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## Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

### Bridgend County Borough Council



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

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Annwyl Cyngorydd,

### **PWYLLGOR LLYWODRAETHU AC ARCHWILIO**

Cynhelir Cyfarfod Pwyllgor Llywodraethu ac Archwilio Hybrid yn Siambr y Cyngor - Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr, CF31 4WB / O Bell Trwy Timau Microsoft ar **Dydd Iau, 1 Mehefin 2023 am 10:00.**

### **AGENDA**

- Ethol Cadeirydd  
Ethol Cadeirydd i'r Pwyllgor Llywodraethu ac Archwilio. Rhaid i'r sawl a benodir yn Gadeirydd y Pwyllgor fod yn aelod llebyg.
- Ethol Is-Gadeirydd  
Ethol Is-Gadeirydd i'r Pwyllgor Llywodraethu ac Archwilio. Gall y sawl a benodir yn Is-Gadeirydd fod yn unrhyw aelod o'r Pwyllgor.
- Ymddiheuriadau am absenoldeb  
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
- Datganiadau o fuddiant  
Derbyn datganiadau o ddiddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
- Cymeradwyaeth Cofnodion 3 - 18  
I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 27/04/2023
- Cofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio 19 - 22
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- Llythyr Archwilio Cymru ar Faterion yn Codi o Archwiliad 2021-22 39 - 44
- Asesiad Risg Corfforaethol 45 - 50

Ffôn/Tel: 01656 643643

Negeseuon SMS/ SMS Messaging: 07581 157014

Facs/Fax: 01656 668126

Twitter@bridgendCBC

Ebost/Email: [talktous@bridgend.gov.uk](mailto:talktous@bridgend.gov.uk)

Gwefan/Website: [www.bridgend.gov.uk](http://www.bridgend.gov.uk)

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17.	<u>Materion Brys</u> I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â Rhan 4 (pharagraff 4) o'r Rheolau Trefn y Cyngor yn y Cyfansoddiad.	

Nodyn: Bydd hwn yn gyfarfod Hybrid a bydd Aelodau a Swyddogion mynychu trwy Siambr y Cyngor, Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr / o bell Trwy Timau Microsoft. Bydd y cyfarfod cael ei recordio i'w drosglwyddo drwy wefan y Cyngor. Os oes gennych unrhyw gwestiwn am hyn, cysylltwch â [cabinet\\_committee@bridgend.gov.uk](mailto: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:**

Cynghorwyr

A Williams  
C Davies  
E Richards  
M L Hughes

Cynghorwyr

MJ Williams  
RM Granville  
S J Griffiths  
S J Bletsoe

Aelodau Lleyg:

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

COFNODION CYFARFOD Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO A GYNHALIWYD YN HYBRID YN SIAMBR Y CYNGOR - SWYDDFEYDD DINESIG, STRYD YR ANGEL, PEN-Y-BONT AR OGWR, CF31 4WB DYDD IAU, 27 EBRILL 2023, AM 10:00

Presennol

G Chapman – Cadeirydd (aelod lleyg)

C Davies      S J Griffiths      D M Hughes      M L Hughes      A Wathan      A Williams  
RM Granville      S J Bletsoe

Aelodau Lleyg

B Olorunnisola      Bagley

Ymddiheuriadau am Absenoldeb

Dim

Swyddogion:

Mark Galvin	Uwch Swyddog Gwasanaethau Democrataidd - Pwyllgorau
Michael Pitman	Swyddog Gwasanaethau Democrataidd – Pwyllgorau
Carys Lord	Prif Swyddog - Cyllid, Perfformiad a Newid
Deborah Exton	Dirprwy Bennaeth Cyllid
Nigel Smith	Rheolwr Grŵp – Prif Gyfrifydd
Sara-Jane Byrne	Archwilio Cymru
Rachel Freitag	Archwilio Cymru
Joan Davies	Dirprwy Pennaeth Gwasanaeth Archwilio Rhanbarthol
Alex Rawlin	Rheolwr Polisi Corfforaethol a Materion Cyhoeddus
Andrew Wathan	Pennaeth Gwasanaeth Archwilio Rhanbarthol
Kate Pask	Swyddog Gwella Corfforaethol - Perfformiad
Michael Spanswick	Swyddog Cefnogi Gwybodaeth a Systemau – Perfformiad

61. DATGANIADAU O FUDDIANNAU

Dim

62. CYMERADWYO'R COFNODION

Cymeradwywyd cofnodion cyfarfod blaenorol y Pwyllgor Llywodraethu ac Archwilio dyddiedig 26 Ionawr 2023 yn amodol ar ddau newid: yr angen i wahaniaethu rhwng Aelodau ac Aelodau Lleyg yng nghofnodion y cyfarfod diwethaf ac ar yr agenda ar gyfer y cyfarfod a dileu 'Y Cynghorydd' o enw'r Cadeirydd (gwnaed y ddau ar wefan CBSP cyn y cyfarfod).

Tynnodd Aelod sylw at y cofnod ar yr olrheiniwr rheoleiddio (tudalen 4) yn dweud bod angen am naratif o amgylch y categorïau Ambr a Choch, yn enwedig sut y byddai'n bosibl adnabod y swyddogion oedd yn gyfrifol am y cynlluniau cywiro ac am gymeradwyo argymhellion. Awgrymodd y Cadeirydd y gallai swyddogion gael golwg ar hyn mewn trafodaethau ynghylch yr olrheiniwr rheoleiddio.

63. COFNOD GWEITHREDU'R PWYLLGOR LLYWODRAETHU AC ARCHWILIO

Cyflwynodd Uwch Swyddog y Gwasanaethau Democrataidd – Pwyllgorau - yr adroddiad, gan nodi mai ei ddiben oedd rhoi diweddariad i'r Aelodau am Gofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio. Roedd hwn wedi cael ei ddyfeisio i

gynorthwyo'r Aelodau i olrhain y penderfyniadau a wnaed gan y Pwyllgor, gan gynnwys unrhyw gamau oedd i ddilyn lle bo angen.

Gofynnodd aelod am adroddiad ar seiberddiogelwch, a chytunwyd y gellid ystyried hyn fel rhan o'r drafodaeth ar y Flaenraglen Waith.

Awgrymodd y Cadeirydd yr ymdrinnid â rhai o'r materion yn yr adroddiad yn y cyfarfod oherwydd bod adroddiadau cynhwysfawr o dan Eitem 5, Adroddiadau'r Pwyllgor Llywodraethu ac Archwilio gan Archwilio Cymru, ond yr oedd arno eisiau tynnu sylw at ddwy eitem:

- Y Datganiad Llywodraethu Blynyddol. Gofynnodd y Cadeirydd am gadarnhad bod hwn wedi derbyn sylw, a rhoddwyd hynny.
- Cwynion Corfforaethol. Nododd y Cadeirydd fod yr adroddiad diweddarau mewnol ar y mater hwn i gael ei gyflwyno i'r Aelodau yn y cyfarfod hwn. Cytunwyd y câi'r adroddiad ei ychwanegu at y Flaenraglen Waith i'w gyflwyno i gyfarfod mis Mehefin y pwyllgor.

Nododd cynrychiolydd o Archwilio Cymru fod yna gam gweithredu ar gyfer Archwilio Cymru yn gysylltiedig â chysgu allan a digartrefedd. Mewn ymateb, nododd hi, o ran mesurau perfformiad a metrigau, mai Llywodraeth Cymru sy'n gosod y mesurau perfformiad cenedlaethol ar gyfer digartrefedd a chysgu allan, a'u bod hefyd wedi bod yn coladu data misol. Cafodd y rhain eu rhannu gyda'r Prif Weithredwr a gellid rhannu'r rhain yn ehangach ag Aelodau'r pwyllgor i ddarparu rhagor o wybodaeth ynghylch y pwnc.

Tynnodd Aelod Lleyg sylw at y camau gweithredu hynny yn ymwneud ag Asesiad Risg Corfforaethol 2022-23, oedd wedi cael eu categorio fel 'Parhaus', o ran pryd y caent eu dwyn gerbron y pwyllgor, ac a oedd angen cael hyn yng Nghofnod y Camau Gweithredu. Byddai eitemau o'r fath yn y Cofnod Gweithredu yn barhaol.

Mewn ymateb, nodwyd y câi'r asesiad risg corfforaethol ei adolygu'n rheolaidd iawn, a'i fod i ddod yn ôl i'r pwyllgor hwn ym mis Mehefin. Mae'n cael ei ddiweddarau ar hyn o bryd, gan gymryd i ystyriaeth y sylwadau a wnaed gan yr Aelodau y tro diwethaf ynghylch problemau cyflwyno.

#### **PENDERFYNWYD:**

Nododd y pwyllgor y Cofnod Gweithredu a rhoddodd sylwadau ar hyn, fel oedd yn briodol.

Cytunwyd i ofyn i'r Prif Weithredwr gylchredeg y data oedd yn deillio o'r mesurau perfformiad a'r metrigau (gan gynnwys y data misol) oedd yn deillio o'r mesurau perfformiad cenedlaethol ar gyfer digartrefedd a chysgu allan a osodwyd gan Lywodraeth Cymru.

#### **64. ADRODDIADAU AR Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO GAN ARCHWILIO CYMRU**

Pwrpas yr adroddiad oedd cyflwyno i'r Pwyllgor adroddiadau gan Archwilio Cymru, gan gynnwys diweddariad ar y gwaith archwilio ariannol ac archwilio pherfformiad a wnaed, ac sydd i'w wneud, gan Archwilio Cymru, ynghyd ag ymateb y rheolwyr i'r Adolygiad Rheoli Perfformiad.



Darparodd Archwilio Cymru nifer o adroddiadau i'r Pwyllgor Llywodraethu ac Archwilio eu hystyried. Y rhain oedd:

**Rhaglen Waith ac Amserlen Archwilio Cymru (Atodiad A) –**

o dan Ddeddf Llywodraeth Leol ac Etholiadau (Cymru) 2021, mae'n ofynnol i'r Archwilydd Cyffredinol lunio diweddariad i'r rhaglen waith ar gyfer pob blwyddyn ariannol i bob prif gyngor yn cwmpasu ei swyddogaethau ef a swyddogaethau'r 'rheoleiddwyr perthnasol' (Arolygiaeth Gofal Cymru ac Estyn). Yng nghyfarfod y Pwyllgor Llywodraethu ac Archwilio ym mis Gorffennaf 2021, adroddodd Archwilio Cymru y byddant yn darparu fersiwn wedi'i diweddarau o'r adroddiad hwn i'r Cyngor yn chwarterol. Rhydd **Atodiad A** y sefyllfa ddiweddaraf fel ar 31 Mawrth 2023.

**Crynodeb o Archwiliad Blynyddol 2022 (Atodiad B) –** dengys yr adroddiad hwn y gwaith a gwblhawyd ers Crynodeb yr Archwiliad Blynyddol diwethaf, a gyhoeddwyd ym mis Ionawr 2022. Mae'r crynodeb o'r archwiliad yn rhan o ddyletswyddau Archwilydd Cyffredinol Cymru.

**Adolygiad Rheoli Perfformiad (Atodiad C) –** mae'r adroddiad yn ymdrin â'r adolygiad o drefniadau rheoli perfformiad y Cyngor, sy'n cael ei gynnal er mwyn gweld pa mor dda y maent yn hysbysu'r Cyngor am gynnydd o ran cwrdd â'i flaenoriaethau, a gyhoeddwyd ym mis Chwefror 2023. Ceir ymateb y rheolwyr i'r adroddiad hwn ynghlwm fel **Atodiad D**.

Cyflwynodd y Rheolwr Archwilio o Archwilio Cymru yr adran archwilio ariannol yn yr adroddiad cyntaf yn fyr, gan nodi bod eu harchwiliad o ddatganiadau ariannol 2021-22 a gwaith grantiau 2021-22 bellach wedi cael ei gwblhau.

Cydnabu eu bod yn hwyr yn llofnodi cyfrifon y llynedd oherwydd nifer o faterion cenedlaethol a bod gwaith cynllunio yn mynd rhagddo yn awr ar gyfer archwiliad ariannol 2022-23.

O ran datganiadau ariannol 2022-23, nododd eu bod yn gobeithio dod â chynllun archwilio amlinellol i gyfarfod nesaf y pwyllgor ac y bydd cynllun manylach yn dilyn hynny ar ddiwedd y gwaith cynllunio. Oherwydd dull diwygiedig o archwilio eleni, bu'n rhaid mynd drwy'r camau a gweithio allan yn fanwl beth oedd y risgiau archwilio cyn cwblhau cynllun cyflawn.

Darparodd y Rheolwr Archwilio Perfformiad yn Archwilio Cymru drosolwg byr ar agweddau'r adroddiad oedd yn ymdrin ag archwilio perfformiad.

O ran proses sicrwydd ac asesu risg Archwilio Cymru, mae hwn yn waith sy'n cael ei wneud ar draws y ddau Gyngor ar hugain i edrych ar amrywiaeth o wasanaethau a threfniadau. Mae hyn yn galluogi Archwilio Cymru i benderfynu a oes gan gynghorau drefniadau priodol ac a ydynt yn cwrdd â'u hegwyddor datblygu cynaliadwy, ond mae hefyd yn gymorth i lywio gwaith yn y dyfodol.

Mae sefyllfa ariannol y ddau gyngor ar hugain yn ddarn parhaus o waith.

O ran rheoli'r rhaglen gyfalaf, mae Archwilio Cymru yn gobeithio y bydd briff prosiect yn mynd allan i'r Cyngor yn weddol fuan, yn nodi cwmpas y gwaith hwnnw. Byddai hwnnw'n ddarn o waith fyddai'n cael ei wneud ar draws pob un o'r ddau gyngor ar hugain. Bwriedir cael adroddiad lleol yn ogystal ag allbwn cenedlaethol.

Ceir darn o waith thematig hefyd yn ymwneud â defnyddio gwybodaeth perfformiad. Unwaith eto, gwneir hynny ar draws pob un o'r ddau gyngor ar hugain. Bydd iddo ffocws

penodol. Edrych ar y wybodaeth ynghylch gwasanaeth, safbwynt y defnyddiwr, a'r canlyniadau. Mae Archwilio Cymru wrthi'n sefydlu'r gwaith hwnnw ar hyn o bryd.

Dywedodd hefyd fod Archwilio Cymru wedi bwriadu gwneud darn o waith yn ymwneud â gosod amcanion llesiant. O ganlyniad i ganolbwyntio ar feysydd gwaith eraill, penderfynwyd gohirio'r gwaith hwnnw tan 2023-24, ac mae Swyddogion wedi cael gwybod am hynny.

O ran darnau eraill o waith, mae adolygiad thematig o ofal na chafodd ei drefnu. Mae hwn yn cael ei wneud ar y cyd â chydweithwyr ieuchyd. Eto, mae hyn yn cael ei wneud ledled Cymru, ac er eu bod i fod i gyflwyno adroddiad ym mis Ebrill, ym mis Mai y gwneir hynny'n awr.

Mae darn o waith hefyd ynaglŷn â strategaeth ddigidol ar draws pob un o'r ddau gyngor ar hugain. Y nod yw cwblhau'r gwaith hwnnw dros yr haf.

Roedd gweddill yr adroddiad yn ymdrin â rheoli perfformiad ac yn rhoi trosolwg ar rai o astudiaethau llywodraeth leol a lle rydym gyda'r rheiny, yn ogystal â gwaith y rheoleiddwyr eraill.

Tynnodd Aelod sylw at y rhan o'r adroddiad (yn Atodiad B) sy'n ymdrin â Bwrdd Rhaglen Arweinyddiaeth Trawsnewid rhanbarth Cwm Taf Morgannwg. Yn benodol, tynnodd yr Aelod sylw at beth oedd y pwyntiau gweithredu o ran sicrhau bod gwaith cynllunio'r Bwrdd yn fwy integredig ac yn fwy hirdymor, cryfhau agweddau ar ei drefniadau llywodraethu, a bod yn fwy uchelgeisiol wrth ddefnyddio ei adnoddau craidd cyfunol i gael mwy o effaith ar y rhanbarth.

Awgrymodd y Cadeirydd mai cwestiwn i Gyfarwyddwr y Gwasanaethau Cymdeithasol oedd hwn ac y gallai Swyddogion ymgynghori â'r Aelod i edrych i mewn ymhellach i'r mater hwn.

Symudodd y pwyllgor ymlaen i ystyried Atodiad C, Adolygiad Rheoli Perfformiad – Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr.

Awgrymodd y Cadeirydd mai lle'r Swyddogion oedd ymateb i'r adroddiad hwn gan ei bod yn amlwg fod Archwilio Cymru wedi gwneud ei waith a bod cynllun gweithredu wedi cael ei baratoi.

O safbwynt swyddog ac o safbwynt y pwyllgor, byddai'n werthfawr cael adroddiad diweddar yn y dyfodol am y camau sydd wedi cael eu cymryd i fynd i'r afael â'r argymhellion. Roedd yn bwysig i'r pwyllgor weld beth oedd wedi digwydd hyd yma, pwy oedd wedi gwneud beth a beth oedd y camau nesaf oherwydd, o leiaf, byddai gan yr Aelodau wedyn ddarlun cyflawn o'r cynllun a'r hyn oedd yn cael ei wneud.

Awgrymodd y Rheolwr Polisi Corfforaethol a Materion Cyhoeddus y gellid gwahodd Swyddogion oedd yn gyfrifol am unrhyw argymhellion rheoleiddiol, chwe mis ar ôl adroddiad, i roi'r wybodaeth ddiweddaraf i'r Aelodau am gynnydd. Awgrymodd ymhellach y byddai hyn yn sail i argymhelliad i'r Aelodau pan gâi'r traciwr rheoleiddio ei ystyried gan y pwyllgor ym mis Gorffennaf 2023.

O ran yr argymhelliad (A4) i wneud gwell defnydd o'r wybodaeth am berfformiad drwy roi blaenoriaeth i fwy o ddadansoddi data ynghyd ag ystod ehangach o wybodaeth er mwyn deall perfformiad, tynnodd Aelod sylw at waith Data Cymru.

Dywedodd ei fod wedi bod yn dilyn gwaith y sefydliad, a gychwynnwyd er mwyn cynorthwyo cynghorau lleol ynghylch defnyddio data. Dywedodd fod Data Cymru yn

hapus i osod pobl ac adnoddau ychwanegol, yn ogystal â rhannu arfer gorau, i gefnogi gweithgareddau fel y rhai a awgrymid yn Atodiad D.

Diolchodd y Cadeirydd i'r Aelod am gysylltu â Data Cymru. Credai y byddai'n arbennig o ddefnyddiol pe bai rhywfaint o adnoddau ar gael y gellid eu defnyddio. O ran arfer da, gallai'r Cyngor weld a oedd yn dymuno ei fabwysiadu ai peidio.

Gan ddychwelyd at Atodiad B, tynnodd Aelod sylw at yr adroddiad 'Amser i Newid' – Tlodi yng Nghymru, a gyhoeddwyd ym mis Tachwedd 2022. Roedd yr Aelod yn croesawu'r adroddiad ac roedd yn falch bod sylw wedi cael ei roi ynddo i ddwy agwedd ar waith ym Mhen-y-bont ar Ogwr. Gofynnodd beth oedd barn Archwilio Cymru ynglŷn ag ymateb y Cyngor i'r adroddiad.

Awgrymodd Rheolwr Archwilio Perfformiad Archwilio Cymru nad oedd Archwilio Cymru wedi gwneud unrhyw waith pellach ar y mater hwn ers cyhoeddi'r adroddiad. Gan mai dim ond yn yr hydref yr oedd yr adroddiad wedi cael ei gyhoeddi, bu'n rhaid rhoi ychydig o amser i gynghorau edrych arno ac ystyried eu hymateb. Awgrymwyd y byddai Swyddogion mewn gwell sefyllfa i ymateb o ran camau gweithredu penodol.

Fel rhan o waith dilynol Archwilio Cymru, yr hyn y maent yn ei wneud yw mynd yn ôl at gynghorau i ofyn iddynt sut y maent wedi ystyried eu hadroddiadau. Ysgrifennodd Archwilio Cymru at Gadeiryddion y pwyllgorau llywodraethu ac archwilio oddeutu 18 mis yn ôl i bwysleisio'r angen i roi ystyriaeth weithredol i adroddiadau. Ymhen amser, bydd Archwilio Cymru yn ceisio gwirio y bu rhyw fath o ystyriaeth ac ymateb. Caiff hyn ei wneud drwy edrych drwy'r olrheinwyr rheoleiddiol y mae cynghorau yn eu cynhyrchu. Efallai y bydd Archwilio Cymru hefyd yn dod yn ôl i ofyn i Gyngor pa gamau gweithredu a chynnydd a wnaed yn erbyn yr argymhellion.

Ymatebodd y Rheolwr Polisi Corfforaethol a Materion Cyhoeddus hefyd drwy nodi na fyddai'r materion hyn yn cael eu nodi yn ein holrheiniwr rheoleiddio oherwydd bod hwnnw'n nodi argymhellion penodol i'r Cyngor. Fodd bynnag, mae gan y cynllun corfforaethol nod benodol o gwmpas trechu tlodi a chefnogi pobl mewn angen, a bydd ymrwymïadau a dangosyddion perfformiad yn erbyn hyn am y pum mlynedd nesaf.

Daeth yr Aelod yn ôl i awgrymu ei fod yn anghytuno â bron bopeth a ysgrifennwyd yn y paragraff oedd yn crynhoi'r adroddiad yn Atodiad B, ac yn enwedig yr adran oedd yn honni, "oherwydd cymhlethdod a natur y materion, nid yw cyfanswm y gwariant yn hysbys, ac nid oes yr un cyngor yn gwybod faint mae'n ei wario ar liniaru a threchu tlodi". Tynnodd yr Aelod sylw at yr holl grantiau a gwariant dewisol o ffynonellau lluosog oedd yn cefnogi pobl yn y sir a'i bod yn glir y gellid defnyddio'r rhain i ddechrau'r broses o ddefnyddio data i ddeall yr hyn sy'n cael ei wneud i fynd i'r afael â thlodi yn lleol ac ar draws Cymru.

Ymatebodd y Cadeirydd drwy ddweud mai mater i bwyllgorau eraill, gan gynnwys y pwyllgorau craffu, oedd mynd i'r afael â'r materion hyn. Rôl y pwyllgor oedd edrych ar y mecanweithiau sicrwydd oedd ar waith o ran cyflawni ar y materion hyn. Nododd ei fod yn sicr y byddai Swyddogion yn codi hyn gyda'u cydweithwyr eraill mewn perthynas â'r pwyntiau hynny.

Ymatebodd y Prif Swyddog - Cyllid, Perfformiad a Newid drwy ddatgan bod yr Aelod yn gywir wrth honni y gellid llunio rhestr o'r grantiau hynny sy'n mynd i'r afael â thlodi er nad yw'r cymorth a ddarperir i gyd yn cael ei ariannu gan grantiau. Nododd fod ganddi rywfaint o gydymdeimlad â'r sylw ynghylch pa mor gymhleth ydyw ac anodd ei olrhain. Ond o ystyried bod hwn yn faes sy'n peri pryder, efallai y byddai'r pwyllgor yn dymuno ei gyfeirio ymlaen i'w ystyried gan bwyllgorau eraill.

Gan gyfeirio at adroddiad Archwilio Cymru ar Gydweithio rhwng Gwasanaethau Brys (Ionawr 2022), nododd Aelod ei fod yn un o ddau gynrychiolydd y Cyngor i Awdurdod Tân De Cymru. Roedd gweithio ar y cyd ar frig yr agenda ac roedd llawer iawn o waith yn mynd rhagddo o ran TG a'r swyddfa gefn. Er mwyn dangos gwerth cydweithio, tynnodd sylw hefyd at enghraifft lwyddiannus yn ymwneud â'r gwasanaethau ambiwlans a thân ym Maesteg, sy'n rhannu safle.

Tynnodd yr Aelod sylw hefyd at adroddiad y Taliadau Uniongyrchol (Ebrill 2022) oedd yn edrych ar ddewis gwahanol i ofal neu gymorth a drefnir gan awdurdodau lleol. Dywedodd fod y system yn gymaint o newid, o ran sicrhau ein bod yn rheoli a'n bod yn cefnogi pobl sy'n agored i niwed yn ein sir. Ychwanegodd ei fod yn deall bod y system yn dod ar gost sylweddol o ran adnoddau ac o ran staff a'n bod ni i raddau helaeth iawn mewn proses drosiannol. Gofynnodd a oedd unrhyw arwydd o faint o adnoddau ychwanegol oedd yn mynd i mewn i'r broses hon yng Nghymru.

Atebodd y Prif Swyddog - Cyllid, Perfformiad a Newid drwy nodi y byddai'n hapus i drafod hyn ymhellach gyda'r Aelod all-lein.

Gan gyfeirio'n ôl at sylwadau am ddiogelwch data yn gynharach yn y cyfarfod, roedd ar Aelod eisiau tynnu sylw at waith arall oedd yn edrych ar arfer gorau mewn cynghorau eraill ynghylch ansawdd data a rheoli data. Credai fod y cyngor yng nghanol y criw cyn belled ag yr oedd y materion hyn yn y cwestiwn ymhlith y ddau gyngor ar hugain. O ran arfer gorau, mae rhai cynghorau wedi sefydlu timau data arbenigol, sydd wedyn yn meddiannu pwnc llywodraethu data, ansawdd data ar draws yr awdurdod cyfan, nid mewn maes penodol yn unig. Awgrymodd y dylai'r cyngor ystyried sefydlu tîm data pwrpasol. Credai fod achos busnes cadarnhaol dros wneud hyn, oherwydd eu bod yn dod o hyd i broblemau o fewn y data sydd wedyn yn adlewyrchu refereniw a gollwyd neu wariant sy'n wariant diangen.

Awgrymodd y Cadeirydd y gallai'r Prif Swyddog - Cyllid, Perfformiad a Newid ystyried sôn am hyn wrth y tîm rheoli i'w ystyried ymhellach. Awgrymodd y Prif Swyddog - Cyllid, Perfformiad a Newid fod yr Aelod wedi codi mater allweddol, ond roedd arni eisiau sicrhau'r Aelodau fod hyn ar radar y Cyngor eisoes. Trafodaethau ynglŷn â'r holl ddata sydd gan y Cyngor a sut y gellid ei dynnu ynghyd fel y gallwn yn gyntaf ei wirio, ei ddadansoddi, gweld beth mae'n ei ddweud wrthym, a gweithredu arno. Mae trafodaethau'n mynd rhagddynt ar hyn o bryd ynglŷn â'r ffordd yr ydym yn rheoli data ar draws yr awdurdod, a beth yw'r fan orau i'w leoli, a beth yw'r ffordd orau o wneud hynny.

Gofynnodd y Cadeirydd am eglurder ynghylch pa bwyllgor fyddai'n edrych ar y materion hyn wrth i gynlluniau yn y maes hwn ddod at ei gilydd. Awgrymodd y Prif Swyddog - Cyllid, Perfformiad a Newid y byddai hynny'n fater i'r Pwyllgor Trosolwg a Chraffu Corfforaethol.

Rhoddodd Rheolwr Polisi Corfforaethol a Materion Cyhoeddus drosolwg o ymateb y Cyngor i'r Adolygiad Rheoli Perfformiad (Atodiad C).

Cydnabu fod problemau yr oedd angen mynd i'r afael â hwy ond ychwanegodd fod rhai ffactorau lliniarol i'w cadw mewn cof.

Yn gyntaf, cynhaliwyd yr adolygiad ddiwedd yr haf pan oedd y tîm perfformiad i lawr i un person. Yn ail, nid oedd yr un testun syndod yn yr adroddiad. Roedd yn adleisio'n union yr hyn a godwyd yn hunanasesiad y Cyngor ei hun. Ac yna yn drydydd, ar ôl i'r tîm symud i dîm y Rheolwr Polisi Corfforaethol a Materion Cyhoeddus ym mis Tachwedd, mae cynllun gwella rheoli perfformiad wedi cael ei ddatblygu, sydd wedi cael ei ystyried gan CMB a CCMB. Mae'r prif flaenoriaethau wedi cael eu hamlinellu fel capasiti rheoli

perfformiad, yn y tîm perfformiad corfforaethol a gweithio ar berfformiad ar draws y Cyngor, a hefyd y Fframwaith Rheoli perfformiad.

Mae hefyd yn cynnwys materion a godwyd gan Archwilio Cymru fel dangosyddion perfformiad nad ydynt yn cwmpasu ehangder ein hamcanion llesiant, dangosyddion perfformiad sy'n canolbwyntio ar ymrwymadau yn hytrach na'r hyn yr ydym mewn gwirionedd yn ceisio ei gyflawni a diffyg canolbwyntio ar ddata canlyniadau. Mae'n ymdrin ag ansawdd a chywirdeb data, gan gynnwys datblygu dogfennau yn diffinio dangosyddion perfformiad a thystiolaeth a data meincnodi gwell, yn ogystal â gwella diwylliant ein perfformiad, a diffinio rolau a chyfrifoldebau yn gliriach. Yn olaf, mae'n ymdrin â'r system rheoli perfformiad, sy'n hen system nad yw'n cael ei defnyddio i'w llawn botensial.

Mae yna rai enillion cyflym a phethau sydd eisoes ar y gweill.

O ran meithrin gallu yn y tîm, mae pedwar o raddedigion wedi cael eu penodi yn lle'r Swyddog ar secondiad. Mae adroddiadau CPA wedi newid, ac felly adroddir crynodeb o'r argymhellion yn ogystal â'r wybodaeth fanwl am berfformiad ac rydym wedi ychwanegu cyfarfod yn ôl i'r calendr ar gyfer Chwarter 3.

Gofynnwyd i Archwilio Mewnol gynnal archwiliad o ddangosyddion perfformiad, ac adroddodd yn ôl ar ffurf drafft yr wythnos hon. Rhoddodd hyn sicrwydd rhesymol mewn nifer o feysydd gan gynnwys cywirdeb ac adrodd synhwyrol.

Cafodd yr olrheiniwr rheoleiddio ei greu fel bod holl adborth archwilio a rheoleiddio'r Cyngor yn un lle ac yn cael ei oruchwylio gan y Pwyllgor Llywodraethu ac Archwilio.

Cesglir gwybodaeth ychwanegol yn chwarterol fel rhan o'r mesur perfformiad chwarterol arferol i wella ein proses hunanasesu ar gyfer y flwyddyn i ddod.

Yn ogystal, ceir dull gwahanol o gynllunio corfforaethol ac mae cynllun cyflawni'r cynllun corfforaethol wrthi'n cael ei ddatblygu, sy'n cynnwys craffu cyn penderfynu a llawer o ymwneud ac ymgysylltu ag Aelodau a rhanddeiliaid eraill.

Yn ogystal â hynny, y bwriad yw llenwi'r swydd sy'n dal yn wag yn y tîm, a dod o hyd i gartref parhaol i'r tîm perfformio.

Bydd y tîm hefyd yn datblygu fframwaith perfformiad newydd wedi ei ddiweddarau ar gyfer y Cyngor ac yn darparu canllawiau wedi eu diweddarau ar rolau, cyfrifoldebau, a dyddiadau a gofynion adrodd. Mae ar y tîm hefyd eisiau codi ymwybyddiaeth o'r cynllun corfforaethol a chynllun cyflawni'r cynllun corfforaethol drwy sesiynau sefydlu, e-ddysgu a briffio staff.

Mae camau gweithredu hefyd ar gyfer timau cymorth busnes a pherfformiad mewn cyfarwyddiaethau, fydd yn y tymor byr yn ymwneud ag amserlenni a chywirdeb data a sylwadau, ymatebion i heriau a hefyd cefnogi datblygiad y dangosyddion newydd ar gyfer cynllun cyflawni'r cynllun corfforaethol.

Yn y tymor hwy, mae'r gwelliannau sydd eu hangen yn fwy sylweddol ac yn fwy strategol, ac felly mae mwy o ganolbwyntio ar bethau fel diwylliant ac fel y cyfryw bydd angen iddynt gael eu harwain o'r brig gan y Bwrdd Rheoli Corfforaethol. Mae'r rheiny'n bethau fel datblygu diwylliant herio cryfach, gwella'r modd y mae Aelodau'n craffu ar berfformiad, ac ystyried system i gymryd lle'r system TG rheoli perfformiad.

Nododd Aelod fod hwn yn bwnc pwysig oherwydd na ellir mesur perfformiad y Cyngor oni bai bod y data craidd gennym, a chyfrifoldeb y Prif Weithredwr yw hyn. Aeth ymlaen i

ddweud bod hon yn rhaglen waith enfawr, heriol dros ben, hynod o eang ac yn ymwneud â diwylliant y Cyngor, sy'n dod oddi wrth y Prif Weithredwr. O'r herwydd, gofynnodd yr Aelod i'r rhai sy'n gosod ac yn adolygu amcanion y Prif Weithredwr gynnwys un penodol ynghylch dangosyddion perfformiad ar gyfer y rhaglen waith hon.

Mewn ymateb awgrymodd y Cadeirydd, er nad oedd yn fater uniongyrchol i'r pwyllgor hwn, y gallent yn sicr ofyn i'r Cabinet ystyried y mater hwn ac a ellid ei gynnwys mewn unrhyw arfarniad o'r Prif Weithredwr yn y dyfodol.

Nododd Aelod arall y wybodaeth bryderus iawn yn adroddiad Archwilio Cymru, yn enwedig sut aeth y Cyngor i sefyllfa lle nad oedd ond un aelod o staff yn y Tîm. Credai mai rhan o rôl y Pwyllgor oedd gwneud yn siŵr nad oedd hynny'n digwydd eto, a'i bod yn hanfodol bod adrannau'n cael eu staffio'n briodol. Gwnaeth yn glir ei fod yn cefnogi'n llwyr y camau gweithredu a'r argymhellion a gyflwynwyd gan y Rheolwr Polisi Corfforaethol a Materion Cyhoeddus.

Nododd y Cadeirydd fod Cadeirydd y Pwyllgor Trosolwg a Chraffu Corfforaethol wedi codi'r mater hwn gyda'r Prif Weithredwr ac mai'r Rheolwr Polisi Corfforaethol a Materion Cyhoeddus oedd y Swyddog cyfrifol. Roedd yn gobeithio bod Aelodau o'r Pwyllgorau wedi cael sicrwydd bod hyn yn derbyn sylw ac y byddai adroddiad arall yn cael ei gyflwyno maes o law ar y cynnydd oedd yn cael ei wneud.

Ychwanegodd y gallai'r gwaith hwn, ochr yn ochr â'r awgrymiadau a wnaed gan Aelod arall, ar werth data a pherfformiad, alluogi Cyngor Pen-y-bont ar Ogwr i arddangos arfer da a chael ei weld fel esiampl unwaith y deud i ddiwedd y gwaith hwn.

#### PENDERFYNWYD:

Nododd y Pwyllgor Adroddiadau'r Pwyllgor Llywodraethu ac Archwilio gan Archwilio Cymru yn **Atodiadau A, B ac C**, ac ymateb y rheolwyr i'r Adolygiad Rheoli Perfformiad yn **Atodiad D**.

Argymhellodd y pwyllgor fod Swyddogion yn rhoi'r wybodaeth ddiweddaraf fel y bo'n briodol i bwyllgorau ar y ffordd y mae CBS Pen-y-bont ar Ogwr yn mynd i'r afael ag agenda tlodi ac yn ymateb i adroddiad Archwilio Cymru, 'Amser i Newid' – Tlodi yng Nghymru (Tachwedd 2022).

65. CYNNYDD YN ERBYN CYNLLUN SEILIEDIG AR RISG ARCHWILIO MEWNOL 2022-23

Pwrpas yr adroddiad oedd rhoi datganiad sefyllfa i Aelodau'r Pwyllgor ar y cynnydd a wnaed yn erbyn y gwaith archwilio oedd wedi ei gynnwys ac a gymeradwywyd yng Nghynllun Seiliedig ar Risg Archwilio Mewnol 2022-23.

Cyflwynwyd y Cynllun Archwilio Mewnol ar gyfer 2022-23 i'r Pwyllgor Llywodraethu ac Archwilio ei ystyried a'i gymeradwyo ar yr 22<sup>ain</sup> o Fehefin 2022. Roedd y Cynllun yn amlinellu'r aseiniadau oedd i gael eu cynnal fyddai'n rhoi digon o wybodaeth i fedru ffurfio barn ar ddiwedd 2022-23.

Roedd y Cynllun yn hyblyg i ganiatáu ar gyfer newid mewn amgylchiadau a digwyddiadau a allai godi, megis ceisiadau i ymateb i faterion newydd a allai ddod i'r amlwg.

Mae'r cynnydd a wnaed yn erbyn y Cynllun a gymeradwywyd, ar gyfer y cyfnod o'r 1<sup>af</sup> o Ebrill 2022 hyd yr 31<sup>ain</sup> o Fawrth 2023, wedi ei atodi yn Atodiad A. Rhydd hwn sefyllfa bresennol pob adolygiad a gynlluniwyd, y farn archwilio, a'r nifer o argymhellion blaenoriaeth uchel, canolig neu isel a gafodd eu gwneud i wella'r amgylchedd rheoli.

Dylid nodi nad oes gan rai adolygiadau a restrwyd farn archwilio, er enghraifft, cyngor ac arweiniad ac adroddiadau'r Pwyllgor Llywodraethu ac Archwilio/Bwrdd Rheoli Corfforaethol (CMB). Y rheswm am hyn yw bod y gwaith archwilio a wnaed ar yr eitemau hyn wedi cael ei gynllunio ond nad yw natur y gwaith yn arwain at brofi a ffurfio barn archwilio, er y gwneir argymhellion mewn rhai achosion.

Dengys Atodiad A fod cyfanswm o ddau ar bymtheg o archwiliadau wedi cael eu cwblhau gyda barn archwilio tra mae chwe archwiliad pellach wedi cael eu cyhoeddi mewn ffurf ddrafft. Disgwylir adborth gan yr adrannau gwasanaeth gyda golwg ar gynlluniau gweithredu'r rheolwyr ar gyfer yr archwiliadau drafft hyn ac unwaith y bydd yr adborth wedi cael ei dderbyn caiff yr adroddiadau eu cwblhau. Yn ogystal, mae deg archwiliad yn cael eu hadolygu a disgwylir i'r adroddiadau archwilio drafft gael eu cyhoeddi'n fuan. Felly, amcangyfrifir y bydd barn archwilio tri deg tri o archwiliadau yn bwydo i mewn i'r farn archwilio flynyddol gyffredinol ar gyfer 2022-23.

Yn seiliedig ar yr asesiad o gryfderau a gwendidau'r meysydd a archwiliwyd drwy roi prawf ar effeithiolrwydd yr amgylchedd rheoli mewnol mae'r farn archwilio ar gyfer y 17 o archwiliadau fel a ganlyn: pump wedi cael sicrwydd sylweddol, 11 sicrwydd rhesymol ac un archwiliad wedi cael barn archwilio o sicrwydd cyfyngedig, hynny yw, dim ond sicrwydd cyfyngedig y gellir ei roi ar y system bresennol o reolaeth fewnol.

Roedd yr un olaf hwn yn ymwneud ag ysgol gynradd ac mae'r manylion wedi eu cynnwys yn yr adroddiad, ond roedd y materion allweddol yn ymwneud â threfniadau llywodraethu. Cynhaliwyd yr archwiliad hwn ym mis Hydref 2022. Er bod rhai cryfderau wedi cael eu nodi, gwelwyd bod y pandemig wedi effeithio'n sylweddol ar yr ysgol a darganfuwyd problemau allweddol. Roedd y rhain yn ymwneud â'r Corff Llywodraethu a fethodd â chwrdd â'r gofyniad statudol i gyfarfod bob tymor yn ystod blwyddyn academaidd 2021/22 oherwydd bod problemau Aelodaeth a phresenoldeb yn golygu nad oedd cworwm. O ganlyniad, nid oedd tystiolaeth bod rhai materion allweddol megis y gyllideb a pholisïau wedi cael eu hadolygu a'u cytuno gan y Corff Llywodraethu. Nodwyd materion hefyd o ran cronfa breifat yr ysgol.

Cytunwyd ar yr holl argymhellion a wnaed yn yr ysgol hon a chynhelir ymweliad archwilio arall i sicrhau bod cynnydd yn cael ei wneud a bod y risgiau a nodwyd wedi cael eu lliniaru.

Mae Atodiad A hefyd yn nodi'r archwiliadau oedd heb eu cwblhau yn ystod 2022/23. O'r rhain, mae dau wedi cychwyn ac yn cael eu cario ymlaen tra mae naw arall heb ddechrau ond fydd yn cael eu hystyried yng nghynllun 2023/24. Mae un archwiliad na chafodd ei gynnal ac na fydd yn cael ei gynnwys yng nghynllun 2023/24, sef adolygiad o gynlluniau grant gan Lywodraeth Cymru a ddyrannwyd yn ystod ac ar ôl y pandemig.

Mae Atodiad A yn nodi bod pedwar deg un o argymhellion blaenoriaeth ganolig a 49 o argymhellion blaenoriaeth isel wedi cael eu gwneud hyd yma i wella'r amgylchedd rheoli. Mae gweithrediad yr argymhellion hyn yn cael ei fonitro i sicrhau bod y gwelliannau a nodwyd ac y cytunwyd arnynt yn cael eu gwneud.

Fel yr adroddwyd yn ystod y flwyddyn, mae'r Gwasanaeth Archwilio Mewnol Rhanbarthol (RIAS) wedi llwyddo i recriwtio staff archwilio newydd yn ystod 2022-23 ond, fel y dywedwyd o'r blaen, nid yw'r staff newydd wedi cael effaith ar yr adnoddau presennol sydd ar gael i gyflawni'r cynllun archwilio mewnol oherwydd y cymorth a'r hyfforddiant oedd eu hangen. Lluniwyd y cynllun gan dybio y byddai'r sefydliad yn llawn ac er bod Gwasanaethau Archwilio Mewnol SWAP wedi cynorthwyo, ni chynhaliwyd naw archwiliad oedd wedi eu cynllunio yn ystod 2022/23.

Fodd bynnag, amcangyfrifir y caiff tri deg tri o archwiliadau eu cwblhau gyda barn archwilio. Bydd y rhain, ynghyd â ffynonellau sicrwydd eraill megis adroddiadau asesu allanol gan Arolygiaeth Gofal Cymru, Estyn a'n hunanasesiadau risg rheoledig ni ein hunain a gwblhawyd gan bob ysgol, yn darparu digon o wybodaeth i alluogi'r Pennaeth Archwilio Mewnol i ddarparu barn ar drefniadau'r Cyngor ar gyfer rheolaeth fewnol, llywodraethu a threfniadau rheoli risg drwy gydol 2022-23.

Gan gyfeirio at y mater o seiberddiogelwch, tynnodd Aelod sylw at y ffaith ei fod yn ei waith proffesiynol arall wedi ymweld â nifer o gwmnïau Ewropeaidd mawr yn ystod y flwyddyn ddiwethaf, a'u bod yn ofnus iawn ar hyn o bryd, yn enwedig ynghylch problem *ransomware*. Nododd y gallai hyn gael effaith ddirfodol bosibl ar y Cyngor, sy'n golygu, pe baem yn cael ein taro gan un o'r rhain, y gallem, er enghraifft, fod mewn sefyllfa lle byddai ein holl Swyddogion yn methu ag agor eu gliniaduron. Cyfeiriodd at enghraifft Maersk, y cwmni llongau cludo cynwysyddion mawr, oedd wedi gorfod cau'r busnes am ddau fis. Pe bai'n rhaid inni gau'r holl wasanaethau hynny am hyd yn oed wythnos, yna byddai'r effaith yn ddinistriol.

Y prif fector ar gyfer hyn yw hacio Rwsiaidd ac yn anffodus nid yw'r *ransomware* a'r ymosodiadau cysylltiedig yn rai manwl, felly gallant fod yn targedu un cwmni, ond mewn gwirionedd yn taro pawb arall. Roedd yr Aelod yn pryderu y byddai modd inni gael ein taro'n ddamweiniol y tu allan i dargedau gwirioneddol hacwyr Rwsia.

Gofynnodd am i waith seiberddiogelwch gael y lefel uchaf o flaenoriaeth oherwydd bod y risg hon yn hynod debygol a hefyd yn cael effaith hynod o fawr. Dyna'r un peth fyddai'n cau'r Cyngor.

Nododd y Cadeirydd na ddylai'r Cyngor aros am archwiliad ar y mater hwn os oedd mor bwysig â hynny. Roedd yn hyderus ei fod eisoes ar agenda'r tîm rheoli. Gobeithiai y gellid codi hyn eto drwy un o'r pwyllgorau craffu a'r tîm rheoli oherwydd bod yna awdurdodau lleol oedd wedi cael eu taro, a'i bod yn hollbwysig sicrhau bod systemau'n ddigon cadarn i ymdrin â beth bynnag a ddeuai i mewn i'r awdurdod. Nododd, pe bai arbenigwr TG yn y cyfarfod, y byddai'n cydnabod bod ymosodiad ar CBS Pen-y-bont ar Ogrwr 10/15/20 gwaith y dydd. Ond nid oedd yn meddwl ei fod yn fater i'r pwyllgor.

Mewn ymateb, gwnaeth y Prif Swyddog - Cyllid, Perfformiad a Newid, ddau bwynt: yn gyntaf, er mwyn rhoi sicrwydd, roedd adolygiad allanol wedi cael ei gwblhau ac roedd angen ystyried yr adborth i benderfynu a oes angen i'r Cyngor gymryd unrhyw gamau o ran y mater hwn. Yn ail, mae'r pwyllgor i fod i gael yr asesiad risg corfforaethol wedi'i ddiweddarau ym mis Mehefin a'r ffordd yr oedd hyn yn cael ei wneud yn ddiweddar oedd plymio'n ddyfnach i un neu ddau o'r materion yn y pwyllgor oherwydd ei fod yn dod â'r materion yn fyw i'r Aelodau. Byddai'n briodol plymio'n ddyfnach i seiberddiogelwch yn y cyfarfod nesaf a gellid gwahodd ein staff TG i fod yn bresennol.

Awgrymodd y Cadeirydd, ar wahân i gael swyddogion yn bresennol yn y cyfarfod, y gallai Aelod y Cabinet â chyfrifoldeb dros TG hefyd fod yn bresennol fel bod yr Aelodau'n dod i ddeall y mater yn gyffredinol.

Gan symud ymlaen, gofynnodd Aelod Lleyg a oedd modd blaenoriaethu archwiliadau a hefyd penderfynu nifer y dyddiau i'w neilltuo iddynt.

Gyda golwg ar y drafodaeth ynghylch seiberddiogelwch a TG, roedd yn dyfalu ynghylch proffil risg presennol y mater hwn. Nododd mai mater o amser yn unig oedd hi nes y byddai rhywbeth yn digwydd ac yna beth fyddai'r cynllun ymateb? Roedd angen iddo fod yn barod i gael ei godi'n syth a'i weithredu. Credai y byddai'n gymorth i weld y gofrestr risg yn y pwyllgor nesaf.



Gan ddod yn ôl at y cynllun cyffredinol, nododd nad oedd naw archwiliad neilltuol wedi cael eu cynnal o ganlyniad i broblem adnoddau, a holodd a oedd unrhyw fath o gysoni wedi digwydd o ran y dyddiau a gollwyd oherwydd swyddi gweigion, salwch ac yn y blaen.

Ymatebodd Dirprwy Bennaeth RIAS i sylwadau am seiberddiogelwch drwy nodi bod cynllun 2022-23 yn cyfeirio at waith a wnaed mewn perthynas â seiberddiogelwch fel gwaith 'dan adolygiad', hynny yw, bod archwiliad wedi cael ei gynnal ar fregusrwydd a rheoli ardaloedd ac unwaith y bydd wedi cael ei adolygu, cyhoeddir adroddiad drafft, a rhoddir barn i mewn yng nghynllun cyffredinol 2022-23. Dylid nodi hefyd y bydd seiberddiogelwch yn ogystal â rhaglen archwilio TGCh yn y cynllun ar gyfer 2023-24.

Nododd hefyd fod gan y gwasanaeth un archwiliwr TG cymwys, a bod un arall wedi dechrau hyfforddiant.

O ran y naw archwiliad heb eu cwblhau, roedd nifer o resymau pam na ellid eu cynnal, gan gynnwys adnoddau, ceisiadau am wasanaeth a materion amseru. Roedd SWAP wedi gwneud rhywfaint o'r gwaith, ond caiff yr archwiliadau sy'n weddill eu cynnwys yng nghynllun 2023-24.

Cyfeiriodd y Cadeirydd yn ôl at y pwynt a wnaed gan yr Aelod Lleyg ynghylch blaenoriaethu. Nododd, os oedd archwiliad yn flaenoriaeth uchel yn 2019-2020 a'i fod yn dal yn flaenoriaeth uchel, yna'n amlwg y dylid cynnwys hyn yng nghynllun archwilio 2023-24.

Tynnodd Aelod arall sylw at y mater o hunanymwybyddiaeth a bod y gallu i hunanasesu yn allweddol i allu cynnal archwiliad.

Holodd Aelod am y cyfeiriadau at dwyll / gwall / afreoleidd-dra ac ystyr y blwch gwag yn erbyn 'Ymchwiliadau i Afreolaidd-dra - Gwaith adweithiol lle'r amheuir bod afreoleidd-dra wedi ei ganfod.'

Eglurodd Dirprwy Bennaeth RIAS eu bod yn neilltuo rhai dyddiau rhag ofn bod ymchwiliadau yn cael eu cyflwyno yn ystod y flwyddyn. Yn yr achos hwnnw, neilltuwyd diwrnodau i fater penodol ynghylch Cywirdeb Data a Llwythi Achosion. Nid archwiliad penodol ydoedd ond ymchwiliad.

Gwnaed argymhellion i wella'r amgylchedd rheoli. Gwnaed dau argymhelliad canolig ac un argymhelliad isel o ganlyniad i'r gwaith hwnnw.

Gofynnodd Aelod arall sut y gwnaed y penderfyniad i beidio â chynnal y naw archwiliad.

Cadarnhaodd Pennaeth RIAS fod hwn yn benderfyniad gan Reolwyr Archwilio Mewnol a fyddai wedyn yn hysbysu'r CMB. Ar adegau, byddant yn gohirio archwiliad er mwyn cynorthwyo rheolwyr gwasanaeth. Weithiau bydd ganddynt flaenoriaethau uwch na chael archwiliad ac mae'r gwasanaeth yn ceisio deall hynny a darparu ar ei gyfer. Mae yna achlysuron hefyd pan nad oes adnoddau i wneud y gwaith.

O ran y broses gynllunio, mae'r gwasanaeth yn nodi a yw archwiliad yn risg uchel, canolig neu isel a byddai hynny'n cael ei ddangos yn y cynllun. Dywedodd y byddent yn darparu mwy o wybodaeth am y ffordd y maent yn blaenoriaethu archwiliadau pan fydd y pwyllgor yn derbyn y cynllun ar gyfer 2023-24 ym mis Mehefin. O bryd i'w gilydd, caiff archwiliad sy'n flaenoriaeth uchel ei ohirio tan y flwyddyn ganlynol ac yna cynhelir asesiad risg blynyddol o ran y broses gynllunio i sicrhau mai'r rheiny fydd yn cael sylw yn gyntaf.

Mewn ymateb, nododd y Cadeirydd pan ddaw'r rhestr o archwiliadau i'w cynnal yn 2023-24 ymlaen ym mis Mehefin, os bydd unrhyw faterion sydd wedi bod yn weddill ers nifer o flynyddoedd ac yn dal yn flaenoriaeth, y dylai'r Pwyllgor ddweud y dylid cynnal yr archwiliadau hynny y flwyddyn honno. Cyfle yw adolygiad archwilio ac nid bygythiad. Gallai'r tîm sy'n cynnal yr archwiliad godi rhai pwyntiau dilys iawn fyddai'n cyfrannu at well perfformiad a darparu gwasanaeth gwell.

**PENDERFYNWYD:**

Bod Aelodau'r Pwyllgor yn nodi cynnwys yr adroddiad a'r cynnydd a wnaed yn erbyn Cynllun Seiliedig ar Risg Archwilio Mewnol 2022-23.

66. **SIARTER Y GWASANAETH ARCHWILIO MEWNOL RHANBARTHOL 2023-24**

Pwrpas yr adroddiad oedd cyflwyno Siarter y Gwasanaeth Archwilio Mewnol Rhanbarthol ar gyfer 2023-24 i Aelodau'r Pwyllgor Llywodraethu ac Archwilio ei chymeradwyo.

Nododd Pennaeth newydd RIAS fod hon yn ddogfen bwysig gan ei bod yn egluro'r trefniadau llywodraethu sydd yn eu lle.

Mae Siarter RIAS yn gosod sefyllfa gweithgarwch archwilio mewnol o fewn pob Cyngor ynghyd â'r llinellau adrodd. Mae'n ddogfen ffurfiol sy'n diffinio pwrpas, awdurdod a chyfrifoldeb gweithgareddau archwilio mewnol.

Mae'r Siarter yn diffinio pwrpas, awdurdod, a chyfrifoldebau'r Gwasanaeth Archwilio Mewnol Rhanbarthol ar draws Cyngorau Pen-y-bont ar Ogwr, Merthyr Tudful, Rhondda Cynon Taf a Bro Morgannwg. Cafodd y Siarter ei hadolygu'n llawn a'i diwygio ar gyfer 2020-21 i ddatblygu siarter gyson ar gyfer y pedwar Cyngor ac i fod yn gyson ag amcanion y Cydwasanaeth, hynny yw, dileu dyblygu a chymhwyso arfer gorau.

Mae'r Siarter yn sefydlu safle gweithgaredd archwilio mewnol o fewn pob Cyngor, ynghyd â'r llinellau adrodd, gan awdurdodi mynediad at gofnodion, personél, ac eiddo ffisegol sy'n berthnasol i gyflawni'r gwaith archwilio ac yn diffinio cwmplas y gweithgareddau archwilio mewnol.

Mae Pennaeth Archwilio Mewnol yn gyfrifol am adolygu'r Siarter a'i chyflwyno i Bwyllgor Llywodraethu ac Archwilio pob Cyngor yn flynyddol i'w hadolygu a'i chymeradwyo yn unol â Safonau Archwilio Mewnol y Sector Cyhoeddus.

Mae'r RIAS yn ymrwymedig i fodloni'r safonau a nodwyd yn Fframwaith Safonau Archwilio Mewnol y Sector Cyhoeddus ac adroddir am unrhyw wriadau sylweddol oddi wrth y Safonau wrth y Pwyllgor Llywodraethu ac Archwilio.

Diweddarwyd y Siarter i gynnwys yn Adran 2.17, "yn ogystal â'r Cod Moeseg, rhaid i staff gydymffurfio â Saith Egwyddor Bywyd Cyhoeddus a Chod Llywodraethu Corfforaethol Cyngor Bro Morgannwg, y cyfeirir atynt yn Atodiad 3 – Gofynion Ychwanegol."

Hefyd, diweddarwyd paragraff 4.11 o'r Siarter, sy'n ymwneud ag Aseidiadau Allanol, i adlewyrchu bod hunanasesiad cynhwysfawr a manwl wedi cael ei gynnal yn ystod 2022 ac wedi cael ei rannu â'r aseswyr allanol ym mis Tachwedd 2022. Mae asesiad allanol RIAS yn mynd rhagddo ar hyn o bryd ac i gael ei gwblhau ym mis Ebrill 2023.

Mewn ymateb i'r cyflwyniad, gofynnodd Aelod, gan gyfeirio at adran 2.12, "Bydd Pennaeth Archwilio Mewnol yn anelu at gael perthnasoedd gwaith cadarn a sianeli cyfathrebu ag Aelodau Etholedig ac yn neilltuol, y Pwyllgor Llywodraethu ac Archwilio, y Cabinet a Phwyllgorau Craffu," sut y byddai hyn yn gweithio'n ymarferol, ac a oedd yna awgrymiadau o ran arfer gorau.

Dywedodd Pennaeth y RIAS fod hyn yn dangos ei annibyniaeth ef ac annibyniaeth ei dîm. Os oes gan unrhyw Aelod etholedig bryderon ynghylch sut mae busnes y Cyngor yn gweithredu, yna gall ddod ato i drafod y pryderon. Gwnaeth yn glir ei fod yn rhan o'r weithdrefn chwythu'r chwiban ac felly, os oedd gan Aelod etholedig bryder difrifol ynghylch afreoleidd-dra neu aneffeithlonrwydd, gallai ddod yn uniongyrchol ato ef.

Fel dilyniant, gofynnodd yr Aelod sut y gellid cyfleu hyn i bob Aelod etholedig. Dywedodd Pennaeth RIAS y byddent yn ystyried sut i gyfleu hyn fel rhan o'u gwaith yn 2023-24. Gofynnodd y Cadeirydd a oedd hwn yn fater i'r Pwyllgor Gwasanaethau Democraidd a gadawodd y mater gyda'r Swyddogion i'w ystyried.

Gofynnodd Aelod arall, gan fod Pennaeth y RIAS wedi mynychu un neu ddau o Bwyllgorau Llywodraethu ac Archwilio eraill ers iddo ddechrau yn ei swydd, a oedd unrhyw bwyntiau wedi cael eu codi yn y cyfarfodydd hynny a allai fod o ddiddordeb i'r Aelodau.

Mewn ymateb, nododd Pennaeth y RIAS y bu sylwadau ac awgrymodd y gallai baratoi crynodeb o'r holl bwyntiau a godwyd ar draws y pedwar pwyllgor ac yna eu cyflwyno mewn cyfarfod yn y dyfodol.

Roedd un o'r Aelodau Lleyg yn meddwl tybed, yn hytrach na dim ond cyflwyno newidiadau i'r Siarter yn yr adroddiad eglurhaol, y gellid tynnu sylw atynt yn nhestun y ddogfen. Awgrymodd Pennaeth RIAS y byddent yn ystyried hynny ac yn gweithredu arno ar gyfer 2023-24.

Ychwanegodd y Cadeirydd un pwynt pellach am y berthynas rhwng y RIAS ac Aelodau etholedig, gan nodi bod angen ystyried yr Aelodau Lleyg hefyd. Gwnaeth Pennaeth y RIAS yn glir y byddai'n ystyried hynny ar gyfer yr adolygiad o Siarter Archwilio Mewnol 2023-24 ac yn adrodd yn ôl yn unol â hynny.

#### **PENDERFYNWYD:**

Bod Aelodau'r Pwyllgor wedi ystyried a chymeradwyo'r Siarter Gwasanaeth Archwilio Mewnol Rhanbarthol ar gyfer 2023-24 fel y'i hatodwyd yn **Atodiad A** i'r adroddiad.

#### 67. **POLISI ATAL OSGOI TRETHI**

Pwrpas yr adroddiad oedd cyflwyno'r Polisi Atal Osgoi Trethi wedi ei ddiweddarau i'r pwyllgor cyn cyflwyno'r Polisi i'r Cabinet i'w gymeradwyo ym mis Mehefin 2023.

Dywedodd y Prif Swyddog - Cyllid, Perfformiad a Newid fod y Cyngor wedi ymrwymo i sefydlu a chynnal trefniadau effeithiol i atal a chanfod achosion o lwgrwobrwyo, llygredd ac osgoi trethi mewn perthynas â gwasanaethau'r Cyngor. Mae'r Cyngor yn ei gwneud yn ofynnol i bob Aelod a gweithiwr ddangos y safonau uchaf o onestrwydd ac uniondeb, ac mae hyn yn cynnwys cydymffurfio â'r ddeddfwriaeth berthnasol.

Mae gan y Cyngor bolisiâu Gwrth-dwyll a Llwgrwobrwyo a Gwrth-wyngalchu Arian i gefnogi trefniadau effeithiol i atal a chanfod achosion o lwgrwobrwyo a llygredd, sy'n cael eu monitro a'u hadolygu gan y Pwyllgor Llywodraethu ac Archwilio.

Mae'r llywodraeth yn credu y dylai cyrff perthnasol fod yn atebol yn droseddol os ydynt yn methu ag atal y rhai sy'n gweithredu dros neu ar eu rhan rhag hwyluso osgoi talu trethi yn droseddol. Felly, mae'r polisi hwn ar osgoi trethi yn mynd i'r afael yn benodol ag atal osgoi trethi ac yn darparu dull cydlynol a chyson ar gyfer yr holl weithwyr ac unrhyw berson sy'n cyflawni gwasanaethau ar gyfer neu ar ran Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr. Mae'r polisi'n amlinellu cyfrifoldebau staff, a'r ymrwymiad sydd ei angen ar lefel uwch o fewn y Cyngor i weithredu'r mesurau sydd eu hangen i gyfyngu ar y graddau yr ydym yn agored i'r risg hon. Mae hefyd yn mynd i'r afael â'r ffordd y dylid rhoi gwybod am bryderon, yr hyfforddiant a'r wybodaeth a fydd ar gael i staff yn hyn o beth a hefyd sut y caiff y polisi ei adolygu.

Cymeradwyodd y Cabinet y polisi yn erbyn osgoi talu trethi ym mis Chwefror 2021. Mae'r ddogfen a gyflwynwyd i'r pwyllgor yn bolisi sydd wedi cael ei ddiweddarau. Mae'r adolygiad hwn yn diweddarau'r polisi ac yn gwneud nifer o fân newidiadau. Mae'r rhain yn cynnwys nodi bod y Polisi'n berthnasol i Aelodau a Swyddogion, diweddarau rôl y Dirprwy Bennaeth Cyllid, nad yw bellach yn un interim, ei gwneud yn glir bod y polisi i'w adolygu bob dwy flynedd, a mân newidiadau i'r cyflwyniad a'r fformat.

Gofynnir i aelodau'r pwyllgor ystyried y polisi fel rhan o'u rôl i gael sicrwydd ynghylch trefniadau llywodraethu corfforaethol a rheoli risg y Cyngor. Caiff y polisi ei ystyried gan y Cabinet ym mis Mehefin.

Holodd Aelod faint o bobl oedd wedi cael eu herlyn yn ystod y flwyddyn ddiwethaf am beidio â thalu Treth y Cyngor. Dywedodd y Prif Swyddog - Cyllid, Perfformiad a Newid nad oedd y ffigwr ganddi gyda hi ond y gallai ei roi i'r Aelod y tu allan i'r cyfarfod.

Trafododd Aelod arall yr her o adnabod pobl 'gysylltiedig' â'r Cyngor sy'n darparu gwasanaethau ar ei gyfer neu ar ei ran ac a oes unrhyw rai ohonynt yn ceisio osgoi talu trethi ai peidio.

Mewn ymateb, atgoffodd y Prif Swyddog Cyllid, Perfformiad a Newid yr Aelodau fod gan y Cyngor brosesau tynn iawn yn eu lle o ran y ffordd y caiff pobl eu talu. Mae'n ymwneud â bod staff yn ymwybodol pan fyddant yn delio â rhywbeth sydd y tu allan i'n prosesau arferol. Er enghraifft, os bydd rhywun yn gofyn am arian parod mewn llaw yn hytrach na mynd drwy ein prosesau talu arferol, mae gennym brosesau ar waith i wirio a yw hynny'n digwydd, a hefyd mae ein staff wedi cael eu hyfforddi'n dda ac yn gallu codi unrhyw faterion sy'n peri pryder. Aeth ymlaen i ddweud nad oedd yn meddwl bod y Cyngor wedi cael unrhyw achosion mewn perthynas â'r mater penodol hwn yn ystod y flwyddyn ddiwethaf, a fyddai'n awgrymu bod y prosesau'n eithaf tynn.

Awgrymodd Aelod arall mai'r argraff a gafodd ef oedd bod y polisi yn gynhwysfawr iawn. Roedd yn cynnwys rhai sefyllfaoedd ac enghreifftiau arbennig o ddefnyddiol. Roedd

hefyd yn galonogol bod adran ar contractio allanol wedi cael ei chynnwys oherwydd gweithgareddau a gyflawnir gan sefydliadau fel Ymddiriedolaeth Ddiwylliannol Awen a Halo.

Dyweddodd Aelod arall ei fod yn croesawu'r adroddiad hwn yn llwyr.

**PENDERFYNWYD:**

Nododd y Pwyllgor y Polisi Atal Osgoi Trethi oedd wedi ei ddiweddarau sydd ynghlwm yn **Atodiad A** ac argymhellodd ei fod yn cael ei anfon ymlaen i'r Cabinet i'w gymeradwyo.

68. **BLAENRAGLEN WAITH 2023-24**

Pwrpas yr adroddiad hwn oedd gofyn am gymeradwyaeth ar gyfer y Flaenraglen Waith arfaethedig ar gyfer 2023-24.

Dyweddodd y Dirprwy Bennaeth Cyllid y gallai'r rhestr o eitemau i'w trafod mewn cyfarfodydd penodol gael eu newid, er mwyn cymryd i ystyriaeth eitemau eraill fydd angen eu hystyried, a ffactorau gweithredu.

Dylid nodi bod dyddiadau cyfarfodydd yn amodol ar gymeradwyaeth y Cyngor yn ei Gyfarfod Blynyddol a gynhelir ar 17 Mai 2023.

Gyda golwg ar eitemau penodol, cafodd yr adroddiad ar Gwynion Corfforaethol ei ohirio tan fis Mehefin ac nid yw ar y Flaenraglen Waith hon, ond daw i gyfarfod mis Mehefin, a chaiff seiberddiogelwch ei godi fel rhan o'r asesiad risg corfforaethol. At hynny, bydd y datganiad cyfrifon yn dod i gyfarfod yn y dyfodol, fel y bo'n briodol.

Gofynnwyd i'r aelodau a oedd unrhyw adroddiadau ychwanegol yr hoffent eu cael ar y Flaenraglen Waith, neu unrhyw Swyddogion yr hoffent eu gwahodd i gyfarfodydd.

Dyweddodd Aelod y byddai'n briodol derbyn diweddariad ar Grantiau Cyfleusterau i'r Anabl.

**PENDERFYNWYD:**

Bu'r Pwyllgor yn ystyried a chymeradwyo'r Flaenraglen Waith ar gyfer 2023-24.

Cytunwyd y câi mater diogelwch data ei gynnwys fel rhan o'r Asesiad Risg Corfforaethol, ac y dylid gwahodd Aelod y Cabinet a'r Swyddogion sydd â chyfrifoldeb am y materion hyn i'r cyfarfod nesaf.

Cytunwyd y câi'r adroddiad ar Gwynion Corfforaethol ei ychwanegu at y Flaenraglen Waith i'w gyflwyno i gyfarfod mis Mehefin y pwyllgor.

Cytunwyd i roi diweddariad ar Grantiau Cyfleusterau i'r Anabl ar y Flaenraglen Waith yn y flwyddyn i ddod.

69. **MATERION BRYD**

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# Agenda Item 6

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>1 JUNE 2023</b>
<b>Report Title:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE ACTION RECORD</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY</b>
<b>Responsible Officer:</b>	<b>MARK GALVIN – SENIOR DEMOCRATIC SERVICES OFFICER - COMMITTEES</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<b>This report seeks to update Members of the Governance and Audit Committee on follow-up actions or further information requested on reports considered by Members and/or requested by Committee, including any other related information in relation to previous agenda items.</b>

## **1. Purpose of Report**

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

## **2. Background**

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

## **3. Current situation / proposal**

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

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

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

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

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

**6. Climate Change Implications**

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

**7. Safeguarding and Corporate Parent Implications**

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

**8. Financial Implications**

8.1 There are no financial implications arising from this report.

**9. Recommendation**

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

**Background documents**

None.



## Governance and Audit Committee Action Record

Date of Committee	Item	Lead	Target Date	Action	Date for action to be brought to Committee	Completed Date
15 March 2022	Corporate Complaints	Corporate Director Education and Family Support	June 2022	Update to be provided to the Committee on how school complaints were recorded and ensuring they were recorded effectively.	June 2023	
22 June 2022	Audit Wales Governance and Audit Committee Report	Chief Officer – Finance, Performance and Change	July 2022	Council to develop an Action Plan on each of the recommendations emanating from the national report on Direct Payments.	June/July 2023	
22 June 2022	Corporate Risk Assessment 2022-23	Chief Officer – Finance, Performance and Change  Chief Officer – Legal and Regulatory, HR and Corporate Policy		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.  2. Information to be provided to the relevant Overview and Scrutiny Committee that the assurance and review of risks scores is ongoing.	Ongoing  Ongoing	To be treated as business as usual  To be treated as business as usual
28 July 2022	Audit Wales Governance and Audit Committee Report	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.	April 2023	April 2023
13 October 2022	Corporate Complaints	Chief Officer – Legal and Regulatory Services, HR and Corporate Policy		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	June 2023	
26 January 2023	Audit Wales Governance and Audit Committee reports	Corporate Director Social Services & Wellbeing		To receive a progress report on the implementation of the action plan in relation to the Audit Wales report 'Transformational Leadership Programme Board – Baseline Governance Review - Cwm Taf Morgannwg Regional Partnership Board' (outlined in Appendix C)	July 2023	To be included in the regulatory tracker report
26 January 2023	Treasury Management Strategy 2023-24	Chief Officer – Finance,		To look at implementing an ethical investment policy following discussion with the treasury management advisors	July 2023	

		<b>Performance and Change</b>				
<b>26 January 2023</b>	<b>Governance And Audit Committee Self-Assessment of Knowledge &amp; Skills</b>	<b>Head of Regional Internal Audit Service</b>		To draft the learning and development plan for Members	July 2023	

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>1 JUNE 2023</b>
<b>Report Title:</b>	<b>AUDIT WALES GOVERNANCE AND AUDIT COMMITTEE REPORTS</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE</b>
<b>Responsible Officer:</b>	<b>DEBORAH EXTON DEPUTY HEAD OF FINANCE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The Council’s external auditors, Audit Wales, undertake a range of financial and performance audit work during the financial year.</b></li> <li>• <b>They publish a number of reports in respect of the audit work undertaken.</b></li> <li>• <b>Some of the reports are national across all local authorities and others are local and specific to Bridgend.</b></li> <li>• <b>Audit Wales also presents a quarterly work programme and timetable to the Governance and Audit Committee to outline work completed, audits in progress and those still due to be undertaken.</b></li> <li>• <b>The report provides details of the Outline Audit Plan for the Council for 2023.</b></li> </ul>

## **1. Purpose of Report**

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

## **2. Background**

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

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

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

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

### **3. Current situation / proposal**

3.1 Audit Wales has produced one report for the Governance and Audit Committee to consider. It is:

- **Bridgend County Borough Council Outline Audit Plan 2023 (Appendix A)** - The Outline Audit Plan specifies the Auditor General's statutory responsibilities as the Council's external auditor and to fulfil his obligations under the Code of Audit Practice. It also sets out details of the audit team and key dates for delivering the audit team's activities and planned outputs.

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

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

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

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

### **6. Climate Change Implications**

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

### **7. Safeguarding and Corporate Parent Implications**

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

**8. Financial Implications**

8.1 There are no financial implications arising from this report.

**9. Recommendation**

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

**Background documents**

None

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# Bridgend County Borough Council

## Outline Audit Plan 2023

Audit year: 2022-23

Date issued: June 2023



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions. Audit Wales is not a legal entity and itself does not have any functions.

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, the Wales Audit Office and, where applicable, the appointed auditor are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.



# About Audit Wales

Our aims:

## Assure



the people of Wales  
that public money is  
well managed

## Explain



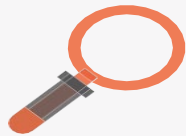
how public money  
is being used to  
meet people's  
needs

## Inspire



and empower the  
Welsh public sector  
to improve

Our ambitions:



Fully exploit our  
unique perspective,  
expertise and  
depth of insight



Strengthen our  
position as an  
authoritative,  
trusted and  
independent voice



Increase our  
visibility,  
influence and  
relevance



Be a model  
organisation for the  
public sector in  
Wales and beyond

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Fees and audit team	7
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# Introduction

This Outline Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice. It also sets out details of my audit team and key dates for delivering my audit team's activities and planned outputs. I intend sharing a Detailed Audit Plan later in the year following the completion of my planning work. It will set out my estimated audit fee and the work my team intends undertaking to address the audit risks identified and other key areas of audit focus during 2023.

## My audit responsibilities

I complete work each year to meet the following duties:

- I audit the Council's financial statements to make sure that public money is being properly accounted for.
- the Council has to put in place arrangements to get value for money for the resources it uses, and I have to be satisfied that it has done this.
- the Council needs to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.



**Adrian Crompton**  
Auditor General for  
Wales

## Audit of financial statements

I am required to issue a certificate and report on your financial statements which includes an opinion on their 'truth and fairness' and an assessment as to whether the Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with your financial statements and my knowledge of the Authority.

In addition to my responsibilities for auditing the Council's financial statements, I also have responsibility for:

- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary);
- the audit of Porthcawl Harbour Authority and Coychurch Crematorium joint committees; and
- the certification of a number of grant claims and returns as agreed with the funding bodies.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to you in my Detailed Audit Plan.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

## Performance audit work

I carry out a programme of performance audit work to discharge my duties as Auditor General in relation to value for money and sustainable development.

My local performance audit programme will continue to be delivered through a combination of an Assurance and Risk Assessment Project, bespoke local projects and thematic projects examining risks common to all councils.

# Fees and audit team

In January 2023 I published the fee scheme for the year, approved by the Senedd Finance Committee. This sets out my fee rates and also highlights the impact of the revised auditing standard ISA 315 on my financial audit approach. More details of the revised auditing standard and what it means for the audit I undertake is set out in **Appendix 1**.

I will provide an estimate of your fee in my Detailed Audit Plan in July 2023 following completion of my detailed risk assessment.

## Your engagement team:

<b>Anthony Veale</b>	<b>Engagement Director and Audit Director (Financial Audit)</b>
<b>Rachel Freitag</b>	<b>Audit Manager (Financial Audit)</b>
<b>Sara-Jane Byrne</b>	<b>Audit Manager (Performance Audit)</b>
<b>John Llewellyn</b>	<b>Audit Lead (Financial Audit)</b>
<b>Samantha Clements</b>	<b>Audit Lead (Performance Audit)</b>

**We confirm that our audit team members are all independent of the Authority and your officers.**

# Audit timeline

We set out below key dates for delivery of our audit work and planned outputs.

Planned output	Work undertaken	Report finalised
Outline Audit Plan 2023	April 2023	June 2023
Detailed Audit Plan 2023	April – June 2023	July 2023
Audit of financial statements work: <ul style="list-style-type: none"> <li>• Audit of Financial Statements Report</li> <li>• Opinion on the Financial Statements.</li> </ul>	July – November 2023	November 2023
Performance audit work: <ul style="list-style-type: none"> <li>• Assurance and Risk Assessment</li> <li>• Thematic review – commissioning and contract management</li> <li>• Thematic review – financial sustainability in local government</li> <li>• Local work - Highways and Transport</li> </ul>	Timescales for individual projects will be discussed with you and detailed within the specific project briefings produced for each audit.	

# Audit quality

My commitment to audit quality in Audit Wales is absolute.

I believe that audit quality is about getting things right first-time.

We use a three lines of assurance model to demonstrate how we achieve this.

We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD<sup>1</sup> and our Chair acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2022](#).



## Our People

The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review



## Arrangements for achieving audit quality

The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



## Independent assurance

The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.

- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

<sup>1</sup> QAD is the Quality Assurance Department of ICAEW.

# Appendix 1 – the key changes to ISA315 and the potential impact on your organisation

Key change	Potential impact on your organisation
<p><b>More detailed and extensive risk identification and assessment procedures</b></p>	<p>Your finance team and others in your organisation may receive a greater number of enquiries from our audit teams at the planning stage of the audit. Requests for information may include:</p> <ul style="list-style-type: none"> <li>• information on your organisation’s business model and how it integrates the use of information technology (IT);</li> <li>• information about your organisation’s risk assessment process and how your organisation monitors the system of internal control;</li> <li>• more detailed information on how transactions are initiated, recorded, processed, and reported. This may include access to supporting documentation such as policy and procedure manuals; and</li> <li>• more detailed discussions with your organisation to support the audit team’s assessment of inherent risk.</li> </ul>
<p><b>Obtaining an enhanced understanding of your organisation’s environment, particularly in relation to IT</b></p>	<p>Your organisation may receive more enquiries to assist the audit team in understanding the IT environment. This may include information on:</p> <ul style="list-style-type: none"> <li>• IT applications relevant to financial reporting;</li> <li>• the supporting IT infrastructure (e.g. the network, databases);</li> <li>• IT processes (e.g. managing program changes, IT operations); and</li> <li>• the IT personnel involved in the IT processes.</li> </ul>



Key change	Potential impact on your organisation
	<p>Audit teams may need to test the general IT controls and this may require obtaining more detailed audit evidence on the operation of IT controls within your organisation.</p> <p>On some audits, our audit teams may involve IT audit specialists to assist with their work. Our IT auditors may need to engage with members of your IT team who have not previously been involved in the audit process.</p>
<p><b>Enhanced requirements relating to exercising professional scepticism</b></p>	<p>Our audit teams may make additional inquiries if they identify information which appears to contradict what they have already learned in the audit.</p>
<p><b>Risk assessments are scalable depending on the nature and complexity of the audited body</b></p>	<p>The audit team's expectations regarding the formality of your organisation's policies, procedures, processes, and systems will depend on the complexity of your organisation.</p>
<p><b>Audit teams may make greater use of technology in the performance of their audit</b></p>	<p>Our audit teams may make use of automated tools and techniques such as data analytics when performing their audit. Our teams may request different information or information in a different format from previous audits so that they can perform their audit procedures.</p>

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>1 JUNE 2023</b>
<b>Report Title:</b>	<b>AUDIT WALES LETTER ON MATTERS ARISING FROM THE 2021-22 AUDIT</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, PERFORMANCE &amp; CHANGE</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework or procedure rules</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>Audit Wales have submitted their matters arising letter from the audit of the Statement of Accounts 2021-22.</b></li> <li>• <b>The letter identifies that Audit Wales have no concerns about the qualitative aspects of the Council’s accounting practices and financial reporting.</b></li> <li>• <b>It also notes that Audit Wales did not identify any material weaknesses in the Council’s internal controls.</b></li> <li>• <b>Some potential areas for improvement were identified, and responses and actions agreed.</b></li> </ul>

## 1. Purpose of Report

- 1.1 This report informs the Committee of the matters arising from the audit of the 2021-22 Statement of Accounts. The audited Statement of Accounts were approved by Governance and Audit Committee on 26 January 2023 and, following completion of the audit, a number of recommendations were made by Audit Wales. Their letter is attached at **Appendix A**.

## 2. Background

- 2.1 Audit Wales undertake the annual audit of the Council’s Statement of Accounts. The Statement of Accounts were given an unqualified opinion by the Auditor General on 27 January 2023, following approval of the Accounts at Governance and Audit Committee on 26 January 2023. The audit letter confirms that Audit Wales had no concerns about the qualitative aspects of the Council’s accounting practices and financial reporting. They did not identify any material weaknesses in the Council’s internal controls, but they did identify some potential areas for improvement which are set out in the attached **Appendix A**.

### **3. Current situation / proposal**

- 3.1 Appendix 1 of the Audit Letter sets out six recommendations following Audit Wales' audit of the Council's Statement of Accounts. Officers have taken on board the recommendations and progress against those recommendations is also noted in the Appendix. Audit Wales will carry out a review of those recommendations during their audit of the 2022-2023 Statement of Accounts.

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

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

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

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

### **6. Climate Change Implications**

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

### **7. Safeguarding and Corporate Parent Implications**

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

### **8. Financial Implications**

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

### **9. Recommendation**

- 9.1 It is recommended that the Governance and Audit Committee notes the matters arising letter from Audit Wales, along with the recommendations and responses as attached at **Appendix A**.

### **Background documents**

None

Carys Lord  
Chief Officer (Finance, performance  
and change)  
Bridgend County Borough Council  
Civic Offices  
Angel Street  
Bridgend  
CF31 4WB

1 Cwr y Ddinas / 1 Capital Quarter  
Caerdydd / Cardiff  
CF10 4BZ  
Tel / Ffôn: 029 2032 0500  
Fax / Ffacs: 029 2032 0600  
Textphone / Ffôn testun: 029 2032 0660  
[info@audit.wales](mailto:info@audit.wales) / [post@archwilio.cymru](mailto:post@archwilio.cymru)  
[www.audit.wales](http://www.audit.wales) / [www.archwilio.cymru](http://www.archwilio.cymru)

**Reference:** 3586A2023

**Date issued:** May 2023

Dear Carys

## Matters arising from our 2021-22 audit

We have now completed our 2021-22 audit of the financial statements for Bridgend County Borough Council.

I can confirm that the financial statements were given an unqualified opinion on 27 January 2023.

As detailed in our Audit of Financial Statements Report (presented to the Governance and Audit Committee on 26 January 2023), we have no concerns about the qualitative aspects of your accounting practices and financial reporting. Whilst we did not identify any material weaknesses in your internal controls, we did identify some potential areas for improvement which we have set out for your consideration in **Appendix 1**.

Yours sincerely

Rachel Freitag

Audit Manager

## Appendix 1 – matters arising

Detail	For management to consider	Management response
<p><b>Journal authorisation procedures</b></p> <p>Our review of manual journals identified that it was not always clear if relevant authorisation of the journal had been obtained prior to it being processed in the ledger.</p>	<p>Procedures for the authorisation of journals need to be strengthened to ensure that all journals are correctly authorised in line with policies and procedures.</p>	<p>Noted. Finance officers have been reminded to ensure that authorisation of journals is properly evidenced.</p>
<p><b>IT server-room risks</b></p> <p>Our visit to the server room noted two issues:</p> <ul style="list-style-type: none"> <li>the security doors to the server racks were not installed and were left loose resting against the side of the server racks; and</li> <li>cardboard boxes which had been left in the room causing a fire hazard.</li> </ul>	<p>The doors to the server racks should be installed and locked to maintain the security of the server racks.</p> <p>The server room should be cleared of all debris (ie cardboard boxes) and staff reminded to keep the room clear.</p>	<p>Noted. These have been completed.</p>

Detail	For management to consider	Management response
<p><b>Annual Governance Statement (AGS)</b> Our review of the AGS noted that disclosure of workforce issues could be expanded to clearly detail ongoing issues.</p>	<p>Disclosure around workforce issues and the potential impact on governance arrangements could be expanded on to clearly highlight the ongoing issue.</p>	<p>Noted. This will be included in the 2022-23 AGS.</p>
<p><b>Duplicate payments</b> Our testing of 18 expenditure transactions identified one duplicate payment. Testing of an additional 13 potential duplicate payments identified a further two duplicates. The value of the three duplicate payments identified totalled £4,884.71.</p>	<p>The procedures that the Council has in place for identifying and correcting duplicate payments need to be strengthened to ensure that duplicates of the nature identified during the audit are captured.</p>	<p>The Council has in place processes to minimise the risk of processing duplicate payments; however, these were confirmed as duplicates. Processes have been put in place to recover overpayments. Two (£3,861.12) have been recovered with the third (£1,023.59) being progressed.</p>

Detail	For management to consider	Management response
<p><b>Surplus assets</b> Financial reg (FR) 24.3 states that ‘Where land and/or buildings are found to be surplus to requirements, the responsible Chief Officer shall, as soon as possible, submit a report to the appropriate Cabinet Member for appropriate action in accordance with the Schemes of Delegation.’</p> <p>However, for three surplus assets sample tested (total value £7.9 million), the Council could not provide evidence that this FR has been followed for these assets.</p>	<p>The Council must ensure that financial regulations are followed when assets are declared as surplus to requirements.</p>	<p>Noted. The process will be applied moving forward for any assets declared surplus to the Council’s needs.</p>
<p><b>Asset valuations location factor</b> The Valuer was unable to provide confirmation of the exact location factor for Mid Glamorgan used in DRC valuations as at December 2021 as these are updated online on the BCIS system in real time, and so she cannot interrogate historic rates.</p>	<p>The valuer should retain evidence of the location factor (BCIS Screenshot/report) as at the time of the valuation exercise to improve the audit trail.</p>	<p>Noted. This will be done for future valuations.</p>



<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>1 JUNE 2023</b>
<b>Report Title:</b>	<b>CORPORATE RISK ASSESSMENT 2023</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE</b>
<b>Responsible Officer:</b>	<b>KAREN DAVIES RISK MANAGEMENT AND INSURANCE OFFICER</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework or procedure rules</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The Corporate Risk Assessment is reviewed by the Governance and Audit Committee as part of the Council’s quarterly Corporate Performance Assessment framework.</b></li> <li>• <b>The Corporate Risk Assessment has been considered and reviewed in consultation with Corporate Management Board</b></li> <li>• <b>Mitigating actions remain in place with no changes made to the categorisation of the risks since the review in January 2023</b></li> </ul>

## 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 2023-24.

## 2. Background

- 2.1 Good governance requires the Council to develop effective risk management processes, including an assessment of corporate risks.
- 2.2 The Governance and Audit Committee’s Terms of Reference require the committee to review, scrutinise and issue reports and recommendations on the appropriateness of the Council’s risk management, internal controls, and corporate governance arrangements.

- 2.3 The Corporate Risk Assessment is considered and reviewed by the Corporate Management Board (CMB), 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.
- 2.4 The 2023-24 Corporate Risk Assessment is aligned with the Council’s Medium Term Financial Strategy and Corporate Plan.

### 3. Current situation / proposal

- 3.1 The Corporate Risk Assessment, attached at **Appendix A**, has been reviewed in consultation with the Corporate Management Board. It identifies the main risks facing the Council, their link to the corporate well-being objectives under the Well-being of Future Generations (Wales) Act 2015, the likely impact of these risks on Council services and the wider County Borough, 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 11 risks on the Corporate Risk Register. Every risk has been reviewed by CMB, and all risks remain in the High category. Any changes to the narrative are highlighted in red in **Appendix A**.

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

- 3.2 There is a new Risk Management software program being tested at present. The new software will allow the recording of target dates and action plans and will provide clearer visuals showing the direction of the risk score. The new reports will be available when the risks are next presented to the Governance and Audit Committee.

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

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

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

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

**6. Climate Change Implications**

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

**7. Safeguarding and Corporate Parent Implications**

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

**8. Financial Implications**

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

**9. Recommendation**

9.1 It is recommended that the Committee consider the Corporate Risk Assessment 2023-24 (**Appendix A**)

**Background documents**

None

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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 - 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. Careful planning and difficult choices will be key to ensuring that a balanced financial position is able to be maintained. Continuing increases in 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 cost of living crisis 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 Council was able to meet most of the savings required in 2021/22. The in year pressures during 2022/23 were unprecedented due to inflationary pressures on both pay and non pay costs. Elected members were all briefed on this position during the year. <b>In setting the 2023/2024 budget, difficult decisions had to be made re budget savings and limited growth across the budget.</b>	Continuously review the assumptions built into the MTFS and update as additional information becomes available. Keep elected members and BREP informed of updated position and re-align MTFS as appropriate. Earlier discussion with members on possible scenarios to get early buy in to the direction of travel. Review scope and direction of BREP to ensure they play a key part in shaping the MTFS. For MTFS 2023-27, more focus on potential areas of saving, even if not currently proposed, rather than just proposed savings. Focus to be more deep dives into targeted areas. A review of budgets has been commissioned to identify areas of high spend in BCBC compared with that in other Local Authorities. MTFS to consider longer term pressures and ensure these are fully considered beyond the life of the 4 year MTFS. It is clear that in the short term there will need to be a concerted "One Council" approach to identify and agree the immediate priorities while continuing to try to put the right changes and measures in place to develop an effective and sustainable longer term plan for the organisation. <b>The impact of grant fall out on individual services will be monitored to see determine financial and service</b>	CMB	May-2023	Nov-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 delivery of the universal free school meal offer and the Sustainable Communities for Learning Programme, the consequences of which will have a detrimental impact on all areas of the Borough.	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 it's Bridgend 2030 Decarbonisation Strategy and Action Plan to Cabinet and Council for approval.	Further development of a "One Council" culture and transformational change was progressed in recent years and accelerated as a response to the Covid-19 pandemic. A much more corporate approach to service provision and transformation has been driven by CMB. The response to the pandemic challenged the way that we work across all services, and <b>we have adapted and learnt lessons from this that we are now working on to embed into 'new normal' and recovery.</b> Transformation projects such as the Future Service Delivery Programme, and increased activity in areas such as "Grow Your own" and helping to change the way the Council does its business and other strategically important projects such as our Digital Transformation Programme continue to progress. Clearly the uncertain future budget position may impact in due course on priorities such as 2030 decarbonisation and where significant investment is required, so this will need to continue to be monitored and reviewed regularly.	CMB	May-2023	Jul-2023	Ongoing	4	4	16	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. There is an increased risk that the Council will no longer be able to make some of the capital investment to the same level as previously due to the cessation of particular grants. In addition, the cost of borrowing has risen recently 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.	The Council will consider and seek external and match funding for projects where possible, in order to maximise its capital programme spending capability. Where feasible the capital earmarked reserve will be replenished on an annual basis to mitigate the decline in available and potential new capital receipts. The Council will continue to operate a strategy where capital receipts are not ring-fenced, to ensure that maximum flexibility is available. All capital bids will be fully considered by CMB and CCMB in line with the Capital Strategy, before inclusion in the capital programme. Schemes must have been subject to a full feasibility assessment. This should inform more accurate costings and profiling of spend to avoid potential overspends or delays in schemes. The procurement process will also be considered and qualification criteria updated to try and avoid supplier issues.	CMB	May-2023	Jul-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, the Council's safeguarding arrangements will not be effective, and that children and adults at risk will not be kept safe and will experience harm. The Council continues to prioritise this area of work and works effectively with key partners, whilst the demand for services continues to significantly increase. This is particularly evident in referrals into MASH/Information Advice and Assistance 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. 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	25	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.	A new Corporate Safeguarding Officer has been appointed to enhance the support to corporate safeguarding arrangements. The Regional Safeguarding Board is developing common quality and performance reporting via the steering group to include clear trigger points of escalated action. A reflective lessons learned exercise has been undertaken into the issues which led to the critical incident in IAA services to ensure lessons have been learned and sustainable improvements made to reduce the risk of such an escalated position being required again. <b>Work is being undertaken to develop a sustainable model for the service which includes practice, workforce and funding issues</b>	CMB	May-2023	Jul-2023	Ongoing	4	5	20	Helping people and communities to be more healthy and resilient and smarter use of resources
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	Jan-19	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. 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.	Cyber resilience training continues to be rolled out. The situation is constantly being monitored on an ongoing basis, ICT are reviewing options to mitigate potential cyber attacks as the attack landscape is continually changing. The council has responded swiftly and appropriately to the increased risk posed by increased reliance on ICT and the network. A number of changes - some significant - were made during this period that has helped to mitigate the increased risk. Throughout the period the Council has stayed connected and resilient with many services being delivered remotely. The situation is being monitored on an ongoing basis. Ongoing work on resilience and business continuity will help mitigate the risks but keeping the Council services running effectively this winter and beyond becomes more challenging	CMB	May-2023	Jul-2023	Ongoing	4	4	16	All Well-Being Objectives
COR-2019 - 04	The council is unable to attract, develop or retain a workforce with the necessary skills to meet the demands placed upon the authority and its services	If there is a 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	5	20	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	There is a need to continue to seek alternative approaches to recruit to service areas, acknowledging that one size does not fit all. The benefits of working for the council will be promoted alongside different ways of attracting staff. Consideration will also be given to how the council's agency provider can support this agenda. Different recruitment, advertising and selection methods are being introduced for recruiting Apprentices, to improve the level and quality of applicants and with the aim of developing a pool of Apprentices. Action plans are in place and being developed to address challenges in the Social Services and Wellbeing Directorate.	CMB	Jan-2023	Oct-2023	Ongoing	4	5	20	All Well-Being Objectives
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 current economic situation. Many suppliers are going through difficult times and we will need to monitor closely to ensure that critical services do not collapse.	CMB	May-2023	Oct-2023	Ongoing	4	4	16	Helping people and communities to be more healthy and resilient and 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						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.	CMB	May-2023	Nov-2023	Ongoing recovery as the impact of the pandemic eases, subject to future waves.	4	4	16	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 UK's 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 Cost Of Living payments and Council 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	4	20	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. Through its own Cost of Living Scheme the Council was able to widen its support to individuals and families during 2022/2023	CMB / Economic Recovery Panel	Apr-2023	Nov-2023	Ongoing	5	4	20	Supporting a successful sustainable economy
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 <ul style="list-style-type: none"> <li>Increased supply issues in relation to workforce for contractors and materials for major projects</li> <li>Increased inflationary pressures impacting costs of pricing and materials in construction sector, delaying or disrupting capital projects</li> <li>Increased pricing of commodities – gas, oil and silicon chips could have a direct impact on certain projects, costs and performance of key sectors</li> <li>Increased risks around energy supply and capability, to potentially impact delivery of the Energy Strategy</li> </ul>	4	5	20	Treat	Apr-22	<ul style="list-style-type: none"> <li>Ongoing economic analysis</li> <li>Agreed energy strategy</li> <li>Heat reduction schemes</li> </ul>	CMB	May-2023	Nov-2023	Ongoing	4	5	20	All Wellbeing Objectives
SS-2023-01	Significant service pressures in the health and social care services could impact on the ability of services to support vulnerable individuals	The health and social care system is not able to meet the health and care needs of people in a timely way resulting in harms and excess deaths. The immediate risk is that there is not sufficient capacity in community health and social care services to prevent hospital admissions and support timely discharge from hospital.	5	5	25	Treat	Jan-23	There are very regular meetings at senior levels across Health and the Local Authority to understand the current position and to agree the joint actions required to try to address the issues	CMB	May-2023	Nov-2023	Ongoing	5	5	25	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.

**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

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>1 JUNE 2023</b>
<b>Report Title:</b>	<b>GOING CONCERN ASSESSMENT</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, PERFORMANCE &amp; CHANGE</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework or procedure rules</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>Following amendments to the Audit Standards under which the Council’s external auditors undertake their audits, the Council’s auditors have sought assurance that the Council has evidenced it has completed a ‘going concern’ assessment, which underpins the preparation for the annual Statement of Accounts.</b></li> <li>• <b>This report confirms the assessment of the Council as a going concern as required by the Chartered Institute of Public Finance and Accountancy’s (CIPFA’s) Code of Practice on local authority accounting.</b></li> </ul>

## 1. Purpose of Report

- 1.1 This report informs the Committee of the Section 151 (s151) Officer’s (Chief Officer – Finance, Performance and Change) assessment of the Council as a ‘Going Concern’ for the purposes of producing the 2022-23 Statement of Accounts.

## 2. Background

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

- 2.2 Should the Council be deemed to not be a 'going concern' particular care would be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at the book values, and provisions might be needed for closure costs and redundancies. An inability to apply the going concern concept would potentially have a fundamental impact on the financial statements. The audit of Local Authorities will be carried out under a revised auditing standard (*ISA 315 (UK) Identifying and Assessing the Risks of Material Misstatement (Revised July 2020)*). This revised standard is effective for audits of accounts for periods beginning on or after 15 December 2021 and applies to the audit of all private and public sector entities across the UK. As part of the audit planning for the 2022-23 Statement of Accounts, the auditors will seek the Council's assessment of whether the Council is preparing its statement of accounts on a 'going concern' basis.
- 2.3 This report sets out the position for Bridgend County Borough Council. The Council's accounts are prepared in accordance with CIPFA's Code, which assumes the Council will continue to operate in the foreseeable future and that it is able to do so within the current and anticipated resources available. The main factors which underpin this are:
- The Council's current financial position
  - The Council's Balance Sheet
  - The Council's Cash Flow
  - The Council's projected financial position
  - The Council's Governance arrangements
  - The External Regulatory and Control Framework
  - Material Uncertainties.

Each of the above is considered below.

### **3. Current situation / proposal**

#### **3.1 The Council's current financial position**

- 3.1.1 Overall the Council ended the financial year 2021-22 under budget by £0.338 million. As at 31 March 2022 the Council Fund was £10.110 million, an increase from the previous year balance of £9.772 million. The Council also held earmarked reserves of £106.733 million, an increase of £23.885 million from the previous year.
- 3.1.2 It is too early to advise on the outturn for 2022-23, but it is possible that the Council may show an overspend in the 2022-23 financial year. It is anticipated that there will be draw down from earmarked reserves and the closing balance on earmarked reserves is currently estimated to be around £80 million. Should there be recurrent overspends on the budget, in order to mitigate this going forward, these will be identified as budget pressures and the Council will identify alternative savings proposals to offset or raise council tax. The Council is required by law to set a balanced budget and robust monitoring arrangements are in place to ensure this is kept under review by both Cabinet and Corporate Overview and Scrutiny Committee.



## **3.2 The Council's Balance Sheet**

- 3.2.1 The Council's net assets amounted to £336.728 million as at 31 March 2022 and usable reserves totalled £146.027 million. Officers are not aware of any material liabilities or underlying issues regarding the strength of the Council's balance sheet which present any material uncertainties regarding the Council's ability to continue as a going concern.

## **3.3 The Council's Cash Flow**

- 3.3.1 The Council manages its cash, investments and borrowing in line with the approved Treasury Management Strategy. As at 31 March 2022 the Council had long term borrowing commitments of £100 million, held short term investments of £45.53 million and Cash and Cash Equivalent balances of £38.58 million. The Council has continued to manage its borrowing and investments during 2022-23 in line with the Treasury Management Strategy and has adequate financial resources to meet its immediate financial obligations. Officers are satisfied that there are no significant issues regarding the strength of the Council's underlying cash flow which present any material uncertainties regarding the Council's ability to continue as a going concern.

## **3.4 The Council's projected financial position**

- 3.4.1 As reported to Cabinet on 17 January 2023, the anticipated revenue outturn position at 31 March 2023 is a forecast overspend of £0.731 million. This comprised a net overspend on Directorates of £8.711 million offset by a net underspend on Council wide budgets of £7.980 million. At that point it was still too early to provide a realistic indication of projected Council Tax income for the financial year and whether the council is likely to see a reduction in Council Tax income over the 2022-23 financial year. Council tax income may fall as a result of the impact of the cost of living crisis. As noted in 3.1.2 should there be recurrent overspends on the budget, in order to mitigate this going forward, these will be identified as budget pressures and the Council will identify alternative savings proposals to offset or raise council tax.

## **3.5 The Council's Governance Arrangements**

- 3.5.1 The Council has a well-established and robust corporate governance framework. The Council's Code of Corporate Governance was updated during the financial year and approved by Cabinet on 7 February 2023. The governance arrangements include the statutory requirements for a Head of Paid Service, the Monitoring Officer and the Section 151 Officer in addition to the current political arrangements. An overview and review of the governance framework is provided within the Annual Governance Statement.
- 3.5.2 An internal audit review of Corporate Risk Management was undertaken by SWAP Internal Audit Services on behalf of the Regional Internal Audit Service. The findings of that review identified that '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'. The review provided substantial assurance that the risk management arrangements were robustly managed.

3.5.3 The overall conclusion of the review process outlined in the Annual Governance Statement is that the Council continues to have in place appropriate internal control and governance arrangements. The Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2021-22 was 'Reasonable Assurance'. It is not envisaged that anything would alter this opinion during 2022-23. Officers are satisfied that there are no significant issues regarding the Council's governance framework which present any material uncertainties regarding the Council's ability to continue as a going concern.

### **3.6 The External Regulatory and Control Framework**

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

3.6.2 The provision in the Code on the going concern requirements reflects the economic and statutory environment in which local authorities operate. Officers are satisfied that there are no significant issues regarding the external regulatory and control environment which present any material uncertainties regarding the Council's ability to continue as a going concern.

### **3.7 Material Uncertainties**

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

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

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

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

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

- **Long-term** - the confirmation of the Council as a going-concern underpins the continued provision of services in both the short- and long-term.

- **Prevention** – assessing the Council as a going concern supports the continued provision of services to residents and visitors to the County Borough.
- **Integration** – the Council works in a collaborative way and as a going concern will continue to do so for the future.
- **Collaboration** – the Council will continue to provide services to its community in a collaborative way with other organisations.
- **Involvement** – the Council works through effective partnership working, communicating and collaborating where necessary and appropriate with a range of organisations and individuals.

## **6. Climate Change Implications**

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

## **7. Safeguarding and Corporate Parent Implications**

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

## **8. Financial Implications**

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

## **9. Recommendation**

- 9.1 It is recommended that the Governance and Audit Committee accepts the outcome of the assessment of the Council's going concern status for the purpose of preparing the 2022-23 Statement of Accounts.

## **Background documents**

None

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>1 JUNE 2023</b>
<b>Report Title:</b>	<b>AUDIT WALES AUDIT ENQUIRIES LETTER FOR THE 2022-23 AUDIT</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, PERFORMANCE &amp; CHANGE</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework or procedure rules</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>Audit Wales have submitted their Audit Enquiries letter to those charged with governance and management.</b></li> <li>• <b>The letter is for the purposes of informing Audit Wales understanding of the Council and its business processes, and support their audit work in providing an audit opinion on the 2022-23 financial statements</b></li> <li>• <b>Reponses have been completed to the questions raised, and Governance and Audit Committee are asked to agree the responses</b></li> </ul>

## 1. Purpose of Report

- 1.1 This report provides the Committee with Audit Wales Audit Enquiries Letter, which asks a number of questions of those charged with governance and management of the Council. The letter is attached at **Appendix A** and the Governance and Audit Committee are asked to agree the response and approve its return to Audit Wales.

## 2. Background

- 2.1 Audit Wales undertake the annual audit of the Council's Statement of Accounts. As part of the planning of the audit, the Auditor General is required to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Those who are responsible for the conduct of public business and for spending public money are accountable for ensuring that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. In discharging these responsibilities, public bodies and their management (both members and officers) are responsible for putting

in place proper arrangements for the governance of their affairs and the stewardship of the resources at their disposal. Audit Wales Audit Enquiries Letter formally seeks documented consideration and understanding on a number of governance areas that impact on their audit of the Council's financial statements.

### **3. Current situation / proposal**

3.1 Appendix 1 to 3 of the Audit Enquiries Letter sets out a number of questions to management and those charged with Governance. Responses have been provided to each of the questions, as set out in **Appendix A**. Audit Wales have requested that the completed responses be returned to them by 15 June 2023. The Governance and Audit Committee is asked to consider the responses.

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

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

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

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

### **6. Climate Change Implications**

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

### **7. Safeguarding and Corporate Parent Implications**

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

### **8. Financial Implications**

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

### **9. Recommendation**

9.1 It is recommended that the Governance and Audit Committee agrees the responses to Audit Wales' Audit Enquiries Letter as attached at **Appendix A**.

### **Background documents**

None

1 Capital Quarter  
Tyndall Street / Stryd Tyndall  
Cardiff / Caerdydd  
CF10 4BZ  
Tel / Ffôn: 029 2032 0500  
Fax / Ffacs: 029 2032 0600  
Textphone / Ffôn testun: 029 2032 0660  
[info@audit.wales](mailto:info@audit.wales) / [post@archwilio.cymru](mailto:post@archwilio.cymru)  
[www.audit.wales](http://www.audit.wales) / [www.archwilio.cymru](http://www.archwilio.cymru)

Carys Lord  
Director of Finance  
Bridgend County Borough Council  
Civic Offices  
Angel Street  
Bridgend  
CF31 4WB

**Reference:**

**Date issued:** 2 May 2023

Dear Carys

**Audit enquiries to those charged with governance and management**

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

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

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

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

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

The information you provide will inform our understanding of the Council and its business processes and support our work in providing an audit opinion on your 2022-23 financial statements.

I would be grateful if you could update the attached table in [Appendix 1 to Appendix 3](#) for 2022-23.

The completed [Appendix 1 to Appendix 3](#) should be formally considered and communicated to us on behalf of both management and those charged with governance by 15 June 2023. In the meantime, if you have queries, please contact me on 02920 829359 or [Rachel.Freitag@audit.wales](mailto:Rachel.Freitag@audit.wales)

Yours sincerely

Rachel Freitag

Audit Manager

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



## Appendix 1

### Matters in relation to fraud

International Standard for Auditing (UK) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements. This standard has been revised for 2022-23 audits.

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

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

### What are we required to do?

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

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

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

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

<b>Enquiries of management – general</b>		
<b>Question</b>	<b>2021-22 Response</b>	<b>2022-23 Response</b>
4. If internal control deficiencies were reported in the prior year, please comment on the status of these.	N/A	Responses to Audit Wales audit of accounts 2021-22 memo has been completed. These were not significant and no other internal control deficiencies have been reported.
5. What procedures are in place to ensure the compliance and completeness of Governance reports?	N/A	<p>The Annual Governance Statement is reviewed by senior officers and agreed by the Corporate Management Board. The Leader and Chief Executive evidence their agreement via signing of the AGS. It is reviewed at the half year point and both the AGS and the review are presented to Governance and Audit Committee.</p> <p>The Council has introduced a regulatory tracker to the Governance and Audit Committee to ensure all governance issues are reported to the Committee and actions therefore are followed up.</p> <p>The Council's Code of Corporate Governance has recently been updated and approved by Cabinet on 7 February 2023.</p>

### Enquiries of management – in relation to fraud

Question	2021-22 Response	2022-23 Response
<p>1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud? What is the nature, extent and frequency of management's assessment of fraud risk?</p>	<p>Low risk/probability.</p> <p>Both internal and external audit work has provided assurance that there is unlikely to be any material misstatements of the accounts as a result of fraud.</p> <p>Budget monitoring reports are produced regularly throughout the year involving service accountants, finance managers and service staff, and reported regularly to Council, Cabinet and CMB. These are then subject to intense scrutiny by the Council's Corporate Overview and Scrutiny Committee.</p> <p>Processes are in place for the preparation of the Statement of Accounts which are reviewed at both Chief Accountant and s151 officer level, prior to scrutiny at Governance and Audit Committee.</p>	<p>Low risk/probability.</p> <p>Both internal and external audit work has provided assurance that there is unlikely to be any material misstatements of the accounts as a result of fraud.</p> <p>Budget monitoring reports are produced regularly throughout the year involving service accountants, finance managers and service staff, and reported regularly to Council, Cabinet and CMB. These are then subject to intense scrutiny by the Council's Corporate Overview and Scrutiny Committee.</p> <p>Processes are in place for the preparation of the Statement of Accounts which are reviewed at both Chief Accountant and s151 officer level,</p>

<b>Enquiries of management – in relation to fraud</b>		
<b>Question</b>	<b>2021-22 Response</b>	<b>2022-23 Response</b>
	Internal audit provides review and assurance on the Council's systems and processes, including the main accounting and budgetary control systems as part of their annual internal audit plan.	prior to scrutiny at Governance and Audit Committee.  Internal audit provides review and assurance on the Council's systems and processes, including the main accounting and budgetary control systems as part of their annual internal audit plan.
2. Do you have knowledge of any actual, suspected or alleged fraud affecting the audited body?	There have been a number of attempted frauds against external suppliers of goods and services, where orders were sent to them alleging to be from the Council's Chief Executive. However this has not resulted in any actual fraud within the Council. This was referred to South Wales Police by Trading Standards.	None
3. What is management's process for identifying and responding to the risks of fraud in the audited body, including any specific risks of fraud that management has	The Council has in place an Anti-Fraud and Bribery Policy, Fraud Strategy and Framework, and an Anti-Tax Evasion Policy approved 9 February 2021, as well as an Ethical Code of Practice in relation to	The Council has in place an Anti-Fraud and Bribery Policy, Fraud Strategy and Framework, and an Anti-Tax Evasion Policy which has been reviewed and updated during April 2023. Governance

Enquiries of management – in relation to fraud		
Question	2021-22 Response	2022-23 Response
identified or that have been brought to its attention?	<p>suppliers. More widely the Council has clear codes of conduct for both members and officers as set out in the Council's constitution. Processes employed are:</p> <ul style="list-style-type: none"> <li>a. Specific controls in place relevant to applicable processes</li> <li>b. Focussed use of Internal Audit, with management follow-up actions also scrutinised by Governance and Audit Committee.</li> <li>c. Contingency provision within Internal Audit Plan set aside for work as it arises. Governance and Audit Committee receive reports on days used.</li> <li>d. Generally it is not possible for an individual officer to act alone</li> </ul> <p>Where any fraud is suspected or reported it is investigated by Internal Audit and the Council's Senior Fraud Investigator in conjunction with senior management and HR where deemed appropriate/necessary.</p> <p>The Council also employs professionally qualified staff including auditors and accountants, and any concerns are raised via the internal management process.</p>	<p>and Audit Committee have reviewed the updated Policy, which is being presented to Cabinet for approval 20 June 2023. The Council has clear codes of conduct for both members and officers as set out in the Council's constitution. Processes employed are:</p> <ul style="list-style-type: none"> <li>a. Specific controls in place relevant to applicable processes</li> <li>b. Focussed use of Internal Audit, with management follow-up actions also scrutinised by Governance and Audit Committee.</li> <li>c. Contingency provision within Internal Audit Plan set aside for work as it arises. Governance and Audit Committee receive reports on days used.</li> <li>d. Generally, it is not possible for an individual officer to act alone</li> </ul> <p>Where any fraud is suspected or reported it is investigated by Internal Audit and the Council's Senior Fraud Investigator in conjunction with senior management and HR, where deemed appropriate/necessary.</p>

Enquiries of management – in relation to fraud		
Question	2021-22 Response	2022-23 Response
	<p>The Statement of Accounts are produced by experienced and qualified staff and reviewed in detail by the Chief Accountant who has significant experience.</p> <p>The Council recognises that it has a duty to ensure that it safeguards the public money that it is responsible for, and in doing so that we all have a role to play in minimising the risk of fraud and corruption. Therefore, the Council has introduced a Fraud Prevention e-learning module, to support its policies, as a mandatory requirement for identified services and teams. The Council promotes a zero tolerance approach to fraud and corruption and the module will provide training and awareness for staff to enhance their understanding of how fraud may occur, to encourage prevention, to promote detection of suspicious activities, to act with integrity and to respond effectively when incidents occur.</p>	<p>The Council also employs professionally qualified staff including auditors and accountants, and any concerns are raised via the internal management process.</p> <p>The Statement of Accounts are produced by experienced and qualified staff and reviewed in detail by the Chief Accountant who has significant experience.</p> <p>The Council recognises that it has a duty to ensure that it safeguards the public money that it is responsible for, and in doing so that we all have a role to play in minimising the risk of fraud and corruption. The Council has a Fraud Prevention e-learning module, to support its policies, as a mandatory requirement for identified services and teams. 713 staff have completed the module. The Council promotes a zero-tolerance approach to fraud and corruption and the module provides training and awareness for staff to enhance their understanding of how fraud may occur, to encourage prevention, to promote detection of</p>

Enquiries of management – in relation to fraud		
Question	2021-22 Response	2022-23 Response
		suspicious activities, to act with integrity and to respond effectively when incidents occur.
4. What classes of transactions, account balances and disclosures have you identified as most at risk of fraud?	N/A	Areas at most risk would be Cost of Living grants, purchasing cards and Home to School Transport
5. Are you aware of any whistleblowing or complaints by potential whistle blowers? If so, what has been the audited body's response?	N/A	Whistleblowing referrals have been received by the Monitoring Officer and have been dealt with in accordance with the Whistleblowing Policy. None of these were fraud related.
6. What is management's communication, if any, to those charged with governance regarding their processes for identifying and responding to risks of fraud?	Council Policies and procedures such as Anti-Fraud and Bribery Policy, Money Laundering Policy, Anti-Tax Evasion Policy and more generally a culture of openness and probity Reports to Governance and Audit Committee on Internal Audit work undertaken, including if appropriate discussion around areas of weakness and where fraud has been perpetrated and planned action/responses. Internal Audit	Council Policies and procedures such as Anti-Fraud and Bribery Policy, Money Laundering Policy, Anti-Tax Evasion Policy and more generally a culture of openness and probity Reports to Governance and Audit Committee on Internal Audit work undertaken, including if appropriate discussion around areas of weakness and where fraud has been perpetrated and planned

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



Enquiries of management – in relation to fraud		
Question	2021-22 Response	2022-23 Response
	<p>Plan in place and updates taken to each Governance and Audit Committee. Regular updates and discussion of Corporate Risk Register at Governance and Audit Committee and a Governance and Audit Committee Forward Work Programme in place.</p> <p>A Fraud Risk Register is maintained so that any risks can be monitored by CMB and any significant risks that may be identified would be fed into the corporate risk assessment and scored accordingly.</p> <p>A Corporate Fraud Report is presented to Governance and Audit Committee on an annual basis to update them on any fraud risks identified throughout the year and the activities conducted by the fraud department.</p>	<p>action/responses. Internal Audit Plan in place and updates taken to each Governance and Audit Committee. Regular updates and discussion of Corporate Risk Register at Governance and Audit Committee and a Governance and Audit Committee Forward Work Programme in place.</p> <p>A Fraud Risk Register is maintained so that any risks can be monitored by CMB and any significant risks that may be identified would be fed into the corporate risk assessment and scored accordingly.</p> <p>A Corporate Fraud Report is presented to Governance and Audit Committee on an annual basis to update them on any fraud risks identified throughout the year and the activities conducted by the fraud department.</p>
7. What is management's communication, if any, to employees regarding their views on business practices and ethical behaviour?	The Model Code of Conduct for Members provides certainty to Elected Members and the public as to what standards are expected. The Authority's Standards Committee also assists members and co-	The Model Code of Conduct for Members provides certainty to Elected Members and the public as to what standards are expected. The Authority's Standards Committee also

<b>Enquiries of management – in relation to fraud</b>		
<b>Question</b>	<b>2021-22 Response</b>	<b>2022-23 Response</b>
	<p>opted members of the Authority, together with members of town and community councils in the Borough to observe the Code and arrange for any advice and training to be provided.</p> <p>All Members are required to attend mandatory Code of Conduct training provided by the Monitoring Officer when they are elected. They also have the opportunity to attend refresher training when this is arranged.</p> <p>The Officer's Code of Conduct for employees can be found in the Constitution and outlines the highest standards of conduct expected. This will be communicated to staff as part of the mandatory corporate induction process.</p>	<p>assists members and co-opted members of the Authority, together with members of town and community councils in the Borough to observe the Code and arrange for any advice and training to be provided.</p> <p>All Members are required to attend mandatory Code of Conduct training provided by the Monitoring Officer when they are elected. They also have the opportunity to attend refresher training when this is arranged.</p> <p>The Officer's Code of Conduct for employees can be found in the Constitution and outlines the highest standards of conduct expected. This will be communicated to staff as part of the mandatory corporate induction process.</p>
8. For service organisations, are you aware of and have you reported any fraud to the user entity?	N/A	N/A

Enquiries of Those Charged with Governance – in relation to fraud		
Question	2021-22 Response	2022-23 Response
1. Do you have any knowledge of actual, suspected or alleged fraud affecting the audited body?	See 3 below	See 3 below
2. What is your assessment of the risk of fraud within the audited body, including those risks that are specific to the audited body's business sector?	N/A	The council has in place processes and policies to minimise the risk of fraud. It is considered that the Council is a potential target for fraud, but that the controls in place reduce the likelihood of fraud taking place and considers the risk to be low.
3. How do you exercise oversight of: <ul style="list-style-type: none"> <li>management's processes for identifying and responding to the risk of fraud in the audited body, and</li> <li>the controls that management has established to mitigate these risks?</li> </ul>	Through the National Fraud Initiative process. Internal Audit reports to Governance and Audit Committee on any matters in relation to fraud. Governance is much wider than the Governance and Audit Committee as encapsulated in the Annual Governance	Through the National Fraud Initiative process. Internal Audit reports to Governance and Audit Committee on any matters in relation to fraud. Governance is much wider than the Governance and Audit Committee as encapsulated in the Annual

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

<b>Enquiries of Those Charged with Governance – in relation to fraud</b>		
<b>Question</b>	<b>2021-22 Response</b>	<b>2022-23 Response</b>
	Statement, which also sets out responsibilities and its review of the effectiveness of its governance arrangements and the system of internal control.	Governance Statement, which also sets out responsibilities and its review of the effectiveness of its governance arrangements and the system of internal control.

## **Appendix 2**

### **Matters in relation to laws and regulations**

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

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

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

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

### What are we required to do?

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

Enquiries of management – in relation to laws and regulations		
Question	2021-22 Response	2022-23 Response
<p>1. Is the audited body in compliance with relevant laws and regulations?</p> <p>How have you gained assurance that all relevant laws and regulations have been</p>	<p>The Council is not aware of any non-compliance.</p> <p>The Council follows all CIPFA guidance and stays up to date with technical bulletins, Codes of Practice and through informal officer</p>	<p>The Council is not aware of any non-compliance.</p> <p>The Council follows all CIPFA guidance and stays up to date with technical bulletins, Codes of Practice</p>

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

### Enquiries of management – in relation to laws and regulations

Question	2021-22 Response	2022-23 Response
<p>complied with? Are there any policies or procedures in place?</p>	<p>networks including Chief Accountants' forum and CIPFA Code training courses and seminars. The Council also responds as appropriate to proposed changes to Codes of Practice so having early sight of potential changes.</p> <p>The Monitoring Officer's role includes reporting on any matters that she/he believes are, or likely to be, illegal or amount to maladministration. To this end the monitoring officer will provide reports to Cabinet / Council / Governance and Audit Committee, but also make referrals to the police or ombudsman where appropriate.</p>	<p>and through informal officer networks including Chief Accountants' forum and CIPFA Code training courses and seminars. The Council also responds as appropriate to proposed changes to Codes of Practice so having early sight of potential changes.</p> <p>The Monitoring Officer's role includes reporting on any matters that she/he believes are, or likely to be, illegal or amount to maladministration. To this end the monitoring officer will provide reports to Cabinet / Council / Governance and Audit Committee, but also make referrals to the police or ombudsman where appropriate.</p>
<p>2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations in the financial year, or earlier with an ongoing impact on this year's audited financial statements?</p>	<p>The Council is not aware of any non-compliance.</p>	<p>The Council is not aware of any non-compliance.</p>

### Enquiries of management – in relation to laws and regulations

Question	2021-22 Response	2022-23 Response
3. Are there any potential litigations or claims that would affect the financial statements?	No	There are term time settlement payments which are included in the statement of accounts.
4. Have there been any examinations, inquiries or reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	None	None
5. Has there been any significant communications with regulators?	N/A	None in relation to financial issues
6. Are you aware of any non-compliance with laws and regulations within service organisation since 1 April of the financial year?	N/A	N/A

Enquiries of Those Charged with Governance – in relation to laws and regulations		
Question	2021-22 Response	2022-23 Response
1. Are you aware of any non-compliance with laws and regulations that may be expected to have a fundamental effect on the operations of the entity?	No	No
2. How do you obtain assurance that all relevant laws and regulations have been complied with?	<p>Through the internal audit process and reliance on WAO / Audit Wales reports to the Committee.</p> <p>In discharging its responsibilities, the Committee expects that all communication with management and officers of the Authority as well as any external assurance providers will be direct, open and complete.</p> <p>The Council has in place Overview and Scrutiny Committees to act as a 'critical friend' and check, challenge decisions in a robust, constructive and purposeful way. The Governance and Audit Committee also constructively challenges decisions taken and ensures that appropriate policies and systems are in place.</p> <p>The Annual Governance Statement provides assurance to the Council in respect of the</p>	<p>Through the internal audit process and reliance on Audit Wales reports to the Governance and Audit Committee.</p> <p>In discharging its responsibilities, the Committee expects that all communication with management and officers of the Authority as well as any external assurance providers will be direct, open and complete.</p> <p>The Council has in place Overview and Scrutiny Committees to act as a 'critical friend' to check and challenge decisions in a robust, constructive and purposeful way. The Governance and Audit Committee also constructively challenges decisions taken and ensures that appropriate policies and systems are in place.</p>



<b>Enquiries of Those Charged with Governance – in relation to laws and regulations</b>		
<b>Question</b>	<b>2021-22 Response</b>	<b>2022-23 Response</b>
	<p>effectiveness of its governance arrangements and reviews by Audit Wales provide further assurance in areas reviewed.</p> <p>The External Auditor also provides important information and direction to the Committee when it is fulfilling its obligations.</p>	<p>The Annual Governance Statement provides assurance to the Council in respect of the effectiveness of its governance arrangements and reviews by Audit Wales provide further assurance in areas reviewed.</p> <p>The External Auditor also provides important information and direction to the Committee when it is fulfilling its obligations.</p>

## Appendix 3

### Matters in relation to related parties

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

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

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

#### What are we required to do?

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

### Enquiries of management – in relation to related parties

Question	2021-22 Response	2022-23 Response
<p>1. Have there been any changes to related parties from the prior year? If so, what is the identity of the related parties and the nature of those relationships?</p> <p>Confirm that the following have been disclosed to the auditor:</p> <ul style="list-style-type: none"> <li>a. the identity of any related parties, including changes from the prior period;</li> <li>b. the nature of the relationships with these related parties;</li> </ul>	<p>N/A</p> <p>Related Party Disclosure process in place in relation to Members and Senior Officers where letters and forms for completion are sent out as part of year end process. This was also reported to Council in March, and follow-up processes are in place for any delayed returns.</p> <p>These are collated and assessed and any material transactions are disclosed in the Statement of Accounts.</p> <p>Members are required to declare interest in a register which is accessible via the Council's website.</p> <p>Auditors are given access to all returns and working papers in relation to Related Party Transactions, and Audit Wales will review and challenge officers as appropriate.</p>	<p>There have been a number of new members at the Council following the local elections in May 2022.</p> <p>Related Party Disclosure process in place in relation to Members and Senior Officers where letters and forms for completion are sent out as part of year end process. This was also reported to Council in March, and follow-up processes are in place for any delayed returns.</p> <p>These are collated and assessed and any material transactions are disclosed in the Statement of Accounts.</p> <p>Members are required to declare interest in a register which is accessible via the Council's website.</p> <p>Auditors are given access to all returns and working papers in relation to Related Party Transactions, and Audit Wales will review and challenge officers as appropriate.</p>

### Enquiries of management – in relation to related parties

Question	2021-22 Response	2022-23 Response
2. What transactions have been entered into with related parties during the period? What is the purpose of these transactions? Confirm these have been disclosed to the auditor.	N/A	These will be identified and disclosed to the auditor as part of the Statement of Accounts audit.
3. What controls are in place to identify, account for and disclose related party transactions and relationships?	See 1 above	See 1 above
4. What controls are in place to authorise and approve significant transactions and arrangements: <ul style="list-style-type: none"> <li>• with related parties, and</li> <li>• outside the normal course of business?</li> </ul>	N/A	The Council has in place authorisation processes for any payments made to 3 <sup>rd</sup> parties. Members and senior officers are required to sign declarations of any related party transactions.

### Enquiries of Those Charged with Governance – in relation to related parties

Question	2021-22 Response	2022-23 Response
<p>1. How do you exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>See process above. All Members (which includes Governance and Audit Committee) and Senior Officers are required to complete and return declarations regarding any related party transactions. As part of the Statement of Accounts approval process Governance and Audit Committee Members have a scrutiny function over the Statements and are able to question officers at Governance and Audit Committee as to any element of the Accounts, including Related Party Disclosures. All transactions incurred must follow appropriate Council processes such as procurement processes.</p>	<p>See process above. All Members and lay members have to comply with the Code of Conduct and any declarations included therein. Members and Senior Officers are required to complete and return declarations regarding any related party transactions. As part of the Statement of Accounts approval process Governance and Audit Committee Members have a scrutiny function over the Statements and are able to question officers at Governance and Audit Committee as to any element of the Accounts, including Related Party Disclosures. All transactions incurred must follow appropriate Council processes such as procurement processes.</p>

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>1 JUNE 2023</b>
<b>Report Title:</b>	<b>CORPORATE SELF-ASSESSMENT 2022/23</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER- LEGAL, HR AND REGULATORY SERVICES</b>
<b>Responsible Officer:</b>	<b>ALEX RAWLIN, POLICY AND PUBLIC AFFAIRS MANAGER</b>
<b>Policy Framework and Procedure Rules:</b>	Council priorities arising from the self-assessment inform Service Plans and the Annual Improvement Plan which form part of the Policy Framework.
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• The report reflects on the Council’s self-assessment for 2021/22 and presents the Governance and Audit Committee with a proposed approach, process and timeline for the development of the self-assessment for 2022/23.</li> <li>• The approach will be simpler and more streamlined than the previous year’s with templates now being completed as part of regular quarterly performance monitoring arrangements.</li> <li>• Challenge sessions will take place earlier and consultation will be more comprehensive.</li> </ul>

## 1. Purpose of report

- 1.1 The purpose of this report is to reflect on the Council’s self-assessment for 2021/22 and present the Governance and Audit Committee with a proposed approach, process and timeline for the development of the self-assessment for 2022/23.

## 2 Background

- 2.1 The Local Government and Elections (Wales) Act 2021 which received royal assent in January 2021 set out a new local government improvement regime. One of the requirements of the Act is for the council to make and publish a self-assessment report once each financial year. The self-assessment report has to set out conclusions on whether the Council met the ‘performance requirements’ during that financial year, and actions needed to improve. The ‘performance requirements’, focus on -

- Are we exercising our functions effectively;

- Are we using our resources economically, efficiently and effectively;
- Is our governance strong.

2.2 The Council published its first self-assessment in October 2022 based on performance in 2021/22. The process was new, but based on existing data, reports and review / challenge meetings where possible. Feedback on the report was generally positive in terms of the honesty and transparency of ratings, length of the report and simplicity of the language. Although, some Elected Members felt that annual performance data should have been published alongside the self-assessment.

2.3 Many parts of the self-assessment process have now been embedded in the Council's regular performance management process, for example the regulatory tracker and inclusion of consultation, engagement and involvement exercises in the quarterly dashboard. By design, it is intended that the process for 2022/23 will be simpler and less resource intensive than the previous year.

### 3 **Current situation/proposal**

3.1 It is proposed that the existing, end of year performance process and timelines are also used to capture Directorate self-assessments of performance to satisfy the first performance requirement (as in 2021/22). However, a simpler template has been designed with the previous year's information pre-populated for Directorate Management Teams (DMTs) to update. It will be crucial that Directorates provide a realistic assessment of their progress, continue to use plain english to outline their challenges and achievements, retain the format of the information and keep contributions brief and to the point. The 4 templates will then be collated by the Performance Team for scrutiny and challenge.

3.2 The one proposed addition to this section is the inclusion of case studies. Having reviewed all other self-assessments in Wales, this is the one feature that stood out. Around half of local authorities included case studies, and they added an extra dimension to the reports.

3.3 It is proposed that the second performance requirement, on use of resources, also follows a similar process to last year. Firstly, it is proposed that the 7 use of resources templates are reviewed and updated by the lead officers. All of the 7 areas have been included in the work of Audit Wales in the past year, and in many cases reviewed and discussed by the Governance and Audit Committee, or are included in the year ahead, so there is significant additional evidence to draw on. These 7 will then be collated by the Performance Team for scrutiny and challenge.

3.4 The third performance requirement, on governance, is largely covered by the Annual Governance Statement (AGS) which is scrutinised and approved by the Governance and Audit Committee. It is proposed that this document will be summarised, and used to inform the self-assessment.

3.5 The draft findings from each of the three performance requirements will be brought together into a single presentation for a full-day Corporate Performance



Assessment (CPA) meeting on 14 June 2023 and considered alongside end of year performance and the Corporate Plan Delivery Plan.

- 3.6 Comments and changes from CPA will be used to inform the draft self-assessment report, which it is proposed will be presented to the Governance and Audit Committee on 26 July 2023 as required by the Act.
- 3.7 Following engagement and consultation over the summer, it is proposed that the final self-assessment be presented to Cabinet and Council in September 2023.
- 3.8 The below timeline is proposed –

<b>What</b>	<b>Who</b>	<b>By when</b>
Directorate performance self-assessments	Directorates	Early June
Use of resources self-assessment	Lead officers	Early June
Annual Governance Statement	Finance Team	Early June
Officer scrutiny and challenge	Corporate Management Board (CMB) / Heads of Service (HoS) joint meeting	7 June
Member scrutiny and challenge	CPA	14 June
Use findings to develop a draft self-assessment report	Performance team	June / July
Consultation on draft report	Performance Team	Summer
Self-assessment sign-off	GAC	26 July
	Cabinet	15 September
	Council	16 September

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

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

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

- 5.1 This report proposes an approach to measure progress against the following corporate well-being objectives under the Well-being of Future Generations (Wales) Act 2015 that formed part of the Council's Corporate Plan 2018-23:-

1. Supporting a successful sustainable economy
2. Helping people and communities to be more healthy and resilient
3. Smarter use of resources

5.2 The 5 ways of working set out in the Well-being of Future Generations (Wales) Act form a key part of the key lines of enquiry for officer and member challenge of the self-assessment findings. The annual wellbeing assessment will be merged with the annual self-assessment for 2022/23, as it was for 2021/22.

## **6. Climate Change Implications**

6.1 There are no specific implications of this report on climate change. However, the self assessment will consider the Council's performance and progress on specific climate change related commitments and targets in the Corporate Plan 2018-23.

## **7. Safeguarding and Corporate Parent Implications**

7.1 There are no specific implications of this report on safeguarding or corporate parenting. However, the self assessment will consider the Council's performance and progress on specific safeguarding and corporate parenting related commitments and targets in the Corporate Plan 2018-23

## **8. Financial implications**

8.1 There are no financial implications associated with these arrangements.

## **9. Recommendation**

9.1 The Governance and Audit Committee is recommended to: -

Discuss and agree the proposed processes and arrangements for the corporate self-assessment 2022/23.

## **Background documents**

None.

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>1 JUNE 2023</b>
<b>Report Title:</b>	<b>CORPORATE COMPLAINTS</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, PERFORMANCE &amp; CHANGE</b>
<b>Responsible Officer:</b>	<b>PHILIP O'BRIEN GROUP MANAGER – TRANSFORMATION AND CUSTOMER SERVICES</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework or procedure rules</b>
<b>Executive Summary:</b>	<b>This report provides an update following a review of how Stage 1 and Stage 2 complaints are recorded and reported corporately.</b>

## 1. Purpose of Report

- 1.1 The purpose of this report is to provide an update to the Governance and Audit Committee on the current process and a proposal on the way all corporate complaints will be monitored, recorded and reported going forward.

## 2. Background

- 2.1 A report was presented to the Governance and Audit Committee on 9<sup>th</sup> September 2021 to note the Authority's corporate complaints process and to determine whether the Committee wished to make any recommendations in relation to the Authority's ability to handle complaints effectively.
- 2.2 The recommendation from this Committee was to set up a Working Party to ensure all complaints are monitored and recorded accurately to ensure complaints were not being under recorded.

## 3. Current situation / proposal

- 3.1 Since the Committee meeting in September 2021, a small Working Party was established consisting of the Corporate Complaints team and the digital platform design team to explore opportunities for using a single system to record all complaints.
- 3.2 Work started to look at incorporating the corporate complaints into the Customer Relationship Management (CRM) system that is in use in Customer Services for recording all customer service requests. However, it became apparent that significant development would need to be undertaken in the following areas:

- key information would need to be captured and recorded in the system such as emails, photos to support complaints made, and responses;
- there would be a need to integrate to the Legal case management system so legal files can be created;
- Service Level Agreements within individual service areas would also need to be determined, to factor in a suitable escalation process;
- A robust reporting tool would also need to be developed to ensure sets of data could be provided to various bodies, including the Public Services Ombudsman for Wales (quarterly), ensuring all reports provided the relevant information for each.

- 3.3 Since the initial meeting on using a single system was held, it was suggested to look at the feasibility of also incorporating other Directorate complaints into the CRM system to provide an oversight of issues, trends etc. for Stage 1 and Stage 2 complaints.
- 3.4 A further meeting was therefore held with each Directorate's Business Manager to review the way complaints are currently being monitored and recorded. Each Directorate already has an established process in place, that is bespoke to each Directorate, to record and report on complaints received. Nevertheless, there is close collaboration between each directorate and with the Authority's central complaint function managed by the Information Team within Legal Services, to ensure that any Directorate complaint escalated through the corporate complaints procedure is managed centrally.
- 3.5 Schools are their own data controllers and therefore manage and retain this data themselves. However, complaints received from schools are recorded centrally by the Education and Family Support Directorate but are not covered in the data included in the report attached in **Appendix 1**.
- 3.6 During the discussion, it was evident that significant development would be required to change current operational processes within each Directorate in order to develop a single system to record all complaints across the Council. It is also apparent that the management of complaints at a Directorate level is integrated within other administrative/business support functions to different extents within each Directorate.
- 3.7 It was also clear during the discussion with the Business Managers that complaint information is recorded and reported on in each Directorate, and this information is readily available to be incorporated in future report updates to the Governance and Audit Committee as and when needed.
- 3.8 Whilst it will not be feasible to incorporate all Stage 1 and Stage 2 complaints into a central system, there are ways to improve the way complaints are reported to the Committee on an annual basis, to ensure full visibility across the organisation. It is proposed that all Directorates will provide their Stage 1 and Stage 2 data to the central team to enable this to be collated with the data already held centrally and included in the annual update report to the Committee.

3.9 An example of this report is attached as **Appendix 1** and includes data across all Directorates and service areas for both Stage 1 complaints (Informal) and Stage 2 complaints (Formal). The data also shows the number of both informal and formal complaints received, resolved and upheld, or discontinued. The example report attached covers the period 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2023 so Committee members can see the type of information that will be presented annually to the Committee going forward.

3.10 The data capture process will also be reviewed across the Authority to look at ways of enabling the complaints data to be analysed as a means of identifying potential areas for improvement and from this to establish areas for further learning and development. This will include:

- Issues that have arisen more than once
- Complaints regarding systems or control that have resulted in changes being made
- Complaints raised about services that have resulted in change
- Lessons learned from complaints received

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

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

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

5.1 The well-being goals identified in the Well-being of Future Generations (Wales) Act 2015 were considered in the preparation of this report. The monitoring of corporate complaints and the successful resolution of those complaints is consistent with the five ways of working within the Act as it supports the provision of higher quality and more effective services to the public across all service areas. In addition, it enables each service to focus on areas of concern, to improve services and to monitor performance, ensure that any trends are identified and dealt with to be avoided in the future and to ensure that complaints are dealt with consistently and fairly across all service areas.

By managing complaints effectively through to successful resolution, this assists in the achievement of the following corporate well-being objectives:

- A County Borough where we protect our most vulnerable
- A County Borough where we help people meet their potential
- A County Borough where people feel valued, heard and part of their community
- A County Borough where we support people to live healthy and happy lives

#### **6. Climate Change Implications**

6.1 Reviewing, improving and streamlining business processes is important to help protect and sustain the environment over the long term and in line with our climate change ambitions.

## **7. Safeguarding and Corporate Parent Implications**

7.1 All complaints received where there is safeguarding concern will be managed under Bridgend County Borough Council's Safeguarding Policy. This will safeguard and promote the wellbeing of children, young people and adults at risk of abuse or neglect and to ensure that effective practices are in place throughout the Council and its commissioned services.

## **8. Financial Implications**

8.1 There are no financial implications arising out of this report.

## **9. Recommendation**

9.1 The Committee is recommended to:

- note this report and agree the proposed process for collating all complaints data centrally to present to the Committee on an annual basis, without the need to develop a single corporate complaints computerised system.

## **Background documents**

None

## 1. Background

The Information Team based in Legal and Regulatory Services, HR and Corporate Policy is responsible for processing all formal complaints in line with the Authority's Corporate Complaints Procedure.

### Complaints

The Complaints and Concerns Policy was approved by the Cabinet at its meeting held on 17 November 2020, to take effect from 23 November 2020.

The Policy sets out a two stage process as follows:

- **Informal Complaint Stage**
- **Formal Complaint Stage**

This Policy replaces the previous policy which was approved in 2013. The policy is a national policy required by the Public Services Ombudsman for Wales.

## 2. Informal Complaints (Stage 1)

- 2.1 The Policy recognises that complaints should be dealt with as quickly as possible and where possible informally as part of the normal working of the Authority. It advises customers to contact the office or officer responsible for the service to provide an opportunity to solve the problem. All informal complaints should be logged in the Corporate Complaints office as the Council is now required to report on these every quarter to the Public Services Ombudsman.
- 2.2 The Public Services Ombudsman now sets criteria for complaint types to be logged. For the period from 1 January 2023 to 31 March 2023, the number of informal complaints received against each category together with the numbers of those complaints closed against each outcome was as follows:

	<b>Total number of informal complaints received</b>	<b>Number resolved by frontline staff/not upheld</b>	<b>Number Upheld</b>	<b>Number where investigation discontinued /investigation not merited/complaint about a service not provided by the Council/withdrawn</b>
Adult Social Care	0	0	0	0
Benefits Administration	2	2	0	0
Children's Social Services	2	2	0	0
Community Facilities (including Recreation & Leisure)	2	1	0	0
Complaints handling	0	0	0	0
Education	7	6	0	1
Environment & Environmental Health	0	0	0	0
Finance & Council Tax	14	10	4	0
Housing	6	2	3	0
Planning & Building Control	2	1	0	0
Roads & Transport	11	10	0	1
Various/Other	9	6	1	0
Waste & Refuse	19	12	4	3

### **3. Formal Complaints (Stage 2)**

- 3.1 Formal complaints are received by email, telephone, letter or online complaint form. All formal corporate complaints with the exception of schools and social services (which have their own statutory procedures) are received, logged and acknowledged centrally by the Information Team within 5 working days. These complaints are sent to the relevant Head of Service who appoints a senior officer within the service to investigate the complaint and respond directly within 20 working days. The Information Team is provided with a copy of the response. If an investigation is more complex and more time may be needed, the complainant is advised of the likely timescale and kept informed of progress.



- 3.2 The Information Team has received, logged, acknowledged and referred a total of 13 formal complaints for the period from 1 January 2023 to 31 March 2023. The breakdown for the period is as follows:

	1 January 2023 to 31 March 2023
No. of Complaints Received	13
No. acknowledged in 5 working days	13
No. acknowledged outside 5 working days	0

- 3.3 The table below sets out the number of formal complaints the Council has received in the financial quarter 1 January 2023 to 31 March 2023 and the previous three financial quarters:

Year	Number of Complaints Received
1 April 2022 to 30 June 2022	9
1 July 2022 to 30 September 2022	17
1 October 2022 to 31 December 2022	13
1 January 2023 to 31 March 2023	13

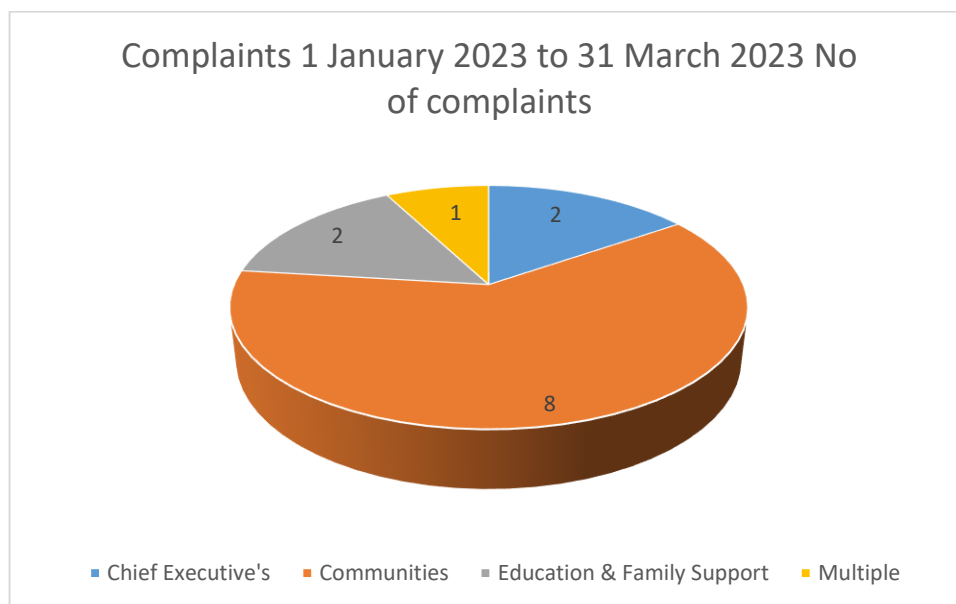
- 3.4 The Information Team endeavour to ensure that all complaints (both informal and formal) are acknowledged within 5 working days. However in some circumstances this is not always possible.
- 3.5 For the period from 1 January 2023 to 31 March 2023, the number of formal complaints received against each of the Public Services Ombudman criteria together with the numbers of those complaints closed against each outcome was as follows:

	<b>Total number of formal complaints received</b>	<b>Number resolved by frontline staff/not upheld</b>	<b>Number Upheld</b>	<b>Number where investigation discontinued/investigation not merited/complaint about a service not provided by the Council/withdrawn</b>
Adult Social Care	0	0	0	0
Benefits Administration	0	0	0	0
Children's Social Services	0	0	0	0
Community Facilities (including Recreation & Leisure)	1	0	0	0
Complaints Handling	0	0	0	0
Education	2	2	0	0
Environment & Environmental Health	0	0	0	0
Finance & Council Tax	1	1	0	0
Housing	0	0	0	0
Planning & Building Control	1	1	0	0
Roads & Transport	5	4	0	0
Various/Other	2	2	0	0
Waste & Refuse	1	0	0	1

3.6 The following information sets out the breakdown of formal complaints received by County Borough Council Ward:

Ward	No. of complaints
Brackla East & Coychurch Lower	1
Maesteg West	1
Unknown/by e-mail	11

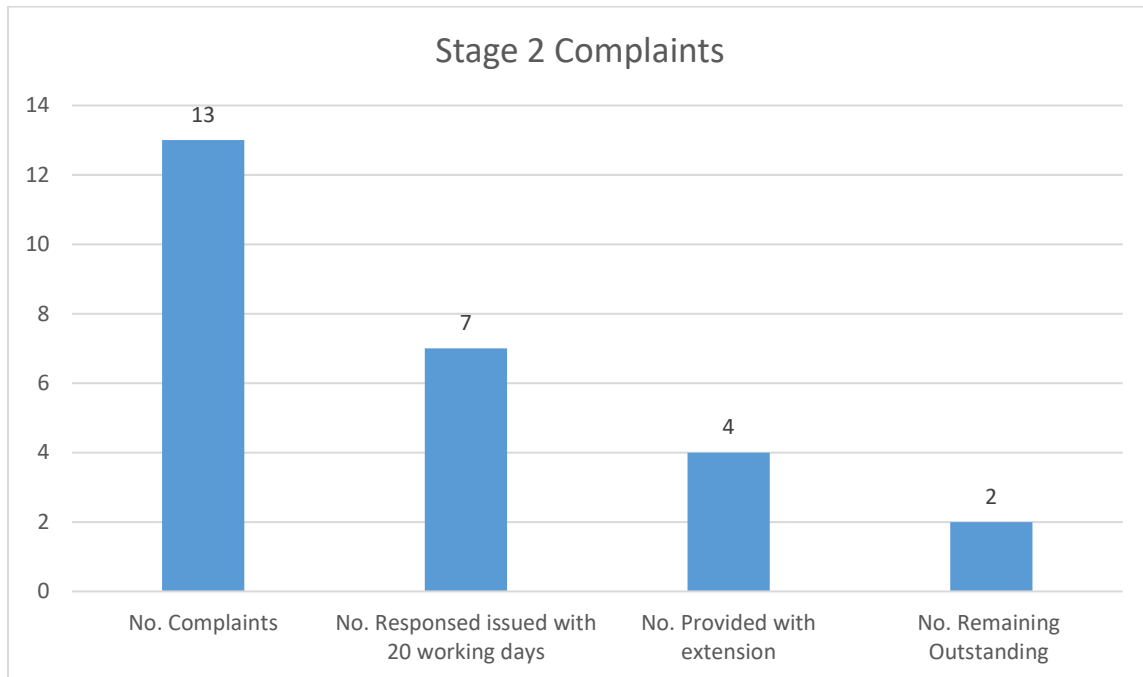
3.7 For the period from 1 January 2023 to 31 March 2023, the number of formal complaints received by each Directorate was as follows:



3.8 For the period 1 January 2023 to 31 March 2023 no complaints were received from the Welsh Language commissioner about a service provided by the Authority.

3.9 As required by the Equalities Strategy, an equalities monitoring questionnaire has been developed to accompany the Corporate Complaints Form. The information collected informs the Strategic Equality Plan.

3.10 The chart below provides a breakdown of the number of formal Complaints received, those responded to within 20 working days, those for which it was necessary to request an extension to the response deadline, those that remain outstanding and those complaints currently under investigation within the respective 20 working days.



<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>1 JUNE 2023</b>
<b>Report Title:</b>	<b>INTERNAL AUDIT STRATEGY &amp; RISK BASED PLAN 2023-24</b>
<b>Report Owner / Corporate Director:</b>	<b>HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Responsible Officer:</b>	<b>ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	The proposals in this report are in accordance with the policy framework and budget.
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• In line with the Public Sector Internal Audit Standards the Head of Internal Audit must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. The risk-based audit plan should cover the Council's overall control environment including risk, governance and internal controls as far as practicable.</li> <li>• Consideration of the Regional Internal Audit Service's Audit Strategy and Annual Risk Based Plan is one of the Governance and Audit Committee's key responsibilities.</li> <li>• The proposed Internal Audit Strategy for 2023-24 is attached at Appendix A and the Annual Risk Based Plan for 2023-24 is attached at Appendix B to this report.</li> <li>• The Strategy demonstrates how the Internal Audit Service will be delivered and developed in accordance with our Terms of Reference. The Strategy will be reviewed and updated annually in consultation with stakeholders, namely the Governance and Audit Committee, Senior Leadership Team, External Auditors and Senior Management.</li> <li>• The plan provides this Committee with an overview of the work to be undertaken which will offer sufficient coverage to be able to provide an opinion at the end of 2023-24.</li> </ul>

## **1. Purpose of Report**

- 1.1 The purpose of this report is to provide members of the Governance and Audit Committee with the Annual Internal Audit Strategy and Risk Based Plan for 2023-24 for approval.

## **2. Background**

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

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

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

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

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

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

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

- Compliance with the PSIAS in compiling the draft Annual Audit Plan;
- Enabling the Governance and Audit Committee to monitor the adequacy of the risk management framework and the associated control environment of the Council for 2023-24 based on the audit reviews set out in the draft Annual Audit Plan; and
- Enabling the Head of Internal Audit to form an opinion on the risk, governance and internal controls of the organisation.

2.7 Changes to the way the Council is operating since Covid-19, including any other changes have been considered and included within the draft Audit Plan for 2023-24.

### **3. Current situation / proposal**

3.1 Attached at **Appendix A** is the draft Internal Audit Strategy document for 2023-24. It demonstrates how the Internal Audit Service will be delivered and developed in accordance with our Terms of Reference. The Strategy will be reviewed and updated annually in consultation with stakeholders namely the Governance and Audit Committee, Corporate Management Board, External Auditors and Senior Management.

3.2 The 2023-24 draft Annual Risk Based Plan of work has been formulated in compliance with the PSIAS and is attached at **Appendix B**.

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

3.4 Internal Audit work will be undertaken remotely using video conferencing (e.g. Microsoft Teams) and digital solutions as a basis for meetings and sharing documents and data but will also include in person visits and meetings as required for each audit.

3.5 The proposed Annual Plan at **Appendix B** will offer sufficient coverage to be able to provide an opinion at the end of 2023-24.

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

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

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

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

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

### **6. Climate Change Implications**

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

## **7. Safeguarding and Corporate Parent Implications**

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

## **8. Financial Implications**

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

## **9. Recommendation(s)**

9.1 The Committee is recommended to consider and approve the draft Internal Audit Strategy (**Appendix A**) and draft Annual Risk Based Audit Plan for 2023-24 (**Appendix B**).

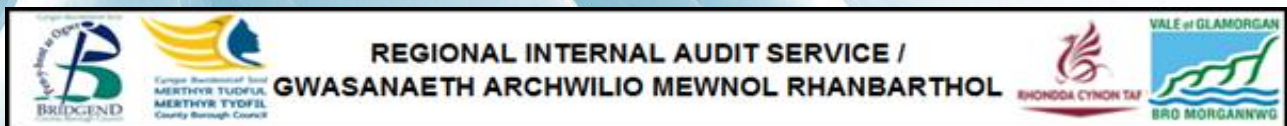
## **Background documents**

None





# STRATEGY & ANNUAL RISK BASED INTERNAL AUDIT PLAN 2023-2024



## 1. Introduction

- 1.1 Internal Audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. This opinion forms part of the framework of assurances that the Council receives and should be used to help inform the Annual Governance Statement. The purpose of this document is to provide a detailed Internal Audit Risk Based Plan for 2023/2024.
- 1.2 The audit plan ensures that the risks facing the Council are adequately addressed and internal audit resources are effectively utilised. The standards for “proper practice” in relation to internal audit are laid down in the Public Sector Internal Audit Standards (PSIAS).
- 1.3 The Internal Audit Service is delivered through the expanded shared service that came into existence on 1st April 2019. The service is hosted by the Vale of Glamorgan Council and provides internal audit services to the Vale, Bridgend, Merthyr Tydfil & Rhondda Cynon Taf Councils. The arrangement is underpinned by a detailed legal agreement between the four Councils which sets out a range of obligations (the core service is the same for each Council but there are differences in what is provided outside of the core service). The service reports to the four Governance & Audit Committees and is overseen at a strategic level by the Board which consists of the Chief Finance Officers of the four Councils.

## 2. Definition of Internal Audit

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

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

## 3. Requirement for Internal Audit

- 3.1 Internal Audit is a mandatory statutory service. Part 3 of The Accounts and Audit (Wales) Regulations 2018 concerns financial management and internal control. Regulation 5 (responsibility for internal control and financial management) of Part 3 directs that:

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

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

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

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

3.3 PSIAS state:

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

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

#### **4. Section 151 Officer Responsibility**

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

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

#### **5. Development of the Internal Audit Plan**

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

#### **6. Risk Based Approach**

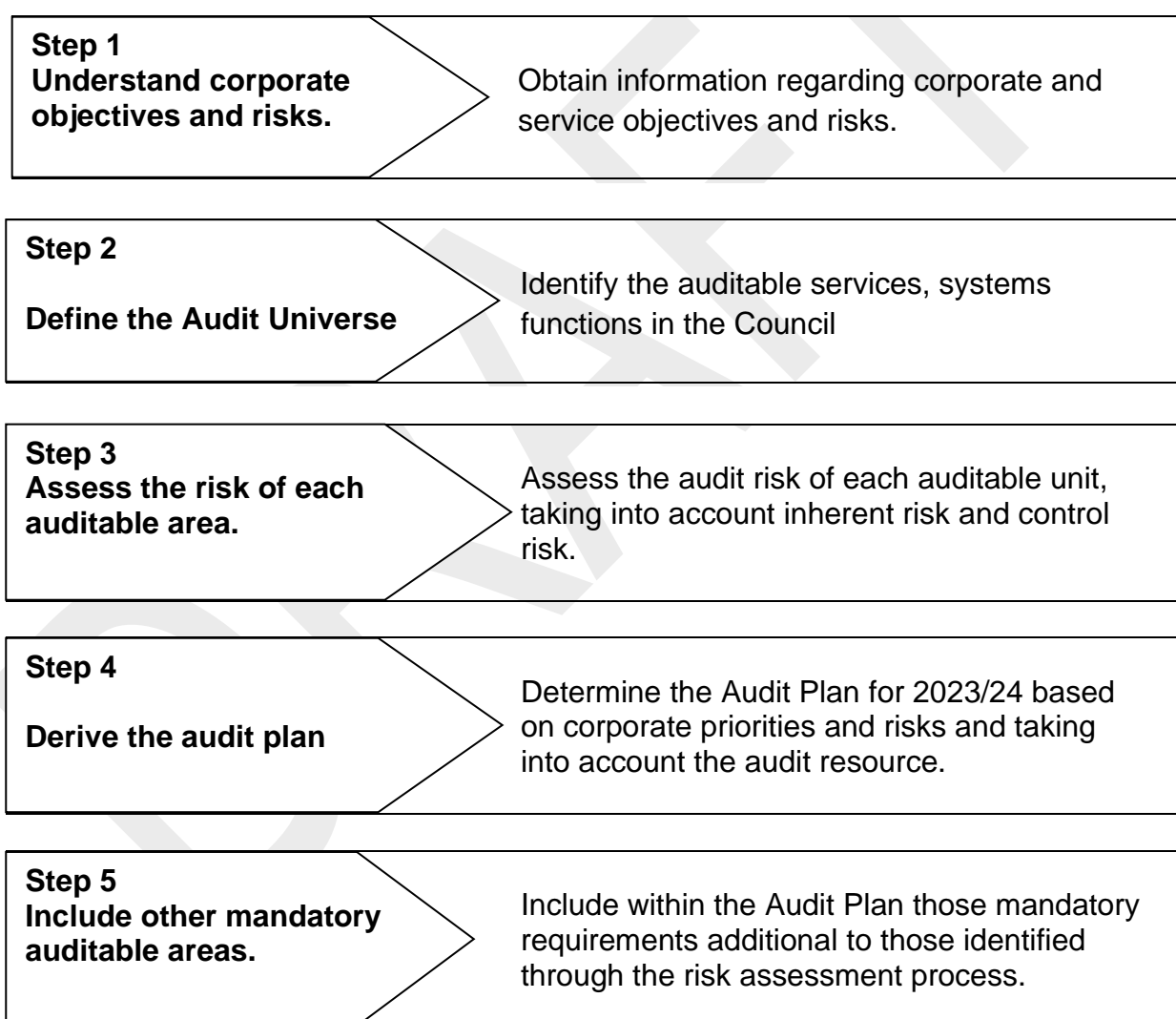
6.1 The internal audit function will be delivered in accordance with the Internal Audit Charter 2023-24, as agreed by the Governance & Audit Committee. The Charter defines the role, scope, independence, authority and responsibility of the internal audit service and audits will be delivered in accordance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

6.2 Risk based work is critical to the Council, as it seeks to improve the risk awareness of staff and improve overall control. The internal audit work programme is designed to provide assurance that identified significant risks are being managed effectively. As part of this process Internal Audit will also examine the risk management and governance arrangements.

6.3 By adopting a risk based audit approach there is a clear linkage between the significant risks identified in the Council's Corporate Risk Register and the work undertaken by Internal Audit in providing assurance against these. As a result, the starting point for the audit plan approach is an understanding of the Council's objectives and risks.

## 7. Methodology

7.1 A summary of our approach to the development of the Audit Plan for 2023/24 is set out below. The Plan is driven by the Council's organisational objectives and priorities as set out in the Corporate Plan and the risks that may prevent the Council from meeting these objectives.



## **8. The Risk Assessment Process**

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

## **9. The Annual Internal Audit Plan**

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

9.5 Attached at **Appendix B** is the detailed schedule of audits planned to be completed during 2023-2024 for each of the Council's Directorates including Cross Cutting audits.

9.6 The Head of Internal Audit will monitor progress against the audit plan. Where there is a need for material changes to the plan; a revised plan will be re-submitted to the Governance & Audit Committee for endorsement. The Governance & Audit Committee will also be advised of performance against the audit plan and be kept informed of the results undertaken.

9.7 Systems & processes have been adjusted to cater for the new ways of working. Similarly, the Internal Audit team will continue to work remotely to a large extent, conducting audits and obtaining evidence digitally but will also include in person visits and meetings as required for each audit. Each audit will continue to consider the potential impact of remote working to ensure adequate controls and governance arrangements remained in place.

### **10. Resource Requirement**

10.1 Resource requirements are reviewed each year as part of the audit planning process and are discussed and agreed with the Regional Internal Audit Service (RIAS) Board.

### **11. Contingencies**

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

### **12. Audit Approach**

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

12.2 The approach will be :

- Fieldwork will take place following agreement of the audit objectives with relevant evidence obtained.
- A draft report will be prepared and provided to Management for review and comment with an opportunity given for discussion or clarification.

- The final report will incorporate Management comments together with a Management Action Plan for the implementation of recommendations.
- The Governance and Audit Committee will be advised of the outcome of the audit and may receive a copy of the final report.
- Any serious issues arising during the course of the audit review will be promptly reported to the Head of Internal Audit to determine the impact on the scope of the review. Serious issues will also be promptly brought to Management's attention to enable appropriate remedial action to be taken prior to being formally published in the audit report.
- The audit report will provide an overall assurance opinion, based on the auditor's professional judgement of the effectiveness of the framework of internal control, risk management and governance.

12.3 The audit assurance categories are :

AUDIT ASSURANCE CATEGORY CODE	
<b>Substantial</b>	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.
<b>Reasonable</b>	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.
<b>Limited</b>	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.
<b>No Assurance</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

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

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

12.5 Audit recommendations will be prioritised as follows :

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

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

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

### 13. Follow Up Reviews

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

### 14. Reports to the Governance & Audit Committee

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

### 15. Annual Assurance Report.

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

- An opinion on the overall adequacy and effectiveness of the Council's framework of internal control, risk management and governance,



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

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Ref	Directorate	Area	Audit Scope / Risk	Priority
1	Cross - Cutting	Follow up - Limited Assurance Reports	To ensure that improvements have been made to the control environment since the previous limited assurance review.	high
2	Cross Cutting	Good Governance	To provide assurance that key Corporate Governance processes are in place within the Council and that these are operating effectively to enable the Council to be provided with sufficient information to enable them to discharge their responsibilities. Assist in the AGS	high
3	Cross Cutting	Safeguarding	To review a sample of contracts to ensure that safeguarding has been adequately considered and included where appropriate eg) contracts within schools, cleaners in certain settings, agency staff etc	high
4	Cross Cutting	Grant Certification Work	Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.	high
5	Cross Cutting	Risk Management	A review of a sample of corporate risks to identify if they are being appropriately managed and progress is being reported accurately.	high
6	Cross Cutting	Welsh Language Standards	Select a sample of web based communications and verify compliance to the Welsh Language standards	medium
7	Cross Cutting	Consultants	To review the use of consultants across the Council including procurement, payments and ongoing arrangements including authority to extend contracts	medium
8	Cross Cutting	Energy Efficiency Monitoring & Reporting	To undertake a review of how the Council aims to reduce its consumption of energy and provide assurance on the arrangements in place. This review will also examine the use of energy usage data across the Council and how this information impacts and informs strategic decisions	high
9	Cross Cutting	Security & Access to Council Buildings	To undertake a review of the Council's arrangements for the security and access to Council buildings and provide assurance that robust controls are in place	high
10	Chief Executives	Procurement	Review current processes and practices to ensure that they are reasonable, effective and efficient in the current economic landscape and compliant to the Council's contract procedure rules and any grant conditions where relevant.	high
11	Chief Executives	Financial Systems	A rolling programme of audits is adopted, work programme for each year may differ. This approach enables us to deliver a more cost-effective service, whilst providing sufficient assurance as to the adequacy of the Council's material system control environment.	high
12	Chief Executives	Capital Accounting & Asset Register	To undertake a review of the Capital Accounting & Asset Register and provide assurance to Management of the controls in place	high
13	Chief Executives	Budget Savings	To identify and review the systems in place to monitor the high level of savings identified	high
14	Chief Executives	Project Management	To undertake a review of the governance and decision making around Major Projects. Particular emphasis will be placed on compliance to the Council's Rules and Regulations and Project Management Methodology associated with high risk contracts.	high
15	Chief Executives	ICT Audit	In consultation with ICT, systems reviews will be undertaken across Directorates to ensure robust controls are evident and operating effectively in order to minimise the threat of cyber crime	high
16	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	high
17	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.	high
18	Communities	Coychurch Crematorium	A compliance review to complete the Annual Accounting Statement 2022/23	high
19	Communities	Porthcawl Harbour	A compliance review to complete the Annual Accounting Statement 2022/23	high
20	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.	high
21	Communities	Waste	To provide assurance that any external funding is being spent in compliance to the specific criteria as well as in compliance with the Council's Financial & Contract Procedure Rules and PCop and any agreed business plans.	high

Ref	Directorate	Area	Audit Scope / Risk	Priority
22	Communities	Rights of Way	To provide assurance on the control environment in respect of processes, charges and dispute resolution	medium
23	Communities	Parking Enforcement	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Parking Enforcement including testing of workflows, procedures and performance management.	medium
24	Education & Family Support	Schools	To undertake a number of school based reviews as well as cross cutting thematic reviews in accordance with the Internal Audit risk based assessment.	medium
25	Education & Family Support	School CRSA	To undertake the annual controlled risk self – assessment for schools. The aim of the process is to enable Head Teachers to review their internal controls and to ensure that they undertake and comply with the requirements of current legislation and the Financial Procedure Rules.	medium
26	Education & Family Support	School Admissions	To ensure all processes and procedures are in place and operating effectively	medium
27	Education & Family Support	Exclusions	To provide assurance that schools are adhering to the Welsh Governance guidance in respect of fixed term and permanent exclusions	medium
28	Education & Family Support	Additional Learning Needs (ALN)	To provide assurance that robust arrangements are in place to monitor and evaluate additional learning needs services, with specific reference to the implementation of the reduced timetable policy	high
29	Education & Family Support	Learner Travel	To provide assurance that procurement and contract monitoring is in adherence to Council policies and procedures to ensure the delivery of the agreed service within the agreed contract price.	high
30	Social Services & Wellbeing	Adult Placements/ Shared Lives	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	high
31	Social Services & Wellbeing	Halo Leisure	Review the contract management and performance measures in place. Verify the data and calculations used and examine the scrutiny and challenge that takes place in respect of the Halo contract	medium
32	Social Services & Wellbeing	Carers Assessments	to review the processes in place in respect of adult and young carers assessments	medium
33	Social Services & Wellbeing	Complaints	To provide assurance that the policy and procedures are being adhered to, performance is monitored and reported data is accurate	medium
34	Social Services & Wellbeing	Quality Assurance	To provide assurance that the quality assurance process is embedded and effective throughout the Directorate	high
35	Internal Audit	Governance & Audit Committee /Members and CMB Reporting	This allocation covers Member reporting procedures, mainly to the Governance & Audit Committee. Regular reporting to, a	n/a
36	Internal Audit	Meetings, Advice & Guidance	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority.	n/a
37	Internal Audit	Data Analytics	Data Analytics is proving to be a useful internal audit tool as councils become more reliant on electronic data, as data analytics enables a vast amount of data to be analysed when selecting testing samples	n/a
38	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.	n/a
39	Internal Audit	Recommendation Monitoring	Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations.	n/a
40	Internal Audit	Annual Opinion Report	To prepare and issue the Head of Audit’s Annual Opinion Report 2022/23 and start preparation for 2023/24 report.	n/a
41	Internal Audit	Audit Planning	To prepare and monitor the annual risk based audit plan for 2023/24 and commence preparation for 2024/25 plan	n/a
42	Internal Audit	Quality Assurance & Improvement Programme	To review / ensure compliance with the Accounts and Audit (Wales) Regulations 2014 / Public Sector Internal Audit Standards (PSIAS).	n/a
43	Internal Audit	Closure of Reports from 2022/23	To finalise all draft reports outstanding at the end of 2022/23.	n/a
44	Internal Audit	Emerging Risks / unplanned	To enable Audit Services to respond to provide assurance activity as required.	n/a
45	Cross - Cutting	Fraud / Error / Irregularity	National Fraud Initiative - Collection of data and analysis of matches for the NFI exercise, acting as first point of contact and providing advice and guidance to key contact officers.	n/a
46	Cross - Cutting	Fraud / Error / Irregularity	Irregularity Investigations - Reactive work where suspected irregularity has been detected.	n/a
47	Cross - Cutting	Fraud / Error / Irregularity	Anti-Fraud & Corruption – Proactive - Proactive counter-fraud work that includes targeted testing of processes with inherent risk of fraud.	n/a

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>1 JUNE 2023</b>
<b>Report Title:</b>	<b>ANNUAL INTERNAL AUDIT REPORT 2022-23</b>
<b>Report Owner / Corporate Director:</b>	<b>HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Responsible Officer:</b>	<b>ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The proposals in this report are in accordance with the policy framework and budget.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>This report provides the Head of Internal Audit’s Annual Opinion on the Council’s control environment in relation to governance, risk management and internal control. It also informs the Governance and Audit Committee of the work and performance of Internal Audit for the Financial Year 2022-23. This information is provided to comply with the Public Sector Internal Audit Standards.</b></li>   <li>• <b>Appendix A contains the Internal Annual Internal Audit Report 2022-23 which details Internal Audit’s performance, opinions and recommendations made during the year which assist in forming the Head of Internal Audit’s Annual Opinion on the Council’s overall control environment.</b></li>   <li>• <b>From the work undertaken during the financial year 2022-23 and considering other sources of assurance, the Head of Internal Audit’s annual opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management and control for 2022-23 is of reasonable assurance.</b></li>   <li>• <b>Those audits that provided an audit opinion during the year are listed in Annex 1, the detailed position against the audit plan is at Annex 2 and Annex 3 is the recommendation monitoring position statement.</b></li> </ul>

## 1. Purpose of Report

- 1.1 The purpose of this report is to provide the Head of Internal Audit's Annual Opinion on the Council's control environment in relation to governance, risk management and internal control and to inform the Governance and Audit Committee of the work and performance of Internal Audit for the Financial Year 2022-23.

## 2. Background

- 2.1 The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an Annual Report to support the Annual Governance Statement. The report should:
- Include an opinion on the adequacy and effectiveness of the Council's framework governance, risk management and internal control;
  - Present a summary of the audit work undertaken;
  - Draw attention to any issues that may impact on the level of assurance provided;
  - Provide a summary of the performance for the service;
  - Comment on conformance with the Public Sector Internal Audit Standards.
- 2.2 In accordance with the Public Sector Internal Audit Standards, the Head of Internal Audit is responsible for developing a risk-based annual audit plan which takes into account the Council's risk management framework. Within the Standards there is also a requirement for the Head of Internal Audit to review and adjust the plan, as necessary, in response to changes in the Council's business, risks, operations, programmes, systems, controls and resources. The Head of Internal Audit must also ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.
- 2.3 The Internal Audit Plan for 2022-23 was submitted to the Governance and Audit Committee for consideration and approval on 22nd June 2022. The approved plan was flexible to be able to respond to changing circumstances and events that may occur during the year. The assurance gained from the audit work undertaken during the year assists the Head of Internal Audit in providing an overall annual opinion.

## 3. Current situation / proposal

- 3.1 The Annual Internal Audit Report is at **Appendix A** which summaries the reviews undertaken during 2022-23, the recommendations made and any control issues identified. A total of 34 reviews were completed with an audit opinion and a total of 156 recommendations made. A breakdown is included at **Annex 1** of this appendix. The annual report also discusses the performance of the internal audit service during the year and highlights individual staff development and training that has taken place.
- 3.2 Progress against the 2022-23 Risk Based Plan is attached at **Annex 2**. This details the status of each planned review. It should be noted that some reviews listed have no audit opinion, for example advice and guidance and Governance and Audit Committee / Corporate Management Board (CMB) reporting. This is because the audit work carried out in respect of these items was planned but the nature of the work does not lead to testing and the formation of an audit opinion.

- 3.3 **Annex 2** illustrates that 48 of the planned audit reviews have been undertaken during 2022-23 (complete and draft issued). Ten audits were not started and have been included in the 2023-24 audit plan whilst 2 audits are ongoing and have been carried forward into 2023-24 plan. Where planned work has not been undertaken, assurance has been gained where possible from other sources such as previous work and coverage in other audits. Some planned reviews were not undertaken during the year due to requests from services that were under intense pressure, these will be included in the 2023-24 plan.
- 3.4 Based on the testing of the effectiveness of the internal control environment an audit opinion of substantial assurance has been given to 13 reviews (38%) and an opinion of reasonable to 20 reviews (59%). The remaining one audit (3%) has been given an audit opinion of limited, that is only limited assurance can be placed on the current systems of internal control. Recommendations have been made for improvements and a follow up audit will be undertaken to ensure controls have been improved to mitigate the risks identified.
- 3.5 Taking into account the results of the internal audit reviews completed during 2022-23, the recommendations made and considering other sources of assurance, such as Head Teacher and Chair of Governor Assurance Statements, the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control for 2022-23 is of:

“Reasonable Assurance”.

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

- 3.6 In providing this annual audit opinion, it should be noted that assurance can never be absolute. The most that internal audit can provide is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The matters raised in this report are only those which came to our attention during our internal audit work in the financial year 2022-23 and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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

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

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

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

## **6. Climate Change Implications**

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

## **7. Safeguarding and Corporate Parent Implications**

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

## **8. Financial Implications**

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

## **9. Recommendation**

9.1 Members of the Governance and Audit Committee give due consideration to the Annual Internal Audit Report for the Financial Year 2022-23 including the Head of Internal Audit's Annual Opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control.

## **Background documents**

None



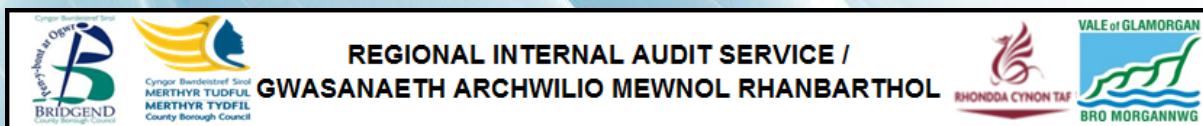


# ANNUAL INTERNAL AUDIT REPORT

**2022-2023**

**Andrew Wathan, CPFA**

**Head of Regional Internal Audit Service  
May 2023**



## Annual Internal Audit Report 2022/23

**Section 1 – Introduction**

- 1.1 The Public Sector Internal Audit Standards (PSIAS) requires the Head of Internal Audit to deliver an annual internal audit opinion and report which can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
- 1.2 The 2022/23 Internal Audit Plan outlined the assignments to be carried out to enable the Head of Internal Audit to form an annual opinion of the Council's overall control environment including, governance, risk management and internal control. The plan had regard to the continuing impact caused by the pandemic and the changes that have been made to the way the Council is operating.
- 1.3 Other factors taken into account included potential availability of audit and service staff and challenges arising from the remote ways of working. The plan was also flexible to respond to changing circumstances and events that may have occurred such as pressures on services, the ability to access staff and evidence or requests to respond to new issues that may emerge.
- 1.4 The Internal Audit Service is delivered through the expanded shared service that came into existence on 1st April 2019. The service is hosted by the Vale of Glamorgan Council and provides internal audit services to the Vale, Bridgend, Merthyr Tydfil & Rhondda Cynon Taf Councils. The arrangement is underpinned by a detailed legal agreement between the four Councils which sets out a range of obligations (the core service is the same for each Council but there are differences in what is provided outside of the core service).
- 1.5 The service reports to the four Governance & Audit Committees and is overseen at a strategic level by the Board which consists of the Chief Finance Officers of the four Councils.
- 1.6 During the year Auditors have had the flexibility to work from home or the office and have undertaken site visits as appropriate for each audit.

## Annual Internal Audit Report 2022/23

## Section 2 – Summary of Reviews Undertaken 2022/23

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

Table 1 - Audit Assurance Category Code	
<b>Substantial</b>	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.
<b>Reasonable</b>	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.
<b>Limited</b>	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.
<b>No Assurance</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

**Table 2 – Audit Opinion Given to Completed Audit Reviews 2022/23**

Opinion	Follow Ups	Financial Systems	Other Audit Reviews	Schools	Grant Verification	Total	%
Substantial		2	9		2	13	38%
Reasonable	1	3	8	6	2	20	59%
Limited				1		1	3%
No Assurance						0	0
<b>Total</b>	<b>1</b>	<b>5</b>	<b>17</b>	<b>7</b>	<b>4</b>	<b>34</b>	<b>100%</b>

- 2.3 Table 2 illustrates that a total of 34 reviews have been given an audit opinion. A list of these audits is at **Annex 1**.

## Annual Internal Audit Report 2022/23

- 2.4 A summary of the key issues identified with the only limited assurance opinion audit is shown in Section 3 below.
- 2.5 The final position against the 2022/23 approved audit plan is attached at **Annex 2**. This details the status of each planned review, the audit opinion and the number of any high, medium or low recommendations made to improve the control environment. It should be noted 14 audit reviews listed have no audit opinion, for example advice and guidance, external audit liaison, fraud and irregularity work, audit planning and recommendation monitoring. This is because the audit work carried out in respect of these items was planned but the nature of the work does not lead to testing and the formation of an audit opinion.
- 2.6 **Annex 2** illustrates the status of the 61 audit assignments included in the audit plan, 47 of which were opinion related. A summary of the status of the planned audits is illustrated in Table 3 below.

**Table 3 – Status of Planned Audits 2022/23**

Status of Audits Assignments	Number
Complete with audit opinion	30
Draft with audit opinion	4
Complete with no audit opinion	14
Audit ongoing and carried forward	2
Audit not started and included 2023-24	10
Not undertaken or carried forward	1
<b>Total</b>	<b>61</b>

- 2.7 One planned audit did not start and will not be included within the 2023/24 audit plan as circumstances have changed and the risks no longer exist. Where planned work has not been undertaken, assurance has been gained where possible from other sources such as previous work and coverage in other audits, for example safeguarding and procurement is covered in school audits. In addition, some planned reviews were not undertaken during the year due to requests from services that were under intense pressure to deliver their service; these will be undertaken in the 2023/24 plan.
- 2.8 Therefore the level of Internal Audit coverage was sufficient for the Head of Audit to be able to give an opinion.

## Annual Internal Audit Report 2022/23

**Section 3 – Limited Reports - Control Issues**

- 3.1 Table 2 illustrates that one audit review identified control issues which meant that only limited assurance could be provided. This is detailed below:

**Abercerdin Primary School**

- 3.2 The purpose of this audit was to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Abercerdin Primary School. This audit was undertaken in October 2022. Although some strengths were identified, it was noted that the school was significantly affected by the pandemic and key issues were found. These were in respect of the Governing Body which had failed the statutory requirement to meet termly during the 2021/22 academic year due to membership and attendance issues making it non quorate. There was no evidence that the school budget had been agreed and no evidence to demonstrate when policies had been reviewed and agreed by the Governing Body. There were also issues identified in respect of the school's private fund. As a result of these findings, recommendations were made which have been agreed and a follow up audit will take place during the summer term (2023) to ensure that improvements have been made.
- 3.3 Follow up audits are undertaken on previous limited assurance reports to ensure that improvements have been made to mitigate the risks previously identified. It is pleasing to note that the Creditor Supplier \ Data follow up audit demonstrated improvements and therefore a reasonable audit opinion was provided.

**Section 4 – Recommendations – 2022/23**

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

## Annual Internal Audit Report 2022/23

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:	
<b>High Priority</b>	Action that is considered imperative to ensure that the organisation is not exposed to high risks.
<b>Medium Priority</b>	Action that is considered necessary to avoid exposure to significant risks.
<b>Low Priority</b>	Action that is considered desirable and should result in enhanced control.

- 4.2 Management are asked to provide feedback on the status of each recommendation once the target date for implementation has expired. The implementation of these recommendations is monitored using MK Insight internal audit software to ensure improvements are being made.

**Table 4 – Analysis of Recommendations Made During 2022/23**

Recommendations	Follow Ups	Financial Systems	Other Audit Reviews	Schools	Grant Verification	Total	%
High			1	1		2	1%
Medium	1	3	33	28	3	68	44%
Low	3	11	30	39	3	86	55%
<b>Total</b>	<b>4</b>	<b>14</b>	<b>64</b>	<b>68</b>	<b>6</b>	<b>156</b>	<b>100%</b>

- 4.3 Table 4 illustrates that a total of 156 recommendations have been made to improve the control environment of the areas reviewed during 2022/23. Management has given written assurance that these will be implemented or have accepted the identified risk if the recommendation has not been accepted.
- 4.4 **Annex 3** provides a summary of the status of the internal audit recommendations made which includes the recommendations made in relation to audits completed in 2021/22 which are yet to be implemented as well as all recommendation made on 2022/23 audits. The monitoring of recommendations is undertaken regularly by Auditors and any undue delays or issues are highlighted to Senior Management and ultimately the Governance and Audit Committee.



## Annual Internal Audit Report 2022/23

**Section 5 – Counter Fraud Work**

- 5.1 Two matters were referred to Internal Audit for review during 2022/23. One related to the Council's recruitment process. A fact-finding exercise was undertaken and although fraud was not proven, areas for improvement within the Council's processes were identified. The other matter related to the accuracy of data and caseloads within Children's Social Services. Again, a fact-finding exercise was completed and although fraud was not proven, areas for improvement were identified. As a result, an audit in this service area was also undertaken during the year to ensure improvements had been made. The audit of Information, Advice & Assistance Team listed in annex 1 and annex 2 resulted in reasonable assurance as improvements to the processes and hence the controls had been made.
- 5.2 The National Fraud Initiative is also included in the audit plan. Internal Audit facilitates the upload of data and works with the Council's Senior Fraud Investigator to provide advice to officers reviewing the data matches. A new biennial exercise commenced when data was extracted from the various Council systems and submitted for matching in October 2022. The matches were returned in January 2023 and work is ongoing to review the data matches to identify if there any fraud or error has occurred.
- 5.3 A separate Annual Corporate Fraud Report will be presented to the Governance and Audit Committee which will outline the counter fraud work undertaken during 2022/23 which is being compiled by Bridgend's Senior Fraud Investigator. Internal Audit has an excellent working relationship with the Senior Fraud Investigator and significant liaison takes place in relation to policies, corporate fraud matters and related investigations.

**Section 6 – Key Performance Measures – Client Satisfaction Questionnaires**

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

## Annual Internal Audit Report 2022/23

opportunity to make comments within the Client Satisfaction Questionnaire. Set out below are examples of comments received during the period. Most of the feedback received was positive and all comments received are considered.

The report will be useful and set a good baseline for moving forward.

The Auditors were very knowledgeable and professional at all times.

Auditor tried to keep disruption to a minimum which was really appreciated.

Feedback from my team indicated that the auditor had limited experience so struggled to communicate what was wanted.

### Section 7 – Key Performance Measures – Staff Training

- 7.1 Investment in the development of staff continues as it is recognised that with the increasing challenges and complexity facing local government and other public sector services, the need for well trained, motivated, and versatile audit staff has never been higher.
- 7.2 In terms of professional training, two Graduate Auditors were recruited during the year and both have started studying for the Chartered Institute of Public Finance & Accountancy (CIPFA) qualification. Another member of staff is working towards the Chartered Institute of Internal Auditors, Certified Internal Auditor qualification.
- 7.3 Staff are encouraged to complete on-line courses to develop their skills and networking opportunities. Listed below illustrate the range of training courses that staff have completed during 2022/23: -
- Safeguarding
  - Oracle Fusion iExpenses
  - Communication
  - Minute taking
  - Data Protection
  - Influencing, Assertiveness and Negotiation
  - Building better habits
  - Dealing with conflict
  - Violence against Women, Domestic Abuse and Sexual Violence
  - Armed Forces Covenant



## Annual Internal Audit Report 2022/23

- Fire Safety
- Asbestos Awareness

7.4 In addition staff have attended some face to face events including:-

- Finance for the Future Conference – Audit Wales
- Introduction to Internal Audit
- Welcome to the Vale Induction
- Wales Fraud Forum – Protecting Your Business Against Cyber Crime

## Section 8 – Key Performance Measures – Benchmarking

8.1 The Internal Audit Service participates annually in the Welsh Chief Auditors Group (WCAG) benchmarking exercise. The results for 2022/23 and 2021/22 exercises have not yet been collated or distributed by WCAG. The key performance measures for the Service are illustrated in Table 5. It should be noted that 16 of the 22 Councils returned their performance figures for 2020/21 representing a return rate of 73%.

**Table 5 – Performance Data**

Performance Indicator	RIAS Performance BCBC 2022/23	RIAS Performance BCBC 2021/22	WCAG Average Performance 2020/21
% of Planned Audits Completed	79 %	69%	67%
% of clients responses at least satisfied	94%	100%	100%
% of recommendations accepted versus made	99%	100%	100%
No. of days between draft and final report being issued	32.5 days	n/a	

8.2 Table 5 illustrates that 94% of clients who responded to the questionnaire were at least satisfied with the work undertaken by internal audit. This level has dipped from last year and is due to the responses received in respect of one audit whereby the client felt the auditor was inexperienced.

8.3 The number of days between the draft and final audit report being issued is included in Table 5. This represents the average number of days that is taken for the management action plan to be completed by service managers and returned to Internal Audit so the audit report can be finalised and issued.

8.4 Overall for 2022/23, 79% of the audit plan was completed, a total of 61 assignments were planned during the year of which 48 were completed.

## Annual Internal Audit Report 2022/23

- 8.5 The PI's illustrate that the performance by Internal Audit staff within Bridgend Council is still comparable to the average performance despite the challenges following Covid and of remote working.

**Section 9 – Public Sector Internal Audit Standards**

- 9.1 The Public Sector Internal Audit Standards encompass the following mandatory elements:
- Definition of Internal Auditing;
  - Code of Ethics
  - International Standards for the Professional Practice of Internal Auditing.
- 9.2 The Standards aim to promote further improvement in the professionalism, quality and effectiveness of Internal Audit Services across the public sector. The Standards require that each public sector Internal Audit Service has in place robust arrangements for quality assurance and requires that Internal Audit be the subject of an external assessment at least once every 5 years.
- 9.3 The Internal Audit Service undertook a self-assessment against the standards during 2022/23 and a few areas of improvement were identified. This self-assessment and the supporting documentation were provided to the external assessors to inform an external assessment undertaken in accordance with the Standards. The previous external assessment was undertaken in 2017.
- 9.4 From initial discussions there were no areas of non-compliance that would affect the overall scope or operation of the Internal Audit activity were identified and the assessment noted that there were no significant deviations from the Standards. The result of the external assessment will be presented to Governance & Audit Committee in 2023.

**Section 10 – Regional Internal Audit Service Progress**

- 10.1 The expanded shared service came into existence on 1<sup>st</sup> April 2019, it is hosted by the Vale of Glamorgan Council and provides internal audit services to the Vale, Bridgend, Merthyr Tydfil & Rhondda Cynon Taf Councils.
- 10.2 The vision for the service is to be the provider of Internal Audit Services of choice to the public sector in South Wales and be a centre of excellence for public sector internal auditing and to be a service that is regarded as:
- ✓ Professional
  - ✓ Approachable
  - ✓ Flexible

## Annual Internal Audit Report 2022/23

- ✓ Independent but internal to the organisation – a critical friend

- 10.3 During 2022/23, the recruitment process continued with the successful recruitment of 2 Graduate Auditors, 3 Auditors and 1 ICT Auditor to fill vacant posts. This is a positive development, particularly when many services are struggling to recruit staff. The Graduate Auditors will be supported to become professionally qualified which will assist in succession planning.
- 10.4 Audit work has been conducted using various digital solutions and audit staff and auditees all have adjusted well to this way of working. It is likely that the audit service will largely continue to be delivered remotely with an element of office based and face to face working as required.
- 10.5 The audit software solution was successfully implemented and continues to be used. Ongoing development will continue to ensure maximum use of the improved functionality and reporting tools.
- 10.6 The longer-term success of the Regional Internal Audit Service includes plans to develop a commercial approach and analysing the potential public sector market. Limited progress has been made on this aspect as the foundations referred to above need to be embedded before progressing this.

## Annual Internal Audit Report 2022/23

**Section 11 - Opinion Statement 2022/23**

This statement of opinion is underpinned by:

**Internal Control Framework**

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

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

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

In providing my annual audit opinion, it should be noted that assurance can never be absolute. The most that internal audit can provide is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The matters raised in this report are only those which came to our attention during our internal audit work in the financial year 2022/23 and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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

- The results of all internal audits undertaken during the year ended 31<sup>st</sup> March 2023
- The results of follow-up reviews of action taken to address audit recommendations;
- Whether or not any significant recommendations have not been accepted by management and the consequent risks;
- The effects of any material changes in the Council's objectives and activities.
- Other sources of assurance

## Annual Internal Audit Report 2022/23

**Risk Management**

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

Key risks are distilled in the Corporate Risk Assessment which is regularly reviewed and challenged by senior management. Detailed reports are also provided quarterly to the Governance & Audit Committee. A Corporate Risk Management audit was undertaken during 2022/23 and a substantial opinion provided. Risk management is also considered as part of every audit.

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

**Governance Arrangements**

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

Governance arrangements are considered as part of every audit where applicable. In addition, an audit of elected members was undertaken in 2022/23 whereby an opinion of reasonable assurance was provided.

Whilst some governance issues were identified within a school audit where limited assurance opinion was given, no other significant issues were identified from a governance perspective therefore an opinion of **reasonable assurance** is given.

**Internal Control**

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

A total of 34 reviews culminating in an overall opinion have been completed, 33 (97%) of which have been closed with either a substantial or reasonable assurance opinion level. One review (3%) was given a limited opinion which identified significant weaknesses in the overall control environment, and these have been summarised in Section 3 above.

Therefore, an opinion of **reasonable assurance** can be given on internal control.

## Annual Internal Audit Report 2022/23

**Head of Internal Audit Opinion Statement 2022/23**

From the work undertaken during the financial year 2022/23 and taking into account other sources of assurance, such as Head Teacher and Chair of Governor Assurance Statements, the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2022/23 is:

**“Reasonable Assurance”**

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

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

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

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## Audits Completed with an Opinion &amp; Recommendations 2022/23

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Audit	Opinion			Recommendations		
	Substantial	Reasonable	Limited	High	Medium	Low
Creditor - Supplier Data Follow Up		√		0	1	3
Bus Service Support Grant 2021-22		√		0	0	1
Regional Consortia School Improvement Grant 2021-22		√		0	2	1
Risk Management	√			0	0	0
Bridgend 20-30 Zero Carbon Strategy - Climate Change & Energy Efficiency		√		0	5	0
Tender Evaluation & Award	√			0	1	1
Elected Members		√		0	2	0
Elections		√		0	2	3
Scheme of Delegation	√			0	1	0
Officers Code of Conduct		√		0	0	2
Attendance & Sickness Recording	√			0	0	1
Capital Monitoring		√		0	1	2
Debtors		√		0	0	7
Cost of Living Scheme	√			0	1	1
Winter Fuel Payments	√			0	0	0
Payment Authorisation Limits		√		0	1	1
Performance Management		√		1	5	8
Enterprise EDRM - Document Management System	√			0	1	2
Vulnerability & Patch Management	√			0	0	0
Coychurch Crematorium Annual Accounting Return 2021/22	√			0	1	0
Coychurch Crematorium	√			0	0	2
Porthcawl Harbour Annual Accounting Return 2021/22	√			0	0	1
Fleet Management		√		0	4	2
Vehicle Fuel Management		√		0	6	4
Abercerdin Primary			√	0	6	9
Blaengarw Primary		√		0	5	10

Audit
Llangewydd Junior School
Tynyrheol Primary
Ysgol Calon Y Cymoedd
School Private Funds
School Control Risk Self-Assessment
WCCIS
Occupational Therapists
Information, Advice & Assistance Team
Emerging Risk - Recruitment Process
Fraud, error or irregularity - Accuracy of Data / Caseloads
<b>Overall Totals</b>

Opinion		
Substantial	Reasonable	Limited
	√	
	√	
	√	
	√	
	√	
√		
√		
	√	
<b>13</b>	<b>20</b>	<b>1</b>

Recommendations		
High	Medium	Low
0	2	6
0	5	8
1	8	4
0	2	2
0	0	0
0	0	1
0	0	0
0	1	2
0	3	1
0	2	1
<b>2</b>	<b>68</b>	<b>86</b>



## Bridgend County Borough Council - Audit Plan 2022-23

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Area	Initial Audit Objective / Scope	Status	Opinion			Recommendations		
			Substantial	Reasonable	Limited	High	Medium	Low
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	complete		√		0	1	3
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	to be undertaken 2023/24						
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.	to be undertaken 2023/24						
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		√		0	0	1
	Regional Consortia School Improvement Grant 2021-22	complete		√		0	2	1
Risk Management	A review of a sample of corporate risks to identify if they are being appropriately managed and progress is being reported accurately. The focus of the review has been deep dives of the following risks through discussions with the risk owners: •SS-2023-01: Social care services •COR-2019-04: Workforce •COR-2019-05: Key supplier failure •COR-2019-01: Medium to long term decisions •SS-2019-01: Safeguarding	complete	√			0	0	0
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	complete		√		0	5	0
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	to be undertaken 2023/24						
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.	complete	√			0	1	1
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.	complete		√		0	2	0
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	complete		√		0	2	3
Scheme of Delegation	To ensure compliance to the scheme of delegation through sample testing of decisions and authorisations	draft issued	√			0	1	0
Code of Conduct	Review of compliance of Officers to the Council's Code of Conduct	draft issued		√		0	0	2
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.	complete	√			0	0	1
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.							
	Capital Monitoring	complete		√		0	1	2
	Debtors	complete		√		0	0	7
	Cost of Living Scheme	complete	√			0	1	1
	Winter Fuel Payments	complete	√			0	0	0

	Payment Authorisation Limits	draft issued		√			1	1	
	Housing Benefits	ongoing							
Grant Schemes	Review the arrangements for administering grant payments made on behalf of Welsh Government	not undertaken							
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.	to be undertaken 2023/24							
Performance Management	To review the performance management arrangements paying particular attention to the accuracy of the PI information collected and reported	complete		√			1	5	8
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	complete		√				1	2
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								
	Vulnerability & Patch Management	complete		√			0	0	0
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.	to be undertaken 2023/24							
Coychurch Crematorium	A compliance review to complete the Annual Accounting Statement 2021/22	complete		√			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	draft issued		√			0	0	2
Porthcawl Harbour	A compliance review to complete the Annual Accounting Statement	complete		√			0	0	1
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.	complete			√		0	4	2
Vehicle Fuel Management	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Vehicles Fuel System.	complete			√		0	6	4
Porthcawl Regeneration	To ensure the governance, structure and scope of the Project Board are in place and operating effectively to successfully deliver this programme.	to be undertaken 2023/24							
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	complete			√		0	6	9
	Blaengarw Primary	complete			√		0	5	10
	Llangewydd Junior School	complete			√		0	2	6
	Tynyrheol Primary	complete			√		0	5	8
	Calon Y Cymoedd	complete			√		1	8	4
	School Private Funds	complete			√		0	2	2
	School Vehicles	ongoing							
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.	complete			√		0	0	0
School Admissions	To ensure all processes and procedures are in place and operating effectively	to be undertaken 2023/24							
Adult 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	to be undertaken 2023/24							
Prevention & Wellbeing	Review the arrangements in place for Halo and Arwen to provide assurance that the Council getting VFM	to be undertaken 2023/24							
WCCIS	Ensure robust controls are in place and operating effectively in respect of access and security of the system	complete		√			0	0	1

Support for Carers	Carers' Assessments & Payments	to be undertaken 2023/24						
Occupational Therapists	Provide assurance in respect of the efficiency and effectiveness of the processes in place in respect of assessment of need	complete	√			0	0	0
Information, Advice & Assistance Team	Review processes and procedures and verify data to ensure the service is provided as effectively and efficiently as possible.	complete		√		0	1	2
Annual Opinion Report 2021/22	Preparation for the production of the 2021/22 Annual Opinion Report.	complete						
Annual Opinion Report 2022/23	Preparation for the production of the 2022/23 Annual Opinion Report.	complete						
Audit Planning 2022/23	Preparation for the production of the annual risk based plan 2022/23.	complete						
Audit Planning 2023/24	Preparation for the production of the annual risk based plan 2023/24.	complete						
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.	complete						
Closure of Reports from 2021/22	To finalise all draft reports outstanding at the end of 2021/22.							
Recommendation Monitoring	Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations.	complete						
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.	complete						
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	complete						
Quality Assurance & Improvement Programme	To review / ensure compliance with the Accounts and Audit (Wales) Regulations 2014 / Public Sector Internal Audit Standards (PSIAS).	complete						
External Audit Liaison	To ensure that a "managed audit" approach is followed in relation to the provision of internal and external audit services.	complete						
Emerging Risks / unplanned	To enable Audit Services to respond to provide assurance activity as required.							
	Recruitment	complete				0	3	1
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.	complete						
Fraud / Error / Irregularity	Irregularity Investigations - Reactive work where suspected irregularity has been detected.							
	Accuracy of Data & Caseloads	complete				0	2	1
Fraud / Error / Irregularity	Anti-Fraud & Corruption – Proactive - Proactive counter-fraud work that includes targeted testing of processes with inherent risk of fraud.	complete						
	<b>Overall Totals</b>		<b>13</b>	<b>20</b>	<b>1</b>	<b>2</b>	<b>68</b>	<b>86</b>

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Audit Name	Directorate	Audit Opinion	Final Report Date	Number Made				Not Agreed	Implemented	Outstanding				Future Target Date
				High	Medium	Low	Total			Total	High	Medium	Low	
<b>2021/22</b>														
Payment System	Chief Executives	REASONABLE	05/11/2021	0	4	0	4	0	3	0	1	0	1	0
IPG 2020/21	Cross Cutting	REASONABLE	11/11/2021	0	1	1	2	0	1	0	1	0	1	0
Early Retirement & Redundancy	Chief Executives	REASONABLE	17/03/2022	0	2	1	3	0	2	0	0	1	1	0
Posthole Repairs	Communities	REASONABLE	13/06/2022	0	4	3	7	0	4	0	1	2	3	0
Direct Payments	Social Services & Wellbeing	REASONABLE	21/06/2022	0	3	6	9	0	5	0	1	2	3	1
Payroll & Expenses	Chief Executives	REASONABLE	21/06/2022	0	6	1	7	0	5	0	2	0	2	0
Cyber Security	Chief Executives	REASONABLE	02/09/2022	0	7	1	8	0	2	0	6	0	6	0
<b>Totals</b>				<b>0</b>	<b>27</b>	<b>13</b>	<b>40</b>	<b>0</b>	<b>22</b>	<b>0</b>	<b>12</b>	<b>5</b>	<b>17</b>	<b>1</b>
<b>2022/23</b>														
Coychurch Crematorium - Grant Certification 21-22	Cross Cutting	SUBSTANTIAL	16/06/2022	0	1	0	1	0	1	0	0	0	0	0
Bus Service Support Grant 2021-22	Cross Cutting	REASONABLE	05/07/2022	0	0	1	1	0	1	0	0	0	0	0
Porthcawl Harbour	Communities	SUBSTANTIAL	06/07/2022	0	0	1	1	0	1	0	0	0	0	0
Accuracy of PI Data & Caseloads	Social Services & Wellbeing	REASONABLE	21/07/2022	0	2	1	3	0	3	0	0	0	0	0
Capital Programme	Chief Executives	REASONABLE	15/08/2022	0	1	2	3	0	3	0	0	0	0	0
Regional Consortia School Improvement Grant 2021-22	Cross Cutting	REASONABLE	11/11/2022	0	2	1	3	0	3	0	0	0	0	0
Llangewydd Junior School	Education & Family Support	REASONABLE	12/01/2023	0	2	6	8	0	8	0	0	0	0	0
Tynyrheol Primary School	Education & Family Support	REASONABLE	16/01/2023	0	5	8	13	0	10	0	0	0	0	3
Creditors Supplier Data Follow-up	Cross Cutting	REASONABLE	19/01/2023	0	1	3	4	0	2	0	1	1	2	0
Elected Members	Chief Executives	REASONABLE	19/01/2023	0	2	0	2	0	1	0	1	0	1	0
Fleet Management - Home To Work Mileage in Council Vehicles	Communities	REASONABLE	27/01/2023	0	4	2	6	0	0	0	0	0	0	6
Elections	Chief Executives	REASONABLE	30/01/2023	0	2	3	5	0	4	0	0	0	0	1
Climate Change & Energy Efficiency	Cross Cutting	REASONABLE	17/02/2023	0	5	0	5	0	0	0	0	0	0	5
Blaengarw Primary School	Education & Family Support	REASONABLE	06/03/2023	0	5	10	15	0	11	0	1	2	3	1
Abercerdin Primary School	Education & Family Support	LIMITED	14/03/2023	0	6	9	15	0	15	0	0	0	0	0
WCCIS	Social Services & Wellbeing	SUBSTANTIAL	30/03/2023	0	0	1	1	0	0	0	0	0	0	1
Enterprise EDRM	Chief Executives	SUBSTANTIAL	03/04/2023	0	1	2	3	0	2	0	1	0	1	0
Tender Evaluation & Award	Chief Executives	SUBSTANTIAL	26/04/2023	0	1	1	2	0	1	0	0	0	0	1
Debtors	Chief Executives	REASONABLE	02/05/2023	0	0	7	7	0	2	0	0	0	0	5
Attendance & Sickness Recording	Chief Executives	SUBSTANTIAL	03/05/2023	0	0	1	1	0	1	0	0	0	0	0
Cost of Living Scheme	Chief Executives	SUBSTANTIAL	03/05/2023	0	1	1	2	0	0	0	1	1	2	0
Performance Management	Chief Executives	REASONABLE	04/05/2023	1	5	8	14	1	0	0	0	0	0	13
Information, Advice & Assistance Service	Internal Audit	REASONABLE	09/05/2023	0	1	2	3	0	2	0	0	0	0	1
Ysgol Calon Y Cymoedd	Education & Family Support	REASONABLE	09/05/2023	1	8	4	13	0	0	0	3	2	5	8
School Private Funds	Education & Family Support	REASONABLE	10/05/2023	0	2	2	4	0	0	0	0	0	0	4
Emerging Risk - Recruitment Process	Cross Cutting	N/A	N/A	0	3	1	4	0	2	0	1	1	2	0
Scheme of Delegation	Chief Executives	N/A	N/A	0	1	0	1	0	0	0	0	0	0	1
Officers Code of Conduct	Chief Executives	N/A	N/A	0	0	2	2	0	0	0	0	0	0	2
Payment Authorisation Limits	Chief Executives	N/A	N/A	0	1	1	2	0	0	0	0	0	0	2
Coychurch Crematorium	Communities	N/A	N/A	0	0	2	2	0	0	0	0	0	0	2
Vehicle Fuel Management	Communities	N/A	N/A	0	6	4	10	0	0	0	0	0	0	10
<b>Totals</b>				<b>2</b>	<b>68</b>	<b>86</b>	<b>156</b>	<b>1</b>	<b>73</b>	<b>0</b>	<b>9</b>	<b>7</b>	<b>16</b>	<b>66</b>

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## REGIONAL INTERNAL AUDIT SERVICE – CLIENT SATISFACTION QUESTIONNAIRE

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

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>1 JUNE 2023</b>
<b>Report Title:</b>	<b>FORWARD WORK PROGRAMME 2023-24</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE</b>
<b>Responsible Officer:</b>	<b>DEBORAH EXTON DEPUTY HEAD OF FINANCE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The Governance and Audit Committee has a number of core functions and responsibilities within its remit.</b></li> <li>• <b>It receives a number of reports and presentations throughout the year to enable it to carry out those core functions and responsibilities effectively and to provide it with confidence in the financial governance of the Authority.</b></li> <li>• <b>To enable the Committee to provide this assurance and to ensure it is covering its range of responsibilities, a Forward Work Programme is presented at each meeting, setting out the reports to be presented at future meetings, for approval or amendment, as necessary.</b></li> <li>• <b>The updated Forward Work Programme (FWP) for 2023-24 is at Appendix A.</b></li> <li>• <b>Committee is requested to approve the updated FWP or request changes for future meetings.</b></li> </ul>

## 1. Purpose of Report

1.1 The purpose of this report is to seek approval for the updated Forward Work Programme for 2023-24.

## 2. Background

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

- review, scrutinise and issue reports and recommendations in relation to the Authority's financial affairs.

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

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

### **3. Current situation / proposal**

3.1 In order to assist the Committee in ensuring that due consideration is given to all aspects of their core functions the proposed Forward Work Programme for 2023-24 is attached at **Appendix A**. Committee Members are asked to endorse this schedule, confirm the list of people they would like to invite for each item (if appropriate), and indicate whether any additional information or research is required.

3.2 Shown below are the items scheduled to be presented at the next meeting, to be held on 26 July 2023.

<b>Proposed Agenda Items – 26 July 2023</b>	
1	Governance and Audit Committee Action Record
2	Audit Wales Governance and Audit Committee Reports
3	Statement of Accounts 2022-23 (unaudited)
4	Porthcawl Harbour Return 2022-23 (unaudited)
5	Annual Governance Statement
6	Internal Audit Progress Reports
7	Internal Audit Recommendation Monitoring Report
8	Treasury Management Outturn Report 2022-23
9	Corporate Fraud Report 2022-23
10	Regulatory Tracker
11	Annual Self Assessment of the Council's Performance
12	Updated Forward Work Programme 2023-24

3.3 The schedule of items for discussion at specific meetings may be subject to change, to take into account other items that need to be considered, and operational factors. It should be noted that the meeting dates are subject to approval by Council at its Annual Meeting to be held on 17 May 2023.

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

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

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

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

#### **6. Climate Change Implications**

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

#### **7. Safeguarding and Corporate Parent Implications**

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

#### **8. Financial Implications**

8.1 There are no financial implications arising from this report.

**9. Recommendation**

- 9.1 That the Committee considers and approves the updated Forward Work Programme for 2023-24.

**Background documents**

None

GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME 2023-24	Frequency	01 June 2023	26 July 2023	28 September 2023	09 November 2023	25 January 2024	18 April 2024
<b>Standing Items</b>							
Governance and Audit Committee Action Record	Each meeting	✓	✓	✓	✓	✓	✓
Audit Wales Governance and Audit Committee Reports	Each meeting	✓	✓	✓		✓	✓
Updated Forward Work Programme	Each meeting	✓	✓	✓	✓	✓	✓
<b>Annual Accounts</b>							
Statement of Accounts 2022-23 (unaudited)	Annually		✓				
Porthcawl Harbour Return 2022-23 (unaudited)	Annually		✓				
Going Concern Assessment	Annually	✓					
Audit Enquiries Letter	Annually	✓					
Audited Statement of Accounts and Annual Governance Statement	Annually				✓		
Porthcawl Harbour Return (audit letter)	Annually				✓		
<b>Governance</b>							
Annual Governance Statement	Annually		✓				
Half Year Review of the Annual Governance Statement	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					✓	
<b>Internal Audit Reports</b>							
Annual Internal Audit Report 2022-23	Annually	✓					
Internal Audit Shared Service Charter	Annually						✓
Internal Audit Annual Strategy and Audit Plan 2023-24	Annually	✓					
Self Assessment of the Governance and Audit Committee	Annually					✓	
Internal Audit Progress Reports	Quarterly		✓		✓	✓	✓
Internal Audit Recommendation Monitoring Report	Quarterly		✓		✓	✓	✓
<b>Treasury Management</b>							
Treasury Management Outturn Report 2022-23	Annually		✓				
Treasury Management Half Year Report 2023-24	Annually				✓		
Treasury Management Strategy 2024-25	Annually					✓	
<b>Risk Assurance</b>							
Corporate Risk Assessment	At regular intervals	✓				✓	
<b>Counter Fraud</b>							
Corporate Fraud Report 2022-23	Annually		✓				
Anti Tax Evasion Policy (previously considered April 2023, due April 2025)	Biennially						
<b>Performance Related</b>							
Complaints Process	Ad hoc	✓					✓
Regulatory Tracker	6 monthly		✓			✓	
Annual Self Assessment of the Council's Performance	Annually	✓	✓				

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