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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 arar **Dydd Iau, 28 Medi 2023 am 10:00.**

AGENDA

1. Ymddiheuriadau am absenoldeb
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
2. Datganiadau o fuddiant
Derbyn datganiadau o ddi-ddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
3. Cymeradwyaeth Cofnodion 3 - 12
I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 26/07/23.
4. Cofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio 13 - 16
5. Adroddiadau Pwyllgor Llywodraethu ac Archwilio Cymru 17 - 36
6. Cod Llywodraethu Corfforaethol 37 - 74
7. Polisi Buddsoddi Moesegol 75 - 82
8. Cynnydd yn erbyn Cynllun Seiliedig ar Risg Archwilio Mewnol 2023-24 83 - 94
9. Monitro Argymhellion Archwilio Mewnol 95 - 104
10. Safonau Archwilio Mewnol y Sector Cyhoeddus (PSIAS) - Asesiad Cymheiriaid Allanol o'r Gwasanaeth Archwilio Mewnol Rhanbarthol 105 - 144

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11. Adroddiad Blynyddol y Pwyllgor Llywodraethu ac Archwilio 2022/23 - Drafft 145 - 160
12. Rhaglen Gwaith Cychwynnol 2023-24 161 - 166
13. Materion Brys
I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â Rhan 4 (pharagraff 4) o'r Rheolau Trefn y Cyngor yn y Cyfansoddiad.

Nodyn: Bydd hwn yn gyfarfod Hybrid a bydd Aelodau a Swyddogion mynychu trwy Siambr y Cyngor, Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr / o bell Trwy Timau Microsoft. Bydd y cyfarfod cael ei recordio i'w drosglwyddo drwy wefan y Cyngor. Os oes gennych unrhyw gwestiwn am hyn, cysylltwch â cabinet_committee@bridgend.gov.uk neu ffoniwch 01656 643147 / 643148.

Yn ddiffuant

K Watson

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

Dosbarthiad:

Cynghorwyr

C Davies
RM Granville
S J Griffiths
S J Bletsoe

Cynghorwyr

M L Hughes
A Williams
MJ Williams
E Richards

Aelodau Lleyg

G Chapman
A Bagley
B Olorunnisola

Agenda Item 3

PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD MERCHER, 26 GORFFENNAF 2023

COFNODION CYFARFOD Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO A
GYNHALIWYD YN HYBRID IN THE COUNCIL CHAMBER - CIVIC OFFICES, ANGEL
STREET, BRIDGEND, CF31 4WB DYDD MERCHER, 26 GORFFENNAF 2023, AM 10:00

Presennol:

G Chapman – Cadeirydd (aelod lleyg)

S J Bletsoe
M L Hughes

C Davies
MJ Williams

RM Granville

S J Griffiths

Aelodau Lleyg:

A Bagley
B Olorunnisola

Swyddogion:

| | |
|-------------------|--|
| Carys Lord | Prif Swyddog - Cyllid, Perfformiad a Newid |
| Nigel Smith | Rheolwr Grŵp – Prif Gyfrifydd |
| Rachel Freitag | Archwilio Cymru |
| Simon Roberts | Uwch Ymchwilydd Twyll |
| Eilish Thomas | Rheolwr Cyllid – Rheoli Ariannol a Chau |
| Andrew Wathan | Pennaeth Gwasanaeth Archwilio Mewnol Rhanbarthol |
| Joan Davies | Dirprwy Pennaeth Gwasanaeth Archwilio Rhanbarthol |
| Alex Rawlin | Rheolwr Polisi Corfforaethol a Materion Cyhoeddus |
| Mark Galvin | Uwch Swyddog Gwasanaethau Democraidaidd – Pwyllgorau |
| Stephen Griffiths | Swyddog Gwasanaethau Democraidaidd - Pwyllgorau |

86. YMDDIHEURIADAU AM ABSENOLDEB

A Williams

87. DATGANIADAU O FUDDIANNAU

Dim

88. CYMERADWYO COFNODION

PENDERFYNWYD:

Cymeradwyo Cofnodion cyfarfod 1 Mehefin 2023 fel cofnod gwir a chywir.

89. COFNOD GWEITHREDU'R PWYLLGOR LLYWODRAETHU AC ARCHWILIO

Cyflwynwyd yr adroddiad hwn gan Uwch Swyddog y Gwasanaethau Democraidaidd – Pwyllgorau. Ei ddiben oedd rhoi'r wybodaeth ddiweddaraf i'r Aelodau am Gofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio.

PENDERFYNWYD:

Bod y Pwyllgor yn nodi'r Cofnod Gweithredu.

90. **DATGANIAD DRAFFT O GYFRIFON 2022-23.**

Cyflwynwyd yr adroddiad hwn gan Reolwr y Grŵp - y Prif Gyfrifydd a'i ddiben oedd cyflwyno Datganiad o Gyfrifon 2022-23 oedd heb eu harchwilio, sy'n gysylltiedig yn Atodiad A, i'w nodi.

Roedd y pwyntiau allweddol fel a ganlyn:

- Cwblhawyd datganiad drafft y cyfrifon ar gyfer 2022–23 yn unol â Rheoliadau Cyfrifon ac Archwilio (Cymru) 2014.
- Mae'r cyfrifon drafft bellach yn destun archwiliad gan Archwilio Cymru a chaiff y cyfrifon archwiliedig terfynol eu cyflwyno i'r Pwyllgor Llywodraethu ac Archwilio i'w cymeradwyo yn yr hydref.

Yn y drafodaeth a ddilynodd, gwnaeth aelod ddau awgrym ar gyfer datganiad y flwyddyn nesaf:

- Roedd angen cael adran ehangach a manylach ar y ffordd yr ydym yn mynd i'r afael â chynigion Datgarboneiddio 2030; a'i
- fod yn gwerthfawrogi'r gwelliannau i'r balansau yn natganiadau'r cronfeydd wrth gefn, ond roedd yn credu bod mwy y gellid ei wneud o ran eglurder ar gyfer pobl nad oeddent yn ariannol. Ar dudalen 38 yn yr adroddiad, roedd dadansoddiad hwylus o'r cronfeydd wrth gefn y gellir eu defnyddio, ond credai fod angen mwy o esboniad ar y termau a ddefnyddiwyd ynddo.

Diolchodd aelod arall i'r swyddogion am y sesiwn frifio werthfawr ar y Datganiad o Gyfrifon. Ychwanegodd fod angen diwygio'r cyfeiriad yn y ddogfen at aelodau annibynnol Llynfi fel plaid wleidyddol. Grŵp gwleidyddol ydyn nhw ac nid plaid wleidyddol.

PENDERFYNWYD:

Bod y Pwyllgor yn nodi Datganiad o Gyfrifon 2022-23 heb eu harchwilio yn Atodiad A.

91. **DATGANIAD LLYWODRAETHU BLYNYDDOL 2022- 23**

Cyflwynwyd yr adroddiad hwn gan y Prif Swyddog - Cyllid, Perfformiad a Newid a'i ddiben oedd cyflwyno Datganiad Llywodraethu Blynyddol 2022- 23 i'r Aelodau i'w gymeradwyo a'i gynnwys o fewn Datganiad Cyfrifon 2022-23 heb eu harchwilio.

Roedd y pwyntiau allweddol fel a ganlyn:

- Mae llywodraethu corfforaethol da yn gofyn am gyfranogiad gweithredol Aelodau a swyddogion ar draws y Cyngor. Adolygir y trefniadau hyn yn flynyddol a defnyddir y canfyddiadau i ddiweddarau'r Datganiad Llywodraethu Blynyddol.
- Mae hyn yn gymorth i sicrhau gwelliant parhaus yn niwylliant llywodraethu corfforaethol y Cyngor. Mae cynnwys y Datganiad Llywodraethu Blynyddol yn Natganiad y Cyfrifon yn rhoi gwerthusiad cyffredinol o'r rheolaethau sydd ar waith i reoli risgiau allweddol y Cyngor ac yn nodi lle mae angen gwneud gwelliannau.
- Roedd y Datganiad Llywodraethu Blynyddol drafft ar gyfer 2022-2023 ynghlwm yn Atodiad A. Mae'r Datganiad hwn yn disgrifio i ba raddau y mae'r Cyngor wedi cydymffurfio â'i God Llywodraethu Corfforaethol a gofynion Rheoliadau Cyfrifon ac Archwilio (Cymru) 2014 a Rheoliadau Cyfrifon ac Archwilio (Cymru) (Diwygio) 2018 ar gyfer y flwyddyn a ddaeth i ben 31 Mawrth 2023.

- Mae hefyd yn egluro sut mae'r Cyngor wedi ymateb i faterion llywodraethu a nodwyd yn ystod 2022-23 a'r camau gweithredu sydd i gael eu cymryd yn ystod 2023-24 yn dilyn adolygiad blynyddol o'r Fframwaith Llywodraethu.
- Mae'r Pwyllgor statudol hwn yn rhoi sicrwydd annibynnol ar amgylchedd rheolaeth fewnol y Cyngor.
- Cyfeirir at waith a wneir gan reoleiddwyr allanol fel Archwilio Cymru ac Arolygiaeth Gofal Cymru wrth iddynt wneud gwaith ar ein systemau rheoli.
- Mae'r Cyngor yn wynebu ystod o risgiau fel y gellid disgwyl drwy'r ystod eang o wasanaethau y mae'n eu darparu a'r gweithgareddau y mae'n ymwneud â hwy.
- Edrychir ar risgiau o safbwynt y Gwasanaeth ac o safbwynt y Cyngor cyfan sy'n sicrhau bod y risgiau allweddol yn cael eu distyllu yn yr Asesiad Risg Corfforaethol.
- Mae'r Asesiad Risg yn nodi sut mae'r Cyngor yn mynd i'r afael â'r risgiau hyn a'r camau lliniaru y bydd yn eu rhoi ar waith i'w lleihau. Caiff ei adolygu a'i herio'n rheolaidd gan yr uwch reolwyr a'r Pwyllgor Llywodraethu ac Archwilio.
- Mae gan y Cyngor drefniadau cadarn ar waith ar gyfer rheolaeth ariannol effeithiol drwy weithdrefnau cyfrifyddu'r Cyngor, systemau ariannol allweddol a Rheolau'r Gweithdrefnau Ariannol.
- Cafodd y Cyngor farn archwilio ddiamedod ar ddatganiadau ariannol 2021-2022 ac mae Pennaeth y Gwasanaethau Archwilio Mewnol wedi rhoi asesiad o sicrwydd rhesymol i'r Cyngor ar gyfer blwyddyn ariannol 2022-2023.
- Mae Adran 5 o'r Datganiad Llywodraethu Blynyddol yn rhoi'r wybodaeth ddiweddaraf ynghylch y materion a amlygwyd yn Natganiad Llywodraethu Blynyddol 2021-2022 a'r materion a nodwyd ar gyfer blwyddyn 2022-2023.
- Mae'r Datganiad Llywodraethu Blynyddol mewn ffurf drafft ar hyn o bryd a bydd yn cael ei adolygu gan Archwilio Cymru fel rhan o'r gwaith a wneir ar Ddatganiad y Cyfrifon ar gyfer 2022-2023. Caiff fersiwn derfynol o'r Datganiad Llywodraethu Blynyddol ei chynnwys pan gyflwynir Datganiad terfynol y Cyfrifon i'r pwyllgor hwn.

Cododd aelod dri mater ynghylch yr adroddiad:

- A fyddai'n bosibl cael adolygiadau mwy rheolaidd o'r Cyfansoddiad i gytuno ar newidiadau bychain, megis rheolau ynghylch hyd cyfarfodydd a seibiannau yn ystod cyfarfodydd.
- Roedd y berthynas rhwng CBS Pen-y-bont ar Ogwr a'r Cynghorau Tref a Chymuned yn aneglur o ran gorfodi'r Cod Ymddygiad a chynorthwyo i reoli ymddygiad da.
- Roedd yn croesawu mabwysiadu strategaeth gaffael gymdeithasol gyfrifol ond bod angen ymrwymiad i strategaeth gaffael werdd os yw'r Cyngor am gyrraedd ei dargedau datgarboneiddio ar gyfer 2030.

Mewn ymateb i'r ddau fater cyntaf, awgrymodd y Cadeirydd mai mater i'r Swyddog Monitro oeddent a'r Pwyllgor Gwasanaethau Democrataidd. Gyda golwg ar yr ail un, yn arbennig, awgrymwyd y gallai'r Swyddog Monitro baratoi nodyn i egluro'r sefyllfa i'r aelodau.

O ran y trydydd mater, awgrymodd y Prif Swyddog Cyllid, Perfformiad a Newid y gallai fynd ag ef i ffwrdd, edrych arno, a'i drafod gyda'r tîm caffael. Ymatebodd yr aelod drwy awgrymu ei fod hefyd yn rhywbeth i'r Cabinet / Bwrdd Rheoli Corfforaethol (CMB) er enghraifft, oherwydd bod angen newid y ffordd y mae CBS Pen-y-bont ar Ogwr yn meddwl am faterion gwyrdd a'u sefydlu ym mhob maes gweithgaredd.

Diolchodd Aelod Lleyg i awduron yr adroddiad am ddogfen gynhwysfawr iawn oedd wedi'i rhoi at ei gilydd yn dda ac ychwanegodd dri awgrym, gyda'r darlennydd allanol mewn golwg:

- Yn hytrach nag awgrymu “Mae Archwilio Mewnol wedi gweithio o bell, gan gynnal archwiliadau a chael tystiolaeth yn ddigidol yn ogystal ag wyneb yn wyneb lle bo'n briodol” (t.139), byddai'n well dweud eu bod wedi bod yn gweithio'n hybrid.
- Ar waelod yr un dudalen, mae'n sôn am weithredoedd sydd ar gamau amrywiol. Credai y byddai'n well dweud nad oes unrhyw gamau sylweddol hwyr.
- Lle y trafodir yr archwiliadau sydd wedi cael eu gohirio, mae'n debyg y byddai'n gryfach pe gallem ddweud bod yr archwiliadau hynny a ohiriwyd wedi cael eu cymeradwyo mewn rhyw fath o fforwm, a hefyd nad oeddent yn cael eu hystyried yn arwyddocaol yn y cyd-destun cyffredinol.

Dychwelodd aelod at fater y Cyfansoddiad a gofynnodd yn benodol a oedd modd gwneud adolygiad o'r Cyfansoddiad yn ofynnol yn y Cyfarfod Cyffredinol Blynyddol.

Awgrymodd y Prif Swyddog - Cyllid, Perfformiad a Newid, y gallai ychwanegu hyn at y materion cyfansoddiadol a godwyd gan yr aelod arall yn gynharach yn y cyfarfod a'u trafod gyda'r Swyddog Monitro. Ychwanegodd y Cadeirydd ei fod yn meddwl mai mater i'r Pwyllgor Gwasanaethau Democrataidd oedd hwn ac y byddai adolygu'r Cyfansoddiad yn flynyddol yn dasg enfawr.

Ychwanegodd yr aelod a gododd y pwyntiau cychwynnol am y cyfansoddiad mai'r hyn yr oedd yn edrych amdano oedd proses o welliant parhaus.

PENDERFYNWYD:

Bod y Pwyllgor yn cymeradwyo'r Datganiad Llywodraethu Blynyddol drafft yn Atodiad A ac yn cytuno i'w gynnwys yn Natganiad Cyfrifon 2022-23 oedd heb eu harchwilio.

92. FFURFLEN HARBWR PORTHCRAWL 2022-23

Cyflwynwyd yr adroddiad hwn gan Reolwr y Grŵp - y Prif Gyfrifydd a'i ddiben oedd cyflwyno Datganiad Cyfrifon 2022-23 Harbwr Porthcawl oedd heb eu harchwilio i'w gymeradwyo, oedd yn gysylltiedig yn Atodiad A.

Roedd y pwyntiau allweddol fel a ganlyn:

- Mae ffurflen Harbwr Porthcawl wedi cael ei chwblhau a'i hadolygu gan Archwilwyr Mewnol.
- Cwblheir y ffurflen yn unol â Safonau Adrodd Ariannol Rhyngwladol.
- Cyrhaeddodd yr harbwr sefyllfa gytbwys ar 31 Mawrth 2023.
- Mae'n ofynnol i'r ffurflen gael ei llofnodi gan y Swyddog Ariannol Cyfrifol a Chadeirydd y Pwyllgor Llywodraethu ac Archwilio cyn ei chyflwyno i Archwilio Cymru ar gyfer archwiliad blynyddol y Datganiad.

Yn y drafodaeth a ddilynodd, gwnaeth yr aelodau sylwadau fel a ganlyn:

- Gofynnodd Aelod am wybodaeth am faint ased Harbwr Porthcawl. Nododd y Prif Swyddog - Cyllid, Perfformiad a Newid y byddai'n dod o hyd i'r wybodaeth ac yn ei throsglwyddo i'r aelod.
- Tynnodd Aelod Lleyg sylw at y tabl yn Atodiad A ar y Datganiad Llywodraethu Blynyddol nad oedd yn ymddangos fel pe bai wedi cael ei gwblhau. Mewn

ymateb, cadarnhaodd y Rheolwr Grŵp - Prif Gyfrifydd y dylid bod wedi cwblhau'r rhain.

- Gofynnodd aelod am adran y Dyledwyr a'r Credydwyr o'r ffurflen a'r ffaith fod ganddynt yr un ffigur (£39,893) ynddynt. Dilynodd trafodaeth ynghylch confensiynau ac arferion cyfrifyddu yn y maes hwn.
- Gofynnodd aelod, o ystyried bod Harbwr Porthcawl yn cael ei redeg ar sail net, p'un a oedd rhaid, pe digwyddai bod gwarged, a fyddai'n rhaid ei gadw o fewn y cyfrif penodol hwn. Roedd y Prif Swyddog-Cyllid, Perfformiad a Newid o'r farn ei fod yn hunangynhwysol ond dywedodd y byddai'n mynd â'r cwestiwn ac yn dod yn ôl at yr aelod gydag ateb pendant.

PENDERFYNWYD:

Bod y Pwyllgor yn cymeradwyo Datganiad o Gyfrifon 2022-23 oedd heb eu harchwilio yn Atodiad A.

93. ALLDRO RHEOLAETH Y TRYSORLYS 2022-23

Cyflwynwyd yr adroddiad hwn gan y Prif Swyddog - Cyllid, Perfformiad a Newid a'i bwrpas oedd diweddarau aelodau ar sefyllfa Alldro gweithgareddau Rheoli'r Trysorlys ar gyfer 2022-2023, y dangosyddion ar gyfer yr un flwyddyn ac i dynnu sylw at gydymffurfiaid â pholisïau ac arferion y Cyngor.

Roedd y pwyntiau allweddol fel a ganlyn:

- Cymeradwywyd Strategaeth Rheoli'r Trysorlys ar gyfer 2022-2023 gan y Cyngor ar 23 Chwefror y llynedd.
- Mae'r adroddiad yn amlinellu'r cyd-destun economaidd y cynhaliwyd gweithgaredd Rheoli'r Trysorlys ynddo y llynedd. Roedd y materion yn cynnwys:
 - Roedd y rhyfel yn yr Wcráin wedi cadw cyfraddau chwyddiant byd-eang yn uchel.
 - Nodwedddwyd y cefndir economaidd ym mis Ionawr i Fawrth 2023 gan brisiau uchel ynni a nwyddau, chwyddiant uchel sydd wedi effeithio ar gyllidebau a gwariant teuluoedd. Cododd y Mynegai Prisiau Defnyddwyr i 10.1% yn y 12 mis hyd at fis Mawrth 2023.
 - Cynyddwyd cyfraddau llog nifer o weithiau yn ystod y flwyddyn i geisio ffrwyo chwyddiant. Dechreuodd y gyfradd banc y flwyddyn ar 0.75% a chynyddodd 8 gwaith yn ystod y flwyddyn i 4.25% ar 31 Mawrth 2023.
- Dangosir crynodeb o weithgareddau Rheoli'r Trysorlys yn ystod y llynedd yn Atodiad A. Mae Tabl 1 yn yr adroddiad yn crynhoi sefyllfa'r Cyngor o ran Dyled a Buddsoddiadau Allanol. I grynhoi:
 - Ni chymerwyd unrhyw ddyled hirdymor yn ystod y flwyddyn.
 - Nid aildrefnwyd dyled yn ystod y flwyddyn gan nad oedd unrhyw fudd ariannol i'r Cyngor o wneud hyn. Caiff hyn ei adolygu'n gyson yn ystod y flwyddyn gyfredol.
 - Cafwyd cynnydd bychan yn nifer y benthyciadau di-log Salix sydd gan y Cyngor.
 - Cyfanswm y benthyciadau allanol y mae'r Cyngor yn ei reoli oedd £99.93 miliwn ar ddiwedd Mawrth 2023.
 - Balans y buddsoddiadau ar ddiwedd y flwyddyn oedd £74.5 miliwn sy'n ostyngiad o £10 miliwn o'i gymharu â Mawrth 2022.

- Mae'r incwm sy'n cael ei ennill drwy'r buddsoddiadau yn cynyddu wrth i'r gyfradd sylfaenol gynyddu.
- Cynyddodd y gyfradd llog ar gyfartaledd o 0.43% yn 2021-2022 i 2.55% yn 2022-2023.
- Wrth fuddsoddi arian y Cyngor, rhoddir sylw dyledus i sicrhau diogelwch a hylifedd y buddsoddiadau cyn edrych am y gyfradd enillion uchaf.

Yn y drafodaeth a ddilynodd, gwnaeth yr aelodau sylwadau fel a ganlyn:

- Y byddai'r adroddiad yn well gyda chrynodeb o'r uchafbwyntiau ac ychydig o graffiau. Credai y byddai hyn yn cynorthwyo trigolion i geisio deall dull y Cyngor o Reoli'r Trysorlys. Mewn ymateb, nododd y Prif Swyddog - Cyllid, Perfformiad a Newid fod hwn yn faes technegol iawn a bod rhai pethau y mae'n rhaid adrodd amdanynt mewn ffyrdd penodol i gydymffurfio â'r gofynion yn y maes ond nid oedd unrhyw reswm pam na ellid paratoi crynodebau.
- P'un a oedd cyfle i setlo dyled y Fenter Cyllid Preifat (PFI) sy'n gysylltiedig â'r ysgol uwchradd ym Maesteg o gronfeydd wrth gefn. Mewn ymateb, awgrymodd y Prif Swyddog - Cyllid, Perfformiad a Newid y byddai'n rhaid iddi edrych ar fanylion y cytundeb penodol hwnnw i weld a yw hynny'n bosibilrwydd ai peidio a hefyd, o ystyried y ffordd y mae cyfraddau llog yn newid, p'un a oedd manteision neu beidio i ni o'i ad-dalu. Byddai'n cadarnhau a oedd hyn yn bosibl ai peidio.
- Roedd yr hyfforddiant a gynigiwyd gan swyddogion i helpu'r aelodau i ddeall adroddiadau o'r math hwn yn hynod werthfawr. Mewn ymateb, nododd y Cadeirydd fod swyddogion yn neilltuo llawer iawn o amser ar gyfer hyfforddiant ond os oedd angen hyfforddiant pellach, gellid ei gynnal. Ychwanegodd y Prif Swyddog - Cyllid, Perfformiad a Newid y byddai'n ddefnyddiol cynnig hyfforddiant gloywi yn flynyddol ar gyfer materion fel Rheoli'r Trysorlys gan nad yw aelodau'n derbyn yr adroddiadau yn aml iawn.

PENDERFYNWYD: Bod y Pwyllgor

- yn nodi gweithgareddau blynyddol y trysorlys ar gyfer 2022-23.
- yn nodi gwir Ddangosyddion Rheoli'r Trysorlys ar gyfer 2022-23 yn erbyn y rhai a gafodd eu cymeradwyo yn Strategaeth Rheoli'r Trysorlys 2022-23.

94. ADRODDIAD TWYLL CORFFORAETHOL BLYNYDDOL 2022- 23

Cyflwynodd yr Uwch Ymchwilydd Twyll yr adroddiad. Pwrpas yr adroddiad oedd rhoi i'r Aelodau grynoded o'r camau a gymerwyd yn erbyn twyll a hefyd rhoi diweddariad ar ymarferiad y Fenter Twyll Genedlaethol.

Roedd y pwyntiau allweddol fel a ganlyn:

- Rhoddai Adran 3 rywfaint o wybodaeth fanwl mewn perthynas â'n gwaith mewn cysylltiad â'r Fenter Twyll Genedlaethol.
- Manylai Adran 4 ar y gwaith yn erbyn twyll a llygredd a wnaed a rhoddai hefyd wybodaeth fanwl am ymchwiliadau i Dwyll Lleihau'r Dreth Gyngor gan gynnwys arbedion ariannol a wnaed a'r sancsiynau llwyddiannus a ddeilliodd o hynny yn cynnwys erlyniadau a chosbau ariannol. Roedd rhywfaint o fanylion hefyd yn yr adran ynghylch gwaith ar gamddefnydd o fathodynau glas ac unrhyw ymchwiliadau mewnol a gynhaliwyd gan yr archwilwyr mewnol yn bennaf.

- Rhoddai Atodiad 1 wybodaeth am y mesurau parhaus y mae CBSP yn cynnig eu cymryd dros y tymor canolig i wella ei wytnwch ymhellach yn erbyn twyll, llwgrwobrwyo a llygredd.

Yn y drafodaeth a ddilynodd, cwestiynodd aelod agwedd y Cyngor tuag at dwyll a chamgymeriadau. Awgrymodd na chafodd hyn ei gymryd o ddifrif, ei fod yn oddefol, ac nad oedd digon o ganolbwyntio arno. Awgrymodd y gallai buddsoddiad bach yn y maes hwn (gan gynnwys gweithio gyda Data Cymru ar gloddio data) arwain at fudd ariannol net sylweddol i'r Cyngor.

Nododd y Prif Swyddog - Cyllid, Perfformiad a Newid eu bod wedi edrych mewn rhai meysydd eraill a oedd cynllun busnes i fuddsoddi yn y maes hwn ar hyd llinellau cynnig buddsoddi i arbed. Awgrymodd fod hyn yn rhywbeth y gellid ei gymryd i ffwrdd ac edrych arno.

Atgoffodd Pennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol (RIAs) yr aelodau am y Fenter Twyll Genedlaethol, ymarferiad ar draws y DU sy'n ymdrin â dros 1200 o sefydliadau sector cyhoeddus (Awdurdodau Lleol eraill, yr Adran Gwaith a Phensiynau (DWP), y GIG ac Ymddiriedolaethau, yr Heddlu a Chymdeithasau Tai ac yn y blaen) o ran ymarferiad cydweddu data sy'n helpu i atal a chanfod twyll. Byddai unrhyw gydweddiadau fyddai'n codi ar gyfer Pen-y-bont ar Ogwr yn cael eu hystyried a'u cymryd o ddifrif.

Tynnodd aelod sylw at dri mater:

- Gostyngiad y Person Sengl a'r amgylchiadau a allai arwain at honiadau o dwyll.
- Twyll Lleihau'r Dreth Gyngor, yn enwedig yr achosion nad ymchwiliwyd iddynt ac a ydynt yn cael eu nodi er mwyn cyfeirio atynt yn y dyfodol.
- Rheoliadau Cynlluniau Lleihau'r Dreth Gyngor (Canfod Twyll a Gorfodi) (Cymru) 2013, lle mae'r dirwyon sydd ar gael yn gymharol fychan a dylid eu hadolygu.

Mewn ymateb i sylwadau ynghylch y cynllun gweithredu, awgrymodd y Prif Swyddog - Cyllid, Perfformiad a Newid y gellid edrych arno eto, yn enwedig o gwmpas targedau. Awgrymodd hefyd fod angen i swyddogion roi mwy o wybodaeth mae'n debyg yn yr adroddiad fel bod aelodau yn cael gwell syniad o'r gwaith sy'n digwydd yn y gwasanaeth.

Tynnodd aelod arall sylw at reoli contractau a'r potensial i adfer arian. Mewn ymateb, awgrymodd y Prif Swyddog - Cyllid, Perfformiad a Newid, er nad twyll oedd hyn o reidrwydd, bod angen i bobl wybod y byddai'r Cyngor yn cymryd y camau angenrheidiol, fel hawlio arian yn ôl, pe bai rhywun wedi mynd y tu allan i gontract neu heb berfformio fel oedd yn ofynnol.

Yn olaf, awgrymodd aelod, fel rhywun oedd yn delio â'r DWP yn ddyddiol, y byddai'n ddefnyddiol gwahodd rhywun o'r adran i gynorthwyo'r Pwyllgor i ddeall eu hymchwiliadau i dwyll a amheuir.

Awgrymodd y Cadeirydd fod hyn yn werth ei ddilyn gan y gallai'r wybodaeth am yr hyn sy'n digwydd unwaith y bydd atgyfeiriadau wedi cael eu gwneud o Ben-y-bont ar Ogwr i system y DWP fod yn ddefnyddiol.

Awgrymodd y Prif Swyddog - Cyllid, Perfformiad a Newid y byddai'n cysylltu â'r DWP i weld a fyddent yn barod i gynnal seminar anffurfiol ond atgoffodd yr aelodau na fyddent yn gallu siarad am achosion unigol. Awgrymodd y gallent yn sicr siarad am beth fyddai eu proses a sut y byddent yn delio â materion.

Awgrymodd y Cadeirydd, yn dilyn sylwadau gan aelod am Reoliadau Cynlluniau Gostyngiad Treth y Cyngor (Canfod Twyll a Gorfodi) (Cymru) (Cymru) 2013, y dylai rhywun gysylltu â CLILC a Llywodraeth Cymru i fynegi ein pryder ynghylch trothwy isel y dirwyon, ac awgrymu y dylid eu hadolygu.

Awgrymodd y Prif Swyddog - Cyllid, Perfformiad a Newid y gallai fynd ymlaen â hynny a chysylltu â Chymdeithas Llywodraeth Leol Cymru (WLGA) i weld a oedd unrhyw drafodaethau'n digwydd o ran y mater hwnnw. Awgrymodd, pan fyddai wedi cael ymateb, y gallai aelodau benderfynu ar y ffordd orau ymlaen.

PENDERFYNWYD:

Bod y Pwyllgor yn nodi Adroddiad Twyll Blyneddol 2022- 23, y mesurau oedd yn eu lle, y gwaith oedd yn cael ei wneud i atal a chanfod twyll a chamgymeriadau a'r diweddariad ar y Fenter Twyll Genedlaethol (NFI).

Gofynnodd y Pwyllgor am gysylltu â'r DWP i wahodd cynrychiolydd i ddod i gyfarfod i amlinellu eu dull o ddelio â materion o dwyll a amheuir.

95. **DIWEDDARIAD TRACIWR RHEOLEIDDIO**

Cyflwynwyd yr adroddiad gan Reolwr Polisi Corfforaethol a Materion Cyhoeddus a'i bwrpas oedd rhoi diweddariad i'r Pwyllgor Llywodraethu ac Archwilio am y Traciwr Rheoleiddio.

Roedd y pwyntiau allweddol fel a ganlyn:

- Mae'r traciwr rheoleiddio wedi cael ei ddiweddarau ar gyfer chwarteri 3 a 4 2022/23.
- Cafodd y gwelliannau y gofynnodd y Pwyllgor Llywodraethu ac Archwilio (GAC) amdanynt eu cwblhau.
- Ers yr adroddiad blaenorol i GAC ym mis Ionawr
 - ychwanegwyd 7 arolygiad.
 - Caewyd 33 o argymhellion.
 - Mae 82 o argymhellion ar y traciwr.
- Gofynnir i aelodau ystyried y ffordd orau i wella mecanweithiau dilynol ar gyfer adroddiadau rheoliadol a lleihau maint y traciwr.

Yn y drafodaeth a ddilynodd, gofynnodd yr aelodau i swyddogion dynnu argymhellion caeedig oddi ar y traciwr ac yn y dyfodol i dderbyn argymhellion ambr a choch yn unig ar y traciwr nesaf ym mis Ionawr 2024 yn ogystal â chrynodeb o'r argymhellion a gaewyd yn y cyfnod blaenorol.

Yn ogystal, fe wnaethant ofyn i'r pwyllgorau trosolwg a chraffu pwnc gael derbyn yr adroddiad yn cynnwys argymhellion â sgôr las a gwyrdd ddwywaith y flwyddyn fel y gallant graffu ar y sgorau hynny.

PENDERFYNWYD: Bod y Pwyllgor

- wedi ystyried y pwyntiau cryno a'r traciwr rheoleiddio manwl a chodi unrhyw faterion oedd yn peri pryder am ddilyniant.

- wedi ystyried y mecanweithiau arfaethedig ar gyfer cyfeirio archwiliadau ac argymhellion ym mharagraff 3.1.
- wedi ystyried y dewisiadau ar gyfer lleihau maint y traciwr ym mharagraff 3.6.

96. **ASESIAD RISG CORFFORAETHOL 2022-23**

Cyflwynwyd yr adroddiad gan Reolwr Polisi Corfforaethol a Materion Cyhoeddus a'i ddiben oedd rhoi diweddariad ar ail adroddiad hunanasesu corfforaethol y Cyngor a'r dyfarniadau, a gofyn am sylwadau ar yr adroddiad drafft yn Atodiad 1.

Roedd y pwyntiau allweddol fel a ganlyn:

- Roedd yr adroddiad yn amlinellu proses a chanfyddiadau hunanasesiad y Cyngor ar gyfer 2022/23.
- Mae'r dull yn llawer mwy sefydledig mewn adroddiadau chwarterol rheolaidd nag yn y flwyddyn flaenorol.
- Y prif wahaniaethau rhwng yr adroddiad terfynol ac adroddiad terfynol y llynedd oedd y canlynol:
 - Cynhaliwyd sesiynau her yn gynharach.
 - Mae astudiaethau achos wedi eu cynnwys.
 - Mae ymdriniaeth fwy cynhwysfawr ar ymgynghori ac ymgysylltu yn ystod y flwyddyn wedi'i chynnwys.
 - Cyhoeddir data perfformiad blynyddol ochr yn ochr â'r hunanasesiad.
 - Mae'r ymgynghoriad arfaethedig yn fwy cynhwysfawr.
- Roedd y dyfarniadau hunanasesu fel a ganlyn:
 - Amcan Llesiant Un – Da.
 - Amcan Llesiant Dau – Digonol.
 - Amcan Llesiant Tri – Da.
 - Defnydd o adnoddau – Digonol.
 - Llywodraethu – Da.

Gofynnodd y Cadeirydd i'r swyddogion ystyried dewisiadau ar gyfer asesiad cymheiriad mwy rheolaidd neu her fewnol ychwanegol ar gyfer adroddiadau perfformiad yn eu cyfanrwydd (yn ogystal â hunanasesiad).

PENDERFYNWYD: Bod y Pwyllgor

- wedi adolygu a rhoi argymhellion ar gyfer newid i adroddiad hunanasesu corfforaethol 2022/23 yn Atodiad 1.
- wedi ystyried a yw'r ychwanegiadau i'r adroddiad ers 2021/22 yn ychwanegu gwerth at y ddogfen.

97. **BLAENRAGLEN WAITH 2023-24**

Cyflwynwyd yr adroddiad hwn gan y Rheolwr Grŵp – Prif Gyfrifydd.

Mae gan y Pwyllgor Llywodraethu ac Archwilio nifer o swyddogaethau a chyfrifoldebau craidd o fewn ei gylch gwaith.

Mae'n derbyn nifer o adroddiadau a chyflwyniadau drwy gydol y flwyddyn i'w alluogi i gyflawni'r swyddogaethau a'r cyfrifoldebau craidd hynny yn effeithiol ac i roi hyder iddo yn rheolaeth ariannol yr Awdurdod.

Er mwyn galluogi'r Pwyllgor i roi'r sicrwydd hwn ac i sicrhau ei fod yn cwmpasu ei ystod o gyfrifoldebau, cyflwynir Blaenraglen Gwaith ym mhob cyfarfod, yn nodi'r adroddiadau i'w cyflwyno mewn cyfarfodydd yn y dyfodol, i'w cymeradwyo neu eu diwygio, yn ôl yr angen.

Mae'r Flaenraglen Waith (FWP) wedi'i diweddarau ar gyfer 2023-24 i'w gweld yn Atodiad A.

Gofynnodd y Cadeirydd am eglurder ynghylch statws presennol yr ysgol y rhoddwyd barn o sicrwydd cyfyngedig iddi mewn adroddiad archwilio ac a drafodwyd yn y cyfarfod diwethaf. Nododd y Prif Swyddog Cyllid, Perfformiad a Newid fod archwilwyr mewnol wedi dychwelyd i'r ysgol a'u bod yn y broses o ddrafftio adroddiad sydd wedi rhoi barn o sicrwydd rhesymol i'r ysgol. O'r herwydd, ni fyddai angen i'r ysgol dan sylw fynychu cyfarfod o'r pwyllgor yn y dyfodol.

At hynny, cadarnhaodd y Cadeirydd y câi Adroddiad Blynyddol y Pwyllgor Llywodraethu ac Archwilio ei gyflwyno i gyfarfod mis Medi'r Pwyllgor.

PENDERFYNWYD:

Bod y Pwyllgor wedi ystyried a chymeradwyo'r Flaenraglen Waith ar gyfer 2023-24.

Caiff drafft o Adroddiad Blynyddol y Pwyllgor Llywodraethu ac Archwilio ei gyflwyno i gyfarfod mis Medi 2023, a dylid ychwanegu hyn at Flaenraglen Waith 2023-24.

98. **EITEMAU BRYD**

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Agenda Item 4

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| Meeting of: | GOVERNANCE AND AUDIT COMMITTEE |
| Date of Meeting: | 28 SEPTEMBER 2023 |
| Report Title: | GOVERNANCE AND AUDIT COMMITTEE ACTION RECORD |
| Report Owner / Corporate Director: | CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY |
| Responsible Officer: | MARK GALVIN – SENIOR DEMOCRATIC SERVICES OFFICER - COMMITTEES |
| Policy Framework and Procedure Rules: | There is no impact on the policy framework and procedure rules. |
| Executive Summary: | This report seeks to update Members of the Governance and Audit Committee on follow-up actions or further information requested on reports considered by Members and/or requested by Committee, including any other related information in relation to previous agenda items. |

1. Purpose of Report

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

2. Background

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

3. Current situation / proposal

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

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

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

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

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

6. Climate Change Implications

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

7. Safeguarding and Corporate Parent Implications

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

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

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

Background documents

None.

| Number | Date of Committee | Item | Lead | Target Date | Action | Date for action to be brought to GAC | Completed Date |
|--------|-----------------------|--|--|-------------|---|--------------------------------------|----------------|
| 1. | 13 Oct 2022/ 1 Jun 23 | Corporate Complaints | Chief Officer – Legal and Regulatory Services, HR and Corporate Policy | Nov 23 | To prepare and submit a report on Corporate Complaints to GAC bi-annually. The next report will be prepared for the meeting in November 2023. The report will include consideration of ways to enrich the data set, to include such matters as the location of the complainant, under-reporting, and complaints made to Councillors (and noted in the referral system). | Nov 23 | |
| 2. | 26 Jan 23 | Treasury Management Strategy 2023-24 | Chief Officer – Finance, Performance and Change | Sep 23 | To consider implementing an ethical investment policy following discussion with the treasury management advisors. An ethical investment policy will be considered by GAC in September 2023. | Sep 23 | Sep 23 |
| 3. | 26 Jul 23 | Private Finance Initiative – Maesteg Secondary School | Chief Officer – Finance, Performance and Change | Sep 23 | Whether there was an opportunity to settle the Private Finance Initiative (PFI) debt related to the secondary school in Maesteg from reserves. | Sep 23 | Sep 23 |
| 4. | 1 Jun 23 | Duplicate Payments | Chief Officer – Finance, Performance and Change | Sep 23 | In response to concerns expressed by Members, to provide an update on duplicate payments. | Sep 23 | Sep 23 |
| 5. | 1 Jun 23 | Audit Recommendations and the Council’s Escalation Process | The Chief Officer – Finance, Performance and Change and Head of RIAS | Jul 23 | The Chairperson asked for clarification about the current status of Abercerdin Primary School given an opinion of limited assurance in an audit report. RIAS had returned to the school and were in the process of drafting a report that has given the school an opinion of reasonable assurance. The school in question will not be required to attend a future meeting of the committee. | Jul 23 | Jul 23 |
| 6. | 26 Jul 23 | Annual Governance Statement 2022-23 | Monitoring Officer/ Chief Officer – Finance, Performance and Change | Sep 23 | For officers to examine the feasibility of regular reviews of the Constitution, linking reviews to the AGM, and ruling regarding meeting duration and breaks during meetings. | Sep 23 | Sep 23 |

| | | | | | | | |
|-----|------------|---|--|--------|--|-----------------|--------|
| | | | | | To also discuss with procurement the possibility of committing to a green procurement strategy in conjunction with BCBC's decarbonisation targets. | | |
| 7. | 26 Jul 23 | Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (Wales) Regulations 2013. | Chief Officer – Finance, Performance and Change | Sep 23 | To contact the Welsh Local Government Association (WLGA) to see whether any discussions are going on with regards to the low threshold of fines and suggest they should be reviewed. | Sep 23 | |
| 8. | 26 Jul 23 | Annual Report of the Governance and Audit Committee | Head of RIAS | | To present a draft of the Governance and Audit Committee's Annual Report. | Sep 23 | Sep 23 |
| 9. | 26 Jul 23 | Porthcawl Harbour Return 2022-23 | Chief Officer – Finance, Performance and Change | | To give an update on the extent of the Porthcawl Harbour asset. To confirm, in respect of the Porthcawl Harbour project, what would happen in the event of a surplus. | Sep 23 | Sep 23 |
| 10. | 26 July 23 | Annual Corporate Fraud Report 2022-23 | Department for Work and Pensions | | That members receive a presentation from the Department for Work and Pensions (DWP) specifically regarding investigations in to suspected fraud. | To be confirmed | |
| 11. | 1 Jun 23 | Capital Programme – Governance Issues | The Chief Officer – Finance, Performance and Change/ Head of RIAS | Jul 23 | To draw up a project brief for RIAS to carry out an audit of governance issues around the Capital Programme. | In Progress | |

| | |
|--|---|
| Meeting of: | GOVERNANCE AND AUDIT COMMITTEE |
| Date of Meeting: | 28 SEPTEMBER 2023 |
| Report Title: | AUDIT WALES GOVERNANCE AND AUDIT COMMITTEE REPORTS |
| Report Owner / Corporate Director: | CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE |
| Responsible Officer: | DEBORAH EXTON DEPUTY HEAD OF FINANCE |
| Policy Framework and Procedure Rules: | There is no impact on the policy framework and procedure rules. |
| Executive Summary: | <ul style="list-style-type: none"> • The Council’s external auditors, Audit Wales, undertake a range of financial and performance audit work during the financial year. • They publish a number of reports in respect of the audit work undertaken. • Some of the reports are national across all local authorities and others are local and specific to Bridgend. • Audit Wales also 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. |

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:

- **The Audit Wales Work Programme and Timetable - (Appendix A)** - under the Local Government and Elections (Wales) Act 2021, the Auditor General is required to produce a work programme update for each financial year for each principal council covering both his functions and those of 'relevant regulators' (Care Inspectorate Wales and Estyn). At the meeting of the Governance and Audit Committee in July 2021, Audit Wales reported that they will provide an updated version of this report to the Council on a quarterly basis. **Appendix A** is an updated position as at 30th June 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. This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

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

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

6. Climate Change Implications

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

7. Safeguarding and Corporate Parent Implications

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

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

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

Background documents

None

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Audit Wales Work Programme and Timetable – Bridgend County Borough Council

Quarterly Update: 30 June 2023

Annual Audit Summary

| Description | Timetable | Status |
|--|---------------|----------|
| A report summarising completed audit work since the last Annual Audit Summary, which was issued in November 2021 | 27 April 2023 | Complete |

Financial Audit work

| Description | Scope | Timetable | Status |
|---|---|---|--|
| Audit of the Council's 2022-23 statement of accounts | To confirm whether the statement of accounts provide a true and fair view. | Audit Opinion by 31 January 2024. | Draft Accounts received and audit work ongoing. |
| Audit of the Council's 2022-23 grant returns | Audit of five claims as required by the terms and conditions of the grants. | In line with the individual deadlines for each grant claim. | Audit work now complete. |
| Audit of the 2022-23 Returns for Porthcawl Harbour Authority and Coychurch Crematorium Joint Committee | To confirm that the returns have been completed correctly. | Audit Opinion by 31 January 2024. | Work to be completed alongside audit of the Council's 2022-23 statement of accounts. |

Performance Audit work

| 2022-23 Performance audit work | Scope | Timetable | Status |
|--------------------------------------|---|---|--|
| Assurance and Risk Assessment | <p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p> <ul style="list-style-type: none"> • Financial position • Capital programme management • Use of performance information – with a focus on service user feedback and outcomes | <p>Ongoing monitoring of financial position</p> <p>September – December 2023</p> <p>February – September 2023</p> | <p>Ongoing</p> <p>Scoped</p> <p>In progress – fieldwork is being scheduled at each council between March and August 2023</p> |

| 2022-23 Performance audit work | Scope | Timetable | Status |
|--|---|------------------------------------|--|
| Thematic Review – Unscheduled Care | A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions. | August 2022 – September 2023 | Fieldwork complete, draft reports scheduled for September. |
| Thematic review – Digital | A review of councils’ strategic approach to digital, and the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of councils’ resources. | January – September 2023. | Drafting |
| Local project – Review of performance management arrangements | We will review the Council's performance management arrangements and establish how well they inform the Council of progress in meeting its priorities. | July to October 2022 | Complete |

| 2023-24 Performance audit work | Scope | Timetable | Status |
|--|---|-----------|---------------------------------------|
| Assurance and Risk Assessment | <p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p> <p>Setting of well-being objectives</p> | 2023-24 | <p>Ongoing</p> <p>Not yet started</p> |
| Thematic review – Financial Sustainability | A review of councils’ financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term. | 2023-24 | Scoping |
| Thematic review – commissioning and contract management | A review focusing on how councils’ arrangements for commissioning, and contract management apply value for money considerations and the sustainable development principle. | 2023-24 | Scoping |
| Local project | Highways/Transport – currently scoping this piece of work | 2023-24 | Scoping |

Local government national studies planned/in progress.

| Study | Scope | Timetable | Status | Fieldwork planned at Bridgend County Borough Council |
|---|---|--------------------------------|---|--|
| Building safety | Review of how well local authorities are delivering their responsibilities for building safety | September 2022 – August 2023 | Reporting – end of July 2023 | Yes – interview with nominated officer at the Council and survey. |
| Planning for sustainable development – Brownfield regeneration | Review of how local authorities are promoting and enabling better use of vacant non-domestic dwellings and brownfield sites | October 2022 – September 2023 | Reporting – September 2023 | Yes – interview with nominated officer at seven councils and survey. |
| Governance of special purpose authorities – National Parks | Review of systems and effectiveness of governance | November 2022 – September 2023 | Evidence gathering – fieldwork due to be completed end of June 2023 | No |

| Study | Scope | Timetable | Status | Fieldwork planned at Bridgend County Borough Council |
|---|--|-------------------------------------|---|--|
| <p>Corporate Joint Committees (CJCs)</p> | <p>Assessing CJCs' progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration.</p> | <p>September 2022 – August 2023</p> | <p>Draft report has been issued to the four CJCs. Letters to the four individual CJCs will also be issued. Updated summary report due to be published August.</p> | <p>Yes – We explored the Council's perspective via our routine liaison meetings. Fieldwork included interviews with the chief executive, director of finance and chair of each of the four CJCs.</p> |

Estyn

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern. Wrexham local authority is still in a causing concern category, and we will convene a progress conference in July to evaluate progress against the recommendations from the core inspection. We also undertook a focused link work activity in Powys in May to consider aspects of their work on school improvement, the transformation agenda and financial management in schools. We will inspect Gwynedd in the week beginning 26 June and Carmarthenshire in the week beginning 10 July.

Field work being carried out across local authorities during the summer term includes a focus on how well local authorities are supporting the educational needs of asylum seekers and refugees. This work will be included in HMCI's annual report. Our aim is to describe, acknowledge, and evaluate the experiences of these groups as they engage with education and training in Wales.

Care Inspectorate Wales (CIW)

| CIW planned work 2022-23 | Scope | Timetable | Status |
|--------------------------|--|-----------|-------------|
| Programme 2022-23 | <p><u>We have published our updated Code of Practice for our local authority inspection activity</u></p> <p><u>How we inspect local authority services and CAFCASS Cymru</u></p> | May 2023 | Published |
| Joint work | <p>We are finalising our thematic reviews programme of work for 2023-2026. Areas for consideration include, adult safeguarding, carers, CLDT and CAMHS.</p> <p>We continue to work with partners, sharing information and intelligence including completing joint reviews.</p> | Current | In progress |
| | | Current | In progress |

| CIW planned work 2022-23 | Scope | Timetable | Status |
|---|--|--|--|
| | <p>We are working in collaboration with HIW for a national review of the stroke pathway. A national report will be published early summer.</p> <p>We continue to work in collaboration with HIW in conducting CMHT inspections.</p> <p>CIW is working with partners to complete a rapid review. The overarching objective of the rapid review is to determine to what extent the current structures and processes in Wales ensure children who are in need of care, support and protection are appropriately placed on, and removed from, the Child Protection Register, when sufficient evidence indicates it is safe to do so. This is a collaborative review.</p> | <p>Current</p> <p>Current</p> <p>Interim findings – Published 22 June 2023</p> <p>National report – September 2023</p> | <p>In progress</p> <p>In progress</p> <p>In progress</p> |
| <p>Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2022-23</p> | <p>The <u>2020-21 report</u> was published on 7 February 2021.</p> <p>The 2021-2022 report is underway.</p> | <p>Published</p> <p>To be confirmed</p> | <p>Published</p> <p>Preparing</p> |

| CIW planned work 2022-23 | Scope | Timetable | Status |
|--|--|---|--------------------|
| <p>National review of Care Planning for children and young people subject to the Public Law Outline pre-proceedings</p> | <p>Purpose of the review To provide external scrutiny, assurance and to promote improvement regarding the quality of practice in relation to the care planning for children and young people subject to the public law outline pre-proceedings.</p> <p>To consider the extent to which practice has progressed since the publication of both the CIW 'National Review of care planning for children and young people subject to public law outline pre-proceedings' and the publication of the PLO working group report 2021 including best practice guidance.</p> | <p>National report publication October 2023</p> | <p>In progress</p> |
| <p>Joint Inspection Child Protection Arrangements (JICPA)</p> | <p>Cross-inspectorate approach. Areas to be determined. We will complete a further four multi-agency joint inspections in total. Each local authority will have a published letter post inspection.</p> <p>We will publish a national report in late spring 2023.</p> | <p>April 2023 – April 2024</p> | <p>Delivery</p> |

Audit Wales national reports and other outputs published since June 2022

| Report title | Publication date and link to report |
|--|---|
| Maximising EU funding – the Structural Funds Programme and the Rural Development Programme | June 2023 |
| Digital inclusion in Wales (including key questions for public bodies) | March 2023 |
| Orthopaedic Services in Wales – Tackling the Waiting List Backlog | March 2023 |
| Betsi Cadwaladr University Health Board – Review of Board Effectiveness | February 2023 |
| Welsh Government purchase of Gilestone Farm | January 2023 |
| Together we can – Community resilience and self-reliance | January 2023 |
| A Picture of Flood Risk Management | December 2022 |
| 'A missed opportunity' – Social Enterprises | December 2022 |
| Poverty Data Tool | November 2022 |
| 'Time for change' – Poverty in Wales | November 2022 |
| Learning from cyber-attacks | October 2022 (distributed privately to audited bodies) |

| Report title | Publication date and link to report |
|---|-------------------------------------|
| National Fraud Initiative 2020-21 | October 2022 |
| COVID-19 business support in 2020-21 – Memorandum for the Public Accounts and Public Administration Committee | October 2022 |
| Payment to the Welsh Government’s Former Permanent Secretary on Termination of Employment | September 2022 |
| Equality Impact Assessments: More than a Tick Box Exercise? | September 2022 |
| Welsh Government – setting of well-being objectives | September 2022 |
| Welsh Government workforce planning and management | September 2022 |
| NHS Wales Finances Data Tool – up to March 2022 | August 2022 |
| Public Sector Readiness for Net Zero Carbon by 2030: Evidence Report | August 2022 |
| Public Sector Readiness for Net Zero Carbon by 2030 | July 2022 |
| Sustainable Tourism in Wales’ National Parks | July 2022 |
| Third Sector COVID-19 Response Fund – Memorandum for the Public Accounts and Public Administration Committee | July 2022 |
| The Welsh Community Care Information System – update and data tool | July 2022 |

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

| Title | Indicative publication date |
|--|-----------------------------|
| Local Government Financial Sustainability Data tool update | July 2023 |
| NHS finances data tool – to 31 March 2023 | July/August 2023 |
| Springing Forward: Managing assets and workforce in local government | July/August 2023 |
| Covering teachers' absence – follow-up | August 2023 |
| NHS quality governance | August/September 2023 |
| NHS workforce planning (data briefing) | August/September 2023 |
| Net zero (pan UK overview) | September 2023 |
| Ukrainian refugee services | October/November 2023 |

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow up work could also lead to other outputs, as may other local audit work where we consider there is merit in a national summary output of some kind. For example, we have been tracking developments with completion of the A465 section 2 road improvement project following our [interim findings report](#) in February 2020.

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

| Title | Indicative publication date |
|---|---------------------------------------|
| Local government digital strategy review – national summary | October 2023 |
| Local government use of performance information, outcomes and service user perspective – national summary | October 2023 |
| Affordable housing | January/February 2024 |
| Local government capital programme management – national summary | To be confirmed |
| Active travel | To be confirmed |
| Cancer services | To be confirmed |
| Capital planning and programme management | To be confirmed (starting in 2023-24) |
| Challenges for the cultural sector | To be confirmed (starting in 2023-24) |
| Homelessness | To be confirmed (starting in 2023-24) |
| Addressing biodiversity decline (pan-public sector and at Natural Resources Wales) | To be confirmed (starting in 2023-24) |
| Rebalancing care and support | To be confirmed (starting in 2023-24) |
| Tackling NHS waiting lists | To be confirmed (starting in 2023-24) |

| Title | Indicative publication date |
|---|---------------------------------------|
| Access to education for children with Additional Learning Needs | To be confirmed (starting in 2023-24) |
| Further and higher education funding and oversight – Commission for Tertiary Education and Research | To be confirmed (starting in 2023-24) |
| Governance of Fire and Rescue Authorities | To be confirmed (starting in 2023-24) |
| The senior public service | To be confirmed (starting in 2023-24) |

Good Practice Exchange events and resources

| Title | Link to resource |
|--|--|
| <p>A Wales of vibrant culture and thriving Welsh language: Inspired by the Football Association of Wales journey over the past decade, this event will examine and discuss how going beyond expectations creates an inclusive and positive attitude that becomes self-fulfilling. Working in partnership with the Future Generations Commissioner and the Welsh Language Commissioner, this event will assist and inspire public bodies, and the third sector to embrace the cultural diversity of modern Wales and work beyond compliance and into excellence.</p> | <p>All resources are now available on our website. Blog</p> |
| <p>Together we can – creating the conditions to empower our communities to thrive: This shared learning event will bring people together from across public services to share ideas, learning and knowledge. We will share the findings of our reports on social enterprises and community resilience, including our recommendations going forward.</p> | <p>20 June 2023 – 10:00 – 12:00 – Online. The recording will be available on our website in one to two weeks.</p> |
| <p>Podcast: Poverty and Community Resilience Our latest podcast follows our recent reports and events on poverty, social enterprises, and community resilience.</p> | <p>Podcast</p> |
| <p>Digital Strategy: The Covid pandemic has demonstrated the importance of digital in delivering modern services at pace. We have seen digital acting as a major catalyst in adapting to the challenges we have faced. Public services need to continue with this agile and responsive mind set as the norm and not the exception. This event will help equip public services with the practical tools and knowledge they need to successfully implement a Digital Strategy within their organisations.</p> | <p>21 September 09:00 – 13:00 – Cardiff – To register for Cardiff 27 September 09:00 – 13:00 – North Wales – To register for North Wales</p> |

Recent Audit Wales blogs

| Title | Publication date |
|--|-------------------|
| <u>Helping people to help themselves</u> | 15 February 2023 |
| <u>A perfect storm – the cost of living crisis and domestic abuse</u> | 21 November 2022 |
| <u>Tackling poverty means tackling poverty data</u> | 11 November 2022 |
| <u>Cost of living and putting away the bayonet</u> | 21 September 2022 |
| <u>Heat is on to tackle Climate Change</u> | 18 August 2022 |
| <u>Direct Payments in Wales</u> | 15 June 2022 |
| <u>Unscheduled Care in Wales – a system under real pressure</u> | 21 April 2022 |
| <u>Skills Competition Wales</u> | 18 February 2022 |
| <u>Cyber resilience – one year on</u> | 9 February 2022 |
| <u>Helping to tell the story through numbers</u> (Local government financial sustainability data tool) | 3 February 2022 |
| <u>Call for clearer information on climate change spending</u> | 2 February 2022 |
| <u>Actions speak louder than words</u> (Building social resilience and self-reliance in citizens and communities) | 14 January 2022 |

| | |
|--|--|
| Meeting of: | GOVERNANCE AND AUDIT COMMITTEE |
| Date of Meeting: | 28 SEPTEMBER 2023 |
| Report Title: | CODE OF CORPORATE GOVERNANCE |
| Report Owner / Corporate Director: | CHIEF OFFICER – FINANCE, PERFORMANCE & CHANGE |
| Responsible Officer: | NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT |
| Policy Framework and Procedure Rules: | The Code of Corporate Governance forms part of the policy framework |
| Executive Summary: | <ul style="list-style-type: none"> • The Council’s Code of Corporate Governance has been revised in line with the Chartered Institute of Public Finance and Accountancy (CIPFA)’s ‘Delivering Good Governance in Local Government: Framework’ (2016). • The updated Code includes actions that demonstrate good governance and evidence that supports those actions. |

1. Purpose of Report

- 1.1 The purpose of the report is to present to the Governance and Audit Committee for approval, the Council’s Code of Corporate Governance as at **Appendix A**.

2. Background

- 2.1 Regulation 5 (2) of the Accounts and Audit (Wales) Regulations 2014 requires an authority to undertake, as part of its arrangements for corporate governance, an annual review of governance and report on internal control.
- 2.2 In 2016, the Chartered Institute of Public Finance and Accountancy (CIPFA) published ‘*Delivering good governance in Local Government: Framework*’, which positions the attainment of sustainable economic, social and environmental outcomes as a key focus of governance processes and structures. The CIPFA associated guidance notes considered the Well-being of Future Generations (Wales) Act 2015 and embedded the five ways of working into the CIPFA Framework.
- 2.3 The Council’s Code of Corporate Governance was updated and approved by Cabinet on 7 February 2023. A function of the Governance and Audit Committee is to review and approve the Council’s Code of Corporate Governance and as such, this report is

to ensure that this function is fulfilled. Any recommendations of the Committee will be considered and the Code amended as necessary, and resubmitted to the Committee for approval.

3. Current situation / proposal

- 3.1 The updated Code of Corporate Governance includes actions that demonstrate good governance and evidence that supports those actions at sections 6.4 and 6.5 of **Appendix A**.
- 3.2 The Code of Corporate Governance is based on the following seven core principles as set out in the CIPFA Framework:

| Core Principle | Description |
|-----------------------|---|
| A | Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. |
| B | Ensuring openness and comprehensive stakeholder engagement. |
| C | Defining outcomes in terms of sustainable economic, social, and environmental benefits. |
| D | Determining the interventions necessary to optimise the achievement of the intended outcomes. |
| E | Developing the entity’s capacity, including the capability of its leadership and the individuals within it. |
| F | Managing risks and performance through robust internal control and strong public financial management. |
| G | Implementing good practice in transparency, reporting, and audit to deliver effective accountability. |

Below the core principles there are 21 sub-principles and, to achieve good governance, the Council should be able to demonstrate that its governance structures comply with the core and sub-principles contained in the Framework. Details of the sub-principles are set out in **Appendix A** at paragraph 6.4. To demonstrate the Council’s good governance, each Core and sub-principle has been identified, with actions and evidence to support those actions identified.

- 3.3 The updated Code of Corporate Governance at **Appendix A** has been reviewed by Corporate Management Board and approved by Cabinet.

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

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the

preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

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

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

6. Climate Change Implications

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

7. Safeguarding and Corporate Parent Implications

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

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 It is recommended that the Governance and Audit Committee considers and approves the Council's Code of Corporate Governance.

Background documents

None

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BRIDGEND COUNTY BOROUGH COUNCIL

CODE OF CORPORATE GOVERNANCE



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1 Introduction

- 1.1 The Council is committed to the principles of good corporate governance and recognises it is responsible for ensuring that its business is conducted within the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. It has a duty to make proper arrangements for the governance of its affairs, secure continuous improvement in the way its functions are discharged and have robust arrangements in place for the management of risk. The development, adoption and continued implementation and monitoring of a Code of Corporate Governance confirms this commitment.
- 1.2 Good governance is about doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.
- 1.3 This Code describes the Council's understanding of corporate governance, and outlines the framework it has put in place to ensure that these arrangements are effective. The Code reflects a joint commitment by Members and senior managers to the principles it contains. This helps to ensure that the principles of corporate governance are not only fully embedded and cascaded throughout the Authority, but that they have the support of the Council, the Chief Executive and the Corporate Management Board.

2. What is Corporate Governance?

- 2.1 The Council has a key role in governing and leading our community. Effective local government relies on public confidence in Elected Members and Council Officers.
- 2.2 Corporate governance is a phrase used to describe how organisations direct and control what they do. Effective systems of corporate governance provide confidence in public services. For local authorities this also includes how a council relates to the communities that it serves. Good corporate governance requires local authorities to carry out their services in a way that demonstrates accountability, openness and honesty.

3. Why adopt a Code of Corporate Governance?

- 3.1 Adopting a Code of Corporate Governance is another way in which the Council shows its recognition of the fact that effective local government relies upon establishing and maintaining the confidence of local people in both elected members and Council officials. Good corporate governance underpins credibility and confidence in the leadership and forms the foundation from which all Council services are provided.
- 3.2 Adopting, monitoring and complying with a Code of Corporate Governance helps enhance the Council's legitimacy and acknowledges the trust placed in the Council by local people.

- 3.3 Strong, transparent and responsive governance enables the Council to put citizens first by pursuing its aims and priorities effectively, and by underpinning them with appropriate mechanisms for managing performance and risk. In order to maintain citizens' confidence, these mechanisms must not only be sound, but also be seen to be sound.
- 3.4 Corporate governance comprises the framework within which the Council manages its business; this includes the Council's constitution and the various procedure rules, codes and protocols contained therein. It also includes the systems and processes, and the culture and values by which the activities of the Council are directed and controlled, and how it accounts to and engages with its citizens. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 3.5 Overall, adopting and committing to this Code of Corporate Governance provides a basis for a Council wide commitment to the way in which it intends fulfilling its role in leading and representing the community, providing opportunities for all and ensuring that there is a strong customer focus underpinning everything that the Council does.

4. Why do we need a Code of Corporate Governance?

- 4.1 Corporate governance is important because it supports:

- Provision of high quality public services

Within the UK, governance weaknesses have sometimes led to significant failures in public services. High performing organisations on the other hand, generally, have effective governance arrangements.

- Raising public trust

The public's trust is increased when they perceive the quality of services that they and their families experience to be sound and when organisations are seen to be open and honest in communicating their performance and learning from their mistakes.

- 4.2 The Code of Corporate Governance is based upon the "Delivering Good Governance in Local Government: Framework" (CIPFA/SOLACE, 2016). The Framework positions the attainment of sustainable economic, societal, and environmental outcomes as a key focus of governance processes and structures. Outcomes give the role of local government its meaning and importance, and it is fitting that they have this central role in the sector's governance. Furthermore, the focus on sustainability and the links between governance and public financial management are crucial – local authorities must recognise the need to focus on the long term as required by the Well-being of Future Generations Act. Local authorities have responsibilities to more than their current electors as they must take account of the impact of current decisions and actions on future generations.

4.3 The Framework defines the principles that should underpin the governance of each local government organisation. It provides a structure to help individual authorities with their approach to governance. Whatever forms of arrangements are in place, authorities should therefore test their governance structures and partnerships against the principles contained in the Framework by:

- reviewing existing governance arrangements;
- developing and maintaining an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness;
- reporting publicly on compliance with their own code on an annual basis and on how they have monitored the effectiveness of their governance arrangements in the year and on planned changes.

5. The Corporate Governance Principles as adopted in Bridgend

5.1 The Framework is based on the following seven Core Principles:

| Core Principle | Description |
|-----------------------|---|
| A | Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. |
| B | Ensuring openness and comprehensive stakeholder engagement. |
| C | Defining outcomes in terms of sustainable economic, social, and environmental benefits. |
| D | Determining the interventions necessary to optimise the achievement of the intended outcomes. |
| E | Developing the entity's capacity, including the capability of its leadership and the individuals within it. |
| F | Managing risks and performance through robust internal control and strong public financial management. |
| G | Implementing good practice in transparency, reporting, and audit to deliver effective accountability. |

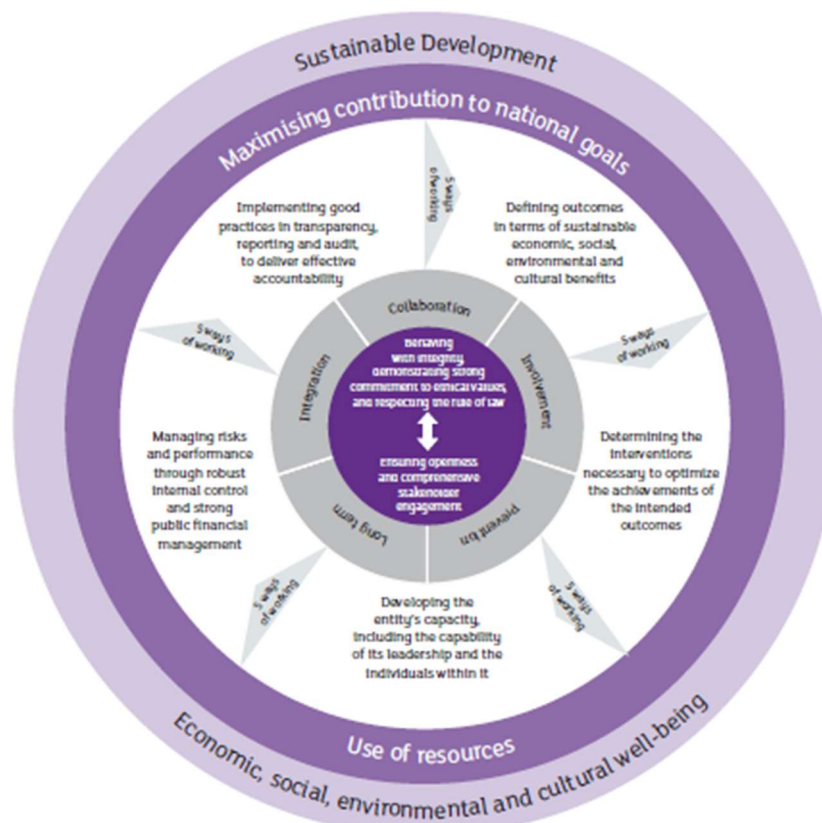
5.2 There are also a number of sub-principles below the seven core principles. To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the core and sub-principles contained in the Framework. It should therefore develop and maintain a local code of governance/governance arrangements reflecting the principles set out. It is also crucial that the Framework is applied in a way that demonstrates the spirit and ethos of good governance which cannot be achieved by rules and procedures alone. Shared values that are integrated

into the culture of an organisation, and are reflected in behaviour and policy, are hallmarks of good governance.

6. The Corporate Governance Principles and the Well-being of Future Generations (Wales) Act 2015

- 6.1 The Act requires public bodies covered by the Act, including local government, to consider the longer term in making their decisions and to work collaboratively with other public bodies to improve well-being in Wales. The Act sets out seven well-being goals for public bodies and requires them to act in a sustainable way. It also sets out five ways of working that public bodies are required to take into account when applying the sustainable development principle.
- 6.2 The Act is central to the Welsh Government's long-term policy for the public services and its themes tie in with the *Delivering Governance in Local Government: Framework* (CIPFA/SOLACE, 2016). The Auditor General for Wales has set out a diagram (below) which brings together the International Framework with the requirements of the 2015 Act.

Well-being of Future Generations (Wales) Act 2015 and the International Framework



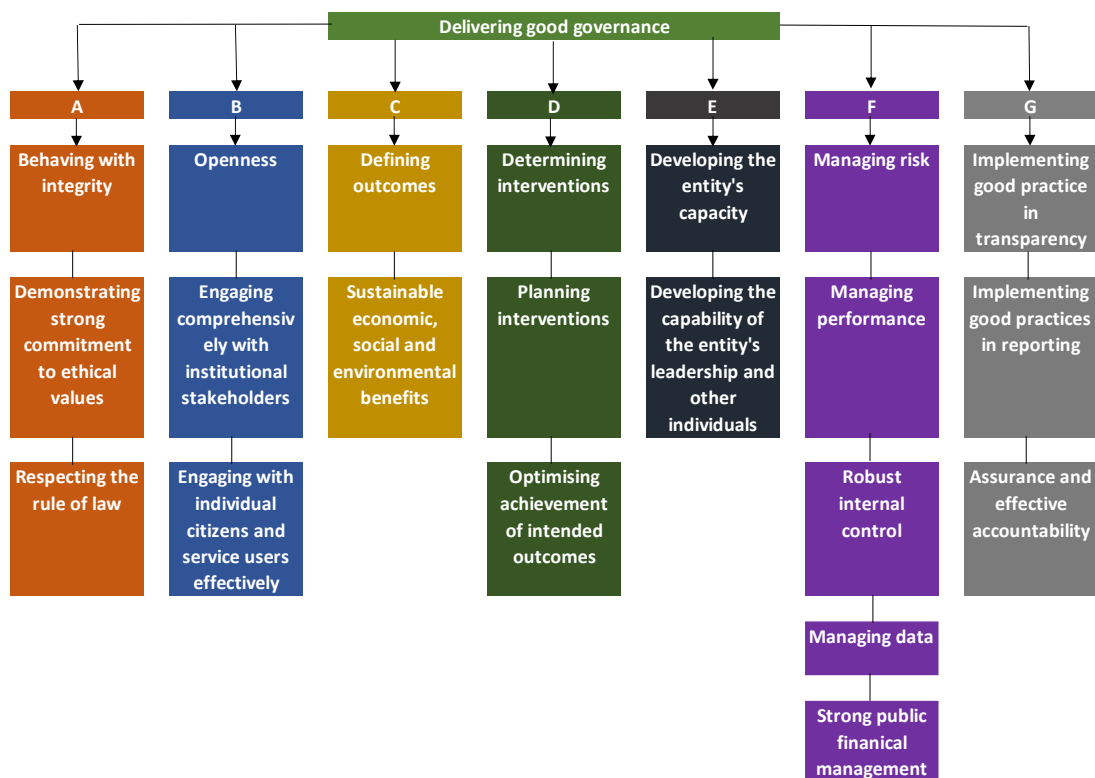
Source: CIPFA *Delivering Good Governance Guidance Notes 2016*

- 6.3 The diagram shows sustainable development as all encompassing. The core behaviours of:

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

need to be applied to the five ways of working. The five ways of working (underpinned by the core behaviours) have to be at the heart of delivering outcomes, which in turn should ensure effective use of resources as public bodies maximise their contribution to the economic, social, environmental and cultural well-being of Wales.

6.4 CIPFA's Delivering Good Governance in Local Government Framework (2016 Edition) identifies the Core Principles A-G as set out in paragraph 5.1 and the Sub-Principles that underpin these.



6.5 In demonstrating good governance the Council will meet the requirements of the core and sub-principles as set out below.

| Core Principle A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law | | |
|--|--|--|
| Sub Principle | Actions that Demonstrate Good Governance | Evidence that supports the Actions |
| Behaving with integrity | Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation | Council's values – Fair, Ambitious, Citizen-focussed, Efficient Codes of Conduct for both Members and Officers Regulatory Committees Modern.gov paperless meeting app with In-App voting, and system of publishing reports and decisions in open and transparent manner Register of Members' Interests |
| | Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles) | Council's Constitution, including procedure rules Contract Procedure Rules Financial Procedure Rules |
| | Leading by example and using the above standard operating principles or values as a framework for decision making and other actions | Employee Code of Conduct Member Code of Conduct |
| | Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively | Council's Constitution |
| Demonstrating strong | Seeking to establish, monitor and maintain the organisation's ethical standards and performance | Council's Vision & values Standards Committee |

| | | |
|------------------------------|--|---|
| commitment to ethical values | Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation | Members Register of Interests Declaration of Members' Interests at each meeting Resolution Policy |
| | Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values | Members Code of Conduct Employee Code of Conduct Whistleblowing Policy Equality Impact Assessment processes |
| | Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation | Socially Responsible Procurement Strategy |
| Respecting the rule of law | Ensuring members and staff demonstrate a strong commitment to the rule of law as well as adhering to relevant laws and regulations | Anti- Fraud and Bribery Policy Anti Money Laundering Policy Anti-Tax Evasion Policy Financial Procedure Rules Contract Procedure Rules Whistleblowing Policy Annual Corporate Fraud Report Socially Responsible Procurement Strategy |
| | Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements | Council's Constitution sets out roles of key officers and Members Scheme of Delegation for decision making Observation of all legislative requirements |
| | Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders | Overview & Scrutiny Committees Governance & Audit Committee Standards Committee |
| | Dealing with breaches of legal and regulatory provisions effectively | Role of Monitoring Officer Whistleblowing Policy |

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| | | Referrals to Ombudsman and appropriate resolutions |
| | Ensuring corruption and misuse of power are dealt with effectively | Anti- Fraud and Corruption Policy Anti-Bribery Policy Anti-Tax Evasion Policy Whistleblowing Policy |

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| Core Principle B | Ensuring openness and comprehensive stakeholder engagement |
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| Sub Principle | Actions that Demonstrate Good Governance | Evidence that supports the Actions |
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| Openness | Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness | Publication of policies, plans, meeting Agenda's, Minutes and Webcasts Publishing decisions and updates via the Council's social media accounts |
| | Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided | Holding meetings in public unless there is a good reason not to for confidentiality Annual Statement of Accounts Medium Term Financial Strategy Well-being of Future Generations (Wales) Act assessments Standard report templates |
| | Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear | Overview & Scrutiny Committees Standard Report templates Publication of minutes, decisions and reasons |
| | Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action | Council website Council publications Citizen's Panel Shaping Bridgend's Future consultation Forward Work Programmes Communications, Marketing & Engagement Strategy |

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| Engaging comprehensively with institutional stakeholders | Effectively engage with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably | Town and Community Councils Other local authorities Engaging with stakeholders including: Lead Local Flood Authorities Environment Agency Highways Authorities Local Community Groups and forums Emergency Services |
| | Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively | Public Service Board Well-being Plan 2018-23 in place Regional Partnership Boards Joint Committees Cardiff Capital Region City Deal S33 NHS Wales Act pooled fund arrangements – Integrated Community Equipment; Integrated Community Support Services; Care Home Accommodation Bridgend Association of Voluntary Organisations Valleys to Coast |
| | Ensuring that partnerships are based on: <ul style="list-style-type: none"> - trust - a shared commitment to change - a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit | Setting Terms of Reference Joint Committee meetings Agreeing voting rights at Joint Committees – Cardiff Capital Region City Deal as an example |
| Engaging with individual citizens | Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other | Citizens Panel |

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| and service users effectively | stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes | |
| | Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement | Communications, Marketing and Engagement Strategy Council's website Talktous |
| | Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference for future needs | Council's website, Facebook & Twitter accounts Talktous |
| | Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account | Feedback and publication of consultation outcomes, including via social media – such as budget consultations. Communications, Marketing and Engagement Strategy in place. The Council has made a commitment to endorse the National Principles for Public Engagement in Wales and has an authority-wide consultation and engagement toolkit to ensure engagement is consistent, robust and effective. Requirements of Local Government and Elections (Wales) Act to carry out a self-assessment of how the Council is meeting its performance requirements, and to publish a report setting out the conclusions of this every year. |
| | Balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity | Consultations shared with Bridgend Community Cohesion and Equalities Forum to ensure different stakeholder groups are included. |

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| | Taking account of the impact of decisions on future generations of tax payers and service users | Requirement to assess decisions under Well-being of Future Generations Act (Wales) in key decisions of Council |
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| Core Principle C | Defining outcomes in terms of sustainable economic, social and environmental benefits | |
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| Sub Principle | Actions that Demonstrate Good Governance | Evidence that supports the Actions |
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| Defining outcomes | Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions | Council's Corporate Plan Annual Statement of Accounts Directorate Business Plans |
| | Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer | Directorate Business Plans Corporate Plan Annual Self-Assessment of the Council's Performance |
| | Delivering defined outcomes on a sustainable basis within the resources that will be available | Council's Medium Term Financial Strategy Council's Annual Budget Book Corporate Performance Assessment Annual Self-Assessment of the Council's Performance |
| | Identifying and managing risks to the achievement of outcomes | Corporate Risk Register Governance & Audit Committee |
| | Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available | Budget Consultation Council's Corporate Plan Medium Term Financial Strategy and current year Budget Book |
| Sustainable economic, social and environmental benefits | Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision | Equality Impact Assessments for all key decisions Equality Impact Assessment consideration required on all Council reports Well-being of Future Generations (Wales) Act consideration required on all key decisions/reports |

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| | Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints | Finance, Legal, Well-being of Future Generations (Wales) Act, Environmental Impact Assessment and Socia-economic duty all considered in decision making process and decision reports. |
| | Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs | Environmental Impact Assessments |
| | Ensuring fair access to services | Strategic Equality Plan |

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| Core Principle D | Determining the interventions necessary to optimise the achievement of the intended outcomes | |
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| Sub Principle | Actions that Demonstrate Good Governance | Evidence that supports the Actions |
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| Determining interventions | Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided | Reporting templates in use to ensure all considerations taken into account All reports require legal and financial comment and approval |
| | Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts | Citizens Panel Complaints process Budget and other consultation outcomes |
| Planning interventions | Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets | Corporate Plan Corporate Performance Assessment process Local Development Plan Directorate, Service and Team Business Plans Digital Transformation Plan Schedule of Council and Cabinet meetings |
| | Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered | Citizens Panel Shaping Bridgend's Future consultation |
| | Considering and monitoring risks facing each partner when working collaboratively, including shared risks | Corporate Risk Management Policy and Risk Register Monitoring and reporting of Risk to Governance & Audit Committee |

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| | Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances | Regular Committee meetings Delegated Powers to enable appropriate decision-making |
| | Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured | Corporate Performance Assessment process and quarterly review Key Performance Indicators with Directorate Business and Team plans |
| | Ensuring capacity exists to generate the information required to review service quality regularly | Business planning process, quarterly reporting on performance, self-assessment |
| | Preparing budgets in accordance with objectives, strategies and the medium term financial plan | Medium Term Financial Strategy Annual budget setting process |
| | Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy | 3-year rolling Medium Term Financial Strategy and 10 Year Capital Programme |
| Optimising achievement of intended outcomes | Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints | Medium Term Financial Strategy updated annually to reflect service pressures and efficiency savings |
| | Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term | Directorate engagement in Medium Term Financial planning process Overview and Scrutiny review of Medium Term Financial Strategy Budget Research and Evaluation Panel |
| | Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage | Effective budget monitoring during year, reported to Departmental Management Teams, Corporate Management Board, Cabinet, Council and Scrutiny |

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| | Ensuring the achievement of 'social value' through service planning and commissioning | Consideration of all Committee decisions of Well-being of Future Generations Act Outcomes of consultations Feedback from Citizen's Panel |
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| Core Principle E Developing the entity's capacity, including the capability of its leadership and the individuals within it | | |
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| Sub Principle | Actions that Demonstrate Good Governance | Evidence that supports the Actions |
| Developing the entity's capacity | Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness | Asset Management Plan in place Council operates a Corporate Landlord model Regular budget monitoring process |
| | Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently | Medium Term Financial Strategy (MTFS) delivers a robust financial plan through a rigorous budget setting process. One of the key MTFS Principles is that all services will seek to provide value for money and contribute to public value and will continuously review budgets to identify efficiency savings. On occasions external support is used to provide an independent review of service areas, which may include comparisons to other local authorities. Audit Wales Financial Sustainability Assessment report February 2020 |
| | Recognising the benefits of partnerships and collaborative working where added value can be achieved | The Council participates in a number of collaborative working arrangements including: Shared Regulatory Service Regional Internal Audit Shared Service Pooled fund arrangements for Residential Care, day opportunities for people recovering from Mental Health problems; Community Equipment and Integrated Community Support Services |

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| | Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources | Workforce Plan and Training & Development Plan in place |
| Developing the capability of the entity's leadership and other individuals | Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained | Council's Constitution sets out roles and responsibilities |
| | Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body | Scheme of Delegation in place |
| | Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority | Roles set out in Council's Constitution. Section 6 of the Council's Constitution includes information regarding the role of the Leader and Member role descriptions are set out at section 22 of the document. Job descriptions and person specifications for all roles and an appraisal panel for the Chief Executive to review performance. |
| | Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <ul style="list-style-type: none"> - ensuring members and staff have access to appropriate induction training and development matching individual and organisational requirements is available and encouraged | Member development programme in place Standards Committee Corporate Training & Development Programme Professional job-related training eg CIPFA |

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| | <ul style="list-style-type: none"> - ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis - ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external | |
| | Ensuring that there are structures in place to encourage public participation | Communication, Marketing & Engagement Strategy Citizens Panel Talktous Social Media |
| | Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections | Annual Corporate Self-Assessment process Performance Appraisal process and system Estyn Reviews Care Inspectorate Wales reviews Audit Wales reviews and audits Peer review reports reported to appropriate Committee, eg Audit Wales reports to Governance & Audit Committee |
| | Holding staff to account through regular performance reviews which take account of training or development needs | Annual Appraisal and 6-month appraisal review process Performance Management reporting via Performance Indicators |
| | Ensuring arrangements are in place to maintain the health and well-being of the workforce and support | Care-First on line staff welfare system Health & Safety Policy and Procedures |

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| | individuals in maintaining their own physical and mental well-being | HR policies and procedures |
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| Core Principle F Managing risks and performance through robust internal control and strong public financial management | | |
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| Sub Principle | Actions that Demonstrate Good Governance | Evidence that supports the Actions |
| Managing risk | Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making | Risk Management Policy and Corporate Risk Register in place, and reviewed by CMB and Governance & Audit Committee Team plans incorporate risk assessments |
| | Implementing robust and integrated risk management arrangements and ensuring that they are working effectively | Risk Management Policy and Guidance notes published to the intranet and taken to Departmental Management Teams. E-learning module for identified staff |
| | Ensuring that responsibilities for managing individual risks are clearly allocated | Set out in Risk Management Policy |
| Managing performance | Monitoring service delivery effectively including planning, specification, execution and independent post implementation review | Corporate Performance Assessment Annual Performance report/Well-being Report Programme Management Centre of Excellence and Project Toolkit |
| | Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook | Corporate Report Template – ensuring all necessary aspects are considered – financial; legal; Well-being of Future Generations Act; Equalities; links to Corporate plan. |
| | Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible | Overview and Scrutiny Committees in place |

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| | Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement | Corporate Performance Assessment process Scrutiny reviews Annual Performance report/Well-being Report |
| | Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements) | Budget setting, monitoring and outturn reports all based on Council's Directorate structure |
| Robust internal control | Aligning the risk management strategy and policies on internal control with achieving objectives | Risk based audit plan in place |
| | Evaluating and monitoring risk management and internal control on a regular basis | Internal Audit undertakes sufficient audit work to provide an annual opinion on the adequacy and effectiveness of the council's framework of governance, risk management and controls |
| | Ensuring effective counter fraud and anti-corruption arrangements are in place | Anti-fraud and Corruption Policy in place and mandatory e-learning for all staff Whistleblowing Policy Employee and Member Codes of Conduct Anti Money Laundering Policy |
| | Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor | Head of Regional Internal Audit Service provides an annual opinion on the effectiveness of the framework of governance, risk management and control |
| | Ensuring an audit committee or equivalent group/function, which is independent of the executive and accountable to the governing body: <ul style="list-style-type: none"> - provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment | Governance & Audit Committee in place Governance & Audit Committee receive regular updates on the control environment and risk management. The Committee scrutinises the Annual Governance Statement before presenting to Council for approval When Governance & Audit Committee make recommendations, they are acted upon |

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| | - that its recommendations are listened to and acted upon | |
| Managing data | Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data | Information Management Strategy in place ICT Code of Practice |
| | Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies | Where necessary, information sharing protocols in place |
| | Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring | Reports follow an approval process and require Chief Officer/Head of Service, Finance and Legal approval prior to publication. Report authors are responsible for ensuring the accuracy and quality of reports submitted. |
| Strong public management | Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance | The Council formally adopts an annual budget and supporting Medium Term Financial Strategy as well as a 10-year Capital Programme. Regular monitoring reports including forecasted expenditure is provided to Directors, Corporate Management Board and quarterly reports are presented to Cabinet and Scrutiny with the outturn report presented to Council. |
| | Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls | As set out in the Constitution and Financial Procedure Rules each Chief Officer is responsible for ensuring control of expenditure and income against approved budgets. Chief Officers are responsible for providing the Chief Finance Officer with such information as is required to facilitate |

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| | | and monitor budgetary control. The management of budgets may be delegated to senior officers within the Directorate. |
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| Core Principle G Implementing good practices in transparency, reporting, and audit to deliver effective accountability | | |
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| Sub Principle | Actions that Demonstrate Good Governance | Evidence that supports the Actions |
| Implementing good practice in transparency | Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate | All reports follow an agreed template All agenda papers, minutes and supporting documents are available via the Bridgend Council website |
| | Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand | Meetings can be watched via the Bridgend website. |
| Implementing good practices in reporting | Reporting at least annually on performance, value for money and stewardship or resources to stakeholders in a timely and understandable way | Annual Performance Report/Well-being Report External Audit (Audit Wales) audit of statement of accounts and Council performance and grants Annual Audit Letter setting out audit work undertaken by external audit and an opinion on the statement of accounts |
| | Ensuring members and senior management own the results reported | Cabinet and Senior Management are responsible for all aspects of service performance |
| | Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement) | An annual review of the Governance Statement is undertaken, and an action plan of agreed improvements monitored and reported to Corporate Management Board and Governance & Audit Committee |
| | Ensuring that this framework is applied to jointly managed or shared service organisations as appropriate | Setting out Terms of Reference for joint committees and shared services |

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| | | Ensuring Joint Committee structures are appropriate |
| | Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations | Annual Performance Report/Well-being report prepared in line with statutory reporting requirements and on a consistent basis. Annual Statement of Accounts prepared in line with CIPFA requirements and Code of Practice on Local Authority Accounting and audited to give unqualified audit report |
| Assurance and effective accountability | Ensuring that recommendations for corrective action made by external audit are acted upon | Recommendations are reported to Governance & Audit Committee and acted on to ensure changes implemented Implementation of Regulatory Tracker for Governance & Audit Committee review |
| | Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon | Governance & Audit Committee receive reports at each meeting on the progress on the Internal Audit Plan that has been previously agreed by the Committee. Head of the Regional Internal Audit Service provides an annual opinion on the effectiveness of governance and internal controls which is presented to the Committee and included in the Annual Governance Statement |
| | Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations | Regular cycle of inspections from Care Inspectorate Wales, Estyn, Audit Wales. Also new peer assessment requirement under Local Government and Elections (Wales) Act 2021 |
| | Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement | Risks are contained within the Council's Corporate Risk Assessment, which is |

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| | | underpinned by the Council's Risk Management Policy |
| | Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met | Collaboration/Service Agreements/Heads of Terms in place for joint arrangements and partnership working, including Awen Trust, Halo Leisure Services; Shared Regulatory Services, Regional Internal Audit Service |

7. Monitoring and Review

- 7.1 Good corporate governance requires the active participation of Elected Members and Officers across the Council. These arrangements will be reviewed on an annual basis and the findings of this work will be reported in the Annual Governance Statement. This will help ensure the continuous improvement of the Council's Corporate Governance culture.
- 7.2 The adoption and maintenance of an up-to-date Code of Corporate Governance, including arrangements for ensuring its implementation and ongoing application is an important part of the process.
- 7.3 The Governance and Audit Committee is responsible for monitoring and reviewing the Governance arrangements as described in this Code.
- 7.4 Through that Committee, the Council will ensure that these arrangements are kept under continual review. This will include consideration of:
- the work undertaken by internal audit;
 - reports prepared by managers with responsibility for aspects of this Code;
 - reports and opinions expressed by external auditors; and
 - reports of other regulatory bodies and Inspectorates.

8. The Annual Governance Statement

- 8.1 Each year the Council will publish an Annual Governance Statement (AGS) which is signed by the Leader of the Council and the Chief Executive. It will provide an overall assessment of the Council's Corporate Governance arrangements, an appraisal of the controls in place to manage the Council's key risks and details of where improvements need to be made
- 8.2 The AGS will be reviewed by Corporate Management Board and approved by the Governance and Audit Committee.
- 8.3 The AGS will be published as part of the Council's Annual Statement of Accounts and will be reviewed by our External Auditors.



Glossary

| Term | Explanation |
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| CIPFA | The Chartered Institute of Public Finance and Accountability |
| SOLACE | The Society of Local Authority Chief Executives and Senior Managers |
| Member | Elected Councillor (including co-opted councillors) |
| Corporate Management Board | The Corporate Management Board is the key internal management body of the Council and comprises the Chief Executive, Strategic Directors and Chief Officers. |
| Officer | Employee of the Council (including secondees) |
| Constitution | The Council's rules and codes/protocols |

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| Meeting of: | GOVERNANCE AND AUDIT COMMITTEE |
| Date of Meeting: | 28 SEPTEMBER 2023 |
| Report Title: | ETHICAL INVESTMENT POLICY |
| Report Owner / Corporate Director: | CHIEF OFFICER – FINANCE, PERFORMANCE & CHANGE |
| Responsible Officer: | NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT |
| Policy Framework and Procedure Rules: | <p>Paragraph 22 of the Financial Procedure Rules requires the Chief Finance Officer to prepare and present an annual Treasury Management Strategy to the Governance and Audit Committee prior to submission to Council for approval in advance of the start of each financial year. This must include an investment strategy.</p> <p>All investments and borrowing transactions shall be undertaken in accordance with the Treasury Management Strategy and with due regard to the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Code of Practice on Treasury Management in the Public Services.</p> |
| Executive Summary: | <ul style="list-style-type: none"> • Environmental, Social and corporate Governance (ESG) are becoming increasing important factors in the investment decision-making process. • It is proposed that the Council adopts ESG commitments as part of future Treasury Management Strategies and practice. |

1. Purpose of Report

- 1.1 The purpose of the report is to present to the Governance and Audit Committee the Ethical Investment Policy at **Appendix A**, for consideration. The Ethical Investment Policy will be incorporated into the 2024-25 Treasury Management Strategy, which will be presented to Council for approval in February/March 2024.

2. Background

- 2.1 Environmental, Social and corporate Governance are becoming increasingly important factors in the investment decision-making process. Members have requested that the Council consider an ethical investment policy when considering treasury management investments.

- 2.2 Treasury Management Practice Note 1 in the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice 2021 notes that ‘The organisation’s credit and counterparty policies should set out its policy and practices relating to environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the organisation’s ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.’

3. Current situation / proposal

- 3.1 **Appendix A** sets out the Council’s proposed approach to ESG in Treasury Management. It notes the Treasury Management Strategy 2023-24 sets out the following:

‘ESG Policy: Environmental, social and governance (ESG) considerations are increasingly a factor in global investors’ decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.’

It is proposed that the Council adopts the following commitments as part of its Treasury Management Strategy from 2023-24:

- Ensure as far as possible, that its investment parties are committed to the principles of ESG
- The Council and its counterparties will seek to act with integrity at all times in their dealings
- The Council will seek to encourage positive ESG behaviour
- The Council will comply with any industry standard ESG guidelines that may arise and always seek to ensure best practice in managing its treasury investments.

- 3.2 The Council invests in Money Market Funds, and those it uses have signed up to the UN Principles for Responsible Investment, UK Stewardship Code 2020 and the Net-Zero Asset Managers Initiative. Local Authorities are significant providers of social value in their services. They are also, as public bodies, accountable for the actions they undertake and are required to demonstrate good governance. It is important to note that the Council does not invest in any specific scheme of any other local authority to which it lends money but lends purely for short-term cash flow purposes.

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 The Council invests its short-term available cash resources to ensure those resources are invested securely, have sufficient liquidity to be able to access those resources when needed, and then to achieve a return commensurate with the level of security and liquidity.

9. Recommendation

9.1 It is recommended that the Governance and Audit Committee considers the Ethical Investment Policy and agrees its inclusion in future Treasury Management Strategies.

Background documents

None

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What is ESG?

ESG stands for Environmental, Social and corporate Governance. In investing terms, it means the consideration of ESG factors alongside financial factors in the investment decision-making process. An organisation with a high carbon footprint would not score well on environmental impact; one that negatively affects people's health would not score well for social impact; and one without appropriate structures and processes to ensure good corporate decision-making and behaviour would not rate highly for governance.

When considering investing its available resources (short-term cash flows), the Council needs to consider the Environmental, Social and Governance implications of decisions to invest. Treasury Management Practice note 1 in the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice 2021 sets out the following:

'The organisation's credit and counterparty policies should set out its policy and practices relating to environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.' (Emphasis applied)

Many local authorities have declared a climate emergency and Councils are taking steps to reduce their own carbon emissions within their area. The target for the UK is to achieve net-zero by 2050. Some Councils consider 2050 too long and are working towards achieving zero net carbon well ahead of 2050. The Welsh Government published its [Net Zero Strategic Plan](#) in September 2022 setting out the Welsh Ministers' ambition for the public sector to be collectively net zero by 2030. Local authorities have a huge role to play in terms of alleviating the climate crisis by encouraging greener infrastructure, increased cycle to work schemes, more flexible working and home working to reduce home to work commuting and implementing a range of energy efficiency measures such as solar panels and low carbon heating.

Local authorities are significant providers of social value in their services. The provision of social housing and social care to those in need are key services. Councils are also providers of recreational services such as parks, playgrounds, community land and provide opportunities for healthy living and exercise.

Local Authorities, as public bodies, are accountable for the actions they do and, being in the public eye, look very much to uphold the highest standards of conduct and behaviour, therefore demonstrating strong governance. Decisions must be lawful and based on objectivity and reliable advice where needed. Meeting agendas and minutes are posted to websites, increasing transparency and scrutiny of their decision making.

The Council's Treasury Advisors, Arlingclose, provide some information as regards organisations that have signed up to some major ESG-related initiatives, their latest update being 13 January 2023. The Council will consider these organisations when lending monies, though would not limit its decisions to solely these organisations. Local authorities are included as appropriate organisations for ESG purposes. The Council's bankers, Barclays Group, have signed up to UN Principles for Responsible Banking. The UN Principles support banks to take action to align their core strategy, decision-making, lending and investment within the UN Sustainable Development Goals, and international agreements such as the Paris Climate Agreement. The Principles for Responsible Banking include the Net-Zero Banking Alliance, which is the climate-focussed initiative of this global framework. Other banks also signed up that the Council use include: Handelsbanken (through Svenska Handelsbanken) and Lloyds Banking Group (including Bank of Scotland).

Arlingclose have also provided information regarding investment bodies. The Council uses Money Market Funds and the four funds it uses have signed up to the UN Principles for Responsible Investment, UK Stewardship Code 2020 and the Net-Zero Asset Managers Initiative. The UN Principles for Responsible Investment provides possible actions for incorporating ESG issues into investment practice. In implementing the Principles, organisations contribute to developing a more sustainable global financial system.

The UK Stewardship Code sets high stewardship standards for those investing money on behalf of UK savers and pensioners. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. The Code applies to asset managers who manage assets on behalf of UK clients or invest in UK assets. The Net Zero Asset Managers initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner.

The Council is committed to being a responsible investor. This means recognising the importance of long-term financial health and stability of the financial markets, and to understand that external non-financial factors, such as the environment, social stability and strong governance are key factors to consider.

The Council has recognised climate change as a long-term and material risk. The Council declared a climate emergency in June 2020 and set up its Climate Emergency Response programme, which has a commitment to achieve Net Zero carbon emissions by 2030 across its operations. The Council developed its 2030 Net Zero Carbon Strategy, approved by Council on 13 December 2022. It is recognised that the resource challenge faced by all public bodies in Wales to achieve net zero carbon by 2030 is significant.

The **Treasury Management Strategy** sets out the following:

‘ESG Policy: Environmental, social and governance (ESG) considerations are increasingly a factor in global investors’ decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.’

Proposed amendment/addendum to the Council’s Treasury Management Strategy

In terms of its Treasury Management activities, it is proposed that the Council adopts the following commitments as part of its Treasury Management Strategy:

- Ensure as far as possible, that its investment parties are committed to the principles of ESG
- The Council and its counterparties will seek to act with integrity at all times in their dealings
- The Council will seek to encourage positive ESG behaviour
- The Council will comply with any industry standard ESG guidelines that may arise and always seek to ensure best practice in managing its treasury investments.

The Council's approach in practice

As noted above Local Authorities by their very nature will meet ESG requirements. This Council **does not invest in any specific schemes** of any other local authority to which it lends money but lends purely for short-term cash flow purposes. As such, it is not intended that any further checking of other local authorities will be undertaken (other than if the advice from our Treasury Advisors is to not invest due to specific financial concerns).

The Money Market Funds that the Council use have also signed up to relevant ESG commitments and so no further checks will be undertaken when using these funds.

The Council will continue to review any updated guidance received from the Council's Treasury Advisors in relation to ESG considerations.

This is a developing area for Treasury Management and the Council will continue to monitor progress and develop its policies in line with guidance from both CIPFA and the Council's Treasury Management Advisors.

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Agenda Item 8

| | |
|--|---|
| Meeting of: | GOVERNANCE AND AUDIT COMMITTEE |
| Date of Meeting: | 28 SEPTEMBER 2023 |
| Report Title: | PROGRESS AGAINST THE INTERNAL AUDIT RISK BASED PLAN 2023-24 |
| Report Owner / Corporate Director: | CHIEF OFFICER – FINANCE, PERFORMANCE & CHANGE |
| Responsible Officer: | ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE |
| Policy Framework and Procedure Rules: | The proposals in this report are in accordance with the policy framework and budget. |
| Executive Summary: | <ul style="list-style-type: none">• The progress made against the approved internal audit risk-based plan 2023-24 for the period 1st April 2023 to 30th August 2023 shows that 10 of 39 planned audit reviews have been completed to date which equates to a completion rate of 26%. The Regional Internal Audit Service has set a target of 30% completion by the end of quarter 2.• Based on the assessment of the strengths and weaknesses of the areas examined through testing of the effectiveness of the internal control environment, audit opinions have been given to 10 audits. 9 audits have been given Substantial or Reasonable assurance and 1 audit has been given Limited assurance. The identified risks found in the Limited assurance audit is service specific and detailed within this report.• Included within this year's plan are 12 audits that were not undertaken or completed in 2022-23. 3 of the 12 audits are now completed and 5 are in progress.• A total of 5 recommendations have been made to date to improve the control environment. The progress being made in implementing these is regularly monitored by Internal Auditor and reported to this Committee. |

1. Purpose of Report

- 1.1 To provide members of the Committee with a position statement on progress being made against the audit work included and approved within the Internal Audit Risk Based Plan 2023-24.

2. Background

- 2.1 In accordance with the Public Sector Internal Audit Standards, 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, programmes, 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.
- 2.2 The Internal Audit Plan for 2023-24 was submitted to the Governance and Audit Committee for consideration and approval on 1st June 2023. The Plan outlined the assignments to be carried out which will provide sufficient coverage to provide an overall opinion at the end of 2023-24.
- 2.3 The 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. Current situation / proposal

- 3.1 Progress made against the approved plan for the period 1st April 2023 to 30th August 2023 is attached at **Appendix A**. This details the status of each planned review, the audit opinion and the number of any high, medium, or low priority recommendations made to improve the control environment. It should be noted that some reviews listed have no audit opinion, for example advice and guidance and Governance and Audit Committee / Corporate Management Board (CMB) reporting / Fraud, Error, Irregularity. This is because the audit work carried out in respect of these items is planned but the nature of the work does not lead to testing and the formation of an audit opinion, although in some instances recommendations are made.
- 3.2 The Regional Internal Audit Service (RIAS) has set quarterly targets to monitor the delivery of the approved audit plan. This will assist in ensuring sufficient audit coverage has been given to the Council in order to provide an overall opinion at the end of 2023-24. The targets that the RIAS are working towards at the end of each quarter are as follows:
- Qtr 1 = 10%
 - Qtr 2 = 30%
 - Qtr 3 = 50%
 - Qtr 4 = 80%
- 3.3 As at 30th August 2023, the level of coverage is 26%. A summary of the progress made to date shown in Table 1 below. Details of individual audit assignments are shown in **Appendix A**.

Table 1 – Summary of the Progress Against the Audit Plan 2023-24

| Status of Audits Assignments | Number | % of plan completed |
|---|-----------|---------------------|
| Final report issued | 4 | 10% |
| Draft report issued | 6 | 16% |
| Audits in progress | 11 | |
| Audits allocated and due to start in this quarter | 6 | |
| Planned Audits not started | 12 | |
| Total | 39 | 26% |

3.4 An audit opinion is applied to an audit based on the assessment of the strengths and weaknesses of the areas examined during the audit through testing of the effectiveness of the internal control environment. Table 2 shows the audit opinions given as of 30th August 2023. Details of individual audit assignments are shown in **Appendix A**.

Table 2 – Audit Opinions Applied to Audits as of 30th August 2023

| Audit Opinion | Number |
|-----------------------|-----------|
| Substantial Assurance | 2 |
| Reasonable Assurance | 7 |
| Limited Assurance | 1 |
| No Assurance | 0 |
| Total | 10 |

3.5 For reference, the audit assurance/opinion categories are:

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

- 3.6 Table 2 identifies 1 audit that has been given a Limited assurance opinion; the identified risks are detailed below.

School Vehicles

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

- 3.7 The audit plan 2023-24 at **Appendix A** includes audits that were not started during 2022-23 or were incomplete at year end. There are 12 of these which are detailed at **Appendix B**. Table 3 below provides a summary of the status of these 12 audits as at 30th August 2023.

Table 3 – Status of Audits Carried Forward into the Audit Plan 2023-24 as at 30th August 2023

| Status of Audits Assignments | Number | % Complete |
|---|---------------|-------------------|
| Final report issued | 2 | 17% |
| Draft report issued | 1 | 8% |
| Audit in progress | 5 | 42% |
| Audit allocated and due to start in quarter 2 | 1 | |
| Planned Audits not started | 3 | |
| Total | 12 | 67% |

- 3.8 **Appendix A** shows a total of 5 recommendations have been made to date to improve the control environment: 1 high priority, 2 medium priority and 2 low priority. The implementation of these recommendations are regularly monitored by the Auditors to ensure that the identified and agreed improvements are being made. More detailed information is included in a separate report to this 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 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 It is recommended that members of the Committee note the content of the report and the progress made against the 2023-24 Internal Audit Risk Based Plan.

Background documents

None

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| Directorate | Area | Audit Scope / Risk | Status | Opinion | | | Recommendations | | |
|------------------|--|---|--------------|-------------|------------|---------|-----------------|--------|-----|
| | | | | Substantial | Reasonable | Limited | High | Medium | Low |
| Cross Cutting | Follow up - Limited Assurance Reports | To ensure that improvements have been made to the control environment since the previous limited assurance review. | | | | | | | |
| Cross Cutting | Good Governance | To provide assurance that key Corporate Governance processes are in place within the Council and that these are operating effectively to enable the Council to be provided with sufficient information to enable them to discharge their responsibilities. Assist in the AGS | | | | | | | |
| Cross Cutting | Safeguarding | 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 | allocated | | | | | | |
| Cross Cutting | Grant Certification Work | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with. | | | | | | | |
| | | Bus Services Support Grant 2022-23 | final issued | v | | | 0 | 0 | 0 |
| | | Regional Consortia School Improvement Grant 2022-23 | final issued | v | | | 0 | 0 | 0 |
| Cross Cutting | Risk Management | A review of a sample of corporate risks to identify if they are being appropriately managed and progress is being reported accurately. | | | | | | | |
| Cross Cutting | Welsh Language Standards | Select a sample of web based communications and verify compliance to the Welsh Language standards | allocated | | | | | | |
| Cross Cutting | Consultants | To review the use of consultants across the Council including procurement, payments and ongoing arrangements including authority to extend contracts | | | | | | | |
| 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 | allocated | | | | | | |
| 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 | in progress | | | | | | |
| 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. | | | | | | | |
| 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. | | | | | | | |
| | | Housing Benefits | final issued | | v | | 0 | 1 | 2 |
| | | Council Tax | allocated | | | | | | |
| | | Treasury Management | in progress | | | | | | |
| | | Banking Arrangements | in progress | | | | | | |
| 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 | in progress | | | | | | |
| Chief Executives | Budget Savings | To identify and review the systems in place to monitor the high level of savings identified | allocated | | | | | | |
| Chief Executives | Project Management | To undertake a review of the governance and decision making around Major Projects. Particular emphasis will be placed on compliance to the Council's Rules and Regulations and Project Management Methodology associated with high risk contracts. | | | | | | | |
| Chief Executives | 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 | | | | | | | |
| | | File Systems & Folder Access | draft issued | | v | | | | |
| Chief Executives | Cyber Security | Undertake testing to ensure that staff are aware of requirements to protect devices, services and networks and the information on them from theft or damage via electronic means and staff are aware of what to do if there is a concern or breach. Ensure this information is monitored and reported consistently across the Council | | | | | | | |
| Chief Executives | Temporary Housing Solutions | Examine compliance with this statutory duty, review process for availability, processing and prioritising cases to provide assistance that systems are efficient and effective. | final issued | | v | | 1 | 1 | |

| Directorate | Area | Audit Scope / Risk | Status | Opinion | | | Recommendations | | |
|-----------------------------|---|---|--------------|-------------|------------|---------|-----------------|--------|-----|
| | | | | Substantial | Reasonable | Limited | High | Medium | Low |
| Communities | Coychurch Crematorium | A compliance review to complete the Annual Accounting Statement | | | | | | | |
| Communities | Porthcawl Harbour | A compliance review to complete the Annual Accounting Statement 2022/23 | draft issued | | v | | | | |
| 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. | in progress | | | | | | |
| 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. | | | | | | | |
| Communities | Rights of Way | To provide assurance on the control environment in respect of processes, charges and dispute resolution | draft issued | | v | | | | |
| 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. | in progress | | | | | | |
| Education & Family Support | Schools | To undertake a number of school based reviews as well as cross cutting thematic reviews in accordance with the Internal Audit risk based assessment. | | | | | | | |
| | Abercerdin Follow Up | | draft issued | | v | | | | |
| | School Vehicles | | draft issued | | | v | | | |
| | St Mary & St Patrick's Primary | | draft issued | | v | | | | |
| 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. | | | | | | | |
| Education & Family Support | School Admissions | To ensure all processes and procedures are in place and operating effectively | in progress | | | | | | |
| Education & Family Support | Exclusions | To provide assurance that schools are adhering to the Welsh Governance guidance in respect of fixed term and permanent exclusions | | | | | | | |
| 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 | in progress | | | | | | |
| 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. | | | | | | | |
| 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 | in progress | | | | | | |
| 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 | in progress | | | | | | |
| Social Services & Wellbeing | Carers Assessments | To review the processes in place in respect of adult and young carers assessments | in progress | | | | | | |
| Social Services & Wellbeing | Complaints | To provide assurance that the policy and procedures are being adhered to, performance is monitored and reported data is accurate | allocated | | | | | | |
| Social Services & Wellbeing | Quality Assurance | To provide assurance that the quality assurance process is embedded and effective throughout the Directorate | | | | | | | |
| Internal Audit | Governance & Audit Committee /Members and CMB Reporting | This allocation covers Member reporting procedures, mainly to the Governance & Audit Committee. Regular reporting to, and meeting with, the Section 151 Officer, Corporate Management Board and the RIAS Board. | | | | | | | |
| 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. | | | | | | | |

| Directorate | Area | Audit Scope / Risk | Status | Opinion | | | Recommendations | | |
|-----------------|---|--|--------|-------------|------------|----------|-----------------|----------|----------|
| | | | | Substantial | Reasonable | Limited | High | Medium | Low |
| 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 | | | | | | | |
| 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. | | | | | | | |
| Internal Audit | Recommendation Monitoring | Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations. | | | | | | | |
| 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. | | | | | | | |
| Internal Audit | Audit Planning | To prepare and monitor the annual risk based audit plan for 2023/24 and commence preparation for 2024/25 plan | | | | | | | |
| Internal Audit | Quality Assurance & Improvement Programme | To review / ensure compliance with the Accounts and Audit (Wales) Regulations 2014 / Public Sector Internal Audit Standards (PSIAS). | | | | | | | |
| Internal Audit | Closure of Reports from 2022/23 | To finalise all draft reports outstanding at the end of 2022/23. | | | | | | | |
| Internal Audit | Emerging Risks / unplanned | To enable Audit Services to respond to provide assurance activity as required. | | | | | | | |
| Cross - Cutting | Fraud / Error / Irregularity | National Fraud Initiative - Collection of data and analysis of matches for the NFI exercise, acting as first point of contact and providing advice and guidance to key contact officers. | | | | | | | |
| Cross - Cutting | Fraud / Error / Irregularity | Irregularity Investigations - Reactive work where suspected irregularity has been detected. | | | | | | | |
| Cross - Cutting | Fraud / Error / Irregularity | Anti-Fraud & Corruption – Proactive - Proactive counter-fraud work that includes targeted testing of processes with inherent risk of fraud. | | | | | | | |
| | | OVERALL TOTALS | | | | | | | |
| | | | | 2 | 7 | 1 | 1 | 2 | 2 |

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| Directorate | Area | Audit Scope / Risk | Status | Opinion | | | Recommendations | | |
|-----------------------------|--------------------------------|--|--------------|-------------|------------|---------|-----------------|--------|-----|
| | | | | Substantial | Reasonable | Limited | High | Medium | Low |
| Cross Cutting | Good Governance | To provide assurance that key Corporate Governance processes are in place within the Council and that these are operating effectively to enable the Council to be provided with sufficient information to enable them to discharge their responsibilities. Assist in the AGS | | | | | | | |
| Cross Cutting | Safeguarding | 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 | allocated | | | | | | |
| 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. | | | | | | | |
| 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. | | | | | | | |
| | Housing Benefits | | final issued | | √ | | 0 | 1 | 2 |
| Chief Executives | Project Management | To undertake a review of the governance and decision making around Major Projects. Particular emphasis will be placed on compliance to the Council's Rules and Regulations and Project Management Methodology associated with high risk contracts. | | | | | | | |
| Chief Executives | 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. | final issued | | √ | | 1 | 1 | |
| 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. | in progress | | | | | | |
| 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. | | | | | | | |
| | School Vehicles | | draft issued | | | √ | | | |
| Education & Family Support | School Admissions | To ensure all processes and procedures are in place and operating effectively | in progress | | | | | | |
| 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 | in progress | | | | | | |
| 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 | in progress | | | | | | |
| Social Services & Wellbeing | Carers Assessments | to review the processes in place in respect of adult and young carers assessments | in progress | | | | | | |
| | | OVERALL TOTALS | | 0 | 2 | 1 | 1 | 2 | 2 |

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Agenda Item 9

| | |
|--|---|
| Meeting of: | GOVERNANCE AND AUDIT COMMITTEE |
| Date of Meeting: | 28 SEPTEMBER 2023 |
| Report Title: | INTERNAL AUDIT RECOMMENDATION MONITORING |
| Report Owner / Corporate Director: | CHIEF OFFICER – FINANCE, PERFORMANCE & CHANGE |
| Responsible Officer: | ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE |
| Policy Framework and Procedure Rules: | The proposals in this report are in accordance with the policy framework and budget. |
| Executive Summary: | <ul style="list-style-type: none"> • A position statement in respect of internal audit high and medium priority recommendations made, implemented and outstanding as of 30th August 2023 is detailed in Appendix A. • A total of 3 high and medium priority recommendations have been made following the conclusion of audits from the 2023-24 annual plan. All have been agreed and to date 2 have been implemented and 1 has a future implementation date; there are none outstanding. • A total of 9 medium priority recommendations, made prior to 2023-24, have exceeded the agreed implementation date and these are detailed in Appendix B. • 3 medium priority recommendations made in audits undertaken in 2021-22 still have a future target date for implementation. These are detailed in Appendix C. In addition, 17 recommendations made in 2022/23 audits have a future target date and these continue to be monitored. • The monitoring of recommendations is undertaken regularly by Auditors and any undue delays or issues will be highlighted to Senior Management via the Council's Corporate Management Board and ultimately this Committee. |

1. Purpose of Report

- 1.1 To provide members of the Committee with a position statement on internal audit recommendations that have been made to identify those that have been implemented and those that are outstanding.

2. Background

- 2.1 In accordance with the Public Sector Internal Audit Standards, the internal audit activity must assess and make appropriate recommendations to improve the Council's governance, risk management and internal control. The Regional Internal Audit Service (RIAS) Strategy states that the implementation of agreed recommendations will be monitored.
- 2.2 Recommendations are made at the conclusion of an audit review if it is felt that improvements should be made to mitigate risk and strengthen controls. Recommendations are included, if appropriate, in the final audit report and recipients are asked to provide responses to indicate whether they agree with the recommendations and how and when they plan to implement them. To assist managers in focussing their attention, each recommendation is classified as being either high, medium and low priority.
- 2.3 Table 1 shows the recommendation categorisation as follows:

| Table 1 – Recommendation Categorisation | |
|--|--|
| Risk may be viewed as the chance, or probability, of one or more of the organisation's objectives not being met. It refers both to unwanted outcomes which might arise, and to the potential failure to realise desired results. The criticality of each recommendation is as follows: | |
| High Priority | Action that is considered imperative to ensure that the organisation is not exposed to high risks. |
| Medium Priority | Action that is considered necessary to avoid exposure to significant risks. |
| Low Priority | Action that is considered desirable and should result in enhanced control. |

- 2.4 To ensure maximum coverage of the annual plan based on the capacity available within the team, the RIAS monitors the implementation of the high and medium priority recommendations, but the low priority recommendations are left to management to successfully implement.
- 2.5 Once the target date for implementation has been reached the relevant Officers will be contacted and asked to provide feedback on the status of each agreed high and medium priority recommendation. The implementation of these recommendations is monitored using MK Insight internal audit software to ensure that improvements are being made.
- 2.6 Any audits concluded with a no assurance or limited assurance opinion will also be subject to a follow up audit.

3. Current situation / proposal

3.1 **Appendix A** provides a summary of the status of the high and medium priority internal audit recommendations made as of 30th August 2023.

3.2 The status of the recommendations that have been made following the completion of audits from the 2023-24 audit plan is summarised in Table 2 below:

Table 2 – Recommendation Status – Completed Audits 2023-24

| | No. Made | | | Not Agreed | Imp. | Outstanding | | Future Target Date |
|---------|----------|------|-------|------------|------|-------------|------|--------------------|
| | High | Med. | Total | | | High | Med. | |
| 2023-24 | 1 | 2 | 3 | 0 | 2 | 0 | 0 | 1 |

3.3 **Appendix A** also includes the recommendations made in relation to audits completed in the audit plans of 2021-22 and 2022-23 which are yet to be implemented. This information is summarised in Table 3.

Table 3 – Outstanding Recommendations – Audits Completed Pre-2023-24

| | No. Made | | | Not Agreed | Imp. | Outstanding | | Future Target Date |
|---------|----------|------|-------|------------|------|-------------|------|--------------------|
| | High | Med. | Total | | | High | Med. | |
| 2021-22 | 0 | 20 | 20 | 0 | 10 | 0 | 7 | 3 |
| | | | | | | | | |
| 2022-23 | 2 | 39 | 41 | 0 | 22 | 0 | 2 | 17 |

3.4 **Appendix B** provides the detail of the 9 current outstanding recommendations and the position in respect of their implementation. This information has been shared with the Council's Corporate Management Board.

3.5 It is noted that 3 recommendations made during 2021-22 audits still have a future implementation date. These are detailed in **Appendix C** which includes an update on the current position of each. In addition, 17 recommendations made during 2022-23 still have a future target date. However, several of these audits were completed within the last 6 months and the proposed implementation timescales agreed. The situation will be monitored and any undue delays with implementation will be reported accordingly.

3.6 The monitoring of recommendations is undertaken regularly by Auditors and any delays or issues are highlighted to the Council's Corporate Management Board and ultimately this 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 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 That members of the Governance and Audit Committee note the content of the report and consider the information provided in respect of the status of the high and medium priority recommendations made by the Regional Internal Audit Service.

Background documents

None

Internal Audit Recommendation Monitoring Report - 30th August 2023

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| Audit Name | Directorate | Audit Opinion | Final Report Date | Number Made | | | Not Agreed | Implemented | Outstanding | | | Future Target Date |
|--|-----------------------------|---------------|-------------------|-------------|-----------|-----------|------------|-------------|-------------|----------|----------|--------------------|
| | | | | High | Medium | Total | | Total | High | Medium | Total | Total |
| 2021-22 | | | | | | | | | | | | |
| iTrent System | Chief Executives | REASONABLE | 05/11/2021 | 0 | 4 | 4 | 0 | 3 | 0 | 0 | 0 | 1 |
| Direct Payments | Social Services & Wellbeing | REASONABLE | 21/06/2022 | 0 | 3 | 3 | 0 | 2 | 0 | 0 | 0 | 1 |
| Payroll & Expenses | Chief Executives | REASONABLE | 21/06/2022 | 0 | 6 | 6 | 0 | 4 | 0 | 1 | 1 | 1 |
| Cyber Security | Chief Executives | REASONABLE | 02/09/2022 | 0 | 7 | 7 | 0 | 1 | 0 | 6 | 6 | 0 |
| Total | | | | 0 | 20 | 20 | 0 | 10 | 0 | 7 | 7 | 3 |
| 2022-23 | | | | | | | | | | | | |
| Tynyrheol Primary School | Education & Family Support | REASONABLE | 16/01/2023 | 0 | 5 | 5 | 0 | 2 | 0 | 0 | 0 | 3 |
| Home To Work Mileage in Council Vehicles | Communities | REASONABLE | 27/01/2023 | 0 | 4 | 4 | 0 | 0 | 0 | 1 | 1 | 3 |
| Climate Change & Energy Efficiency | Cross Cutting | REASONABLE | 17/02/2023 | 0 | 5 | 5 | 0 | 3 | 0 | 1 | 1 | 1 |
| Blaengarw Primary School | Education & Family Support | REASONABLE | 06/03/2023 | 0 | 5 | 5 | 0 | 4 | 0 | 0 | 0 | 1 |
| Performance Management | Chief Executives | REASONABLE | 04/05/2023 | 1 | 5 | 6 | 0 | 5 | 0 | 0 | 0 | 1 |
| Information, Advice & Assistance Service | Internal Audit | REASONABLE | 09/05/2023 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Ysgol Calon Y Cymoedd | Education & Family Support | REASONABLE | 09/05/2023 | 1 | 8 | 9 | 0 | 8 | 0 | 0 | 0 | 1 |
| Vehicles Fuel Management | Communities | REASONABLE | 17/05/2023 | 0 | 6 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| Total | | | | 2 | 39 | 41 | 0 | 22 | 0 | 2 | 2 | 17 |
| 2023-24 | | | | | | | | | | | | |
| Housing Benefit | Chief Executives | REASONABLE | 04/07/2023 | 0 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| Temporary Housing Solutions | Chief Executives | REASONABLE | 24/08/2023 | 1 | 1 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| Total | | | | 1 | 2 | 3 | 0 | 2 | 0 | 0 | 0 | 1 |

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Bridgend County Borough Council –Recommendation Monitoring

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Outstanding Recommendations Made Before 2023/24

| Audit | Final Report Date | Recommendation | Category | Agreed Action | Agreed Date | Current Position |
|--------------------|--------------------------|---|-----------------|--|------------------------------------|--|
| Payroll & Expenses | 21/06/22 | <u>Service Specific (Communities)</u> - Any excess mileage paid where the identified officers have included travel from/to home is to be recovered. | Medium | The excess payment to be recovered in liaison with HR/Payroll as required. | 31/10/22 Revised 6/04/23 | Advised in March that the Manager was awaiting a response as to whether or not the sum can be recovered over three-monthly salary periods. Systems checked and no recovery found – no response from the service |
| Cyber Security | 2/09/22 | The Council introduces a Chief Information Security Officer (CISO), or equivalent, reporting directly to Corporate Management Board. | Medium | A business case will be drafted to pursue funding for a CISO, this will then go to CMB for a decision. | 30/09/22 Revised 28/2/23 | In January 2023 a report to CMB to recruit a cyber security officer had been delayed due to structure and financial issues. This report is the cornerstone of all the recommendations in the report. No further update received |
| | | The Council considers further structured reporting to CMB (potentially utilising performance indicators and suitable metrics) to continually improve upon the need for regular, relevant, high-profile reporting on cyber threats to senior management. | Medium | This will be the responsibility of the CISO if agreed and appointed. | 30/09/22 Revised 28/2/23 | As above |
| | | Cyber security is further highlighted within Council strategy and plans as a reflection of its importance to the ongoing achievement of the Council's objectives. | Medium | This will be the responsibility of the CISO if agreed and appointed. | 30/09/22 Revised 28/2/23 | As above |
| | | The Council introduces a record of the cyber risks faced by the Council, along with how they are analysed, assessed, prioritised and managed. | Medium | This will be the responsibility of the CISO if agreed and appointed. | 30/09/22 Revised 28/2/23 | As above |

| Audit | Final Report Date | Recommendation | Category | Agreed Action | Agreed Date | Current Position |
|--|-------------------|---|----------|---|------------------------------------|--|
| | | The Council compiles an Incident Response Plan/Procedure relevant in the event of cyber-attack. This is periodically tested with buy-in from across the organisation and periodically updated. | Medium | This will be the responsibility of the CISO if agreed and appointed. | 30/09/22 Revised 28/2/23 | As above |
| | | The current e-learning is enhanced to include cyber security. Training is to be refreshed from time-to-time so that officers Council-wide can continue to refresh their knowledge and understanding of cyber-attack methods and how to spot them. | Medium | No comment - Auditor note that this is aligned to the outcome of Ref 1.1 relating to the appointment of a CISO | 30/09/22 Revised 28/2/23 | As above |
| Home To Work Mileage in Council Vehicles | 27/01/23 | Information detailing employees who take vehicles home and any assigned vehicles should be documented and maintained within each service | Medium | Individual departments will be requested to maintain a register of who has an assigned vehicle. | 31/05/23 | No response on progress from the service |
| Climate Change & Energy Efficiency | 17/02/23 | The Council should continue to actively try to recruit for the roles required to address the Net Zero Strategy. If unsuccessful, they should consider raising concerns with the Welsh Government to determine if support can be provided so that the skills gap can be addressed. | Medium | <ul style="list-style-type: none"> • Continue recruitment activity and review results after each round if not successful to assess performance of advertising locations used. • Consider using graduate roles if appropriate. • Work with Welsh Government, Welsh Local Government Association, Cardiff Capital Region, and other stakeholders to address gaps and access any available support. | 31/05/23 | No response on progress from the service |

Bridgend County Borough Council –Recommendation Monitoring**Recommendations Made in 2021/22 Audits but Still Have Future Target Dates**

| Audit | Final Report Date | Recommendation | Category | Agreed Action | Agreed Date | Current Position |
|--------------------|--------------------------|--|-----------------|---|--|--|
| iTrent System | 5/11/21 | The Council completes a new network connection agreement with the iTrent supplier. | Medium | Will send iTrent Supplier a BCBC External End User Agreement for sign up. | 31/12/21 Revised 1/10/22 31/01/23 14/07/23 30/09/23 | BCBC ICT have been trying to get the agreement signed by the supplier. Meeting being arranged. More recent update delayed due to annual leave |
| Direct Payments | 21/06/22 | An exercise is needed to establish the DBS status of all PAs and a process adopted to ensure all DBS renewals are completed in a timely fashion and recorded and monitored appropriately | Medium | All DBS checks undertaken for new clients since September 2021 are recorded on an Excel spreadsheet, which will prompt renewals to be completed every 3 years, if required. It is planned that all existing DP recipients will receive an annual review over the next 12 months, which will identify whether PAs require either new or DBS renewals undertaken. These will be monitored on the spreadsheet. | 31/5/23 Revised 30/9/23 | DBS reviews delayed due to sickness so target date extended |
| Payroll & Expenses | 21/06/22 | The Expenses Policy and Procedure document is reviewed and, where applicable, updated. | Medium | A plan will be put in place to review the policy. | 31/03/23 Revised 31/10/23 | Slipped due to other priorities |

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|--|--|
| Meeting of: | GOVERNANCE AND AUDIT COMMITTEE |
| Date of Meeting: | 28 SEPTEMBER 2023 |
| Report Title: | PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS) - EXTERNAL PEER ASSESSMENT OF THE REGIONAL INTERNAL AUDIT SERVICE |
| Report Owner / Corporate Director: | HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE |
| Responsible Officer: | ANDREW WATHAN HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE |
| Policy Framework and Procedure Rules: | There is no impact on the policy framework and procedure rules as a result of this report. |
| Executive Summary: | <ul style="list-style-type: none"> • This report sets out to provide members of the Governance and Audit Committee with the Public Sector Internal Audit Standards External Peer Assessment of the Regional Internal Audit Service • Appendix A contains the Public Sector Internal Audit Standards External Peer Assessment of the Regional Internal Audit Service Report from the external assessor, Newport City Council. • The Public Sector Internal Audit Standards (PSIAS) became effective from 1st April 2013 (updated 2017) and introduced a requirement for an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation. • There are 305 best practice lines within the PSIAS; the Regional Internal Audit Service is currently conforming to 305 of the requirements, with no partial conformance or non-conformance areas. • There were two areas for consideration which would further enhance conformance with the PSIAS, although these were not a significant concern: <ul style="list-style-type: none"> ○ 1000 Purpose, Authority and Responsibility (41) – To make reference to the Counter Fraud Strategy in the Internal Audit Charter. |

| | |
|--|---|
| | <ul style="list-style-type: none"> ○ 1230 Continuing Professional Development (96) – All Internal Audit staff to maintain a record of their training activities. |
|--|---|

1. Purpose of Report

- 1.1. The purpose of this report is to provide members of the Governance and Audit Committee with the Public Sector Internal Audit Standards External Peer Assessment of the Regional Internal Audit Service

2. Background

- 2.1. The United Kingdom Public Sector Internal Audit Standards provides the framework within which an internal audit service should function.
- 2.2. The Public Sector Internal Audit Standards (PSIAS) became effective from 1st April 2013 (updated 2017) and introduced a requirement for an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation.
- 2.3. The two possible approaches to external assessments outlined in the standard include either a full external assessment or an internal self-assessment which is validated by an external reviewer.
- 2.4. Members of the Welsh Chief Internal Auditor Group (WCIAG) elected to adopt the self-assessment approach, with another member of the WCIAG undertaking the validation; a peer review assessment. At the time this was agreed with the Section 151 Officers and the former Audit Committees of the regional service.

3. Current situation / proposal

- 3.1. The assessment involved a validation of a self-assessment of conformance against the PSIAS undertaken by the Acting Chief Internal Auditor at Newport City Council. The external report is attached at **Appendix A**.
- 3.2. The assessment comprised a desktop review of the self-assessment and supporting evidence and discussions were held with the previous Head of Regional Internal Audit Service to gain insight and views on the operation of the Internal Audit Team and adherence to the Standards.
- 3.3. In summary, there are 305 best practice lines within the PSIAS. A review of conformance against the PSIAS was undertaken during the period February to May 2023 by the Acting Chief Internal Auditor at Newport City Council, qualified via CIPFA with extensive internal audit management experience within local government. The Regional Internal Audit Service is currently conforming to all 305 of the requirements, with no partial conformance or non-conformance areas.
- 3.4. There were two areas for consideration which would further enhance conformance with the PSIAS, although these were not a significant concern:
 - 1000 Purpose, Authority and Responsibility (41) – To make reference to the Counter Fraud Strategy in the Internal Audit Charter.

- 1230 Continuing Professional Development (96) – All Internal Audit staff to maintain a record of their training activities.

3.5. As part of the self-assessment, the Regional Internal Audit Service, identified their own actions needed to strengthen arrangements where conformance was already being achieved. This summary can be seen at the beginning of Appendix C of the external report.

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. Conformance with national standards demonstrates a professional audit service continues to be delivered.

9. Recommendation

9.1 It is recommended that members of the Governance and Audit Committee give due consideration to the Public Sector Internal Audit Standards External Peer Assessment of the Regional Internal Audit Service at **Appendix A** and acknowledge and endorse that it is fully conforming to those Standards.

Background documents

None

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Newport City Council
Internal Audit Report

Public Sector Internal Audit Standards (PSIAS)

**External Assessment of
Regional Internal Audit Service**

Welsh Chief Internal Auditor Group

WCIAG

| | |
|------------------------------|---|
| Date of Assessment Fieldwork | February 2023 to May 2023 |
| Date of Report Issue | 5th July 2023 |
| Report Status | Final |
| Report Author | D Palmer CPFA, Acting Chief Internal Auditor, Newport City Council |
| | |
| Issued to | Andrew Wathan, Head of Regional Internal Audit Service |

1. **Introduction**

- 1.1 The Public Sector Internal Audit Standards (PSIAS) became effective from 1st April 2013 (updated 2017) and introduced a requirement for an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation.
- 1.2 The two possible approaches to external assessments outlined in the standard included either a full external assessment or an internal self-assessment which is validated by an external reviewer.
- 1.3 Members of the Welsh Chief Internal Auditor Group (WCIAG) elected to adopt the self-assessment approach, with another member of the WCIAG undertaking the validation.

2. **Purpose**

- 2.1 The purpose of the external assessment is to help improve delivery of the audit service to an organisation. The assessment is designed to be a supportive process that identifies opportunities for development which ultimately help to enhance the value of the audit function to the authority.

3. **Results**

- 3.1 The assessment involved a validation of a self-assessment of conformance against the PSIAS undertaken by the Acting Chief Internal Auditor at Newport City Council.
- 3.2 The assessment comprised a desktop review of the self-assessment and supporting evidence and discussions were held with the previous Head of Regional Internal Audit Service (MT) to gain insight and views on the operation of the Internal Audit Team and adherence to the Standards.
- 3.3 In summary, there are 305 best practice lines within the PSIAS. A review of conformance against the PSIAS was undertaken during the period February to May 2023 by the Acting Chief Internal Auditor (DP) at Newport City Council, qualified via CIPFA with extensive internal audit management experience within local government. The Regional Internal Audit Service is currently conforming to 305 of the requirements, with no partial conformance or non-conformance areas.

3.4 The table below summarises the outcome of the assessment.

| Standard | Conformance | | | Total |
|--|-------------|----------|----------|------------|
| | Yes | Partly | No | |
| 1. Mission of Internal Audit | 1 | | | 1 |
| 2. Definition of Audit Risk | 2 | | | 2 |
| 3. Core Principles | 10 | | | 10 |
| 4. Code of Ethics | 13 | | | 13 |
| 5. Attribute Standards | | | | |
| Purpose, Authority and Responsibility (1000) | 20 | | | 20 |
| Objectivity and Independence (1100) | 29 | | | 29 |
| Proficiency and Due Professional Care (1200) | 21 | | | 21 |
| Quality Assurance and Improvement Programme (1300) | 24 | | | 24 |
| 6. Performance Standards | | | | |
| Managing the Internal Audit Activity (2000) | 37 | | | 37 |
| Nature of Work (2100) | 28 | | | 28 |
| Engagement Planning (2200) | 52 | | | 52 |
| Performing the Engagement (2300) | 15 | | | 15 |
| Communicating Results (2400) | 47 | | | 47 |
| Monitoring Progress (2500) | 4 | | | 4 |
| Communicating the Acceptance of Risks (2600) | 2 | | | 2 |
| Total | 305 | 0 | 0 | 305 |

3.5 This report contains three appendices as follows:

| | |
|-------------------|---|
| Appendix A | Action Plan to address non / partial conformance areas |
| Appendix B | Enhancing proposals for areas where conformance is already achieved |
| Appendix C | Completed checklist for assessing conformance with the PSIAS and Local Government Application Note (LGAN) |

3.6 There were no areas of partial conformance or non-conformance. There were two area's for consideration which would further enhance conformance with the PSIAS, although these are not a significant concern:

- 1000 Purpose, Authority and Responsibility (41) – To make reference to the Counter Fraud Strategy in the Internal Audit Charter.
- 1230 Continuing Professional Development (96) – All Internal Audit staff to maintain a record of their training activities.

3.7 As part of the self-assessment, the Regional Internal Audit Service, identified their own actions needed to strengthen arrangements where conformance was already being achieved. This summary can be seen at the beginning of Appendix C.

Impact of non-compliance and steps to be taken to ensure compliance

3.7.1 Any non-conformance with the Standards and the impact must be disclosed to senior management and the Governance and Audit Committee.

3.7.2 In terms of the review that has been undertaken, the impact of the non-conformance is not relevant, such that the Regional Internal Audit Service generally conforms with the Standards in all significant areas and operates independently and objectively.

3.7.3 No Action Plan is required. The Head of the Regional Internal Audit Service has agreed to consider the proposals suggested to further enhance conformance in areas already conforming and share this information with the Governance and Audit Committee.

Action Plan to address non / partial conformance areas

| Standard | Action to address non / partial compliance | Who is responsible for implementing the action | Timescale |
|---|--|--|-----------|
| <i>No areas of non / partial conformance identified</i> | | | |

Further Action Plan – Enhancing proposals for areas where conformance is already achieved

| Ref Attribute / Performance Standard | Compliant, but enhancing recommendation proposed. | Who is responsible for implementing the action | Timescale |
|--------------------------------------|--|--|---------------------------------------|
| 1000 (31-45) K | To make reference to the Counter Fraud Strategy in the Internal Audit Charter. | Head of RIAS | Next review of Internal Audit Charter |
| 1230 (96) | All Internal Audit staff to maintain a record of their training activities. | Head of RIAS | 2023/24 |

REGIONAL INTERNAL AUDIT SERVICE – PSIAS SELF ASSESSMENT 2022/23**Action Plan to address non / partial conformance areas:**

| Standard | Action to address non / partial compliance | Who is responsible for implementing the action | Timescale |
|----------|--|--|-----------|
| None | None identified | N/A | N/A |

Identified Actions for strengthening arrangements where conformance is already achieved (As determined by RIAS November 2022)

| Standard | Action to address non / partial compliance | Who is responsible for implementing the action | Timescale |
|--|---|--|-------------------------|
| Core Principles for the Professional Practice of Internal Auditing | Include a direct reference to the Seven Principles of Public Life in the Charter & Audit Manual | Head of Regional Internal Audit Service | Next review for 2023/24 |
| Core Principles for the Professional Practice of Internal Auditing | Include a direct reference to the Local Code of Corporate Governance in the Charter & Audit Manual | Head of Regional Internal Audit Service | Next review for 2023/24 |
| Attribute Standards 1000 | Include reference to the Counter Fraud Strategy in the Audit Manual | Head of Regional Internal Audit Service | Next review for 2023/24 |
| Attribute Standards 2010 | Further develop the audit planning process by exploring the functionality available within the Pentana MK Audit Software to undertake a more systematic risk management process and options to link more easily with assurance mapping. | Head of Regional Internal Audit Service | During 2023/24 |

**CHECKLIST FOR ASSESSING CONFORMANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS
AND THE LOCAL GOVERNMENT APPLICATION NOTE (LGAN)**

| Glossary | |
|------------|---|
| GC | Generally Conforms with PSIAS - The relevant structures, policies and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformance to the others, within the section / category. General conformance does not require complete / perfect conformance, the ideal situation, successful practice, etc. |
| PC | Partially Conforms with PSIAS - The activity is making good-faith efforts to comply with the requirements of the individual Standard or element of the Code of Ethics, section or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or Code of Ethics and / or achieving their objectives. |
| DNC | Does Not Conform with PSIAS - The activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many / all of the objectives of the individual Standard or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity's effectiveness and its potential to add value to the organisation. These may also represent significant opportunities for improvement, including actions by senior management or the board. |
| N/A | Not Applicable - The sections marked N/A do not apply to this assessment. Any n/a answers should be treated as generally conforming with the PSIAS. |
| CAE | Chief Audit Executive (CAE) - A generic title used to describe the person responsible for managing the internal audit activity. In the Regional Internal Audit Service it is the Head of Regional Internal Audit Service (HoRIAS). |

| | SUMMARY OF RESULTS | GC | PC | DNC | N/A |
|------------|---|----|----|-----|-----|
| A1 | Mission of Internal Audit | ✓✓ | | | |
| B2-3 | Definition of Internal Auditing | ✓✓ | | | |
| C4-13 | Core Principles for the Professional Practice of Internal Auditing | ✓✓ | | | |
| D14-26 | Code of Ethics | ✓✓ | | | |
| Ref | Attribute / Performance Standards | | | | |
| 1000 | Purpose, Authority and Responsibility (The sum of <i>Standards</i> 1000-1010) 27-46 | ✓✓ | | | |
| 1100 | Independence and Objectivity 47-54 | ✓✓ | | | |
| 1110 | Organisational Independence 55-60 | ✓✓ | | | |
| 1111 | Direct Interaction with the Board 61 | ✓✓ | | | |
| 1112 | Chief Audit Executive Roles Beyond Internal Auditing 62-63 | ✓✓ | | | |
| 1120 | Individual Objectivity 64-65 | ✓✓ | | | |
| 1130 | Impairments to Independence or Objectivity 66-75 | ✓✓ | | | |
| 1200 | Proficiency and Due Professional Care | | | | |
| 1210 | Proficiency 76-84 | ✓✓ | | | |
| 1220 | Due Professional Care 85-92 | ✓✓ | | | |
| 1230 | Continuing Professional Development 93-96 | ✓✓ | | | |
| 1300 | Quality Assurance and Improvement Programme 97-100 | ✓✓ | | | |
| 1310 | Requirements of the Quality Assurance and Improvement Programme 101 | ✓✓ | | | |
| 1311 | Internal Assessments 102-111 | ✓✓ | | | |
| 1312 | External Assessments 112-115 | ✓✓ | | | |
| 1320 | Reporting on the Quality Assurance and Improvement Programme 116-117 | ✓✓ | | | |
| 1321 | Use of Conforms with the International Standards for the Professional Practice of Internal Auditing 118 | ✓✓ | | | |
| 1322 | Disclosure of Non-conformance 119-120 | ✓✓ | | | |
| 2000 | Managing the Internal Audit Activity | | | | |
| 2010 | Planning 121-144 | ✓✓ | | | |
| 2020 | Communication and Approval 145-147 | ✓✓ | | | |
| 2030 | Resource Management 148-150 | ✓✓ | | | |
| 2040 | Policies and Procedures 151-152 | ✓✓ | | | |
| 2050 | Coordination 153 | ✓✓ | | | |
| 2060 | Reporting to Senior Management and the Board 154-156 | ✓✓ | | | |
| 2070 | External service Provider and Organisational Responsibility for Internal Audit 157 | ✓✓ | | | |
| 2100 | Nature of Work | | | | |
| 2110 | Governance 158-165 | ✓✓ | | | |

| | SUMMARY OF RESULTS | GC | PC | DNC | N/A |
|------|--|----|----|-----|-----|
| 2120 | Risk Management 166-179 | ✓✓ | | | |
| 2130 | Control 180-185 | ✓✓ | | | |
| 2200 | Engagement Planning 186-205 | ✓✓ | | | |
| 2210 | Engagement Objectives 206-218 | ✓✓ | | | |
| 2220 | Engagement Scope 219-227 | ✓✓ | | | |
| 2230 | Engagement Resource Allocation 228-230 | ✓✓ | | | |
| 2240 | Engagement Work Programme 231-237 | ✓✓ | | | |
| 2300 | Performing the Engagement | | | | |
| 2310 | Identifying Information 238 | ✓✓ | | | |
| 2320 | Analysis and Evaluation 239-244 | ✓✓ | | | |
| 2330 | Documenting Information 245-250 | ✓✓ | | | |
| 2340 | Engagement Supervision 251-252 | ✓✓ | | | |
| 2400 | Communicating Results | | | | |
| 2410 | Criteria for Communicating 253-266 | ✓✓ | | | |
| 2420 | Quality of Communications 267 | ✓✓ | | | |
| 2421 | Errors and Omissions 268 | ✓✓ | | | |
| 2430 | Use of 'conducted in conformance with the International Standards for the Professional Practice of Internal Auditing'. 269 | ✓✓ | | | |
| 2431 | Engagement Disclosure of Non-conformance 270-272 | ✓✓ | | | |
| 2440 | Disseminating Results 273-278 | ✓✓ | | | |
| 2450 | Overall Opinions 279-299 | ✓✓ | | | |
| 2500 | Monitoring Progress 300-303 | ✓✓ | | | |
| 2600 | Resolution of Senior Managements Acceptance of Risks 304-305 | ✓✓ | | | |
| | OVERALL CONCLUSION – CONFORMANCE WITH PSIAS | ✓✓ | | | |

✓ – external assessment confirms conformance

✗ – external assessment did not confirm conformance

| Ref | Conformance with the Standard | Generally Conforms | Partially Conforms | Does Not Conform | Evidence | Evidence Ref |
|----------|--|--------------------|--------------------|------------------|--|--|
| A | Mission of Internal Audit | | | | | |
| 1 | Based on your review of conformance with other requirements of the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), does the internal audit activity aspire to accomplish the Mission of Internal Audit as set out in the PSIAS? <i>To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.</i> | ✓✓ | | | Internal Audit Charter RIAS Manual Annual Reports 2021-22 * 4 Strategy & Plan 2022-23 * 4 Governance & Audit Committee Terms of Reference | 1 ✓ 2 ✓ 3.1, 3.2, 3.3, 3.4 4.1, 4.2, 4.3, 4.4 5.1, 5.2, 5.3, 5.4 |
| | Mission of Internal Audit | ✓✓ | | | Internal Audit Charter - page 2 | 1 |
| B | Definition of Internal Auditing | | | | | |
| 2 | Based on your review of conformance with other requirements of the PSIAS and LGAN, is the internal audit activity independent and objective? | ✓✓ | | | Internal Audit Charter - Section 2 - Independence & Objectivity (page7) RIAS Manual – Reference made Section 1 and Appendix D All auditors are required to make an annual declaration to comply with PSIAS and Code of Ethics as well as declaring any conflicts of interest. A register is kept of these. Internal Auditors appointed from within the Council are not permitted to perform an audit, which is any way related to their previous post, for at least 2 years after appointment. Internal Audit has no operational responsibility for any other service delivery but does lead on Fraud matters in the Vale & Merthyr and liaises with Fraud staff at Bridgend & RCT | 1 2 6 |
| 3 | Based on your review of conformance with other requirements of the PSIAS and LGAN, does the internal audit activity use a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the organisation? | ✓✓ | | | Internal Audit Charter RIAS Manual Annual Reports 2021-22 * 4 Strategy & Plan 2022-23 * 4 | 1 2 3.1, 3.2, 3.3, 3.4 4.1, 4.2, 4.3, 4.4 |
| | Definition | ✓✓ | | | | |
| C | Core Principles for the Professional Practice of Internal Auditing | | | | | |
| 4 | Having regard to your review of conformance with the Code of Ethics (Integrity, Seven Principles of Public Life), do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating integrity? | ✓✓ | | | Internal Audit Charter – Annex 2 Code of Ethics RIAS Manual - Section 3 Structure & Responsibilities Annual Reports 2021-22 * 4 Counter Fraud Strategy Framework 2021-24 – Introduction VOG Constitution – Section 23 (page 246) | 1 2 3.1, 3.2, 3.3, 3.4 24 22 |

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| 5 | Having regard to your review of conformance with the Code of Ethics (Competence, Confidentiality, Seven Principles of Public Life) and any other evidence from the review of conformance with Standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating competence and due professional care? | ✓✓ | | | Internal Audit Charter – Annex 2 Code of Ethics RIAS Manual - Section 3 Structure & Responsibilities Annual Reports 2021-22 * 4 | 1 2 3.1, 3.2, 3.3, 3.4 |
| 6 | Having regard to your review of conformance with the Code of Ethics (Objectivity, Seven Principles of Public Life) and any other evidence from the review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being objective and free from undue influence (independent)? | ✓✓ | | | Internal Audit Charter – Annex 2 Code of Ethics RIAS Manual - Section 3 Structure & Responsibilities Annual Reports 2021-22 * 4 | 1 2 3.1, 3.2, 3.3, 3.4 |
| 7-13 | Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN a) By being aligned with the strategies, objectives, and risks of the organisation. b) Being appropriately positioned and adequately resourced? c) Demonstrating quality and continuous improvement? d) Communicating effectively? e) Providing risk-based assurance, based on adequate risk assessment? f) Being insightful, proactive, and future-focused? g) Promoting organisational improvement? | ✓✓ ✓✓ ✓✓ ✓✓ ✓✓ ✓✓ ✓✓ | | | Yes, all the documents listed below support this Internal Audit Charter RIAS Manual Annual Reports 2021-22 * 4 Strategy & Plan 2022-23 * 4 Counter Fraud Strategy Framework 2021-24 – Introduction VOG Constitution – Section 23 (page 246) | 1 2 3.1, 3.2, 3.3, 3.4 4.1, 4.2, 4.3, 4.4 24 22 |
| | Conclusion | ✓✓ | | | | |
| D | Code of Ethics | | | | | |
| 14-17 | Integrity Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display integrity by: a) Performing their work with honesty, diligence and responsibility? b) Observing the law and making disclosures expected by the law and the profession? c) Not knowingly partaking in any illegal activity nor engaging in acts that are discreditable to the profession of internal auditing or to the organisation? d) Respecting and contributing to the legitimate and ethical objectives of the organisation? | ✓✓ ✓✓ ✓✓ ✓✓ | | | Internal Audit Charter – Section 2 & 3 RIAS Manual – Section 3 Structure & Responsibilities Strategy & Plan 2022-23 * 4 All auditors are required to make an annual declaration to comply with PSIAS and Code of Ethics as well as declaring any conflicts of interest. A register is kept of these. Internal Auditors appointed from within the Council are not permitted to perform an audit, which is any way related to their previous post, for at least 2 years after appointment. | 1 2 4.1, 4.2, 4.3, 4.4 6 |
| 18-20 | Objectivity Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display objectivity by: a) Not taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment? b) Not accepting anything that may impair or be presumed to impair their professional judgement? c) Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review? | ✓✓ ✓✓ ✓✓ | | | Internal Audit Charter – Code of Ethics – Annex 2 Vale of Glamorgan Code of Conduct & Register of Interests Annual declarations | 1 7 6 |

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| 21-22 | <p>Confidentiality</p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display due respect and care by:</p> <p>a) Acting prudently when using information acquired in the course of their duties and protecting that information?</p> <p>b) Not using information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation?</p> | ✓✓ ✓✓ | | | As above. Plus/ Annual mandatory idev training on GDPR | 8 |
| 23-25 | <p>Competency</p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display competence by:</p> <p>a) Only carrying out services for which they have the necessary knowledge, skills and experience?</p> <p>b) Performing services in accordance with the PSIAS?</p> <p>c) Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?</p> | ✓✓ ✓✓ ✓✓ | | | As above Plus/ RIAS Manual – Appendix L – Quality Assurance & Performance Management outlines the continuous review process The 2 Audit Manager's allocate quarterly workloads to staff based on the knowledge, skills and experience of individual auditors. Relevant professional training actively encouraged and supported – CIA being actively supported, recently appointed Graduate Auditors with a view to them studying CIPFA Support to complete CPD requirements for those with professional qualifications | 2 |
| 26 | <p>Seven Principles of Public Life</p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors, whether consciously or through conformance with organisational procedures and norms, have due regard to the Committee on Standards of Public Life's <i>Seven Principles of Public Life</i>?</p> | ✓✓ | | | Yes – as above plus Counter Fraud Strategy & Framework VOG Constitution – page 246 Local Code of Corporate Governance | 21 22 |
| | Code of Ethics Conclusion | ✓✓ | | | | |
| | Standards | | | | | |
| | Attribute Standards | | | | | |
| | 1000 Purpose, Authority and Responsibility | | | | | |
| 27-29 | <p>Does the internal audit charter conform with the PSIAS by including a formal definition of:</p> <p>a) the purpose</p> <p>b) the authority, and</p> <p>c) the responsibility</p> <p>of the internal audit activity consistent with the Public Sector Internal Audit Standards (PSIAS)?</p> | ✓✓ ✓✓ ✓✓ | | | Internal Audit Charter – Section 1 | 1 |
| 30 | <p>Does the internal audit charter conform with the PSIAS by clearly and appropriately defining the terms 'board' and 'senior management' for the purposes of the internal audit activity?</p> <p>Note that it is expected that the audit committee will fulfil the role of the board in the majority of instances.</p> | ✓✓ | | | Internal Audit Charter – Definition of Internal Auditing page 3 Board & senior management - page 3 Governance & Audit Committees Terms of Reference * 4 | 1 1 5.1, 5.2, 5.3, 5.4 |
| 31-45 | <p>Does the internal audit charter also:</p> <p>a) Set out the internal audit activity's position within the organisation?</p> <p>b) Establish the chief audit executive's (CAE) functional reporting relationship with the board?</p> | ✓✓ ✓✓ | | | Internal Audit Charter Section 2 Independence and Objectivity states that the Head of Internal Audit has unrestricted access to the Chair of Governance and Audit Committee and direct access to Chief Executive, S151 Officer and Monitoring Officers and unrestricted access to Directors, Leaders and Audit Wales. | 1 |

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| 50 | Does the CAE contribute to audit committee agendas? | ✓✓ | | | The Head of RIAS reports to all 4 Governance & Audit Committees the following items as per the Forward Work Plan and agendas – <ul style="list-style-type: none"> Annual Internal Audit Report 2021/22 Internal Audit Shared Service Charter 2022/23 Internal Audit Annual Strategy and Audit Plan 2022/23 Internal Audit Progress Report Recommendation Monitoring Report Governance & Audit Committee Self-Assessment | 10.1, 10.2, 10.3, 10.4 |
| 51-54 | Are threats to objectivity identified and managed at the following levels: a) Individual auditor? b) Engagement? c) Functional? d) Organisation? | ✓✓ ✓✓ ✓✓ ✓✓ | | | The IA activity complies with the definition of Internal Auditing, the Code of Ethics and Standards contained in Section 6 of the PSIAS, 2019 Edition. <u>Individual Auditor</u> <ul style="list-style-type: none"> Vale of Glamorgan Code of Conduct & Register of Interests Annual declarations All Internal Audit Staff members have signed a Declaration that they have read the PSIAS and that they understand that they must comply with the Standards and its Code of Ethics. Register of Personal Interests is maintained and consulted when work is allocated RIAS Manual Charter | 7 6.1 6 2 1 |
| | 1100 Conclusion | ✓✓ | | | | |
| | 1110 Organisational Independence | | | | | |
| 55 | Does the CAE report to an organisational level equal or higher to the corporate management team? | ✓✓ | | | Head of RIAS reports to Regional Board made up of Chief Financial Officer of each of the 4 Authorities.- (Example of agenda provided) | 11 |
| 56 | Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities? | ✓✓ | | | Head of RIAS reports to Chief Financial Officers of each of the 4 authorities and has unrestricted access to the Chief Executives | |
| 57-58 | Does the CAE's position in the management structure: a) Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board? b) Ensure that he or she is sufficiently senior and independent to be able to provide credibly constructive challenge to senior management? | ✓✓ ✓✓ | | | Internal Audit Charter - Section 2 Independence and Objectivity Audit Plans and Annual reports approved by the relevant Governance and Audit Committee | 1 4.1.2, 4.2.2, 4.3.2, 4.4.2 3.1, 3.2, 3.3, 3.4 |
| 59 | Does the CAE confirm to the board, at least annually, that the internal audit activity is organisationally independent? | ✓✓ | | | Audit Strategy 2022-23 Internal Audit Charter Annual Report 2021-22 | 4.1.1, 4.2.1, 4.3.1, 4.4.1 1 3.1, 3.2, 3.3, 3.4 |
| 60 | Is the organisational independence of internal audit realised by functional reporting by the CAE to the board? <i>The 'Interpretation' to PSIAS 1110 provides examples of factors which may indicate that the CAE reports functionally to the Board, which include where the board:</i> a) approves the internal audit charter b) approves the risk-based audit plan c) approves the internal audit budget and resource plan d) receives communications from the CAE on the activity's performance (in relation to the plan, for example) e) approves decisions relating to the appointment and | ✓✓ | | | a) and b) annually as per Governance and Audit Committee agendas c) Partnership agreement agrees days and therefore contributions and budget monitoring reported to RIAS Board. GAC kept informed of staff resource within the regular Progress Against the Plan reports (see agendas) and the Annual Reports d) Progress Against the Plan reports to each GAC quarterly as per agenda e) and f) Head of RIAS was appointed by VOG Senior Management Committee involving chairs of the 4 audit committees. Meeting 6/12/18. Replacement will be via the Senior Management Appointment Committee meeting 3/11/22 with input from S151 and Chairs of GAC of the 4 participating Councils g) highlighted if necessary, in above reports | 9.1, 9.2, 9.3, 9.4 3.1, 3.2, 3.3, 3.4 |

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| | removal of the CAE f) approves the remuneration of the CAE g) seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations. | | | | | |
| | 1110 Conclusion | ✓✓ | | | | |
| | 1111 Direct Interaction with the Board | | | | | |
| 61 | Does the CAE communicate and interact directly with the board? | ✓✓ | | | At Governance & Audit Committee meetings. Meeting minutes evidence Head of RIAS in attendance. In addition there are pre meetings with Chairs and training sessions when appropriate. | |
| | 1111 Conclusion | ✓✓ | | | | |
| | 1112 Chief Audit Executive Roles Beyond Internal Auditing | | | | | |
| 62 | Where the CAE has roles or responsibilities that fall outside of internal auditing, are adequate safeguards in place to limit impairments to independence or objectivity? | ✓✓ | | | Not Applicable – Regional Internal Audit Service Internal Audit has no operational responsibility for any other service delivery but does lead on Fraud matters in the Vale & Merthyr and liaises with Fraud staff at Bridgend & RCT | |
| 63 | Does the board periodically review these safeguards? | ✓✓ | | | Not Applicable – Regional Internal Audit Service | |
| | 1112 Conclusion | ✓✓ | | | | |
| | 1120 Individual Objectivity | | | | | |
| 64 | Do internal auditors have an impartial, unbiased attitude? | ✓✓ | | | Internal Audit Charter – Code of Ethics – Annex 2 Vale of Glamorgan Code of Conduct & Register of Interests Annual declarations | 1 7 6 |
| 65 | Do internal auditors avoid any conflict of interest, whether apparent or actual? | ✓✓ | | | Vale of Glamorgan Code of Conduct & Register of Interests Annual declarations Declarations and any previous roles within the Council are taken into account by Audit Managers when allocating work | 7 6 |
| | 1120 Conclusion | ✓✓ | | | | |
| | 1130 Impairment to Independence or Objectivity | | | | | |
| 66 | If there has been any real or apparent impairment of independence or objectivity, has this been disclosed to appropriate parties (depending on the nature of the impairment and the relationship between the CAE and senior management/the board as set out in the internal audit charter)? | ✓✓ | | | There has been no instances of an auditor's independence or objectivity being impaired. | |
| 67 | Does review indicate that work allocations have operated so that internal auditors have not assessed specific operations for which they have been responsible within the previous year? | ✓✓ | | | As above | |
| 68 | If there have been any assurance engagements in areas over which the CAE also has operational responsibility, have these engagements been overseen by someone outside of the internal audit activity? | ✓✓ | | | Not applicable - NCC external assessment ✓ | |
| 69 | Is the risk of over-familiarity or complacency managed effectively: for example by rotating assignments for ongoing assurance engagements and other audit responsibilities periodically within the internal audit team? | ✓✓ | | | Whenever possible, as part of the annual planning process and audit allocation process, the Audit Managers will ensure that there is staff rotation of auditable areas if necessary | |

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| 70 | Have internal auditors declared interests in accordance with organisational requirements? | ✓✓ | | | Annual declarations | 6 |
| 71 | Where any internal auditor has accepted any gifts, hospitality, inducements or other benefits from employees, clients, suppliers or other third parties (other than as may be allowed by the organisation's own policies), has this been declared and investigated fully? | ✓✓ | | | N/A - Auditors have not accepted any gifts or hospitality but are aware of the Council's Code of Conduct and the Gifts & Hospitality Policy. | 6 |
| 72 | Does review indicate that no instances have been identified where an internal auditor has used information obtained during the course of duties for personal gain? | ✓✓ | | | No evidence to suggest auditors using information obtained during their duties for personal gain. | |
| 73 | Have internal auditors disclosed all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice, subject to any confidentiality agreements? | ✓✓ | | | RIAS Manual Charter & Code of Ethics All audits are reviewed by a Senior staff member prior to draft being issued. Code of Ethics requires that ' <i>Internal Auditors will perform their work with honesty, diligence and responsibility. Will observe the law and make disclosures expected by law and the profession.</i> ' | 2 1 and 6 |
| 74 | If there has been any real or apparent impairment of independence or objectivity relating to a proposed consulting services engagement, was this disclosed to the engagement client before the engagement was accepted? | ✓✓ | | | N/A NCC external assessment ✓ | |
| 75 | Where there have been significant additional consulting services agreed during the year that were not already included in the audit plan, was approval sought from the board before the engagement was accepted? | ✓✓ | | | All 4 Annual Plans include an allocation for emerging risks or unplanned work. Any unplanned work will be included on the Progress Against Plan report to GAC | |
| | 1130 Conclusion | ✓✓ | | | NCC external assessment generally conforms | |
| | 1200 Proficiency and Due Professional Care | | | | | |
| | 1210 Proficiency | | | | | |
| 76 | Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent? | ✓✓ | | | CIPFA qualified. | |
| 77 | Is the CAE suitably experienced? | ✓✓ | | | Head of RIAS has many years' experience in the public sector and a number of years audit experience prior to becoming the Head of RIAS in February 2019, as well as CIPFA qualified he is also AAT qualified and a qualified Programme Manager with over 30 years Internal Audit & Senior management experience in the public sector Deputy Head is also CIPFA qualified with over 30 years public sector finance & audit experience. | |
| 78 | Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes? | ✓✓ | | | Recruitment & Selection undertaken in accordance with the Vale of Glamorgan Recruitment & Selection Policy as Vale is the host Authority. Adverts are placed externally and shared with partnering Authorities. | |
| 79 | Does the CAE ensure that up-to-date job descriptions exist that reflect roles and responsibilities and that person specifications define the required qualifications, competencies, skills, experience and personal attributes? | ✓✓ | | | All job descriptions and person specifications independently evaluated and were updated during 2021 prior to the RIAS staff restructure All JD's and Person Specs | 12 |
| 80 | Having regard to the answers to the other questions in this section and other matters, does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities? | ✓✓ | | | IA Charter – Section 3.4 to 3.7 – Resources and Proficiency RIAS Manual Part 3 Structure & Responsibilities & App D Structure implemented in 2021 Person Specifications – specifies skills and knowledge required During 2021 staff were matched into posts within the structure, commensurate experience was demonstrated in some roles where the required formal qualifications were not held. The service has a qualified IT Auditor and some CIPFA + IIA qualified staff. It has recently recruited another IT Auditor and a number of graduates who will be undertaking professional training to increase the proportion of qualified staff. The Service also has a call off contract with SWAP to support with capacity and potentially specialist skills. | 1 2 & 13 12 |

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| 81 | Where the internal audit activity does not possess the skills, knowledge and other competencies required to perform its responsibilities, does the CAE obtain competent advice and assistance? | ✓✓ | | | SWAP Internal Audit Services are used if required. Not yet used for specialist skills, just additional capacity. | |
| 82 | Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation? | ✓✓ | | | <p>RIAS Manual – Part 7 Anti Fraud, Bribery & Whistleblowing</p> <p>Counter Fraud Strategy & Framework and other fraud documents are available to all staff on staffnet</p> <p>Corporate Fraud Officer available for staff referrals / discussions at any time.</p> <p>Gaps in knowledge would be identified in individual's its about me process</p> | <p>2</p> <p>24, 23</p> |
| 83 | Do internal auditors have sufficient knowledge of key information technology risks and controls? | ✓✓ | | | <p>Staff have sufficient knowledge for audits that are allocated to them</p> <p>Gaps would be identified in its about me process and the post audit assessment reviews</p> <p>Assistant Audit Manager holds (ISACA) – CISA qualification and available if required to share knowledge</p> <p>ICT Auditor now in post and will assist in any complex IT issues</p> | |
| 84 | Do internal auditors have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques? | ✓✓ | | | <p>Auditors do consider the use of technology-based audit and other data analysis techniques</p> <p>IDEA Training was undertaken by some staff pre Regional Service</p> <p>4 IDEA licences within RIAS so specific Auditors use IDEA for complex data analysis.</p> | |
| | 1210 Conclusion | ✓✓ | | | | |
| | 1220 Due Professional Care | | | | | |
| 85-89 | Do internal auditors exercise due professional care by considering the: | | | | <p>There is a statutory requirement for Internal Audit to work in accordance with the "proper audit practices". The PSIAS and the CIPFA Local Government Application Note have been adopted.</p> <p>Internal Audit Charter – Due Professional Care – 3.8</p> <p>RIAS Manual – 3.5</p> <p>Term of Reference template</p> <p>Report template</p> <p>e) N/A</p> | <p>1</p> <p>2</p> <p>25</p> <p>20</p> |
| 90-92 | Do internal auditors exercise due professional care during a consulting engagement by considering the | | | | <p>All requests considered on merit; requirements are obtained in writing. If appropriate reports are produced and recommendations are made if necessary.</p> <p>Attendance on certain Boards if presence requested -eg) Information Governance Board to offer advice and guidance</p> | |
| | 1220 Conclusion | ✓✓ | | | | |
| | 1230 Continuing Professional Development | | | | | |
| 93 | Has the CAE defined the skills and competencies for each level of auditor? | ✓✓ | | | JD's and person specifications | 12 |

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| 94 | Does the CAE periodically assess individual auditors against the predetermined skills and competencies? | ✓✓ | | | “Its about me” which is a corporate staff development process conducted by line managers on their staff to identify development and training needs. Also, assessment is undertaken as part of the review of every audit piece of work by the relevant Audit Manager. | 14 |
| 95 | Do internal auditors undertake a programme of continuing professional development? | ✓✓ | | | Those professionally qualified need to complete own CPD requirements Annual <i>its about me</i> – training and development discussed Opportunity to undertake professional qualifications regularly offered Idev –mandatory and optional training undertaken and recorded | |
| 96 | Do internal auditors maintain a record of their professional development and training activities? | | ✓✓ | | Idev maintains a record of courses completed and information held by staff. This is reported in the Head of Internal Audit Annual Reports 2021-22 * 4 | 3.1, 3.2, 3.3, 3.4 |
| | 1230 Conclusion | ✓✓ | | | | |
| | 1300 Quality Assurance and Improvement Programme | | | | | |
| 97 | Has the CAE developed a QAIP that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated? | ✓✓ | | | A Self-Assessment to ensure compliance with PSIAS is conducted on an annual basis by an auditor and any non-conformance is reported to the relevant Governance & Audit Committee. Since forming the Regional Service many documents and work methods have changed to form as standardised approach and to reflect the new audit software system. | |
| 98 | Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement? | ✓✓ | | | Internal Audit Charter – Section 4 RIAS Manual – Section 6 IA has recently adopted a post audit performance and quality check undertaken by the relevant Audit Manager or Assistant Audit Manager following the issuing of a draft report. This identifies good practice and areas for improvement for the Auditor completing the work. IA performance / progress against the plan is reviewed by Audit Managers and reported to the Governance & Audit Committee on a quarterly basis Performance Targets developed in consultation with All Wales IA Benchmarking Group are included in the respective annual reports (Section 8) Client Satisfaction Questionnaires - The completed client satisfaction questionnaires are returned electronically and reviewed by the relevant manager See completed questionnaire Performance is raised at Team meetings and at Service wide staff meetings with staff involved in identifying how performance can be improved. | 1 2 14 27.1, 27.2, 27.3 (RCT same format but GAC cancelled) 3.1, 3.2, 3.3, 3.4 16 15 |
| 99 | Does the CAE maintain the QAIP? | ✓✓ | | | The PSIAS Self-Assessment is performed by an elected Auditor in consultation with the Head of RIAS and it is referenced in the Annual Reports | 3.1, 3.2, 3.3, 3.4 |
| 100 | Are any statutory requirements for review of the internal audit activity satisfied? | ✓✓ | | | IA Charter – Section 4 – Quality Assurance & Improvement Programme. Self-assessment undertaken annually and reported in Annual Reports along with the RIAS Service Performance. | 1 3.1, 3.2, 3.3, 3.4 |
| | 1300 Conclusion | ✓✓ | | | | |
| | 1310 Requirements of the Quality Assurance and Improvement Programme | | | | | |
| 101 | Does the QAIP include both internal and external assessments? | ✓✓ | | | Charter - External Assessment (page 13) In compliance with the PSIAS, external assessment will be carried out once every five years by a qualified, independent assessor or assessment team from outside of the RIAS Councils. The External Assessment of the previous Shared Service between Bridgend CBC and the Vale of Glamorgan Council took place during in 2017 and RCT in 2017 and Merthyr Tydfil in | 1 |

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| | | | | | 2019. The next external assessment for the expanded Regional Service will take place in 2022. | |
| | 1310 Conclusion | ✓✓ | | | | |
| | 1311 Internal Assessments | | | | | |
| 102 | Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence? | ✓✓ | | | The relevant Audit Manager ensures that audits are allocated to appropriate staff members | |
| 103-104 | Do internal assessments include ongoing monitoring of the internal audit activity such as: a) Routine quality monitoring processes? b) Periodic assessments for evaluating conformance with the PSIAS? | ✓✓ ✓✓ | | | All audit reports are reviewed by the relevant Audit Manager or Assistant Audit Manager Post audit performance and quality check completed each time See example of completed quality check | 14 |
| 105 | Does ongoing performance monitoring contribute to quality improvement through the effective use of performance targets? | ✓✓ | | | Annual Reports – Key performance measures reported in Section 8 Performance discussed at RIAS Staff Session August 2022 | 3.1, 3.2, 3.3, 3.4 15 |
| 106 | Is there a set of comprehensive targets which between them encompass all significant internal audit activities? | ✓✓ | | | Performance Targets developed in consultation with All Wales IA Benchmarking Group. (WCIAG) and reported in all 4 Annual Reports | 3.1, 3.2, 3.3, 3.4 |
| 107 | Are the performance targets developed in consultation with appropriate parties and included in any service level agreement? | ✓✓ | | | Performance Targets developed in consultation with All Wales IA Benchmarking Group. (WCIAG) | |
| 108 | Does the CAE measure, monitor and report on progress against these targets? | ✓✓ | | | RIAS performance is reviewed by management and reported to the Governance & Audit Committee in the annual report – Section 8 Staff were informed via the annual report and the RIAS Service Wide Staff meeting | 3.1, 3.2, 3.3, 3.4 15 |
| 109 | Does ongoing performance monitoring include obtaining stakeholder feedback? | ✓✓ | | | Client Satisfaction Questionnaire issued after completion of each audit and outcomes reviewed and reported in annual report | 16 |
| 110 | Are the periodic self-assessments or assessments carried out by people external to the internal audit activity undertaken by those with a sufficient knowledge of internal audit practices? Sufficiency would require knowledge of the PSIAS and the wider guidance available such as the Local Government Application Note and/or IIA practice advisories, etc. | ✓✓ | | | Annual internal self-assessments undertaken by Audit Managers. External Assessment undertaken by a qualified, independent assessor every 5 years, last time it was CIPFA for Vale and Bridgend and peer reviews for RCT and Merthyr Further External Assessment planned for 2022 External Assessment undertaken during 2022/23 by Chief Internal Auditor and Audit Manager at Newport CC, both CPFA qualified with extensive IA experience | |
| 111 | Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives? | ✓✓ | | | Monitoring of activity against the risk-based plan regularly undertaken and reported quarterly to Governance and Audit Committee – Progress Against the Plan Reports | 27.1, 27.2, 27.3 |
| | 1311 Conclusion | ✓✓ | | | | |
| | 1312 External Assessments | | | | | |
| 112 | Has an external assessment been carried out, or is one planned to be carried out, at least once every five years? | ✓✓ | | | The External Assessment of the previous Shared Service between Bridgend CBC and the Vale of Glamorgan Council took place during in 2017 and in the other respective Councils in 2018/19. The next external assessment will take place in 2022 via a per review by a Head of Internal Audit in another Local Authority. External Assessment undertaken during 2022/23 by Chief Internal Auditor and Audit Manager at Newport CC, both CPFA qualified with extensive IA experience | |
| 113 | Has the CAE discussed the alternative approaches to external assessment with the board? <i>This should reflect the relative costs of the different approaches, the potential advantages of an external viewpoint, and whether</i> | ✓✓ | | | The Welsh Chief Internal Auditors Group (WCIAG) considered the pros and cons of the types of assessment and agreed upon self-assessment with independent external verification – peer review. | 28 |

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| | <i>there are factors which might be considered to warrant a demonstrably independent assessment.</i> | | | | Peer review was agreed with the RIAS Board but they requested that it should be undertaken by a Chief Auditor who has experience of providing Internal Audit to more than 1 Council. | |
| 114 | <p>Has the CAE properly discussed the qualifications and independence of the assessor or assessment team with the board?</p> <p><i>In doing this, the CAE should consider whether the assessor or assessment team has demonstrated its competence in both the professional practice of internal auditing and the external assessment process. Competence can be demonstrated through both experience and theoretical learning. Experience of similar organisations or sectors is more valuable than less relevant experience. In the case of an assessment team, not all members need to have all the competencies – it is the team as a whole that is qualified.</i></p> <p><i>If the capability of the assessor or assessment team is not immediately obvious, the CAE should document how they used professional judgement to decide whether this is sufficient to carry out the external assessment.</i></p> <p><i>If the assessor or assessment team has any real or apparent conflicts of interest with the organisation, this should be clearly explained to the board, and safeguards should be put in place to minimise the effect of this on the conduct of the external assessment.</i></p> <p><i>Conflict of interest may include, but is not limited to, being a part of or under the control of the organisation to which the internal audit activity belongs.</i></p> | ✓✓ | | | The Welsh Chief Internal Auditors Group (WCIAG) has established the scope of the assessment and the Terms of Reference identifies that the assessors must be appropriately qualified and competent. | |
| 115 | <p>Has the CAE agreed the scope of the external assessment with an appropriate sponsor, such as the chair of the audit committee, the CFO or the chief executive?</p> <p><i>The CAE should also agree this scope with the external assessor or assessment team.</i></p> | ✓✓ | | | <p>The RIAS Board agreed that the external review process as agreed with WCAG be adopted</p> <p>The external assessment was referenced in the Annual Reports (Section 9)</p> <p>The Welsh Chief Internal Auditors Group (WCAG) has established the scope.</p> | <p>28</p> <p>3.1, 3.2, 3.3, 3.4</p> |
| | 1312 Conclusion | ✓✓ | | | | |
| | 1320 Reporting on the Quality Assurance and Improvement Programme | | | | | |

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| 116 | Has the CAE reported the results of the QAIP to senior management and the board? <i>Note that:</i> <i>a) the results of both external and periodic internal assessment must be communicated upon completion</i> <i>b) the results of ongoing monitoring must be communicated at least annually</i> <i>c) the results must include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS.</i> | ✓✓ | | | The previous external assessments were reported to the relevant Audit Committees at the time. An example of the VOG & BCBC action plan in 2017 is provided Annual Reports confirm continuing compliance to the Standards – Section 9 and Progress in Section 10 | 17 3.1, 3.2, 3.3, 3.4 |
| 117 | Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report? | ✓✓ | | | Annual Report - Section 9 & 10 | 3.1, 3.2, 3.3, 3.4 |
| | 1320 Conclusion | ✓✓ | | | | |
| | 1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing' | | | | | |
| 118 | Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this? | ✓✓ | | | Annual Report - Section 9 | 3.1, 3.2, 3.3, 3.4 |
| | 1321 Conclusion | ✓✓ | | | | |
| | 1322 Disclosure of Non-conformance | | | | | |
| 119 | Has the CAE reported any instances of non-conformance with the PSIAS to the board? | ✓✓ | | | No deviations from PSIAS have been identified | |
| 120 | If appropriate, has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced? | ✓✓ | | | n/a | |
| | 1322 Conclusion | ✓✓ | | | | |
| F | Performance Standards | | | | | |
| | 2000 Managing the Internal Audit Activity | | | | | |
| | 2010 Planning | | | | | |
| 121 | Has the CAE determined the priorities of the internal audit activity in a risk-based plan and are these priorities consistent with the organisation's goals? | ✓✓ | | | RIAS Manual – Preparing the RIAS Audit Plan - 4.8 | 2 |
| 122 | Does the risk-based plan take into account the requirement to produce an annual internal audit opinion? | ✓✓ | | | Charter – Section 1 - Purpose Annual Reports – 1.4 The 2021/22 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, 3.1, 3.2, 3.3, 3.4 |

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| 123-125 | Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of: a) How the internal audit service will be delivered? b) How the internal audit service will be developed in accordance with the internal audit charter? c) How the internal audit service links to organisational objectives and priorities? | ✓✓ ✓✓ ✓✓ | | | Charter Audit Strategy * 4 | 1, 4.1.1, 4.2.1, 4.3.1, 4.4.1 |
| 126 | Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks? | ✓✓ | | | Charter Audit Strategy – Section 6 | 1, 4.1, 4.2, 4.3, 4.4 |
| 127 | In developing the risk-based plan, has the CAE taken into account the organisation's risk management framework and relative risk maturity of the organisation? | ✓✓ | | | Charter Audit Strategy – Section 8 | 1, 4.1, 4.2, 4.3, 4.4 |
| 128 | If such a risk management framework does not exist, has the CAE used their judgement of risks after input from senior management and the board and evidenced this? | ✓✓ | | | Meetings and emails between Chief Officers and Audit Managers during the planning process See example of reply from HoS | 18 |
| 129-131 | Does the risk-based plan set out the: a) Audit work to be carried out? b) Respective priorities of those pieces of audit work? c) Estimated resources needed for the work? | ✓✓ ✓✓ ✓✓ | | | The Annual Plan is approved by Governance & Audit and sets out the audit work to be performed, the priorities and the resources required. Resources are also discussed in the RIAS Board meetings See resources available to deliver the audit plan overall and per audit job | 4.1.2, 4.2.2, 4.3.2, 4.4.2 28 |
| 132 | Does the risk-based plan differentiate between audit and other types of work? | ✓✓ | | | Yes, consultancy, advice and guidance built in | 4.1.2, 4.2.2, 4.3.2, 4.4.2 |
| 133 | Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation? | ✓✓ | | | Contingency is built into the plan for emerging risks and unplanned items | 4.1.2, 4.2.2, 4.3.2, 4.4.2 |
| 134 | Does the CAE review the plan on a regular basis and has he or she adjusted the plan when necessary in response to changes in the organisation's business, risks, operations, programmes, systems and controls? | ✓✓ | | | Each plan is monitored regularly by the relevant Audit Manager and Head RIAS, Regular meetings with relevant S151 Officers in each Authority regarding progress, issues identified etc, and Progress against the plan is reported to all 4 GAC's quarterly. In progress v plan reports state if there any changes to plan or not | 27.1, 27.2, 27.3, 27.4 |
| 135 | Is the internal audit activity's plan of engagements based on a documented risk assessment? | ✓✓ | | | Corporate risk registers and service plans are used to inform the planning process as per the Audit Strategy (Sections 6,7 and 8) alongside discussions with Senior Officer and Governance and Audit Committee It is planned to refine this process further making use of the MK Pentana software functionality | 4.1, 4.2, 4.3, 4.4 |
| 136 | Is the risk assessment used to develop the plan of engagements undertaken at least annually? | ✓✓ | | | As Above. | |
| 137-140 | In developing the risk-based plan, has the CAE also given sufficient consideration to: a) Any declarations of interest (for the avoidance for conflicts of interest)? b) The requirement to use specialists, eg IT or contract and procurement auditors? c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary? | ✓✓ ✓✓ ✓✓ | | | a) All staff complete and are asked to maintain declarations of interest and Audit Manager had regard to these b) Have IT Specialist in team and Senior Auditors have developed specialisms which are considered. Also have the option to use SWAP c) Fraud and contingency provision is included in the audit plans | 6 4.1.2, 4.2.2, 4.3.2, 4.4.2 |

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| | d) The time required to carry out the audit planning process effectively as well as regular reporting to and attendance of the board, the development of the annual report and the CAE opinion? | ✓✓ | | | d) This provision is also included in the audit plan for these items | |
| 141 | In developing the risk-based plan, has the CAE consulted with senior management and the board to obtain an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes? | ✓✓ | | | Consultation meetings with Chief Executives, Directors, Heads of Service each year on the annual plan of work provides the opportunity for senior management to input to the risk-based plan. This is completed using a questionnaire and meetings | 18.1 18.2 |
| 142 | Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions? | ✓✓ | | | Annual Reports 2021/22 <ul style="list-style-type: none"> The Consultation with Heads of Service allows consideration of their expectations. Quarterly meetings with External Auditors Regular Meetings with S151 Officers Pre Governance & Audit Committee briefings with Chair & Vice Chair. Regular Governance and Audit Committee Meetings | 3.1, 3.2, 3.3, 3.4 |
| 143 | Does the CAE take into consideration any proposed consulting engagement's potential to improve the management of risks, to add value and to improve the organisation's operations before accepting them? | ✓✓ | | | As above, audits and consultancy work terms of reference takes account of any identified / perceived risks | |
| 144 | Are consulting engagements that have been accepted included in the risk-based plan? | ✓✓ | | | If accepted they would be included in plan and therefore the monitoring reports. There is a provision in the plan for advice and guidance as well as a contingency provision. | |
| | 2010 Conclusion | ✓✓ | | | | |
| | 2020 Communication and Approval | | | | | |
| 145 | Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval? | ✓✓ | | | Covering Reports of the Strategy and Plan to GAC * 4 | 4.1, 4.2, 4.3, 4.4 |
| 146 | Has the CAE communicated any significant interim changes to the plan and/or resource requirements to senior management and the board for review and approval, where such changes have arisen? | ✓✓ | | | Any significant changes are reported to Governance & Audit Committee as and when they arise and included in quarterly the progress against plan report . | 27.1, 27.2, 27.3 |
| 147 | Has the CAE communicated the impact of any resource limitations to senior management and the board? | ✓✓ | | | Vacancies and impact of Covid have been communicated to G&A Committees and RIAS Board Meetings along with mitigation until posts are filled including use of SWAP. | 11 & 28 |
| | 2020 Conclusion | ✓✓ | | | | |
| | 2030 Resource Management | | | | | |
| 148 | Does the risk-based plan explain how internal audit's resource requirements have been assessed? | ✓✓ | | | The number of audit days have been agreed in the RIAS business case and the plan is developed on this basis. | |
| 149 | Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise disruption to the functions being audited, subject to the requirement to obtain sufficient assurance? | ✓✓ | | | As part of the consultation process heads of service etc are informed of audit work to be undertaken in their areas in advance of work being performed. As part of the planning for individual audits, management are informed that an audit is to be undertaken and issues regarding timing considered. An email is send to each Directorate after plan has been agreed to inform them of the planned work and request information in respect of best timings etc. | 19 |
| 150 | If the CAE believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, has he or she brought these consequences to the attention of the board? | ✓✓ | | | Any resource issues e.g. vacant posts are reported to Governance & Audit Committee including impact in terms of slippage. Agreement to have an agreement with SWAP Internal Audit Services to cover for any shortfalls as and when required. | |
| | 2030 Conclusion | ✓✓ | | | | |

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| | 2040 Policies and Procedures | | | | |
| 151 | Has the CAE developed and put into place policies and procedures to guide the internal audit activity? | ✓✓ | | | RIAS Manual and associated appendices 2 |
| 152 | Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards? | ✓✓ | | | RIAS Manual updated regularly to reflect any changes in working practices, standards & legislation. The RIAS Manual has been updated most recently to reflect the changes following the implementation of the audit software system and the adoption of processes across the RIAS 2 |
| | 2040 Conclusion | ✓✓ | | | |
| | 2050 Coordination | | | | |
| 153 | Does the risk-based plan include an adequately developed approach to using other sources of assurance and any work that may be required to place reliance upon those sources? | ✓✓ | | | Audit Strategy – take account of other regulatory bodies' reports, - 15.1 Regular Audit Wales meetings and Audit Wales reports Other regulators where appropriate 4.1.1, 4.2.1, 4.3.1, 4.4.1 |
| | 2050 Conclusion | ✓✓ | | | |
| | 2060 Reporting to Senior Management and the Board | | | | |
| 154 | Does the CAE report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan? | ✓✓ | | | GAC - Progress against plan reports Annual Reports RIAS Board Meetings 27.1, 27.2, 27.3 3.1, 3.2, 3.3, 3.5 11 & 28 |
| 155 | Does the periodic reporting also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board? | ✓✓ | | | Performance and progress relative to the Plan is reported to the Governance & Audit Committee on a quarterly basis. Issues identified within any limited assurance reports are detailed as well as any areas of concern including regular fraud updates Information also provided in the Annual Reports 27.1, 27.2, 27.3 3.1, 3.2, 3.3, 3.5 |
| 156 | Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependent on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management or the board? | ✓✓ | | | Quarterly reporting to the Governance & Audit Committee, Additional meetings may be called as required in exceptional circumstances. |
| | 2060 Conclusion | ✓✓ | | | |
| | 2070 External Service Provider and Organisational Responsibility for Internal Auditing | | | | |
| 157 | Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining and effective internal audit activity remains with the organisation? | ✓✓ | | | Set out in reports and legal agreement for the expansion of Regional Internal Audit Service. Tender exercise undertaken and contract awarded to SWAP Internal Audit Services to be used as and when required. |
| | 2070 Conclusion | ✓✓ | | | |
| | 2100 Nature of Work | | | | |
| | 2110 Governance | | | | |
| 158-163 | Does the internal audit activity assess and make appropriate recommendations to improve the organisation's governance processes for: a) Making strategic and operational decisions? b) Overseeing risk management and control? c) Promoting appropriate ethics and values within the organisation? | ✓✓ ✓✓ ✓✓ | | | The following documents provide a systematic and disciplined approach: <ul style="list-style-type: none"> RIAS Manual – Appendix F Annual Reports 2021/22 IA Charter Annual Plan 2022/23. Progress against the plan reports 2 3.1, 3.2, 3.3, 3.4 1 4.1, 4.2, 4.3, 4.4 27.1, 27.2, 27.3 20 |

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| | <p>d) Ensuring effective organisational performance management and accountability? ✓✓</p> <p>e) Communicating risk and control information to appropriate areas of the organisation? ✓✓</p> <p>f) Coordinating the activities of and communicating information among the board, external and internal auditors and management? ✓✓</p> | | | <p>In addition, the standard audit report template states the audit will provide an opinion on “the adequacy and effectiveness of internal control, governance and risk management arrangements in place”. Risk and controls are explained in context of findings</p> <p>Annual Governance Statement is included on the audit plan across all 4 Council’s for this purpose as well as this element being included in individual audits where appropriate</p> | |
| 164 | Has the internal audit activity evaluated the design, implementation and effectiveness of the organisation’s ethics-related objectives, programmes and activities? This is an area where the CAE may be able to use other sources of assurance. ✓✓ | | | <p>Annual Reports – to provide the Governance and Audit Committee with assurance on the whole system of internal control, including the adequacy of risk management and corporate governance arrangements and also audit reviews on the codes of conduct is included in the audit plans as well as a review of the Annual Governance Statements</p> | 3.1, 3.2, 3.3, 3.4 |
| 165 | Has the internal audit activity assessed whether the organisation’s information technology governance supports the organisation’s strategies and objectives? This is an area where the CAE may be able to use other sources of assurance. ✓✓ | | | <p>IT audits are programmed each year to enable Internal Audit to assess whether the Authority’s IT governance supports its strategies and objectives.</p> <p>The Assistant Audit Manager is ISACA qualified and there is a new ICT Auditor post recently filled to ensure there is a level of expertise.</p> | |
| | 2110 Conclusion | ✓✓ | | | |
| | 2120 Risk Management | | | | |
| 166-169 | <p>Has the internal audit activity evaluated the effectiveness of the organisation’s risk management processes by determining that:</p> <p>a) Organisational objectives support and align with the organisation’s mission? ✓✓</p> <p>b) Significant risks are identified and assessed? ✓✓</p> <p>c) Appropriate risk responses are selected that align risks with the organisation’s risk appetite? ✓✓</p> <p>d) Relevant risk information is captured and communicated in a timely manner across the organisation, thus enabling the staff, management and the board to carry out their responsibilities? ✓✓</p> | | | <p>Risk Management is included on the audit plan across all 4 Council’s for this purpose as well as this element being included in individual audits where appropriate</p> <p>RIAS Manual – Appendix G</p> | 2 |
| 170-174 | <p>Has the internal audit activity evaluated the risks relating to the organisation’s governance, operations and information systems regarding the:</p> <p>a) Achievement of the organisation’s strategic objectives? ✓✓</p> <p>b) Reliability and integrity of financial and operational information? ✓✓</p> <p>c) Effectiveness and efficiency of operations and programmes? ✓✓</p> <p>d) Safeguarding of assets? ✓✓</p> <p>e) Compliance with laws, regulations, policies, procedures and contracts?</p> | | | These elements are considered in all audits as appropriate. | |
| 175 | Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk? ✓✓ | | | <p>Counter Fraud Strategy Framework 2021-24</p> <p>Anti Fraud, Bribery & Corruption Policy</p> <p>RIAS Manual Part 7 Anti-Fraud, Bribery And Whistleblowing</p> <p>Annual Plan - Audit budget for fraud, error, and irregularities in each plan</p> | 24 23 2 |

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| 176 | Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement? | ✓✓ | | | Risk is always considered during all audit assignments. Corporate & Service Risk Registers are accessed Audit terms of reference and work programmes on MK Insight identify the risks | 25 |
| 177 | Are internal auditors alert to other significant risks when undertaking consulting engagements? | ✓✓ | | | Risk is always considered during all assignments. | |
| 178 | Do internal auditors incorporate knowledge of risks gained from consulting engagements into their evaluation of the organisation's risk management processes? | ✓✓ | | | Knowledge of risks gained from consulting engagements are considered where necessary. Annual Reports - Analyses the work and overall performance of the Internal Audit Service and contains the assurance statement based on all the work undertaken during the year. | |
| 179 | Do internal auditors successfully avoid managing risks themselves, which would in effect lead to taking on management responsibility, when assisting management in establishing or improving risk management processes? | ✓✓ | | | Auditors provide advice and guidance but would not directly be involved in risk management processes. | |
| | 2120 Conclusion | ✓✓ | | | | |
| | 2130 Control | | | | | |
| 180-184 | Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems regarding the: a) Achievement of the organisation's strategic objectives? b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts? | ✓✓ ✓✓ ✓✓ ✓✓ ✓✓ | | | Annual Reports – Evaluates and provides assurance to Governance & Audit Committee on the adequacy of controls in respect of each Authority's governance, operations and information systems. | 3.1, 3.2, 3.3, 3.4 |
| 185 | Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes? | ✓✓ | | | Yes all relevant information is used | |
| | 2130 Conclusion | ✓✓ | | | | |
| | 2200 Engagement Planning | | | | | |
| 186 | Do internal auditors develop and document a plan for each engagement? | ✓✓ | | | RIAS Manual – Section 5 : Conducting Audits including Appendix J detailed process and Appendix H – MK Pentana instructions Terms of reference then developed and issued from Pentana MK | 2 25 |
| 187-190 | Does the engagement plan include the engagement's: a) Objectives? b) Scope? c) Timing? d) Resource allocations? | ✓✓ ✓✓ ✓✓ ✓✓ | | | See RIAS Terms of reference template Timing – when best to avoid or undertake the audit is asked of Senior Managers when plan is agreed and the Audit Manager makes every effort to take requests into consideration. The Auditor is allocated a number of days to complete each audit on their quarterly allocation and this allocation is reflected on the Pentana MK system where actual against planned time is monitored. | 25 19 |
| 191-198 | Do internal auditors consider the following in planning an engagement, and is this documented: a) The objectives of the activity being reviewed? b) The means by which the activity controls its performance? c) The significant risks to the activity being audited? d) The activity's resources? | ✓✓ ✓✓ ✓✓ ✓✓ | | | RIAS Manual – Section 5 : Conducting Audits & Appendix J All documents and evidence are saved in an electronic folder for each audit and key documents are linked in Pentana MK a) Objectives included in the terms of reference and on work programmes b) Expected and actual controls included in work programmes. c) Risks included in work programmes | 2 |

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| | <p>e) The activity's operations?</p> <p>f) The means by which the potential impact of risk is kept to an acceptable level?</p> <p>g) The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model?</p> <p>h) The opportunities for making significant improvements to the activity's governance, risk management and control processes?</p> | ✓✓ ✓✓ ✓✓ ✓✓ | | | <p>d) Would be covered in initial meeting</p> <p>e) Service plans, performance indicators, staffnet reviewed</p> <p>f) Actual and expected controls are documented in Pentana MK</p> <p>g) All documented in work programmes</p> <p>h) Management action plan issued containing any recommendations made to make improvements</p> | |
| 199-201 | <p>Where an engagement plan has been drawn up for an audit to a party outside of the organisation, have the internal auditors established a written understanding with that party about the following:</p> <p>a) Objectives?</p> <p>b) Scope?</p> <p>c) The respective responsibilities and other expectations of the internal auditors and the outside party (including restrictions on distribution of the results of the engagement and access to engagement records)?</p> | ✓✓ ✓✓ ✓✓ | | | <p>Not applicable to Merthyr VOG & BCBC but in RCT there is an agreement in place for work on SE Wales Corporate Joint Committee (CJC)</p> | 29 |
| 202-204 | <p>For consulting engagements, have internal auditors established an understanding with the engagement clients about the following:</p> <p>a) Objectives?</p> <p>b) Scope?</p> <p>c) The respective responsibilities of the internal auditors and the client and other client expectations?</p> | ✓✓ ✓✓ ✓✓ | | | <p>Same process would be followed as explained above</p> | |
| 205 | <p>For significant consulting engagements, has this understanding been documented?</p> | ✓✓ | | | <p>As above.</p> | |
| | 2200 Conclusion | ✓✓ | | | | |
| | 2210 Engagement Objectives | | | | | |
| 206 | <p>Have objectives been agreed for each engagement?</p> | ✓✓ | | | <p>Initial objective is agreed at the audit plan stage as detailed</p> <p>This is developed during the initial meeting and are included on the terms of reference</p> <p>RIAS Manual – Appendix J</p> | <p>4.1, 4.2, 4.3, 4.4</p> <p>25</p> <p>2</p> |
| 207 | <p>Have internal auditors carried out a preliminary risk assessment of the activity under review?</p> | ✓✓ | | | <p>RIAS Manual Section 4 – audit planning and risk assessment process to develop the audit plan</p> <p>Once the audit has been allocated, the Auditor will discuss risk in the initial meeting with the auditee</p> | |
| 208 | <p>Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?</p> | ✓✓ | | | <p>Yes, the terms of reference will reflect any information gained by Auditors during the planning stage as well as the information gathered during the audit planning stage – risk registers, service plans etc</p> | |
| 209-212 | <p>Have internal auditors considered the probability of the following, when developing the engagement objectives:</p> <p>a) Significant errors?</p> <p>b) Fraud?</p> <p>c) Non-compliance?</p> <p>d) Any other risks?</p> | ✓✓ ✓✓ ✓✓ ✓✓ | | | <p>RIAS Manual – Section 4</p> <p>The audit objectives are prepared by the relevant Audit Manager based on the information obtained when preparing the audit plans.</p> <p>This is the basis for the TOR of the audit. The Auditor discusses this with the Auditee and develops the audit scope, testing etc to deliver the scope. This takes into account governance, risk and internal control and also errors, fraud and non-compliance</p> | 2 |

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| 213 | Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether organisational objectives and goals have been accomplished? | ✓✓ | | | Corporate Plans, Service Plans, Corporate Self-Assessments are available and Corporate Self Assessment is included in 2022/23 plan | |
| 214 | If the criteria has been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls? | ✓✓ | | | Yes, depending on the nature and type of audit being conducted | |
| 215 | If the criteria has been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria? | ✓✓ | | | Yes if necessary | |
| 216 | If the value for money criteria has been referred to, has the use of all the organisation's main types of resources been considered, including money, people and assets? | ✓✓ | | | Yes if necessary but VFM audits not conducted recently | |
| 217 | Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client? | ✓✓ | | | Yes, depending on the nature and type of engagement | |
| 218 | Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives? | ✓✓ | | | As above. | |
| | 2210 Conclusion | ✓✓ | | | | |
| | 2220 Engagement Scope | | | | | |
| 219 | Is the scope that is established for each engagement generally sufficient to satisfy the engagement's objectives? | ✓✓ | | | RIAS Manual – Appendix J Terms of Reference is discussed with relevant Manager and Auditor, and this is also agreed by relevant Audit Manager before issue | 2 |
| 220 | Does the scope for each engagement include consideration of relevant systems, records, personnel and physical properties? | ✓✓ | | | As above. | |
| 221 | Does this consideration include areas under the control of outside parties, where appropriate? | ✓✓ | | | As above. | |
| 222 | Where significant consulting opportunities have arisen during an assurance engagement, was a specific written understanding as to the objectives, scope, respective responsibilities and other expectations drawn up? | ✓✓ | | | N/A | |
| 223 | Where significant consulting opportunities have arisen during an assurance engagement, were the results of the subsequent engagement communicated in accordance with the relevant consulting standards? | ✓✓ | | | N/A | |
| 224 | For each consulting engagement, was the scope of the engagement generally sufficient to address any agreed-upon objectives? | ✓✓ | | | N/A | |
| 225 | If the internal auditors developed any reservations about the scope of a consulting engagement while undertaking that engagement, did they discuss those reservations with the client and therefore determine whether or not to continue with the engagement? | ✓✓ | | | N/A | |
| 226 | During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements? | ✓✓ | | | N/A | |

| | | | | | | |
|---------|---|----------------------------|--|--|--|---------------------------------------|
| | a) Intentional wrongdoing? b) Errors and omissions? c) Poor value for money? d) Failure to comply with management policy? e) Conflicts of interest? | ✓✓ ✓✓ ✓✓ ✓✓ ✓✓ | | | | |
| | 2320 Conclusion | ✓✓ | | | | |
| | 2330 Documenting Information | | | | | |
| 245 | Have internal auditors documented the relevant information required to support engagement conclusions and results? | ✓✓ | | | As above. All working papers & audit reports are reviewed to ensure this is the case. | |
| 246 | Are working papers sufficiently complete and detailed to enable another experienced internal auditor with no previous connection with the audit to ascertain what work was performed, to re-perform it if necessary and to support the conclusions reached? | ✓✓ | | | RIAS Manual and Appendix J Standardised work programmes and linked evidence in MK Pentana Relevant Audit Manager, during review process, will ensure that the working papers are sufficiently detailed and support the report's conclusions. | 2 14 |
| 247 | Does the CAE control access to engagement records? | ✓✓ | | | Pentana MK is a cloud based application with security access in place | |
| 248 | Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties? | ✓✓ | | | The Head of RIAS would only release information after advice from the relevant Information Governance Manager. | |
| 249 | Has the CAE developed and implemented retention requirements for all types of engagement records? | ✓✓ | | | VOG Retention Schedule is used as Vale is the host authority – information kept for 7 years Pentana MK can allow archiving of information | 26 |
| 250 | Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements? | ✓✓ | | | As above | |
| | 2330 Conclusion | ✓✓ | | | | |
| | 2340 Engagement Supervision | | | | | |
| 251 | Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed? | ✓✓ | | | RIAS Manual and Appendix K – Audit Reporting RIAS Manual and Appendix L – Quality Assurance Audit Managers undertake audit reviews and the results are recorded on the <i>Post Audit Performance & Quality Check form included in Appendix K</i> | 2 14 |
| 252 | Is appropriate evidence of supervision documented and retained for each engagement? | ✓✓ | | | RIAS Manual and Appendix H – Pentana MK User Manual All work programmes within Pentana MK are examined and signed off during the audit review by the relevant Audit Manager. Review points are also raised in MK for Auditors to action and review points on draft reports retained | 2 |
| | 2340 Conclusion | ✓✓ | | | | |
| | 2400 Communicating Results | | | | | |
| | 2410 Criteria for Communicating | | | | | |
| 253-256 | Do the communications of engagement results include the following: a) The engagement's objectives? | ✓✓ | | | RIAS Manual and Appendix J – Managing Audit Assignments & Appendix K – Audit Reporting | 2 20 |

| | | | | | | |
|-----|---|----------------|--|--|---|---|
| | b) The scope of the engagement? c) Applicable conclusions? d) Recommendations and action plans, if appropriate? | ✓✓ ✓✓ ✓✓ | | | Report Template - Internal Audit reports include the scope & objectives, conclusions and recommendations of the audit. See example of a completed audit report | |
| 257 | Do internal auditors generally discuss the contents of the draft final reports with the appropriate levels of management to confirm factual accuracy, seek comments and confirm the agreed management actions? | ✓✓ | | | RIAS Manual and Appendix J – Managing Audit Assignments – Communicating Results page 9 See evidence of discussion with management | 2 |
| 258 | If recommendations and an action plan have been included, are recommendations prioritised according to risk? | ✓✓ | | | RIAS Manual and Appendix K – Audit Reporting Individual recommendations within the audit report will be categorised using colour coding as: <ul style="list-style-type: none"> • High Priority: Action that is considered imperative to ensure that the organisation is not exposed to high risks. • Medium Priority: Action that is considered necessary to avoid exposure to significant risks. • Low Priority: Action that is considered desirable and should result in enhanced control. | 2 20 |
| 259 | If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales? | ✓✓ | | | As above. All audit reports include an action plan, which includes a column “Management Comments” and the “date to be implemented”. | 20 |
| 260 | If there are any areas of disagreement between the internal auditor and management, which cannot be resolved by discussion, are these recorded in the action plan and the residual risk highlighted? | ✓✓ | | | As above. There is a column on the action plan “agreed Y/N”. If the Manager selects no the Auditor or Audit Manager will ensure that the risk is highlighted to ensure that the Manager is willing to accept this risk. This does not happen very often. Governance and Audit Committee receive a quarterly Recommendation Monitoring report and any recommendations not agreed will be highlighted in that report This information is also included in the performance data in the Annual Reports Section 8 | 20 30.1, 30.2, 30.3 3.1, 3.2, 3.3, 3.4 |
| 261 | Subject to confidentiality requirements and other limitations on reporting, do communications disclose all material facts known to them in their audit reports which, if not disclosed, could distort their reports or conceal unlawful practice? | ✓✓ | | | Internal Audit Charter – Code of Ethics – Annex 2 Vale of Glamorgan Code of Conduct & Register of Interests Annual declarations | 1 7 6.1 |
| 262 | When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account? | ✓✓ | | | Opinions are taken into account where relevant. | |
| 263 | Opinions should be supported by sufficient, reliable, relevant and useful information (in line with responses to questions for PSIAS 2300). | ✓✓ | | | RIAS Manual and Appendix J – Managing Audit Assignments RIAS Manual and Appendix K – Audit Reporting Audit Managers check that all conclusions are appropriately supported with evidence. | 2 2 14 |
| 264 | Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question? | ✓✓ | | | Report Template – strengths are reported as well as areas for improvement | 20 |
| 265 | When engagement results have been released to parties outside of the organisation, does the communication include limitations on the distribution and use of the results? | ✓✓ | | | Report Template – standard text states “any enquires regarding the disclosure or re-issue of this document to third parties should be sent to the Head of the Regional Internal Audit Service via cmthomas@valeofglamorgan.gov.uk ” | 20 |
| 266 | Where the CAE has been required to provide assurance to other partnership organisations, or arm's length bodies such as trading companies, have the risks of doing so been managed effectively, having regard to the CAE's primary | ✓✓ | | | Yes – SLA in place for CJC. | |

| | | | | | | |
|---------|--|----------------|--|--|---|----|
| | responsibility to the management of the organisation for which they are engaged to provide internal audit services? | | | | Other examples are bodies hosted by the LA eg) Amgen and Central South Consortium as they are hosted by RCT, small body returns for Llwydcoed Crematorium, Coychurch Crematorium, Regional Adoption Service and Porthcawl Harbour | |
| | 2410 Conclusion | ✓✓ | | | | |
| | 2420 Quality of Communications | | | | | |
| 267 | Are internal audit communications generally accurate, objective, clear, concise, constructive, complete and timely? | ✓✓ | | | RIAS Manual 5.6 & Appendix K – Audit Reporting | 2 |
| | 2420 Conclusion | ✓✓ | | | | |
| | 2421 Errors and Omissions | | | | | |
| 268 | If a final communication has contained a significant error or omission, did the CAE communicate the corrected information to all parties who received the original communication? | ✓✓ | | | N/A but yes that would be the case | |
| | 2421 Conclusion | ✓✓ | | | | |
| | 2430 Use of ‘Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing’ | | | | | |
| 269 | Do internal auditors report that engagements are ‘conducted in conformance with the PSIAS’ only if the results of the QAIP support such a statement? | ✓✓ | | | Report template states this and assurance is gained that the report is reviewed prior to issue to ensure there is compliance. | 20 |
| | 2430 Conclusion | ✓✓ | | | | |
| | 2431 Engagement Disclosure of Non conformance | | | | | |
| 270-272 | Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following: a) The principle or rule of conduct of the <i>Code of Ethics</i> or <i>Standard(s)</i> with which full conformance was not achieved? b) The reason(s) for non-conformance? c) The impact of non-conformance on the engagement and the engagement results? | ✓✓ ✓✓ ✓✓ | | | Charter – 4.4 – reported to the relevant Governance & Audit Committee and the Regional Board with any significant deviations being detailed within the relevant Annual Governance Statement | 1 |
| | 2431 Conclusion | ✓✓ | | | | |
| | 2440 Disseminating Results | | | | | |
| 273 | Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements? | ✓✓ | | | RIAS Manual and Appendix K – Audit Reporting Draft internal audit reports are issued to the relevant Group Manager / Operational Manager and the service manager. Final Reports may also be issued to Heads of Service / Director depending on the content and audit opinion. In 2 Councils they are also routinely sent to the Chief Executive and S151 Officer. In 1 Council they are also routinely sent to the relevant Cabinet Member. | 2 |
| 274 | Has the CAE communicated engagement results to all appropriate parties? | ✓✓ | | | RIAS Manual and Appendix K – Audit Reporting Audit reports are issued to all appropriate parties. | |
| 275-277 | Before releasing engagement results to parties outside the organisation, did the CAE: | | | | Audit reports are not released to parties outside the organisation without the knowledge of the Head of Audit and further advice is sought if necessary, prior to the release. All audit reports state the following: | |

| | | | | | | |
|-----------|--|----------------------|--|--|--|---------------------------|
| | <ul style="list-style-type: none"> a) Assess the potential risk to the organisation? b) Consult with senior management and/or legal counsel as appropriate? c) Control dissemination by restricting the use of the results? | ✓✓ ✓✓ ✓✓ | | | “Any enquires regarding the disclosure or re-issue of this document to third parties should be sent to the Head of the Regional Internal Audit Service via cmthomas@valeofglamorgan.gov.uk” | 20 |
| 278 | Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board? | ✓✓ | | | RIAS Manual and Appendix J – Managing Audit Assignments – Communicating Results (page 8) – consulting engagements dealt with in the same way as audit assignments | 20 |
| | 2440 Conclusion | ✓✓ | | | | |
| | 2450 Overall Opinion | | | | | |
| 279 | Has the CAE delivered an annual internal audit opinion? | ✓✓ | | | Annual Reports 2021-22 * 4 – Section 11 | 3.1, 3.2, 3.3, 3.4 |
| 280 | Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control? | ✓✓ | | | Annual Reports 2021-22 * 4 – Section 11 | 3.1, 3.2, 3.3, 3.4 |
| 281 | Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders? | ✓✓ | | | Annual Reports 2021-22 * 4 – Section 11. There has been one example where the Council Leadership disagreed with the unsatisfactory annual opinion of the Head of RIAS and this was discussed at the highest level within the organisation on a number of occasions and at the Governance & Audit Committee. The Head of IA took into consideration the various comments and amended some of the wording but stood by the original opinion given. | 3.1, 3.2, 3.3, 3.4 |
| 282 | Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information (having regard to the answers to questions on PSIAS 2300)? | ✓✓ | | | Annual Reports 2021-22 * 4 – Section 11 | 3.1, 3.2, 3.3, 3.4 |
| 283-286 | Does the communication identify the following: <ul style="list-style-type: none"> a) The scope of the opinion, including the time period to which the opinion relates? b) Any scope limitations? c) The consideration of all related projects including the reliance on other assurance providers? d) The risk or control framework or other criteria used as a basis for the overall opinion? | ✓✓ ✓✓ ✓✓ ✓✓ | | | Annual Reports 2021-22 * 4 – Section 11 | 3.1, 3.2, 3.3, 3.4 |
| 287 | Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated? | ✓✓ | | | Yes. There has been one example for 2019/20 where the Council Leadership disagreed with the unsatisfactory annual opinion of the Head of RIAS and this was discussed at the highest level within the organisation on a number of occasions and at the Governance & Audit Committee. The Head of IA took into consideration the various comments and amended some of the wording but stood by the original opinion given. | |
| 288 | Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement? | ✓✓ | | | Yes | |
| 289 - 299 | Does the annual report incorporate the following: <ul style="list-style-type: none"> a) The annual internal audit opinion? b) A summary of the work that supports the opinion? | ✓✓ ✓✓ | | | As per annual report for 4 LA's. | |

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|--|--|--|--|--|--|--|
| | c) A disclosure of any qualifications to the opinion? d) The reasons for any qualifications to the opinion? e) A disclosure of any impairments or restriction in scope? f) A comparison or work actually carried out with the work planned? g) A statement on conformance with the PSIAS? h) The results of the QAIP? i) Progress against any improvement plans resulting from the QAIP? j) A summary of the performance of the internal audit activity against its performance measures and targets? Any other issues that the CAE judges is relevant to the preparation of the governance statement? | ✓✓ ✓✓ ✓✓ ✓✓ ✓✓ ✓✓ ✓✓ ✓✓ | | | | |
|--|--|--|--|--|--|--|

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|-----|--|----|--|--|---|--|
| | 2450 Conclusion | ✓✓ | | | | |
| | 2500 Monitoring Progress | | | | | |
| 300 | Has the CAE established a process to monitor and follow up management actions to ensure that agreed actions have been effectively implemented or that senior management have accepted the risk of not taking action? | ✓✓ | | | <p>RIAS Manual – 5.8 - Recommendations and intended management actions are recorded with Pentana MK with the agreed timescales for implementation. These are monitored to ensure successful completion. Detailed process is included in Appendix K.</p> <p><u>Process</u> Limited / No Assurance Opinion</p> <ul style="list-style-type: none"> Subject to a follow up to reperform testing <p>All remaining audit assignments which have recommendations shall be</p> <ul style="list-style-type: none"> followed up via email ideally within six months of the audit review, but also dependent on the agreed implementation date supplied by senior management <p>Quarterly report on Recommendation Monitoring is taken to the relevant Governance and Audit Committee. This will highlight those overdue and those not accepted by management</p> | <p>2</p> <p>30.1, 30.2, 30.3</p> |
| 301 | Where issues have arisen during the follow-up process (for example, where agreed actions have not been implemented), has the CAE considered revising the internal audit opinion? | ✓✓ | | | If a previous limited assurance audit is followed up a new audit report will be issued with an appropriate audit opinion based on the recent testing. | |
| 302 | Do the results of monitoring management actions inform the risk- based planning of future audit work? | ✓✓ | | | All recommendations are followed up by the relevant auditor to ensure implementation and if recommendations are not implemented the matter will be escalated and reported to Governance and Audit Committee as well as being considered for another audit. | |
| 303 | Does the internal audit activity monitor the results of consulting engagements as agreed with the client? | ✓✓ | | | Reports issued as a result of consulting engagements i.e. additional unplanned work, are reported to Governance & Audit Committee and will be followed up in the same manner if any recommendations are made. | |
| | 2500 Conclusion | ✓✓ | | | | |
| | 2600 Communicating the Acceptance of Risks | | | | | |
| 304 | If the CAE has concluded that management has accepted a level of risk that may be unacceptable to the organisation, has he or she discussed the matter with senior management? | ✓✓ | | | <p>If the Manager does not accept a recommendation the Auditor or Audit Manager will ensure that the risk is highlighted to ensure that the Manager is willing to accept this risk. This does not happen very often.</p> <p>This is recorded onto Pentana MK and included in the quarterly Recommendation Monitoring report to Governance and Audit Committee.</p> | <p>3.1, 3.2, 3.3, 3.4</p> |

| | | | | | | |
|-----|---|----|--|--|--|--|
| | | | | | The Percentage of recommendations accepted versus made are reports in the relevant annual report – Section 8 | |
| 305 | If, after discussion with senior management, the CAE continues to conclude that the level of risk may be unacceptable to the organisation, has he or she communicated the situation to the board? | ✓✓ | | | If the Head of Audit concludes that management has accepted a level of risk that may be <u>unacceptable</u> to the Authority, the issue will be brought to the attention of the Senior Leadership Team. If the matter remains unresolved this will be communicated to the relevant Governance & Audit Committee. | |
| | 2600 Conclusion | ✓✓ | | | | |

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| Meeting of: | GOVERNANCE AND AUDIT COMMITTEE |
| Date of Meeting: | 28 SEPTEMBER 2023 |
| Report Title: | GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT 2022/23 - DRAFT |
| Report Owner / Corporate Director: | CHAIR OF THE GOVERNANCE AND AUDIT COMMITTEE |
| Responsible Officer: | ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE |
| Policy Framework and Procedure Rules: | There is no impact on the policy framework and procedure rules |
| Executive Summary: | <ul style="list-style-type: none"> • The Governance and Audit Committee is required to approve an Annual Report for presentation to Council. • This report demonstrates how the Committee has met its terms of reference as per the Council's Constitution as set out by the Local Government Measure 2011 and the Local Government and Elections (Wales) Act 2021. • The Committee has achieved this by concentrating on its core responsibilities during 2022-23. • The outcome of the 2022-23 self-assessment process, consistent with previous years, demonstrates that the Council has sound arrangements in place in respect of its Governance and Audit Committee, noting that the level of knowledge and experience of members was good or satisfactory. |

1. Purpose of Report

- 1.1 The purpose of the report is to present the Governance and Audit Committee's Annual Report for the Committee to determine whether it forms a balanced summary of the work undertaken by the Committee during 2022-23 and to approve its presentation to full Council.

2. Background

- 2.1 The Council's Governance and Audit Committee has responsibility for ensuring that there are procedures in place to guarantee the adequacy and effectiveness of financial control and corporate governance arrangements.
- 2.2 A key component of good governance for all organisations is to have in place a Governance and Audit Committee. Bridgend County Borough Council complies with this requirement; the Terms of Reference of the Committee, as included within the Council's Constitution, are set in line with the Local Government Measure 2011 and the Local Government and Elections (Wales) Act 2021. The responsibilities of the Governance and Audit Committee, as required by the above legislation, are included in **Appendix 1** of the Annual Report (**Appendix A**).
- 2.3 The Governance and Audit Committee and its Members are required to:
- Report to Council on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
 - Report to Council on an annual basis and to publish an annual report on the Committee's work, its performance in relation to its Terms of Reference and its effectiveness in meeting its purpose including a conclusion on compliance with Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement on audit committees.
- 2.4 The Local Government and Elections (Wales) Act 2021 determined that former Audit Committees would be re-named Governance and Audit Committees and from May 2022 the chair of the Governance and Audit Committee had to be a lay member and that one third of its membership had to be lay members. Bridgend's Governance and Audit Committee had its full quota of 4 lay members and 8 elected councillors during 2022/23. The Committee held 6 meetings during the municipal year.
- 2.5 The Governance and Audit Committee focused on its core responsibilities:
- Reviewing the draft financial statements;
 - Scrutinising and being satisfied with the Council's Annual Governance Statement, to demonstrate how governance supports the achievement of objectives, and monitor management action in-year to further improve arrangements;
 - Monitoring the Council's internal audit function in terms of overseeing independence, objectivity, performance and professionalism, through the regular reporting of performance and finalised audit assignments;
 - Considering the effectiveness of the authority's risk management arrangements;
 - Considering reports and recommendations of external audit in respect of the Council;
 - Supporting the ongoing development and effectiveness of Governance and Audit Committee; and
 - Ensuring compliance with legal requirements, namely the Local Government and Elections (Wales) Act 2021, in respect of overseeing the Council's performance assessment and the arrangements for handling complaints.

3. Current situation / proposal

- 3.1 This report at **Appendix A**, sets out the Governance and Audit Committee's Annual Report for 2022/23, how it has complied with its terms of reference, and outlines its performance during the year, together with a self-assessment against the CIPFA publication 'Audit Committees – Practical Guidance for Local Authorities & Police 2022 Edition'.
- 3.2 The outcome of the 2022-23 self-assessment process, consistent with previous years, demonstrates that the Council has sound arrangements in place in respect of its Governance and Audit Committee, noting that the level of knowledge and experience of members was good or satisfactory.

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 safeguarding or corporate parent 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. Recommendations

- 9.1 It is recommended that the Governance and Audit Committee review its draft Annual Report and approve the Governance and Audit Committee's Annual Report and its presentation to full Council.

Background documents

Local Government Measure 2011

Local Government and Elections (Wales) Act 2021

CIPFA publication 'Audit Committees – Practical Guidance for Local Authorities & Police 2022 Edition'

Bridgend CBC Governance and Audit Committee agendas and minutes for 2022/23



Subject **Draft Governance and Audit Committee
Annual Report 2022/23**

Directorate: **Finance, Performance & Change**

Meeting: **Governance and Audit Committee**

Date: **28 September 2023**

**Division/Wards
Affected** **All**

DRAFT 0.4

1. PURPOSE

- 1.1 The purpose of the report is to present the Governance and Audit Committee's Annual Report for the Committee to determine whether it forms a balanced summary of the work undertaken by the Committee during 2022-23 and to approve its presentation to full Council.

2. RECOMMENDATIONS

- 2.1 On behalf of the Governance and Audit Committee, the annual report for 2022/23 is submitted for consideration by the Governance and Audit Committee. It shows that, over this period, the Committee has fulfilled its role as defined in its terms of reference.
- 2.2 The report shows that the workings of the Committee continue to be both valuable and productive and that it provides assurance to the Council regarding the Committee's activities in the effective governance of financial affairs and other matters by the Authority.
- 2.3 That Governance and Audit Committee endorse this report and recommend its presentation to Council.

3. INTRODUCTION

- 3.1 The Council's Governance and Audit Committee has responsibility for ensuring that there are procedures in place to guarantee the adequacy and effectiveness of financial control and corporate governance arrangements.
- 3.2 A key component of good governance for all organisations is to have in place a Governance and Audit Committee. Bridgend County Borough Council complies with this requirement; the Terms and Reference of the Committee, as included within the Council's Constitution, are set in line with the Local Government Measure 2011 and the Local Government and Elections (Wales) Act 2021. The responsibilities of Governance and Audit Committee, as required by the above legislation, are included at **Appendix 1** of this report.
- 3.3 The Local Government and Elections (Wales) Act 2021 determined that former Audit Committees would be re-named Governance and Audit Committees and from May 2022 the Chair of the Governance and Audit Committee had to be a lay member and that one third of its membership had to be lay members. Bridgend's Governance and Audit Committee had its full quota of 4 lay members and 8 elected councillors during 2022/23. The Committee held 6 meetings during the municipal year.
- 3.4 Changes to the way the Council is operating since Covid-19, including new risks as a result of different ways of working, remote and digital working and other service changes have continued to influence the delivery of Council services. The Governance and Audit Committee was mindful of this in setting its workplan

for the year and also of the need for robust and proportionate oversight of the Council's governance, internal control and risk managements to be in place. The Governance and Audit Committee focussed on its core responsibilities:

- Reviewing the draft financial statements;
- Scrutinising and being satisfied with the Council's Annual Governance Statement, to demonstrate how governance supports the achievement of objectives, and monitor management action in-year to further improve arrangements;
- Monitoring the Council's internal audit function in terms of overseeing independence, objectivity, performance and professionalism, through the regular reporting of performance and finalised audit assignments;
- Considering the effectiveness of the authority's risk management arrangements;
- Considering reports and recommendations of external audit in respect of the Council;
- Supporting the ongoing development and effectiveness of Governance and Audit Committee; and
- Ensuring compliance with legal requirements, namely the Local Government and Elections (Wales) Act 2021, in respect of overseeing the Council's performance assessment and the arrangements for handling complaints.

3.5 All reports presented to the Governance and Audit Committee during 2022/23 are shown at **Appendix 2**.

4. WORK DELIVERED IN 2022/23

4.1 The CIPFA Guidance ('Audit Committees – Practical Guidance for Local Authorities & Police 2022 Edition') identifies 'Core Functions' of a Governance and Audit Committee along with what it refers to as possible 'wider functions' of a Governance and Audit Committee. The Committee undertook its role during 2022/23 by receiving a comprehensive suite of reports in line with its work programme for the year, as shown at **Appendix 2**.

4.2 *Be satisfied that the Council's assurance statements, including the annual governance statement (AGS), properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievement of the Council's objectives.*

4.2.1 The Draft AGS for 2021/22 was reported to the Governance and Audit Committee; the Committee endorsed it and recommended its certification by the Leader of the Council and the Chief Executive for inclusion within the Council's 2021/22 Statement of Accounts. As part of this process, the Review of Effectiveness and proposals for improvement have been reviewed and challenged by the Council's Corporate Management Board and Governance and Audit Committee.

4.2.2 For information, the draft AGS for 2022/23 was presented to the Governance and Audit Committee in July 2023.

4.3 *Internal Audit functions:*

- *oversee its independence, objectivity, performance and professionalism;*
- *support the effectiveness of the internal audit process;*
- *promote the effective use of internal audit within the assurance framework.*

4.3.1 From the 1st April 2019 the Council's Internal Audit Service transferred to a Regional Internal Audit Service, hosted by the Vale of Glamorgan Council and comprising four local authorities: Bridgend County Borough Council, Merthyr Tydfil County Borough Council, Rhondda Cynon Taf County Borough Council and Vale of Glamorgan Council.

4.3.2 The Covid-19 pandemic required Council Services to quickly adapt and implement changes to service delivery arrangements to ensure continued provision of essential frontline services. Although the situation settled during 2022/23, an assessment of key risks and changes in service delivery arrangements were taken into account as part of compiling the Internal Audit Annual Strategy and Risk Based Internal Audit Plan 2022/23.

4.3.3 The Internal Audit Annual Plan for 2022/23 was reported to and approved by the Governance and Audit Committee. The Head of the Regional Internal Audit Service outlined that the proposed plan would need to continue to recognise particular risks and challenges arising from revised working arrangements, such as remote ways of working.

4.3.4 During the year, the Governance and Audit Committee received Internal Audit performance updates, details of all finalised audit assignments and progress on implementation of audit recommendations; this suite of information has enabled Members to consider the effectiveness of the Internal Audit process for 2022/23.

4.3.5 A key part of the Governance and Audit Committee's role is to support the Council's Internal Audit Service to remain independent, assess whether it has adequate resources available to it and to monitor the performance and quality of work delivered throughout the year. The Internal Audit Service fulfilled this requirement through its Internal Audit Charter, that was presented to and approved by the Governance and Audit Committee and provided the Committee with information to assess the independence of the Internal Audit Service.

4.4 *Monitor the effectiveness of the control environment, including arrangements for ensuring value for money, supporting standards and ethics and for managing the authority's exposure to the risks of fraud and corruption.*

4.4.1 Only 1 *Limited Assurance* audit report was issued in 2022/23 which was reported to the Governance and Audit Committee within Internal Audit's (IA) 'Progress against the IA Risk Based Plan 2022-23 reports during the year. The results of Internal Audit's work for the financial year is brought together in the form of the *Head of Internal Audit's Annual Report*, which for 2021/22 was reported to Committee in June 2022. For 2022/23 the *Head of Internal Audit's Annual Report* was reported in the first half of the 2023/24 financial year.

4.4.2 Based on the internal audit reviews completed during 2021/22, the overall opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control for 2021/22 was *Reasonable* - is 'Effective with a small number of areas identified for improvement'. In addition, no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment and the weaknesses that have been identified are service specific.

4.4.3 1 audit assignment completed to final report stage during 2021/22 received an audit opinion of *Limited Assurance*, there were no *No Assurance* opinions. This audit was followed up during 2022/23 and was given a *Reasonable Assurance* audit opinion.

4.4.4 With regard to the risks of fraud and corruption:

- In July 2022 the Annual Corporate Fraud Report 2021/22 was presented. This update provided assurance on the Council's arrangements to tackle potential fraud and covered the internal control environment that supports this area.
- The Anti-tax Evasion Policy was reported to Committee prior to it being presented to Cabinet for approval.

4.5 *Consider the effectiveness of the authority's risk management arrangements and the control environment, reviewing the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships and collaborations with other organisations.*

4.5.1 Quarterly updates were presented to Committee throughout the year which enabled officers and Members to identify and assess trends and the crosscutting nature of risks with the ability to drill down to the detail of risks as and when required.

4.5.2 The draft AGS was presented prior to its inclusion with the Statement of Accounts.

- 4.5.3 In line with the requirements of the Local Government and Elections (Wales) Act 2021, the Committee reviewed the Council's draft Self-Assessment for 2021/22 (incorporating the Council's Corporate Performance Report) in advance of consideration at a meeting of the full Council (noting that the self-assessment included information in respect of partnership / collaboration arrangements).
- 4.6 *Review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.*
- 4.6.1 Governance and Audit Committee were presented with the draft 2021/22 Statements of Account for the Council and Audit Wales provided a verbal update on the progress on the audit of those accounts; they informed the Committee that no significant matters had been identified to date although there were delays due to the issues around infrastructure assets.
- 4.6.2 Following review by Committee, the Council's 2021/22 audited Statement of Accounts were reported back through Cabinet and approved by full Council; an unqualified opinion was issued by Audit Wales (i.e. clean bill of health).
- 4.6.3 The Council's Treasury Management and Investment Strategy was updated and presented to Committee for review prior to it being reporting to full Council.
- 4.7 *Consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control.*
- 4.7.1 At the first Governance and Audit Committee meeting of the 2022/23 Municipal Year, Audit Wales reported the 2022 Audit Plan for the Council, and thereafter provided quarterly Audit Wales Work Programme Updates during the year to enable the Committee to be kept up-to-date with the work of Audit Wales and providing opportunity to seek clarity / further information where deemed required.
- 4.7.2 Audit Wales presented finalised reports to the Governance and Audit Committee during the year (accompanied by Council progress updates on the implementation of recommendations / proposals for improvement contained within the reports):
- Direct Payments for Adult Social Care
 - Assurance and Risk Assessment Review for 2021/22
 - Springing Forward – Strategic Workforce Management – Bridgend County Borough Council
 - Springing Forward – Strategic Asset Management – Bridgend County Borough Council

- Transformational Leadership Programme Board – Baseline Governance Review – Cwm Taf Morgannwg Regional Partnership Board
- Performance Management Review - Bridgend County Borough Council

5. **SELF-ASSESSMENT AGAINST THE CIPFA PRACTICAL GUIDANCE FOR LOCAL AUTHORITIES & POLICE 2018 EDITION**

- 5.1 The self-assessment checklist based on the CIPFA Guidance was circulated to members of the Committee in order to assess the existing skills, knowledge and areas of expertise of members and to identify any gaps or training requirements.
- 5.2 88% of responses from members of this Committee indicated that their level of knowledge and experience across the 10 statements, as shown in **Appendix 3**, was good or satisfactory. The areas where little knowledge or experience was indicated as highest were Complaints Handling and Council Performance Self-Assessment.
- 5.3 The results indicate that Governance and Audit Committee members have an overall sound base of knowledge and experience in the areas of responsibility for this Committee.

6. **CONCLUSIONS**

- 6.1 During 2022/23 the Council's Governance and Audit Committee has reviewed and challenged a range of topic areas, including the work of Internal and External Audit, the Committee's responsibilities as set out in the Local Government and Elections (Wales) Act 2021 and its responsibility in respect of reviewing and scrutinising the Council's Treasury Management arrangements.
- 6.2 From a review of the coverage of Governance and Audit Committee's work and oversight during the year, as set out in Section 2, it is considered that the Committee has delivered its workplan and responsibilities in line with its Terms of Reference.
- 6.3 The Annual Report also sets out, in Section 5 / **Appendix 3**, the results of the self-assessment undertaken against the checklist included within the CIPFA Guidance. The outcome of the 2022/23 self-assessment process, consistent with previous years, demonstrates that the Council has sound arrangements in place in respect of its Governance and Audit Committee, noting that the level of knowledge and experience of members was good or satisfactory.

RESPONSIBILITIES OF AUDIT COMMITTEE IN LINE WITH THE LOCAL GOVERNMENT (WALES) MEASURE 2011 AND LOCAL GOVERNMENT AND ELECTIONS (WALES) ACT 2021

Chapter 2, section 81 of the Local Government (Wales) Measure 2011 (revised)

Local authorities to appoint governance and audit committees

A local authority must appoint a committee (a “Governance and Audit Committee”) to—

- a) review and scrutinise the authority's financial affairs,
- b) make reports and recommendations in relation to the authority's financial affairs,
- c) review and assess the risk management, internal control and corporate governance arrangements of the authority,
- d) make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements,
- (da) review and assess the authority's ability to handle complaints effectively,
- (db) make reports and recommendations in relation to the authority's ability to handle complaints effectively
- e) oversee the authority's internal and external audit arrangements, and
- f) review the financial statements prepared by the authority.

A local authority may confer on its Governance and Audit Committee such other functions as the authority considers suitable to be exercised by such a committee.

It is for a Governance and Audit Committee to determine how to exercise its functions.

Local Government and Elections (Wales) Act 2021

Council Performance Arrangements

- (i) To consider the Council's draft Annual Performance Self-Assessment report and if deemed necessary may make recommendations for changes to the Council.
- (ii) To receive the Council's finalised Annual Self-Assessment report in respect of a financial year as soon as reasonably practicable after the end of that financial year.
- (iii) At least once during the period between two consecutive ordinary elections of councillors to the Council, consider the independent Panel Performance Assessment report into which the Council is meeting its performance requirements.
- (iv) To receive and review the Council's draft response to the report of the independent Panel Performance Assessment and if deemed necessary may make recommendations for changes to the statements made in the draft response to the Council.

Complaints Handling

- (i) To review and assess the Council's ability to deal with complaints effectively.
- (ii) To make reports and recommendations in relation to the Council's ability to deal with complaints effectively.

Self-assessment of Good Practice

BRIDGEND COUNTY BOROUGH COUNCIL - GOVERNANCE & AUDIT COMMITTEE - ANALYSIS OF THE KNOWLEDGE & SKILLS SELF ASSESSMENT QUESTIONNAIRE

| | Good Knowledge | Satisfactory Knowledge | Little Knowledge | Total | Any Comments |
|--|----------------|------------------------|------------------|-------|---|
| 1. Organisational Knowledge | 4 | 5 | 1 | 10 | |
| 2. Governance and Audit Committee Role and Functions | 5 | 4 | 1 | 10 | |
| 3. Internal Audit | 5 | 4 | 1 | 10 | |
| 4. Financial Management and Accounting | 4 | 5 | 1 | 10 | |
| 5. External Audit | 5 | 4 | 1 | 10 | |
| 6. Risk Management | 4 | 4 | 2 | 10 | |
| 7. Counter Fraud | 4 | 4 | 2 | 10 | Further work to consider councils arrangements. |
| 8. Values of Good Governance | 5 | 4 | 1 | 10 | |
| 9. Council Performance Self-Assessment | 4 | 5 | 1 | 10 | |
| 10. Complaints Handling | 3 | 6 | 1 | 10 | |

All comments received

I have very limited knowledge in these areas and welcome any training opportunities.

Training and briefings provided so far have been most useful.

Keen to understand further the Council’s specific arrangements across compliants handling, risk management (including fraud)

Training has provided a working knowledge to be supplemented over the coming months

I have the required support and glad the Council Team is available at all time to support.

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| | |
|--|--|
| Meeting of: | GOVERNANCE AND AUDIT COMMITTEE |
| Date of Meeting: | 28 SEPTEMBER 2023 |
| Report Title: | FORWARD WORK PROGRAMME 2023-24 |
| Report Owner / Corporate Director: | CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE |
| Responsible Officer: | DEBORAH EXTON DEPUTY HEAD OF FINANCE |
| Policy Framework and Procedure Rules: | There is no impact on the policy framework and procedure rules. |
| Executive Summary: | <ul style="list-style-type: none"> • The Governance and Audit Committee has a number of core functions and responsibilities within its remit. • It receives a number of reports and presentations throughout the year to enable it to carry out those core functions and responsibilities effectively and to provide it with confidence in the financial governance of the Authority. • To enable the Committee to provide this assurance and to ensure it is covering its range of responsibilities, a Forward Work Programme is presented at each meeting, setting out the reports to be presented at future meetings, for approval or amendment, as necessary. • The updated Forward Work Programme (FWP) for 2023-24 is at Appendix A. • Committee is requested to approve the updated FWP or request changes for future meetings. |

1. Purpose of Report

1.1 The purpose of this report is to seek approval for the updated Forward Work Programme for 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 9 November 2023. The update report on Disabled Facilities Grants has been postponed from the September meeting until the November meeting of Committee. The report on the Porthcawl Harbour Return (audit letter) may be postponed until the January 2024 meeting, depending on audit progress between now and November.

| Proposed Agenda Items – 9 November 2023 | |
|--|---|
| 1 | Governance and Audit Committee Action Record |
| 2 | Audit Wales Governance and Audit Committee Reports |
| 3 | Porthcawl Harbour Return (audit letter) |
| 4 | Half Year Review of the Annual Governance Statement |
| 5 | Treasury Management Half Year Report 2023-24 |
| 6 | Complaints Process |
| 7 | Disabled Facilities Grants |
| 8 | Updated Forward Work Programme 2023-24 |

3.3 An additional meeting of Committee, scheduled for 15 December 2023, has been arranged to receive the audited Statement of Accounts and Annual Governance Statement. Should these not have been audited in readiness for that meeting, it will be cancelled and the items deferred until the January meeting. The schedule of items for discussion at specific meetings may be subject to change, to take into account other items that need to be considered, and operational factors.

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

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

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

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

6. Climate Change Implications

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

7. Safeguarding and Corporate Parent Implications

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

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

- 9.1 That the Committee considers and approves the updated Forward Work Programme for 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 | 15 December 2024 | 25 January 2024 | 18 April 2024 |
|--|----------------------|--------------|--------------|-------------------|------------------|------------------|-----------------|---------------|
| Standing Items | | | | | | | | |
| Governance and Audit Committee Action Record | Each meeting | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Audit Wales Governance and Audit Committee Reports | Each meeting | ✓ | | ✓ | ✓ | | ✓ | ✓ |
| Updated Forward Work Programme | Each meeting | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Annual Accounts | | | | | | | | |
| Statement of Accounts 2022-23 (unaudited) | Annually | | ✓ | | | | | |
| Porthcawl Harbour Return 2022-23 (unaudited) | Annually | | ✓ | | | | | |
| Going Concern Assessment | Annually | ✓ | | | | | | |
| Audit Enquiries Letter | Annually | ✓ | | | | | | |
| Audit Wales Letter On Matters Arising From The 2021-22 Audit | Annually | ✓ | | | | | | |
| Audited Statement of Accounts and Annual Governance Statement | Annually | | | | | ✓ | | |
| Porthcawl Harbour Return (audit letter) | Annually | | | | ✓ | | | |
| Governance | | | | | | | | |
| Annual Governance Statement | Annually | | ✓ | | | | | |
| Half Year Review of the Annual Governance Statement | Annually | | | | ✓ | | | |
| Code of Corporate Governance | | | | ✓ | | | | |
| Audit Wales Annual Audit Plan (included in Audit Wales Governance and Audit Committee Reports item) | Annually | | | | | | | ✓ |
| Annual Audit Summary (included in Audit Wales Governance and Audit Committee Reports item) | Annually | | | | | | ✓ | |
| Internal Audit Reports | | | | | | | | |
| Annual Internal Audit Report 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 | | | ✓ | | | ✓ | ✓ |
| External Peer Assessment of the Public Sector Internal Audit Standards for the Regional Internal Audit Service | Ad hoc | | | ✓ | | | | |
| Governance and Audit Committee Annual Report | Annually | | | ✓ | | | | |
| Treasury Management | | | | | | | | |
| Treasury Management Outturn Report 2022-23 | Annually | | ✓ | | | | | |
| Treasury Management Half Year Report 2023-24 | Annually | | | | ✓ | | | |
| Treasury Management Strategy 2024-25 | Annually | | | | | | ✓ | |
| Ethical Investment Policy | | | | ✓ | | | | |
| Risk Assurance | | | | | | | | |
| Corporate Risk Assessment | At regular intervals | ✓ | | | | | ✓ | |
| Counter Fraud | | | | | | | | |
| Corporate Fraud Report 2022-23 | Annually | | ✓ | | | | | |
| Anti Tax Evasion Policy (previously considered April 2023, due April 2025) | Biennially | | | | | | | |
| Performance Related | | | | | | | | |
| Complaints Process | Ad hoc | ✓ | | | ✓ | | | ✓ |
| Regulatory Tracker | 6 monthly | | ✓ | | | | ✓ | |
| Annual Self Assessment of the Council's Performance | Annually | ✓ | ✓ | | | | | |

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