



City and County of Swansea

Notice of Meeting

You are invited to attend a Meeting of the

Governance & Audit Committee

At: Multi-Location Meeting - Gloucester Room, Guildhall / MS Teams

On: Wednesday, 13 July 2022

Time: 2.00 pm

Chair: Paula O'Connor

Membership:

Councillors: T J Hennegan, P R Hood-Williams, A J Jeffery, J W Jones, M B Lewis, M W Locke, S Pritchard, K M Roberts, L V Walton and T M White

Lay Member: Gordon Anderson, Julie Davies and Philip Sharman

Watch Online: <https://bit.ly/3u9nR5d>

Agenda		Page No.
1	Apologies for Absence.	
2	Disclosures of Personal and Prejudicial Interests. www.swansea.gov.uk/disclosuresofinterests	
3	Minutes. To approve & sign the Minutes of the previous meeting(s) as a correct record.	1 - 6
4	Internal Audit Section - Fraud Function Annual Report 2021/2022. (For Information) (Jeff Fish / Jonathon Rogers)	7 - 23
5	Internal Audit Section - Fraud Function Anti-Fraud Plan for 2022/23. (Jeff Fish / Jonathon Rogers)	24 - 99
6	Annual Report of School Audits 2021-22. (For Information) (Nick Davies / Louise Rigby)	100 - 118
7	Update Report South West Wales Corporate Joint Committee. (For Information) (Martin Nicholls)	119 - 122
8	Internal Audit Report - Accounts Receivable Action Plan. (Rachael Davies / Sian Williams / Michelle Davies)	123 - 133

- | | | |
|----|---|------------------|
| 9 | Workforce Strategy. (For Information) (Rachael Davies / Adrian Chard) | 134 - 189 |
| 10 | Annual Complaints Report - Six Month Update. (For Information) (Sarah Lackenby) | 190 - 197 |
| 11 | Local Code of Corporate Governance: Framework of Assurance. (For Information) (Richard Rowlands) | 198 - 206 |
| 12 | Overview of the Governance and Assurance arrangements of Partnerships and Collaborations. (For Information) (Richard Rowlands) | 207 - 221 |
| 13 | Governance & Audit Committee Action Tracker Report. (For Information) (Jeremy Parkhouse) | 222 - 228 |
| 14 | Governance & Audit Committee – Work Plan 2022/23. (For Information) (Jeremy Parkhouse) | 229 - 238 |

Next Meeting: Wednesday, 10 August 2022 at 2.00 pm



Huw Evans
Head of Democratic Services
Wednesday, 6 July 2022

Contact: Democratic Services: - 636923

Agenda Item 3

City and County of Swansea

Minutes of the **Governance & Audit Committee**

Multi-Location Meeting - Gloucester Room, Guildhall / MS

Teams

Wednesday, 15 June 2022 at 1.00 pm

Present: Paula O'Connor (Chair) Presided

Councillor(s)

P R Hood-Williams
M W Locke
T M White

Councillor(s)

A J Jeffery
S Pritchard

Councillor(s)

J W Jones
K M Roberts

Lay Member(s)

Gordon Anderson
Philip Sharman

Julie Davies

Officer(s)

Adam Hill
Ben Smith
Debbie Smith
Rachael Davies
Sarah Lackenby
Nick Davies
Kim Collis
Richard Rowlands
Jeremy Parkhouse

Deputy Chief Executive / Director of Corporate Services
Director of Finance / Section 151 Officer
Deputy Chief Legal Officer
Head of HR & Service Centre
Head of Digital and Customer Services
Principal Auditor
County Archivist
Strategic Delivery & Performance Manager
Democratic Services Officer

Also Present

Gillian Gillett
Non Jenkins

Audit Wales
Audit Wales

Apologies for Absence

M B Lewis and L V Walton

11 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct adopted by the City and County of Swansea, the following interests were declared: -

Councillor T M White declared a personal interest in Minute No.13 - Internal Audit Annual Plan 2021/22 - Monitoring Report for the Period 1 January 2022 to 31 March 2022.

12 Minutes.

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

13 Internal Audit Annual Plan 2021/22 - Monitoring Report for the Period 1 January 2022 to 31 March 2022.

Nick Davies, Principal Auditor presented a detailed 'for information' report which showed the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 January to 31 March 2022.

A total of 30 audits were finalised during the quarter. The audits finalised were listed in Appendix 1, which also showed the level of assurance given at the end of the audit and the number of recommendations made and agreed. Appendix 2 provided a summary of the scope of the reviews finalised during the period.

An analysis of the assurance levels of the audits finalised was given and a total of 188 audit recommendations were made and management agreed to implement 184 of the recommendations. An analysis of the recommendations agreed during the quarter was also provided and details of the recommendations that were not accepted were provided at Appendix 3.

It was explained that following the easing of Covid 19 restrictions, Internal Audit had, where necessary, been able to successfully undertake a number of site visits to complete on-site testing to complete audits. It was added that the team continued to largely work remotely.

Appendix 4 showed that at 31 March 2022, 96 audit activities from the 2021/22 audit plan had been completed to at least draft stage (73%) with an additional 11 audits noted as being in progress (8%). This had resulted in approximately 82% of the audit activities included in the 2021/22 Audit Plan being completed or were in progress. In addition, 4 audits contained in the original plan were no longer required and 16 reviews were deferred to 2022/23.

Two moderate reports were issued during the quarter in respect of the following: -

- Accounts Receivable 2021/22.
- Freedom of Information (FOI) / Subject Access Requests (SAR) / Environmental Information Regulation Requests (EIR) 2021/22.

The Committee were also provided with details of the follow-ups completed between 1 January and 31 March 2022.

The Committee discussed the following: -

- Disputed / outstanding invoices and the process followed, including departments receiving income prior to invoices being paid.
- Concern regarding some audit ratings given, particularly the justification for a couple of substantial / high ratings recently awarded and how Internal Audit assess / check the ratings / level of risks / and overall assurance levels involved prior to agreeing a rating.
- Some further narrative to be provided to Committee in order for them to have a better understanding of how assurance levels are awarded.
- Reviews of Debt Recovery – Financial Services and Legal recovery / Corporate Governance and the scope of the reviews.
- The appointment of the Interim Chief Executive, the robust internal process followed, the positive impact of the handover process and the good corporate governance followed in respect of the appointment.
- The reason why the grants and contracts audit of Child & Family Services was not required, how Internal Audit would discuss the scope with management before the audit commences and how further narrative would be provided in respect of future audits which were not required.
- Grants certified by Internal Audit and the processes undertaken.
- Consideration to be given on possibly combining the detailed follow up work undertaken on Moderate reviews contained in the 'Quarterly Monitoring Report' and including them in the 'Quarterly Follow Up' report.
- Departmental breakdown of aged debts in departments and the provision of a more detailed report at the next scheduled meeting.
- Reporting procedures relating to the Community Equipment Service, particularly Joint Partnership Group.
- An update on Partnership arrangements being provided to the Committee in September 2022.

14 Response to the Freedom of Information Audit 2022.

Sarah Lackenby, Head of Digital & Customer Services and Kim Collis, Data Protection Officer provided a 'for information' response to the recent audit of Freedom of Information (FOI) requests, Environmental Information Regulations (EIR) and Subject Access Requests (SAR).

It was explained that as a result of an internal audit undertaken in the first half of 2022 of how the Council responds to FOI and other statutory information requests from the public, an assurance level of 'Moderate' was given.

It was added that while responsibility for the outcome of the audit rested with the whole Council, as represented by Corporate Management and Leadership Teams,

the Council's Data Protection Officer (DPO) and Senior Information Risk Owner (SIRO) agreed to take responsibility for the action plan arising out of the audit and consult as necessary with the two bodies.

The completed actions from the action plan were provided at Appendix A, along with progress towards completion of other required actions.

The Committee discussed the following: -

- Increasing staff skills across all directorates.
- Actions taken when information not redacted had been sent outside the Authority. The response regarding the actions taken be forwarded to the Committee.
- Establishing accountability and responsibility within the Authority.

15 Service Centre – Accounts Receivable – Moderate Report.

Adam Hill, Deputy Chief Executive provided a verbal update on the Moderate audit opinion received in respect of Accounts Receivable.

He stated that a more detailed report would be provided to the next Committee meeting in July 2022.

The Committee were provided with a progress update in relation to the issues raised in the Internal Audit report and were given assurance that progress was being made in respect of disputes and debt recovery.

The Committee discussed the following: -

- Concern with the loss of income to the Authority.
- The need to spend to realise the income.
- Previous policies followed with regards to bad, disputed debt and the risks to the Council.
- The ongoing pressure faced by the Service Centre, the continued loss of staff to other projects due to Covid 19 and the ongoing active role of CMT.
- The tracking of debts between departments, providing more information to the Committee and the continued ripple effect of Covid 19 on the Authority.
- The small context of the outstanding debt in relation to the overall finances being dealt with by the Council, the understanding within the Council that recovery of the debt was a priority and the poor financial outlook being faced.

16 Internal Audit Recommendation Follow-Up Report Q4 2021/22.

The Principal Auditor presented a 'for information only' report which provided the Committee with the status of the recommendations made in those audits where the follow-up's had been undertaken in Quarter 4/ 2021/22, which allowed the Audit Committee to monitor the implementation of recommendations made by Internal Audit. Appendix 1 provided a summary of the recommendations accepted and implemented. Appendix 2 provided details of recommendations not implemented.

The Committee discussed the following: -

- It was requested that some of the details in future follow up reports be provided in a pictorial view which would make them more user friendly. The Principal Auditor stated that these were system generated reports, however he was happy to consider the request and would discuss the option with the Chief Auditor.
- The independent valuation of assets contained at Swansea Museum and the Glynn Vivian Art Gallery, including the items in storage.
- Working with client departments to reach agreement / new deadline dates regarding recommendations not implemented.

The Chair expressed concern that previously items at the Glynn Vivian Art Gallery and Swansea Museum had not been revalued and as the Museum contained a significant amount of stock, requested that Corporate Management Team closely examined this area.

17 Audit Wales - 2022 Audit Plan – City and County of Swansea Council.

Non Jenkins and Gillian Gillett, Audit Wales presented 'for information' the Audit Wales 2022 Audit Plan – City & County of Swansea. The Plan outlined the planned Audit Wales work during 2022 to discharge its statutory responsibilities as external auditor and to fulfil its obligations under the Code of Audit Practice.

The Plan presented the duties of the auditor which included the audit of the financial statements and risks, the Council's arrangements to obtain value for money and how the Council complies with the sustainable development principle.

In addition, details of the performance audit and programme, certification of grant claims and returns, statutory audit functions, audit fee, team and timetable were provided.

The Committee queried the auditing of grant aid paid to organisations outside the Council, ensuring payments were made correctly and were not fraudulent. It was explained that tracking fraud was the responsibility of the Council and Welsh Government requirements ensured that the Council had robust arrangements in place in respect of grant payments.

The Principal Auditor added that Internal Audit and Corporate Fraud staff had provided significant advice & support to client services responsible for issuing the Covid 19 grant payments.

18 Audit Wales Work Programme and Timetable – City and County of Swansea Council.

Non Jenkins and Gillian Gillett, Audit Wales presented 'for information' the Audit Wales Work Programme and Timetable – City and County of Swansea.

The report detailed the quarterly update and listed the following: -

- Annual Audit Summary

- Financial Audit Work
- Performance Audit Work
- Local Government National Studies Planned / In Progress
- Estyn
- Care Inspectorate Wales (CIW)
- Audit Wales National Reports and Other Outputs Published Since 1 April 2021
- Audit Wales National Reports and Other Outputs Due to be Published During 2021-22 (and other work in progress / planned)
- Forthcoming Good Practice Exchange Events and Publications

The Committee discussed the following: -

- Level of material misstatements for Swansea Council.
- Accounts Receivable function and review, including examining bad debt.
- Date of publishing expectations for Statement of Accounts.
- The auditing of the City Deal in a separate audit plan.
- Value for money / good practice / Covid 19 findings / support provided to local authorities.

19 Governance & Audit Committee Action Tracker Report.

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

The Deputy Chief Executive stated that a full scoping exercise had been completed in respect of a software performance at Minute No.74 – 8 February 2022. He added that he hoped to provide a verbal update on progress at the next meeting.

20 Governance & Audit Committee - Work Plan 2022/23.

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

The Chair stated that any proposed items should be forwarded to the Democratic Services Officer.

The meeting ended at 2.53 pm

Chair



Report of the Chief Auditor

Governance & Audit Committee - 13 July 2022

Internal Audit Section – Fraud Function Annual Report 2021/2022

Purpose:	This report provides a summary of the work completed by the Fraud Function of Internal Audit in 2021/22.
Policy Framework:	None.
Report Author:	Jeff Fish/Jonathon Rogers
Finance Officer:	Simon Cockings
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Miller
For Information	

1. Introduction

- 1.1 This report provides a summary of the activities of the Fraud Function for 2021/22 and reviews achievements compared to target activities contained in the Fraud Function Anti-Fraud Plan for 2021/22 approved by Governance & Audit Committee.

2. The Value of the Function

- 2.1 The fraud function contributes to the Council's corporate vision and priorities by investigating allegations of fraud and corruption against the Authority, both from within the organisation and from external third parties.

- 2.2 The value of this function to the Authority can be measured via the following headings:

2.2.1 Deterrent value

The deterrent value of having a fraud function is invaluable. It offers a confidential mechanism to report concerns, showing that those concerns are acted upon, taking appropriate sanctions such as disciplinary action or criminal prosecutions, and reporting outcomes as appropriate.

2.2.2 Strengthening procedures & workforce relationships

Internal investigations may not yield immediately quantifiable financial outcomes. However, they can and have had a positive effect as a consequence of:

- Changing policies and procedures that reduce the potential for subsequent loss by fraud or error by enhancing robustness and delivering efficiencies.
- Stopping inappropriate practices can increase morale and enhance relationships between colleagues and managers and service users thereby positively affecting performance.

2.2.3 **Outcomes with financial implications**

Activities may identify money, or assets that have been claimed or misappropriated via fraud or error, which are targeted for recovery. For example:

- Overpayments of Housing Benefit, Council Tax Benefit, Council Tax Reduction.
- Council properties returned to stock
- Money resulting from action taken under the Proceeds of Crime Act 2002.

Activities may also result in additional liability being created. For example via the removal of Council Tax discounts and exemptions.

3. **Overview of Activities**

3.1 Activities broadly fall into two main categories:

- Allegations and cases solely investigated by the team including: council tax reduction, social housing tenancy fraud, direct payments for social care, employee and special investigations, and fraud awareness.
- Suspicious Council Tax Reduction claims considered as part of Joint Working with the Department for Work and Pensions (DWP).

3.2 The team have also continued to manage the National Fraud Initiative NFI20 following the receipt of the main data output in late January 2021. (See section 4.2.)

3.3 The volume of reports and requests for support received by the team during 2021/22 again increased as demonstrated in Tables 1 and 4 below. Whilst the amount of assistance required in the administration of the Covid grant support schemes eventually diminished it continued until the third quarter of the year. A consequence of this is the team are now frequently asked to support the administration of other grants to provide assurance. (See new service area in Table 3)

3.4 The overall increase also continues to reflect the heightened awareness and visible profile of the team as the repository for external and internal allegations relating to the Councils functions.

3.5 It should be noted that not all of these reports resulted in full fraud investigations. Often cases are rejected due to insufficient information being provided, reports being more appropriate to another service area or body. Often advice on prevention is provided to client departments and a full investigation is not required.

Table 1 – Caseload Volume 2021/22

Type	Joint Working with DWP	Fraud Function only	Total
Brought forward	7 (<i>7</i>)	81 (<i>34</i>)	88 (<i>41</i>)
New cases in 2021/22	11 (<i>1</i>)	368 (<i>301</i>)	379 (<i>302</i>)
Total	18 (<i>8</i>)	449 (<i>335</i>)	467 (<i>343</i>)

(Figures in italics refer to 2020/21)

- 3.6 Despite the increased volume and a higher brought forward figure the case turnover has significantly improved in 2021/22 as can be seen in Table 2 below. The decrease in Covid grant support work being a direct contributor.

Table 2 – Case status as at 31/3/22

Type	Joint Working with DWP	Fraud Function only	Total
Cases closed	3 (<i>1</i>)	392 (<i>254</i>)	395 (<i>255</i>)
Cases to be evaluated	0 (<i>0</i>)	6 (<i>32</i>)	6 (<i>32</i>)
Cases under investigation	15 (<i>7</i>)	51 (<i>49</i>)	66 (<i>56</i>)
Total	18 (<i>8</i>)	449 (<i>335</i>)	467 (<i>343</i>)

(Figures in italics refer to 2020/21)

- 3.7 An analysis of the data shown in Table 3 below shows that most areas have seen a growth in reports. The on-line public reporting tool continues to receive a high volume of reports. This portal needs further development to improve the quality of reports. For example the Blue Badge referrals often relate to non-Swansea matters and is due to a Google algorithm.
- 3.8 The volume of reports in the social housing sector continues to increase so will be a focus of the Annual Plan 2022/23.

Table 3 – Fraud Reports by Service Area 2021/22

Fraud Reports By Service Area -				
	Number of Cases (including B/F figure)		Percentage Change	Percentage Of Cases
	2020/21	2021/22		
Blue Badge	25	46	84.0%	10.2%
Business Rates	5	5	0.0%	1.1%
Council Tax Reduction	25	19	-24.0%	4.2%
Council Tax Liability	62	70	12.9%	15.6%
Covid 19	37	8	-78.4%	1.8%
DWP Benefits	86	127	47.7%	28.3%
Education	5	7	40.0%	1.6%
Employee Cases	23	19	-17.4%	4.2%
Grants(Non Covid)	0	51	0.0%	11.4%
Money Laundering	0	0	0.0%	0.0%
Procurement	3	4	33.3%	0.9%
Parking Permits	1	1	0.0%	0.2%
Social Housing	39	56	43.6%	12.5%
Social Services Finance	6	3	-50.0%	0.7%
Other	18	33	83.3%	7.3%
Total	335	449		

(Excludes DWP Joint Working)

3.9 Table 4 below shows the rising trend of reports/work volumes over the lifetime of the team. This clearly demonstrates that despite the reduction in Covid 19 reports which caused the increase 20/21, the overall trend is significantly upwards with a circa 79% increase on the two preceding years.

Table 4 – Caseload trend Data

Financial Year	Caseload Trends Excluding DWP Joint Working				Team Size
	B/F From Previous Year	New Cases	Concluded	DPA Requests	
2015/16	0	125	90	258	3
2016/17	35	243	213	320	3
2017/18	65	198	218	447	3
2018/19	45	211	213	435	2
2019/20	43	212	214	469	2
2020/21	41	415*	368	643	2
2021/22	88	379	395	642	2

*Included Covid Increase

4 Key Activities 2021/2022

4.1 Joint work with DWP's Counter Fraud, Compliance & Debt Service (CFCD)

4.1.1 As previously reported since the introduction of the DWP's Single Fraud Investigation Service (SFIS), the DWP became solely responsible for investigating all welfare benefit frauds, including Housing Benefit that is still administered by the Local Authority.

4.1.2 However the team continue to work jointly with DWP where there is also a Council Tax Reduction (CTR) offence.

4.1.3 Although the number of reported cases has again notably increased in 2021/22, as shown in Table 3 above, there has only been a marginal increase in the number of cases investigated and as a result the value of overpayments realised has also decreased. The reasons for this low increase are two-fold. Firstly, this follows a downward trend in the volume of reported cases being taken through to joint investigations and secondly the direct impact that Covid 19 restrictions continued to have on the resources most of 2021/22.

4.1.4 However it is pleasing to report that as a result of the removal of the majority of Covid restrictions operations have now returned to business as usual practices and meetings have been held to enhance joint working.

4.2 National Fraud Initiative 2020

4.2.1 NFI is a bi-annual data matching exercise delivered by the Cabinet Office.

4.2.2 Data matching involves comparing data records held by one organisation against data records held by the same or other public bodies to identify matches. Not all data matches are cases of fraud. They identify where organisations need to consider if the match is permissible or there is an anomaly and needs further investigation.

4.2.3 Areas that are subject to data matching include:

- Blue Badge & Residents Parking Permits
- Creditors/Contractors
- Council Tax Reduction
- Council Tax Single Persons Discount
- Housing Benefits
- Housing tenants
- Housing waiting lists
- Immigration
- Market traders
- Payroll
- Pensions
- Personal alcohol licences
- Personal budgets for social care
- Student loans
- Taxi licenses
- VAT overpaid

- 4.2.4 The main data output for NFI20 was received in late January 2021 and the examination of all relevant matches has almost been concluded. Just under 10,000 matches were received across 90 reports of which 1285 were considered High Risk.
- 4.2.5 Internally, the exercise is coordinated by the Chief Internal Auditor and the Fraud Function, and matches are allocated to officers based within the authority for scrutiny. Progression on these reports is actively managed.
- 4.2.6 For NFI 2020 an additional data set was included to identify matches in relation to Covid 19 Grant Support payments. No matters of concern were identified.
- 4.2.7 In the third quarter a further significant report was released and the completion of the actions required have been brought forward to the Annual Plan 2022/23.
- 4.2.8 A full report on the outcomes of NFI20 will be presented to committee at the Fraud Function Mid-Year report in the Autumn.

4.3 Fraud Awareness

- 4.3.1 The team continues to act as the hub for the receipt of Intelligence and Scam alerts from the National Anti-Fraud Network. The volume remained high despite the reduction in Covid Grant Support Alerts. Impersonation Fraud alerts increased this year.
- 4.3.2 The team also receives alerts from other organisations and bodies such as the Council's Bankers and the Credit Industry Fraud Avoidance Service, and again relative actions and information is then circulated to the appropriate departments e.g. Phishing scams, Mandate fraud.
- 4.3.3 Annual Fraud Awareness training was not provided to Committee in 2021/22 but two dates have already been agreed for its delivery during 2022/23.
- 4.3.4 The team also continued to attend a number of online training events to ensure knowledge of current threat and trends and to ensure their own continual professional learning.

4.4 Inter-Agency work and Data Exchange

- 4.4.1 The team has further developed its role in inter-agency working and data exchange.
- 4.4.2 Staff have continued to lead regular meetings and contributed to the development of the Welsh Fraud Officers group and extended this forum to maintain regular dialogue with Welsh Government Fraud, Audit Wales and the Welsh Chief Auditors Group.
- 4.4.3 Staff have also continued to attend regular online inter agency meetings with other government agencies tackling organised crime and sit on the Local Organised Crime Board.
- 4.4.4 During the year, the function received 642 requests for information from other agencies, meaning the increase seen in 2020/21 has been maintained in 2021/22.

4.5 Employee related Investigations

4.5.1 The volume of employee referrals again decreased in 2021/22. It was pleasing that this figure has again not increased given the change in working practices arising from Covid 19 and possible risks that could have occurred from this.

Table 5 – Number of employee cases reported 2021/22

Type	Cases
Brought forward from 2020/21	8 (10)
New cases in 2021/22	11 (13)
Total	19 (23)

(Figures in italics refer to 2020/21)

4.5.2 The reason for the report and outcomes are shown in the following two tables.

Table 6 – Reason for reporting 2021/22

Reason	Cases
Abuse Of Position	4 (3)
Expenses	0 (1)
Flexi Abuse	0 (1)
False Accounting	0 (1)
Not Following Procedures	1 (0)
Theft	9 (7)
Secondary Employment	2 (3)
Working whilst on sick leave	2 (1)
Other	1 (6)
Total	19 (23)

(Bracketed figures refer to 20/21)

Table 7 – Employee Outcomes 2021/22

Employee Outcomes	
Type	Number
Advice Provided	0 (5)
Fraud Not Proven	2 (2)
Discontinued	4 (1)
Resigned	1 (0)
Disciplinary – Dismissal	2 (0)
Disciplinary – Warning	1 (0)
Rejected	0 (2)
Other Action taken	0 (2)
Ongoing investigation	9 (11)
Total	19 (23)

(Bracketed figures refer to 20/21)

4.6 Covid 19

- 4.6.1 As aforementioned the amount of direct support work undertaken by the team diminished over the year 2021/22. There was still a high level of support provided for the first two quarters but this became minimal in quarters three and four.
- 4.6.2 The team provided advice and further developed front-end validation to be undertaken by officers administering grant applications directly.
- 4.6.3 In total 49 cases were subject to detailed investigation of which 12 cases were recommended for rejection amounting to a saving of £27,000.
- 4.6.4 The team collaboratively work with other Local Authorities and Government departments to ensure that fraud data/intelligence has been shared to prevent fraud occurring where possible.
- 4.6.5 The team worked with South Wales Police and NATIS (Police National Investigation Service) on a number of high profile organised crime cases in relation to fraudulent grant applications.
- 4.6.6 As aforementioned the NFI 2020 produced matches for this data set but no errors were found.
- 4.6.7 The ongoing support of Covid Grant administration has clearly had an impact on deterring, preventing and detecting fraud risks associated with Covid 19.

5 Review of Outcomes against the Fraud Function Plan for 2020/21

- 5.1 The team have worked almost exclusively from home during the 2021/22 due to Covid restrictions which impacted on some areas of work. Hybrid working has now been introduced to alleviate some of these pressures. Twelve days were lost due to sickness following a family illness.
- 5.2 Of the eight planned Fraud Function activities four were fully achieved with four being partly achieved. Appendix 1 provides commentary against these activities.
- 5.3 As reported in the Annual Report for 2020/21 the teams' limited resources along with the requirements of reactive work were contributory in those activities reported as not being achieved. It is hoped that the planned expansion of the team will alleviate some of these pressures.
- 5.4 However, urgent employee investigations were prioritised and time critical responses and actions were undertaken where Covid protocols allowed.
- 5.5 Despite this, the case turnover significantly improved but it is recognised this can be further improved once the additional resources become embedded.

6. Integrated Assessment Implications

- 6.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

6.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the ‘well-being goals’.

6.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

The IIA indicated that there are low impacts on any identified group and the Fraud Function Annual Report 2021/2022 applies equally to all. Public consultation and engagement is not required for the report. All Wellbeing and Future Generations Act considerations are positive and the risk identified is low. The overall impact of the report is positive, as it will support the Authority in its requirement to protect public funds. (See Appendix 2 for IIA)

7. Financial Implications

7.1 There are no financial implications associated with this report.

8. Legal Implications

8.1 The Accounts and Audit (Wales) Regulations 2014 require the maintenance of an adequate and effective system of internal audit of the Council’s accounting records and control systems. This is essential to the prevention and detection of fraud and corruption and is a key element of the Chief Finance Officer’s statutory duties as contained in section 151 of the Local Government Act 1972.

Background Papers: None

Appendices:

Appendix 1 - Review of the Fraud Function Anti-Fraud Plan for 2021/22

Appendix 2 – Integrated Impact Assessment Screening Form

Appendix 1 – Review of the Fraud Function Anti-Fraud Plan for 2021/22

Activity	Detail	Target Outcomes	Outcomes Achieved
<p>1. Tackle social housing tenancy fraud</p>	<p>Continue to work in partnership the Housing Department and Legal Section to combat tenancy fraud: from unlawful subletting to bogus succession claims.</p>	<p>Raise awareness of the problem of social housing fraud and the damage that it does.</p> <p>Prevent the unlawful succession to social housing properties by people that do not have a right to succeed the tenancy</p> <p>Reduce the number of properties being unlawfully sub-let.</p> <p>Recover properties where tenancy fraud has been identified.</p> <p>Undertake criminal prosecutions & utilise Unlawful Profit Orders to recover any profit made by offenders, in accordance with the Prevention of Social Housing Fraud Act 2013 and/or the Fraud Act 2006.</p>	<p>Partly achieved</p> <p>The team have continued to receive a number of referrals from the public and the Housing Department.</p> <p>Full investigations have restarted but commencement of all cases has been impacted by restricted resources and some significant internal investigations.</p>
<p>2. Tackle Council Tax fraud</p>	<p>Utilise internal and external Data Matching products to identify potential discrepancies in Single Person Discounts and other Council Tax discounts, disregards and exemptions.</p>	<p>Recover single person discounts 'incorrectly' claimed.</p> <p>Recover other disregards and discounts 'incorrectly' claimed.</p>	<p>Fully Achieved</p> <p>Incorrectly claimed discounts and exemptions, have been identified via individual investigations and internal & external data matching.</p>

Activity	Detail	Target Outcomes	Outcomes Achieved
		Identify cases of council tax evasion through non registration of liability and banding,	
3. Tackle Council Tax Reduction fraud	Continue to work with DWP/CFCD in countering CTRS fraud.	Sharing information and expertise between the Fraud Function & DWP's Counter Fraud Division: <ul style="list-style-type: none"> • To ensure that the totality of welfare benefit and CTRS frauds tackled in the most efficient and effective manner. • To identify overpayments and excess reductions. • To take sanction action in appropriate cases. Administrative Penalties and prosecutions. 	Partly achieved The team have continued to receive a number of referrals in this area and investigations have now recommenced including jointly with the DWP albeit belatedly in the year 2021/22.
4. National Fraud Initiative(2020)	Participate in the biannual National Fraud Initiative coordinated by the Cabinet Office. Since	To ensure an appropriate number of matches are examined with particular reference high fraud risk matches To identify processes and procedures that need to be made more robust.	Partly achieved It was reported in the Mid-Year report that the exercise would be completed by January 2022. However a small number of reports remain open and are being actively managed for closure.

Activity	Detail	Target Outcomes	Outcomes Achieved
		<p>To identify overpayments and excess reductions.</p> <p>To take appropriate action against offenders.</p>	<p>In the third quarter a further large report was released and the completion of the actions required has been carried forward to the Annual Plan 2022/23.</p>
<p>5. Internal Employee Matters</p> <ul style="list-style-type: none"> • Abuse of Position • Travel and subsistence • Flexi time/timekeeping • Other matters of misconduct/gross misconduct 	<p>Continue to assist Human Resources & Organisational Development in conjunction with various client departments</p> <p>The Fraud Function will continue to work with internal departments and external organisations in order to undertake risk assessments, and gather intelligence and evidence to point towards or away from fraud and error.</p>	<p>Support disciplinary process</p> <p>Consider as appropriate criminal/civil proceedings.</p> <p>To take appropriate action against offenders</p> <p>Maintain the Council's good reputation</p>	<p>Fully achieved.</p> <p>Urgent employee investigations continue to be prioritised and time critical responses provided where Covid protocols allowed.</p> <p>A number of cases are carried forward to the new year but this is a common occurrence due to the length of investigations and any disciplinary outcomes.</p>
<p>6. Tackle other internal and external fraud, examples includes:</p> <ul style="list-style-type: none"> • Procurement fraud • Social Care (Direct Payments) • Blue badge • Income collection and banking • Grants 	<p>During 2021/22, the Fraud Function will continue to investigate various anomalies and referrals.</p> <p>The Fraud Function will continue to work with internal departments and external organisations in order to undertake risk assessments, and gather intelligence and evidence to point towards or away from fraud and error.</p>	<p>Maintain public confidence by being 'transparent'.</p> <p>Identify fraud, error and overpayments.</p> <p>Assist in the recovery of 'losses', financial or otherwise.</p>	<p>Fully achieved.</p> <p>The team has considered all allegations received.</p>

Activity	Detail	Target Outcomes	Outcomes Achieved
<ul style="list-style-type: none"> • Payroll • Pensions • Etc. 	<p>Subject to available resources, the Fraud Function will consider and investigate any other frauds if it is in the best interests of the Council and the public it serves.</p>		
<p>7. Raising Awareness</p>	<p>Continue to raise awareness of the role of the Fraud Function both inside and outside the Council.</p> <p>The aim is to maintain reputation and to encourage the reporting of potential fraud in the belief that action will be taken.</p> <p>To work with HROD to develop bi-annual fraud awareness training for all employees.</p>	<p><u>Staff:</u></p> <ul style="list-style-type: none"> • New – A guide to Corporate Fraud is included in Corporate Induction Training provided by Human Resources. • Existing – Continue to develop and deliver training as and when required. <p><u>Members:</u> Continue to deliver presentations/ reports to the Audit Committee and other members as necessary.</p> <p><u>Public:</u> Continue to publicise activities, successes, and prosecutions.</p>	<p>Fully achieved.</p> <p>The team continue to liaise with HROD on Corporate Induction Training.</p> <p>Commentary on fraud work and an overarching message appeared the Chief Executive's Blog.</p> <p>A Press release was issued 7th July 2021: Swansea - Council clamps down on fraud</p> <p>Online press coverage appeared on 7th July 2021 in Nation.Cymru and Wales Online and an Evening Post article published 14th July 2021.</p> <p>The team regularly present operational and strategic matters to CMT.</p>

Activity	Detail	Target Outcomes	Outcomes Achieved
8. Policy and Procedure Developments	To work with nominated officers as prescribed in the Action Plan presented to Audit Committee 9 th March 2021 to deliver on the appropriate actions.	To produce the products in-line with the timetable contained within the Action Plan	Partly achieved. This a rolling programme of work and has been carried forward to the Annual Plan 2022/23.

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Resources

Directorate: Finance

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services

(b) Please name and fully describe initiative here:

Corporate Fraud Function Annual Report 2021/22.

This report provides a summary of the activities of the Fraud Function for 2021/22 and reviews achievements compared to target activities contained in the Fraud Function Anti-Fraud Plan for 2021/22 approved by Governance & Audit Committee.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

	High Impact		Medium Impact		Low Impact		Needs further investigation
	+	-	+	-	+	-	
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches? Please provide details below – either of your activities or your reasons for not undertaking involvement

The Internal Audit Corporate Fraud Function Annual Report 2021/22 is a financial and internal administration document that does not require engagement/consultation

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan’s Well-being Objectives when considered together?
 Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
 Yes No
- c) Does the initiative apply each of the five ways of working?
 Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
 Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk <input type="checkbox"/>	Medium risk <input type="checkbox"/>	Low risk <input checked="" type="checkbox"/>
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Q6 Will this initiative have an impact (however minor) on any other Council service?
 Yes No **If yes, please provide details below**

Q7 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

The cumulative impact of the report is positive as it will support the Section 151 Officer and the Authority in its requirement to protect public funds and it will equally provide assurance

Outcome of Screening

Q8 Please describe the outcome of your screening below:

There are low impacts on any identified group and the report applies equally to all. Public consultation and engagement is not required for the report. All WFG considerations are positive and the risk identified is low. The overall impact of the report is positive as it will support the Authority in its requirement to protect public funds.

(NB: This summary paragraph should be used in the relevant section of corporate report)

- Full IIA to be completed
- Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Jeff Fish
Job title: Corporate Fraud Investigator
Date: 27.6.22

Approval by Head of Service:
Name: Ben Smith
Position: Director of Finance and Section 151 Officer
Date: 1.7.22

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 5



Report of the Chief Auditor

Governance & Audit Committee – 13 July 2022

Internal Audit Section – Fraud Function Anti-Fraud Plan for 2022/2023

Purpose:	This report sets out the planned areas of activity for the Internal Audit Section's Fraud Function for 2022/23 and is designed to provide a strategic view of the areas that will be subject to examination.
Policy Framework:	None
Consultation:	Legal, Finance, Access to Services
Recommendation(s):	It is recommended that Committee review, discuss and approve the Anti-Fraud Plan for 2022/23. (As at Appendix 3)
Report Author:	Jeff Fish / Jonathon Rogers
Finance Officer:	Simon Cockings
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Miller

1. Introduction

1.1 Obligation to combat fraud:

- S151 Local Government Act 1972 – “Every Local Authority is under a statutory duty to secure the proper administration of its financial affairs”, (i.e. to safeguard public funds).
- Council Constitution - The obligation set out in S151 is underpinned by the Financial Procedure Rules (FPR's) contained in the Council's Constitution. FPR's are the codification of the principles of sound financial management.

1.2 Principles of tackling fraud:

The aim of the Fraud Function is to adhere to the requirements set out in 1.1 by way of effective and appropriate actions in respect of combatting all fraud whether it is perpetrated from outside or inside the Council. The Fraud Function's approach will achieve this by focusing on three key themes:

- Acknowledge - Prevent - Pursue
- 1.3 Ensuring the counter fraud response is comprehensive and effective. Where possible, performance should be compared against each of the following six themes:

- Culture
- Capability
- Capacity
- Competence
- Communication
- Collaboration

1.4 The Council's existing Anti-Fraud and Corruption Policy summarises the Council's position, building on the content of a number of corporate policy statements, including:

- Anti-Fraud and Corruption Policy ¹
- Codes of Conduct (members and employees)
- Corporate Risk Register
- Disciplinary Policy
- Whistle-blowing Policy

1.5 Overarching the above policies is the fact that Council Members and Officers are expected to adopt the highest standards of propriety and to follow the '*Nolan principles*'² of public life which are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership
- Uphold the law
- Stewardship
- Equality and respect

2. The Aims of the Anti-Fraud Plan

2.1 The Anti-Fraud Plan (AFP) represents the broad areas that will be covered and sets out to provide a balance between proactive and reactive counter fraud activity. It covers the activities of the Council that the Director of Finance and S151 Officer and the Chief Auditor consider to be the most likely to be subjected to fraud in some form, either from within the organisation or from external sources. It is hoped that there will be an increase in proactive activity when the planned expansion of resources has become embedded. See below.

2.2 The AFP aims to build on activities and outcomes identified, and also aims to focus on 'high risk' areas where the most significant losses can occur.

2.3 The fraud risks associated with Covid 19 have now significantly reduced and it is anticipated that minimal reactive resources will need to be diverted during 2022/2023 in contrast to those resources diverted in the two preceding financial years. The UK government is currently recruiting to a new Covid Fraud Recovery Team to support the work of National Investigation Service (NATIS)

¹ This policy was last revised 2021/22 and is awaiting HROD approval and is subject to further continual review.

² The 'Nolan principles', which are the basis of the ethical standards expected of public office holders. The 10 principles of public life apply to anyone who works as a public office-holder. This includes people who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, the courts and probation services, non-departmental public bodies, health, education, social and care services. The principles also apply to all those in other sectors that deliver public services. They were first set out by Lord Nolan in 1995 and they are included in the Ministerial Code – <https://www.gov.uk/government/publications/ministerial-code>

- 2.4 Additionally, the AFP for 2022/2023 will continue to incorporate those works streams directly attributable to or supported by the Fraud Function that were reported to the Governance & Audit Committee 09/03/21 by the Deputy Chief Executive in response to the Audit Wales report on Public Sector Fraud. 'Raising Our Game – Tackling Fraud' which can be found at Appendix 5.
- 2.5 Some of the matters investigated by the Fraud Function will progress to criminal investigation and others will not, but in all cases appropriate action will be considered / taken, for example disciplinary proceedings in respect of Council employees.
- 2.6 Actions of the Fraud Function which overlap with Human Resources & Organisational Development (HROD) functions (and vice versa) will be subject to the '*Memorandum of understanding and expectations*', which aims to:
- Address the potential overlap between disciplinary and criminal investigations/offences.
 - Clarify the roles of HROD and the Fraud Function, in particular the meaning, remit and purpose of the HROD Disciplinary Investigating Officer and the Fraud Function's Investigation Officer.

3. Measuring the value of the Fraud Function

- 3.1 The value of the Fraud Function to the organisation can be measured via the following headings:

Deterrent value:

The deterrent value of having a Fraud Function, offering a confidential way to report concerns, acting on the concerns, taking appropriate sanctions, and publicising successes is immeasurable.

Strengthening procedures:

Some internal investigations may not yield immediate and / or quantifiable financial outcomes. However, they may result in changes in policies and procedures that ultimately reduce the potential for loss by fraud or error by enhancing the robustness of those policies and procedures.

Quantifiable financial outcomes:

Fraud Function activities may identify money and/or assets that have been claimed/misappropriated via fraud or error, which can then be targeted for recovery. For example:

- Overpayments of Housing Benefit /Council Tax Reduction.
- Council properties returned to stock.
- Money resulting from action taken under the Proceeds of Crime Act 2002.

- 3.2 In addition, Fraud Function activities may result in extra liability being created, for example via the removal of Council Tax discounts and exemptions.
- 3.3 Annual, Mid-Year and progress reports to the Governance & Audit Committee on the Fraud Function's activities are a key part of assurance supporting the Annual Governance Statement which is published with the Annual Statement of Accounts.
- 3.4 The Fraud Function contributes to the Council's corporate vision and priorities by investigating allegations of fraud and corruption against the Authority, both from within the organisation and from external third parties.

4. Focussing Fraud Function resources

4.1 When considering where to focus the Fraud Function's resources due regard is given to:

- The Chartered Institute of Public Finance and Accountancy's (CIPFA's) '*Code of Practice on Managing the Risk of Fraud and Corruption*' and '*Fighting Fraud Locally*'.
- CIPFA's March 2020 report 'Tackling fraud in the public sector - a local government perspective'
- '*CIPFA Fraud and Corruption Tracker (CFact) Results 2020*'
The results of CIPFA's survey aim to provide a national picture of fraud, bribery and corruption in local government in England, Scotland and Wales.
- '*Review into the risks of fraud and corruption in local government procurement A commitment from the UK Anti-Corruption Strategy 2017- 2022*'
- The requirements of FPR's, external guidance, best practice and legislation.
- The extent and scope of counter fraud activity in previous years, including the previous investigations, Internal Audit reports and recommendations made to strengthen controls or enhance systems.

5. Summary

5.1 The aim of this document is to demonstrate the Council's ongoing commitment to tackle fraud, promote the highest levels of integrity, minimise the potential for reputational damage, and ensure transparency by 'being seen to be getting its own house in order'.

6. Integrated Assessment Implications

6.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

6.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

- 6.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

The IIA indicated that there are low impacts on any identified group and the Fraud Function Anti-Fraud Plan for 2022/2023 applies equally to all. Public consultation and engagement is not required for the report. All Wellbeing and Future Generations Act considerations are positive and the risk identified is low. The overall impact of the report is positive, as it will support the Authority in its requirement to protect public funds. (See Appendix 4 for IIA)

7. Financial Implications

- 7.1 There are no financial implications associated with this report.

8. Legal Implications

- 8.1 The Accounts and Audit (Wales) Regulations 2014 require the maintenance of an adequate and effective system of internal audit of the Council's accounting records and control systems. This is essential to the prevention and detection of fraud and corruption and is a key element of the Chief Finance Officer's statutory duties as contained in section 151 of the Local Government Act 1972.

Background Papers: None.

Appendices: Appendix 1 - Anti-Fraud Risk Assessment Checklist 2022/23.
Appendix 2 - Anti-Fraud Statement 2022/23.
Appendix 3 - Anti-Fraud Plan 2022/23.
Appendix 4 - Equality Impact Assessment Screening Form.
Appendix 5 - Raising our Game – Audit Wales Report 2020.

Appendix 1 – Anti-Fraud Risk Assessment Checklist 2022/2023

General	Yes	No
1. Do we have a zero tolerance policy towards fraud?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
This is explicitly set out within the Anti-Fraud and Corruption Policy and includes the code of conduct and advice on preventing Bribery. Where there is sufficient evidence, appropriate action, including criminal proceedings, will be taken. Internal and external web pages reinforce this stance.		
2. Do we have the right approach, and effective counter-fraud strategies, policies and plans?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Swansea Council has a full suite of appropriate policies in place, which are subject to regular review.		
3. Do we have dedicated counter-fraud staff?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dedicated Fraud Function currently with two qualified full time investigators. See also 17 below.		
4. Do counter-fraud staff review all the work of our organisation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
The Internal Audit Plan, which is approved annually by the Governance & Audit Committee, takes a risk-based approach in deciding which areas are selected. There are insufficient resources available to cover every single area in the Council. Internal Auditors will always be alerted for potential control weaknesses in our systems, and for any potentially fraudulent behaviour.		
5. Have we an Audit Committee with a portfolio for fighting fraud?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One of the Governance & Audit Committee's terms of reference is to monitor the counter fraud strategy, actions and resources. The Committee meets at least bi-monthly and are an effective strategic partner in fighting fraud.		
6. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The Governance & Audit Committee receive an annual Anti-Fraud and Corruption report a Mid-Year report and approve the Annual Anti-Fraud Plan, plus on-going internal audit reports at every meeting where any fraud risks would be highlighted and management are required to respond promptly.		
7. Have we assessed our management of counter-fraud work against good practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We use Cross Governments Landscape, Fighting Fraud Locally, Annual Fraud Indicators and CIPFA (Chartered Institute of Public Finance and Accountancy) resources including their Code of Practice 'Managing the Risk of Fraud and Corruption', and the results of their Fraud and Corruption Tracker survey. The Council is a member of NAFN (National Anti-Fraud Network) and participates in the NFI Cabinet Office(National Fraud Initiative) bi-annual exercise. This, coupled with other sources and affiliates, e.g. the Wales Audit Office, Welsh Chief Auditors Group and Welsh Fraud Officers Group, ensures we receive regular updates on best practice, legislation etc. Fraud Function officers continually attend relevant anti-fraud related training events and are Accredited Counter Fraud Officers / Specialists.		

8. Do we raise awareness of fraud risks with:		
• New staff (including agency staff)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fraud awareness material containing a meaningful introduction to the Fraud Function is included in Corporate Induction training. This includes making new staff fully aware of relevant policies including the Anti-Fraud and Corruption Policy. This provision was to be reviewed in 2021/2022 with HROD but restricted resources did not allow this to be undertaken so it is carried forward to this year.		
• Existing staff?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fraud Function web pages are available on the Staffnet, however, these are reviewed and updated as necessary		
• Elected members?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Information on fraud and corruption risks is included in the Members Induction programme. Presentations are regularly delivered to the Governance & Audit Committee, including reports on Fraud Function activities and ongoing training in respect of fraud awareness is contained within the GAC work programme. Discussions are to be undertaken with Democratic Services to develop this fall all elected members.		
• Contractors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
There are robust controls in the Council Constitution's Contract Procedure Rules to guide and protect officers with a dedicated Council Procurement Team that supports all Council Services to ensure public funds are spent appropriately and with appropriate due diligence of suppliers; also through our procurement process there are multiple declarations that suppliers and contractors must sign such as an anti-collusion clause to ensure competition for contracts is open and fair and declarations relating to any convictions for fraud (and such clauses are 'termination events', i.e. should suppliers submit data that is found to be false then this would lead to the contract being terminated and where appropriate referring the matter for further investigation)		
9. Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Members of the National Anti-Fraud Network(NAFN) Members of TFF (Tenancy Fraud Forum). Members of the Wales Fraud Officers Group. Members of the Local Organised Crime Board Members of the Wales Fraud Forum Participates in NFI (National Fraud Initiative). Has links to CIPFA (Chartered Institute of Public Finance & Accountancy). Has dialogue Welsh Government Fraud Unit and Audit Wales Attends the Welsh Chief Auditors Group.		
10. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Through the National Fraud Initiative. Always responds promptly to information requests, e.g. from other agencies in relation to requests under Schedule 2 Part 1 Paragraph 2 of the Data Protection Act 2018 (prevention and detection of crime). Joint working with DWP Counter Fraud & Compliance Debt Service and other agencies. e.g. South Wales Police & NHS fraud		

Reports relative incidences of fraud to Action Fraud and NAFN.	<input type="checkbox"/>	<input type="checkbox"/>
11. Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Internal Audit carry out a number of pro-active audits that look to identify weaknesses in control. Any other audits consider the possibility of failure of control leading to fraud.		
12. Do we maximise the benefit of our participation in the National Fraud Initiative administered by the Cabinet Office, and receive reports on our outcomes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>General:</u> The Audit Section co-ordinates the collation of data for submission to NFI. Audit / Fraud Function also receive details of potential frauds and either investigate or distribute to relevant sections. Audit /Fraud Function monitors the progress of investigations via the NFI's on-line reporting facility.		
13. Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The Council's suite of policies contains an Anti-Money Laundering Policy. All policies are readily available on Staffnet. Specific web pages also highlight this issue.		
14. Do we have effective arrangements for:		
• Reporting fraud?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
All financial irregularities should be reported to the Chief Auditor – this is stated in many policies and the FPR's. In addition there is a specific Whistleblowing Policy. Web pages are available containing a stand-alone narrative on the types of fraud and how to report them.		
• Recording fraud?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The Fraud Function keep records of all fraud reported to them.		
15. Do we have effective whistle-blowing arrangements? In particular are staff:		
• Aware of our whistle-blowing arrangements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We have a policy in place which was recently reviewed by Internal Audit, and it is available to all staff on the Council's Staffnet.		
• Confident in the confidentiality of those arrangements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
No evidence to suggest to the contrary.		
• Confident that any concerns raised will be addressed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
No evidence to suggest to the contrary.		
16. Do we have effective fidelity guarantee insurance arrangements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cover: All persons under a contract of service apprenticeship with or hired or loaned to the Named Insured to the value of £10,000,000 Designated Officials such as Chief Treasury & Technical officer to the value of £20,000,000.		

Fighting Fraud with reduced resources		
17. Are we confident that we have sufficient counter-fraud capacity and capability to detect and prevent fraud?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>An Audit based Fraud Function consists of 2 officers but finance and approval has recently been received to reappoint the Fraud Manager post previously deleted and appoint an additional investigator. The team will then have 4 FTE.</p> <p>Additionally existing Audit staff can assist Fraud Function staff as and when appropriate.</p> <p>The caseload will continue to be monitored and if necessary, notwithstanding the overall resource constraints, the Section 151 Officer and Audit Committee will continue to give due regard to whether additional resource needs to be applied to the fraud function.</p>		
Current risks and issues		
Housing tenancy		
18. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Housing Department staff carry out checks prior to allocation of housing.		
19. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Checks are carried out by Housing Department staff responsible for appropriate 'estate management' action in instances where the 'lawful tenant' is not in occupation.</p> <ul style="list-style-type: none"> • Up to date awareness sessions will continue to need to be delivered to relevant Housing Department staff as necessary. • The Fraud Function is continuing to develop specific processes to aid identification, investigation, and prompt resolution of tenancy fraud cases utilising relevant legislation including: <ul style="list-style-type: none"> • The Prevention of Social Housing Fraud Act 2013, and, • The Prevention of Social Housing Fraud (Detection of Fraud) (Wales) Regulations 2014. 		
Procurement		
20. Are we satisfied our procurement controls are working as intended?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Controls appear to be adequate - Contract Procedure Rules.</p> <p>Subject to the new resources being implemented, the Fraud Function intends to develop proactive rather than reactive work in this area.</p>		
21. Have we reviewed our contract letting procedures in line with best practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Procedures appear to be adequate. There has been no credible criticism of the Council's procurement procedures, e.g. from unsuccessful bidders.</p>		

Recruitment		
22. Are we satisfied our recruitment procedures that:		
• Prevent us employing people working under false identities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Human Resources & Organisational Development impose rigorous controls of this nature for appointments.		
• Confirm employment references effectively?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Completed by Human Resources & Organisational Development – References Policy.		
• Ensure applicants are eligible to work in the UK?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Completed by Human Resources & Organisational Development.		
• Require agencies supplying us with staff to undertake the checks that we require?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Completed by Human Resources & Organisational Development		
Personal Budgets for Social Care (Direct Payments)		
23. Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Personal Budgets have been subject to Departmental and Internal Audit review. Subject to the new resources being implemented, the Fraud Function intends to develop proactive rather than reactive work in this area.		
24. Have we updated our whistle-blowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The existing whistle-blowing policy is fit for purpose and has been revised in 20/21. The Fraud Function web pages also reinforce the message.		
Council tax discount & exemptions		
25. Do we take proper action to ensure that we only award discounts and exemptions to those who are eligible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The Council Tax Section undertakes regular postal and in-person reviews. In 2021 'Data Tank' was commissioned to identify cases where an award of SPD may not be appropriate. This work is still ongoing. The Authority will also consider utilising 'Data Tank' to undertake rolling reviews instead of completing a bi-annual exercise. This risk in this area was again underlined by the CIPFA Fraud and Corruption Tracker Results 2020. The Council is also participates in the Cabinet Office bi-annual National Fraud Initiative (NFI).		

Housing benefit		
26. When we tackle housing benefit fraud do we make full use of data matching?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
As a Council, we utilise data matching via several avenues: <ul style="list-style-type: none"> • VEP (Verifying Earnings and Pensions) Alerts and checks – real time information from HMRC supplied by DWP • Housing Benefit Matching Service – monthly via the DWP. • National Fraud Initiative – biannually via the Cabinet Office. • Interactive Data Extraction and Analysis software – as and when necessary via the Audit Section. 		
Other fraud risks		
27. Do we have appropriate and proportionate defences against the following fraud risks		
• Business rates? _	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The Council has a process of postal and in-person reviews to check properties for indication of a business operating undeclared. Subject to available resources, this is an area that the Fraud Function intends to explore to determine the extent of any fraud, in particular: <ul style="list-style-type: none"> • Properties occupied by a registered charity or community amateur sports club, and used for charitable purposes which can be awarded 80% mandatory or 100% discretionary relief. • Avoidance of second home and empty property premiums, This is actively pursued by a nominated officer and supported by the Fraud Function as necessary. • Note COVID19 changes to NNDR accounts may still apply. 		
• Right to Buy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
To help tackle the shortage of affordable housing Welsh Government abolished the 'Right to Buy' scheme in Wales on 26.1.2019.		
• Council Tax Reduction? _	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Joint working with DWP's Counter Fraud Compliance & Debt Service is a business as usual function although volumes decreased as a result of Covid 19 work undertaken by both agencies. In late 2021/22 CFCD staff returned to their substantive posts and work volumes have increased.		
• Schools?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
There is a schools audit programme within the Internal Audit plan each year.		
• Grants?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
There is a grants audit programme within the Internal Audit plan each year.		

Appendix 2 - Anti-Fraud Statement 2022/2023

1. Defining Fraud

- 1.1 What is fraud? The Fraud Act 2006 details the legal definition of fraud, and is used for the criminal prosecution of most fraud offences. The Council also deals with fraud in non-criminal matters. For the purposes of this strategy, fraud is defined as:

'...the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.'

The definition covers various offences including deception, forgery, theft, misappropriation, collusion and misrepresentation.

- 1.2 What is Corruption? Corruption is defined as...

'...the offering, giving, soliciting or acceptance of an inducement or reward that may influence the action of any person.'

These inducements can take many forms including cash, holidays, event tickets, meals.

- 1.3 What is Bribery? The Bribery Act 2010 creates offences where:

'...an individual or commercial organisation offers or receives a bribe to bring about or reward the improper performance of a function or activity.'

Bribery can be the acceptance of gifts, money, and hospitality in return for providing something of value to the briber. More information on bribery can be found in the Council's 'Anti-Fraud and Corruption Policy'.

- 1.4 What is Theft? The Theft Act 1968 details the legal definition of theft. For the purposes of this statement, theft is defined as...

'...the taking without consent and with the intention of not returning any property belonging to the Council or which has been entrusted to it e.g. client funds, including cash, equipment, vehicles, data, etc.'

Theft does not necessarily require fraud to be committed. Theft can also include the taking of property belonging to our staff or Members whilst on Council property.

- 1.5 What is Financial Malpractice/Irregularity? This term is used to describe...

'...any actions that represent a deliberate serious breach of accounting principles, financial regulations or any of the Council's financial governance arrangements.'

These actions do not have to result in personal gain.

2. Statement of Intent

2.1 We recognise that dealing with fraud is important and that there is a duty to the citizens and Council Tax payers of the Authority and Welsh and UK Governments to ensure that all public funds are administered correctly.

2.2 We aim to cover the principles set out in the '*CIPFA Code of Practice on managing the risk of fraud and corruption*' that define the governance and operational arrangements necessary for an effective counter fraud response. The five key principles are to:

- Acknowledge the responsibility of the relative body for countering fraud and corruption
- Identify the fraud and corruption risks
- Develop an appropriate counter fraud and corruption strategy
- Provide resources to implement the strategy
- Take action in response to fraud and corruption.

2.3 Our intention to combat fraud and corruption is made up of the following key elements:

Acknowledge

The Council acknowledge that as an organisation we are at risk of fraud and will seek to understand our fraud risks, we will:

- Maintain the Fraud Function whose officers are trained and qualified to an appropriate level;
- Maintain a risk based approach to tackling fraud referrals to make optimum use of the available resources.

Prevent

The Council recognises that fraud and corruption are costly, in terms of both financial losses and reputational risk. The prevention and detection of fraud is therefore a key objective of the authority. The Internal Audit Section and its Fraud Function are mutually complimentary and work side by side to provide the Council's audit and fraud investigation functions. They employ a multi-disciplinary approach that, resources permitting, includes pro-active work determined by a formal risk assessment. In addition, the Fraud Function will work with other agencies in pursuance of the Council's anti-fraud aims. In addition, the prevention and detection includes a commitment to:

- Continue to promote a zero tolerance anti-fraud culture across the community by publicising the impact of fraud on the community. We will also continue to assist our partners and stakeholders to understand and reduce the threats of fraud. Furthermore, we will continue to deter fraudsters through specific publicity and general campaigns.
- Publicise counter fraud work to the widest possible audience and appropriate successful prosecutions will be reported, where permissible to the media.
- Undertake data matching exercise with other Local Authorities and relevant external organisations to pro-actively identify fraudulent activity.
- Continue to ensure it has access to all intelligence sources and best practice to combat fraud and corruption, for example via the National Anti-Fraud Network (NAFN) and the Chartered Institute of Public Finance and Accountancy (CIPFA).
- Operate a Whistleblowing policy to ensure concerns of internal probity can be raised in confidence and ensure protection for those who come forward.

- Strive to prevent fraud from entering systems in the first place by ensuring that appropriate staff receive fraud awareness signposts/training/material.

Pursue

The Council will take a strong approach to punishing fraud and recovering fraud losses:

- In cases where fraud is discovered we will take criminal, civil or disciplinary action or a combination of these. Decisions will be based on our Human Resources & Organisational Development Policies and the Code for Crown Prosecutors, which includes the evidential and public interest tests for prosecution.
- In all appropriate cases of fraud or corruption recovery action will be taken to ensure the money is returned to us, this may include civil recovery methods or recovery through criminal proceedings using the Proceeds of Crime Act where appropriate.
- The Fraud Function will continue to work in partnership with other relevant organisations such as the DWP, CFCD, Trading Standards and South Wales Police.

2.4 Turning Strategy into Action

Local Authorities can ensure that their counter fraud response is comprehensive and effective by considering their performance against the following six themes. It is the Fraud function's intention to adhere to the themes:

- **Culture** – creating a culture in which beating fraud and corruption is part of daily business.
- **Capability** – ensuring that the range of counter fraud measures deployed is appropriate to the range of fraud risks.
- **Capacity** – deploying the right level of resources to deal with the level of fraud risk.
- **Competence** – having the right skills and standards.
- **Communication** – raising awareness, deterring fraudsters, sharing information, celebrating successes.
- **Collaboration** – working together across internal and external boundaries: with colleagues, with other local authorities, and with other agencies; sharing resources, skills and learning, good practice and innovation, and information.

3. Responsibilities

Corporate Responsibilities

- 3.1 The Council is committed to the maintenance of a robust framework of procedures and policies, which if adhered to, will prevent fraud. The whistle blowing process and the Fraud Function web pages bolster these processes by being a deterrent to fraudulent activity and provide the means for reporting or detecting fraud or corruption.
- 3.2 The endorsement of this statement sends a clear message that fraud against the Council will not be tolerated and where reported it will be investigated and where identified it will be dealt with in a professional and timely manner using the strongest punishment available in accordance with the relevant guidance. In addition, restitution will always be sought for the loss incurred. Through the creation and enhancement of a strong anti-fraud culture, the Council aims to deter potential perpetrators from targeting its finances and services. Within the corporate framework, there are a number of facets that exist to protect the Council against fraud. These include:

- The Constitution, Financial Procedure Rules;
- An established Governance & Audit Committee;
- Codes of conduct for Members and Employees;
- Statutory responsibility for the oversight of all financial and legal affairs;
- An Anti-Fraud and Corruption Policy;
- Declaration of interest and gifts and hospitality procedures for Members and Officers;
- Effective employee vetting procedures – reference and DBS checks;
- Internal controls regularly reviewed and annually certificated by Heads of Service;
- Checks by Internal Audit in line with the Audit Plan;
- A confidential reporting code (Whistle-blowing procedure);
- A Complaints procedure available to the public;
- An External Audit;
- A Fraud Function;
- Participation in the National Fraud Initiative, the National Anti-Fraud Network, the Tenancy Fraud Forum, and the Chartered Institute of Public Finance and Accountancy Counter Fraud Centre;
- Internal and external webpages offering anti-fraud advice to employees and the public;
- Contract Procedure Rules.

Member Responsibilities

- 3.3 The Council's Members lead by example at all times, maintaining the highest standards of probity, honesty, integrity and accountability in their dealings. This expectation is detailed in the Council's Constitution under the Members Code of Conduct.
- 3.4 Councillors are required to declare any potential conflicts of interest that could be deemed to impact on the way they perform their roles. Councillors are also required to register any gifts or hospitality offered or received over a given value (£25.00 as at June 2022).

Manager Responsibilities

- 3.5 Managers are responsible for ensuring that adequate systems of internal control exist within their areas of responsibility and that these controls, checks and supervision operate in such a way as to prevent or detect fraudulent activity. The primary responsibility for the prevention and detection of fraud, therefore, rests with managers who are required to assess the types of risks and scope for potential internal and external frauds associated with the operations in their area. Internal Audit undertakes independent assessments of the key risks and associated controls within systems across the Council.
- 3.6 Managers will ensure that staff receive appropriate training in 'Fraud Awareness'. The level and extent of this will depend on the work that individual employees carry out. When employees are an integral part of the control framework, it is crucial they are regularly reminded of fraud and risk issues.
- 3.7 Managers are required to report all instances of suspected, reported or detected fraud to the Chief Auditor who will offer advice on the best approach to each incident. This ensures that there is a consistent and co-ordinated professional approach to all investigations and that the associated procedures are fully compliant with legislation.

Employee Responsibilities

- 3.8 Staff are a very important element in the Council's efforts to combat fraud and corruption. The employees Code of Conduct and Anti-Fraud and Corruption Policy explain the requirement for all staff to be vigilant and describes how they should raise any concerns they may have.

- 3.9 The Code and Policy mentioned in 3.8 require that employees report their suspicions or knowledge of any possible fraud or corruption to their Line Manager. Where an employee feels unable to use this route they are expected to report to the Head of Service or independently to the Monitoring Officer.
- 3.10 Through its Whistle-blowing Policy, the Council provides employees and councillors with the means to report instances of suspected fraud, corruption or breaches of the Council's policies. The policy offers employees and councillors protection from recrimination and allows them anonymity if they so choose.

Contractor Responsibilities

- 3.12 All Contractors appointed by the Council must act with complete honesty and integrity when engaging in works or delivering services for the Council, its service users and residents. All contractors must comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010. The Council requires the employees of contractors to report any suspicions or knowledge they may have in relation to fraud, bribery and/or corruption against the Council. Contractors or their employees may report all concerns to the Council's client-side staff who will in turn report the matter to the appropriate line manager or they may make a report using the Council's whistle blowing policy.

Internal Audit and Fraud Function Responsibilities

- 3.13 As part of the Council's system of internal control, the Internal Audit team are required to undertake a risk-based assessment of all major systems operating across the Council and undertake an agreed plan of audits to test the controls in place.
- 3.14 The Council provides an anti-Fraud Function to facilitate the identification and subsequent investigation of alleged acts of fraud or corruption.
- 3.15 The Chief Auditor is responsible for making appropriate arrangements to co-ordinate the Council's work on the National Fraud Initiative and to undertake internal data matching across Council systems.
- 3.16 The Chief Auditor or his representative will advise Heads of Service of all instances of reported or detected fraud or corruption in their service area and where appropriate undertake any subsequent investigation.
- 3.17 The Chief Auditor or his representative is responsible for reporting to and liaising with the local police/Council's Legal Section on individual cases and for issuing guidance to members and management in relation to fraud and corruption related legislation and procedures.

General Public – Responsibilities

- 3.18 The Council's expectation is that residents, service users and other members of the public will not tolerate abuse of the Council's assets or services. They are therefore encouraged to report any suspicions or knowledge they may have regarding any acts of fraud and corruption being perpetrated against the Council.
- 3.19 The Fraud Function web pages should raise awareness of how to report fraud by providing a 'one stop shop' containing an overview of all types of fraud, including how to report fraud. This includes: on-line report forms, telephone hot lines, an investigation mailbox, and an address for postal reports. Reports can be made anonymously. In any case, all reports/contact details will be treated with sensitivity, professionalism and in confidence.

4. Reporting Fraud

4.1 A summary of the telephone numbers/email addresses to report concerns relating to fraud, corruption, bribery or other financial irregularities follow.

4.2 *Blue Badge fraud*

- Online at www.swansea.gov.uk/bluebadgefraud
- By telephoning 01792 637366.
- By e-mail to fraud@swansea.gov.uk

4.3 *Council Tax Reduction fraud*

- Online at www.swansea.gov.uk/reportctrfraud
- By telephoning 01792 635359
- By e-mail to fraud@swansea.gov.uk

4.4 *Other frauds that affect the Council*

- Online at:
- Staffnet: www.swansea.gov.uk/Staffnet/fraud
- Public web-site: www.swansea.gov.uk/fraud
- By telephoning 01792 635359
- By e-mail to fraud@swansea.gov.uk

4.5 *In all instances the frauds mentioned above can also be reported in writing to:*

Fraud Function
Internal Audit Section
Financial Services and Service Centre
Guildhall
Swansea
SA1 4PE

4.6 *Housing Benefit fraud – dealt with by the Department for Work and Pensions*

- Online at www.gov.uk/report-benefit-fraud
- By telephoning 0800 854440
- In writing to NBFH, PO Box 224, Preston, PR1 1GP

4.7 *Fraud that does not affect Swansea Council can be reported to Action Fraud*

- Online at www.actionfraud.police.uk/report-a-fraud-including-online-crime
- By telephoning 0300 123 2040.

5. Recording fraud reports/investigations

5.1 The Fraud Function records all details of every fraud report/investigation.

5.2 These records are held securely but can be readily retrieved in appropriate circumstances for review and reporting purposes.

6. Reporting fraud outcomes

6.1 The Fraud Function records information that enables the following to be reported on as necessary:

- The number of fraud referrals received.
- The number of fraud referrals by type.
- The number of fraud referrals accepted for investigation.
- The number of referrals not accepted for investigation.
- Outcomes.

6.2 Outcomes include the following:

- Overpayments / additional liability raised / recovered,
- Council Housing brought back into stock,
- CTRS Administrative Penalties,
- Prosecutions,
- Other monies recovered, e.g. via Proceeds Of Crime Act 2002 or Profit Orders awarded under The Prevention of Social Housing Fraud Act 2013,
- Disciplinary action - warnings or dismissals.

6.3 In addition to measurable outcomes, there are other valuable benefits, which are not readily measurably. Namely:

- The deterrent value of having a Fraud Function:
- Offering a confidential way to report concerns,
- Taking action in respect of the concerns,
- Seeking appropriate sanctions,
- Publicising activities / successes.
- The strengthening of procedures:
- Some internal investigations may not yield quantifiable actual savings.
- However, they may result in changes in policies and procedures, which ultimately reduce the potential for future loss by fraud or error by enhancing the robustness of those policies and procedures.

Appendix 3 - Anti-Fraud Plan 2022/2023

1. Introduction

- 1.1 This document sets out the Fraud Function's Anti-Fraud Plan 2021/22, which covers the principles set out in the '*CIPFA Code of Practice on managing the risk of fraud and corruption*'.
- 1.2 We know that fraud will be attempted against the Council during the coming year and as a result, we will maintain a team dedicated to investigating allegations of fraud, seeking to punish those who have committed fraudulent acts against the Council, identifying losses to be recovered and, where appropriate, taking appropriate recovery action
- 1.3 Estimates published in the CIPFA Fraud and Corruption Tracker Results suggest that fraud is committed in all organisations to varying degrees. Some areas that are considered to be more at risk than others are:
 - Council Tax Discounts,
 - Council Tax Reduction,
 - Housing Tenancy,
 - Payments for Social Care,
 - Procurement
- 1.4 Fraud Function resources will be directed as necessary throughout the year in response to the level of risk and investigation work required.
- 1.5 As aforementioned the emerging fraud risks from Covid 19 have diminished and resources required in this area should be reduced.
- 1.6 The Fraud Function support will continue to be responsive as needs are identified and collaboration with a number of partners may be required e.g. Others Local Authorities, Trading Standards and Welsh Government.
- 1.7 Prevention strategies will continue to be identified and implemented as and when required and post event assurance will be undertaken in accordance with the Welsh and UK Governments requirements.
- 1.8 Further detail on the impact of Covid-19 related fraud is be reported to Members in the Fraud Function Annual Report 2021/2022.

2. Content of the Plan

Activity	Detail	Target Outcomes
Tackle social housing tenancy fraud	Continue to work in partnership the Housing Department and Legal Section to combat tenancy fraud: from unlawful subletting to bogus succession claims.	<p>Raise awareness of the problem of social housing fraud and the damage that it does.</p> <p>Prevent the unlawful succession to social housing properties by people that do not have a right to succeed the tenancy</p> <p>Reduce the number of properties being unlawfully sub-let.</p> <p>Recover properties where tenancy fraud has been identified.</p> <p>Undertake criminal prosecutions & utilise Unlawful Profit Orders to recover any profit made by offenders, in accordance with the Prevention of Social Housing Fraud Act 2013 and/or the Fraud Act 2006.</p>
Tackle Council Tax fraud	Utilise internal and external Data Matching products to identify potential discrepancies in Single Person Discounts and other Council Tax discounts, disregards and exemptions.	<p>Recover single person discounts 'incorrectly' claimed.</p> <p>Recover other disregards and discounts 'incorrectly' claimed.</p> <p>Identify cases of council tax evasion through non registration of liability and banding.</p> <p>Identify cases that should attract a premium charge.</p>

Activity	Detail	Target Outcomes
Tackle Council Tax Reduction fraud	Continue to work with DWP's Counter Fraud and Compliance & Debt Service in countering CTRS fraud.	Sharing information and expertise between the Fraud Function & DWP's CFCD. <ul style="list-style-type: none"> • To ensure that the totality of welfare benefit and CTRS frauds tackled in the most efficient and effective manner. • To identify overpayments and excess reductions. • To take sanction action in appropriate cases. Administrative Penalties and prosecutions.
Cabinet Office National Fraud Initiative	Complete the National Fraud Initiative 2020. Address HMRC report relating CTAX/SPD by allocating appropriate Finance resources with Revenues department. Commence the National Fraud Initiative 2022	To ensure an appropriate number of matches are examined with particular reference high fraud risk matches To identify processes and procedures that need to be made more robust. To identify overpayments and excess reductions. To take appropriate action against offenders.
Internal Employee Matters <ul style="list-style-type: none"> • Abuse of Position • Travel and subsistence • Flexi time/timekeeping • Other matters of misconduct/gross misconduct 	Continue to assist Human Resources & Organisational Development in conjunction with various client departments The Fraud Function will continue to work with internal departments and external organisations in order to undertake risk assessments, and gather intelligence and evidence to point towards or away from fraud and error.	Support disciplinary process Consider as appropriate criminal/civil proceedings. To take appropriate action against offenders Maintain the Council's good reputation
Activity	Detail	Target Outcomes

<p>Tackle other internal and external fraud, examples includes:</p> <ul style="list-style-type: none"> • Procurement fraud • Social Care (Direct Payments) • Blue badge • Income collection and banking • Grants • Payroll • Pensions • Etc. 	<p>During 2022/2023, the Fraud Function will continue to investigate various anomalies and referrals.</p> <p>The Fraud Function will continue to work with internal departments and external organisations in order to undertake risk assessments, and gather intelligence and evidence to point towards or away from fraud and error.</p> <p>Once additional resources have been appointed the Fraud Function will seek to proactively expand into previously under resourced areas.</p>	<p>Maintain public confidence by being 'transparent'.</p> <p>Identify fraud, error and over payments.</p> <p>Assist in the recovery of 'losses', financial or otherwise.</p>
<p>Raising Awareness</p>	<p>Continue to raise awareness of the role of the Fraud Function both inside and outside the Council.</p> <p>The aim is to maintain reputation and to encourage the reporting of potential fraud in the belief that action will be taken.</p> <p>To work with HROD to develop bi-annual fraud awareness training for all employees.</p>	<p><u>Staff:</u></p> <ul style="list-style-type: none"> • New – Carried forward from plan 2021/22. A guide to Corporate Fraud is included in Corporate Induction Training provided by Human Resources. • Existing – Continue to develop and deliver bespoke training and support that is responsive to changes in threat. <p><u>Members:</u></p> <ul style="list-style-type: none"> • Deliver presentations/reports/training to the Governance and Audit Committee and other members that develops knowledge and understanding that will develop effective scrutiny. <p><u>Public:</u></p> <p>Continue to publicise activities, successes, and prosecutions.</p>
<p>Policy, Procedure and Resource Implementation.</p>	<p>To continue work with nominated officers as prescribed in the Action Plan presented to Governance & Audit Committee 9th March 2021 to deliver on the appropriate actions.</p>	<p>To produce the products in-line with the timetable contained within the Action Plan.</p> <p>For the positions to be filled no later than September 2022, and for the new team structure to be</p>

	To recruit and appoint suitably two additional qualified Counter Fraud Investigators. To commence the implementation of the Government Counter Fraud Professional Standards.	developed and fully implemented prior to the financial year 2023/24.
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Integrated Impact Assessment Screening Form – Appendix 4

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Resources

Directorate: Finance

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services

(b) Please name and fully describe initiative here:

Corporate Fraud Function Annual Anti-Fraud Plan 2022/23

This reports sets out the planned areas of activity for the Internal Audit Section’s Fraud Function for 2022/23 and is designed to provide a strategic view of the areas that will be subject to examination.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

	High Impact		Medium Impact		Low Impact		Needs further investigation
	+	-	+	-	+	-	
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Integrated Impact Assessment Screening Form – Appendix 4

Pregnancy and maternity

Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches? Please provide details below – either of your activities or your reasons for not undertaking involvement

The Internal Audit Fraud Function Annual Anti-Fraud Plan 2022/23 is a financial and internal administration document that does not require engagement/consultation

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan's Well-being Objectives when considered together?
Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
Yes No
- c) Does the initiative apply each of the five ways of working?
Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk

Medium risk

Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes No If yes, please provide details below

Q7 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

The cumulative impact of the report is positive as it will support the Section 151 Officer and the Authority in its requirement to protect public funds and it will equally provide assurance

Outcome of Screening

Q8 Please describe the outcome of your screening below:

Integrated Impact Assessment Screening Form – Appendix 4

There are low impacts on any identified group and the report applies equally to all. Public consultation and engagement is not required for the report. All WFG considerations are positive and the risk identified is low. The overall impact of the report is positive as it will support the Authority in its requirement to protect public funds.

(NB: This summary paragraph should be used in the relevant section of corporate report)

- Full IIA to be completed
- Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Jeff Fish
Job title: Corporate Fraud Investigator
Date: 27.6.22

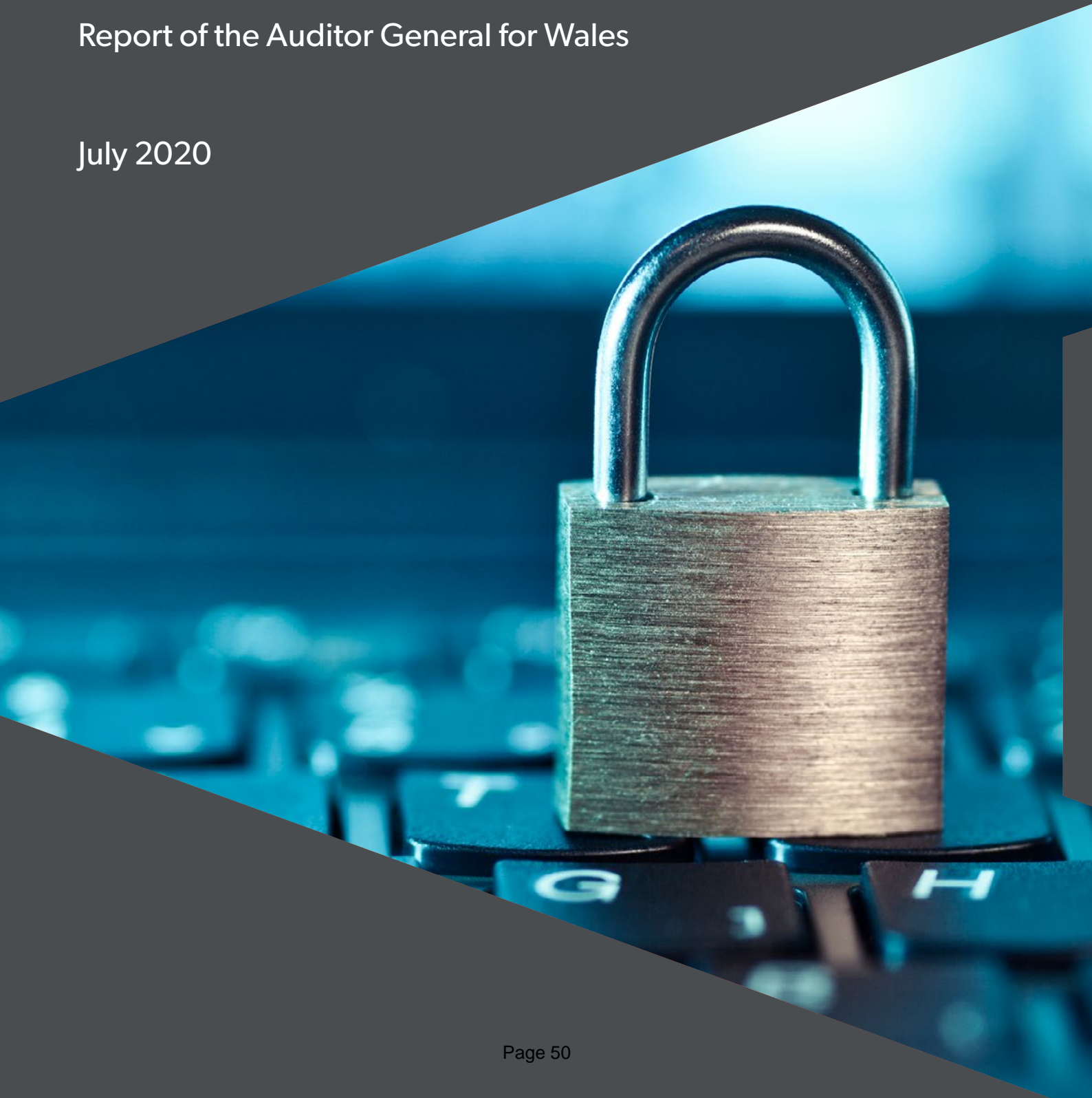
Approval by Head of Service:
Name: Ben Smith
Position: Director of Finance and Section 151 Officer
Date: 1.7.22

Please return the completed form to accesstoservices@swansea.gov.uk

'Raising Our Game' Tackling Fraud in Wales

Report of the Auditor General for Wales

July 2020



This report has been prepared for presentation to the Senedd under the Government of Wales Acts 1998 and 2006 and the Public Audit (Wales) Act 2004.

The Audit Wales study team comprised Rachel Davies, Christine Nash and Ian Hughes, under the direction of Mike Usher.

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The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

Foreword by the Auditor General	4
Summary Report	
Summary and recommendations	7
The COVID-19 pandemic: a case study	10
Main Report	
1 Culture and leadership across the Welsh public sector	14
2 Risk management and control frameworks	19
3 Policies and training	23
4 Capacity and expertise	27
5 Tools and data	32
6 Collaboration	36
7 Reporting and scrutiny	40
Appendices	
1 Audit Methods	45
2 The Welsh Government's response to the July 2019 recommendations of the Public Accounts Committee	48

Foreword by the Auditor General

- 1 In June 2019, I published a report giving an overview of the scale of fraud in the Welsh public sector, together with a description of counter-fraud arrangements across the Welsh Government, the NHS and Local Government. I noted that the sums lost annually in Wales to fraud and error are significant – and could be anywhere between £100 million and £1 billion. The Crime Survey for England and Wales recognises fraud as being one of the most prevalent crimes in society today.
- 2 However, some senior public sector leaders are sceptical about the levels of fraud within their organisations. As a result, they are reluctant to invest in counter-fraud arrangements and assign a low priority to investigating cases of potential fraud identified to them by the National Fraud Initiative, even though there are many examples of a good return on investment in this area. Their stance runs contrary to all the research being done by recognised leaders in the field such as CIPFA and the UK Government's Counter Fraud Function. This latest report, which examines the effectiveness of counter-fraud arrangements at over 40 public-sector bodies in Wales, has found that where such scepticism arises, it is not based on any significant local counter-fraud work or robust fraud risk assessments.
- 3 But we also know that fraudsters appear the very instant that an opportunity presents itself. Fifteen individuals have to date been jailed for fraud in the light of the Grenfell fire tragedy. Fraudsters and scammers were quickly on the scene earlier this year whilst the flooding in South Wales was ruining the homes and lives of local people. There has been an explosion in fraudulent activity, and especially in cyber crime, during the current COVID-19 pandemic. I welcome the proactive steps which the Welsh Government has taken to raise awareness across the public sector in Wales about this risk.

- 4 Public sector bodies can mitigate these risks by having the right organisational culture supported by strong counter-fraud arrangements. Many local authorities have invested so little in counter-fraud arrangements that they have only a few of the key components in place. Whilst the position is generally much more robust across the NHS in Wales, there is still a challenging agenda to make counter-fraud fit for the next decade where globalisation and the advent of digital technology have created new risks, and opportunities, for the fraudsters.
- 5 I was heartened to see the Welsh Government's positive response to my 2019 report and, following the one-day conference organised by the Public Accounts Committee in July 2019, the Permanent Secretary's commitment (see **Appendix 2**) to provide Wales-wide leadership in raising the profile of counter-fraud activity.
- 6 In this latest report, based on a more extensive programme of field work, we identify a significant range of further opportunities to improve on the current national position, including:
 - a strengthening strategic leadership, coordination and oversight for counter-fraud across the Welsh public sector;
 - b increasing counter-fraud capacity and capabilities, especially across local government, and exploring the potential for sharing resources and expertise across public bodies;
 - c getting the right balance between proactive and reactive counter-fraud activities;
 - d improving awareness-raising and staff training in counter-fraud; and
 - e better evaluation of fraud risks and sharing of fraud information, both within and across sectors.
- 7 There is also significant potential for Wales to take advantage, where appropriate, of many of the counter-fraud initiatives underway across the wider UK public sector. These include the recent establishment of a recognised government counter-fraud profession, with defined competencies and career paths, and the increasing focus on tackling fraud by smarter use of data analytics.

- 8 As I publish this report, Wales continues to grapple with the effects of the COVID-19 pandemic. This report contains a timely illustration of some of the ways in which fraudsters have moved rapidly in recent months to exploit the pandemic for criminal gain. I have already taken steps to extend the scope of our National Fraud Initiative (NFI) to enable local authorities in Wales to undertake eligibility checks on applications for COVID-19 support grants. I am also proposing to mandate that all local authorities, together with the Welsh Government, should submit COVID-19 grant and payment data to the NFI, to help identify fraudulent applications.



Adrian Crompton

Auditor General for Wales

Summary and recommendations

Ensuring that the arrangements for preventing and detecting fraud in the Welsh public sector are effective

This report examines seven '**key themes**' that all public bodies need to focus on in raising their game to tackle fraud more effectively:

- leadership and culture;
- risk management and control frameworks;
- policies and training;
- capacity and expertise;
- tools and data;
- collaboration; and
- reporting and scrutiny.

For each theme in turn, the report examines:

- why it is important;
- what our audit fieldwork identified in terms of current working practices and their effectiveness across the 40 Welsh public sector bodies that we examined (listed in **Appendix 1**); and
- what needs to happen next to generate improvement.

Our **recommendations for improvement** which are addressed to all public bodies in Wales within the Auditor General's remit, are as follows:

Theme

What needs to happen next?

Leadership and Culture



- R1** The Welsh Government should enhance its strategic leadership of counter-fraud across the public service in Wales, playing a coordinating role where it can, while recognising that individual bodies remain responsible for their own counter-fraud activities.
- R2** All public bodies should champion the importance of a good anti-fraud culture and actively promote its importance to give confidence to staff and members of the public that fraud is not tolerated.

Risk management and Control framework



- R3** All public bodies should undertake comprehensive fraud risk assessments, using appropriately skilled staff and considering national intelligence as well as organisation-specific intelligence.
- R4** Fraud risk assessments should be used as a live resource and integrated within the general risk management framework to ensure that these risks are appropriately managed and escalated as necessary.

Policies and Training



- R5** All public bodies need to have a comprehensive and up-to-date set of policies and procedures which together represent a cohesive strategy for identifying, managing and responding to fraud risks.
- R6** Staff working across the Welsh public sector should receive fraud awareness training as appropriate to their role in order to increase organisational effectiveness in preventing, detecting and responding to fraud.
- R7** Cases where fraud is identified and successfully addressed should be publicised to re-enforce a robust message from the top that fraud will not be tolerated.

Theme

What needs to happen next?

Capacity and Expertise



- R8** All public bodies need to build sufficient capacity to ensure that counter-fraud work is resourced effectively, so that investigations are undertaken professionally and in a manner that results in successful sanctions against the perpetrators and the recovery of losses.
- R9** All public bodies should have access to trained counter-fraud staff that meet recognised professional standards.
- R10** All public bodies should consider models adopted elsewhere in the UK relating to the pooling /sharing of resources in order to maximise the availability of appropriately skilled staff.

Tools and Data



- R11** All public bodies need to develop and maintain dynamic and agile counter-fraud responses which maximise the likelihood of a successful enforcement action and re-enforces the tone from the top that the organisation does not tolerate fraud.
- R12** All public bodies should explore and embrace opportunities to innovate with data analytics in order to strengthen both the prevention and detection of fraud.

Collaboration

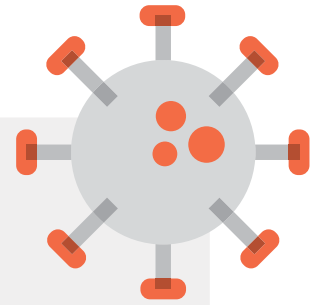


- R13** Public bodies should work together, under the Digital Economy Act and using developments in data analytics, to share data and information to help find and fight fraud.

Reporting and Scrutiny



- R14** Public bodies need to collate information about losses and recoveries and share fraud intelligence with each other to establish a more accurate national picture, strengthen controls, and enhance monitoring and support targeted action.
- R15** Audit committees must become fully engaged with counter-fraud, providing support and direction, monitoring and holding officials to account.



The COVID-19 pandemic: a case study in how scammers and fraudsters are ready to exploit a crisis

We know from experience that fraudsters appear the very instant that an opportunity presents itself. Fifteen individuals have to date been jailed for fraud in the light of the Grenfell fire tragedy. Fraudsters and scammers were quickly on the scene earlier this year whilst the flooding in South Wales was ruining the homes and lives of local people.

Predictably, there has been an explosion in fraudulent activity, and especially in cyber crime, during the current COVID-19 pandemic.

The first reported positive cases of COVID-19 were reported in the UK on 31 January 2020. By this time the fraudsters and scammers had mobilised and were already hard at work.

The first fraud report relating to COVID-19 was received on February 9 by Action Fraud, the UK's fraud reporting centre. Since that time, the number of reports has increased significantly across the UK – the media reporting an unprecedented number of scams linked to the virus.

We have seen examples of good practice by some public bodies and organisations in Wales in identifying the fraud risks and sharing them with other bodies and citizens. The Welsh Government is liaising with the UK Cabinet Office and is sharing its guidance and learning on counter-fraud with the rest of the public service in Wales, including Local Authority Counter Fraud leads. Welsh Government officials have agreed to maintain and develop this group post-COVID. The intelligence obtained from these meetings has also assisted the Head of Counter Fraud with fraud intelligence sharing with Cabinet Office and the three other devolved administration fraud leads.

But has the Welsh public sector response been more reactive than proactive? What can we do better? Whilst globalisation has benefited the fraudsters it can also be to the advantage of counter-fraud specialists; we had early notice of scams from thousands of miles away a few weeks before the first case of COVID-19 was identified in the UK.

The COVID-19 pandemic: a case study in how scammers and fraudsters are ready to exploit a crisis

We believe that the COVID-19 pandemic provides an important opportunity for the Welsh counter-fraud community to come together (by appropriate means) and reflect on the speed and effectiveness of its response to the scammers and fraudsters.

The key issues and recommendations set out in this report could help set an agenda or framework for such an event. There has never been a timelier opportunity for Welsh public sector leaders and counter-fraud specialists to consider how to:

- create stronger strategic leadership, coordination and oversight for counter-fraud across the Welsh public sector;
- make best use of counter-fraud capacity and capabilities and explore the potential for shared arrangements, resources and expertise;
- get a better balance between proactive and reactive counter-fraud activities;
- raise awareness amongst employees and provide the necessary training to those most likely to come across a fraud; and
- evaluate fraud risks more effectively and share fraud information both within and across sectors.

So, what do we already know about the fraudsters' response to the pandemic?

The mobilisation of fraudsters has benefited from a number of factors, for example:

- more people are spending time online to shop and socially interact. Elderly people are seen as particularly vulnerable, being generally less computer literate and more susceptible to scams such as phishing emails and ordering fake products such as face masks and sanitisers.
- working patterns have changed at short notice which can leave weaknesses in processes and procedures.
- an unprecedented amount of public money has been put into a range of new and innovative financial support schemes to businesses and individuals.

The COVID-19 pandemic: a case study in how scammers and fraudsters are ready to exploit a crisis

Fraudsters and scammers mobilised quickly for a number of reasons:

- they are very good at evaluating risks and exploiting vulnerabilities which can be at a process or at an individual level;
- they have well-established tools and methodologies and can adapt them at short notice to a new opportunity; and
- they do not recognise geographical boundaries and can be effective individually and by collaborating with like-minded individuals.

There are more examples of COVID-19 frauds and scams coming to light than can be mentioned here. There are, however, a number of themes emerging:

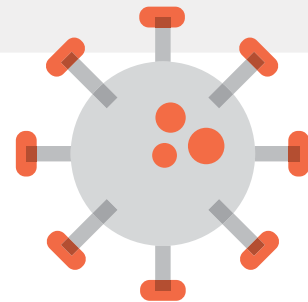
- the early reports related to the sale of Personal Protective Equipment such as face masks and hand sanitiser and testing kits. Typically, the items were fake or often failed to arrive after payment had been made¹.
- the next to emerge were phishing emails. For example, one claiming to be from the Department for Work and Pensions (DWP) asking the individual for debit or credit card details by saying that they are entitled to a council tax refund.
- as the attentions and resources of organisations were diverted to new ways of working and many staff were laid off, the incidence of cyber security attacks to steal business-sensitive and personal data increased.
- with more people working from home following the UK-wide lockdown, phishing campaigns then targeted applications that are being relied upon during remote working, in particular popular conference calling applications and parcel delivery firms.

1 NHS in Wales introduced arrangements to mitigate against this fraud risk and it did not become an issue.

The COVID-19 pandemic: a case study in how scammers and fraudsters are ready to exploit a crisis

- as the national focus turned to test and track, the fraudster's net became wide and indiscriminate, as shown by a fake text message attempting to dupe people into believing they have been in contact with someone who has tested positive for the virus, directing recipients to a website for more information. The link is then used to harvest personal and financial data.

A world-leading counter-fraud response would mean that counter-fraud specialists had identified the risks at least at the same pace as the fraudsters, if not sooner. It would also mean they had the right tools to prevent and detect fraudsters exploiting any new opportunities; and that the counter-fraud response was mobilised rapidly through effective collaboration and information sharing.





Culture and leadership across the Welsh public sector

01

Why is it important?

- 1.1 The Crime Survey for England and Wales recognises fraud as one of the most prevalent crimes in society today. Every pound stolen from the public sector means that there is less to spend on key services such as health, education and social services. Public sector bodies can mitigate the risks from fraud by having the right organisational culture supported by effective counter-fraud arrangements.
- 1.2 Strong leadership sets the appropriate tone from the top of an organisation and plays a crucial part in fostering a culture of high ethical standards. It is important that senior management leads by example and sends a clear message that fraud will not be tolerated either from inside or outside of the organisation. A strong tone at the top can raise the profile of fraud risks and promote the best standards and approaches in counter-fraud work.

What did we find?

- 1.3 Other than in the NHS there is an absence of any overarching strategic approach, guidance, coordination and oversight.
- 1.4 In NHS Wales, the NHS Counter Fraud Service² provides leadership, specialist investigation skills, support and guidance to the sector and a Counter Fraud Steering Group³ provides strategic direction and oversight. This leadership model delivers a coordinated approach to counter-fraud across the NHS in Wales and a good counter-fraud culture complemented by inbuilt scrutiny of the arrangements. The legal framework specific to the NHS Wales and the levels of investment give counter-fraud a high profile and robust enforcement and recovery mechanisms. At a local level, strategic leadership was evident within Health Boards through the dissemination of a consistent message, both internally and externally, that fraud is not tolerated.

2 Which is hosted by the NHS Wales Shared Services Partnership

3 A sub-group of the All Wales Directors of Finance Forum

- 1.5 Across local authorities there is an absence of sector-wide strategic leadership, guidance, coordination and oversight of counter fraud. Within the individual authorities we found statements espousing a zero tolerance of fraud in policies and strategic documents. But there is much more that can be done to re-enforce the tone from the top at a practical level. We found examples where the leadership team actively promotes the importance of a good anti-fraud culture through awareness campaigns, newsletters to staff and active engagement with counter-fraud teams. But we also found in many authorities that there was little evidence that the message is driven down from the top and little priority is given to counter-fraud work. There were often competing priorities and, as a result, little time was given to counter-fraud and it often had a low profile.
- 1.6 In Central Government, the position is mixed. Within Welsh Government, we found evidence that counter-fraud is taken seriously, and a small team has achieved many successful outcomes, albeit its emphasis leans towards reactive rather than proactive work. We have been encouraged to see that the Welsh Government has accepted both of the recommendations made by the Public Accounts Committee following our first report. However, there remains a leadership gap that still needs to be addressed.
- 1.7 Across the other central government bodies that we examined, counter-fraud is not always given such a high priority. One reason for this appears to be the very low incidence of fraud being identified and reported; this poses the difficult question of whether this is due to a lack of investment in counter-fraud or a genuine low incidence of crime taking place. However, this latter explanation runs contrary to all the research being done by recognised leaders in the field such as CIPFA and the National Crime Agency.

- 1.8 The threat posed by fraud is also getting greater recognition within the UK. The UK government, for example, is working to make central government, and the public sector more widely, a place where fraud is actively found and robustly dealt with. It is transforming its whole approach to counter-fraud by:
- a establishing a counter-fraud function;
 - b developing and launching a Government Functional Standard (GovS013);
 - c establishing a 'Government Counter Fraud Profession' to develop people and increase capability;
 - d providing expert advice to the rest of government on how to deal with fraud;
 - e delivering specialist services to assist public bodies; and
 - f collaborating with overseas governments to bring further expertise to the UK.

What can the Welsh public sector do to improve?

Recommendations

- R1** The Welsh Government should enhance its strategic leadership of counter-fraud across the public service in Wales, playing a co-ordinating role where it can, while recognising that individual bodies remain responsible for their own counter-fraud activities. In doing so it could consider:
- forming strategic partnerships with the key players nationally and internationally;
 - developing and delivering an all Wales counter-fraud strategy and vision;
 - advocating/promoting minimum standards in terms of public sector counter-fraud arrangements similar to those established by the UK Government;
 - elevating the status of counter-fraud staff by recognising counter fraud as a profession with essential competencies;
 - supporting the other sectors by, for example, providing invest-to-save funding opportunities, and supporting the development of professional competencies across the Welsh public sector; and
 - providing timely advice and guidance on 'hot' issues by gathering and disseminating important information and analysing trends.
- R2** All public bodies should champion the importance of a good anti-fraud culture and actively promote its importance to give confidence to staff and members of the public that fraud is not tolerated.



Risk management and control frameworks

02

Why is it important?

- 2.1 Fraudsters are becoming more sophisticated and are evaluating opportunities and risks on a real-time basis. The management and mitigation of risk in public bodies often fails to keep up with changes in the nature and impact of potential fraud. The recent flooding in South Wales created opportunities for scams within days of the floods. Security experts have reported an explosion in fraudulent activity during the COVID-19 outbreak as the pandemic has created a myriad of opportunities for fraudsters (see **Case Study on page 10**).
- 2.2 A fraud risk assessment should be an honest appraisal of risks using a range of sources such as national intelligence, local intelligence, audit reports, brainstorming exercises and data-matching results. Risk assessments should be live documents and kept under constant review. Having identified the risks, bodies can then evaluate them, assessing their likelihood and the impact if the fraud were to occur. It is only when risks are properly identified and evaluated that public bodies can tackle the risks in a prioritised and proportionate way and put appropriate actions and controls in place to manage or mitigate these risks.
- 2.3 It is important that organisations have an effective control framework to help mitigate the risks identified. A strong internal control environment can help to prevent fraud from happening in the first place and detect fraud if an instance has occurred. Fraudsters will try to circumvent established controls and it is important that controls are regularly reviewed. A strong control programme whereby fraudsters are faced with a real prospect of detection helps mitigate the risk. When frauds are discovered, controls should be reviewed to identify weaknesses and introduce improvements. Internal Audit have expertise in designing and testing controls and they should undertake work on key systems on a risk-based approach.

What did we find?

- 2.4 The quality of counter-fraud risk assessment and mitigation varies significantly in the Welsh public sector and there is generally scope to improve their quality and timeliness.
- 2.5 In the NHS, National Fraud Risk Alerts are produced by the NHS Counter Fraud Authority. These are routinely circulated to all Local Counter Fraud Specialists (LCFS) and Directors of Finance across NHS Wales. The LCFS are also required to conduct their own local risk assessments. This is a relatively new requirement and we found that these assessments are still being developed and embedded. The NHS Fighting Fraud Strategy recognises that a key challenge for the sector is the need to develop a comprehensive analysis of specific fraud risks to ensure counter-fraud resources are being directed to the most appropriate areas within the sector. The Counter Fraud Steering group has undertaken an overall risk assessment and produced assurance maps in respect of each main area of fraud. These maps will be used to target area of proactive work.
- 2.6 Our work identified that while some local authorities and central government bodies have undertaken fraud risk assessments, there were many who had not prepared a fraud risk assessment for several years. Some bodies in these sectors did not have a fraud risk assessment and therefore had not properly assessed the likelihood or impact of the risk. Without this key component, bodies cannot direct resources appropriately or adequately mitigate the risks of losses due to fraud. As a result, fraud strategies and work programmes are not particularly useful or relevant as they are not targeting the key areas of risk.
- 2.7 Our work also identified that, even where risk assessments were undertaken, they may not be integrated within the wider risk management framework. Fraud is not commonly reflected in corporate risk registers. We did not find many coordinated mechanisms for ensuring that fraud risks are appropriately communicated, owned and monitored within the audited body. Instead, fraud risk assessments are often held as standalone documents without any corporate ownership or active management of the risk. As a result of this approach, fraud risks are not adequately shared across departments.

- 2.8 We did identify some good practice in the sharing of fraud risks. In response to the Coronavirus pandemic, the Welsh Government issued a fraud risk bulletin early in April 2020, highlighting the emerging risks to the Welsh public sector. Ahead of the Welsh Government's bulletin, the UK Government Counter Fraud Function published its own guide: [Fraud Control in Emergency Management – COVID-19 UK Government Guidance](#). The guide highlights the importance of risk assessment, effective payment verification and due diligence arrangements and the need for robust claw-back arrangements to recover funds that are paid out incorrectly. There were also good examples in local authorities of raising awareness of scams with local residents.
- 2.9 We found that, in general, public bodies across all sectors have internal control frameworks that are well established and internal audit teams test controls as part of their annual programmes of assurance work. However, we found that internal audit teams do not always consider the fraud risks associated with systems as part of their work programmes. Furthermore, where new systems and processes are established, we found that organisations are not always using counter-fraud contacts and internal audit teams to try to design fraud out of systems.

What can the Welsh public sector do to improve?

Recommendations

- R3** All public bodies should undertake comprehensive fraud risk assessments, using appropriately skilled staff and considering national intelligence as well as organisation-specific intelligence.
- R4** Fraud risk assessments should be used as a live resource and integrated within the general risk management framework to ensure that these risks are appropriately managed and escalated as necessary.



Policies and training

03

Why is it important?

- 3.1 A sound policy framework enables organisations to direct their approach to counter-fraud and to promote good ethical behaviour. There should be a suite of policies and procedures in place that set out what is expected and what the consequences are for breaking the rules. Codes of conduct should set out the standards expected of employees and highlight the importance of declaring conflicts of interest and establish rules around gifts and hospitality.
- 3.2 Publicising frauds and the recovery action undertaken, helps to re-enforce the message from the top that fraud will not be tolerated. Publicity can help to discourage wrongdoing by others as it can highlight the damaging repercussions of their actions.
- 3.3 Staff are often the first to notice something irregular or potentially fraudulent and are often the first line of defence in the fight against fraud. These staff need easy access to a good counter-fraud policy and whistleblowing policy so they can be clear about their roles and responsibilities and the process they must follow if they suspect a fraud.
- 3.4 Effective training helps staff interpret policies and codes of conduct, giving them the confidence and skills to report suspected fraud. However, training and awareness-raising campaigns should be kept under continual review and must be linked to the live risk assessments so that new frauds or risks facing public bodies are quickly shared amongst staff and contractors if appropriate.

What did we find?

- 3.5 Generally, we found that public bodies have prepared and approved a range of policies setting out the processes to follow if staff suspect that they have uncovered a fraud. However, we identified that some policies were outdated, some were still in draft form and some were not easily accessible to staff.
- 3.6 Whilst NHS bodies have each developed comprehensive counter-fraud strategies (informed by an over-arching national strategy), we found that only a few other public sector bodies had done so. Such strategies set out clear approaches to managing fraud risks along with responses and actions, they define roles and responsibilities and are cross-referenced to other policies so that they can be readily understood by staff.

- 3.7 The NHS has a policy of proactively publicising successful fraud cases. The NHS Counter Fraud Service does this by issuing press releases and engaging with local media for interviews and promotional opportunities. Publicity helps raise awareness of fraud risks and also deters staff and contractors from committing fraud. By publicising counter-fraud work and raising awareness of the effects of fraud, the NHS involves staff, key stakeholders and the public in the fight against fraud.
- 3.8 We did not identify the same level of proactive publicity work in other sectors. Some local authorities take the view that publicising cases can be reputationally damaging and are therefore reluctant to publish such information. The Welsh Government recognises that more can be done to publicise fraud cases. The very low levels of fraud identified at central government bodies also means there is little publicity that can act as a further deterrent.
- 3.9 Our audit work also identified wide variation in levels of training and awareness-raising specifically relating to counter-fraud across the Welsh public sector. We found that a few public bodies provide fraud awareness training to all their staff. Some others provide training as part of the induction of new staff but do not provide this training for longstanding staff. We found some examples of refresher training sessions and e-learning modules provided for staff, but these are not widespread. There are many bodies that do not provide any counter-fraud training or awareness-raising events.
- 3.10 These findings suggest that there could be a significant proportion of the public sector workforce in Wales who have either received no fraud-awareness training at all or have not received training for several years.
- 3.11 There are good examples of awareness-raising in the NHS where the LCFS has an ongoing work programme to develop and maintain an anti-fraud culture within their health board. These programmes include the preparation of presentations and publications to raise awareness of fraud. There are also examples of LCFS undertaking staff surveys to capture the levels of staff awareness of fraud in order to act if necessary. In addition, the NHS has developed a fraud awareness e learning package for all staff and levels of compliance across organisations is reported the Directors of Finance on a quarterly basis. However, even in the NHS sector, counter-fraud training for new staff is generally not a mandatory requirement.

What can the Welsh public sector do to improve?

Recommendations

- R5** All public bodies need to have a comprehensive and up-to-date set of policies and procedures which together represent a cohesive strategy for identifying, managing and responding to fraud risks.
- R6** Staff working across the Welsh public sector should receive fraud-awareness training as appropriate to their role in order to increase organisational effectiveness in preventing, detecting and responding to fraud.
- R7** Cases where fraud is identified and successfully addressed should be publicised to re-enforce a robust message from the top that fraud will not be tolerated.



Capacity and expertise



Why is it important?

- 4.1 It is important that public bodies each designate a counter-fraud champion who understands fraud and leads the organisation's approach and response. Public bodies need access to sufficient appropriately skilled counter-fraud specialists to prevent, detect and investigate suspected fraud and protect their assets. As fraud risks change, public bodies should have resources available to provide a response that is appropriate to the threat.
- 4.2 Skilled and experienced staff will also help to ensure investigations are undertaken properly with evidence being obtained and handled lawfully in order to secure successful sanctions and the recovery of losses.
- 4.3 Investigations, whilst crucial, can be time consuming and costly and the low numbers of successful prosecutions mean that public bodies cannot rely on investigations alone to combat fraud. Public bodies need to have the capacity to undertake both proactive counter-fraud work and reactive investigation work. Proactive work includes fraud awareness campaigns, training, designing policies and strategies and strengthening controls to prevent attacks.

What did we find?

- 4.4 Insufficient capacity arose frequently as a key challenge faced by public bodies in their efforts to combat fraud. On the ground, capacity and skills in counter-fraud vary widely across and within public sector bodies in Wales. Most of the capacity is allocated to responsive work and investigations with any spare capacity being used in preventative counter-fraud work.
- 4.5 In local government, some officers are sceptical about the levels of fraud within their organisations and question the need for additional resources. However, these same local authorities allocate little resource to counter-fraud arrangements, do not have robust fraud risk assessments and the following up of matches from the National Fraud Initiative is assigned a low priority. Their assumptions about low levels of fraud run contrary to all the research being done by recognised leaders in the field such as CIPFA and the National Crime Agency.

- 4.6 Local authorities suffered a significant loss in counter-fraud capacity when the independent Single Fraud Investigation Service (SFIS) was created in 2014. SFIS is a partnership between the Department for Work and Pensions, HMRC and local authorities and which covers welfare benefit fraud. Most of the counter-fraud specialists left the sector to work for this new organisation. A small number of authorities have retained experienced and skilled counter-fraud staff, but the workload has mostly fallen on Internal Audit teams.
- 4.7 Our work found that the counter-fraud arrangements were generally more advanced in the local authorities that retained a dedicated and specialist counter-fraud resource. Where Internal Audit teams carry out the counter-fraud work we found a trade-off between counter-fraud work and the general programme of assurance work due to limited resources and competing priorities.
- 4.8 We also found that, within some local authorities, several teams play a role in counter-fraud work; for example, Internal Audit, Council Tax, and Human Resources teams all contribute. Whilst helpful in terms of adding capacity, we found that this can result in a lack of coordination and integration between these teams and a lack of clarity in the overall picture of counter-fraud activity.
- 4.9 Counter-fraud is generally better resourced in the NHS than other public sector bodies and there has been an increase in LCFS resource over recent years. There is a central team within the NHS Counter Fraud Service Wales which investigates complex, large scale frauds and provides a financial investigation resource. The team also provides guidance, intelligence and investigative support to the network of finance directors and LCFS at health bodies in Wales. In addition, Welsh Government Directions require that each health body should appoint at least one LCFS who is an accredited counter-fraud professional. These LCFS are the primary points of contact for counter-fraud work at their respective health bodies and have a key role in fraud prevention and detection. Increasing staffing levels above the minimum number is a matter of local discretion.
- 4.10 The mixture of LCFS and support and guidance from the NHS Counter Fraud Service and the Counter Fraud Steering Group has resulted in improved counter-fraud arrangements within the NHS sector in comparison to the other sectors. However, whilst LCFS staff are often shared between individual health boards, they are not pooled across the entire sector. As a result, the relatively low counter-fraud staff numbers in some health boards can cause issues if staff members are absent from work. Even within the NHS Wales, there is a general recognition that more proactive work should be undertaken.

- 4.11 The Counter Fraud Team at the Welsh Government is skilled and experienced and has secured a number of high-profile prosecutions over recent years. However, a recent Government Internal Audit Agency review of the Welsh Government in 2017 concluded that the counter-fraud function could achieve more with increased resources. The Counter Fraud Team is able to draw on resources from within the Welsh Government to assist with investigations where appropriate and there are plans to increase the resource in the team in the near future.
- 4.12 Our audit also found that public bodies in Wales are generally following traditional counter-fraud approaches with a focus on detection and investigation rather than prevention. Most public bodies recognise that more proactive and preventative work should be done, but they acknowledge that the lack of time, resources and expertise are barriers to making this shift of focus.
- 4.13 We did not find many examples of public bodies in Wales outside the NHS pooling resources to help reduce duplication of effort and improve the efficiency and effectiveness of counter-fraud arrangements across sectors. Pooled resources could also help to improve continuity and add flexibility to adapt to changing needs going forward.
- 4.14 In 2018 the UK government launched the Counter-Fraud Profession to enhance overall counter-fraud capability across government. The profession develops the skills of specialist staff and moves beyond the traditional focus of investigations, placing greater emphasis on fraud prevention and the use of data analytics. Membership across UK Government Departments has been steadily increasing, and the Welsh Government is engaged with this initiative. Organisations joining the profession are required to have learning environments that support their staff to develop and maintain professional standards.

What can the Welsh public sector do to improve?

Recommendations

- R8** All public bodies need to build sufficient capacity to ensure that counter-fraud work is resourced effectively, so that investigations are undertaken professionally and in a manner that results in successful sanctions against the perpetrators and the recovery of losses.
- R9** All public bodies should have access to trained counter-fraud staff that meet recognised professional standards.
- R10** All public bodies should consider models adopted elsewhere in the UK relating to the pooling and/or sharing of resources in order to maximise the availability of appropriately skilled staff.



Tools and data



05

Why is it important?

- 5.1 An effective counter-fraud function will ensure that those responsible for it are equipped with up-to-date methodologies and the right tools for the job. Counter-fraud staff must make best use of data and intelligence in order to:
 - a prevent fraud by 'fraud-proofing' systems and processes; and
 - b mounting an effective response to suspicions of fraud.
- 5.2 New fraud threats are continually emerging, both globally and nationally. It is important that public bodies have flexible, cutting-edge counter-fraud approaches that are fit for a digital age and agile enough to keep up with, or better still, ahead of the fraudsters.
- 5.3 Cyber-attacks are an alternative means of committing traditional frauds such as the theft of assets, cash or intellectual property. PricewaterhouseCoopers' most recent global economic crime survey found that cyber crime is now the most common fraud facing UK businesses, overtaking asset misappropriation for the first time since the survey began. We can see this in the explosion in number of cyber scams linked to the COVID-19 pandemic.
- 5.4 Preventing fraud is always preferable to responding to an instance. Many organisations are now looking to 'fraud-proof' systems at the point of entry using the latest developments in data analytics. For example:
 - a the Cabinet Office has developed on-line tools that can look at 10,000 records in seven seconds to provide due diligence checks on grant applications; and
 - b the Department of Work and Pensions have been trialling an Artificial Intelligence system that detects fraudulent claims by searching for certain behaviour patterns, such as benefit applications that use the same phone number or are written in a similar style. Any suspicious activity is then passed on to specialist investigators.
- 5.5 Data analytics provide an increasingly important tool in preventing fraud as well as in its detection. We look at how public bodies can share data to help find fraud in the next section of this report.
- 5.6 Sophisticated technology and data analytics are of little use if they are not used effectively and this requires adequately trained resource to understand it. Therefore, it is important that public bodies have access to staff adept in data analytics in order to achieve better counter-fraud results.

- 5.7 Knowing what to do in the event of a suspected fraud improves the chances of a successful enforcement action. It also re-enforces the tone from the top that the organisation does not tolerate fraud. Fraud response plans need to provide a clear direction to relevant parties so that bodies are able to respond to allegations quickly and appropriately. A response plan should be reviewed regularly to ensure that responses to fraud keep abreast with changing times and emerging risks. They should outline:
- a the fraud investigation process from receipt of allegation to outcome report;
 - b roles and procedures for securing evidence and undertaking interviews;
 - c details of how and when to contact the police;
 - d a commitment to pursuing a range of sanctions;
 - e reporting arrangements; and
 - f how lessons learned will be used to strengthen system and process controls.

What did we find?

- 5.8 Generally speaking, we found that more work is needed to bring counter-fraud tools and methodologies up to date to reflect the new world of cyber attacks and digitally-facilitated crimes. Many local authorities and central government bodies we looked at as part of our fieldwork did not have information security policies that reflected the risks associated with cyber crime. The situation was more positive in NHS Wales bodies.
- 5.9 Our review identified only a few examples of data analytics being used as a means of preventing fraud. Data analytics are used more widely to detect fraud, in following up on NFI data matches, for example, but our previous audit work⁴ has shown that the level of engagement with the NFI varies considerably across Welsh public bodies.
- 5.10 We found that some local authorities and central government bodies did not have a fraud response plan that was communicated to all staff and which made it clear that all allegations of fraud would be investigated. The Welsh Government had a fraud response plan, but this was in draft form at the time of our audit work and was not, therefore, available to staff. Again, the position was much more positive in NHS Wales.

4 Our October 2018 NFI report stated that 'most Welsh public sector bodies participating in the NFI were proactive in reviewing the data matches, but a small number of participants did not review the matches in a timely or effective manner'.

- 5.11 NHS bodies all use the same case management system to record and monitor the progress of potential fraud cases. In other sectors, few bodies have a case management system although some do have a spreadsheet log that records information. The variation in the information collected makes it very difficult to report an all-Wales position on the level of fraud taking place. The reasons that many local authorities and central government bodies do not have a case management system or detailed records was the very low numbers of fraud cases that were being identified and handled.
- 5.12 Most of the public bodies we looked at consider the full range of possible sanctions (disciplinary, regulatory, civil and criminal) against fraudsters and will seek redress including the recovery of assets and money where possible. However, many bodies report such low levels of fraud that it is impossible to substantiate their claims. For any internal frauds identified, most bodies tend to deal with the perpetrators through internal disciplinary procedures.
- 5.13 Most of the public bodies we looked at reflected on the weaknesses revealed by instances of proven fraud and corruption and fed back to departments and teams so that they might fraud-proof their systems. The arrangements at local NHS bodies were particularly robust because fraud cases in their case management system cannot be closed down without providing assurance that any system weaknesses have been considered and remedied if necessary.

What can the Welsh public sector do to improve?

Recommendations

- R11** All public bodies need to develop and maintain dynamic and agile counter-fraud responses which maximise the likelihood of a successful enforcement action and re-enforce the tone from the top that the organisation does not tolerate fraud.
- R12** All public bodies should explore and embrace opportunities to innovate with data analytics in order to strengthen both the prevention and detection of fraud.



Collaboration



06

Why is it important?

- 6.1 Fraudsters do not respect geographical or other boundaries. This means that individual public sector bodies cannot establish effective counter-fraud arrangements by themselves. They must work collaboratively to maximise the effectiveness of their response to fraud.
- 6.2 Collaboration is an increasingly important aspect of public service, particularly in the context of reduced funding and the need to do more with less. Collaboration is also one of the 'five ways of working' as defined in the Welsh Government's 'Well-being of Future Generations (Wales) Act 2015: the essentials'⁵ document. It is therefore essential that collaboration and the sharing of intelligence and good practice take place between public, private and third-sector bodies across the UK and internationally.
- 6.3 Collaboration can mean sharing people or pooling resources and, more commonly these days, in the sharing of information. This information can be shared between departments, between bodies, across different elements of the public sector and with other key stakeholders such as law enforcement authorities and the private sector. The information shared can be about the nature of a fraud or information about the identities of the perpetrators.
- 6.4 The sharing of data to help find fraud is a rapidly evolving area and is being facilitated by changes in the law. In 2017, the Digital Economy Act became law, enabling public authorities to share personal data to prevent, detect, investigate and prosecute public sector fraud. The Act recognises that the wider use of data-sharing could improve the prevention, detection and investigation of fraud in a number of ways, including:
 - a improved targeting and risk-profiling of potentially fraudulent individuals;
 - b streamlining processes, enabling the government to act more quickly; and
 - c simplifying the legislative landscape.

5 Well-being of Future Generations (Wales) Act 2015: the essentials', Welsh Government (2015) **Page 86**

What did we find?

- 6.5 Our field work across forty public sector bodies in Wales found that collaboration was insufficiently developed, reinforcing the findings of our 2019 review.
- 6.6 Within local authorities and central government bodies there are some good examples of bodies working jointly and some regional networks, but these tend to be informal arrangements and there is no consistency in approach. Formalising arrangements can help improve accountability and governance and can influence commitment and results.
- 6.7 The picture is generally more positive across local NHS bodies and the Welsh Government than in local authorities and central government bodies. However, there is scope for all public bodies to work more closely with each other and with other stakeholders to tackle fraud.
- 6.8 Because of the tiered approach to counter-fraud within NHS Wales and established formal partnerships with the NHS Counter Fraud Authority, there is good access to specialist fraud investigation teams such as surveillance, computer forensics, asset recovery and financial investigations. The NHS Counter Fraud Service Wales provide the surveillance, asset recovery and financial investigations services to NHS Wales, while the NHS Counter Fraud Authority provides forensic computing services and other specialist support services to NHS Wales under the terms of their annual agreement with Welsh Government.
- 6.9 The existence of these formal access arrangements is less well established within other sectors, but most organisations told us that they could access specialist services if required. The low level of fraud being identified was one of the reasons given for the absence of formal partnerships between public sector bodies.
- 6.10 We also found wide variations in the amounts of data that are shared. In most bodies, the sharing of data was typically limited to the National Fraud Initiative (NFI), although not all central government bodies currently take part in NFI. We found that some local authorities do not invest much resource into following up NFI matches and these are often the same authorities in which counter-fraud arrangements were limited.
- 6.11 There were very few examples of organisations working frequently across internal and external boundaries and sharing information. Common reasons for this lack of collaboration was lack of time and resources, and concerns about the sharing of data.

What can the Welsh public sector do to improve?

Recommendations

R13 Public bodies should work together, under the Digital Economy Act and using developments in data analytics, to share data and information to help find and fight fraud.



Reporting and scrutiny

07

Why is it important?

- 7.1 Arriving at a reliable estimate for the cost of fraud is a difficult task. This is particularly so for the Welsh public sector as our 2019 report highlighted. Whilst the UK Government produces annual estimates, there is no breakdown of this estimate to each of the devolved administrations in the UK. CIPFA's most recent analysis estimates that fraud costs the UK public sector £40.3 billion annually. The Cabinet Office⁶ estimates losses due to fraud and error at between 0.5% and 5% of budget. Applying this range to annual public expenditure in Wales of around £20 billion gives a possible estimated value of losses to fraud and error between £100 million and £1 billion per annum. The losses are therefore significant and take valuable funding away from our public services.
- 7.2 Fraud is often under-reported as some suspicious activity identified through NFI matches, for example, is not classified as fraudulent and therefore not reported. Also, some public bodies fail to report fraud as it can attract unwanted publicity and perceived reputational damage. This situation leads to an incomplete national intelligence picture.
- 7.3 The International Public Sector Fraud Forum⁷ has recognised that 'finding fraud is a good thing' and this is one of their 'Key Fraud and Corruption Principles'. The Forum noted that, if bodies do not find fraud, then they are unable to fight it, and that a change of perspective is needed so that the identification of fraud is seen as a positive and proactive achievement.
- 7.4 Reporting fraud to those charged with the governance of public sector organisations is important as it provides managers and audit committees, for example, with the information and intelligence they need to challenge and scrutinise. To facilitate accountability, public bodies should provide copies of counter-fraud reports detailing numbers of cases and outcomes to audit committees so that they are fully informed of any issues of concern and can hold management and counter-fraud teams to account. Audit committees can also promote the message that fraud will not be tolerated, supporting the efforts of counter-fraud teams.

6 Cabinet Office Cross Government Fraud Landscape Report 2018

7 International Public Sector Fraud Forum A Guide to Managing Fraud for Public Bodies in Feb 2019

What did we find?

- 7.5 The arrangements in NHS Wales to record, collate and share information about fraud losses and recoveries are well established. The NHS Counter Fraud Service collates information on the number of fraud cases and recoveries from each health body as a matter of course. There are quarterly and annual Operational Performance Reports which summarise information about resources, referrals and the work of the Counter-Fraud Service and LCFS based at each health body. These reports are reviewed by the Counter Fraud Steering Group and shared with Directors of Finance and the audit committees of each health body, helping to facilitate meaningful comparisons within the sector. The NHS Counter Fraud Authority also reports to the Welsh Government on a quarterly basis.
- 7.6 In other sectors, audit committees are not generally provided with as much information:
- a in the Welsh Government, the Audit and Risk Assurance Committee is not provided with, nor does it request, detailed information about fraud cases, although information about major cases and anti-fraud activity is included in the regular report from the Head of Internal Audit;
 - b in the local government sector, fewer than half the authorities report information about fraud cases, losses and recoveries to their audit committees on a regular basis; and
 - c even fewer central government bodies report on cases of fraud, reflecting a very low incidence of fraud being identified and managed.
- 7.7 The absence of both the reporting of information and arrangements to collate and share this information across the Welsh public sector is troubling for a number of reasons. It does little to help re-enforce a zero-tolerance message from the top of an organisation to both staff and external stakeholders. It may also send the wrong message to fraudsters that Wales does not see fraud as a priority and makes it difficult to assess the level of risk and how best to respond to it by senior public sector officials and politicians.
- 7.8 When frauds are identified, Internal Audit (or, where they exist, counter-fraud specialists) provide audit committees with reports and updates. On balance, however, audit committees outside of the NHS Wales have not been sufficiently proactive in recognising the increasing risk of fraud and in asking the searching questions necessary about the matching of resources to risk or about the lack of information being supplied about fraud risk.

What can the Welsh public sector do to improve?

Recommendations

- R14** Public bodies need to collate information about losses and recoveries and share fraud intelligence with each other to establish a more accurate national picture, strengthen controls, and enhance monitoring and support targeted action.
- R15** Audit committees must become fully engaged with counter-fraud, providing demonstrable support and direction, monitoring and holding officials to account if insufficient information is being provided about counter-fraud activity.



Appendices

- 1 Audit methods
- 2 The Welsh Government's response to the July 2019 recommendations of the Public Accounts Committee

1 Audit methods

Our audit was structured around seven key lines of enquiry to help us answer the overall question: 'Are the arrangements for preventing and detecting fraud in the Welsh public sector effective?':

- Does the top tier demonstrate a commitment to counter-fraud and provide the necessary leadership to fight fraud?
- Does the organisation have a suitable structure and sufficient skilled resources to prevent and detect fraud?
- Does the organisation have a sound policy framework to support effective counter-fraud arrangements?
- Does the organisation have an effective fraud risk assessment together with appropriate responses to emerging issues?
- Does the organisation's internal control environment support effective arrangements for preventing and detecting fraud?
- Does the organisation have an appropriate response to fraud?
- Does the organisation have proper reporting and scrutiny in place to ensure its counter-fraud culture and framework is operating effectively?

The audit fieldwork was carried out by our local audit teams between November 2019 and February 2020. Their fieldwork included:

- structured interviews – interviews with key individuals in order to understand the counter-fraud arrangements in place at each audited body; and
- document reviews – where these existed, they typically included the counter-fraud strategy, risk assessment, work plans, corporate risk register, fraud response plan, Codes of Conduct, whistleblowing policy, guidelines and procedures for local fraud investigators and counter-fraud reports/updates provided to Audit Committee.

Teams also issued a core information request in order to gather some information directly from audited bodies.

The project team collated and reviewed the local findings to distil the key messages for inclusion in this report. Our audit teams have been providing tailored feedback on their local findings to relevant staff at each audited body.

The audited bodies included in this study are:

Local Government bodies:

- Blaenau Gwent County Borough Council
- Bridgend County Borough Council
- Caerphilly County Borough Council
- Cardiff Council
- Carmarthenshire County Council
- Ceredigion County Council
- Conwy County Borough Council
- Denbighshire County Council
- Flintshire County Council
- Gwynedd Council
- Isle of Anglesey County Council
- Merthyr Tydfil County Borough Council
- Monmouthshire County Council
- Neath Port Talbot County Borough Council
- Newport City Council
- Pembrokeshire County Council
- Powys County Council
- Rhondda Cynon Taf County Borough Council
- City and County of Swansea
- The Vale of Glamorgan Council
- Torfaen County Borough Council
- Wrexham County Borough Council

NHS Wales bodies:

- Aneurin Bevan University Health Board
- Betsi Cadwaladr University Health Board
- Cardiff and Vale University Health Board
- Cwm Taf Morgannwg University Health Board
- Hywel Dda University Health Board
- Powys Teaching Health Board
- Swansea Bay University Health Board
- Health Education and Improvement Wales
- Velindre NHS Trust
- Public Health Wales Trust
- Welsh Ambulance Service NHS Trust

Central Government bodies:

- Welsh Government
- Welsh Revenue Authority
- Arts Council for Wales
- Higher Education Funding Council for Wales
- National Museums and Galleries Wales
- Natural Resources Wales
- National Library of Wales
- Sport Wales
- Senedd Commission

2 The Welsh Government's response to the July 2019 recommendations of the Public Accounts Committee

PAC Recommendation

We ask that the Welsh Government consider whether there is scope and potential to support a national counter fraud team to work across Wales to ensure that at least a basic level of counter fraud work is undertaken in each local authority area by suitably trained staff.

We ask that the Welsh Government consider whether there is scope and potential to support a national counter fraud team to work across Wales to ensure that at least a basic level of counter fraud work is undertaken in each local authority area by suitably trained staff.

Response from the Welsh Government's Permanent Secretary

The Welsh Government recognises and fully supports local authorities addressing fraud within the £8 billion of their general revenue expenditure.

As independent democratically led organisations, the prime responsibility for the detection and prevention of fraud is for each of the 22 councils themselves. As such, we would expect all to be fully engaged in this work and for local politicians to understand and provide leadership.

To make sure that the recommendation is understood and given priority, officials will raise the matter with Ministers to secure an item on the Partnership Council agenda as well as its Finance Sub Committee. Subject to Ministers' agreement, we will agenda an item for the next possible meeting.

I am supportive of any move to increase the understanding of fraud and the consistent application of best practice techniques across the Welsh Public Sector and there exists already a vehicle to bring together counter-fraud practitioners and other interested parties and drive forward a common understanding of this important area.

The Welsh Government's Head of Counter-Fraud is Deputy Chair of the Wales Fraud Forum (WFF), which is a not-for-profit company run by a strategic board of volunteers. Its aims are to help prevent fraud in Wales by raising awareness in the public and private sectors and amongst individuals. In particular, its stated objectives include to:

- bring the public and private sectors together to fight fraud and financial crime and to protect the economy of Wales;

PAC Recommendation **Response from the Welsh Government's Permanent Secretary**

- promote fraud awareness amongst its membership, organisations and individuals throughout the region;
- create good practice cultures by encouraging and developing anti-fraud strategies for its membership to utilise;
- establish a best practice between its members for fraud prevention, investigation and detection; and
- promote an open and co-operative environment between the membership in both the public and private sectors.

The Forum is held in high regard; in 2017 the current First Minister gave the keynote address at its annual conference and outlined his support for effective counter-fraud arrangements across Wales. Forum membership includes the Audit Wales as well as a number of public and private sector organisations.

Therefore, I believe the Welsh Government can achieve the outcome desired by identifying strategies to support the work of the Forum, raising its profile within the Welsh Public Sector and seek a high level of commitment to support it. I will ask Officials to engage with the Forum to discuss strategies for strengthening its effectiveness by the end of the calendar year.

We agree there is potential in the use of data sharing between Welsh public bodies to improve the impact of counter-fraud activities. The introduction of the Digital Economy Act gives the Welsh Government and certain scheduled Welsh public bodies useful new powers to share data with each other compliantly to identify potential fraud. Officials are working on setting up the appropriate governance for taking forward the use of these new powers in Wales, and are aiming for a panel to be in place by the end of the financial year to consider potential uses of the powers.



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Agenda Item 6



Report of the Chief Auditor

Governance and Audit Committee – 13 July 2022

Annual Report of School Audits 2021/22

Purpose:	This report provides a summary of the school audits and thematic reviews undertaken by the Internal Audit Section during 2021/22 and identifies some common issues found during the testing.
Policy Framework:	None
Consultation:	Legal, Education and Access to Services
Report Author:	Nick Davies
Finance Officer:	Simon Cockings
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar
For Information	.

1. Introduction

- 1.1 Historically, an audit of each primary, secondary and special school in Swansea was undertaken on a three year rolling programme. Since the pandemic, we have moved to yearly thematic reviews for the primary and special schools as agreed by the Director of Education.
- 1.2 A report summarising the school audits and thematic reviews undertaken each year has been prepared for the Director of Education. The report also identifies the common themes, which have been highlighted during the audit reviews.
- 1.3 The Annual Report of School Audits 2021/22 is set out below.

2. Annual Report of Schools Audits 2021/22

- 2.1 Each year audit resources are dedicated to undertake school audits. As agreed by the schools, the budget for the provision of audit services has been retained centrally and therefore schools no longer need to sign up to an SLA individually.
- 2.2 For routine audits, a risk assessment is carried out at individual school level and based on this, a rolling programme of school audits is undertaken. Since the pandemic, primary and special schools in the main have been audited on a thematic basis; secondary schools continue to be audited individually.
- 2.3 The scope for individual school audits during the 2021/22 financial year included the following areas:
- Governance
 - Management of Delegated Resources
 - Budget Preparation and Monitoring
 - Lettings
 - After School / Breakfast Clubs
 - Banking Procedures
 - Recording of Key Income
 - School Unofficial Funds
 - School Meals Income
 - Bank Reconciliations
 - Purchasing of Goods and Services (Including Multi-Pay Cards)
 - Employees
 - Health & Safety
 - Inventories
 - School Mini Bus / Vehicles
 - Computer Security and Data Protection
- 2.4 There are slight variations between the work undertaken at primary schools and secondary schools. However, the scope of the audit remains more or less the same for both sectors.
- 2.5 The previous two financial years have been particularly difficult when trying to arrange and carry out individual school audits across the authority due to the coronavirus pandemic, and the restrictions in place in relation to physical site visits. It must be acknowledged that the measures introduced across the Council have inevitably had an impact on the team's ability to initiate and progress individual school audits.
- 2.6 This financial year, in the main we have continued with the 'thematic' review approach for primary schools, testing the key risk areas of School Meals Income and School Staff DBS checks to provide assurance across this population.
- 2.7 During the year, we successfully completed two thematic audit reviews covering School Meal Income (sQuid system) across the 22 primary schools that were due to be audited in the year. We also completed an audit exercise for those schools to ensure that Disclosure & Baring Service (DBS) checks had been undertaken for all staff.
- 2.8 We also concluded the audit of unofficial funds, for the three remaining schools that failed to provide us with the information required from the previous year's thematic review.

- 2.9 Furthermore, the team carried out individual audits of one primary, one special, and four secondary school audits remotely during the year.
- 2.10 On completion of the audit reviews, a formal level of assurance is provided for the overall financial management and other areas within the school. The assurance levels vary across four categories, namely High, Substantial, Moderate and Limited assurance.
- 2.11 Recommendations are contained within a Management Action Plan and are prioritised according to perceived risk. Therefore, the Headteacher has an indication of Internal Audit's view of the level of risk that the school could be exposed to if the recommendation is not implemented.
- 2.12 Once the Action Plan has been finalised with the Headteacher, a copy of the final Audit Report and Action Plan is forwarded to the Chair of the School's Governing Body and the Director of Education for information. Agreed actions are followed up in accordance with the Management Action Plan timetable to ensure that they have been satisfactorily implemented. On distribution of the report, it is requested that the Chair of the Governing Body ensures the final report is presented at the next full Governing Body meeting. We also ask that the Chair ensures that all actions have been implemented within the timescales stipulated in the Management Action Plan.
- 2.13 In relation to our thematic reviews, all findings and recommendations have been reported directly to senior management within the Education department for them to be aware of the general issues across the population, and these findings have also been communicated to schools via the various forums available and followed up in due course. Individual memos were also issued to the schools included in the audits informing them of the specific outcomes of their review.
- 2.14 As part of their monitoring procedures, the School Support Team request minutes of the Governing Body meetings in order to confirm that any audit reports received have been presented and discussed. For the six schools that were audited remotely in 2021/22, the School Support Team had received minutes confirming that the audit report had been presented for five of the schools. The Team has requested minutes from the one remaining school that has not forwarded them to date.
- 2.15 As the operation of local bank accounts remains a key area for examination during individual audits, primary school audits last three days. The budgeted time for secondary school audits is ten days, and for this year's thematic reviews fifteen days each.
- 2.16 The remainder of this Annual Report provides information on the various developments that have occurred during the year and provides further details of the results of the thematic reviews and individual school audits undertaken during 2021/22.

3. Summary of Findings

- 3.1 Twenty Two primary schools were included in both thematic reviews, covering the key risk areas of school meals income and school staff DBS checks.
- 3.2 Evidence was also obtained from the three remaining schools that failed to provide us with the information required from the previous year's thematic review of unofficial funds.
- 3.3 An additional primary school was audited remotely during the year, with a separate report being produced.

- 3.4 One special school was audited remotely during the year, with a separate report being produced.
- 3.5 Of the four secondary schools scheduled to be audited individually, all four were completed with some site visits undertaken where necessary.
- 3.6 It is pleasing to note that this year both thematic reviews, school staff DBS checks and schools meals income, achieved a Substantial assurance rating, as did the thematic unofficial fund review from the previous year containing the three remaining schools.
- 3.7 In addition, the individual primary and special school audited remotely also achieved a Substantial level of assurance. Of the four secondary schools audited in year, three were awarded a High level of assurance and one was awarded a Substantial level of assurance. This continues to demonstrate the fact that the schools in question are being managed appropriately and were operating effectively.
- 3.8 Periodic training continues to be provided to all Headteachers by the School Funding & Information Team, which clearly communicates the procedures that should be followed in relation to complying with financial management within the school. In addition to this, the Team continues to offer newly appointed Headteachers a bespoke finance session and monitors attendance, reminding them to attend refresher sessions every three years. However, it should be noted that attendance at such training is not compulsory.
- 3.9 As reported over the last few years, all schools have now decided to opt out of the Procurement SLA as they felt it was not fit for purpose. However, the Procurement Section are still available to give general advice to schools on any compliance related queries they may have, and meet the Authority's statutory and regulatory duties.
- 3.10 Previously, we noted that the Council's Contract Procedure Rules (CPR's) had been updated, approved and received Officer sign-off. We reported that now the process had been completed, school specific guidance notes were due to be finalised detailing how the Council CPR's should be interpreted specifically for schools. These guidance notes are still to be completed. A meeting has been scheduled for August with the relevant officers to try and finalise the document ready for publication.
- 3.11 The sections that follow provide a more detailed examination in relation to the findings of our audits across the individual and thematic school audits completed in Swansea for 2021/22.

4. Primary Schools

- 4.1 Thematic Review – Disclosure Barring Service (DBS)
 - a) A thematic review was completed to ensure that DBS checks had been undertaken for all staff in the Primary Schools originally scheduled to be audited in the 2021/22 financial year - See Appendix 1
 - b) A total of 1361 staff DBS's were checked as part of this review. Some issues were noted in relation to ten staff DBS's across eight of the 22 schools included in the review. The main areas of non-compliance identified were as follows:-

- c) In a small number of instances (three), staff DBS certificates had expired and renewals had either not been applied for by the school or had been submitted but not completed despite reminders being issued by the Service Centre .
- d) On one occasion, an individual's staff record contained within the Oracle system had not been updated to reflect the new renewal DBS date, and on another occasion the result had been entered on an incorrect Oracle record. It is the responsibility of the Service Centre to update Oracle records.
- e) Further testing revealed there were five cases where staff members DBS's had expired and had not been renewed as they were off on long term sick. In these instances, the Admin Officer confirmed that a renewal application would be completed upon their return to work.

4.2 Thematic Review – sQuid School Meals Income

- a) A thematic review was completed examining the procedures in place for sQuid meal income collected by the primary schools which were originally scheduled to be audited in 2021/22 (Appendix 1). School meal income reports were obtained from the School Funding & Information Team and the main areas of non-compliance identified were as follows:-
 - b) Active pupil arrears were identified in the majority of schools ranging from £4 to £290.
 - c) Inactive pupil arrears were identified in half of the schools ranging from £0.90 to £364.
 - d) Staff arrears were identified in seven of the schools ranging from £3.60 to £156.
 - e) Of the thirteen schools that utilise their discretionary account, two were identified as having a debit balance. Guidance has been issued to all schools previously informing them that the account should always be in credit.

4.3 Thematic Review – Unofficial Funds (i.e. previous year's exercise 2020/21)

- a) As stated in the Summary of Findings section, there were three schools (Appendix 1), that did not provide any responses to our information requests in the 2020/21 Unofficial Funds thematic exercise. As a result, those schools were re-visited and evidence has now been obtained. The main areas of non-compliance identified were as follows:-
 - b) Cases were highlighted where the Funds had not been audited on an annual basis and Audit Certificates not produced and presented to the Governing Body.
 - c) On a couple of occasions, formal reconciliations were being undertaken however there was no evidence that an independent review of those reconciliations had taken place.
 - d) In the three schools reviewed, the recommended Terms of Reference template provided in Accounting Instruction No. 11 was not being utilised.
 - e) There was one case whereby on reviewing the bank mandate it was discovered that the Admin Officer was a signatory on the bank account and therefore responsible for both issuing and signing cheques. This does not provide an adequate division of duties.

- 4.4 One individual primary school was audited remotely (Appendix 1) during the 2021/22 financial year. A separate report was produced with the school achieving a Substantial level of assurance and 11 recommendations being made.

4.5 All of the above audit reports have been finalised at the date of this report, with agreement reached with Headteachers and Education Management to implement 100% of the recommendations made.

5. Secondary Schools

5.1 Four secondary schools were visited by Internal Audit during 2021/2022. The level of assurance awarded for each of the schools can be seen in Appendix 2.

5.2 A total of 29 recommendations were made, which represents an average of 7 recommendations per school. All of the audit reports have been finalised at the date of this report, with agreements reached with Headteachers to implement all of the recommendations made.

5.3 It should be noted that there is not a direct correlation between the number of recommendations made at each school and the overall level of assurance awarded. This is due to differences in the rating of the individual recommendations i.e. High, Medium, Low Risk or Good Practice.

5.4 An analysis of the areas where recommendations have been made is summarised in the table below. As can be seen, the main areas where issues were identified are in relation to Procurement / Expenditure and Multi-Pay Cards. Please also see Appendix 3, which details the main areas reported on within each category below.

Secondary Schools		
Audit Area	Total Rec's 2021/2022 based on 4 Schools	2021/2022 %
Governance	1	3%
Management of Delegated Resources	1	3%
Income & Bankings (inc Lettings)	1	3%
School Funds	3	10%
School Meals (including banking)	0	0%
Bank Reconciliations	1	3%
Procurement / Expenditure	6	22%
Multi-Pay Cards	6	22%
Health & Safety / Premises Security	0	0%
Inventory	3	10%
IT	3	10%
Other	4	14%
TOTAL	29	100

5.5 Procurement / Expenditure and Multi Pay Cards were identified as the main issues in the four schools reviewed, with the percentage of those recommendations accounting for roughly 44% of the total made. As always, Headteachers are continually reminded of the requirement to comply with the Scheme for the Financing of Schools, Contract Procedure Rules (CPRs), Financial Regulations and Accounting Instructions.

5.6 The main areas where issues have arisen regarding these are highlighted below:-

a) Not raising authorised purchase orders at the point of commitment or at all. This is important as it allows for effective budget monitoring and proper certification procedures. It is also a record of what has been ordered, helps to minimise disputes and to facilitate matching to the invoice both in terms of price and quantity.

- b) Governor approval not being obtained for all expenditure over £10,000.
- c) Valid VAT invoices and or receipts not being requested and retained for Multi-pay card purchases and some claims not being accurate when completed.
- d) Multi-pay card pre-defined authorisation spend limits approved by the Governing Body had not been minuted.

6. Special Schools

- 6.1 One special school was audited remotely (Appendix 2) during the 2021/22 financial year. A separate report was produced with the school achieving a Substantial level of assurance and 17 recommendations being made.

7. Developments and Other Work Undertaken in Year

- 7.1 During the year, in addition to the individual school audits and thematic reviews, other work was also undertaken as noted below.
- 7.2 Ad-hoc work covering a range of areas as and when they arise, at the request of schools or the Education Directorate.
- 7.3 Information and advice provided to school forums and bulletins on the main reported areas highlighted during routine audits and thematic reviews.
- 7.4 The continued revision of school Accounting Instructions ensuring they are up to date and relevant. The updated suit of documents has now been published on 'Staffnet' for the schools to refer to when requiring support and advice in carrying out their day to day financial administration duties and training is being offered over the coming months.
- 7.5 Internal Audit continue to review all school programme questionnaires and audit scopes on an annual basis, ensuring any updated procedures are included in the testing and reflect any changes in the school environment.
- 7.6 As stated above, the team carried out three thematic audit reviews for primary schools providing assurance over key risk areas. Internal Audit will again, this year, be undertaking thematic reviews for primary schools on other key risk areas identified at the schools as agreed with the Director of Education.

8. School Self-Assessment Questionnaires

- 8.1 Historically, all primary and special schools have been subject to the self-assessment questionnaire audit process, however over the last couple of years we have seen a mix of this procedure for the schools audited remotely and the schools included in our thematic reviews.
- 8.2 Every year since the questionnaire was introduced, we continue to review the audit scope ensuring resources are being focused on key areas that are relevant in the modern school environment.

8.3 The overall reaction to the questionnaire when used continues to be very good, with encouraging feedback received from schools that have contacted the Internal Audit Team. Consultation with the Primary Support Officers also confirms that the schools continue to react positively to this audit approach.

9. Quality Measures

9.1 At the end of each individual audit, Headteachers are provided with a Quality Control Questionnaire (QCQ) that allows them to comment on the quality of the audit service provided. For thematic reviews, the questionnaire is sent to Education management for a response. A copy of the questionnaire is attached, see Appendix 4.

9.2 Each completed questionnaire is reviewed and comments are taken into account when planning future audits, where appropriate.

9.3 The QCQ results feed into a Performance Indicator, which shows the percentage of schools expressing 'at least satisfaction' with the conduct of audit assignments undertaken by Internal Audit.

9.4 The Performance Target for schools, that were 'at least satisfied' with the quality of audit service for 2021/22 was 98%.

9.5 The response rate to our QCQ surveys are as follows:

	2021-22		
	QCQ's issued	No. of Responses	Response%
Primary (Remotely)	1	1	100%
Special School (Remotely)	1	1	100%
Secondary Schools	4	4	100%
Primary (DBS)	1	1	100%
Primary (sQuid)	1	1	100%
Overall	8	8	

9.6 Over the last number of years we have made a concerted effort to ensure that where possible, feedback from Headteachers in relation to the service provided is returned, by following up those schools that have not submitted their QCQs. The table above shows that this year we achieved a 100% return rate, with all QCQ's issued being returned by the Schools. We also received both responses from the relevant managers in relation to the two thematic reviews undertaken.

9.7 It should also be noted that for those QCQ's received for the primary, special, secondary and thematic reviews, 100% were at least satisfied with the overall usefulness of the audit, which is greater than our internal performance target of 98%. This confirms the continued good working relationship between Internal Audit, Education and the Schools.

10. Conclusion

- 10.1 This annual report provides information on the schools audited remotely and thematic reviews undertaken and finalised during 2021/22. It also identifies the main areas for improvement in relation to the secondary school findings of procurement / expenditure and the use of multi-pay cards. The thematic reviews completed in year also highlighted some areas for improvement and these have been communicated to all schools via the schools bulletin and to the individual schools concerned as part of the feedback process.
- 10.2 As previously stated, this year continued to be particularly difficult when trying to arrange and carry out school audits across the authority due to the pandemic and the restrictions in place with regards to physical site visits.
- 10.3 However, we were able to complete six individual school audits and two thematic reviews to provide assurance over the key risk areas across the population. We were also able to conclude the previous year's unofficial fund exercise for the remaining three schools.
- 10.4 A good working relationship continues to exist between schools, the Education Department and the Internal Audit Section, with Headteachers and Education management generally responding positively to audit recommendations.
- 10.5 It is again the opinion of the Internal Audit Section that, based on the work undertaken in year, the financial management systems established in the schools subject to audit testing continue to provide a generally good level of assurance based on the reported results, subject to some instances of none compliance as stated in the main body of the report.

11. Integrated Assessment Implications

- 11.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socio-economic disadvantage.
 - Consider opportunities for people to use the Welsh language.
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

- 11.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 11.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 11.4 The completion of the Integrated Impact Assessment Screening revealed that:
- The Annual Report of School Audits has a low positive impact across all groups.
 - It has been subject to consultation with the Director of Finance, Legal, Access to Services, and Education Management.
 - All Well-being of Future Generations Act considerations are positive and any risks identified are low.
 - The overall impact of the Annual Report of School Audits is positive as it will support the Authority in its requirement to protect public funds.

12. Financial Implications

- 12.1 There are no financial implications associated with this report.

13. Legal Implications

- 13.1 There are no legal implications associated with this report.

Background Papers: Internal Audit Plan 2021/22

Appendices:

Appendix 1 –

Primary Schools covered by both the Thematic DBS & sQuid Reviews 2021/22
Remaining Primary Schools covered by the Thematic Unofficial Fund Review 2021/22
Primary School Audited and Finalised (Remotely) 2021/22

Appendix 2 -

Secondary Schools Audited and Finalised 2021/22
Special School Audited and Finalised 2021/22

Appendix 3 –

Areas Reviewed at Primary / Secondary / Special Schools during 2021/22

Appendix 4 –

Quality Control Questionnaire

Appendix 5 –

Integrated Impact Assessment Screening Form

**PRIMARY SCHOOLS COVERED BY BOTH THE THEMATIC DBS & SQUID REVIEWS
2021/22**

School	Date Report Finalised	Level of Assurance
Brynhyfryd Primary	04-03-2022	Substantial
Burlais Primary	04-03-2022	Substantial
Cilâ Primary	04-03-2022	Substantial
Danygraig Primary	04-03-2022	Substantial
Dunvant Primary	04-03-2022	Substantial
Gors Community Primary	04-03-2022	Substantial
Gowerton Primary	04-03-2022	Substantial
Hendrefoilan Primary	04-03-2022	Substantial
Knelston Primary	04-03-2022	Substantial
Mayals Primary	04-03-2022	Substantial
Newton Primary	04-03-2022	Substantial
Pontlliw Primary	04-03-2022	Substantial
Sketty Primary	04-03-2022	Substantial
St. Helen's Primary	04-03-2022	Substantial
Talycopa Primary	04-03-2022	Substantial
Townhill Community Primary	04-03-2022	Substantial
Trallwn Primary	04-03-2022	Substantial
Y.G.G. Bryniago	04-03-2022	Substantial
Y.G.G. Bryn-y-Môr	04-03-2022	Substantial
Y.G.G. Llwynderw	04-03-2022	Substantial
Y.G.G. Lôn-las	04-03-2022	Substantial
Y.G.G. Y Login Fach	04-03-2022	Substantial

**REMAINING PRIMARY SCHOOLS COVERED BY THE THEMATIC UNOFFICIAL FUND
REVIEW 2021/22**

School	Date Report Finalised	Level of Assurance
Craigfelen Primary	19-01-2022	Substantial
Clydach Primary	19-01-2022	Substantial
Blaenymaes Primary	19-01-2022	Substantial

PRIMARY SCHOOL AUDITED AND FINALISED (REMOTELY) 2021/22

School	Date Report Finalised	Level of Assurance
Hafod Primary	19-10-2021	Substantial

SECONDARY SCHOOLS AUDITED AND FINALISED 2021/22

School	Date Report Finalised	Level of Assurance
Bishopston Comprehensive	23-08-2021	High
Pontarddulais Comprehensive	23-08-2021	Substantial
YG Bryn Tawe Comprehensive	07-09-2021	High
Pentrehafod Comprehensive	13-09-2021	High

SPECIAL SCHOOL AUDITED AND FINALISED 2021/22

School	Date Report Finalised	Level of Assurance
Ysgol Pen y Bryn	29-03-2022	Substantial

AREAS REVIEWED AT PRIMARY / SECONDARY / SPECIAL SCHOOLS DURING 2021/22

AUDIT AREA	MAIN CATEGORIES REVIEWED IN EACH AUDIT AREA
Governance	Roles and Responsibilities of Governors, Committees and Staff Policies and Committees Governors Involvement in Setting the School Development Plan Finance, Administration and DBS
Management of Delegated Resources	Budget Setting and Approval Authorised Signatories Delegated Powers
Budget Monitoring	Budget Monitoring Reports sent to the Governing Body Any Capital Expenditure Any Loans / Overdrafts / Leases
Lettings	Governing Body Approval Lettings Applications & Insurances
After School / Breakfast Clubs	Charges Governing Body Approval Income & Expenditure
Banking Procedures	Safety of Monies Holding Limits
Recording of Income	Types of Income Record Accuracy & Retention Segregation of Duties
School Unofficial Funds	School Fund Signatories Audit and Presentation of the School Fund Fund Transactions & Reconciliations Fund Constitutions & Management Committees
School Meals	Dinner Money Arrears Certification of CS3's by Headteachers CS3 Meals Served to sQuid Records Weekly Banking of Dinner Monies (if applicable) Entitlement to Free School Meals
Bank Reconciliation	Undertaken / Frequency Independently Reviewed
Expenditure & Procurement	Official Orders Raised and Authorised Payment Procedures Governing Body Approval of Payments more than £10k Compliance with Contract Procedure Rules Cheque Stock Records Insurance Arrangements for Non-Authority 'Approved' Suppliers.

Multi-pay Cards	Card Security
	Segregation of Duties
	Reconciliations & Authorisation Limit Approval
	VAT Compliance
Employees	Staff References
	Travel & Subsistence Payments
	Overtime Payments
Health & Safety/ Fire/ Premises	Health and Safety Inspections
	Fire Risk Assessments and Portable Appliance Testing
	Self-review of Security Issues
Inventory	Format and Security of the School Inventory
	Keeping the Inventory up-to-date including Disposal Procedures
	Physical Checks & Annual Reconciliation / Authorisation
School Mini Bus / Vehicles	Vehicle Logs Maintained
	Driver Licence Checks
	Security of Vehicles
	Insurance, MOT, Serviced
Computer Security & Data Protection	Password Protection
	Regular Password Changes
	Audit Trails
	Data Protection Register

QUALITY CONTROL QUESTIONNAIRE INTERNAL AUDIT SECTION



We are keen to monitor and, where possible, improve the quality of our work. We have adopted a number of performance indicators that we report on monthly, quarterly & annually. One of these is your view of the overall quality etc. of our work.

For this reason, please complete the questions below indicating your level of satisfaction with various aspects of our audit.

Any additional comments you may have should also be included.

AUDIT: _____ DATE OF ISSUE: _____

AUDIT FILE REF. NO: _____ AUDITOR(S): _____

ASPECT OF AUDIT	VERY SATISFIED	SATISFIED	DIS-SATISFIED	VERY DIS SATISFIED
AUDIT PLANNING				
Appropriateness of scope and objectives of audit				
Usefulness of initial discussions with auditor(s)				
Timing of audit				
CONDUCT OF AUDIT				
Duration of audit				
General helpfulness of auditors				
Consultation on findings				
AUDIT REPORT				
Fair presentation of findings				
Importance of findings				
Usefulness of recommendations				
Consultation on findings and recommendations				
The value and practicality of the recommendations				
OVERALL				
How would you rate the overall usefulness of the audit?				

OTHER COMMENTS:

SIGNED: _____ DATE: _____

DESIGNATION/POST TITLE: _____

Please return to the Principal Internal Auditor via email.

Integrated Impact Assessment Screening Form

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Internal Audit

Directorate: Resources

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services

(b) Please name and fully describe initiative here:

The Annual Schools Report to Governance & Audit Committee outlining a summary of the school audits and thematic reviews undertaken by the Internal Audit Section during 2021/22.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

n/a – no impact

	High Impact		Medium Impact		Low Impact		Needs further investigation
	+	-	+	-	+	-	
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q3 What involvement has taken place/will you undertake e.g. engagement / consultation / co-productive approaches?

Please provide details below – either of your activities or your reasons for not undertaking involvement

Consultation undertaken with the Director of Finance, Education Management, Legal and Access to Services.

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan’s Well-being Objectives when considered together?
 Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
 Yes No
- c) Does the initiative apply each of the five ways of working?
 Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
 Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk

Medium risk

Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes No **If yes, please provide details below**

Schools included within the Internal Audit planned rolling programme of work will be subject to internal audit review follow up’s which may result in further recommendations being made to improve compliance with Council policies and procedures and consequentially may result in changes to operations/processes within those schools and the Education department if required.

Q7 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

To update the Governance & Audit Committee on the progress of school audit reviews undertaken by Internal Audit in the financial year 21-22.

Outcome of Screening

Q8 Please describe the outcome of your screening below:

The completion of the Integrated Impact Assessment Screening revealed that:

- The Schools Annual Report has a potentially low positive impact across a number of identified groups.
- It has been subject to consultation with the Director of Finance, Education Management, Legal and Access to Services.
- All WFG considerations are positive and any risks identified are low.

(NB: This summary paragraph should be used in the relevant section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Nick Davies
Job title: Principal Auditor
Date: 29/06/22
Approval by Head of Service:
Name: Ben Smith
Position: Chief Finance & S151 Officer
Date: 30/06/22

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 7



Report of the Interim Chief Executive

Governance & Audit Committee – 13 July 2022

Update Report South West Wales Corporate Joint Committee

Purpose:	To provide the Governance & Audit Committee with an update on the current status and progress in relation to the new SWW Corporate Joint Committee.
Report Author:	Martin Nicholls.
Finance Officer:	Ben Smith.
Legal Officer:	Tracey Meredith.
Access to Services Officer:	Rhian Millar.

For Information

1. Background

As advised in the previous report to G&A committee on the 12th September 2021 and the 12th January 2022 the Local Government and Elections (Wales) Act 2021 (“the Act”) provides for the establishment, through regulations, of CJsCs.

1.1 Establishment Regulations were approved by the Senedd to establish four CJsCs in Wales including the South West Wales Region –

- Carmarthenshire County Council;
- Neath & Port Talbot County Council;
- Pembrokeshire County Council;
- Swansea Council.

1.2 In addition for the strategic planning functions the CJC would include both Brecon Beacons and Pembrokeshire National Parks.

- 1.3 Governance will be a key element of CJs and a number of factors must be considered by CJs.
- 1.4 Following the previous Cabinet report approved on the 20th May 2021 work progressed to develop the principles informing the future CJC structure and governance
- 1.5 As a result of these discussions, a further report was presented to Cabinet on the 16th December 2021 which outlined the ways in which the CJC may be constituted in order to meet legislative requirements. The committee will also note that the CJC has already been established by legislation.
- 1.6 Since the last update to this Committee, 3 meetings of the CJC have now been held on the following dates:

13th January
25th January
15th March

All meeting details and links are available via the host Local Authority Neath Port Talbot [Browse meetings - South West Wales Corporate Joint Committee: NPT CBC](#) and specific links are shown in the background papers links.

These committees have now agreed a range of matters including:

- The initial confirmation of committee members and the election of chair Cllr Rob Stewart (please note that membership changes will be made post election)
- Confirmation of the scope of the CJC which is regional transport plan, strategic development planning function and delivery of activities that contribute to the economic well being
- The setting of the budget for the 2022/23 financial year as outlined in the January 25th meeting
- The approval of the CJC Constitution and Standing Orders.
- Confirmation that the Chief Executive role to be rotated annually with Neath Port Talbot taking the role in year 1.
- Allocation of responsibilities and appointment of statutory officers across the region and leads for each work stream;
- The establishment of a CJC Governance and Audit Sub-Committee.
- The establishment of an Overview and Scrutiny Sub-Committee.
- That NPT Standards Committee is designated as the CJC Standards Committee.
- Approval of the new regional economic development plan (REDP) and regional energy strategy which underpins the Economic well being objectives.

2. Governance and Audit Functions

- 2.1 The CJC is required to establish a sub-committee to be known as the Governance and Audit Sub-Committee. Nominations to this committee were agreed at the Annual Meeting of Council which agreed that the Chair of the Governance and Audit Committee in Swansea, Paula O'Connor and 2 other Councillors were nominated as the Swansea Council Representative(s) to the Governance and Audit Sub-Committee.
- 2.2 The first meeting of the CJC governance and audit committee has not yet been arranged.

3. 2022/2023 work programme and budget

- 3.1 The work programme for the year ahead will be set at the next planned CJC on the 26th July. This will consider each of the strands of the CJC which is regional transport plan, strategic development planning function and delivery of activities that contribute to the economic well being.
- 3.2 In terms of budget the CJC meeting took place on 25 January 2022. The current agreed budget was set at £575k for 22/23. The CJC has set a zero financial budget for the 21/22 financial year and agreed that no levy be raised against constituent councils for that year but that to ensure fairness and equity across the region the regional funding of the CJC would be set through a levy apportionment by population size. Swansea's share of this equates to £200k and was budgeted for accordingly.
- 3.3 The financial position of the National Parks is yet to be determined but it should be noted that their financial contribution extends only to supporting the strategic planning aspect of the CJC.
- 3.4 During the course of 2022/23 the forward programme for 2023/24 will be developed and this will in turn link in directly with the future budget requirements.

4. Legal Implications

- 4.1 The South West Wales CJC has a range of statutory duties which it has to comply with in the conduct of its business under both legislation and statutory guidance.
- 4.2 The South West Wales CJC is a statutory body in its own right and includes its own governance and audit arrangements.

5. Financial Implications

- 5.1 There are no direct financial implications arising from the report itself. Future ongoing costs, including the first formal levy from the CJC were

built into the Council's budget setting round for 22-23, and this will continue to be an annual part of all future budget considerations.

6. Integrated Assessment Implications

6.1 This is a status report and therefore an assessment is not required.

Background papers:

Links below to CJC meetings of 13th January, 26th January and 15th March.

[Browse meetings - South West Wales Corporate Joint Committee: NPT CBC](#)

Appendices: None

Agenda Item 8



Report of the Deputy Chief Executive and Director of Corporate Services

Governance and Audit Committee – 13 July 2022

Internal Audit Report - Accounts Receivable Action Plan

Purpose:	To provide an update for the Service Centre, Accounts Receivable Function.
Policy Framework:	None
Consultation:	Legal, Finance and Access to Services
Recommendation(s):	It is recommended that: - 1. the Governance and Audit Committee notes that officers will continue to report to CMT on a quarterly basis as a further update on the debt position across the authority.
Report Author:	Sian Williams & Michelle Davies
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Catherine Window

Internal Audit on Accounts Receivable Function – Update July 2022

1. Introduction

- 1.1 The Accounts Receivable Internal Audit was carried out in Quarter 1 2022 and the report was issued in March 2022. An assurance level of Moderate was again given. The detail below summarises the reasons and progress to date.
- 1.2 There is 1 High Risk and 2 Medium Risk action points, one of which is from previous audits that remains outstanding. All of the Audit action points have been reviewed and included in the AR strategy. The AR team has been given priorities and targets that are aligned with the corporate strategies and the Internal Audit action plan. However, it is anticipated that it will not be possible to complete all of these actions before the

next audit report for reasons that have been outlined in previous reports. For clarity, the action points referred to in this report are:


Action point reference	Risk rating	Detail
2.2.4	MR	The Director of Finance should be asked to raise the issue of long-standing disputed invoices at CMT, and highlight invoices which have not been addressed by services for over 90 days.
3.6.3	HR	All invoices should be escalated on a timely basis in accordance with established protocols. Where debtors have not paid within the timescales allowed, a decision should be made on whether to refer the invoice to Legal, or write it off. <i>(Previous audit recommendation)</i>
3.6.6	MR	Appropriate follow-up procedures with debtors/service departments and diarising of invoice reviews, should be carried out by officers in the AR team as a matter of routine.

- 1.3 The Cash Management and Accounts Receivable Manager has reported to the Governance & Audit Scrutiny Committee periodically over the last 3 years and all committee actions have been implemented.
- 1.4 Verbal updates have been provided to the Governance & Audit Scrutiny Committee by the Director of Finance (S151) and the Deputy Chief Executive and Director of Corporate Services in the previous meetings of 8th February 2022 and 15th June 2022. Below is a summary of the actions and progress that have been implemented/achieved in the intervening period (February to July 2022):
- a. **Debt Recovery Activities (DRA) meetings:** These meetings are held monthly and continue to ensure focus is directed to audit action plan priorities and to the debt recovery strategy. Priorities are regularly reviewed and progress is monitored. The team are continuing to focus on completing a review of the oldest debts, all high value debts, outstanding debts to large businesses and organisations and the 'Refer to Legal' reconciliation. Data reviews are carried out every 6 months to analyse the outstanding debt and move the lens to shift activities onto a different debt area. The team are currently working through these priorities and have regular review meetings.
 - b. **Outstanding Aged Debt:** The current aged debt position is as shown below (*note all aged debt figures are snapshots and the outstanding debt position changes on a daily basis*):

Month	Total Due	>365 Days	120 - 365 Days	90 - 119 days	60 - 89 Days	0 - 59 Days
June 2022	14,666,216	2,152,759	2,281,851	1,783,331	951,548	7,496,727
		15% of Total Due	34% of Total Due		51% of Total Due	

A comparison of the average outstanding debt per financial for invoices in the >365 days category is shown below. This comparison shows a trend over a wide period of time and is taken at a consistent point each month. It should be noted that the average amount regularly runs at over £2M with the lowest average figure reached in 2016/2017. The overall variance reduction from 2011 to 2022 is £393,100 with a reduction of £ 394,437 achieved between 2019/2020 to 2021/2022 (latest figures).

In addition, the percentage of debt over 1 year when considered in the context of the total value of debt raised in the year, it can clearly be seen that the overall direction of the trend is for this category to be falling when a comparison is made between the total debt raised.

Financial Year	Average of >365 days category	value of invoices raised in year	Debt over 1 year old as a % of all invoices raised in year	Direction of trend
2011/2012	2,544,325	£43,046,855	5.91%	
2012/2013	2,791,868	£46,288,381	6.03%	
2013/2014	2,567,023	£52,030,139	4.93%	
2014/2015	2,393,301	£42,630,819	5.61%	
2015/2016	2,115,132	£49,001,991	4.32%	
2016/2017	2,004,428	£51,465,696	3.89%	
2017/2018	2,115,325	£52,284,903	4.05%	
2018/2019	2,035,506	£59,808,803	3.40%	
2019/2020	2,545,662	£76,958,216	3.31%	
2020/2021	2,144,065	£110,694,850	1.94%	
2021/2022	2,151,225*	£88,370,588	2.43%	

**Please see point c) below*

Specific targeted and tracked debt recovery actions in the period Sept to Jan 2022 have resulted in the following progressions:

Category	Number of invoices in category	% of invoices in category	Value of invoices in category £
Paid in full	23	39%	2,847,872
Cancelled by Service Dept	4	7%	303,798
Awaiting evidence of debt	29	49%	640,286
Remaining unpaid	3	5%	272,642
Totals	59	100%	4,064,598

Category	Number of invoices in category	Value of invoices in category £	
Debts owed by Utility Companies have reduced by 50% from September 2021 to Feb 2022	Sept 2021 - 2,470	£129,420	↓
	Feb 2022 - 885	£66,338	
Invoices on Awaiting Evidence of Debt category has reduced by 45% from Jan 2022 to June 2022	Jan 2022 - 145	£51,228	↓
	June 2022 - 79	£84,793	

- c. **Write offs:** All write offs of value under £10,000 as at January 2022 have been approved and closed on the Accounts Receivable system.

A further 300+ invoices have been moved to a write off category from January to June 2022 and a fresh write off list will be produced in August 2022. These will be closed on the system prior to the migration to the new Oracle Fusion system in the Autumn of 2022. However it should be noted that there are currently 24 invoices to a total value of £338,111 of invoices with a write off value of over £10,000 that are waiting to receive the final approval to write off. Once these have been approved the category of debt outstanding of over one year old will reduce. **To clarify, if these had been approved and closed on the system in June 2022 the outstanding debt for category over 1 year would have reduced from £2,151,225 to £1,813,114, reducing this category to its lowest point since these statistics began to be compiled.**

In addition the AR to Legal Protocol document has been reviewed and updated to reflect the current costs of legal action and this will assist the AR Team in categorising uncollected debts and speed up the debt recovery processes of the lower value debts.

- d. **Referrals to legal:** The team continues to make progress with referring outstanding debts to Legal with a further 140 invoices totalling £95,576 referred to Legal in the period January to June 2022.
- e. **Service Department liaison:** A further communication has been issued to all service departments to remind them that unpaid debt needs to be monitored and that they should provide the evidence of the debt straight away so that the invoice can be referred to Legal.
- f. **Disputed invoices:** Invoices on dispute have reduced by 8% from 251 invoices in Jan 2022 to 232 invoices in June 2022
- g. **Legal Department liaison:** Regular quarterly meetings with the Legal Debt Recovery team are now taking place. The agenda covers monitoring of all referrals, discussion of any difficult cases and we have reviewed the AR/Legal protocol to update the policy and threshold limits.

h. Response to specific points from the Governance and Audit Committee meeting of 15th June 2022:

Data is reported to the monthly PFM meetings every month. The AR section provides the total number and total value of invoices in dispute and debts over 60 days old. This information is broken down into totals for each Head of Service area in line with all other corporate financial monitoring. In addition to the information provided to PFMs, every Head of Service is sent a full list of invoices that are on dispute for their area **every month**. They are also sent a full list of invoices that are over 60 days old every 3 months. The information is disseminated by email and explicit instructions are included in the email that explains what is attached and what the service department is required to do with the information. Further all staff in the Service Departments have the facility to produce their own up to date reports directly from the Oracle AR system and notes detailing how to run these are readily available in the Receivables User Group on MS Teams.

In June 2022 the Deputy Chief Executive and Director of Corporate Services raised the importance of invoice disputes with both CMT and Leadership group as per the action 2.2.4 in the audit plan.

Disputed invoices: when an invoice is disputed it is moved to the relevant hold category and an email notification is issued straight away to the individual staff member who raised the invoice. The invoice is then included in the monthly PFM reports and the Service Department lists as detailed above. Accounting Instruction 7 details the department's responsibilities with regard to invoice dispute resolution.

The provision policy for bad debt is monitored by Accountancy based on the detailed reports sourced directly from the Accounts Receivable system. Full due diligence is applied to debts before they are considered for write off to ensure that all avenues for recovery are exhausted.

The debt recovery process is robust but faces challenges. Every invoice that remains unpaid after 28 days will automatically be issued with a Reminder letter. If it remains unpaid after a further 14 days (42 days since the invoice was raised) a Final Reminder letter is automatically issued. After this point, the recovery activities are manually driven by the Accounts Receivable Section. The AR Team focus their manually driven activities primarily on the high value debts but aim to cover all value debts at some point. These remaining invoices require effort and time to chase and recover. The team has reduced 50% in size since 2010 which makes it very challenging to continue to expend the same amount of manual effort as previously. In addition, the global pandemic has resulted in an unprecedented poor financial outlook for many small businesses and Swansea residents. This is now being compounded by the cost of living crisis which will make the job of debt recovery officers even harder.

The Government also introduced new legislation in 2021 to help individuals in financial hardship (Debt Respite Scheme also referred to as Breathing Space). This has had an effect on all debt recovery in the Council and further mandates are expected with regard to debt repayment plans in the next 2 years. These measures are designed to protect individuals and restrict creditor activities. To date, there has only been a small impact to AR but mandated debt recovery plans may have a bigger impact resulting in additional

administration and less flexibility. Current AR procedures allow plenty of room for negotiation for debtors that are unable to pay their invoices.

i. Future activities

A review of the reporting methodology will be considered so that some aspects currently captured may be better recorded in a different way e.g. direct debits for debt repayment.

The new Head of HR and Service Centre commenced employment in mid-June and has been tasked with development of the action plan, progress of which will be reported to the interim Chief Executive and Director of Finance in the coming months. Further reporting to CMT will also be provided as required.

Options for investing in additional resource in the AR function will be explored in order to improve pace of recovery given the current level of activity with existing resources.

A further report to Governance and Audit Committee will be provided in 6 months to demonstrate further progress made against the audit plan.

2. Integrated Assessment Implications

2.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language

2.2 An IIA has been undertaken which has identified minimal impacts in relation to this report (Appendix A). The report covers debt recovery strategy and performance. The AR strategy takes into account the ability of the individual to pay the debt and ensures that they are not placed into poverty as a result of debt recovery activities. The strategy also has responsibility to protect the public purse so all activities are appropriate to the individual by taking into account their circumstances whilst aiming to recover monies due to the Authority.

3. Financial Implications

3.1 There are no financial implications other than those set out in the body of the report.

4. Legal Implications

4.1 There are no legal implications other than those set out in the body of the report.

Background Papers: None.

Appendices:

Appendix A	Integrated Impact Assessment Screening Form
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Integrated Impact Assessment Screening Form

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: HR and Service Centre

Directorate: Resources

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services
- Other

(b) Please name and fully describe initiative here:

Accounts Receivable Report to Governance & Audit Committee covering debt recovery strategy and performance

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

	High Impact		Medium Impact		Low Impact		Needs further Investigation	No Impact
	+	-	+	-	+	-		
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Gypsies & travellers	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sex	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual Orientation	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender reassignment	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Welsh Language	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Community cohesion	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Human Rights	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches?
Please provide details below – either of your activities or your reasons for not undertaking involvement**

Not applicable

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative: Yes

a) Overall does the initiative support our Corporate Plan's Well-being Objectives when considered together?

Yes No

b) Does the initiative consider maximising contribution to each of the seven national well-being goals?

Yes No

c) Does the initiative apply each of the five ways of working?

Yes No

d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?

Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk

Medium risk

Low risk

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes No If yes, please provide details below

Q7 Will this initiative result in any changes needed to the external or internal website?

Yes No If yes, please provide details below

Q8 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

The report covers debt recovery strategy and performance. The AR strategy takes into account the ability of the individual to pay the debt and ensures that they are not placed into poverty as a result of debt recovery activities. The strategy also has responsibility to protect the public purse so all activities are appropriate to the individual by taking into account their circumstances whilst aiming to recover monies due to the Authority.

Outcome of Screening

Q9 Please describe the outcome of your screening using the headings below:

- **Summary of impacts identified and mitigation needed (Q2)**
Mitigation is already in place to protect individuals who are unable to pay their debts.
- **Summary of involvement (Q3)**
Not applicable
- **WFG considerations (Q4)**
Ensuring prevention of poverty will contribute to all of the WFG goals
- **Any risks identified (Q5)**
No
- **Cumulative impact (Q7)**
No

(NB: This summary paragraph should be used in the ‘**Integrated Assessment Implications**’ section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Michelle Davies
Job title: Cash Management & Accounts Receivable Manager
Date: 05/07/2022
Approval by Head of Service:
Name: Rachael Davies
Position: Head of HR and Service Centre
Date: 05/07/2022

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 9



Report of the Director of Corporate Services

Governance and Audit Committee – 13 July 2022

Workforce Strategy

Purpose:	To report on the progress on the implementation of the Workforce Strategy for Swansea Council 2022 to 2027.
Report Author:	Adrian Chard, Strategic HR&OD Manager
Finance Officer:	Janet Morgan
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar
For Information	

1. Introduction

- 1.1 During the course of 2021 and into 2022 a Workforce Strategy has been developed for the financial years from April 2022 to March 2027.
- 1.2 Through consultations it was agreed that the Strategy should cover a five year period rather than the original three years.
- 1.3 That Strategy has now been implemented and attached as Appendix 1.
- 1.4 The purpose of this paper is to provide an update on Strategy activities and to advise on next steps.

2 Summary of the Workforce Strategy 2022/27

- 2.1 The Council's Workforce Strategy has been developed taking into consideration our Corporate Plan for 2020/22; "Delivering a Successful & Sustainable Swansea" as well as the provisions of the Well-Being of Future Generations (Wales) Act 2015, the requirements of Welsh and UK Government and the immediate and longer- term challenges around Covid-19 and leaving the European Union.

The Council's Recovery Plan; "Managing the Present and Shaping the Future Swansea Council- From Recovery to Transformation" has provided an overview in responding to these challenges and the framework to replace the Sustainable Swansea Strategy with "Swansea – Achieving Better Together". As part of that framework it has been identified under the third longer-term "Reshape" phase that we develop a "Workforce Strategy", recognising that work in Phases 1 (Re-Align) and 2 (Re-Focus) will support this.

1.1 The Strategy identified the following Vision for our Workforce; ***“to have a motivated and committed workforce that is innovative, supported, skilled and customer focused”*** so that we ***“build strong morale in the workforce and ensure our employees feel professionally satisfied, valued and motivated by the positive and lasting impact they have on the people and communities they serve”***.

1.2 To that end, the following Key Themes and Strands have been identified to support that Vision;

Theme 1 Leadership and Management

Strand 1 - Culture and Behaviours

Strand 2 - Future Leadership

Strand 3 – Future Shape of the Organisation

Theme 2 A Workforce Fit for the Future

Strand 4 – Future Workforce

Strand 5 – Recognising Performance

Theme 3 Being an Employer of Choice

Strand 6 – Recruitment and Retention

Strand 7 – Workforce Development

Theme 4 Workforce Wellbeing and Inclusion

Strand 8- Supporting Our Workforce

Strand 9– Equality in the Workplace

1.3 Each Strand has identified objectives and will include an Action Plan to support delivery of key activities in achievement of those objectives.

2. Consultation Process

23.1 There has been extensive consultation in the development of this Strategy. This has included;

- Senior management consultations with;
 - The Corporate Management Team
 - Heads of Service Leadership Team
 - HR Customer Focus Group
- Members, via;
 - The Joint Consultative Committee
 - Workforce Scrutiny Group

- Equalities and Future Generations PDC Board
- Recovery and Future Generations PDC Workshop
- Employees, via;
 - Staff Survey; with specific question relating to the key themes and strands.
 - Focus Group sessions with Trade Union representatives and cross-sections of the workforce.

2.2 The results of these consultation processes have been positively received and helped inform the Strategy.

3 Delivery Against Key Themes and Next Steps

Theme 1 Leadership and Management

Strand 1 - Culture and Behaviours

- Funding has been received for additional resource to support a review of Principles Values and Behaviours.
- Workshops have been held jointly with Trade Unions on Social Partnership Working. A Social Partnership Framework will be consulted on in 2022.
- A strategy for communications and engagement Leadership Team is under discussion on options and a staff survey is being undertaken.

Strand 2 - Future Leadership

- Funding has been received for resource to develop a framework of leadership behaviours and subsequent leadership development interventions.
- A coaching and mentoring strategy has been launched.
- “Let’s Talk” (previously “Leadership Hub”) continues to be held on a monthly basis.
- The Council has become a Member of “New Local” and will be an active participant in this networking group.

Strand 3 – Future Shape of the Organisation

- Funding has been received to support on future organisational design activities.
- The Regionalisation agenda is reviewed regularly by lead officers to identify whether any specific activities are required beyond business as usual - no specific activities identified to be undertaken in respect of the workforce strategy as yet.
- The Council’s Long term Waste Management strategy has been approved and there are currently no workforce actions identified. The Integrated Transport Unit activity is complete. The regional transport plan will be overarching and will not impact on local workforce development.
- Vulnerable learner service re-introduced and Head in place from 1st April 2022. Fifty per cent of the ambition has been realised.

- Community development strategy complete with no workforce implications.
- The optimum model for adult services, and a child and family services improvement programme including a safe 'Looked After Children' reduction strategy is underway. The workforce elements of the children services recovery and improvement plan for this year include the establishment of an academy as part of our 'grow your own' approach to address the deficits in workforce particularly social work capacity. Whilst the academy will be established this year it will take 3 years to provide a sufficient supply of social workers and in the meantime the service is maximising the use of differently qualified staff to add resilience in the short and medium term.
- The People Commissioning Hub has been operating throughout the period of the covid pandemic. A review of staffing infrastructure has been undertaken and recruitment is underway.

Theme 2 A Workforce Fit for the Future

Strand 4 – Future Workforce

- It is a key objective for HR&OD Business Partners to support in the delivery of strategic resource planning to inform workforce strategy across Directorates.
- A Quality Systems Lead has been appointed on a secondment basis to 31st March 2023 to develop and adopt agile (lean) working practices across the Council.
- A report will be provided to Governance and Audit Committee on the Management of Agency Workers. A further recent audit reported an improved rating of “Substantial”.

Strand 5 – Recognising Performance

- The review of pay and grading for senior roles has commenced
- Delivery of a revised, “fit for purpose” Performance Management approach, to reflect the future needs of the Council is continuing via Oracle.
- The Council is now seeking accreditation as a Real Living Wage employer accreditation.

Theme 3 Being an Employer of Choice

Strand 6 – Recruitment and Retention

- A Recruitment Specialist has been appointed on a Fixed Term Contract basis to 31st March 2023 to progress the key activities identified in the Strategy as follows;
 - Review and Update of Recruitment and Selection Policy; so that it meets with employment legislation, best practice and Council need (particularly with regard to Equalities).
 - Review of Application Process; so that it is compliant with legislation and is seen to be supportive to applicants.
 - Development of our Recruitment Attraction Approach;
 - Upskilling of recruiting Managers
 - National Education staff recruitment campaign

Strand 7 – Workforce Development

- An additional Corporate L&D Officer has been appointed to 31st March 2023 to support on the following;
 - Development of Corporate Development Needs Analyses (DNA)
 - Delivery of effective elearning solutions in Oracle Fusion,
 - Delivery of Career Development Programmes, particularly for apprenticeships and graduate level entrants offering work experience, trainee programmes,
 - Develop Induction/ On boarding
- Delivery of training related to the requirements of the Well-being of Future Generations (WFG) Act, for example, Integrated Impact Assessments, Sustainable Development
- A draft paper is being consulted on with regard to the provision of Welsh language training to meet our Legal and Corporate objectives
- There is continued partnership with Gower College to identify and deliver external training support.
- Discussions are being held with Gower College and Leadership Team on the delivery of the Digital Strategy mission to achieve Digital skills and confidence including technical competency and digital innovation skills. Discussions have commenced regarding delivery of a Schools Leadership Development Programme.

Theme 4 Workforce Wellbeing and Inclusion

Strand 8- Supporting Our Workforce

- A Training package in-place with additional e-learning packages to incorporate mental health awareness into leadership and management development and courses now advertised that will increase as new Officers start
- The Helping Hands training package is complete, with promotional/recruitment resources to champion mental health. Scoping meeting held with current volunteers in June before recruitment in July 2022.
- Dying to Work Charter reviewed and re-launched.
- Management of Absence Advisors in place to provide dedicated advice and support to focus on reducing sickness absence, particularly longer-term. A full update will be provided to Governance and Audit Committee in September.
- An action plan will commence for re-accreditation for SEQOHS ('Safe, Effective, Quality Occupational Health Service). before audit and inspection by SEQOHS assessors
- Initial meeting with SEQOHS 15th June, registry and re-accreditation process underway.
- To regain Gold Award status under the Healthy Working Wales; Corporate Health Standard and Small Workplace Health Awards), Health Fairs have been booked and newsletters developed and distributed and evidence being built. There is a meeting scheduled with CHS assessors in July.

Strand 9– Equality in the Workplace

- Workforce Equalities Group established to address workforce equalities issues such as;
 - Collection of Data on “Protected Characteristics, pro-active contribution to the development of recruitment and selection processes to reflect the communities we serve
 - Adherence to the Welsh Government's Race Equality Action Plan and LGBT+ Action Plan as they relate to the Workforce
- Disability Confident Accreditation Employer Status achieved with the intention to achieve Leader status.

4. Integrated Assessment Implications

4.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

4.2. The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the ‘well-being goals’.

4.3. Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

5. Financial Implications

5.1 There are no financial implications other than those set out in the body of the report.

6. Legal Implications

- 6.1 There are no legal implications other than those set out in the body of the report.

Background Papers: None.

Appendices: Appendix 1 - Workforce Strategy 2022-27 including action plan
Appendix 2 – IIA Form



“Achieving Better together as a Workforce”

Workforce Strategy and Plan

2022 - 2027

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Contents	Page
Introduction	3
Organisational Context	4
Why Do We Need a Workforce Strategy?	5
Internal Context	6
External Context	7
Our Vision	8
What does the Workforce need to look like in the Future?	9
Our Strategic Priorities	10
Theme 1 Leadership and Management	11
Strand 1 - Culture and Behaviours	11
Strand 2 - Future Leadership	12
Strand 3 – Future Shape of the Organisation	13
Theme 2 A Workforce Fit for the Future	14
Strand 4 – Future Workforce	14
Strand 5 – Recognising Performance	15
Theme 3 Being an Employer of Choice	16
Strand 6 – Recruitment and Retention	16
Strand 7 – Workforce Development	17
Theme 4 Workforce Wellbeing and Inclusion	18
Strand 8- Supporting Our Workforce	18
Strand 9– Equality in the Workplace	19
Delivering the plan	20
Corporate Workforce Group	20
Workforce Plan Responsibility	20
Updating the Workforce Plan	21
How will we know if we have been Successful?	22
Appendices	23
Appendix 1 Workforce Action Plan	24

Leader's Introduction

To help us support and serve the communities of Swansea, and to help us deliver on our corporate plan, it is important that we have a clear vision and strategy for our workforce.

This strategy sets out our plans for the next five years and demonstrates our commitment to invest in our workforce at all levels across the Council, providing them with the development opportunities to learn and succeed for the future.

We are in a period of unprecedented change in local government in responding to the many challenges that we face. That means we have to transform the way we work, making best use of technology and being more responsive to our residents and our communities, and be able to flex and change to meet the needs of the future.

Our workforce are our most essential asset and we must ensure that we all feel engaged and motivated to deliver the best possible services to our residents, businesses and visitors to Swansea.

It is important that you have a voice and can contribute to improving the way we work. Most often it is our workforce on the frontline who know their services and customers the best and how things can be done better. It is therefore important that we continue to recognise the value of the services we provide and how they support and improve the lives of our communities.

The vision of the strategy applies equally to our entire workforce, regardless of where in the organisation you work, and sets out our commitment to investing in your wellbeing, your ongoing professional development and making sure that Swansea Council is an excellent and rewarding place to work and progress.

**Councillor Rob Stewart,
Leader of the Council**

Organisational Context

Our Corporate Plan for 2020/22; “Delivering a Successful & Sustainable Swansea”, outlined the challenges Swansea faces as follows:

- Population changes – a growing, ageing and more diverse Swansea.
- Economic changes – attracting investment, high quality jobs and new technology into Swansea while addressing the skills gap.
- Climate change – risks from flooding, air and water quality, dangers to ecosystems and biodiversity and energy security.
- Social and cultural changes – addressing inequalities in health, education, employment and life chances.

We have sought to address these current and future challenges through our Corporate Plan and our well-being objectives, as required by the Well-Being of Future Generations (Wales) Act 2015.

In addition, we are working to meet the requirements of Welsh and UK Government and the immediate and longer- term challenges around Covid-19 and leaving the European Union. This adds to the complexity and uncertainty for the Council to deliver operationally while maintaining the confidence of residents that we are here to serve in our local communities.

As a result, the Recovery Plan; *“Managing the Present and Shaping the Future Swansea Council- From Recovery to Transformation”* has provided an overview in responding to these challenges and the framework to replace the Sustainable Swansea Strategy with *“Swansea – Achieving Better Together”*. As part of that framework it has been identified under the third longer-term “Reshape” phase that we develop a “Workforce Strategy”, recognising that work in Phases 1 (Re-Align) and 2 (Re-Focus) will support this.



Why Do We Need a Workforce Strategy?

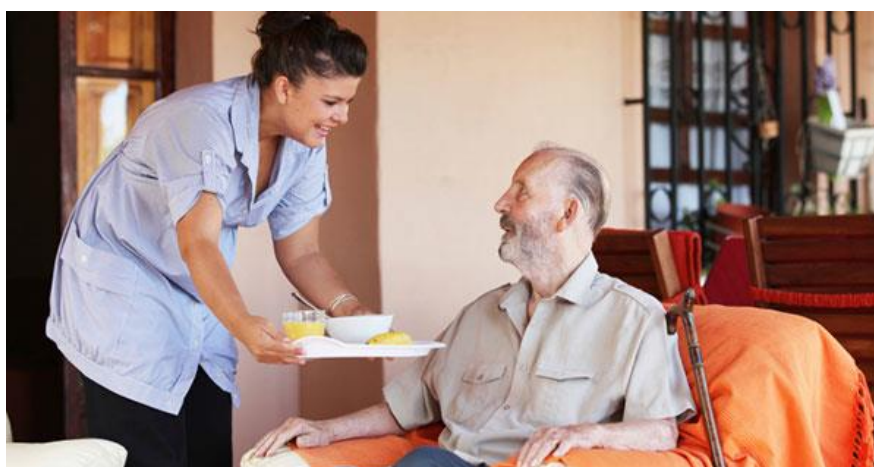
A talented and aligned workforce is crucial for bringing the strategic priorities to life and ensuring the organisation delivers on its objectives. Direct people costs make up 45% of the council's expenditure.

The Workforce Strategy and Plan can deliver significant improvements in value and cost reduction through ensuring that;

- The workforce is the right size.
- Organisational objectives can be delivered
- There is better productivity – through workforce alignment to the operating model
- There is competitive advantage through a more skilled and innovative workforce
- The workforce is resilient and equipped with the skills to adapt to changing demand
- There is higher quality and timeliness of delivery, greater staff engagement and retention and lower levels of stress.
- Cultural and behaviour change is supported and evolves to reflect the operating environment and, following sustainable development so that the workplace is a “more integrated, involvement based environment where we work together with a longer term and preventative focus”.

It is also recognised that the Council is composed of a number of different Service Areas with different strategic priorities and operational requirements and this will need to be reflected in specific action plans wherever appropriate.

Initial consultations with Heads of Service have highlighted a “weariness” and “wariness” in developing strategies that are subsequently not delivered and we must be cognisant of this in moving this strategy forward.



Internal Context

1. Workforce Numbers

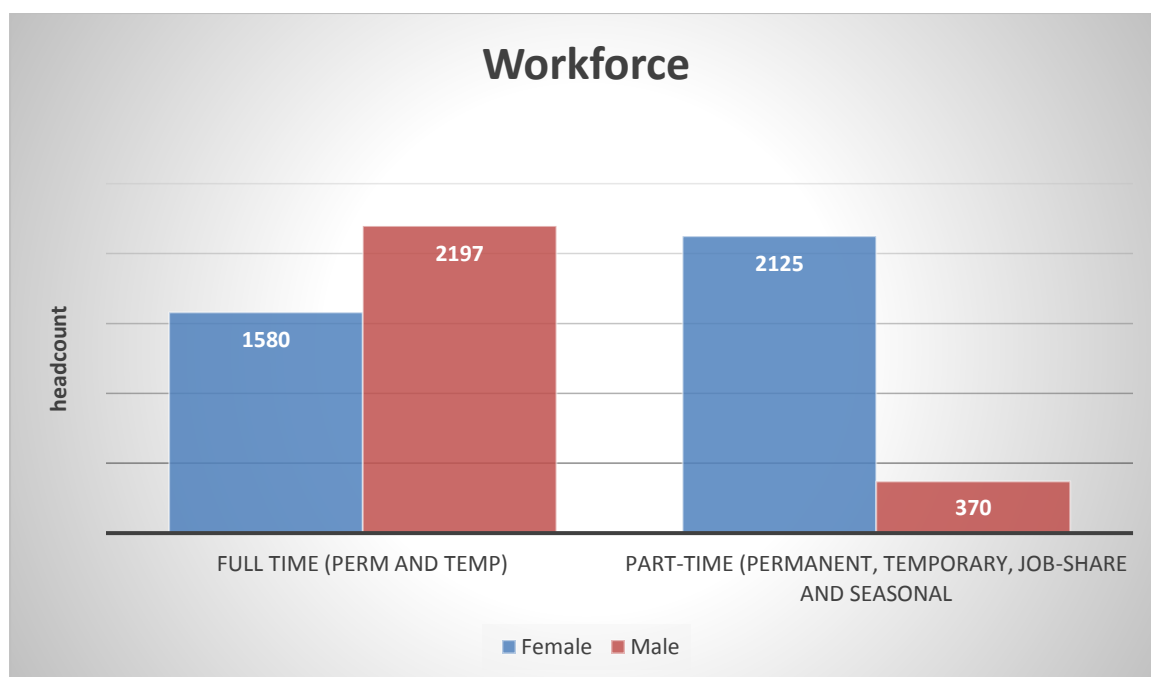
	31/12/2018		31/12/2019		31/12/2020		31/12/2021	
D'rate	H'count	FTE	H'count	FTE	H'count	FTE	H'count	FTE
Place	2595	2299.2	2579	2302.8	2582	2324.6	2633	2373.48
Resources	639	576.93	627	566.02	669	608.3	852	763.46
Education (incl. Schools)	5880	4413.7	5962	4441.1	5843	4403.6	6025	4569.99
Social Services	1956	1634.4	1852	1548.2	1944	1623.9	1965	1658.59
TOTAL	11,070	8,924.2	11,020	8,858.2	11,038	8,960.4	11,475	9,365.52

2. Composition of the Workforce,

The composition of the Workforce, excluding schools, as at 31st December is as follows;

Employment Category	Female	Female Percentage	Male	Male Percentage
Full-Time (permanent and Temporary)	1580	25.19%	2197	35.03%
Part-Time (permanent, temporary, job-share and seasonal)	2125	33.88%	370	5.90%
Total	3705	59.07%	2567	40.93%

There are over 1,800 employees in a total 6,460 duplicate roles across the Council including schools.

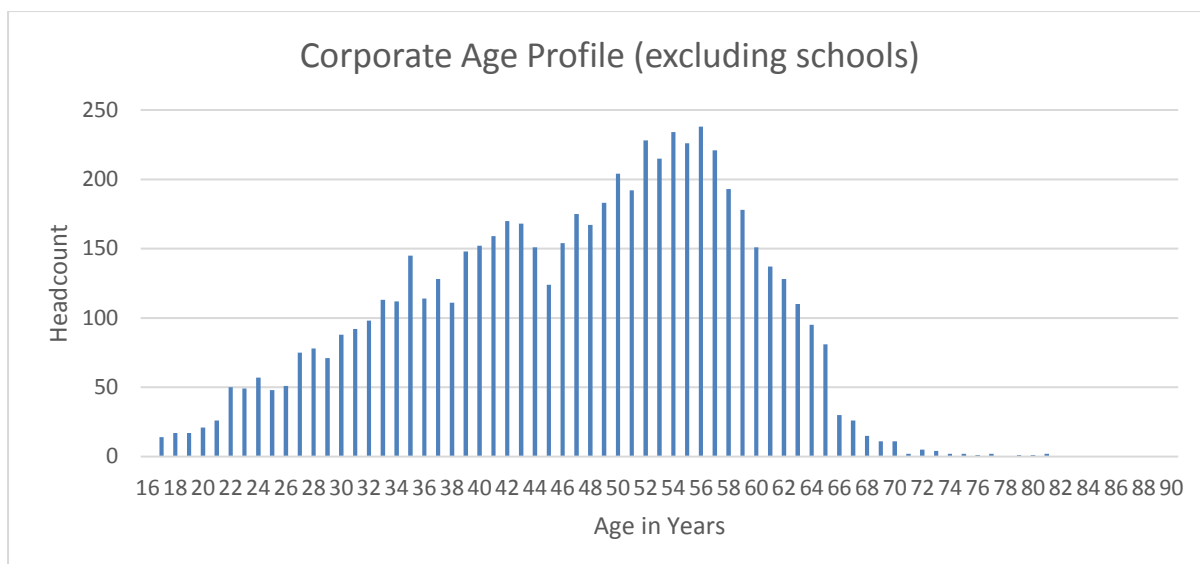


3. Age Profile of the Workforce

The Corporate Age Profile (Headcount excluding Schools) is as follows:

Age Range	Number	Percentage
Age 16 to 24	251	4.00%
Age 25 to 29	323	5.15%
Age 30 to 39	1149	18.32%
Age 40 to 49	1603	25.56%
Age 50 to 59	2129	33.94%
Age 60 to 69	784	12.50%
Age 70+	33	0.53%

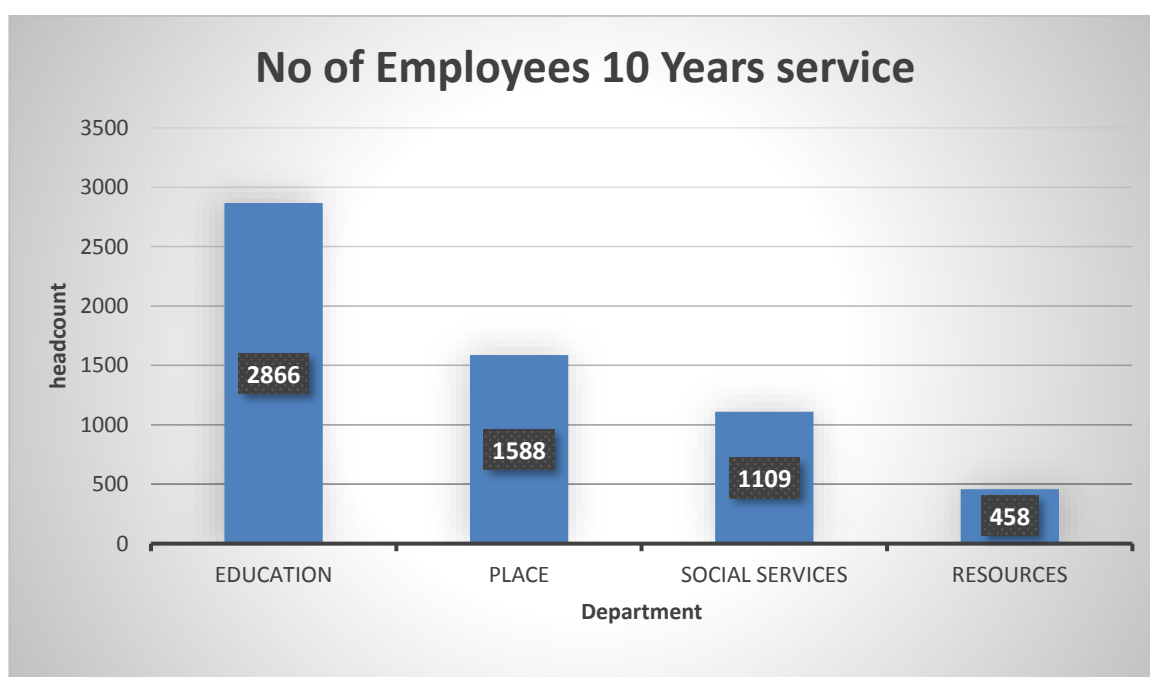
The youngest employees are 16 years of age and the eldest is 81.



4. Turnover rate of the workforce in 2021 was 7.73%.

5. Employees with over 10 years of service by Directorate

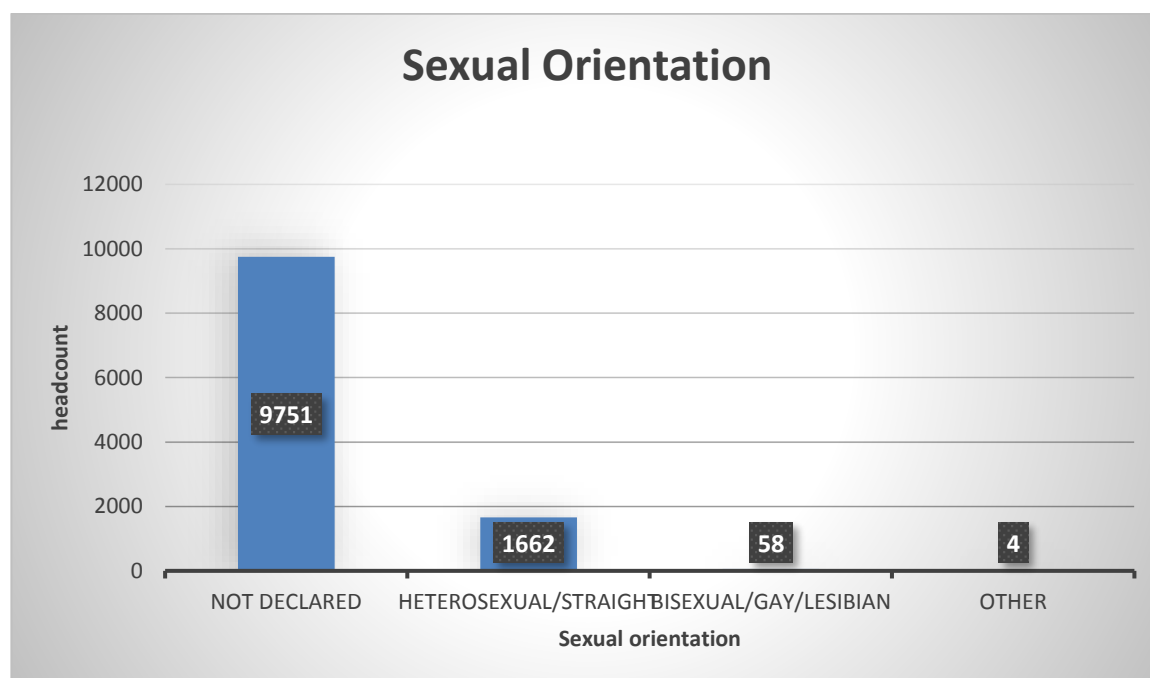
Directorate	Employee Numbers
Education and Schools	2866 (48%)
Place	1588 (60%)
Resources	458 (54%)
Social Services	1109 (56%)
TOTAL	6031(53%)



6. The number of employees that have identified themselves as having protected characteristics are as follows;

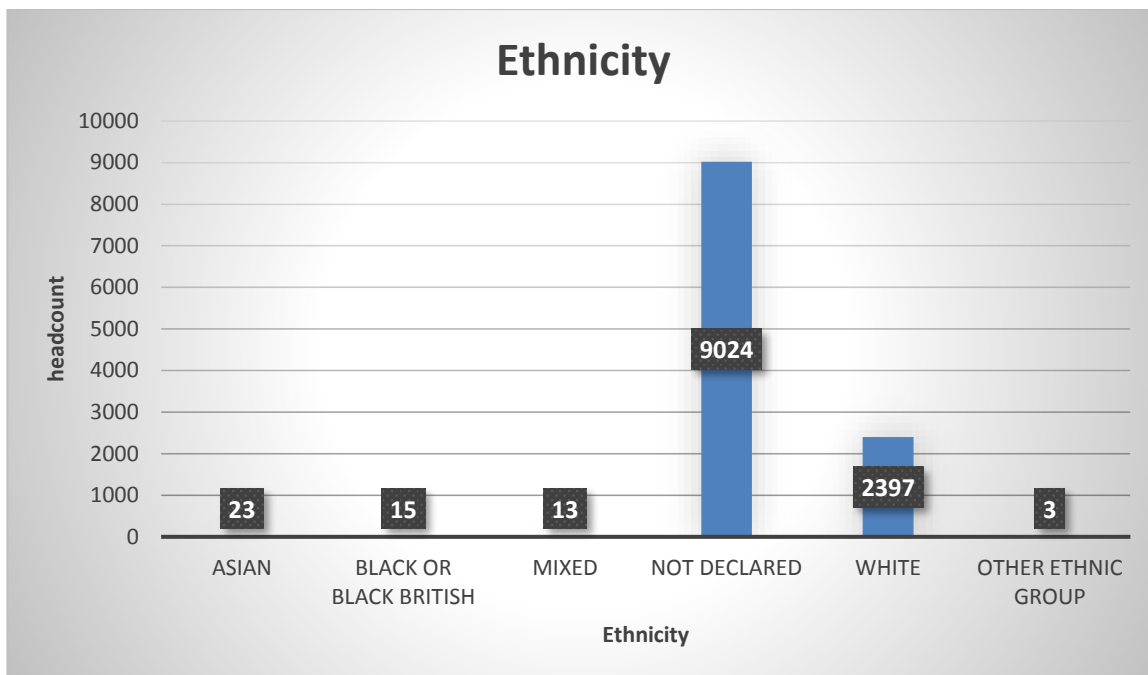
Sexual Orientation

Not Declared	9,751
Heterosexual/ Straight.	1,662
Bisexual/ Gay/ Lesbian	58
Other	4



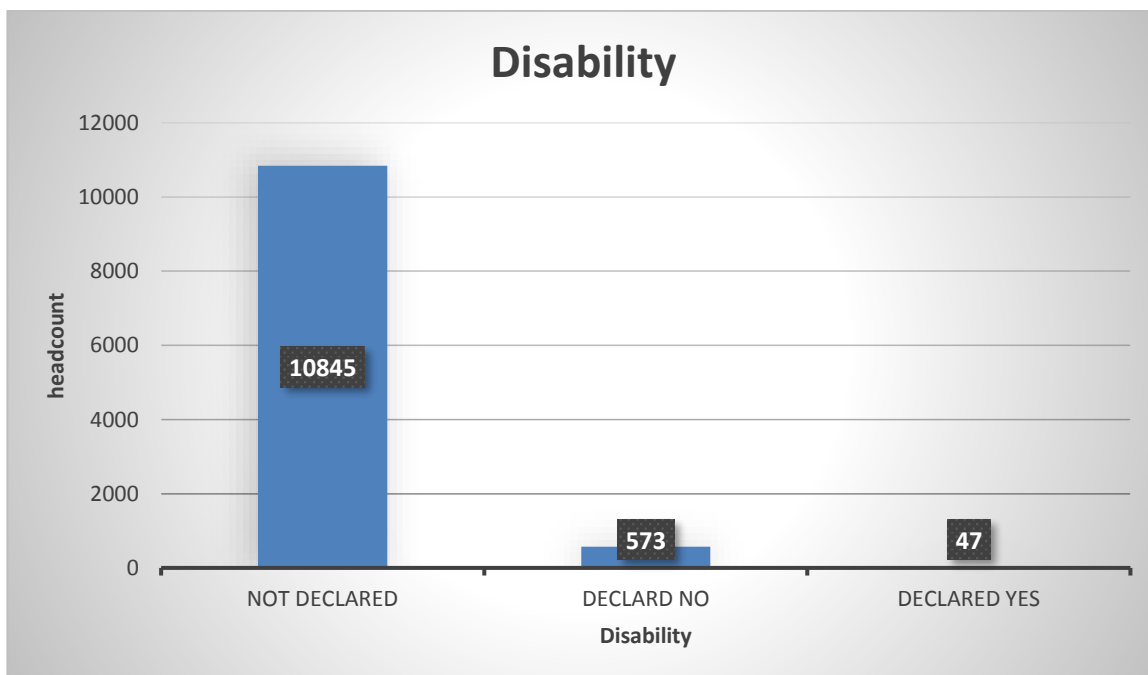
Ethnicity

Not Declared	9,024
Asian	23
Black or Black British	15
Mixed	13
Other ethnic group	3
White	2,397



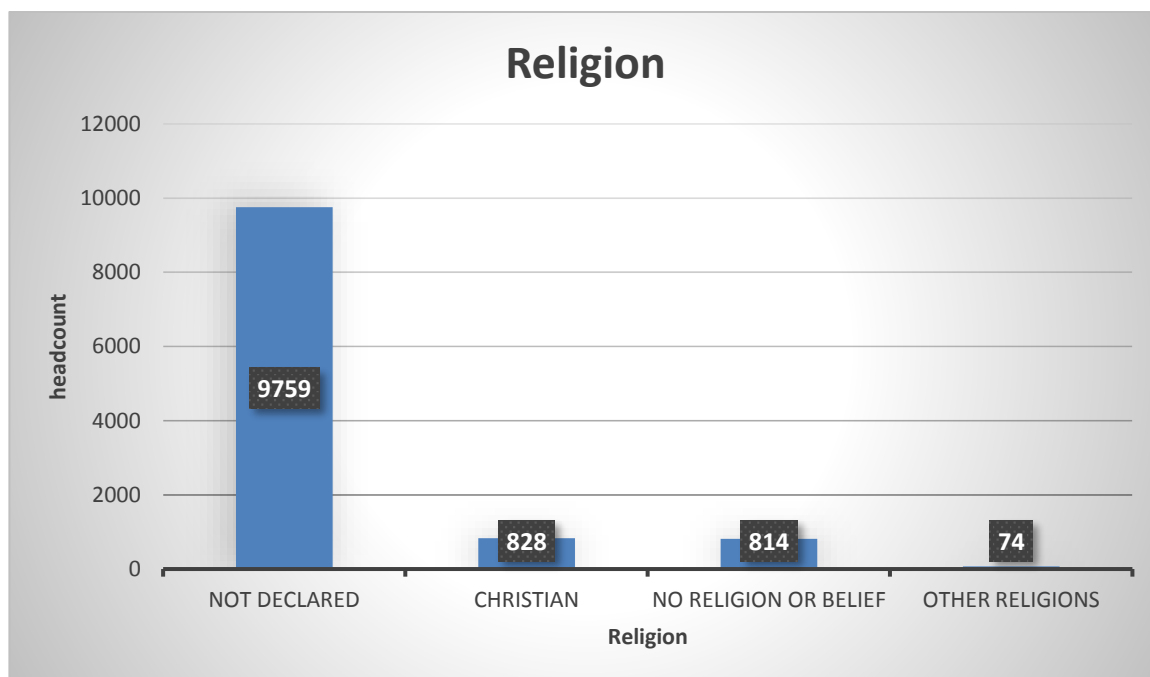
Disability

Not Declared	10,845
Declared No	573
Declared Yes	47



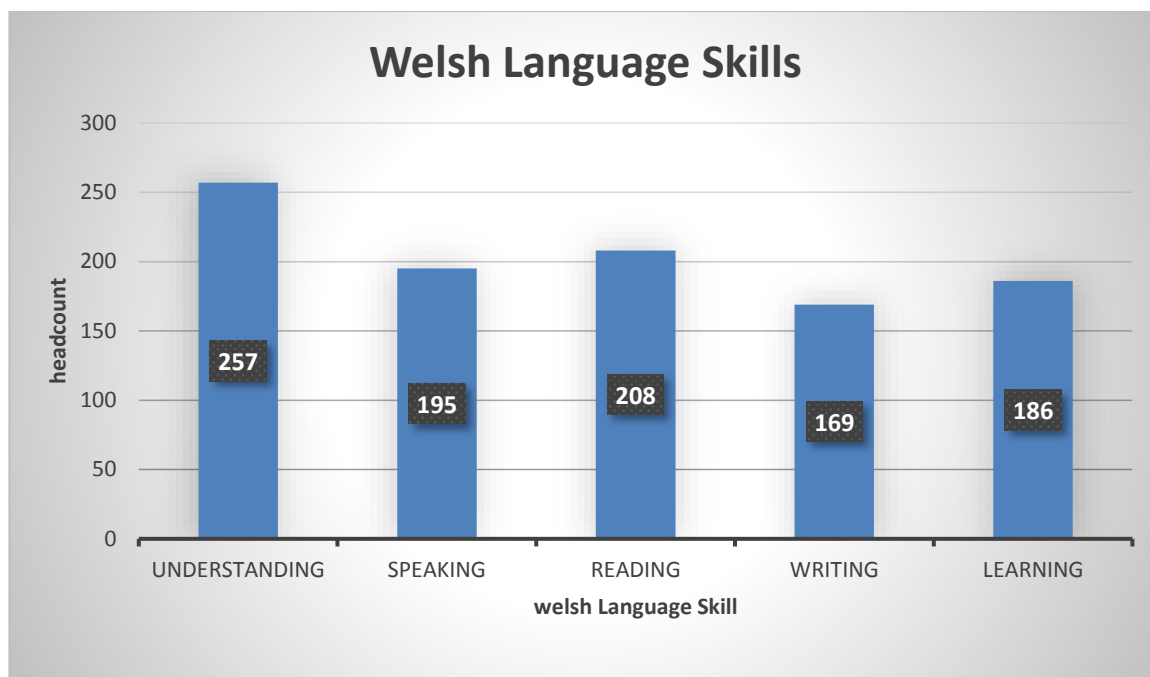
Religion

Not Declared	9759
Christian	828
No Religion or Belief	814
Other Religions	74

**7. Welsh language skills ability;**

The percentage of our workforce that have identified themselves as having Welsh language skills ability are approximately 1.5 to 2.2. This is broken down as follows;

Ability	Numbers
Understanding	257
Speaking	195
Reading	208
Writing	169
Learning	186



External Context

In responding to the organisational context above, the workforce strategy will need to respond as follows;

- *“Population changes – a growing, ageing and more diverse Swansea”, so that our workforce reflects the communities that it serves.*
- *“Economic changes – attracting investment, high quality jobs and new technology into Swansea while addressing the skills gap”, so that we lead by example in identifying and addressing skills gaps in our own workforce and developing the expertise in the investment in people and jobs in Swansea.*
- *“Climate change – risks from flooding, air and water quality, dangers to ecosystems and biodiversity and energy security” so that the total workforce can engage and be developed to contribute to the response to ecological and climate change.*
- *“Social and cultural changes – addressing inequalities in health, education, employment and life chances” so that the total workforce can adapt to new ways of working, place well-being and kindness and the centre of policy and respond to inequalities promoting human rights.*
- The Council’s Recovery Plan identifies the need to “ensure that the “Culture of the organisation is aligned to the delivery of the corporate plan” and will;
 - Develop a “collaborative culture and embed corporate behaviours
 - Develop a “Decide and Do Culture”.

Within the Recovery Plan, there is a specific Strand identifying the following Projects that are ingrained in the proposed workforce strategy;

- Workforce planning – skills for the future
- Employment Policy Review
- Agile and flexible working linked to the Accommodation Strategy and post covid new ways of working
- Management of Attendance to focus on reducing long-term sickness
- Staff Well-Being in light of covid
- Workforce Training & Development



What does the Workforce need to look like in the Future?

Due to financial constraints, we will not be able to deliver the same services as it does now and will need to prioritise budgetary spend to improve the economic, social, environmental and cultural well-being of Swansea. We will need to be;

- **Customer Focussed** – ensuring we work with and listen to residents, contractors, members and colleagues to develop and deliver best customer service at all times, treating everybody with respect.
- More **agile**– delivering services in different ways, using technology to maximise efficiencies and reduce our reliance on traditional ways of working.
- **Business Focussed** –operating and acting efficiently in the delivery of Council business.
- **Collaborative** – services are increasingly likely to be delivered working in partnership with other services, as well as private, public and third sector partners.
- **Flexible, adaptable and innovative** –to embrace a changing environment, anticipate future trends as well as finding innovative ways to deliver services.
- **Outcome focussed and high performing** – whatever we do will need to have identifiable outcomes that align with both our long term goals and take account of the objectives of local, regional and national partners.
- Understand, and buy in to, our priorities (well-being objectives) – being clear about our direction and understand how we contribute to achieving our priorities and how these integrate with the **wider partnership** context.
- **Engaged, motivated and resilient** – being well informed, clear on the direction of the organisation and resilient to meet the challenges ahead.
- Demonstrating **Great Leadership** –so that managers demonstrate visible, fair and pro-active leadership, supporting the workforce and ensuring that poor performance is managed effectively.
- Ensuring we are safe at all times and work in a **healthy and supportive environment** that takes a preventative approach by identifying root cause to stop problems starting or getting worse and underpinned by values of “kindness and compassion” and the “five ways of working” as defined in the Wellbeing of Future Generations (Wales) Act.



Our Vision

Our vision for the workforce for the period 2022 -2027 is...

To have a motivated and committed workforce that is innovative, supported, skilled and customer focused.

We want to build strong morale in the workforce and ensure our employees feel professionally satisfied, valued and motivated by the positive and lasting impact they have on the people and communities they serve.



Our Strategic Priorities

The Strategic Priorities and strands have been identified through extensive consultation with all stakeholders, including cabinet, CMT, Leadership Team, staff working groups, directorates, unions and through HR partners and together we have translated these into 4 Priorities and 9 Strands .

The overview of the Themes and strands are set out below:

- Theme 1 Leadership and Management**
 - Strand 1 - Culture and Behaviours**
 - Strand 2 - Future Leadership**
 - Strand 3 – Future Shape of the Organisation**

- Theme 2 A Workforce Fit for the Future**
 - Strand 4 – Future Workforce**
 - Strand 5 – Recognising Performance**

- Theme 3 Being an Employer of Choice**
 - Strand 6 – Recruitment and Retention**
 - Strand 7 – Workforce Development**

- Theme 4 Workforce Wellbeing and Inclusion**
 - Strand 8- Supporting Our Workforce**
 - Strand 9– Equality in the Workplace**



Theme**1****Leadership and Management****Strand 1: Culture and Behaviours**

Now more than ever we are reliant on innovative, confident and diverse leadership and management. Leadership is demonstrated at all levels and we are committed to nurturing this throughout your career.

Leadership awareness will bring to life desired behaviours and changes in culture that are aligned with the organisation's values, creating an inclusive environment where everyone feels empowered to be themselves and difference is positively valued.

Objective:

We will:

- Modify our culture by being the leader of our values and associated behaviours.
- Bring to life our organisational values

So that they are understood and embedded and support the delivery of corporate strategy and culture

Actions:

- Review and refresh its existing Principles, Values and Behaviours to ensure that it is robust enough and fit for purpose in meeting the future needs of the Council and the communities it serves by reflecting the Well-being of Future Generations (Wales) Act and subsequently embedded into day to day practice.
- Further develop a Social Partnership Working framework with our Trade Unions on strategic and operational issues, establishing a robust and best practice framework for negotiation, consultation and facilities provision.
- Deliver a Strategy for communications and engagement across all areas and levels across the Council.

Strand 2: Future Leadership

Design and implement leadership training, to teach and boost the skills needed to demonstrate positive leadership and role model the desired future culture, ensuring Development opportunities and career pathways exist which create supportive and resilient leaders at all levels.

Objectives:

To achieve high-quality, skilled leadership in responding to future change and challenges.

So that they exemplify our Principles, Values and Behaviours.

Actions:

- Develop a framework of leadership behaviours that will underpin our core values and set out the expectations that employees at all levels can have of those in leadership and management roles.
- Deliver appropriate development interventions for managers and leaders at all levels of the organisation, including Members.
- Development of a coaching and mentoring strategy across the Council.
- Be an active contributor and participant member of “New Local”, networking and collaborating with this organisation and member authorities on key topics to source research and innovative insights to genuinely solve problems and find practical solutions.

Strand 3: Future Shape of the Organisation

We will transform our workforce so that it can continue to be responsive to the needs of our residents and service users now and in the future.

Objectives:

To achieve an organisational design and structure that is fit for the future needs of the Council.

So that they support the priorities of our Recovery Plan to “RE-MOBILISE”, “RE-FOCUS” and, in particular, “RE-SHAPE” in considering the required workforce structure and design for our eight identified priorities:

- Digital,
- Regionalisation,
- Workforce skills for the future,
- Commercialism and General Power of Competence,
- Transforming Council Services,
- Capital Delivery,
- Modern Council
- Budget Strategy.

Actions:

- To establish optimal structures that meet the future needs of the above priorities, particularly:
 - Our regionalisation agenda
 - Learning and development
 - “Implementing the optimum model for adult services, and a child and family services improvement programme including a safe 'Looked After Children' reduction strategy. This also includes the implementation of integrated early help, early years and family support arrangements as well as a cross cutting commissioning review in Social Services.
 - Review of future additional learning needs provisions
 - Support of the long term sustainable waste management strategy.
 - Support of the community development strategy.
 - Support of future sustainable transport provision through our Integrated Transport Unit, as well as local and regional solutions.
- To pro-actively identify opportunities for synchronicities and efficiencies in organisational design, both budgetary and operationally, across Directorates and Service areas.
- Pro-active consideration of the structural and workforce requirements in the “commissioning of people oriented services”, as identified in the Recovery Plan

Theme**2****A Workforce Fit for the Future****Strand 4: Future Workforce**

We will plan and adapt the skills, knowledge and approach of our workforce to meet the needs of the constant changes taking place within and to the organisation, that affect the way we need to work both now and in the future and plan ahead for the future workforce needs.

Objectives:

To ensure that our workforce is fit for purpose for the future and have the right ways of working to achieve our purpose, vision, goals and projected outcomes.

So that we understand and adapt to future trends in the context of a strong long-term vision.

Actions:

- Deliver strategic resource planning to inform workforce strategy.
- Develop a Flexible Workforce (in conjunction with Property Services) through HR&OD Policy development, guidance and training.
- Develop and adopt agile (“lean”) working practices and processes.
- Optimal management of Agency Workers
- Review of Flexitime Provisions

Strand 5: Recognising Performance

We will achieve and recognise high levels of performance from direct and effective communication, regular evaluation and feedback, clear planning and understanding and supporting our workforce and incentivise appropriately.

Objectives:

To create a culture of “high performance”.

So that we have capable staff who are appropriately incentivised, recognised and motivated to achieve a high performance culture across all teams and demonstrating our core values.

Actions:

- Review of pay and grading across the Council and for senior roles as identified through the senior management review
- Delivery of a revised, “fit for purpose” Performance Management approach, via Oracle, to reflect the future needs of the Council,
- Corporate and Directorate Objectives Reviewed and Agreed
- Delivery of Action Plan to address Gender, Disability and Race Pay Gap Issues.
- Consider re-introduction of “career grades” as part of Pay policy/ strategy.

Theme**3****Being an Employer of Choice****Strand 6: Recruitment and Retention**

We want Swansea Council to be a rich, fulfilling and rewarding place to work. The workforce has adapted to and absorbed a very different way of working during the pandemic and continued the journey of agile working. We want to identify the best aspects of these new ways of working into our everyday working practices and, in doing so, create more compelling reasons to attract and retain talented staff.

Objectives:

To recruit and retain the right quantity and quality of employee that we need to support the Council in the future through development of our Recruitment Attraction Programme.

So that we deliver a positive recruitment experience for applicants and hiring managers

Actions:

- Review and Update of Recruitment and Selection Policy; so that it meets with employment legislation, best practice and Council need (particularly with regard to Equalities). Where necessary, taking positive action through R&S activity to make sure our staff profiles reflect our inclusive and diverse communities.
- Development of our Recruitment Attraction Approach; so that our websites are enhanced to best promote our employer brand, stressing the benefits of working with us. Ensuring that recruitment advertising is effective, focussed, good value for money, uses language and imagery that maximises potential interest from a diverse range of candidates, and is legally compliant
- Review of Application Process; so that it is compliant with legislation and is seen to be supportive to applicants.
- Upskilling of recruiting Managers so that, for example they are appropriately trained, in unconscious bias training, and that all employees who are involved in recruitment panels follow correct processes in conducting recruitment interviews.

Strand 7: Workforce Development

Your skills and expertise are unique and are the core to developing a learning organisation and to ensure we can deliver high quality services our residents and visitors to Swansea expect and require.

We are transforming our model for learning and development to provide a comprehensive and modernised learning offer that delivers engaging content at the point of need. This will support you throughout your career, embracing new digital and flexible means of learning and development and qualification while providing valuable face-to-face and reflection time for the highest value learning opportunities.

Objectives:

To have best practice L&D mechanisms in place.

So that we develop our workforce in a “learning organisation” committed to the development of transferable skills, knowledge and experience.

Actions:

- Development of Corporate Development Needs Analyses (DNA)
- Delivery of effective elearning solutions in Oracle Fusion, including the ability to provide regular reports on training provision.
- Delivery of Career Development Programmes, particularly for apprenticeships and graduate level entrants
- Delivery of Equalities Training
- Delivery of training related to the requirements of the Future Generations Act, for example, Integrated Impact Assessments, Sustainable Development.
- Provision of Welsh language training to meet our Legal and Corporate objectives
- Develop Induction/ Onboarding
- Continued partnership with Gower College to identify and deliver external training support, particularly in Digital Skills.
- Climate Change and Nature Recovery - Net Zero Swansea
- Deliver the Digital Strategy mission to achieve Digital skills and confidence.

**Theme
4**
Workforce Wellbeing and Inclusion
Strand 8: Supporting Our Workforce

The pressures and demands of your job, (which has been amplified by the impact of the pandemic) has a significant impact on you and your wellbeing. We are committed to ensuring our workforce has the right structures, support and encouragement to maintain your mental and physical health in adaptive and flexible ways.

Objective:

To provide a clear roadmap for health and wellbeing that is accessible and fit for purpose.

So that we help maintain a happy and healthy workforce and a supportive and productive working environment, aligned to the Future Generations Act objectives around kindness and compassion.

Actions:

- Incorporate mental health awareness into leadership and management development so that they feel confident to address issues around mental health.
- Maintain and develop the Council's "Helping Hands" programme that champions mental health champions issues that;
 - Develops knowledge and confidence to signpost people with the most common mental health issues to the right support
 - Develops an understanding of how to help build a mentally healthy workplace, challenge stigma and support positive wellbeing
 - Takes a preventative approach to ensuring good mental health
- Review and re-launch of Dying to Work Charter
- Delivery of dedicated advice and support to focus on reducing sickness absence, particularly longer-term.
- Seek re-accreditation for SEQOHS ('Safe, Effective, Quality Occupational Health Service).
- To regain Gold Award status under the Healthy Working Wales; Corporate Health Standard and Small Workplace Health Awards).

Strand 9: Equality in the Workplace

We are building an environment that creates diversity and promotes equality, ensuring a diverse and inclusive workforce across the entire council that is more representative of societal diversity and the diversity of our service users. We will tackle racism and other forms of discrimination where it exists in the services and we will ensure the workforce is equipped and supported to do the same.

Objective

To maintain a culture where equality of opportunity exists for all to fulfil their potential and the need for equality, diversity and inclusion is incorporated into everyday activity.

So that we are an exemplar as a fair and equitable employer, including support for employer forums where appropriate and the workforce represents the population it serves

Actions

- Establishment of a Workforce Equalities Group to address workforce equalities issues such as;
 - Collection of Data on “Protected Characteristics
 - Delivery of Action Plan to address Gender and Race Pay gap Issues
 - Delivery of Equalities and Integrated Assessments Training
 - Adherence to the Welsh Government's Race Equality Action Plan and LGBT+ Action Plan as they relate to the Workforce.
- Achievement of Disability Confident Accreditation Leader Status
- Delivery of Equalities Training

Delivering the plan

The Workforce Plan will be delivered over 5 years with an annual delivery plan setting out key deliverables and milestones for the coming year.

The Year One Delivery Plan for 2022/23 is attached (**appendix 1**) which has clear deliverables and a foundation to build upon over the 5 years.

Year One has a particular focus on establishing key strategies in relation to skills, performance, resourcing and engagement which support our new ways of working.

A Corporate Workforce Group will monitor and manage the delivery of our workforce plan across all areas of the council.

Underpinning our Delivery Plan is a commitment to:

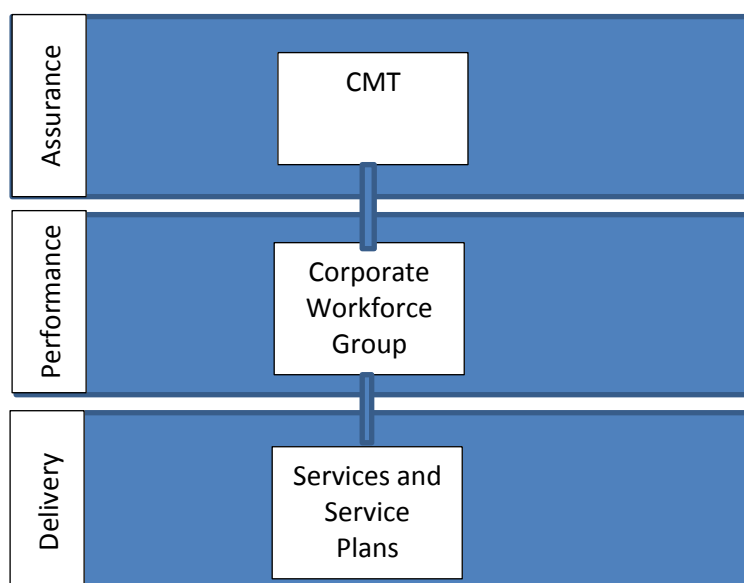
- 1 Focus on the outcomes in the Council Corporate Plan
- 2 Engage constructively with our employees and trade unions
- 3 Make informed and value for money decisions
- 4 Promote equality, diversity and inclusion

Corporate Workforce Group

Membership: Deputy Chief Executive
Head of HR and Service centre
HR / Service Centre Partner
Administrator/PA
Representative from each Directorate

Frequency of meetings: Quarterly

Reporting: 6 monthly report to CMT



Workforce Plan Responsibility

As the Workforce Plan belongs to the whole Council, to succeed it needs to be embedded throughout the organisation, so responsibility in practice is distributed.

By its very nature, much of the Workforce Plan will form part of the Human Resources and Service Centre Service Plan, however, the aims that have been highlighted that focus on internal communication and ICT will be delivered through the respective service area and will form part of their Service Plans. In addition, the work streams identified in the workforce plan should also feature and be embedded in all services plans across all the directorates to ensure the aims and objectives are tailored to any specific requirements within each service.

Updating the workforce plan

The workforce planning process is fundamental to the success of the Council in achieving its vision and priorities. It is important in anticipating future workforce needs and in shaping clear strategies to help meet those needs

Although this is a five-year plan it is important that it is refreshed on an annual basis and informed by revisions to the Corporate Plan, Medium Term Financial Plan, outcomes from the wider service planning process and information gained from individual performance development reviews.

In addition it is important that the plan is informed by good quality employment data, intelligence about trends in the local and national labour market and contextual social, legal, technological and demographic information

The table below sets out the annual process for workforce planning. The process will ensure a clear flow of intelligence, which informs workforce planning at the corporate and directorate level and which is connected with the wider resource and service planning process:

1	The consideration of workforce issues as part of the service planning process	October-December each year
2	The framing of local service based workforce plans	October-December each year
3	The review of strategic themes to inform the corporate workforce planning process	December each year
4	The updating of the workforce planning actions to capture the strategic themes and develop responding strategies	January - February each year
5	Updating HR and training strategies to deliver workforce planning objectives	March each year

How will we know if we have been Successful?

We will know if we are successful if our employees, trade unions, elected members and customers feedback positively.

We will regularly monitor key management information which we will develop and refine over the 4 year period of the Plan.

The outcomes we are looking to achieve are:

- Council Plan outcomes are successfully delivered.
- Customer feedback and satisfaction is improved.
- Employee morale is increased.
- Attendance levels are improved.
- Employees are more informed via effective two way communication.
- Higher number of career paths and apprenticeships are in place and planned through closer collaboration with schools, colleges and higher education providers.
- Employee performance is measured in a structured way.
- A clear understanding of workforce skills and training requirements is in place.
- Workforce training and e-learning completions are increased.
- The Gender Pay Gap is reduced.
- Workforce diversity is more representative of the communities being served and our understanding of cultural values is enhanced.
- The number of employees in our “hard to fill” roles is reduced through improved recruitment and retention programmes.
- The workforce age profile is more balanced.
- There is less use of an Externally Provided Workforce (EPWs), or spend on consultants, agency staff and interims.
- Links with peers and partners are strengthened with an increased number of collaborative services and joint workforce initiatives.

We recognise that our employees have different requirements and we need to improve our knowledge and understanding of the workforce to allow us to make more informed decisions around our themes.

As such, developing our ability to record and measure some of the key data above and utilise this information will be a successful measure in itself.



Strategic Workforce Metrics and Measures

To measure the impact of the workforce strategy and guide workforce planning the following Key Performance Indicators/Metrics will be used to monitor the progress:

Key Performance indicator / measure	What it will show	Why use it
Time taken to recruit	Time taken from submission of advert to offer of appointment	To maintain effectiveness of recruitment system; Impact on organisational capacity if recruitment delayed; help identify workflow blockages
Absence	Days lost per FTE	Manage overall levels, and identify potential costs.
Turnover (Voluntary)	Number of employees leaving (not including end of fixed term contract etc.)	To indicate satisfaction with Council as an employer and identify high turnover areas and manage retention rates
Apprentice securing role with Council	% of apprenticeships/Traineeships successfully completed	To indicate success of apprenticeship schemes in achieving workforce needs.
Staff Survey (Council as an employer)	% employees stating positively that Council is a good employer	Overall measure of employee satisfaction, engagement and manage retention
Gender Pay Gap	% gap in Mean and median earnings of male and female employees	To track success in addressing/reducing gender pay gap
Diversity and inclusion	Percentage of employees (and senior managers) by protected characteristics	To track and monitor effectiveness of diversity and equal opportunity Policies and success in reaching wider talent pools for jobs
External competitor pay check	Key roles where Council pay/benefits package varies from competitors	To manage recruitment and retention hotspots and challenges

Appendices

Appendix 1

1st Year (2022/23) Workforce Strategy Delivery Plan

Corporate Action Plan 2022/23							
Action point No.	Action	Success criteria & Outcomes	Milestones	Finish date	Officer responsible	Resource required from within council	Status and update
Leadership and Management							
Strand 1 Culture and Behaviours							
1.1	Review and refresh its existing Principles, Values and Behaviours	To ensure that it is robust enough and fit for purpose in meeting the future needs of the Council and the communities it serves by reflecting the Well-being of Future Generations (Wales) Act.	TBD on appointment of OD & Behaviours lead	March 2023 and ongoing	Head of HR	Engagement with Members, CMT, Leadership Team, Staff and Trade unions	Funding identified for recruitment of OD & Behaviours Lead
1.2	Further develop a Social Partnership Working framework with our Trade Unions on strategic and operational issues. ,	Establishment of a robust and best practice framework for negotiation, consultation and facilities provision.	Delivery of Social Partnership Working locally. Introduction of Social Partnership Agreement.	September 2022	Heads of Service Head of HR	Engagement with Members, CMT, Leadership Team, Staff and Trade unions	
1.3	Deliver a Strategy for communications and engagement across all areas and levels across the Council.	Delivery of revised Communications strategy	Strategy in process of being developed.	March 2022	Head of Communication s and Marketing	TBA	
Strand 2; Future Leadership							
2.1	Develop a framework of leadership behaviours that will underpin our core values and set out the expectations that employees at all levels can have of those in	Deliver appropriate development interventions for managers and leaders at all levels of the organisation, including; New Leader Programme"; focussed on current and identified potential Heads of Service	TBD pending availability of L&D resource	March 2023	Head of HR	Engagement with Gower College.	Discussions ongoing with L&D team.

	leadership and management roles.	New Manager Programme”; building on the current Management Development Programme and focussed on existing Managers linked to achievement of ILM Level 5.					
2.2	A Coaching and Mentoring strategy across the Council.	<p>Research coaching qualifications & providers for the qualification. Identify coaching solutions for Grades 12, Directors and Councillors.</p> <p>Create an over-arching strategy along with supporting policies & processes</p>	<p>A functional Coaching Network is created with coaching available across all Directorates within Swansea Council.</p> <p>Delegates completing the funded qualifications within a timely manner & supporting Swansea employees with between 2-3 coaching clients per annum</p> <p>A coaching culture being embedded and valued within the Swansea Council culture.</p>	Phase one training complete by October 2022, all qualifications complete by Jan 2023A pool of qualified, competent and motivated Coaches available for coaching throughout Swansea Council will be in place for the last financial quarter of 2022/23	Head of HR	Intranet updates (Liz Shellard’s Team) Chris Peters-Bond/Internal Comms for promotion Existing qualified coaches to be sourced for mentoring and observations	Secure funding of circa £10k for the program, CMT accept strategy 2021All strategy & policy documents have been approved and the initial application process is underway
2.3	Continuation of Leadership Hub (now “Let’s Talk”)	Success to be measured through attendee feedback.	Speakers to be identified for monthly events during 2022/23	Ongoing	Head of HR		Re-branded “Let’s talk” to reflect Focus Group feedback

2.4	Be an active contributor and participant member of “New Local”, networking and collaborating with this organisation and member authorities on key topics to source research and innovative insights to genuinely solve problems and find practical solutions.	<p>A recognised space for officers to step away from day-to-day activities and engage with peers from across the country.</p> <p>Opportunities, support and investment in our staff.</p> <p>Ambitious leaders from across the Council on the Next Generation Academy</p> <p>Officers share experience, expertise & learning on some of the most pressing issues the sector is facing with other Councils across the UK.</p>	join the list of forward-thinking, ready-to-learn councils and organisations across the UK = April 2022	TBC March 2024	(Interim) Marlyn Dickson	Internal Engagement/ Participation Role	Implementation plan in Development, with MD&AC.
Strand 3; Future Shape of the Organisation							
3.1	To establish optimal structures that meet the future needs of the above priorities.	Opportunities are identified and delivered to optimise structures and reporting lines. So that tangible efficiencies are achieved and silo working reduced in the areas identified from 3.2 to 3.10.	TBC. To commence following appointment of an OD & Behaviours Lead. Milestones to be determined in respect of 3.2 to 3.10	TBC; ongoing for length of strategy.	Head of HR	Led by OD & Behaviours Lead to be appointed following Head of HR appointment. Engagement with CMT and Heads of Service	Funding received for recruitment of OD & Behaviours Lead following appointment of Head of HR
3.2	Our regionalisation agenda	Advocate and explore opportunities which have been or will be identified and delivered. Optimising structures and reporting lines and ensuring our employees are trained in best practice to maximise partnership working opportunities.	Implementation of CJC’s, City Deal, Western gateway, Swansea bay tidal Lagoon, Partneriaeth Regional Education consortium	The skills and knowledge will need to be developed as each project and scheme is being developed and	Director of Resources	Training, good practice examples	

				throughout the project and should link into the development plans of each project and scheme			
3.3	Learning and development	Opportunities are maximised to improve and achieve efficiencies in the delivery of learning and development provision across the Council.	TBD on appointment of Head of HR	March 2023	Head of HR	L&D Leads across Council	
3.4	“Implementing the optimum model for adult services, and a child and family services improvement programme including a safe 'Looked After Children' reduction strategy.	<p>More adults and carers supported through preventative, community and place based approaches.</p> <p>More adults supported to stay safe and well at home without recourse to more institutionalised forms of care.</p> <p>Greater proportion of adults with care and support needs and their carers supported directly through local authority or third sector provision</p> <p>More children and families supported via early support services and approaches</p> <p>Fewer children requiring recourse to statutory children services support</p> <p>More children supported to remain living safely within their own families and communities</p>	See adults and children services recovery/transformation plans. This also includes the implementation of integrated early help, early years and family support arrangements as well as a cross cutting commissioning review in Social Services.	Strategies will be refreshed on an annual basis	Director of Social Services	<p>Service redesign to implement the optimal model for adult services will have to be reviewed in light of the impact of covid and Welsh Government's policy intent to rebalance the social care market.</p> <p>Children services Safe LAC reduction strategy is well embedded but service redesign/transformation/renewal will continue to reflect new and emerging challenges including the impact of covid</p>	

		For those children who do need to be looked after a greater proportion will be supported by Foster Wales Swansea or through our in house residential care services					
3.5	Review of future additional learning needs provisions	<p>a) Delivery of specialist teaching facilities (STFs) review.</p> <p>b) Central provision of ALN reviewed following 2020 re-structure.</p> <p>c) Consideration of additional further specialist places in schools</p> <p>d) Head of vulnerable learner service re-introduced.</p>	<p>a) Implementation of changes to STFs in Swansea</p> <p>b) Fit for future ALN central staff</p> <p>c) Possible single special school in Swansea</p> <p>d) Post holder in place and managers configured for service area</p>	<p>TBC. Consultation would commence September 2022 (STFs)</p> <p>Review of ALN central structure completed December 2021.</p> <p>Special school considerations by 2027</p> <p>Head of service and management in place by September 2022</p>	Director of Education	Fit for purpose central workforce to meet increased demand and expectations in light of ALN reform.	Review of future additional learning needs provisions
3.6	Support of the long term sustainable waste management strategy.	Delivery of new strategy being developed for 22/25 which might impact on future resourcing	Cabinet due to approve new waste strategy by March 2022	March 2022	Director of Place	None at this stage	Report principles approved. Awaiting cabinet decision
3.7	Support of the community development strategy.	New resources approved via Budget/ERF during 21/22	ERF bid approved for 21/22 and 22/23	March 2023	Head of Cultural Services	New resources approved via	ERF bid approved for 21/22 and 22/23

						Budget/ERF during 21/22	
3.8	Support of future sustainable transport provision through our Integrated Transport Unit, as well as local and regional solutions.	Deliver ITU structure and respond to emerging local regional and national strategies	ITU established. New National transport strategy due late 2022. New regional transport Plan required mid-2023.	Mid 2023	Director of Place	None at this stage	Set up of ITU complete.
3.9	To pro-actively identify opportunities for synchronicities and efficiencies in organisational design, both budgetary and operationally, across Directorates and Service areas.	Opportunities are maximised to improve and achieve efficiencies in the delivery services across the Council.	TBD on appointment of Head of HR	March 2023	Head of HR	Directors Heads of Service	Funding received for recruitment of OD & Behaviours Lead following appointment of Head of HR
3.10	Pro-active consideration of the structural and workforce requirements in the “commissioning of people oriented services”, as identified in the Recovery Plan	People commissioning hub established utilising hub and spoke model of small central infrastructure drawing upon specialists embedded within children services, adults services, education, housing and procurement	Hub established April 2020 Education structure implemented September 2021 Review of effectiveness of central infrastructure June 2022	October 2022	Director of Social Services	Children services, Adult services, Education, Housing and Procurement	Hub has been operating throughout the period of the covid pandemic. Review of staffing infrastructure has been postponed during this period of emergency but will now be undertaken

**A Workforce Fit for the Future
Strand 4 – Future Workforce**

4.1	Deliver strategic resource planning to inform workforce strategy.	TBD by HoS to include; Delivery of skills audit. Workforce plans in place for each service area. Identification of critical posts. Succession plans in place to spot talent and develop staff for future leadership roles. Plans in place to address age profile issues.	TBD with HoS Refreshment of training on Workforce planning techniques	Ongoing	Directors Heads of Service	HR&OD	Work ongoing
4.2	Develop a flexible Workforce (in conjunction with Property Services) through HR&OD Policy development, guidance and training.	Flexitime policy to be delivered. New Ways of Working integral to the development of property portfolio.	Flexitime policy in place by March 23. Analysis of workforce behaviours post-pandemic. Longer-term implementation of City Centre hub.	Flexitime policy in place by March 2023	Head of HR	Property Services	Agile policy in place
4.3	Develop and adopt agile (“lean”) working practices and processes.	Identify opportunities for “Red-tape busting”, improved systems and process in identified areas.	TBD on and prior to appointment of QS Lead.	March 2023	Directors HoS	Quality Systems Lead HR&OD	Funding received for recruitment of Quality Systems Lead
4.4	Optimal management of Agency Workers	Adherence to Agency Worker policy.	Ongoing	Ongoing	Directors HoS	Procurement HR&OD Agency providers	Audit in last quarter 2022
Strand 5 – Recognising Performance							
5.1	Review of pay and grading across the Council and for senior roles as identified through	To optimise pay and grading arrangements. Review and deliver “future proof” Chief Officer scheme.	TBD on appointment of Pay & Grading Officer	March 2023	Head of HR	Pay and Grading Officer Directors	Funding received for recruitment of

	the senior management review	Review potential for new Officer JE scheme.					Pay & Grading Officer.
5.3	Delivery of a revised, “fit for purpose” Performance Management approach, to reflect the future needs of the Council,	Delivery of “Performance and Goals performance management system through Oracle Fusion Delivery of revised Performance Management Policy Corporate and Directorate Objectives Reviewed and Agreed	Oracle Fusion implemented October 2022 Rollout to Council by March 2023	March 2023	Head of HR	Oracle fusion team HR&OD CMT Leadership Team Trade Unions	Engagement with Oracle Fusion team ongoing
5.4	Delivery of Action Plan to address Gender, Disability and Race Pay Gap Issues.	Delivery on Actions identified through Plan Develop readiness for Disability and Race Pay Gap issues	Establishment of Workforce Equalities Group Appointment of Pay and Grading Officer	March 2023	Head of HR	Workforce Equalities Group Pay and Grading Officer	Funding received for recruitment of Pay & Grading Officer
5.5	Consider re-introduction of “career grades” as part of Pay policy/ strategy	Identified through Staff Focus Group Process to address recruitment and retention issues	Appointment of Pay and Grading Officer	March 2023	Head of HR	Pay and Grading Officer	Funding received for recruitment of Pay & Grading Officer
Being an Employer of Choice							
Strand 6 – Recruitment and Retention							
6.1	Review and Update of Recruitment and Selection Policy; so that it meets with employment legislation, best practice and Council need (particularly with regard to Equalities).	Where necessary, taking positive action through R&S activity to make sure our staff profiles reflect our inclusive and diverse communities. Addressing future skills and resource gaps; through delivery of effective programmes to attract and retain talent in key resource and skill shortage areas, identified through workforce planning activities	Appointment of Recruitment Specialist	March 2023	Head of HR	Recruitment Specialist Service Centre Hiring Managers Workforce Equalities Group	Funding received for recruitment of Recruitment Specialist
6.2	Review of Application Process; so that it is compliant with legislation and is seen to be supportive to applicants.	That we meet established KPIs in relation to recruitment practices.	Appointment of Quality Systems Lead	March 2023	Head of HR	Quality Systems Lead Service Centre IT Recruitment Specialist	Funding received for recruitment of Pay & Grading Officer

6.3	Development of our Recruitment Attraction Approach;	So that our websites are enhanced to best promote our employer brand, stressing the benefits of working with us. Ensuring that recruitment advertising is effective, focussed, good value for money, uses language and imagery that maximises potential interest from a diverse range of candidates, and is legally compliant	Appointment of Recruitment Specialist	March 2023	Head of HR	Recruitment Specialist Service Centre Hiring Managers	Funding received for recruitment of Recruitment Specialist
6.4	Upskilling of recruiting Managers	So that, for example they are appropriately trained, in unconscious bias training, and that all employees who are involved in recruitment panels follow correct processes in conducting recruitment interviews.	Appointment of Recruitment Specialist	March 2023	Head of HR	Recruitment Specialist Service Centre Hiring Managers Workforce Equalities Group Corporate L&D Team	Funding received for recruitment of Recruitment Specialist and Corporate L&D Officers
6.5	National Education staff recruitment campaign	Participation in the Educators Wales recruitment Portal.	Appointment of Recruitment Specialist	September 2022	Head of HR	Recruitment Specialist Service Centre Hiring Managers	Funding received for recruitment of Recruitment Specialist and Corporate L&D Officers
Strand 7 – Workforce Development							
7.1	Development of Corporate Development Needs Analyses (DNA)	So that we have a clear understanding of our corporate needs, informed by our workforce planning activities.	Draft DNA's in place for each Directorate by 30 September 2023	March 2023	Head of HR	Directors Heads of Service Council L&D teams	Funding received for recruitment of Corporate L&D Officers
7.2	Delivery of effective elearning solutions in Oracle Fusion,	The ability to provide regular and timely reports on training provision. Easily accessible access to training	Oracle Fusion implementation	March 2023	Oracle Fusion	Council L&D teams	Funding received for recruitment of Corporate L&D Officers
7.3	Delivery of Career Development	So that there is a clear direction of travel on the provision of	TBD	March 2023	Head of HR/ to be determined	Heads of Service	Resurrection and review of

	Programmes, particularly for apprenticeships and graduate level entrants offering work experience, trainee programmes,	Programmes to meet the needs of Directorates and Service areas. There is a proactive offer of opportunities for care experienced young people to reflect the Council's role as a corporate parent				Corporate L&D Team	previous proposals for development programmes. Develop an offer for care experienced young people drawing in best practice from other LAs
7.4	Delivery of training related to the requirements of the Well-being of Future Generations (WFG) Act, for example, Integrated Impact Assessments, Sustainable Development	The workforce has a clear understanding of the WFG Act, and their roles and responsibilities. The workforce has opportunities to support in its implementation and improve well-being via better decision making	<ul style="list-style-type: none"> • Updated Sustainable Development (WFG) Policy • IIA Training • WFG Training 	March 2023	Future Generations Act lead	Corporate L&D Team	<ul style="list-style-type: none"> • Draft online WFG training developed with sustainable development focus • Draft IIA Training in progress • Redrafting based on policy update required once confirmed
7.5	Provision of Welsh language training to meet our Legal and Corporate objectives	Delivery of Welsh Language Skills Framework; delivery of key strands; including training for front line staff and e-learning	Delivery of each of the key strands detailed in the Framework.	March 2023	Head of HR	Corporate L&D Team Welsh Language Skills Training Group	Framework paper to be presented to CMT in February. Funding provided for Welsh Language Skills training
7.6	Develop Induction/ On boarding	So that we have a consistent on boarding and induction process in place that supports new employees	TBD on appointment of Corporate L&D officer	September 2023	Head of HR	Corporate L&D	Funding for Corporate L&D Officers received.

		in understanding their role and place in the organisation					
7.7	Continued partnership with Gower College to identify and deliver external training support, particularly in Digital Skills.	So that we make best use of Gower College provision to deliver learning and development opportunities. Optimal use of Apprenticeship levy funding	Monthly Review of delivery and support packages across Directorates and Services.	Ongoing	Head of HR	Corporate L&D Team Heads of Service	
7.8	Climate Change and Nature Recovery - Net Zero Swansea	Work with training officers to update mandatory training to include relevant links to Net Zero 2030/50 and Climate Change Work with training officers to develop non mandatory training for staff and members on Net Zero Raise Awareness through the intranet and Council website using the Net Zero and Climate Change pages and a toolkit format for staff, residents and businesses Work with recruitment to ensure Net Zero Swansea and climate change is included in recruitment packs	Training for Cllrs and staff on Net Zero Swansea Formatted website pages with links to relevant policies	March 2023	Project Manager – Strategic Climate Change	Corporate L&D Website development staff to work with Project Manager to develop the pages and develop training	
7.9	Deliver the Digital Strategy mission to achieve Digital skills and confidence	To be determined during course of 2022/23	To be determined	March 2025	Head of Digital and Customer Services	Support required from Corporate L&D Team, Gower College to develop a corporate wide approach	
7.10	Schools Leadership Development	Growing leaders in Swansea schools so that we; Support development of leaders and practitioners in schools Have a new and acting headteacher induction programme in Swansea Participate in the Regional partnership leadership development programme	To be determined	To be determined	Director of Education	To be determined	

Workforce Wellbeing and Inclusion							
Strand 8- Supporting Our Workforce							
8.1	Incorporate mental health awareness into leadership and management development	So that Leaders and Managers feel confident to address issues around mental health.	Yearly Training Delivery Plans 2022-25 with course frequency incrementally increased to 12 courses per year	31st March 2025	Corporate Health and Wellbeing Manager	Ongoing budget provision to maintain delivery	Training package in-place with additional e-learning packages
8.2	Maintain and develop the Council's "Helping Hands" programme that champions mental health.	So that there is; knowledge and confidence to signpost people with the most common mental health issues to the right support.	Return HH face to face group activity Raise awareness through promotion through newsletters and Staffnet Advertise and recruit volunteers across Authority HH promotion at all Health Fairs	March 2025	Corporate Health and Wellbeing Manager	Support from Comms Team in raising visibility through Staffnet and Staff Newsletters	Helping Hands training package complete, with promotional/recruitment resources
8.3	Review and re-launch of Dying to Work Charter	So that this Charter is brought up to date with best practice.	Consultation and Agreement with TU's. Engagement with JCC and CMT	June 2022	Head of HR	Trade Unions	Work ongoing on this activity
8.4	Delivery of dedicated advice and support to focus on reducing sickness absence, particularly longer-term.	Delivery of dedicated advice and support to focus on reducing sickness absence, particularly longer-term. Review of Management of Attendance Policy	Milestones and success criteria to be determined in respect of each Service area	Ongoing	Heads of Service Head of HR	Trade Unions	Sickness Absence Officers appointed
8.5	Seek re-accreditation for SEQOHS ('Safe, Effective, Quality	Demonstration of recognised set of standards for occupational health	Action plan 2022-23 developed	March 2025	Corporate Health and	Budget & Resource Commitment by Authority	Processes in-place, action plan will

	Occupational Health Service).	services to achieve SEQOHS accreditation. Raises confidence in the organisation, showing visible commitment to employees in their health being a priority and the quality of medical services provided	Action Plan delivered Online audit approved by CX submitted Onsite inspection and interview with CX complete SEQOHS accreditation achieved		Wellbeing Manager	Support of the Chief Executive, to read and approve submission and interview with SEQOHS assessment Team NB: If staffing resources and £3k project budget not in place this objective is unattainable	commence development April 2022 for submission before audit and inspection by SEQOHS assessors
Page 183	To regain Gold Award status under the Healthy Working Wales; Corporate Health Standard and Small Workplace Health Awards).	To improve confidence and staff wellbeing, and improve the offer of employment to increase recruitment as a flexible staff focused organisation committed to staff wellbeing	SEQOHS attained Action plan developed and implemented Evidence folders developed Delivery of health fairs and health promotion Themed staff wellbeing survey implemented Mock assessment with HWW assessors undertaken with report and action plan received with assessment of	March 2025	Corporate Health and Wellbeing Manager	Support from Directorate representatives and TU's as part of the Wellbeing Working Group Support from Comms team to promote activity through Staffnet & newsletters NB: If staffing resources not in place this objective is unattainable	

			level (Bronze, Silver or Gold)				
			3 Day onsite assessment with staff interviews at multiple sites, interviews with Wellbeing Working Group and CX.				
			Receipt of HWW assessors report with organisational accredited status				
Strand 9– Equality in the Workplace							
9.1	Establishment of a Workforce Equalities Group to address workforce equalities issues such as;	Collection of Data on “Protected Characteristics	TBD	March 2023	Head of HR	Service Centre Trade Unions	
9.2		Adherence to the Welsh Government's Race Equality Action Plan and LGBT+ Action Plan as they relate to the Workforce	TBD	March 2023	Head of HR	Access to Services	
9.3		Pro-active contribution to the development of recruitment and selection processes to reflect the communities we serve	TBD	March 2023	Head of HR	Service Centre Recruitment Specialist	Funding for recruitment of Recruitment Specialist obtained.
9.4	Achievement of Disability Confident Accreditation Leader Status	So that we are accredited as a Disability Confident Leader; acting as a champion within our local and business communities.	External Validation of self-assessment referring to the “Voluntary Reporting Framework”	March 2023	Head of HR	Recruitment Specialist Service Centre Workforce Equalities Group	Disability Confident Employer Status already achieved. External support being provided by Remploy.

9.5	Delivery of Equalities Training	So that we have e-learning and face face training provisions the meets best practice and legislative requirements.	Training in place by June 2023	June 2023	Head of HR	Corporate L&D team Workforce Equalities Group	E-learning for staff in place. E-learning for Managers and face to face training being developed.
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Integrated Impact Assessment Screening Form – Appendix 2

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: HR&OD

Directorate: Corporate services

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services
- Other

(b) Please name and fully describe initiative here:

Progress Report:

There is a requirement to provide an update to the Council's Governance and Audit Committee in respect of the Council's Workforce Strategy for 2022/27.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

	High Impact		Medium Impact		Low Impact		Needs further Investigation	No Impact
	+	-	+	-	+	-		
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Integrated Impact Assessment Screening Form – Appendix 2

Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Human Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

This is a progress report and as such has no impact, the items in the strategy will have their own impacts and a IIA will be needed to cover these at another time

Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches? Please provide details below – either of your activities or your reasons for not undertaking involvement

Consultation has taken place with key stakeholders (Members, Senior management, Employees and Trade unions) in the production of the Workforce Strategy.

The paper to be presented to the Committee has been consulted on with the Head of Service and Director of Corporate Services and now awaiting responses from Access to Services, Finance and Legal.

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan’s Well-being Objectives when considered together?
 Yes No

- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
 Yes No

- c) Does the initiative apply each of the five ways of working?
 Yes No

- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
 Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

High risk <input type="checkbox"/>	Medium risk <input checked="" type="checkbox"/>	Low risk <input type="checkbox"/>
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Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes No **If yes, please provide details below**

The Workforce Strategy will have an impact across all of the workforce and across all Directorates in delivering against the themes of “Leadership and Management”, “A Workforce Fit For the Future”, “Being an Employer of Choice” and “Workforce Wellbeing and Inclusion” and supporting Strands and Action Plans.

Integrated Impact Assessment Screening Form – Appendix 2

Q7 Will this initiative result in any changes needed to the external or internal website?

Yes No **If yes, please provide details below**

Q8 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

This Strategy has been developed in in line with the provisions of the Well-being of Future Generations (Wales) Act 2015. The Strategy includes specific strands in relation to Equalities in the Workplace and Workforce Wellbeing and Inclusion. This report provides an update on progress an as such has limited impact. The strand within the strategy and actions undertaken will be subject to their own IIA process.

Outcome of Screening

Q9 Please describe the outcome of your screening using the headings below:

- **Summary of impacts identified and mitigation needed (Q2)**
- **Summary of involvement (Q3)**
- **WFG considerations (Q4)**
- **Any risks identified (Q5)**
- **Cumulative impact (Q7)**

This is an update report of the progress made on the Council's workforce strategy to date. The report itself has minimal impacts identified within the IIA. Each strand or the workforce strategy and any actions undertaken as a result of the strategy will be subject to its own IIA process

(NB: This summary paragraph should be used in the 'Integrated Assessment Implications' section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Adrian Chard
Job title: Strategic HR&OD Manager
Date: 4th July 2022

Approval by Head of Service:
Name: Rachael Davies

Integrated Impact Assessment Screening Form – Appendix 2

Position: Head of HR&OD and Service Centre
Date: 5th July 2022

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 10



Report of the Head of Digital & Customer Services

Governance & Audit Committee – 13 July 2022

Annual Complaints Report – Six Month Update

Purpose:	To provide assurance on the complaints handling process and a six month update.
Policy Framework:	Complaints Policies and Achieving Better Together
Consultation:	Access to Services, Finance, Legal.
Report Author:	Sarah Lackenby
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar
For Information	

1. Introduction

- 1.1 The Annual Complaints report for 2020-21 was presented to the Governance & Audit Committee on the 14th December 2021.
- 1.2 This report gives an update on progress six months on. The Annual Complaints Report 2021-22 will be presented as soon as the Ombudsman's annual letter is received.

2. Six Month Update

- 2.1 The Council attended the Public Services Ombudsman Wales (PSOW) annual sounding board meeting in March 2022. The PSOW uses these sessions to gather feedback from public bodies and then adapt or change ways of working.

- 2.2 In addition, training has been arranged for Social Services staff in October 2022 covering complaints handling and complaints investigation skills. The training is being delivered by the PSOW.
- 2.3 All section 40 submissions were provided to the PSOW on time.
- 2.4 Progress on the new IT system for complaints has been delayed due to the urgent priority to issue payments to residents around both cost of living support and ongoing issues from the pandemic, e.g. payments to carers. Work is resuming in July 2022 with the aim of going live in September following system testing and training for key users.
- 2.5 In December 2021 the Governance & Audit Committee requested development of key performance indicators around complaints. These have been developed in order to mirror the Council's complaints policies, Social Services legislation and statutory timescales, and section 40 submissions to the PSOW. A distinction must be made between corporate complaints and Social Services complaints. Social Services complaints can be complex and involve external investigators at stage two of the process. The Director of Social Services can approve extensions to timescales for dealing with Social Services complaints. KPIs include:

Corporate Complaints KPIs:

- % of stage one corporate complaints responded to within 10 clear working days
- % of stage two corporate complaints responded to within 20 clear working days, or within any extension agreed with the customer.

Social Services Complaints KPIs:

- % of stage one social services complaints acknowledged within 2 working days
- % of stage one social services complaints discussed with complainants, i.e. appointments with a Social Services Officer or Complaints Officer within 10 working days of acknowledgement
- % of stage two complainants receiving a written summary of the complaint within 5 working days
- % of stage two complaints responded to within 25 working days, or within any extension approved by the Director of Social Services.

3. Integrated Impact Assessment Implications

- 3.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.

- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

3.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

3.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

3.2 An IIA Screening Form has been completed with the agreed outcome that a full IIA report was not required.

The impacts have been categorised as medium as there is the potential to positively change and adapt services based on complaints received. The exception is where policies and processes are governed by statutory legislation, therefore the impact remains the same.

With regard to the summary of involvement, complaints from the public are used as a valuable tool to adapt, change and develop services.

Well-being and future generations considerations around this update report include:

- Using complaints information to adapt and shape services for the future
- Using Welsh Language complaints to ensure the Council not only meets the existing standards but also encourages and promotes the Welsh Language
- Using complaints information to prevent problems occurring or getting worse
- Viewing complaints in an integrated way, especially where a complaint may involve multiple public sector organisations.

The report adheres to the transformation and future council development well-being objective in the Corporate Plan - so that services are sustainable and fit for the future.

The annual report provides historic performance information and therefore risks are considered low.

With regard to the cumulative impact, this is a performance report. When a complaint is received by a service opportunities to adapt, review or change ways of working are considered at that point. However, some policies and procedures are related to statutory legislation and cannot be changed locally.

4. Financial Implications

4.1 The annual cost of investigating complaints will be included in the Annual Complaints Report 2021-22.

5. Legal Implications

5.1 There are no specific legal implications arising from this report.

Background Papers: None

Appendices:

Appendix A IIA Screening Form

Integrated Impact Assessment Screening Form – Appendix A

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Digital & Customer Services

Directorate: Corporate Services Directorate

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services

(b) Please name and fully describe initiative here:

Annual Complaints Report – six month update. To provide assurance on the complaints handling process and a six month update on progress.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

	High Impact		Medium Impact		Low Impact		Needs further investigation
	+	-	+	-	+	-	
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Future Generations (yet to be born)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Integrated Impact Assessment Screening Form – Appendix A

- Q3** What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches?
Please provide details below – either of your activities or your reasons for not undertaking involvement

Complaints from the public are used as a valuable tool to adapt, change and develop services.

- Q4** Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan's Well-being Objectives when considered together?
Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
Yes No
- c) Does the initiative apply each of the five ways of working?
Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
Yes No

-
- Q5** What is the potential risk of the initiative? (*Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...*)

High risk

Medium risk

Low risk

-
- Q6** Will this initiative have an impact (however minor) on any other Council service?

Yes

No

If yes, please provide details below

-
- Q7** What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

Providing assurance and providing a six month update. When a complaint is received by a service opportunities to adapt, review, or change ways of working are considered at that point. However, some policies and procedures are related to statutory legislation and cannot be changed locally.

Integrated Impact Assessment Screening Form – Appendix A

Outcome of Screening

Q8 Please describe the outcome of your screening below:

- **Summary of impacts identified and mitigation needed (Q2)**
- **Summary of involvement (Q3)**
- **WFG considerations (Q4)**
- **Any risks identified (Q5)**
- **Cumulative impact (Q7)**

The impacts have been categorised as medium as there is the potential to positively change and adapt services based on complaints received. The exception is where policies and processes are governed by statutory legislation, therefore the impact remains the same.

With regard to the summary of involvement, complaints from the public are used as a valuable tool to adapt, change and develop services.

Well-being and future generations considerations around this report include:

- Using complaints information to adapt and shape services for the future
- Using Welsh Language complaints to ensure the Council not only meets the existing standards but also encourages and promotes the Welsh Language
- Using complaints information to prevent problems occurring or getting worse
- Viewing complaints in an integrated way, especially where a complaint may involve multiple public sector organisations.

The report adheres to the transformation and future council development well-being objective in the Corporate Plan - so that we and the services that we provide are sustainable and fit for the future.

The report provides historic performance information and therefore risks are considered low.

With regard to the cumulative impact, this is a performance report. When a complaint is received by a service opportunities to adapt, review or change ways of working are considered at that point. However, some policies and procedures are related to statutory legislation and cannot be changed locally.

(NB: This summary paragraph should be used in the relevant section of corporate report)

Full IIA to be completed

Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

Screening completed by:
Name: Sarah Lackenby
Job title: Head of Digital & Customer Services
Date: 28th June 2022
Approval by Head of Service:
Name: Ben Smith
Position: Director of Finance and Section 151 Officer

Integrated Impact Assessment Screening Form – Appendix A

Date: 28 June 2022

Please return the completed form to accesstoservices@swansea.gov.uk



Report of the Deputy Chief Executive

Governance & Audit Committee – 13 July 2022

Local Code of Corporate Governance – Framework of Assurance

Purpose:	The report presents the Local Code of Corporate Governance and how Swansea Council implements and provides assurance on it.
Report Author:	Richard Rowlands
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar
For Information	

1. Background

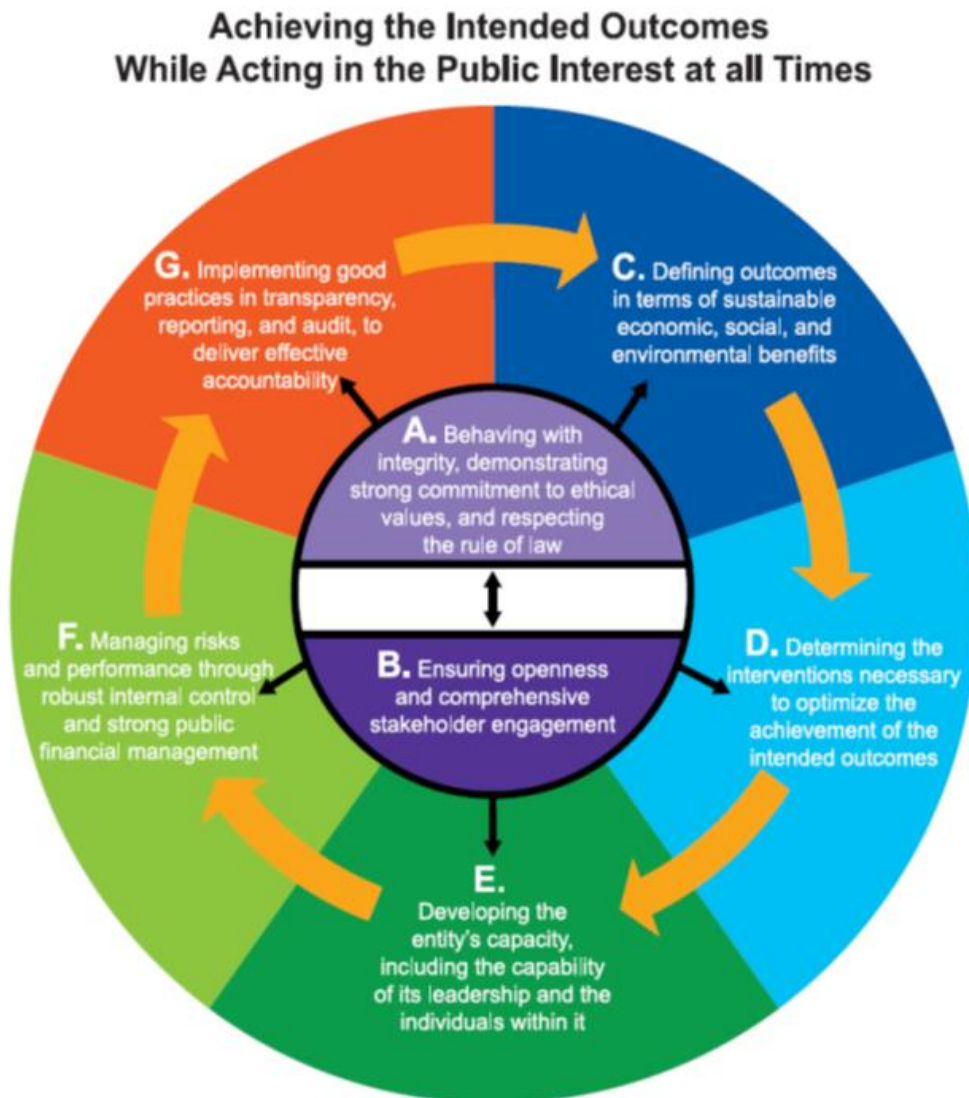
- 1.1 The *Delivering Good Governance in Local Government Framework* published by CIPFA and SOLACE in 2007 and reviewed in 2015 sets the standard for local authority governance in the UK.
- 1.2 The term Local Code of Corporate Governance essentially refers to the approved governance structure in place, as there is an expectation that a formally set out local structure should exist, although in practice it may consist of a number of local codes or documents.
- 1.3 To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the core and subprinciples contained in the Framework. It should therefore develop and maintain a local Code of Corporate Governance reflecting the principles set out in the CIPFA SOLACE Framework.
- 1.4 The Council adopted a Local Code of Corporate Governance in 2017. The Accounts and Audit (Wales) Regulations 2014 require that a review of the effectiveness of the governance arrangements must be undertaken at least annually and reported on within the Authority e.g. to

the Governance & Audit Committee. The Council publishes an Annual Governance Statement to this effect and the Internal Audit section reviews the Council's governance arrangements on an annual basis.

- 1.5 This 'for information' report summarises the Local Code of Corporate Governance and how Swansea Council implements it and provides assurance that arrangements remain robust and fit for purpose.

2. Local Code of Corporate Governance

- 2.1 The Local Code of Corporate Governance refers to the approved governance structure in place, reflecting the principles contained in the CIPFA SOLACE Framework. The diagram below summarises these key principles of good governance:



- 2.2 The tables below summarise the Local Code of Corporate Governance and how Swansea Council implements it.

Key Principle	How Swansea does this
Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	<ul style="list-style-type: none"> • Council Constitution. • Codes of Conduct. • Standards Committee. • Monitoring & other statutory officers. • Declarations of Interests. • Policies, procedures and rules. • Anti-fraud and corruption framework. • Internal and external audit and scrutiny • Member and Officer training.
Ensuring openness and comprehensive stakeholder engagement	<ul style="list-style-type: none"> • Forward Plan – key meetings, decisions. • Public meetings and questions. • Pre-decision scrutiny of Cabinet decisions and Call-In procedure. • Consultation & Engagement Strategy and engagement with representative groups. • Communications, including social media. • Complaints policy and report. • Councillor Champions for under-represented groups. • Partnerships and partnership working.
Defining outcomes in terms of sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> • Corporate Plan – with 6 Well-being Objectives to improve social, cultural, economic and environmental well-being. • Medium Term Financial Plan. • Corporate Performance Indicators. • Annual Review of Performance (self-assessment). • Service Plans. • Achieving Better Together Transformation Programme. • Procurement – social benefit clauses.
Determining the interventions necessary to optimise the achievement of the intended outcomes	<ul style="list-style-type: none"> • Written reports with options appraisal, integrated impact assessments and legal, financial, equality clearances. • Outcome and response to consultations incorporated into reports. • Quarterly and annual Risk & Performance Management Reports. • Quarterly and annual budget monitoring reports. • Monthly Performance & Financial Monitoring Meetings. • Scrutiny Panels and arrangements.

Key Principle	How Swansea does this
<p>Developing the entity’s capacity, including the capability of its leadership and the individuals within it</p>	<ul style="list-style-type: none"> • Induction programme – Members and Officers. • Councillor training programme. • Annual Performance Reviews for staff. • Mentoring scheme. • Workforce Strategy and organisational development. • Achieving Better Together Transformation Programme. • Chief Executive Appraisal and Remuneration Committee. • Council Constitution – scheme of delegation. • Clearly defined roles and responsibilities. • Let’s Talk About community leadership hub.
<p>Managing risks and performance through robust internal control and strong public financial management</p>	<ul style="list-style-type: none"> • Risk Management Policy, Framework and arrangements. • Quarterly and annual performance and risk management reports. • Scrutiny Panels and arrangements, including pre-decision scrutiny and call-in procedures. • Monthly Performance & Financial Monitoring meetings. • Robust Internal Controls. • Governance & Audit Committee seeking assurance on internal control and governance arrangements. • Anti-fraud and Corruption Policies and plans. • Internal and External Audit. • Whistleblowing Policy. • Data Protection, Information Governance and GDPR Policy and arrangements. • Medium Terms Financial Plan. • Quarterly and Annual Budget Monitoring Reports. • Financial implications included in all reports. • Section 151 Officer.

Key Principle	How Swansea does this
Implementing good practices in transparency, reporting and audit to deliver effective accountability	<ul style="list-style-type: none"> • Standard reports templates and protocols. • Reports signed off by legal, finance, Cabinet Members and access to services staff. • Agendas, Reports and Minutes published on the Council's website. • Forward Look – detailing decisions to be taken. • Publication of delegated decisions. • Quarterly and Annual Performance and Budget Monitoring Reports. • Annual Statement of Accounts, incorporating the Annual Governance Statement. • Internal and External Audit Reports published and responded to. • Annual Review of Performance, incorporating Self-assessment Report. • Externally-led Panel Performance Assessments (peer reviews). • Governance & Audit Committee seeking assurance on governance and accountability • Scrutiny Panels and arrangements, including pre-decision scrutiny and call-in procedures.

3. Assurance: Annual Governance Statement

- 3.1 Assurance on the application of the Local Code of Corporate Governance is provided through the production of the Annual Governance Statement (AGS), which is reported for assurance to Governance & Audit Committee each year.
- 3.2 The AGS explains how the Council has complied with the Local Code of Corporate Governance and meets the requirements of the Accounts and Audit (Wales) Regulations 2014 (as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018).
- 3.3 The AGS identifies any significant governance issues and the actions that are proposed to tackle and resolve them. The AGS describes internal and external sources of assurance on the Council's Governance arrangements.

3.4 *Internal Sources of Assurance*

- 3.4.1 *Self-Assessment & Management Assurance Statements (SMAS)* – these are statements from Corporate Directors that seek to provide a self-assessment and assurance on the performance and governance arrangements within their directorates. Each Director assesses assurance for their areas of responsibility using a 5 point maturity scale ranging from “Not in place” to “Embedded”. Directors are expected to consult with their Heads of Service to support a directorate approach to each Statement. SMASs are reviewed and challenged at Corporate Management Team (CMT) and at an Annual Governance Group chaired by the Deputy Chief Executive consisting of the statutory officers, Strategic Delivery & Performance Manager and a representative from the Governance & Audit Committee.
- 3.4.2 *The Monitoring Officer* - The Chief Legal Officer is the Monitoring Officer with a specific duty to ensure that the Council, Officers and Members maintain the highest ethical standards of conduct. The Standards Committee has the responsibility for monitoring the ethical standards of conduct and to deal with any breaches of the Code referred to the Committee by the Public Service Ombudsman (PSOW).
- 3.4.3 *The Section 151 Officer* – the functions of the S151 Officer includes: ensuring lawfulness and financial prudence of decision making; sound administration of the financial affairs of the Council; providing professional financial advice to CMT; giving advice on the scope of powers and authority to take decisions, maladministration, financial impropriety probity and Budget and Policy Framework issues to all Councillors, and; in conjunction with the Monitoring Officer, advise whether decisions of the Cabinet are in accordance with the Budget and Policy Framework. This is done through the budget, Medium Term Financial Plan, Statement of Accounts and a number of quarterly and annual reports from the S151 Officer to CMT, Cabinet, Council, Scrutiny and Governance & Audit Committee.
- 3.4.4 *Chief Auditor Opinion* - The Chief Auditors Opinion provides assurance to inform the Council’s Annual Governance Statement and provides ‘reasonable’ assurance that the systems of internal control within the areas of the Council reviewed are operating adequately and effectively. It is informed by internal audit work throughout the year, as set out in the risk-based audit plan. This work plan includes a specific annual audit of the Council’s governance arrangements.
- 3.4.5 *Governance & Audit Committee* - The Governance & Audit Committee provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. The purpose of the Governance & Audit Committee is to provide independent assurance of the adequacy of the risk management framework, the internal control environment and the performance assessment of the Council. It provides an independent

review of the governance, performance assessment, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

3.5 *External Sources of Assurance*

3.5.1 *External Auditors* – Audit Wales is the trademark of two legal entities: the Auditor General for Wales and the Wales Audit Office.

Each has its own particular powers and duties: the Auditor General audits and reports on Welsh public bodies; the Wales Audit Office provides staff and other resources for the Auditor General's work, and monitors and advises the Auditor General. Audit Wales undertakes a number of national and local audits each year and presents each Council with an Annual Audit Summary, which summarises their work undertaken in the Council each year. This includes: the audit of accounts to make sure that public money is being properly accounted for; testing the arrangements the Council has in place to get value for money for the resources it uses; reviewing the arrangements that the Council has put in place to make continuous improvements; assessing the extent to which the Council considers the impact they could have on people living in Wales now and in the future.

3.5.2 *Statutory external inspections/regulators* – Care Inspectorate Wales are the independent regulator of social care and childcare in Wales. They register, inspect and take action to improve the quality and safety of social care and childcare services for the well-being of the people of Wales. This includes inspecting and driving improvement of regulated services and local authority social services. Estyn inspects quality and standards in education and training in Wales, which includes schools and local government education services.

3.6 *Core evidence of assurance*

3.6.1 There is a set of core evidence that provides assurance based on reports.

3.6.2 *Council and Cabinet* - the Corporate Plan sets out the Council's Well-being Objectives, the steps to deliver them and the values and principles underpinning the delivery of its objectives. Performance on delivery of the Council's Well-being Objectives is reported quarterly and annually to Cabinet. The reports contain outturn against performance indicators and an overview of performance for each objective provided by Directors/Heads of Service. An Annual Review of Performance providing a self-assessment on progress meeting the objectives is also reported to Cabinet each year.

3.6.3 There are a number of annual reports presented to Council and Cabinet that help provide assurance. An Annual Complaints Report

and the Ombudsman's Annual report is submitted to Cabinet each year. The Annual Complaints Report reflects the continued emphasis on prompt resolution of complaints and includes compliments about services. The Governance & Audit Committee Annual Report is presented to Council each year and outlines the assurance the Committee has gained over control, risk management and governance from various sources over the course of the year.

3.6.4 An Annual Equality Review Report is reported to Cabinet each year, which highlights progress against the Council's Equality Objectives as stated in its Strategic Equality Plan. The Welsh Language Annual Report reflects progress and compliance on the 163 Welsh Language Standards across five categories with which the Council has to comply. The Annual Scrutiny Report to Council highlights the work carried out by Scrutiny during each year and how Scrutiny makes a difference and supports continuous improvement. The Standards Committee Annual Report to Council describes the committees work during the year to ensure high standards of conduct.

3.6.5 *Committees* - The Council's Scrutiny function is carried out by a Scrutiny Programme Committee, which delivers an agreed programme of work through Committee meetings and through Scrutiny Panels and Working Groups established by the Committee. Through this range of activities, scrutiny councillors make sure the work of the Council is accountable and transparent, effective and efficient, and help the Council to achieve its objectives and drive improvement. The Standards Committee is chaired by an independent person and is responsible for monitoring the ethical standards of the authority and maintaining the highest standards of conduct by elected councillors. The Governance & Audit Committee aims to obtain assurance over the areas included in its terms of reference, including the adequacy of the risk management framework, the internal control environment and the performance assessment of the Council. The Pension Fund Committee establishes and keeps under review policies to be applied by the Council in exercising its obligations duties and discretions as an administering Authority under the Local Government Pension Scheme Regulations. The Democratic Services Committee reviews the adequacy of provision by the authority of staff, accommodation and other resources to discharge Democratic Services functions. The purpose of the Corporate Development Committees is to drive the development of policy for consideration and adoption by Cabinet and or Council as appropriate.

4. Integrated Assessment Implications

4.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

4.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the ‘well-being goals’.

4.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

4.1.3 This is an ‘information only’ report providing an overview of the Local Code of Corporate Governance assurance framework, so there is no direct impact on people or communities from this report.

5. Legal Implications

5.1 There are no legal implications.

6. Financial Implications

6.1 There are no financial implications.

Background papers: None.

Appendices: None.



Report of the Deputy Chief Executive

Governance & Audit Committee – 13 July 2022

Overview of the Governance and Assurance arrangements of Partnerships and Collaborations

Purpose:	The report presents an overview of the governance and assurance arrangements of significant partnerships and collaborations.
Report Author:	Joanne Portwood
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For Information	

1. Introduction

- 1.1 The Delivering Good Governance in Local Government Framework 2016, published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) defines good governance as:

'both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.'

- 1.2 The Framework incorporates a number of principles including;

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

- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

- 1.3 To achieve good governance, The Council should be able to demonstrate that its governance structures comply with the core and subprinciples contained in the Framework. A revised Corporate Code of Governance was approved by Council in August 2017 in order to maintain a local Code of Corporate Governance reflecting the principles set out in the CIPFA/SOLACE Governance Framework.
- 1.4 The Governance and Audit reviewed the Council's Annual Governance Statement (AGS) on 31st May 2022 to assess how it has complied with its Code of Corporate Governance (informed by the CIPFA/SOLACE Framework 2016). The Governance and Audit Committee resolved that the AGS be approved subject to a number of amendments.

2. The context of Partnerships and Collaborations in Wales

- 2.1 The complexity of the Partnership landscape is a theme which has been consistently highlighted in numerous reviews of Welsh Public Services over the years (e.g. Beyond Boundaries: Citizen-Centred Local Services for Wales, Beecham et al, (2006), Local, Regional, National: What services are best delivered where? Simpson et al, (2011) and the Commission on Public Service Governance and Delivery, Williams et al (2014).
- 2.2 A Review of Strategic Partnerships in Wales commissioned by the Welsh Government and the WLGA in June 2020, concluded that despite numerous reviews and recommendations focused on improving the alignment and rationalisation of Partnerships, the landscape remains crowded and complex.
- 2.3 The Review of Strategic Partnerships in Wales identified a number of concerns related to Governance and accountability arrangements such as weak links between Partnerships, limited membership and representation, lengthy meetings with no clear correlation to improving outcomes, cultural barriers, poor or ineffective collective leadership, over regulation and prescription and a lack of engagement with citizens. Other challenges included tensions related to individual organisational sovereignty versus collective accountability and democratic accountability.

- 2.4 Given the complexity of Partnership landscape in Wales, it is perhaps not unsurprising that Governance and assurance arrangements for Partnerships is also complex. The relationship between the role and functions of the Council's Governance and Audit and the Governance and assurance relationships for Partnerships is also complicated. Given these complexities it is not the intention of this report to provide an in-depth review of the arrangements of each Partnership, but to provide an overview of arrangements.
- 2.5 The remainder of this report provides an overview of the Governance and assurance arrangements of 5 key significant Partnerships and collaborations; the South West Wales Corporate Joint Committee, (CJC), Swansea's Public Service Board (PSB), the West Glamorgan Regional Health and Social Care Partnership, the Swansea Bay City Deal (SBCD) and Partneriaeth/ERW.

3. South West Wales Corporate Joint Committee (CJC)

- 3.1 Corporate Joint Committees (CJCs) are relatively new partnerships established as a result of the Local Government and Elections (Wales) Act 2021. The key purpose of the CJCs is to bring coherence to regional governance and strengthening local democracy and accountability by integrating decision making and wherever possible building on existing regional arrangements.
- 3.2 CJCs have functions relating to strategic development planning, regional transport planning and promoting the economic well-being of their areas. They have prescribed functions related to the preparation of the Regional Transport Plan, Strategic Development Plan and the exercise of Economic Wellbeing powers. The south west region has also chosen to include the delivery of its regional energy strategy under the umbrella of Economic Well being
- 3.3 In contrast to other joint committee arrangements, CJCs are separate corporate bodies which can employ staff, hold assets and budgets, and undertake functions. Guidance on their establishment suggests that CJCs should be treated as a member of the 'local government family' and where appropriate, should largely be subject to the same powers and duties as Local Authorities in the way that they operate.
- 3.4 The City and County of Swansea is part of the South West Wales CJC which also includes Carmarthenshire County Council, Pembrokeshire County Council and Neath Port Talbot County Borough Council, Pembrokeshire National Park and the Brecon Beacons National Park (the national parks will only have direct input into the planning strand and any directly related elements).
- 3.5 At the first meeting of the South West Wales CJC on January 13th 2022 Cllr Rob Stewart (Swansea Council) was appointed as Chair and Cllr Emlyn Dole (formerly Carmarthenshire Council) was appointed as

the Vice Chair of the South West Wales Corporate Joint Committee. At the first meeting, the Committee also adopted a set of standing orders by which the Corporate Joint Committee will be governed. This included the appointment of several statutory roles, including that of the Chief Executive role (currently held by Neath Port Talbot County Borough Council, which will be rotated annually between Constituent Councils) and the appointment of the s151 and Chief Finance Officer from Carmarthenshire Council and the Monitoring Officer from Neath Port Talbot County Borough Council.

- 3.6 The constitution of the South West Wales CJC outlines the proposed governance and assurance framework, including the creation of Sub-Committees, a Governance and Audit Committee and Scrutiny arrangements.
- 3.7 Key matters resolved by the South West Wales CJC included;
- the approval of the Constitution of the South West Wales CJC,
 - the allocation of operational responsibilities for the South West Wales CJC,
 - the creation of Sub-Committees of the South West Wales CJC (Regional Transport Planning, Economic Well-Being – regional economic development, Economic Well-Being – regional energy strategy and Strategic Development Planning),
 - the establishment of a Governance and Audit Committee for the South West Wales CJC,
 - the designation of Neath Port Talbot County Borough Standards Committee as the Standards Committee for the South West Wales CJC,
 - the establishment of an Overview and Scrutiny Committee for the South West Wales Corporate CJC,
 - the approval the Rules of Procedure for South West Wales CJC,
 - the approval of the Access to Information Procedure Rules for South West Wales
 - approval of the Members Code of Conduct for South West Wales CJC,
 - the delegation of authority granted to the Chief Executive, in consultation with the Chair of the South West Wales CJC.
- 3.8 The South Wales CJC has also developed an overview of a forward work programme and considered draft annual budgets for 2021-22 and 2022-23. Support services and functions such as Democratic Services, Scrutiny, Governance and Audit, Human Resources, ICT and Data Protection and Communications will be provided on an ad hoc basis by Constituent Councils through Service Level Agreements.
- 3.9 The South West Wales CJC has established four Sub Committees (Regional Transport Planning, Economic Well-Being - regional economic development, Economic Well- Being – regional energy

strategy and Strategic Development Planning). The chair of each Sub Committee will be drawn from the Leaders of the Constituent Councils (or their nominated deputies) and shared between the four authorities. The Sub-Committees will be supported by a Lead Chief Executive of the Constituent Councils and additional representatives to each Sub Committee will be comprised of the relevant Cabinet members of the four Constituent Councils (and the Chairpersons of the relevant National Parks authorities in respect of Strategic Development Planning).

- 3.10 Work on current work streams - Economic Delivery, Strategic Planning, Transport and Energy - is currently underway to align existing arrangements with future plans e.g. the formal adoption of the Regional Economic Delivery Plan and the South West Wales Regional Energy Strategy by the CJC.
- 3.11 Carmarthenshire Council has been designated the accountable body to discharge the financial obligations of the Corporate Joint Committee as well as the legal requirements of setting the budget. A zero budget for the financial year 2021- 2022 was set, as costs have been absorbed by constituent authorities and a £250,000 grant for certain items has been received from Welsh Government towards the set-up costs of the CJC. There will be a duty to set a budget for future years to ensure provision of adequate resources to allow the Corporate Joint Committee to undertake its role and function appropriately and there is an obligation to recover costs of operating by a levy based on constituent authorities and if appropriate, National Park Authorities. To ensure fairness and equity across the region, the Regional funding of the South West Wales CJC will be set through a levy apportionment by population size. A Business Manager has been appointed to coordinate the Corporate Joint Committee and its overall operation within the draft budget.
- 3.12 As the South West Wales CJC will be treated as a member of the local government family, other associated governance matters and statutory duties such as promoting and carrying out sustainable development, promoting the Welsh Language, Equality, Biodiversity and resilience of eco-systems Freedom of Information, Child Poverty and National Parks will need to be considered in due course.
- 3.13 The AGM for the CJC is being planned for July 2022 whereby updates on the political arrangements post the local government elections in May will be considered as there are two new leaders in place on the CJC

4.0 Swansea Public Service Board (PSB)

- 4.1 Swansea Public Services Board was established by the Well-being of Future Generations (Wales) Act 2015. The purpose of the Board is to improve the economic, social, environmental and cultural well-being of Swansea, contributing to the 7 national well-being goals and acting in

accordance to the sustainable development principle (the 5 ways of working).

- 4.2 Swansea Public Services Board is required to prepare and publish an assessment of economic, social, environmental and cultural well-being in Swansea and prepare and publish a Local Well-being Plan for Swansea setting out local objectives and the steps it proposes to take to meet them. They are also required to prepare and publish an annual report that sets out the Board's progress in meeting the local objectives and to invite participants to attend and participate in the business of the Board as appropriate. It must review and revise its local objectives, amend the Well-being Plan and attend Swansea Council's Scrutiny Programme Committee to provide information and assistance that enables the committee to discharge its responsibilities to scrutinise the work of the Public Services Board.
- 4.3 Swansea Public Service Board revised and agreed its terms of reference in April 2019. Statutory Membership of the Board includes; the City and County of Swansea, Swansea Bay University Health Board, Mid and West Wales Fire and Rescue Service and Natural Resources Wales. Invited participants include; Welsh Ministers, the Chief Constable of South Wales Police, the South Wales Police and Crime Commissioner, a Probation services representative, a representative of voluntary organisations and any other persons who the Board may be required to invite under regulations made by Welsh Ministers. Invited participant are not members of the Board and are not required to accept the invitation. However, they can make representations to the Board about the content of assessments of local well-being, the local well-being plan and proposed amendments to the local well-being plan, to take part in Board meetings and provide other advice and assistance to the Board.
- 4.4 Swansea Public Services Board should also seek advice from its other partners and otherwise involve them as it considers appropriate. These partners will include but are not limited to; Community Councils, for a Public Health Wales NHS Trust, a Community Health Council, a National Park Authority for a National Park in Wales, the Higher Education Funding Council for Wales, an Institution in the Further education sector, or the Higher Education sector, the Arts Council of Wales, the Sports Council for Wales, the National Library of Wales and the National Museum of Wales.
- 4.5 Subsequent to each ordinary election of Local Government councillors, the Board will hold a "mandatory meeting" chaired by Swansea Council no later than 60 days after the date of each ordinary election of councillors. At this mandatory meeting the Board must review its terms of reference, amend the terms of reference and determine when and how often it meets. Members will also appoint the chair for subsequent meetings of the Board from the statutory members. Board decisions are only valid when made jointly and unanimously by all statutory

members (or their substitutes) and with all statutory members in attendance. The quorum of a PSB meeting is all of its statutory members.

- 4.6 Currently within Swansea, the PSB Joint Committee is the legal entity which is the Public Services Board which consists of the 4 statutory partners and invited participants. Currently the PSB Chair is Cllr Andrea Lewis (the City and County of Swansea) and the Vice Chair is Roger Thomas (Fire & Rescue).
- 4.7 Responsibility for the co-ordination of each of the Local Well-being Plan's four outcome based Local Well-being Objectives lies with 1 of the 4 statutory members. This includes all the administrative and support arrangements and currently are as follows; Early Years – ABMU, Live Well, Age Well – Swansea Council, Working with Nature – Natural Resources Wales and Stronger Communities – Fire and Rescue.
- 4.8 The City and County of Swansea provides an administrative role supporting statutory members of the Public Services Board to discharge their legal responsibilities. Task and finish delivery groups have worked to deliver the Local Well-being objectives, and steps. Each group has signed up to common terms of engagement and are led by Objective/Step Leads.
- 4.9 The majority of work carried out by Swansea PSB is carried out within the existing budgets of the Statutory Partners and subject to individual organisation's arrangements. However, in addition Swansea PSB and Neath Port Talbot PSB, received a Welsh Government grant for the financial year 2021-22 as part of a regional support package and was used help fund the costs associated with the development of the Well-being Plans.
- 4.10 The Review of Strategic Partnership commissioned by the Welsh Government and WLGA (2020) suggested that PSBs could be more effective, if they had their own funding as some other partnerships do. The Review noted that the concept of pooled budgets was not generally happening in practice.
- 4.11 The Partnership Forum is group which provides a mechanism for a range of interested parties from the public, private and voluntary sector to engage in the work of the Swansea Public Services Board. Currently over 150 participants have expressed an interest in the Partnership Forum and are included in a mailing list. The Partnership Forum takes place every six months and is open to all. The work of the PSB is open to the public and information is available online.
- 4.12 The City and County of Swansea's Scrutiny Programme Committee is the designated Council Committee for Scrutiny of Swansea Public Services Board. The Committee had previously delegated and

discharged responsibility for Scrutiny through a stand-alone PSB Scrutiny Performance Panel. Following adjustment to the Scrutiny Work Programme in November 2020 the Committee is now carrying out this work directly, aiming to hold two to three PSB Scrutiny sessions per year.

- 4.13 Scrutiny made a number of recommendations for the PSB in June 2021; to improve the performance framework to better evidence the tangible difference the PSB is making, to improve public visibility / messaging about the work of the PSB, to lobby Welsh Government on PSB resources, to improve the clarity of action and outcomes from meetings, to improve the ability to measure progress in the delivery of Well-being objectives and to reflect on PSB governance in light of lessons learned from the pandemic.
- 4.14 A follow up Scrutiny committee meeting in January 2022 noted that some improvements had been made and noted some good progress which had been made across the workstreams. However areas for continued improvement were noted. These included the need to differentiate between PSB achievements versus achievements which could be attributed to individual organisations, or other partnerships, promoting the visibility of the PSB and raising the profile of the PSB and improving its performance framework

5. West Glamorgan Regional Partnership

- 5.1 The Partnership Arrangements (Wales) Regulations 2015 require Swansea, Neath Port Talbot and the Health Board as the Partnership Bodies to form a Regional Partnership Board (RPB) to implement requirements of the Social Services and Wellbeing (Wales) Act 2014
- 5.2 The West Glamorgan Regional Partnership Board was established in November 2016 (formally known as the 'Western Bay Regional Partnership Board'). The Social Services and Well-being (Wales) Act 2014 introduced a statutory role for a Regional Partnership Board, (although this was preceded by the Western Bay Regional Partnership Forum, which was originally established on a non-statutory footing in 2014).
- 5.3 The key purpose of the West Glamorgan Regional Partnership is to bring coherence to regional governance The Board is responsible for managing and developing services to secure strategic planning and partnership working between Local Authorities and the Health Board and to ensure effective services, care and support are in place to best meet the needs of the population.
- 5.4 The West Glamorgan Regional Partnership is a collaborative Health and Social Care initiative including the City and County of Swansea, Neath Port Talbot County Borough Council , Swansea Bay University

Health Board, Organisations in the third and independent Sectors and citizen and carer representatives

- 5.5 The West Glamorgan Regional Partnership focuses on four key strategic areas with associated projects and work streams being delivered in the context of the Social Services and Wellbeing (Wales) Act 2014. These areas include; stabilisation and reconstruction, remodelling acute and community health services, transforming complex care and transforming mental health services.
- 5.6 A revised Regional Governance Framework was approved by Cabinet in February 2022. The purpose of the Governance Framework was to clarify the remit of the Regional Partnership Board.
- 5.7 The Regional Governance Framework provides an outline of the terms of reference for the Regional Partnership Board, the appointment and tenure of Board Members, action required between meetings, declaration of interests, the approval of funding and Board etiquette. The purpose of the formal Governance Framework is to reduce any risks in terms of understanding how the Regional Partnership Board operates and therefore ensure that courses of action taken by the Board is in line with a governance framework which has been agreed by the Partnership Bodies.
- 5.8 Membership of the Board includes; Elected Members of each Local Authority and Members of the Local Health Board, Officers from each Local Authority and representatives from the Local Health Board, representatives from the Third sector, representatives of care providers, representatives of people with needs for care and support, representatives of carers, representatives of Trade Unions and representatives of Registered Social Landlords.
- 5.9 The Regional Partnership Board has established a number of Sub-groups to undertake its functions based on its 4 current workstreams. Each sub group has its own terms of reference approved by the Board. Each Sub-group is chaired by a member of the Partnership Board and includes representatives of people with needs for care and support and a carers representative.
- 5.10 The Regional Partnership Board meets at least four times of year, with additional meetings held at the discretion of the Board. The West Glamorgan Regional Transformation Programme Director produces an Annual Plan of Board business which includes proposals to cover business activity during the year and also sets out any standing items that will appear on every Board agenda.
- 5.11 Board decisions are only valid when meetings are quorate (attended by at least 1 member from each of the Partnership Bodies). The Board is not a formal decision-making body and has no executive powers. Courses of action are agreed by consensus among the full members.

Partners need to take issues agreed by the Board through their own local policy and decision-making for ratification as required.

- 5.12 In terms of pooled funding, a partnership agreement is drawn up between the partners to cover the governance arrangements, which address accountability, decision making, how the budget is to work and monitoring arrangements.
- 5.13 The Regional Partnership Board (RPB) is responsible for agreeing and managing the overall strategic direction and ensuring effective governance of the use of the Integrated Care Fund and other grants and funding.
- 5.14 The Board will be subject to scrutiny by overview and scrutiny committees of the local authorities which are Partnership Bodies or a joint Overview and Scrutiny Committee established by those local authorities.

6. Swansea Bay City Deal (SBCD)

- 6.1 The Swansea Bay City Deal (SBCD) growth deal represents a £1.3 billion investment in the regional economy and includes the City and County of Swansea, Neath Port Talbot Borough County Council, Carmarthenshire Council and Pembrokeshire Council. Good progress has been made in terms of delivering the investment as all 9 of the programmes and projects within the SBCD portfolio have now been approved by the UK Government and Welsh Government. This means over 99% of the available deal investment fund has been approved.
- 6.2 In terms of the governance structure a joint UK Government and Welsh Government Board – the Welsh Cities and Growth Implementation Board - has been established to oversee the Swansea Bay City Deal. The Board is responsible for providing assurance and advice to the Board regarding the SBCD programme and the release of funding. The Board is charged with providing oversight, challenge and the monitoring of progress for the SBCD programme and individual projects. The Board is also responsible for ensuring that there are robust governance and assurance arrangements in place for the Swansea Bay City Deal.
- 6.3 The Joint Committee has overall responsibility for scrutiny and regional business case approvals for submission to the UK Government and Welsh Government for final sign-off. It holds the Programme Board and the Portfolio Management Office to account. The Joint Committee comprises of the four regional Local Authority Leaders of Carmarthenshire, Neath Port Talbot, Pembrokeshire, and Swansea, as well as senior officers/representatives from all eight regional primary partner organisations. The Joint Committee is chaired by a Local Authority Leader and currently meets on a monthly basis.

- 6.4 The Economic Strategy Board is a private sector advisory body which acts as the voice of business. The ESB provides strategic direction for the City Deal through advice to the Joint Committee on matters relating to the City Region. The Chair of the Economic Strategy Board has been appointed following an open competition exercise.
- 6.5 The Programme Board oversees the operations of the SBCD. It is responsible for reviewing business case developments and portfolio progress. The Programme Board consists of the Chief Executives or head of paid service of each of the eight primary partners for the SBCD – or senior representatives in their places.
- 6.6 The Joint Scrutiny Committee provides advice, challenge and support to the Joint Committee, and is made up of two elected members from each of the four regional local authorities.
- 6.7 The City and County of Swansea is responsible for hosting the Joint Committee and all Legal and Democratic services (and provides the Monitoring Officer). Carmarthenshire County Council has the responsibility as the accountable body for the entire portfolio ensuring outcomes are delivered (and provides the Section 151 Officer). Pembrokeshire County Council has responsibility for all audit activity for the holistic portfolio. Neath Port Talbot County Borough Council has regional responsibility for scrutiny of the portfolio and its constituent programmes and projects.
- 6.8 Following internal and independent external reviews for the SBCD in December 2018 a new City Deal Portfolio Director and City Deal Portfolio Management Office was established. This resulted in the management of the City Deal as a portfolio, a redistribution of roles and functions to ensure an equitable balance across the City Deal partnership and improved Governance and assurance arrangements such as the production of an Integrated Assurance and Approval Plan, a Monitoring and Evaluation Plan and an updated Portfolio Business Case.
- 6.9 In June 2020, the Gateway 0 review into the SBCD Portfolio was commissioned to evaluate differentiating accountabilities for strategic oversight and delivery. The review made a number of recommendations in relation to the frequency of meetings, the role of Joint Committee and Programme Office, improving documentation and representation, aiming to improve Governance and assurance arrangements.
- 6.10 The Swansea Bay City Deal adopted a new SBCD Portfolio Risk Management Strategy in 2020 aligned to the HMT Green Book supplementary guidance: The Orange Book. They also established a Portfolio Risk Register and Issues Log, and regularly report on prioritised risks through the governance structures. Risk management is an integral part of the SBCD routine decision-making and is

incorporated within strategic and operational planning processes at all levels. Key risks are captured in a SBCD Portfolio Risk Register. The Portfolio Office regularly reviews and monitors the risk management process. In order to further support the management of risks and potential associated issues, the Portfolio Management office developed a change control in February 2021.

- 6.11 The SBCD developed a Monitoring and Evaluation (M&E) Plan in June 2020. Project teams contribute to monthly highlight and quarterly monitoring reports, an annual report and planned milestone evaluations. These reports outline planned and completed activity, key deliverables, risks, issues and finances at project, programme and portfolio levels.
- 6.12 In terms of assurance, the SBCD has developed an Integrated Assurance and Approval Plan (IAAP) to ensure that the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio are proportionate to levels of cost and risk. All nine SBCD projects and programmes have also established IAAPs, which are regularly updated and shared with the SBCD governance boards and committees.
- 6.13 The SBCD Portfolio and projects are also subject to OGC (Office of Government Commerce) Gateway Reviews to assure successful progression and overall delivery of the portfolio and associated projects and programmes. Gateway reviews are instigated and led by the Portfolio or Project/Programmes. All Welsh Government sponsored Programmes and Projects are mandated by the Welsh Government Permanent Secretary to complete an RPA form for review/appraisal by the Office of Project Delivery.
- 6.14 In terms of engagement, the SBCD has developed a Communications and Marketing Plan which outlines activities in relation to digital and print media coverage, social media, communication with regional businesses, marketing, branding, partnership working and internal communication. Business and Stakeholder engagement is a priority theme, underpinning the SBCD's engagement activities and events have included developing relationships with support parties, face to face meetings and a series of introductory stakeholder engagement and meet the buyer events.
- 6.15 the Swansea specific elements of the city deal programme are progressing well with the arena complete and operational and with the remaining aspects due for completion later this year. Work is also progressing well with 71/72 Kingsway digital district and the aligned projects being carried out by University Wales Trinity St David's also making good progress. The Council is also actively involved in the regional project of talent and skills, Homes and Power stations and the digital strand

7. Partneriaeth/ERW
- 7.1 In March 2020, Cabinet agreed to serve notice and withdraw from the formal regional arrangements for education improvement, Educational through Regional Working (ERW) consortium by the 31st March 2021. The report noted that since its inception ERW has struggled to function as an effective consortium owing to the sheer size and diversity of the geographical area of the ERW footprint, several changes of political and managerial leadership, difficult issues with staffing and management and a disproportionate focus on specific performance measures and traditional lines of attainment and attendance within schools, which were not aligned to economic ambitions within the region. Neath and Port Talbot County Borough Council gave notice to leave ERW on 31 March 2020. Although attempts were made to resolve these issues, underlying problems and challenges remained.
- 7.2 In September 2020, the Lead Chief Executive Officer of ERW (Swansea's Chief Executive Officer) requested that Directors work together to design a new education consortium based on the Swansea Bay City Deal Footprint following a report to Swansea's Cabinet.
- 7.3 In March 2021, Cabinet agreed that that more time was needed to wind down current ERW arrangements and create a new partnership by September 2021. The report noted that the formation of a new partnership had been complex and given the pandemic a more realistic timeline for dissolution of ERW and creation of Partneriaeth would be from September 2021. This has resulted in the straddling of two financial years and the need to implement a revised staff structure with a view to complete the dissolution of ERW and commencement of Partneriaeth by April 2022.
- 7.4 In November 2021, a legal partnership agreement was approved by the respective Cabinets of the City and County of Swansea, Carmarthenshire Council and Pembrokeshire Council to establish a joint committee for a new regional education partnership – Partneriaeth - to support the delivery of school improvement.
- 7.5 Cabinet approved the appointment of the Leader of the Council as a member of the Joint Committee and the delegation of those functions necessary to support the delivery of school improvement within the Council's area and the region. It also approved the creation of a Joint Scrutiny Councillor Group and delegated authority to the Director of Education in consultation with the Chief Legal Officer and the Cabinet Member for Education Improvement, Learning and Skills to make any further necessary amendments to the legal agreement and authorised the Chief Legal Officer to make these changes. It also approved the provision of services by the Partneriaeth to Councils who were not parties to the legal agreement, namely Neath Port Talbot County Borough Council, Ceredigion County Council and Powys County Council.

7.6 The legal partnership agreement outlines arrangements for the Joint Committee to establish a Strategic Group which will have responsibility for undertaking some operational matters and will report to the Joint Committee. The Joint Committee will also seek to establish an Operations Group and a Stakeholder Group which shall report to the Strategic Group. The Joint Committee will also have the responsibility to establish Sub-committees, establish terms of reference and membership as it sees fit within the confines the legal partnership agreement. A Joint Scrutiny Councillor Group will also be established to provide an informal scrutiny function to ensure greater public accountability over decisions made by the Joint Committee and any of its sub-committee.

8. Integrated Assessment Implications

8.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

8.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

8.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

8.1.3 This is an 'information only' report on the governance arrangements of strategic partnerships, so there is no direct impact on people or communities from this report.

9. Legal Implications

9.1 There are no legal implications.

10. Financial Implications

10.1 There are no financial implications.

Background papers: none

Appendices: none.

Agenda Item 13



Report of the Head of Democratic Services

Governance & Audit Committee – 13 July 2022

Governance & Audit Committee Action Tracker Report

Purpose:	This report details the actions recorded by the Governance & Audit Committee and response to the actions.
Report Author:	Jeremy Parkhouse
Finance Officer:	N/A
Legal Officer:	N/A
Access to Services Officer:	N/A
For Information	

1. Introduction

- 1.1 During the course of Governance & Audit Committee meetings various actions may be decided which are recorded on the minutes of the meetings.
- 1.2 As agreed in 2016/17 an Action Tracker process was put in place to ensure transparency over the outcomes of actions agreed by Committee.
- 1.3 The Action Tracker records the actions agreed by the Governance & Audit Committee and provides an outcome for each action.
- 1.4 The up to date Action Tracker 2022/23 is attached at Appendix 1.
- 1.5 The Action Tracker is regularly updated and any completed actions will be marked 'Completed' and coloured in grey.
- 1.6 The Action Tracker is reported to each Governance & Audit Committee meeting for information.

2. Integrated Assessment Implications

2.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

2.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

2.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

2.2 There are no implications associated with this report.

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

4.1 There are no legal implications associated with this report.

Background Papers: None

Appendices:

Appendix 1	Governance & Audit Committee Action Tracker 2022/23 (Closed actions removed).
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Governance & Audit Committee - Action Tracker 2021/2022

Date of Meeting	Minute Ref	Action	Nominated Officer(s)	Status
15/06/22	16	Internal Audit Recommendation Follow-Up Report Q4 2021/22		
		It was requested that some of the details in future follow up reports be provided in a pictorial view which would make them more user friendly.	Nick Davies / Simon Cockings	Closed – to be considered for future reports.
		The Chair expressed concern that previously items at the Glynn Vivian Art Gallery and Swansea Museum had not been revalued and as the Museum contained a significant amount of stock, requested that Corporate Management Team closely examined this area.	CMT	Closed – Glyn Vivian has contacted valuation provider to commence process. Swansea Museum has allocated budget for revaluation and has an agreed process in place to continue valuation by collection including items at the Copperworks museum storage facility. CMT to monitor progress of both valuations.
15/06/22	14	Response to the Freedom of Information Audit 2022		
		Actions taken when information not redacted had been sent outside the Authority and circulating a response to the Committee.	Kim Collis / Jeremy Parkhouse	Closed Response circulated on 5 July 2022
31/05/22	7	Draft Annual Governance Statement 2021/22		
		The Annual Governance Statement be agreed and subject to the amendments highlighted by the Committee being added, be forwarded to Council for approval as part of the Statement of Accounts.	Adam Hill / Ben Smith	Ongoing Statement of Accounts to be approved by Council. Closure of accounts formally deferred pending national developments on accounting code of practice and Audit Wales approach to all Councils (predominantly balance sheet valuation matters)
31/05/22	6	Draft Governance and Audit Committee Annual Report 2021/22		
		The amendments and comments of the Committee were noted. The Draft Governance and Audit Committee Annual Report 2021/22 would be forwarded to Council for approval.	Simon Cockings / Chair / Jeremy Parkhouse	Ongoing Report to be approved by Council. Report has been updated and is due to be presented to Council on 1 September 2022.

12/04/22	96	Governance & Audit Committee Action Tracker Report		
		The Chair noted that the Workforce Strategy had been scheduled to be reported in February 2023 and requested it be reported earlier. The Deputy Chief Executive added that the Strategy would be shortly going through the formal approval process and the Committee would be updated following this.	Rachael Davies / Adrian Chard	Closed The workforce Strategy is included on the 13 July 2022 agenda.
12/04/22	93	Audit Wales Report – City & County of Swansea Annual Audit Summary 2021		
		The Committee requested that an update be provided regarding the current position of discussions. He added that a joint Council & AW note would be circulated to the Committee regarding progress made.	/ Ben Smith	Ongoing Historic debt delisting from stock exchange achieved in full during 21-22. Detailed work continued during 21-22 with AW locally re historic valuation of assets and reserve split. Position now signed off by AW technical team and considered by S151 evidenced to be not material for 21-22 and thus should fully resolve immediate ongoing qualification issue. Work to be progressed on wider historical tracking back on both sides. Emerging audit issue across all Councils over historic infrastructure asset valuations which raise new qualification risk, but this is a sector wide not Swansea specific risk.
		The Chair also requested an update regarding progress in respect of the Deprivation of Liberty Safeguards (DoLS) review and requested that the Director of Social Services updates the Committee regarding progress when presenting his annual update on internal Social Services Department controls.	Dave Howes	Ongoing Director's report added to the Work Plan for November 2022.
12/04/22	91	Internal Audit Strategy & Annual Plan 2022/23		
		A report on the Public Participation Strategy be added to the work plan for 2022/23.	Lee Wenham	Ongoing Added to September 2022 agenda.
08/03/22	87	Governance & Audit Committee Work Plan		
		The Deputy Chief Executive added that the recent split of the former Resources Directorate into the Finance and Corporate Services Directorates meant that the updates on the control environment reports in respect of both departments would be provided during the next Municipal year.	Adam Hill / Richard Rowlands / Jeremy Parkhouse	Ongoing Director's report added to the Work Plan for April 2022..

08/03/22	84	Absence Management Audit Report 20/21		
		Ben Smith, Director of Finance advised that the Service Centre would be expected to continue providing sickness absence data to the Committee when timing and resourcing allowed.	Sian Williams / Adrian Chard	Ongoing Update to be provided in September 2022.
08/03/22	83	Internal Audit Annual Plan Methodology		
		The Chief Auditor stated that he would report the request to broaden the scope of the Assurance Map document to include 'business as usual' categories to CMT/Risk Owners for comment.	Simon Cockings	Closed Issue noted and raised at CMT by the Director of Finance and is an action for all HoS to consider when completing their Senior Management Assurance Statements.
08/02/22	76	Place: Internal Control Environment 2021/22		
		The Chair referred to Key Performance Indicators (KPI's) and requested additional information be provided in future reports surrounding both positive and negative results, particularly regarding high levels of sickness in Waste, Parks and Cleansing. She requested that assurance be provided regarding high sickness levels and the use of agency staff as cover.	Mark Wade	Ongoing Added to 2022/2023 Work Plan for February 2023. An additional dedicated Absence Management Resource is being trialled across the Place service areas. One of the early areas targeted was Waste, Parks and Cleansing where absence levels (excluding Covid) reduced from 5.65% to 5.51% over the four months of the trial. The additional resource has now been made permanent and is being rotated around the place service areas to ensure continued progress.
08/02/22	75	Corporate Risk Overview – Quarter 3 2021/22		
		The Chair requested that Internal Audit include the new Corporate Risk of WCCIS and the Availability of Domiciliary Care be investigated early in the 2022/23 Audit Plan.	Simon Cockings	Ongoing Non-residential care audit and WCCIS audit were already included on the draft 22/23 audit work plan. WCCIS audit is underway. Non-residential care audit has been allocated to commence as soon as resources allow.

08/02/22	74	Internal Audit Recommendation Follow-Up Report - Quarter 3 2021/22		
		The Chair highlighted that a suitable solution in respect of External Audit Recommendation Tracking should be found as soon as possible in order for the Council to have a far better control of the situation.	Adam Hill / Richard Rowlands	Ongoing A software solution will be rolled out during 2022/23.
		The Chair added that the pressures across all areas be noted and the Committee needed to keep a watchful eye on the position of Accounts Receivable as it was likely to get worse not better. She added that a further update would be required.	Adam Hill	Closed Update included on 13 July 2022 agenda.
12/01/22	67	Update Report South West Wales Corporate Joint Committee		
		The Chair highlighted the need to closely monitor the progress of the CJC and requested that regular summary progress updates be provided to the Committee.	Martin Nicholls / Jeremy Parkhouse	Closed Future reports to be added to the Work Plan. Added to the agenda for 13 July 2022.
09/11/21	52	Annual Report Corporate Safeguarding 2020-21		
		The Chair asked that Compliance of Safeguarding training be highlighted in the Risk Register.	Simon Jones / Adam Hill	Ongoing A review of the current and future provision has been undertaken and assurance that Oracle Fusion will include reporting. CMT are currently considering the Corporate Risk.
13/07/21	17	Audit Wales - Follow Up Review of Corporate Safeguarding Arrangements - Children in Swansea Council		
		<ul style="list-style-type: none"> Future training provision for Councillor School Governors to be provided. 	Helen Morgan- Rees	Ongoing Update - Safeguarding training is provided for all Councillors (scheduled for 21/07/22 and 08/09/22) as part of their induction and training programme which is managed by Democratic Services. The vast majority of Councillors are also school governors. The safeguarding training offer for governors includes the information provided in the Councillor training but also additional information specific to school contexts and the responsibility of governing bodies. This is a more detailed course with a requirement for all governors to undertake this training on a three yearly cycle. If a Councillor undertakes this training as a

				<p>governor then it supersedes the Councillor training offer. However, if they have not undertaken governor training they should ensure they attend the training offered by Democratic Services. Councillors can also do both if they wish. The training for governors is monitored by the Education Directorate and records provided to Democratic Services as needed.</p>
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Agenda Item 14



Report of the Head of Democratic Services

Governance & Audit Committee – 13 July 2022

Governance & Audit Committee – Work Plan 2022/23

Purpose:	This report details the Governance & Audit Committee Workplan to May 2023.
Report Author:	Jeremy Parkhouse
Finance Officer:	N/A
Legal Officer:	N/A
Access to Services Officer:	N/A
For Information	

1. Introduction

- 1.1 The Governance & Audit Committee Work Plan to May 2023 in Terms of Reference Order is attached at Appendix 1.
- 1.3 The Scrutiny Programme Committee Work Plan 2022/23 will be discussed at the Scrutiny Programme Committee meeting scheduled for 19 July 2022.
- 1.4 The Additional Work programme Governance and Audit Committee as a result of the Local Government and Elections Act is attached at Appendix 3.
- 1.5 The updated Governance & Audit Committee Statement of Purpose is scheduled to be agreed by Council on 7 July 2022.
- 1.6 The dates included for the meetings in 2022/23 were approved at the Council's Annual Meeting on 24 May 2022.

2. Integrated Assessment Implications

- 2.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations

(Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

2.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

2.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

2.2 There are no impact assessment implications associated with this report.

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

4.1 There are no legal implications associated with this report.

Background Papers: None.

Appendices:

Appendix 1 - Governance & Audit Committee Work Plan to May 2023 in Terms of Reference Order.

Appendix 2 - Additional Work Programme - Governance and Audit Committee as a result of the Local Government and Elections Act.

Terms of Reference	31 May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023
Training	Governance and Audit Committee Induction Training	Training – Organisational Knowledge / Committee Role & Function	.									
Governance & Assurance	Election of Chair & Vice Chair Appointment of Committee Member on Annual Governance Group Annual Governance Statement 2021/22 Draft Governance & Audit Committee Annual Report		Local Code of Corporate Governance: Framework of Assurance Overview of the Governance and Assurance arrangements of Partnerships and Collaborations Workforce Strategy Update Update Report – South West Wales Corporate Joint Committee.		Update Report – South West Wales Corporate Joint Committee. To review the Council’s draft annual Self-Assessment Report, Public Participation Strategy	Scrutiny Annual Report 2021-22.			Update Report – South West Wales Corporate Joint Committee			Update Report – South West Wales Corporate Joint Committee
Internal Audit	Internal Audit Annual Report	IA Quarter 4 Monitoring Report Service Centre – Accounts Receivable Update. FOI/SAR/EIR Audit Update IA Recommendation	Annual Report of School Audits 2021-22 Internal Audit Report - Accounts Receivable Action Plan.		IA Recommendation Tracking Report – IA Q1 Recommendations Tracker IA Quarter 1 Monitoring Report Management of Absence Update		Fundamental Audits – Recommendation Tracker Report IA Recommendation Follow-up Report – Q2 IA Q 2 Monitoring Report			IA Recommendation Tracking Report – Q3 IA Q 3 Monitoring Report	IA Annual Plan Methodology Report 2023/24 Draft IA Annual Plan 2023/24	IA Charter 2023/24 IA Strategy & Annual Plan 2023/24

Governance & Audit Committee Workplan 2022/23

Appendix 1

		Tracking Report Q4			Employment of Agency Staff.						
Risk Management & Performance					Q1 Risk Monitoring Report		Q2 Risk Monitoring Report			Q3 Risk Monitoring Report	Q4 Risk Monitoring Report
Counter Fraud			Internal Audit Section – Fraud Function Annual Report 2021/2022 Internal Audit Section – Fraud Function Anti-Fraud Plan for 2022/23				Corporate Fraud – Six Month Update				
Operational matters / key risks Date 23/2			Complaints Report – 6 Month Update.		Update on Internal Control Environment – Director of Education		Update on Internal Control Environment - Director of Social Services / Director of Finance	Annual Complaints Report		Update on Internal Control Environment – Director of Place	Update on Internal Control Environment – Director of Corporate Services
External Audit		Audit Wales Work Programme and Timetable – City and County of Swansea Council. Audit Wales – 2022 Audit Plan			Audit Wales Work Programme and Timetable – City and County of Swansea Council. Audit Wales - Financial Sustainability Assessment - City and County of Swansea Council.	Audit Wales - ISA 260 Report - City And County of Swansea		Audit Wales Work Programme and Timetable – City and County of Swansea Council.		External Audit Annual Letter	Audit Wales Work Programme and Timetable – City and County of Swansea Council. Audit Wales Annual Summary
Financial Reporting					Statement of Accounts						

Reports Carried Over to 2023-2024 Municipal Year

Terms of Reference	Report Title
Governance & Assurance	Appointment of Committee Member on Annual Governance Group

Additional Work programme Governance and Audit Committee
As a result of the Local Government And Elections Act.

Across all areas of the work programme, consideration and acknowledgement will be given to the views, feedback and assurance from the scrutiny and performance committees that robust overview and scrutiny has taken place of decisions, policies and proposals and the assurance then given to Audit committee when they are reviewing the area of work in relation to Assurance, risk environment, Regulatory compliance and overall governance.

Area of work	Owner	Frequency <i>The frequencies are a guide and additional reviews may take place as and when the committee feel necessary.</i>	Month to present to committee
To review the Council's corporate governance arrangements against the good governance framework	Adam Hill / Richard Rowlands	Every 2 years	See Annual Governance Statement
To review the Council's draft annual Self-Assessment Report,	Richard Rowlands	Annual	September.
To review the Council's draft response to the Panel Performance Assessment Report	Richard Rowlands	Once every 4 years	TBC
To review the Council's draft response to any Auditor General's recommendations arising from a special inspection in respect of the Council's performance requirements	Adam Hill	As and When required	TBC
To review the programme of work from regulators	Richard Rowlands	Annually	TBC

Appendix 2

To review and assess the authority's ability to handle complaints effectively	Sarah Lackenby	Annual	
To review the Annual Governance Statement prior to approval	Richard Rowlands	Annual	May
To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	Richard Rowlands / Adam Hill	Annual	Possibly covered to a degree in the self-assessment report but too early to say.
To consider the Council's framework of assurance	Richard Rowlands / Adam Hill	Annual	See Internal Audit Assurance Map
To monitor the effective development and operation of risk management	Richard Rowlands	Each meeting	Quarterly Overview of Risk Reports
To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions	Simon Cockings	As and when required	Quarterly Monitoring Reports throughout the year.
To review the assessment of fraud risks and potential harm to the Council from fraud and corruption	Simon Cockings	Every 6 months	Fraud Function Annual Plan – March Fraud Function Annual Report – July Fraud Function Half-Year Update Report - November
To monitor the counter fraud strategy, actions and resources	Simon Cockings	Every 6 Months	Fraud Function Annual Plan – March Fraud Function Annual Report – July

Appendix 2

			Fraud Function Half-Year Update Report - November
To Receive proposals in relation to the appointment of external providers of internal audit services and to make recommendations	Simon Cockings	as and when	n/a
To review the governance and assurance arrangements for significant partnerships or collaborations	Deputy Chief Executive / Richard Rowlands / Relevant Director	Annual / as and when new Partnerships or collaborations are established	June/July
To approve the internal audit charter and resources	Simon Cockings	Annual	Internal Audit Charter Report – April
To consider the Chief Internal Auditor's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements	Simon Cockings	Annual	Internal Audit Annual Report – May
To consider reports from the Chief Internal Auditor on Internal Audit's performance during the year including the performance of external providers of internal audit services	Simon Cockings	Every 6 months	Quarterly Monitoring Reports throughout the year.
To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations	Simon Cockings	Annual	Internal Audit Annual Report – May

Appendix 2

To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Chief Internal Auditor. To approve and periodically review safeguards to limit such impairments	Simon Cockings	Annual	Internal Audit Charter Report – April
To receive reports outlining the action taken where the Chief Internal Auditor has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions	Simon Cockings	As and when	Quarterly Monitoring Reports throughout the year.
To consider reports dealing with the management and performance of the providers of internal audit services	Simon Cockings	As and when required	Quarterly Monitoring Reports throughout the year.
To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.	Simon Cockings	Quarterly	Quarterly Monitoring Reports throughout the year.
To contribute to the Quality Assurance and Improvement Programme and in particular the external quality assessment of internal audit that takes place at least once every five year	Simon Cockings	Every 5 Years	Internal Audit Annual Report – May
To consider the external auditor's annual letter, relevant reports, and to those charged with governance.	Ben Smith	Annual	External Auditor's annual letter – July

Appendix 2

To review the annual statement of accounts.	Ben Smith	Annual	Report of S151 officer including Statement of Accounts – July
To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts	Ben Smith	Annual	External Audit Annual Report - July
To publish an annual report on the work of the committee.	Paula O'Connor	Annual	Draft Audit Committee Annual Report – May