. Use of Configuration Management Database (CMDB) to store information about hardware and software assets. Independent Audit assessments reviewing the management of the ICT infrastructure inclusive of devices and software.	Processes are in place to ensure that any changes are implemented in a systematic approach for the management of all changes. Ensuring that no unnecessary changes are made, all changes are documented, with an aim that services are not unnecessarily disrupted and resources are used efficiently, providing the relevant levels of protection for the ICT infrastructure inclusive of devices and software. The Digital transformation Board meets bi-monthly and is developing a full programme of projects to improve the way we deliver services to citizens and drive efficiencies and enhance people's jobs.
Cyber Fraud	F	Staff procedures and guidance through IT security policies, e.g. Six Simple Rules, Data Protection training. Corporate blocks on online file storage. Port control and encryption of USB devices. Public Services Network / Certification accreditation.	Training in place alongside physical controls across the IT infrastructure with regards file storage and external USB devices. The ICT Service Unit are audited and accredited on an annual basis to comply with the Public Services Network Code of Connection (PSN CoCo). During the Coronavirus pandemic and the conflict in Ukraine the National Cyber Security Centre advise all government organisations to be on high alert to the threat of

			cyberattacks. BCBC ICT are progressing towards Cyber Essentials Plus certification to compliment the current PSN CoCo.
Impact on the Social care sector of the Covid-19 pandemic and the ending of the hardship funding to the sector	C	A market stability plan is in development to mitigate the impact on older people's care homes of the pandemic and ensure that there continues to be sufficiency of quantity and quality of provision in Bridgend.	Market Stability reporting is a specific regulatory requirement, which is being undertaken across the Cwm Taf Morgannwg region and coordinated by the regional commissioning unit. The Market Stability Report will be considered by the Health Board and Councils in Cwm Taf Morgannwg, including Bridgend County Borough council, in July 2022.
GDPR issues with new ways of working	A	A Bridgend's message was circulated in September 2020 on data protection and working from home. It provided guidance on issues such as communicating securely, keeping software up to date, ensuring no personal data is compromised, only using the Council's approved technology. The Council has strict ICT and Data Protection Act (DPA) policies and the Information Governance Board (with representation from each Directorate) continues to meet quarterly ensuring information security remains a top priority during this time. All staff and Elected Members are also required to undertake the mandatory DPA e-learning module.	The Information Governance Board continues to meet quarterly and all staff and Members are required to undertake the mandatory DPA / UKGDPR e-learning module.
Workforce issues / wellbeing	E	Develop HR policies to support future working arrangements. Develop and implement additional actions to support a wellbeing culture across the organisation. Improve communications to help staff	A new hybrid working policy is being developed and discussions are ongoing with trade union representatives. Meanwhile work is progressing on the practical arrangements to

		access information relating to Covid-19 and recovery.	<p>ensure that staff can book desks and meeting rooms for periods where they will need to work from an office location.</p> <p>Staff wellbeing remains a high priority and is featured in weekly staff messages, a corporate wellbeing group has been established and dedicated support has been provided in response to specific needs.</p>
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Based on a review of the governance framework, and an assessment of compliance with the CIPFA Financial Management Code, the following significant issues identified in 2021-22 will be addressed in 2022-23 with the links to the [Governance Principles](#) on page 5:

Issue	Governance Principle	What the issue is	Proposed Actions to address issue
Self-Assessment	F	The Local Government and Elections (Wales) Act 2021 requires a local authority to demonstrate that it is keeping under review the extent to which it is fulfilling the 'performance requirements' of the Act, including consulting and reporting on performance annually.	The requirement to introduce a comprehensive 'self-assessment' of the Council's performance is progressing satisfactorily. The first Corporate Performance reporting and meeting of 2022/23, reflecting on quarter 4 performance of 2021/22, introduced self-assessment across all Directorates on Key question one, 'performance and outcomes'. It is anticipated that the process will evolve and continue to improve, additionally focussing on key question 2, 'use of resources', and also utilising the Annual Governance Statement to demonstrate effective reporting and assessment of governance. A series of workshops are planned in June and July 2022 to progress this, with the aim

			of reporting comprehensively on the Council's performance based on a process of consistent self-assessment, in September 2022.
Corporate Joint Committees (CJCs)	A	To ensure the Council's interests are safeguarded through the establishment of Corporate Joint Committees, which will assume responsibility for economic well-being, transport and strategic planning.	The interim arrangements to establish a Corporate Joint Committee [CJC] for these areas of service has been progressed by the Cardiff Capital Region and reported to Cabinet .
Financial Sustainability	F	The ongoing financial pressure from the pandemic, the exit from the European union and the current conflict in Ukraine, leading to unanticipated inflationary increases and a cost of living crisis for residents.	Assumptions for future years' budgets will continue to be reviewed and amended to reflect the changing circumstances. Earmarked reserves will be reviewed and maintained to support specific pressures. Benefits and support payments, such as council tax support, winter fuel payments and cost of living payments will be publicised widely and paid promptly.
Commissioned / Contracted Services	F	As a result of the economic challenges facing all sectors, through rising prices, supply chain issues and staffing issues there is a danger that our partners / commissioned services / contractors may not continue to be viable, which could disrupt services significantly and place additional pressure on the Council.	There is increasing evidence that both our existing contractors and those tendering for work, are reflecting significantly increased costs in their submissions . The Council will need to respond to this proportionately and responsibly , recognising the very real pressures but managing the impact on the Council's contractual position and resources effectively, but at the same time ensuring that essential Council services are maintained. Additionally, the significant workforce issues impacting on our ability to recruit and retain staff in many parts of the Council are compromising our ability to deliver services effectively , and reducing our capacity and resilience, a whole series of initiatives are

			being implemented to help mitigate the impact and address the most acute issues.
Review of Code of Corporate Governance and associated schedule	A	Ensuring that the Code of Corporate Governance is kept up to date is crucial to ensure it is fit for purpose.	Last updated in 2017, needs review to ensure it reflects current governance framework. Work commenced on this during 2021-22 but this will be completed and ratified in 2022-23.
Member Development	E	There is likely to be a cohort of new Members following the Local Government Elections in May 2022, who will require significant investment in their development to enable them to undertake their roles in the most professional and informed manner.	The Member Induction Programme 2022-23 to support new and returning elected members was presented to Council on 9 February 2022. In addition to the ongoing Elected Members Learning and Development Programme, a Training Needs Analysis Questionnaire will be compiled and distributed during December 2022 – January 2023. All Members' responses will be analysed and, from this, the ongoing Programme will be developed and presented to the Democratic Services Committee.
Impact on the Social care sector of the Covid-19 pandemic and the ending of the hardship funding to the sector	C	The Covid-19 pandemic has had a significant impact on the Social Care sector. Short term hardship funding has helped to support the sector, but the ending of this funding will have an impact moving forward.	A market stability plan has been developed to ensure that there are clear plans to deliver sufficiency of quantity and quality of provision in Bridgend.
GDPR issues with new ways of working	A	Remote working demands a different security stance than working in centralised offices and the Council must ensure that it remains compliant with data protection laws.	As the Hybrid Policy is implemented additional guidance will be developed on issues such as communicating securely, keeping software updated, safeguarding personal data and the need to use the Council's approved technology. The Council has strict ICT and Data Protection Act (DPA) policies and the Information Governance Board (with representation from each Directorate)

			<p>continues to meet quarterly ensuring information security remains a top priority during this time.</p> <p>All staff and Elected Members are also required to undertake the mandatory DPA e-learning module.</p>
Hybrid Meetings	A	As we move towards a hybrid way of working, to ensure that proper governance arrangements are in place to support hybrid committee meetings.	A Multi-location Meetings Policy will be presented to Council for approval.

These issues will be monitored via a detailed action plan during 2022-23, with the responsible officer and deadline for implementation identified for each action and reported to Cabinet/Corporate Management Board and to the Governance and Audit Committee.

6 Assurance Statement

Controls that were put into place at the start of the Covid-19 pandemic have either been formalised as part of new ways of working, or the Council has reverted to pre-pandemic methods now we have moved into the recovery and renew phase. Given these arrangements no significant internal control or governance issues have arisen, and the Council continues to have in place appropriate internal control and governance arrangements.

Subject to the above issues being addressed we can provide an overall reasonable assurance that Bridgend County Borough Council's governance arrangements remain fit for purpose.

Steps to address the actions referred to above will be taken to further enhance our governance arrangements.

Signed: _____ Date: _____
(Leader)

Signed: _____ Date: _____
(Chief Executive)



Annual Governance Statement – half year review of progress against significant issues identified during 2021-22, to be addressed in 2022-23

Issue	Governance Principle	What the issue is	Proposed Actions to address issue	Responsible Officer	6 month progress update 30/09/2022
Self-Assessment	F	The Local Government and Elections (Wales) Act 2021 requires a local authority to demonstrate that it is keeping under review the extent to which it is fulfilling the 'performance requirements' of the Act, including consulting and reporting on performance annually.	The requirement to introduce a comprehensive 'self-assessment' of the Council's performance is progressing satisfactorily. The first Corporate Performance reporting and meeting of 2022/23, reflecting on quarter 4 performance of 2021/22, introduced self-assessment across all Directorates on Key question one, 'performance and outcomes'. It is anticipated that the process will evolve and continue to improve, additionally focussing on key question 2, 'use of resources', and also utilising the Annual Governance Statement to demonstrate effective reporting and assessment of governance. A series of workshops are planned in June and July 2022 to progress this, with the aim of reporting comprehensively on the Council's performance based on a process of consistent self-assessment, in September 2022.	Kelly Watson/ Mark Shephard	This work has progressed as planned. The workshops were well attended and the feedback was incorporated into the self assessment report. This was scheduled to be reported to Council in September 2022 but was delayed due to the national period of mourning. It will be considered by Council in October 2022

Corporate Joint Committees (CJCs)	A	To ensure the Council's interests are safeguarded through the establishment of Corporate Joint Committees, which will assume responsibility for economic well-being, transport and strategic planning.	The interim arrangements to establish a Corporate Joint Committee [CJC] for these areas of service has been progressed by the Cardiff Capital Region and reported to Cabinet .	Kelly Watson/ Laura Griffiths	An update report was presented to Council on 18 January 2022. The Cardiff Capital Regional Cabinet approved the transfer of its existing functions, which are principally in respect of the City Deal agreement to the South East Wales Corporate Joint Committee on 28 February 2022.
Financial Sustainability	F	The ongoing financial pressure from the pandemic, the exit from the European union and the current conflict in Ukraine, leading to unanticipated inflationary increases and a cost of living crisis for residents.	Assumptions for future years' budgets will continue to be reviewed and amended to reflect the changing circumstances. Earmarked reserves will be reviewed and maintained to support specific pressures. Benefits and support payments, such as council tax support, winter fuel payments and cost of living payments will be publicised widely and paid promptly.	Carys Lord/ Deborah Exton	The MTFS has been updated to reflect the current position. The impact of these changes has been shared with all members via briefing sessions. A review of Earmarked Reserves is ongoing. The impact in the current year is being reported to Scrutiny (revenue monitoring), Cabinet and/or Council via the revenue and capital monitoring reports. The Council is now administering a second winter fuel payment and the discretionary Cost of Living Scheme to support residents. Information regarding the support available for residents is being publicised via the Council's website and social media accounts
Commissioned / Contracted Services	F	As a result of the economic challenges facing all sectors, through rising prices, supply chain issues and staffing issues there is a danger that our partners / commissioned services / contractors may	There is increasing evidence that both our existing contractors and those tendering for work, are reflecting significantly increased costs in their submissions. The Council will need to respond to this proportionately and responsibly,	Mark Shephard/ Carys Lord	A key part of ensuring management of these cost risks within contracts has been the implementation of robust risk and contingency elements into the contract sum of new contracts. Where existing contracts are experiencing cost increases, an

		not continue to be viable, which could disrupt services significantly and place additional pressure on the Council.	recognising the very real pressures but managing the impact on the Council's contractual position and resources effectively, but at the same time ensuring that essential Council services are maintained. Additionally, the significant workforce issues impacting on our ability to recruit and retain staff in many parts of the Council are compromising our ability to deliver services effectively, and reducing our capacity and resilience, a whole series of initiatives are being implemented to help mitigate the impact and address the most acute issues.		element of value engineering is taking place to deliver the project within the envelope. Where this is not possible additional financial resources will be required and prioritised dependent on the stage the project has reached. Where tender submissions are substantially above expected levels or capital allocations, then decisions are now being taken as to the priority and urgency of work against the backdrop of ensuring that essential Council services are maintained.
Review of Code of Corporate Governance and associated schedule	A	Ensuring that the Code of Corporate Governance is kept up to date is crucial to ensure it is fit for purpose.	Last updated in 2017, needs review to ensure it reflects current governance framework. Work commenced on this during 2021-22 but this will be completed and ratified in 2022-23.	Nigel Smith	Work on-going to review and refresh Code, due to complete by 31 March 2023.
Member Development	E	There is likely to be a cohort of new Members following the Local Government Elections in May 2022, who will require significant investment in their development to enable them to undertake their roles in the most	The Member Induction Programme 2022-23 to support new and returning elected members was presented to Council on 9 February 2022. In addition to the ongoing Elected Members Learning and Development Programme, a Training Needs Analysis Questionnaire will be compiled and distributed during December	Kelly Watson/ Laura Griffiths	The full Member Induction Programme has taken place following the election in May, and a number of additional events & training sessions have been held. This includes the Members Marketplace on the 5 th of Sept, which provided the opportunity for Members to meet key officers from across the Council. A training & information session on

		professional and informed manner.	2022 – January 2023. All Members' responses will be analysed and, from this, the ongoing Programme will be developed and presented to the Democratic Services Committee.		<p>the new Members Portal was also held on the 20th September.</p> <p>This explained how the system could be used for best effect and took feedback from members on additional information required to enable self-service.</p> <p>Member Development remains a regular agenda item of the Democratic Services Committee.</p> <p>A Training Needs Analysis Questionnaire has been prepared and will be distributed to all Members later in the year to feed into the ongoing Member Development Programme.</p>
Impact on the Social care sector of the Covid-19 pandemic and the ending of the hardship funding to the sector	C	The Covid-19 pandemic has had a significant impact on the Social Care sector. Short term hardship funding has helped to support the sector, but the ending of this funding will have an impact moving forward.	A market stability plan has been developed to ensure that there are clear plans to deliver sufficiency of quantity and quality of provision in Bridgend.	Claire Marchant	<p>The Market Stability Report was approved by Council in July 2022. It identified a significant number of actions to address sufficiency and sustainability of social care provision across a range of different sectors.</p> <p>A new planning group structure is being implemented to take forward the recommendations from the market stability work.</p> <p>In addition there are specific priority pieces of work progressing in the areas of children residential provision, foster care sufficiency, cost of care of adult care home provision</p>

					and adult community care capacity.
GDPR issues with new ways of working	A	Remote working demands a different security stance than working in centralised offices and the Council must ensure that it remains compliant with data protection laws.	<p>As the Hybrid Policy is implemented additional guidance will be developed on issues such as communicating securely, keeping software updated, safeguarding personal data and the need to use the Council's approved technology.</p> <p>The Council has strict ICT and Data Protection Act (DPA) policies and the Information Governance Board (with representation from each Directorate) continues to meet quarterly ensuring information security remains a top priority during this time.</p> <p>All staff and Elected Members are also required to undertake the mandatory DPA e-learning module.</p>	Debra Beeke/ Laura Griffiths/ Martin Morgans	<p>The Information Governance Board meets quarterly to ensure that the Authority remains compliant with data protection laws.</p> <p>A Bridgenders was circulated to all staff providing guidance on data protection whilst working from home.</p> <p>The new Hybrid Working policy is being finalised (CCMB 4 October 2022) and is clear about employee responsibilities relating to ICT and equipment and the need for compliance with the ICT Code of Conduct. It also covers GDPR, confidentiality and data security in relation to working at home as well as in the office.</p>
Hybrid Meetings	A	As we move towards a hybrid way of working, to ensure that proper governance arrangements are in place to support hybrid committee meetings.	A Multi-location Meetings Policy will be presented to Council for approval.	Kelly Watson/ Debra Beeke	The Multi-locations Meetings Policy was approved by Council on 15 June 2022.

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

10 NOVEMBER 2022

REPORT OF THE CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

CORPORATE RISK ASSESSMENT 2022-23

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 2022-23.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:

1. **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 Good governance requires the Council to develop effective risk management processes, including an assessment of corporate risks.
- 3.2 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.
- 3.3 The Corporate Risk Assessment is considered and reviewed by the Corporate Management Board (CMB), Senior Management Team, 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.
- 3.4 The 2022-23 Corporate Risk Assessment is aligned with the Council's Medium Term Financial Strategy and Corporate Plan.

4. Current situation/proposal

- 4.1 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, and 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.

There are currently 14 risks on the Corporate Risk Register. Every Risk has been reviewed and updated to reflect the changing landscape since the last Report.

One risk has moved from Medium Risk to Low, 3 have moved from Medium to High, and seven of the High Risks have had their scores increased.

	Score	Jun 2022	October 2022
Low	1-9	2	3
Medium	10-12	5	1
High	15-25	7	10

The amended risks are as follows

Risk Number	Risk	Updates
COR 2019-01	The council is unable to make robust medium to long term decisions requiring service change	Likelihood increased to 4, due to the current Budget pressures – score increased to 20
COR 2019-02	The council is unable to deliver transformation including projects and agreed financial savings	Narrative updated – no change to score
CEX 2019-01	The council is unable to identify and deliver infrastructure required in the medium to longer term	Likelihood increased to 4, due to increased costs on Capital projects
SS-2019-01	The council fails to safeguard vulnerable individuals e.g. children, adults in need of social care, homeless etc.	Likelihood increased to 4 due to problems attracting and retaining suitable staff
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 contract	Likelihood increased from 3 to 4 as a result of increased reliance on IT
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	Impact reassessed as a 5 due to the ongoing difficulty in recruiting staff
COR 2019-05	Important council services are compromised due to the failure of a key supplier	Impact score increased to 4 due to the ongoing problems faced by suppliers
COR 2020-01	The Council is in breach of the GDPR because Directorates do not take ownership of, or properly resource, their responsibilities under the Regulation (GDPR).	Reviewed and actions updated, but no change in score

COR 2020-02	Recovery/restoration of services - the restoration of some Council services will require new ways of working to be established and implemented to ensure Covid safe environments for staff and the public.	Likelihood reduced from 5 to 4 as services have embraced the new hybrid way of working, impact increased from 3 to 4, overall score changed from 15 to 16
COR-2020-03	Public Health – Covid 19	Score reduced from 15 to 8 to reflect the easing of the effects of the pandemic
COM 2020-01	Invigorating the economy and economic recovery - there will be a prolonged and deep economic recession following the Covid pandemic and the uncertainties of the impact of the UKs withdrawal from the European Union, compounded by local issues such as the closure of the Ford engine plant.	Risk reviewed, Consequences and Actions updated but no change to scores
SS 2021-01	The WCCIS (Welsh Community Care Information System) Social care system (national system) will fail to operate. This is an ICT system which holds all BCBC social care records and is supported by an external contractor.	Risk Reviewed, key actions updated
COR-2022-01	The hangover effects of the pandemic, coupled with heightened geo-political tensions emerging from invasion of Ukraine, is impacting global economy, financial systems, supply chains and energy security	The impact of Brexit and the war in Ukraine has resulted in the Impact score being increased from 3 to 5.
COR 2022-02	Post-election changes could have an impact on future programme continuity	Risk reviewed and actions updated

5. Effect upon policy framework and procedure rules

5.1 There are no effects upon the policy framework and procedure rules arising from this report.

6. Equality Act 2010 implications

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.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 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.

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. Recommendations

9.1 It is recommended that the Committee:

- Consider the Corporate Risk Assessment 2022-23 (**Appendix A**)

Carys Lord
Chief Officer – Finance, Performance and Change
10th November 2022

Contact Officer: **Karen Davies**
Risk Management & Insurance Officer

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Background documents:

None

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No.	IDENTIFIED RISK		Raw risk score			ACTION PLAN		Key actions to be established - NB business as usual activity not reflected here	who	Last Reviewed	Next Review	Action completed by	Residual risk score			Well-Being Objective	
	There is a risk that	Consequences of risk	Li	Im	Total	Control method	Date Risk score assigned						How is the council addressing this risk	Li	Im		Total
COR - 2019 - 01	The council is unable to make robust medium to long term decisions requiring service change	It is harder each year to make ongoing budget reductions as easier decisions have already been made. If more difficult decisions about cutting or reducing service levels against a background of declining budgets are not made, then the council will not deliver the changes necessary to achieve a balanced budget which will result in it being in breach of its legal responsibilities. The true impact of COVID remains unclear in terms of the Council's financial sustainability. Careful planning and difficult choices will be key to ensuring that a balanced financial position is able to be maintained. Increasing inflationary pressure, most acutely in areas such as energy and also likely pay awards, mean that there is inevitably a greater focus on the "here and now" and the rapidly worsening cost of living crisis which makes medium term planning more difficult in view of the huge uncertainties around future budget and increasing demand for many services.	4	5	20	Treat	Jan-19	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 BREP, scrutiny and formal and informal briefings of members and political groupings. The impact of COVID has been significant in terms of both timetable and the focus on achieving savings. Due to the more generous WG settlement for 21/22 the savings targets were lower than usual and so most of those will be met. Work on the 2022/23 budget and beyond is underway, but many aspects remain uncertain. We have attempted to mitigate some of the pressures by ensuring elected members are briefed on the likely situation, and increased communication activity so that the general public are aware of the huge challenges.	CMB	Oct-2022	Jan-2023	Feb-2023 then ongoing quarterly review	4	5	20	Smarter use of resources	
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 and capital projects, which will lead to it not meeting its commitments within available budgets. Of particular importance here is the actions required to tackle the Climate Emergency, the consequences of which will have a detrimental impact on all areas of the Borough.	4	4	16	Treat	Jan-19	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 have been identified that are intended to support a 'One Council' culture and support staff and managers through transformation. It also has a well documented decarbonisation programme to tackle the Climate Emergency and submitted its Bridgend 2030 Decarbonisation Strategy and Action Plan to Cabinet and Council for approval.	CMB	Oct-2022	Jan-2023	Ongoing	2	4	8	All Well-Being Objectives	
CEX- 2019-01	The council is unable to identify and deliver infrastructure required in the medium to longer term	If the council does not raise sufficient capital to maintain its infrastructure, including roads, street lights, buildings and technology then it may deteriorate bringing financial and safety risks which could lead to adverse incidents, reports, publicity, fines and ultimately prosecution. Clearly there is an increased risk that the Council will no longer be able to make some of the capital investment to the same level that was envisaged even as recently as May 2022. In addition, the cost of borrowing has also now risen making it more difficult for the Council to afford all of its ambitions around investing in its infrastructure and the level of available external funding has fallen since the end of the relevant European programmes, risking further deterioration in some key assets.	4	5	20	Treat	Jan-19	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). The capital programme is regularly reviewed and updated but it is already evident that the costs of most projects have risen, sometimes significantly, and the availability of contractors has often become more limited reducing competition.	CMB	Oct-2022	Jan-2023	Complete with ongoing review	4	5	20	Supporting a successful sustainable economy and smarter use of resources	
SS-2019-01	The council fails to safeguard vulnerable individuals e.g. children, adults in need of social care, homeless etc.	Risks to the safety and wellbeing of children and adults at risk are significant and require an effective, highly skilled response from multi-agency safeguarding partnership with leadership from the local authorities. There is a risk that without adequate budgets and due to the decline of a sufficient experienced workforce there is a risk that 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. While the Council continues to prioritise this area of work and works effectively with key partners, the demand for services continues to significantly increase. This is particularly evident in referrals into MASH/IAA and the level of assessment activity. The Child Protection Register is at the highest level in the history of the County Borough indicating the level of concern of partners in respect of safeguarding risks to children. CIW have written to the Chief Executive and Director of Social Services and Well-being to set out their serious concerns. A high profile Child Practice Review will mean particular focus on the effectiveness of multi-agency safeguarding arrangements. This is partly a post Covid legacy but also as a result of other local circumstances increasing safeguarding referrals and compounded by the increased demand for housing and "wrap around" services from Ukrainian refugees. While staff teams have been strengthened where possible, there is still an over reliance on agency staff in some areas and there is a further risk with the worsening financial position that all of the investment required will not be possible on a sustainable basis whilst it must be understood that 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.	5	5	20	Treat	Jan-19	A number of different actions are being taken to address these concerns. In reaction 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. There is a reporting structure in the service to monitor the work required to address the range of issues and this feeds up to a Gold meeting which consists of senior officers and the Leader and Deputy Leader of the Council.	CMB	Oct-2022	Jan-2023	Ongoing	4	5	20	Helping people and communities to be more healthy and resilient and smarter use of resources	

IDENTIFIED RISK		Raw risk score			ACTION PLAN			Key actions to be established - NB business as usual activity not reflected here	who	Last Reviewed	Next Review	Action completed by	Residual risk score			Well-Being Objective
No.	There is a risk that	Consequences of risk			Control method	Date Risk score assigned	How is the council addressing this risk						Li	Im	Total	
		Li	Im	Total												
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 and significant financial variations there is a risk that there may be a failure to deliver services and a balanced financial position which could harm citizens who rely on council services. An increased risk to energy security and financial sustainability has increased this risk.	4	4	16	Treat		The council has anti virus 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.	CMB	Oct-2022	Jan-2023	Ongoing	4	4	16	All Well-Being Objectives
						Jan-19	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. This has been an increased risk throughout the COVID period with significantly increased risk of attack and many more sophisticated attempts to disrupt the Council's network.									
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 continual decreasing number of suitably skilled and experienced staff then there may not be the expertise required to deliver services and protect the interests of the council. This could lead to the wellbeing of citizens suffering and a loss of morale amongst the remaining staff if they feel unsupported and are seeking to work elsewhere.	4	4	16	Treat	Jan-19	The labour market remains very challenging in many disciplines, including social care. Some measures have been implemented to seek to mitigate and treat the risks including use of the new market supplement policy, an enhanced grow your own programme for both apprentices and graduates and more innovative practice around things like international recruitment. However, out of necessity, while clearly undesirable, the use of agency staff remains high in some areas and vacancies impact on the capacity of the organisation to deliver all of its objectives and can lead to an impact on wellbeing and increased pressure on the depleted number of staff in work, and some frustration among the public and elected members about the pace of some responses and action	CMB	Oct-2022	Jan-2023	Ongoing	4	5	20	All Well-Being Objectives

No.	IDENTIFIED RISK		Raw risk score			ACTION PLAN			who	Last Reviewed	Next Review	Action completed by	Residual risk score			Well-Being Objective	
	There is a risk that	Consequences of risk	Li	Im	Total	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	Li	Im		Total
COR-2019-05	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. This has continued throughout the pandemic. Directorates to monitor the financial performance and stability of contractors on an ongoing basis. Dialogue with some major suppliers is required and contingency planning has been progressed. This has become increasingly important due to the fragility of the market and the economic situation as a result of COVID. Many suppliers are going through difficult times and we will need to monitor closely to ensure that critical services do not collapse.	CMB	Oct-2022	Jan-2023	Ongoing Ongoing	4	4	16	Helping people and communities to be more healthy and resilient and smarter use of resources
COR - 2020 - 01	The Council is in breach of the GDPR because Directorates do not take ownership of, or properly resource, their responsibilities under the Regulation (GDPR).	If Directorates do not comply with the GDPR action may be taken by the regulator which could result in fines and in a loss of reputation for the council, including with citizens. Properly complied with, GDPR will increase public trust and citizens confidence in how their data is handled by the Council.	4	4	16	Treat	Jun-20	Prior to GDPR an implementation group was established with representation from each Directorate and each Directorate undertook an audit of the data it holds. The Information Governance Board meets quarterly. A Data Protection Officer has been appointed and the council has undertaken a review of its data protection and privacy policies and procedures, established an E-Learning model for staff and also provided training to Members. There is a data breach reporting procedure in place.	Directorates to ensure that staff have access to all the data protection policies and undertake the mandatory e-learning training. There is a risk of GDPR not being reflected by staff when performing certain activities leading to non compliance and penalties imposed by the ICO. The information Governance Board is continuing to meet. Following the move to remote working, staff have been reminded of compliance via Bridgenders messages and another message is due imminently. Training was provided to all elected members following the local elections in May 2022	CMB	Oct-2022	Jan-2023	Ongoing	3	2	6	Smarter use of resources

IDENTIFIED RISK			ACTION PLAN										Well-Being Objective				
No.	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		Action completed by	Residual risk score		
			Li	Im	Total										Li	Im	Total
COR-2020-02	Recovery/restoration of services - the restoration of some Council services will require new ways of working to be established and implemented to ensure Covid safe environments for staff and the public .	The return of many individuals and staff groups to the office has been successfully managed and the introduction of the new " hybrid working policy " has been broadly supported by Trade Unions in line with the preference of most of their staff members for a more flexible approach to working. Hybrid meetings for both public Council meetings and internal officer/member meetings has also been introduced. Clearly new ways of working are yet to be fully embedded and we must be aware of new waves of Covid during the winter period. We must also be cognisant of the potential impact of the Cost of Living crisis on the working patterns of individuals. Overall however evidence suggests that with a continued focus on ' business first ' there is no detriment to productivity from new ways of working but there is increased demand for many services and ever increasing expectations create further challenges around capacity in the organisation as we continue to see some of the post Covid impact continue in areas such as homelessness and social care	5	4	20	Treat	Sep-20	Full risk assessments at a service level provide evidence of where interventions are required and new ways of working need to be implemented. A risk tool for individual members of staff and elected members has been distributed for self assessment to determine if special measures are required to be implemented to protect those individuals. Revised protocols have been developed to advise staff on good practice and business cases are prepared where additional investment is required to meet new operating procedures. Enhanced communication with staff, elected members and the public (including parents and pupils) will be necessary to mitigate some concerns and fears and ensure a better understanding of the Council's position. Coronavirus measures are continually updated as and when the advice from Welsh Government is received.	Comprehensive service risk assessment, implement key actions from the service recovery plans completed by Directorates, identify and action the lessons learnt from the experiences of service provision during the pandemic and lockdown, identify and consider service business cases for additional investment (as well as where there might be some savings from stopping areas of service or closing previous provision), ensuring ongoing and comprehensive communication and engagement as necessary. The Council continues to move to a 'recovery' position whereby as well as continuing to deliver some Covid related services and respond to some of the Covid legacy issues such as significantly increased demand for social care, early help and homelessness services, there is an expectation from the public that other Council services will have returned to 'normal'.	CMB	Jan-2022	Jan-2023	Ongoing recovery as the impact of the pandemic eases, subject to future waves.	4	4	16	Smarter use of resources

No.	IDENTIFIED RISK There is a risk that	Consequences of risk	Raw risk score			ACTION PLAN			Key actions to be established - NB business as usual activity not reflected here	who	Last Reviewed	Next Review	Action completed by	Residual risk score			Well-Being Objective
			Li	Im	Total	Control method	Date Risk score assigned	How is the council addressing this risk						Li	Im	Total	
COR-2020-03	Public Health/Protecting the Public - the Council will need to take an enhanced public health leadership role for a sustained period of time and that this will need to be prioritised and resourced at the expense of other services that are normally provided, and that without proper and comprehensive planning to carry out the additional functions of test, trace and protect, a potential mass vaccination programme and continued and ongoing protection of the vulnerable (including mental health services) and previously shielded individuals to ensure they have the services and support they require, as well as an advisory and enforcement role to ensure compliance with Covid regulations, Covid 19 virus infections will potentially rise locally with a significant overall impact on public health and consequential impact on the local economy.	The roll out of the vaccination programme and the feeling that any Covid outbreak is likely to be more manageable has reduced this direct risk to the Council. The Health Board have moved the vaccination centre away from Council premises and the likelihood of large numbers of Council staff being tied up assisting in programmes such as track and trace and covid rules enforcement has reduced considerably. However, the risk will need to be continued to be monitored and assessed in the event of further outbreaks	3	5	15	Treat	Sep-20	Planning effectively with our partners a joint Cwm Taf Morgannwg TTP team has been established across the Bridgend, RCT and Merthyr area. There is enhanced wellbeing support available for staff.	SRS continue to advise businesses to promote good Covid practices and ensure relevant risk assessments are in place.	CMB	Jan-2022	Jan-2023	Ongoing recovery as the impact of the pandemic eases, subject to future waves.	2	4	8	Smarter use of resources
COM-2020-01	Invigorating the economy and economic recovery - there will be a prolonged and deep economic recession following the Covid pandemic and the uncertainties of the impact of the UKs withdrawal from the European Union, compounded by local issues such as the closure of the Ford engine plant.	The rapidly increasing 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, such as COL payments and C Tax reduction 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 it will be a difficult winter ahead	5	3	15	Treat	Sep-20	By 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 and the Cost of Living grants. Through its own Cost of Living Scheme the Council has been able to widen its support to individuals and families	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. Agreeing direct intervention initiatives where the Council controls the cost of some relevant services, for example free car parking /car parking offers in town centres, rental holidays/reductions for businesses where the Council is the landlord. Develop proposals for the UK Government's Levelling Up Fund as well as other external funding sources as considered appropriate. Including the recently announced Shared Prosperity Fund which can be used to fund Employability/ skills based initiatives and replaces the previous European Funding Mechanisms.	CMB / Economic Recovery Panel	Oct-2022	Jan-2023	Ongoing	5	4	20	Supporting a successful sustainable economy
SS-2021-01	The WCCIS (Welsh Community Care Information System) Social care system (national system) will fail to operate. This is an ICT system which holds all BCBC social care records and is supported by an external contractor.	As all of Bridgend social care records and services are held on this system, when it fails social work practitioners are unable to check records of individuals known to the service, this could cause safeguarding issues as understanding previous referrals and interactions and undertaking lateral checks are critical to safeguarding decision making. On one occasion when the system failed for 2 days, the Authority was not able to provide advice to other agencies on a Safeguarding issue in a time crucial way - causing a high risk to children and adults at risk. System down time potentially leaves the authority people vulnerable in its safeguarding role. Practitioners would also be unable to update care and service plans and there is therefore a risk to front line care services. Processing of documentation which commence services to vulnerable citizens could cause potential delays to care packages. In addition, services being unable to share social care records to service providers, and partners. The foster care payments system is operated from this system so internal foster carers will not be paid this could potentially result in us losing foster carers if the payments fail regularly. There is also a risk to the ability to in a timely way provide reports and management information for key social care services to WG. The performance of the system is causing extreme frustration for practitioners and presents a risk to retention and recruitment as workers may chose to leave and work in LAs with other systems which perform better. This risk will affect the reputation of the Council as well as affecting partnership working as the NHS and other partners (police and probation working in the MASH) will not deploy a system which performs so poorly. This presents further safeguarding risks in respect of poor information sharing. There are also risks to non compliance and the overarching risk is failure to maintain effective and safe services to vulnerable residents of Bridgend. Undertaking contract enforcement action is itself a high risk strategy as a new system would need to be procured. Implementation of a new system would move away from a single integrated system for Wales, would present risks in terms of transfer of records and would incur significant additional costs	5	3	15	Treat	Jun-21	A WCCIS user group is being established in BCBC to address the issues being faced by practitioners. A review of how the system is supported in the Council is being progressed. BCBC is working with regional partners to consider the options for CTM for an integrated system and the Head of Partnerships is part of the national leadership group which has commissioned a review of the system.	There is an improvement in the current functionality and operation of the WCCIS system which resulted in the interventions put in place by Advanced in June/July, this was in turn the result of national involvement by Corporate Directors of Social Services expressing grave concerns about the significant issues at that time with the operation of the system day to day. The plan to upgrade the system remains on track at the moment - with Advanced, the National Programme Team and local authorities working together to deliver actions which include final testing bug fixes defect resolution functionality testing online e learning for end users on the new system and support to ensure operational readiness for the planned downtime of the system when the transfer onto the new CRM Platform takes place Work is now being taken forward by the Director of Social Care and Wellbeing and the Chief Officer Finance to ensure improved reporting capability from the system. This includes learning from other local authorities who make better use of the system to improve practice and performance.	CMB	Oct-2022	Jan-2023	Ongoing - Residual Risk to be reviewed	3	5	15	All Well-Being Objectives
COR-2022-01	The hangover effects of the pandemic, coupled with heightened geo-political tensions emerging from invasion of Ukraine, is impacting global economy, financial systems, supply chains and energy security	The continuing impact of Brexit and the war in the Ukraine are resulting in Increased supply issues in relation to workforce for contractors and materials for major projects Increased inflationary pressures impacting costs of pricing and materials in construction sector, delaying or disrupting capital projects Increased pricing of commodities - gas, oil and silicon chips could have a direct impact on certain projects, costs and performance of key sectors Increased risks around energy supply and capability, to potentially impact delivery of the Energy Strategy	4	5	20	Treat	Apr-22	*Ongoing economic analysis *Agreed energy strategy *Heat network project	The impact on the Council will be continually monitored as the position becomes clearer. To achieve this, we will work closely with suppliers either via existing forums or through the contract management process. Work is being undertaken regionally to develop frameworks which will achieve economies of scale. As new services are tendered, potential inflationary costs and timeline pressures are being factored into the procurement process at an early stage. The impact on service delivery and the budget will be determined as part of this process and will be reported to Cabinet and Council as part of the normal reporting processes.	CMB	Oct-2022	Jan-2023	Ongoing	4	5	20	All Wellbeing Objectives
COR-2022-02	Post-election changes could have an impact on future programme continuity	*Potential for changes to be brought via local government elections, which could impact new cabinet members and priorities *Potential for discontinuity and de stabilisation, with 31 new members elected *Potential for new priorities and changed political and organisational focus *Risk that new initiatives do not have funding in the agreed budget for 22/23 *Potential for unrealistic expectations on pace and amount of change achievable based on affordability, deliverability and legislative guidance	4	5	20	treat	Apr-22	The Corporate Plan is in place and approved. 31 new members have been elected since May 2022, but member induction sessions have been well attended and elected member briefings have been numerous. The immediate risk identified has therefore diminished but it will be necessary to continue to monitor and assess other risks around differing priorities and manage expectations in view of the huge immediate challenges the Council faces, particularly around its future budget and its ability to continue to deliver effective services to its residents'	A comprehensive induction programme is in place for all elected members post the election providing details of how the Council operates and is governed, together with details of all services either provided or commissioned by the Council to ensure Councillors are fully briefed.	CMB	Oct-2022	Jan-2023	Ongoing	4	3	12	All Wellbeing Objectives

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.

IDENTIFIED RISK			ACTION PLAN										Well-Being Objective				
No.	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		Action completed by	Residual risk score		
			Li	Im	Total										Li	Im	Total

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

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

10 NOVEMBER 2022

REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE

PROGRESS AGAINST THE INTERNAL AUDIT RISK BASED PLAN 2022-23

1. Purpose of report

- 1.1 The purpose of this report is to provide members of the Committee with a position statement on progress being made against the audit work included and approved within the Internal Audit Risk Based Plan 2022-23.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 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.
- 3.2 The Internal Audit Plan for 2022-23 was submitted to the Governance and Audit Committee for consideration and approval on 22nd June 2022. The Plan outlined the assignments to be carried out which will provide sufficient coverage to provide an opinion at the end of 2022-23.
- 3.3 The Plan is also flexible to allow for changing circumstances and events that may occur, such as requests to respond to new issues that may emerge.

4. Current situation/proposal

- 4.1 Progress made against the approved Plan for the period 1st April to 30th September 2022 is attached at **Appendix A**. This details the status of each planned review, the

audit opinion and the number of any high, medium or low priority recommendations that have been made to improve the control environment. 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 is planned but the nature of the work does not lead to testing and the formation of an audit opinion, although in some instances recommendations are made.

- 4.2 **Appendix A** illustrates that as at the 30th September 2022, 5 audits have been completed with an opinion being provided. A further audit has also been completed, the draft report issued and feedback is awaited from the Service Department. A total of 15 audits are currently on-going and another 11 have been allocated to Auditors and are due to commence during the next few months.
- 4.3 Based on the assessment of the strengths and weaknesses of the areas examined through testing of the effectiveness of the internal control environment an audit opinion of substantial assurance has been given to 3 completed audit reviews and an opinion of reasonable assurance to the other 2 completed audit reviews.
- 4.4 For reference, the audit assurance/opinion 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.

- 4.5 **Appendix A** identifies that to date 7 medium priority and 6 low priority recommendations have been made to improve the control environment. The implementation of these recommendations is being monitored to ensure that the identified and agreed improvements are being made. The progress being made in implementing these is included in a separate recommendation monitoring report which is also presented to this Committee.
- 4.6 Again for reference, Internal Audit recommendations are categorised/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.

4.7 It is pleasing that the Regional Internal Audit Service (RIAS) has successfully recruited 3 Graduate Auditors, 3 Auditors and 1 ICT Auditor in recent months to fill vacant posts. This is a really positive development, particularly when many services are struggling to be able to recruit staff. It should be noted however the recruitment process, together with the initial training of the successful candidates, is having an impact on the current resource available to deliver the internal audit plan in the short term due to the support they require. This will be a temporary situation until the new staff are trained and able to fully contribute to the delivery of the plan.

4.8 Therefore, to assist with the delivery of the plan and to ensure that there will be sufficient coverage to provide an audit opinion at year end, some audits have been allocated to SWAP Internal Audit Services to undertake of RIAS behalf.

5. Effect upon policy framework and procedure rules

5.1 There is no effect upon the policy framework and procedure rules.

6. Equality Act 2010 implications

6.1 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.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 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.

8. Financial implications

8.1 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 That members of the Committee note the content of the report and the progress made against the 2022-23 Internal Audit Risk Based Plan.

Mark Thomas
HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE
October 2022

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Background Documents :
None

BCBC - AUDIT PLAN 2022/23 as at 30th September 2022

Directorate	Area	Initial Audit Objective / Scope	Status	Opinion			Recommendations		
				Substantial	Reasonable	Limited	High	Medium	Low
Cross-Cutting	Follow up Limited Assurance Reports	To ensure that improvements have been made to the control environment since the previous limited assurance review.							
		Creditor - Supplier Data Follow Up	allocated						
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							
Cross Cutting	Safeguarding	This review will include an annual assessment of the Council's overall operating model for safeguarding; including reviewing the adequacy of assurances obtained by the Council in respect of safeguarding arrangements in place for vulnerable adults and children.							
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.							
		Bus Service Support Grant 2021-22	complete		v				1
		Regional Consortia School Improvement Grant 2021-22	draft issued						
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.							
Cross Cutting	Bridgend 20-30 Zero Carbon Strategy - Climate Change & Energy Efficiency	To ensure the staff structure, methodology and governance arrangements are in place and operating effectively to deliver this programme and identify any improvements that could be made. Also identify what plans are in place to improve energy efficiency	on-going						
Chief Executives	Procurement	Review current processes and practices to ensure that they are reasonable, effective and efficient in the current economic landscape identifying any best practice across the other Authorities within the Regional Service							
Chief Executives	Tender Evaluation & Award	To undertake a review to compliance to the Council's Rules and Regulations and Project Management Methodology associated with high risk contracts. Focus will be on tender and award.	on-going						
Chief Executives	Members	To ensure that all elected Members meet the associated qualifying criteria and have fully declared any relevant declarations of interest as per the Council's Code of Conduct.	on-going						
Chief Executives	Elections	To ensure that controls surrounding the elections is robust and the costs incurred are accurately supported with source documents and the overall governance is sound	on-going						
Chief Executives	Scheme of Delegation	To ensure compliance to the scheme of delegation through sample testing of decisions and authorisations	on-going						
Chief Executives	Code of Conduct	Review of compliance of Officers to the Council's Code of Conduct							
Chief Executives	Attendance & Sickness Recording	Provide assurance that information relating to sickness absence is accurate and the recording and reporting is complete and timely. Ensure compliance to Council policies across Directorates.	allocated						
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.							
		Debtors	allocated						
		Budgetary Control	allocated						
Chief Executives	Grant Schemes	Review the arrangements for administering grant payments made on behalf of Welsh Government							
Chief Executives	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.							
Chief Executives	Performance Management	To review the performance management arrangements paying particular attention to the accuracy of the PI information collected and reported	allocated						
Chief Executives	ICT Audit	Systems reviews will be undertaken across Directorates to ensure robust controls are evident and operating effectively in order to minimise the threat of risks including cyber crime							
		Enterprise EDRM - Document Management System	allocated						

Directorate	Area	Initial Audit Objective / Scope	Status	Opinion			Recommendations		
Chief Executives	Cyber Security	Undertake testing to ensure that staff are aware of requirements to protect devices, services and networks and the information on them from theft or damage via electronic means and staff are aware of what to do if there is a concern or breach. Ensure this information is monitored and reported consistently across the Council							
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.	allocated						
Communities	Coychurch Crematorium	A compliance review to complete the Annual Accounting Statement 2021/22	complete	v			0	1	0
		An assurance review to ensure compliance to standard obligations such as recording and certification as well as undertaking testing to inform the Annual Accounting Statement 2022/23							
Communities	Porthcawl Harbour	A compliance review to complete the Annual Accounting Statement	complete	v			0	0	1
Communities	Fleet Management	To ensure that mileage incurred by Council vehicles is for work purposes only and journeys are as efficient as possible and within the agreed parameters.	on-going						
Communities	Fuel	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Vehicles Fuel System.	on-going						
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.							
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.							
		Abercerdin Primary	on-going						
		Blaengarw Primary	allocated						
		Llangewydd Junior School	allocated						
		Tynyrheol Primary	allocated						
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.	allocated						
Education & Family Support	School Admissions	To ensure all processes and procedures are in place and operating effectively							
Social Services & Wellbeing	Placements	Review the contracts and monitoring arrangements in place to provide assurance that the Council's interests are protected and agreed rates are paid. Include Adults Learning Disabilities and Mental Health as well as LAC							
Social Services & Wellbeing	Prevention & Wellbeing	Review the arrangements in place for Halo and Arwen to provide assurance that the Council getting VFM							
Social Services & Wellbeing	WCCIS	Ensure robust controls are in place and operating effectively in respect of access and security of the system	on-going						
Social Services & Wellbeing	Support for Carers	Carers' Assessments & Payments							
Social Services & Wellbeing	Occupational Therapists	Provide assurance in respect of the efficiency and effectiveness of the processes in place in respect of assessment of need	complete	v			0	0	0
Social Services & Wellbeing	Information, Advice & Assistance Team	Review processes and procedures and verify data to ensure the service is provided as effectively and efficiently as possible.							
Internal Audit	Annual Opinion Report 2021/22	Preparation for the production of the 2021/22 Annual Opinion Report.	complete						
Internal Audit	Annual Opinion Report 2022/23	Preparation for the production of the 2022/23 Annual Opinion Report.							
Internal Audit	Audit Planning 2022/23	Preparation for the production of the annual risk based plan 2022/23.	complete						
Internal Audit	Audit Planning 2023/24	Preparation for the production of the annual risk based plan 2023/24.							
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.	on-going						
Internal Audit	Closure of Reports from 2021/22	To finalise all draft reports outstanding at the end of 2021/22.							
		Capital Monitoring	complete		v		0	1	2
Internal Audit	Recommendation Monitoring	Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations.	on-going						

Directorate	Area	Initial Audit Objective / Scope	Status	Opinion			Recommendations		
Internal Audit	Advice & Guidance	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority, including maintained school based staff.	on-going						
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	on-going						
Internal Audit	Quality Assurance & Improvement Programme	To review / ensure compliance with the Accounts and Audit (Wales) Regulations 2014 / Public Sector Internal Audit Standards (PSIAS).							
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.	on-going						
Internal Audit	Emerging Risks / unplanned	To enable Audit Services to respond to provide assurance activity as required.							
Cross - Cutting	Fraud / Error / Irregularity	National Fraud Initiative - Collection of data and analysis of matches for the NFI exercise, providing advice and guidance to key contact officers.	on-going						
Cross - Cutting	Fraud / Error / Irregularity	Irregularity Investigations - Reactive work where suspected irregularity has been detected.							
		Recruitment	complete				0	3	1
		Accuracy of Data & Caseloads	complete				0	2	1
Cross - Cutting	Fraud / Error / Irregularity	Anti-Fraud & Corruption – Proactive - Proactive counter-fraud work that includes targeted testing of processes with inherent risk of fraud.							
		Overall Totals		3	2	0	0	7	6

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

10 NOVEMBER 2022

REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE

RECOMMENDATION MONITORING

1. Purpose of report

- 1.1 The purpose of this report is to provide members of the Committee with a position statement on internal audit recommendations made, implemented and outstanding.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 In accordance with the Public Sector Internal Audit Standards, the internal audit activity must assess and make appropriate recommendations to improve the Council's governance, risk management and internal control. The Regional Internal Audit Service Strategy states that the implementation of agreed recommendations will be monitored.

- 3.2 Recommendations are made at the conclusion of an audit review if it is felt that improvements should be made to mitigate risk and strengthen controls. Recommendations are included, if appropriate, in the final audit report and recipients are asked to provide responses to indicate whether they agree with the recommendations and how and when they plan to implement them. To assist managers in focussing their attention, each recommendation is classified as being either high, medium or low priority.

- 3.3 Table 1 shows the recommendation categorisation as follows:

Table 1 – 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.

3.4 Once the target date for implementation has been reached the relevant Officers will be contacted and asked to provide feedback on the status of each agreed recommendation. The implementation of these recommendations is monitored using MK Insight internal audit software to ensure that improvements are being made.

3.5 Any audits concluded with a no assurance or limited assurance opinion will be subject to a follow up audit.

4. Current situation/proposal

4.1 As this is the first recommendation monitoring report brought to this Committee, the report at **Appendix A** provides a summary of the status, as of 30th September 2022, of all recommendations made by the Regional Internal Audit Service (RIAS) since the implementation of the MK Insight internal audit software on 1st April 2021. Moving forward it is suggested that only outstanding recommendations from previous financial years be included, together with the recommendations made in the current year.

4.2 The report at **Appendix A** summarises the internal audit recommendations made, implemented and overdue relating to areas reviewed during 2021/22 and 2022/23.

4.3 Members will note that a total of 109 recommendations were made to improve the control environment of the areas reviewed during 2021/22 and to date 13 have been made in 2022/23. Only 1 low priority recommendation has not been accepted by the service area as the manager was satisfied with the arrangements in place.

4.4 **Appendix A** illustrates that as of 30th September 2022, 59 recommendations made in 2021/22 have been implemented; 10 have passed their implementation date and are therefore outstanding whilst 39 are yet to be implemented but their target date has yet to be reached. These figures exclude the 10 recommendations made in the limited assurance report that has not yet been followed up. This area is included in the audit plan for 2022/23 and the progress of the recommendations will be reviewed and tested within that work.

4.5 Of the 13 recommendations made to date in 2022/23, **Appendix A** illustrates that 7 have been implemented and 6 have a future target date.

4.6 The information contained in **Appendix A** has been compiled from our internal audit software system. Views from the Committee are sought in respect of the content and details provided. Similar reports are to be presented to the other three Governance and Audit Committees within the Regional Service and once feedback from all has been obtained a standard report will be commissioned.

5. Effect upon policy framework and procedure rules

5.1 There is no effect upon the policy framework and procedure rules.

6. Equality Act 2010 implications

6.1 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.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 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.

8. Financial implications

8.1 Effective Audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

9. Recommendations

9.1 That members of the Governance and Audit Committee consider the information provided in respect of the status of recommendations made.

9.2 That members of the Governance and Audit Committee review the information contained within the report and provide feedback on the content and format of the information provided.

Mark Thomas
HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE
October 2022

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Background Documents :
None

Bridgend County Borough Council - Recommendation Monitoring as at 30th September 2022

Audit Name	Audit Opinion	Final Report Date	Number Made				Not Agreed	Implemented	Outstanding				Future Target Date Total
			High	Medium	Low	Total			High	Medium	Low	Total	
2021/22													
Bus Service Support Grant 2020-21	REASONABLE	05/07/2021	0	2	0	2	0	2	0	0	0	0	0
Schools PCards	REASONABLE	23/08/2021	0	3	2	5	0	4	0	0	0	0	1
Registrars	REASONABLE	10/09/2021	0	3	2	5	0	5	0	0	0	0	0
Building Control	REASONABLE	22/09/2021	0	4	3	7	0	5	0	0	0	0	2
Planning	REASONABLE	22/09/2021	0	3	9	12	0	9	0	0	0	0	3
Project & Contract Management - Communities	REASONABLE	05/10/2021	0	1	4	5	0	5	0	0	0	0	0
iTrent System	REASONABLE	05/11/2021	0	4	0	4	0	3	0	0	0	0	1
Housing Support Grant 2020/21	REASONABLE	11/11/2021	0	1	1	2	0	1	0	0	0	0	1
Education Improvement Grant 2020/21	REASONABLE	06/12/2021	0	2	1	3	0	3	0	0	0	0	0
Appointeeships & Deputyships	SUBSTANTIAL	07/12/2021	0	0	1	1	0	0	0	0	0	0	1
Revenues & Benefits - Appeals, Complaints & Performance	REASONABLE	10/12/2021	0	1	5	6	0	4	0	0	0	0	2
DBS Checking	REASONABLE	05/01/2022	0	1	4	5	0	0	0	1	3	4	1
Citizen Digital Access Platform	REASONABLE	17/01/2022	0	0	3	3	0	2	0	0	0	0	1
Early Retirement & Redundancy	REASONABLE	17/03/2022	0	2	1	3	0	2	0	0	0	0	1
ALN Out of County Charges Follow Up	REASONABLE	22/03/2022	0	2	1	3	0	3	0	0	0	0	0
School Private Funds	REASONABLE	04/05/2022	0	1	1	2	0	1	0	0	1	1	0
Schools CRSA	REASONABLE	04/05/2022	0	0	1	1	0	0	0	0	0	0	1
School Inventories	REASONABLE	17/05/2022	0	2	1	3	0	0	0	0	0	0	3
Learner Travel	REASONABLE	13/06/2022	0	6	2	8	0	7	0	0	0	0	1
Pothole Repairs	REASONABLE	13/06/2022	0	4	3	7	0	2	0	0	0	0	5
Direct Payments	REASONABLE	21/06/2022	0	3	6	9	1	0	0	2	3	5	3
Payroll & Expenses	REASONABLE	21/06/2022	0	3	1	4	0	1	0	0	0	0	3
Good Governance & Risk Management	REASONABLE	22/07/2022	0	1	0	1	0	0	0	0	0	0	1
Cyber Security	REASONABLE	02/09/2022	0	7	1	8	0	0	0	0	0	0	8
Creditors -Supplier Data	LIMITED	29/04/2022	1	2	7	10	0						
Overall Total 2021-22			0	56	53	109	1	59	0	3	7	10	39
2022/23													
Coychurch Crematorium	SUBSTANTIAL	16/06/2022	0	1	0	1	0	1	0	0	0	0	0
Bus Service Support Grant 2021-22	REASONABLE	05/07/2022	0	0	1	1	0	1	0	0	0	0	0
Porthcawl Harbour	SUBSTANTIAL	06/07/2022	0	0	1	1	0	0	0	0	0	0	1
Recruitment	n/a	07/07/2022	0	3	1	4	0	2	0	0	0	0	2
Accuracy of PI Data & Caseloads	n/a	21/07/2022	0	2	1	3	0	3	0	0	0	0	0
Capital Programme	REASONABLE	15/08/2022	0	1	2	3	0	0	0	0	0	0	3
Overall Total 2022-23 to date			0	7	6	13	0	7	0	0	0	0	6

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

10 NOVEMBER 2022

REPORT OF THE CHIEF OFFICER - FINANCE, PERFORMANCE AND CHANGE

FORWARD WORK PROGRAMME 2022-23

1. Purpose of report

- 1.1 The purpose of this report is to seek approval for the updated Forward Work Programme for 2022-23.

2. Connections to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:
- **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 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 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.

3.2 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.

4. Current situation/proposal

4.1 In order to assist the Committee in ensuring that due consideration is given to all aspects of their core functions the proposed updated Forward Work Programme for 2022-23 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.

4.2 Shown below are the items scheduled to be presented at the next meeting on 26 January 2023.

Proposed Agenda Items – 26 January 2023	
1	Governance and Audit Committee Action Record
2	Audit Wales Governance and Audit Committee Reports
3	Audited Statement of Accounts and Annual Governance Statement
4	Self Assessment of the Governance and Audit Committee
5	Internal Audit Progress Reports
6	Internal Audit Recommendation Monitoring Report
7	Treasury Management Strategy 2023-24
8	Corporate Risk Assessment 2023-24
9	Updated Forward Work Programme 2022-23

4.3 The audit of the Council’s Statement of Accounts has still not been finalised due to the ongoing discussions with Audit Wales and with the Chartered Institute of Public Finance and Accountancy (CIPFA) on infrastructure assets mentioned in previous meetings. It is now likely that the accounts will be brought to the Governance and Audit Committee meeting to be held in January 2023 for approval.

4.4 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.

5. Effect upon policy framework and procedure rules

5.1 There is no impact on the policy framework and procedure rules.

6. Equality Act 2010 implications

6.1 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.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 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.

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 2022-23.

Carys Lord
Chief Officer – Finance, Performance and Change
November 2022

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Background Documents: None

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GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME 2022-23	Frequency	22 June 2022	28 July 2022	22 September 2022	13 October 2022	10 November 2022	26 January 2023	27 April 2023
				CANCELLED				
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 2021-22 (unaudited)	Annually		✓					
Porthcawl Harbour Return 2021-22 (unaudited)	Annually		✓					
Audited Statement of Accounts and Annual Governance Statement	Annually						✓	
Porthcawl Harbour Return (audit letter)	Annually				✓			
Governance								
Annual Governance Statement 2021-22	Annually		✓					
Half Year Review of the Annual Governance Statement 2022-23	Annually					✓		
Self Assessment of the Governance and Audit Committee	Annually						✓	
Audit Wales Annual Audit Plan (included in Audit Wales Governance and Audit Committee Reports item)	Annually							✓
Annual Audit Summary (included in Audit Wales Governance and Audit Committee Reports item)	Annually						✓	
Internal Audit Reports								
Annual Internal Audit Report 2021-22	Annually	✓						
Internal Audit Shared Service Charter 2022-23	Annually	✓						✓
Internal Audit Annual Strategy and Audit Plan 2022-23	Annually	✓						
Internal Audit Progress Reports	Quarterly		✓			✓	✓	✓
Internal Audit Recommendation Monitoring Report	Quarterly					✓	✓	✓
Treasury Management								
Treasury Management Outturn Report 2021-22	Annually		✓					
Treasury Management Half Year Report 2022-23	Annually					✓		
Treasury Management Strategy 2023-24	Annually						✓	
Risk Assurance								
Corporate Risk Assessment	At regular intervals	✓				✓	✓	
Counter Fraud								
Corporate Fraud Report 2021-22	Annually		✓					
Anti Tax Evasion Policy	Biennially							✓
Others								
Complaints Process	Ad hoc							✓
Disabled Facilities Grants	Ad hoc				✓			
Annual Self Assessment of the Council's Performance	Annually	✓			✓			

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