



## Report of the Director of Place

Governance & Audit Committee – 8 February 2022

### Place: Internal Control Environment 2021/22

**Purpose:** The report presents the Place Directorate control environment, including risk management, in place to ensure: functions are exercised effectively; there is economic, efficient and effective use of resources, and; effective governance to secure these arrangements.

**Report Author:** Martin Nicholls

**Finance Officer:** Ben Smith

**Legal Officer:** Tracey Meredith

**Access to Services Officer:** Rhian Millar

#### For Information

#### 1. Background

1.1 The Place Directorate is predominantly responsible for all operational front lines services namely, Highways and Transportation, Building Services, Property Services, Waste, Parks & Cleansing, Housing and Public Health, Planning & City Regeneration and Cultural Services.

#### 2. Risk Management and business continuity

2.1 Risks within Place are promptly identified and managed at appropriate levels (corporate, directorate, service, programme / project), and as far as possible mitigated, as part of the service review and planning cycle processes and ongoing self-evaluation. Monitoring is carried out through the Directorate performance management and reporting mechanisms at PFM and DMT meetings and programme / project boards with risks escalated as appropriate (with particular focus on 'red' risks).

2.2 The corporate online system is used for documenting and managing risks and all risks are evaluated and RAG rated (on the basis of likelihood and impact) and updated at the end of each month. The risk

management process is reported to the audit committee regularly. It is an expectation that the Place Directorate is fully compliant with reviewing control measures, risk wording and risk level each month as part of a joined up approach. **See Appendix A**

2.3 The risks are shared with the responsible Cabinet Members. The P&FM meeting makes the decision about whether Directorate risks should be escalated to CMT for consideration as to whether they should become a corporate risk.

2.4 Each service areas also has a robust continuity plan, which have stood up to the test rigorously over the last 18 months during the Covid Pandemic with service areas having to adapt and change to accommodate new requirements with minimal compromise to service delivery.

### **3. Performance management / KPIs**

3.1 Each Service area reports on performance indicators, be them National or local measures and reporting takes place accordingly

### **4. Planning and decision making.**

4.1 Each service within the Directorate has an annual service plan which sets out the steps that will be taken to deliver against agreed priorities. These plans are informed by all of the above and new Council policies, new statutory requirements, the latest performance information, any savings requirements set out within the Council's medium term financial plan and recommendations from internal or external audit.

4.2 The governance structure along with robust planning, monitoring, review and risk management practices ensures sound planning and decision making, performance and financial monitoring and robust consultative/partnership activity, as well as integrated and collaborative ways of working.

### **5. Budget and resources management**

5.1 The Directorate is supported by a dedicated finance partners who are part of the corporate finance team.

5.2 The finance partners works closely with the Directorate's budget officers meeting monthly to review budgets. The finance partner provides independent scrutiny and challenge of the Directorates financial plans, including direct advice to the statutory Director and the Council's S151 officer.

- 5.3 The Director also chairs a monthly finance and charging meeting to ensure effective cross Council charging and income generation is maintained.
- 5.4 Overall financial oversight of the Directorate's fiscal position and delivery against the medium term financial plan takes place in the monthly P&FM and any issues are escalated to CMT and the S.151 officer. The s151 officer's quarterly outturn report is informed by the Directorate's finance report.
- 5.5 In line with corporate requirements, the Place Directorate holds Performance and Financial Management meetings (PFM). This group monitors the progress of and addresses any issues:
- Key performance indicators (KPIs)
  - Corporate, directorate and service risks
  - Capital and revenue budgets
  - Freedom of Information Act (FOI) requests; Subject Access Requests (SAR) and complaints
  - Directorate's sickness levels
  - Procurement and financial controls
- 5.6 Analysis of demand, costs of new statutory requirements or policy commitments, delivery against savings targets, inflationary pressures, new income opportunities are all routinely monitored through the above arrangements and then provided to CMT and Cabinet to inform the annual budget setting process.

## **6. Fraud and financial impropriety**

- 6.1 The Directorates systems of internal controls have been designed in accordance with the Accounting instructions. Compliance is monitored through regular internal audits of the establishments and functions. Suspicions of impropriety are referred to internal audit and Human resources.
- 6.2 These internal control measures have been shown to be effective on a couple of occasions in recent years as they have led to the initiation of formal investigations which themselves have prompted improvements to Directorate and Corporate systems.

## **7. Compliance with policies, rules and regulatory requirements**

- 7.1 The assurance framework and robust internal controls set out in this report provide a solid foundation for ensuring compliance with policies,

rules and regulatory requirements within the Place Directorate. Periodic reminders are given to managers and team members and re-emphasised in any training opportunities.

7.2 due to the board range of service areas there are regular requirements to attend scrutiny sessions in support of the relevant cabinet members. These may relate to a general service review or more specifically specific reviews or project pre decision scrutiny sessions

7.3 The directorate are services the Environment, Economy and Infrastructure PDC on a monthly basis to assist in developing new policy areas aligned with the corporate objectives

## 8. Programme and project assurance

8.1` The directorate has developed a cross cutting project management team to develop and deliver a wide range of projects examples include:

- **The Delivery of the Climate Change and Nature Strategy**, The team leads on this authority wide programme, established to not only deliver the net zero council target by 2030, but also the Swansea wide campaign for net zero by 2050. Sound governance underpins the project, ensuring full engagement across all council directorates and with external partners.
- **Supporting service areas with IT cloud solutions** Project management governance established in order to improve and develop robust processes and support key stakeholders to deliver a successful outcome for the service areas.
- **Swansea Public Toilet Strategy** Every local authority has a duty to produce a strategy for public toilet provision. Swansea had produced a draft strategy, but had been unable to take this work forward in line with the legislation. Since being supported by the project management team, the strategy, its newly developed action plan and a progress report have been accepted by cabinet and we are now compliant with our duties, under the Public Health Act (Wales) 2017. The project team is now working on the delivery of the action plan by May 2023.
- **The World Reimagined** Is a UK-wide art education project featuring globally-recognised artists to transform how we understand the Transatlantic Slave Trade and its impact on us all. Swansea is one of eight cities that have signed up to participate. The project encompasses 3 streams of work: Artistic; Learning; and Community. The key project management role is to ensure a sustainable legacy is delivered.
- **Economic Recovery Fund** - To support the recovery of the local economy from the covid-19 pandemic the Council in conjunction

with Regeneration Swansea partnership has developed an economic recovery plan for Swansea. It specifically references the support for the Tourism, Leisure, Events and Hospitality sectors - sectors that have been hit the hardest by the pandemic. A sum up to £20m is set aside for the purposes of the recovery to cover the financial year 21/22 and 22/23 with no long-term resource implications. The team manage the process from application through to approval.

- **Play Capital Investment Programme 21-22** - Following the approval for £1m capital investment towards playgrounds, Wards are given the opportunity to prioritise playgrounds within their Ward to receive upgrade works. Ward members will also contribute a minimum of 20% of the investment. The team provide support the investment through; processes, delivery, monitoring and reporting on the programme.

All project progress is monitored and reviewed at monthly Place DMT meetings, using a RAG process for escalation.

## **9. Internal controls**

- 9.1 All officers have clear roles and responsibilities. Authorisation processes whether Oracle, HR or financial are clear and in place. Annual review of authorisation levels are carried out. Spending restrictions in place with appropriate escalation up to HOS and Director level as appropriate. Risk assessments are in place for buildings and services.
- 9.2 The resilience of both internal control arrangements and the Directorates workforce have been severely tested in recent times. The ability to flex resource and safely respond to priorities that could change on a weekly, sometimes daily, basis indicates strong assurance.

## **10. Data security**

- 10.1 Elements of the Directorate manages high levels of personal information and statutory requirements are such that this information needs to be routinely used to inform reports and plans. The consequences of any inadvertent data breach are always serious.
- 10.2 The processes for monitoring and reporting breaches are well established across the Directorate, as are the processes for learning from any such breach. Officers work closely with the Council's Data Protection Officer to ensure that any lessons learned from breaches anywhere in the Council and beyond are used to continually improve our processes.

10.3 Arrangements are in place and monitored at PFM and officers appropriately trained and reminded as to the importance of agreed procedures. This is apparent from the limited number of breaches and issues that have taken place within the Directorate. Breaches have decreased as follows:

7 half year 21-22 (18% of council and 18% reduction in Place)  
17 full year 20-21 (26% of council)

## **11. Partnership / collaboration governance**

11.1 Elements of the Directorate are also involved in the regional working agenda via the City Deal. This is in the capacity either of senior responsible owner of specific city deal projects or part of the programme board structure for relevant regional projects of Talent and Skills and Homes as Power stations. Furthermore widespread regional working will impact on the directorate via the emergency of the new CJC arrangements currently in the process of being finalised

## **12. Integrated Assessment Implications**

12.1 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.

12.1.1 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'.

12.1.2 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.

12.2 There is no direct impact associated with this report on the relevant groups considered within the IIA itself; but assessing long-term trends and preventing risks from becoming issues are key aspects of risk management. Sustainable ways of working are incorporated within the Council's risk management policy and framework.

### **13. Legal Implications**

13.1 There are no legal implications.

### **14. Financial Implications**

14.1 There are no financial implications.

**Background papers:** *None*

### **Appendices:**

**Appendix A** (Directorate) Corporate and Directorate Risks on a page Report