



## 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, 19 July 2023

**Time:** 2.30 pm

**Chair:** Paula O'Connor

#### Membership:

Councillors: A Davis, 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(s): Gordon Anderson, Julie Davies and David Roberts

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

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	Agenda	Page No.
1	Apologies for Absence.	
2	Disclosures of Personal and Prejudicial Interests. <a href="http://www.swansea.gov.uk/disclosuresofinterests">www.swansea.gov.uk/disclosuresofinterests</a>	
3	Minutes. To approve & sign the Minutes of the previous meeting(s) as a correct record.	1 - 8
4	Annual Complaints Report - Six Month Update. (For Information) (Ness Young)	9 - 14
5	Annual Report of School Audits 2022-23. (For Information) (Nick Davies / Kelly Small)	15 - 34
6	Internal Audit Section - Fraud Function Annual Report for 2022/2023. (For Information) (Jonathon Rogers)	35 - 51
7	Internal Audit Section - Fraud Function Anti-Fraud Plan for 2023/2024. (Jonathon Rogers)	52 - 78
8	Audit Wales - Work Programme & Timetable - City & County of Swansea.	79 - 96

- |           |   |                  |
|-----------|---|------------------|
| <b>9</b>  | <b>Governance &amp; Audit Committee Action Tracker Report. (For Information) (Jeremy Parkhouse)</b> | <b>97 - 102</b>  |
| <b>10</b> | <b>Governance &amp; Audit Committee Work Plan. (For Information) (Jeremy Parkhouse)</b>             | <b>103 - 120</b> |

**Next Meeting:** Wednesday, 13 September 2023 at 2.00 pm

*Huw Evans*

**Huw Evans**  
**Head of Democratic Services**  
**Wednesday, 12 July 2023**

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**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, 14 June 2023 at 1.00 pm

### Present:

#### Councillor(s)

A Davis  
J W Jones  
T M White

#### Councillor(s)

P R Hood-Williams  
S Pritchard

#### Councillor(s)

A J Jeffery  
L V Walton

#### Lay Member(s)

Paula O'Connor  
David Roberts

Julie Davies  
Philip Sharman

#### Officer(s)

Ness Young  
Ben Smith  
Rachael Davies  
Stuart Davies  
Debbie Smith  
Simon Cockings  
Nick Davies  
Michelle Davies  
Jeff Fish  
Emma Johnson  
Jeremy Parkhouse

Interim Director of Corporate Services  
Director of Finance / Section 151 Officer  
Head of HR & Service Centre  
Head of Highways & Transportation  
Deputy Chief Legal Officer  
Chief Auditor  
Principal Auditor  
Cash Management & Accounts Receivable Manager  
Team Manager Stakeholder and School Support  
Service Centre Helpdesk & DBS/SCW Manager  
Democratic Services Officer

#### Also Present

Gillian Gillett  
Non Jenkins

Audit Wales  
Audit Wales

#### Apologies for Absence

M B Lewis, M W Locke and K M Roberts

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### 1 To Elect the Chair for the 2023-2024 Municipal Year.

**Resolved** that Paula O'Connor be appointed Chair for the 2023-2024 Municipal year.

**(Paula O'Connor (Chair) presided)**

**2 To Elect the Vice-Chair for the 2023-2024 Municipal Year.**

**Resolved** that Councillor P R Hood-Williams be appointed Vice-Chair for the 2023-2024 Municipal year.

**3 Disclosures of Personal and Prejudicial Interests.**

In accordance with the Code of Conduct adopted by the City and County of Swansea, no interests were declared.

**4 Minutes.**

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

**5 Internal Audit Monitoring Report - Quarter 4 - 2022/23.**

Simon Cockings, Chief 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 2023.

A total of 29 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 196 audit recommendations were made and management agreed to implement 194 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 added staff sickness in the Internal Audit Team continued to be significant during the quarter, with a total of 54 days absence recorded. The cumulative number of days lost due to sickness in the year to date was approximately 234 days, with one member of staff being absent due to long-term sickness. It was also noted that an additional 272 days had been lost in year as a result of vacant posts.

Appendix 4 showed that at 31 March 2023, 80 audit activities (61%) from the 2022/23 audit plan had been completed, with one additional activity (1%) substantially complete, with the audit reports issued as draft. As a result, 81 audit activities had been completed to at least draft report stage (62%). An additional 4 activities were in progress at year end (3%). As a result, approximately 65% of the audit activities included in the 2022/23 Audit Plan had either completed or were in progress.

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

- Accounts Receivable 2022/23.
- Disclosure & Barring Service (DBS) 2022/23.

- Fleet Maintenance 2022/23.

The Committee were also provided with details of the follow-ups completed between 1 January and 31 March 2023.

The Committee discussed the following: -

- Risk management within individual schools and ongoing work completed to address issues.
- Commercial Services – retrospective orders on Oracle, non-compliance with Contract Procedure Rules (CPR's), current procedures to address issues and compliance changes introduced this year in respect of compliance.
- Procurement being a focus for Scrutiny in previous and the current year.
- Non-compliance in respect of cumulative spend over £10,000.
- Recommendations not accepted - Grounds Maintenance & Central Operations, bonus payments, the assurance being provided by the procedures being taken and the alternative checking methods being looked at by the service which would be monitored by Internal Audit.

Ben Smith, Director of Finance / Section 151 Officer stated that Chris Williams, Head of Commercial Services had reported to Corporate Management Team (CMT) regarding procurement compliance issues within the Authority. He added that CMT were closely monitoring the situation.

## **6 Fleet Maintenance Audit Report 2022/23.**

Stuart Davies, Head of Highways and Transportation provided 'for information' an update on the Fleet Maintenance audit report.

It was outlined that as a result of an internal audit on the Fleet Maintenance function carried out in 2023, an assurance level of Moderate was given. The report addressed the 1 x High Risk (HR) and 2 x Medium Risks (MR) within the Final Internal Audit Report provided at Appendix A. All other reported risks were either Low Risk (LR) or Good Practice (GP).

It was highlighted that an Action Plan 2023/24 had been developed in response to the High Risk provided at Appendix B, which was as follows: -

'The Councils Contract Procedure Rules (CPR's) must be complied with. All eligible single or aggregated expenditure should be subject to competitive tender or quotations over £10,000. Where this is not possible, a CPR20 Waiver should be obtained (HR).'

The Committee discussed the following: -

- The time critical nature of the service area and sympathy with the lack of staff resources.
- The need for the service to avoid non-compliance with CPR's, recognising the improvements made by the service area.

- The risks to the service / Council for non-compliance with CPR's.
- The importance of obtaining best value, including a fair and competitive process and not impacting on the reputation of the Council.
- High costs of overtime and the need for vehicles to be available to provide the frontline service.
- Benchmarking being undertaken against the private sector to understand the costs involved and ensuring the time performance of the workshop.
- The age of vehicles impacting upon the additional maintenance required and the fact that there are mainly only single suppliers for some vehicles resulting in the Council having to obtain parts etc. from those companies.
- The Council having to go to single suppliers due to the high level of expertise required on some vehicles.
- The issues raised not being financial recklessness but were procedural matters / dealing with single suppliers.
- Additional resources would assist the service area to improve matters.
- The focus of the service being on vehicles being safe and roadworthy in order to continue to provide the service.
- Repeated non-compliance within the service over a number of years.
- Interface of flexi / shift working in the service area.
- The drive to electrification of the fleet, which is the largest of any local authority in Wales and the ongoing associated work.

Councillor Rob Stewart, Leader of the Council noted that there were issues to resolve within the service area but highlighted that it was important that the fleet operated safely, which explained why the service area had slipped outside some of the financial controls. He further added that while budget spend for the service area was high, it was not in comparison with the overall Council budget and he had full confidence that officers would overcome the issues.

The Chair noted that the electrification of the fleet could be the subject of a future audit. The Chief Auditor stated that he would add it to the programme. He added that a follow up audit and report would be reported to a future meeting.

The Head of Highways and Transportation stated that he would circulate figures regarding the number of electrical vehicles in the fleet.

## **7 Accounts Receivable.**

Michelle Davies, Cash Management & Accounts Receivable Manager and Rachael Davies, Head of Human Resources and Service Centre presented a 'for information' report which provided a comprehensive update for the Service Centre, Accounts Receivable Function.

It was outlined that an Internal Audit follow up review of the Accounts Receivable (AR) was carried out in Quarter 1 2023 and the report was issued in March 2023. An assurance level of Moderate was again given. Details were provided on the reasons and progress since January 2023 to date.

It was added that there were 14 action points arising from the review including 1 High Risk and 2 Medium Risk action points. Appendix B provided all of the outstanding action points and work to complete over the coming months. However, it was noted that the implementation of the Oracle Fusion system would continue to take priority for the next few months. Appendix B also provided the expected completion dates for the actions, except for those highlighted in the report, which would take longer.

The Committee were also updated on the remaining challenges for the service area.

The Director of Finance / Section 151 Officer commented that the officers and team should be congratulated for their performance, given the pressures faced. Ness Young, Interim Director of Corporate Services added that the transfer to Oracle Fusion had been a huge challenge for the last couple of months, but that given time, the team would be able to refocus on business as usual and implementation of the remaining actions.

The Committee discussed the following: -

- Recognition of the additional work the transfer to Oracle Fusion had created.
- Older / high value debt and how debts over £1,000 were considered high value, the procedure of referring outstanding invoices to Legal, targeting different areas, encouraging service areas to engage early with customers to avoid debt accruing and the lack of staff resources to cover all areas.
- Procedures for dealing with disputes and the process of clawing back income from departments.
- Invoices being escalated on a timely basis / Legal / write off procedures, including the large number of invoices in the system and recognising that 93% of invoices were recovered in 2021.

The Chair thanked the officers for a detailed report and requested an update be provided in approximately 6 months.

**Resolved** that the content of the report be noted.

## **8 Disclosure and Barring Service (DBS) 2022/23.**

Rachael Davies, Head of Human Resources and Service Centre and Emma Johnson, Workforce and Helpdesk Manager presented a 'for information' update report on the Disclosure and Barring (DBS) 2022/23 Internal Audit report.

It was outlined that the Disclosure and Barring Service (DBS) 2022/23 Audit was carried out in Quarter 3 2022 and the Final report was issued in February 2023. An assurance level of Moderate was given. Details were provided on the reasons and progress since February 2023 to date.

It was added that there were 2 High Risk and 1 Medium Risk action points, all of which had been reviewed and action taken to remedy where appropriate. In addition to the recommendations provided in the audit report, proactive work had been carried out with Education to increase awareness of the importance of the DBS

process being completed in a timely manner and further details were included in the report. Appendix B included the final audit report.

The Committee were provided with an update on actions and were informed that the DBS policy had been reviewed, updated, and been approved by the Joint Consultative Committee on 11 May 2023. The Service Centre Helpdesk Team Leader had also attended the School Admin Forum on 16 May 2023 to present changes to the DBS policy and to remind Schools of the DBS process and their responsibilities. The actions taken by Education to promote awareness of the importance of DBS checks and risk assessments being completed in a timely manner, were highlighted.

The Committee discussed the following: -

- Process undertaken to remind schools of upcoming DBS renewals and the distinction of informing the Chair of Governors in schools.
- The positive impact of officers visiting schools.
- The responsibility of agencies to provide DBS checks in respect of agency staff.
- The number of reminders issued to staff, the duties upon employees and if they did not respond the process involving managers.
- Potential sanctions being imposed due to non-compliance.
- How non-compliance would impact other service areas and staff would be prevented practising in some departments.
- Automating the reminder system for staff.

## **9 Internal Audit Recommendation Follow-Up Report - Quarter 4 2022/23.**

The Chief Auditor presented a 'for information' 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 2022/23, which allowed the 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 queried the recommendation tracking of the Food & Safety Division, namely the disposal of electronic records being disposed of in accordance with the Council's retention policy (LR Rec). The Chief Auditor confirmed that he would add it to the review action for Internal Audit.

## **10 Audit Wales - City & County of Swansea Annual Audit Summary.**

Non Jenkins and Gillian Gillett, Audit Wales (AW) presented the City & County of Swansea Annual Audit Summary 2022, which showed the work completed since the last Summary Report, which was issued in March 2022.

It was outlined that AW completed work each year to meet the following duties:

- Continuous Improvement



- Audit of Accounts
- Value for Money
- Sustainable Development Principle

Details of the findings of the Audit of the City & County of Swansea Council's 2021-22 Accounts were provided. It was noted that the Auditor General gave an unqualified true and fair opinion on the Council's financial statements on 31 March 2023. The report also outlined the following work undertaken:

- Continuous Improvement.
- Assurance and Risk Assessment Review.
- Other Inspectorates.
- Local Government Studies.
- Joint Working between Emergency Services (January 2022).
- Direct Payments (April 2022).
- 'Time for Change' – Poverty in Wales (November 2022).
- 'A Missed Opportunity' – Social Enterprises (December 2022).
- 'Together We Can' – Community Resilience and Self-Reliance (January 2023).
- Ongoing Work.

The Committee discussed the following: -

- The extent to which AW looked at Value for Money and how it is built into all areas of work undertaken.
- The report being forwarded to Cabinet / Council.
- 'A Missed Opportunity' – Social Enterprises (December 2022) and whether Swansea Council was delivering its responsibilities under the Social Services and Wellbeing (Wales) Act 2014.
- Direct payments.

Links to AW reports which provided responses to queries regarding direct payments and social enterprises were provided to the Committee.

The request that the report be forwarded to Council / Cabinet was noted and would be discussed further following the meeting.

## **11 Appointment of Governance & Audit Committee Representative on the Strategic Governance Group.**

Jeremy Parkhouse, Democratic Services Officer, presented a report which sought to appoint a representative and a reserve representative of the Governance & Audit Committee on the Strategic Governance Group until May 2024. The terms of reference of the Strategic Governance Group were provided at Appendix 1.

**Resolved** that: -

- 1) Councillor L V Walton be elected as the Governance & Audit Committee representative on the Strategic Governance Group.

- 2) Councillor T M White be elected as the Governance & Audit Committee reserve representative on the Strategic Governance Group.
- 3) The appointments be until the end of the current Municipal Year in May 2024.

Noted the abstention of Councillor J W Jones in respect of the above.

**12 Governance & Audit Committee Action Tracker Report.**

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

The Chair stated that she would be attending Council on 6 July 2023 to present the Governance & Audit Annual Report 2022-23.

**13 Governance & Audit Committee Work Plan.**

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

It was highlighted that there was not any training contained in the Work Plan. The Chair stated that future training was being considered.

The Interim Director of Corporate Services, Chief Auditor and Head of Democratic Services would discuss prior to the next meeting.

The meeting ended at 3.08 pm

**Chair**

# Agenda Item 4



## Report of the Head of Digital & Customer Services

Governance & Audit Committee – 19 July 2023

### Annual Complaints Report – Six Month Update

<b>Purpose:</b>	To provide assurance on the complaints handling process and a six month update covering 1 <sup>st</sup> April 2022 – 30 <sup>th</sup> September 2022.
<b>Policy Framework:</b>	Complaints Policies and Successful and Sustainable Swansea.
<b>Consultation:</b>	Finance and Legal.
<b>Report Author:</b>	Sarah Lackenby
<b>Finance Officer:</b>	Ben Smith
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Rhian Millar
<b>For Information</b>	

#### 1. Introduction

- 1.1 The Annual Complaints report for 2021-22 was presented to the Governance & Audit Committee on the 11<sup>th</sup> of January 2023.
- 1.2 This report gives an update on progress six months on, covering the period 1<sup>st</sup> April to 30<sup>th</sup> September 2022. The Annual Complaints Report 2022-23 will be presented as soon as the Ombudsman's annual letter is received.
- 1.3 The Council attended the Public Services Ombudsman Wales (PSOW) annual sounding board meeting in March 2023 and met with the Ombudsman to discuss their new strategic plan. The PSOW uses the sounding board sessions to gather feedback from public bodies and then adapt or change ways of working.

#### 2. Six Month Update: 1<sup>st</sup> April to 30<sup>th</sup> September 2022

- 2.1 Appendix A attached to this report gives the key performance indicators for the first six months of 2022-23 relating to both Corporate and Social Services complaints. Performance shows that:

- 794 corporate complaints at stage 1 were logged compared with 676 for the same period the previous year – an increase of 14.7%
- 81 corporate complaints at stage 2 were logged compared with 87 for the same period the previous year, a decrease of 7%
- There was no significant increase in any area apart from Housing Repairs and Culture and Tourism. Housing Repairs received 129 Stage 1 complaints compared with 86 in the previous period, an increase of 43 (33%). This is mostly due to increased demand, clearing the Covid backlog of internal repairs, and the transition period from the old Orchard repairs system to the new Oracle Field Services. Culture & Tourism received 54 Stage 1 complaints compared with 28 in the previous period, an increase of 16 (48%). 15 of these related to the Iron Man (Triathlon) which was staged for the first time. This accounts for almost 94% of the increase.
- Of the corporate complaints that were justified
  - 218 (27.4%) Stage 1 justified complaints in the first six months of 2022-23, compared with 214 (31.6%) the previous year
  - 12 (14.8%) Stage 2 complaints justified in the first six months of 2022-23 compared with 11 (12.6%) the previous year.
- There was an increase in Adult Social Services Complaints. In this period there were 111 stage 1 Adult Social Services complaints in comparison with 71 in first six months of 2021, an increase of 36%. However, it should be noted that 29 of these relate to one case. There was an increase in complaints about the Community Initial Assessment Team (CIAT) to 17 in 2022 from 10 in 2021, the majority of which related to delays. Contracting had no complaints in 2022 compared with 14 for the same period in 2021. There was only one complaint about financial assessments in 2022 compared with 11 the previous year. Of the 111 complaints received in this reporting period 37 were upheld which equates to 33% of complaints received. Of the 71 complaints received in 2021, 32% were upheld.
- There was an increase in Child & Family Social Services Complaints. This period there were 70 stage 1 Child & Family Social Services Complaints compared with 57 for the same period in the previous year, an increase of 22%. There were two teams in Child & Family Services with an increase in complaints:
  - The Looked After Children team saw an increase by 2 complaints to 11
  - There was an increase in Single Points of Contact (SPOC) by 3 to 9.
- Of the 70 complaints received in 2022, 18 were upheld. This is 25% of complaints received. Of the 57 Child & Family complaints received in

2021, 6 were upheld, which represented 10.5% of complaints received. However, there were no identifiable trends.

- 2.2 During this period there was a total of 8 stage 2 social services complaints. Two of those were done via the corporate process and both were not upheld. Of the remaining 6, 3 of the complaints were not upheld, 1 partially upheld, 1 upheld and 1 decided to take legal action. During the previous reporting period there was a total of 7 stage 2 complaints, none dealt with via the corporate complaint process. Of the 7 stage 2 complaints for the previous reporting period 1 upheld, 4 partially upheld, 1 not pursued and 1 matter was in court so the investigation did not proceed.
- 2.3 The Service Improvement and Finance Scrutiny Performance Panel requested tables and graphs of complaints over time. These will be included in the next Annual Complaints Report which will be produced following the annual letter from the Ombudsman.
- 2.4 All section 40 submissions were provided to the Ombudsman's office on time.
- 2.5 The new IT system for handling corporate complaints was launched at the beginning of July.

### **3. Financial Implications**

- 3.1 The additional six-month cost of running the service related to investigating Social Services complaints. Between 1<sup>st</sup> April and 30<sup>th</sup> September 2022 this was £15,473, including Child and Family costs of £5,111 and Adult Services of £10,362. This is significantly higher compared with the previous year's investigations cost of £4,201 due to the increase in stage two investigations and increase in price of independent investigators. This is currently a challenge for many Councils across Wales.

### **4. Legal Implications**

- 4.1 There are no specific legal implications arising from this report.

**Background Papers:** None

#### **Appendices:**

Appendix A Key Performance Indicators

## Appendix A: 1<sup>st</sup> April to 30<sup>th</sup> September 2022-23 Performance of KPIs

KPI	Performance Comments and Management Measures
<b>Corporate Complaints KPIs:</b>	
67.77% (554) of stage one corporate complaints responded to within 10 clear working days	<p>Building Services responded to 55% (71) complaints within 10 working days. These delays are due to many repairs involving complex elements and take more than 10 days to resolve i.e. Disrepair claims where tenants will not allow repairs to be completed as instructed by their claims lawyer. Access issues where appointments being made to complete the work are either not being kept or are arranged beyond the 10 days as requested by the tenant.</p> <p>22/23 Stage 1 justified 218 (27.4%) 21/22 Stage 1 justified 214 (31.6%)</p>
86.25% (70) of stage two corporate complaints responded to within 20 clear working days, or within any extension agreed with the customer.	<p>One case relates to a request to move a pelican crossing in a Ward and has been delayed due to a by-election.</p> <p>22/23 Stage 2 justified 12 (14.8%) 21/22 Stage 2 justified 11 (12.6%)</p>
<b>Adult Social Services Complaints KPIs:</b>	
100% (18) stage 1 corporate complaints responded to within 10 clear working days (no requirement for a discussion)	No delays
% stage two corporate complaints responded to within 20 clear working days, or within any extension agreed with the customer.	No stage 2 corporate complaints received for this period

<b>KPI</b>	<b>Performance Comments and Management Measures</b>
93.5% (93) of stage one social services complaints acknowledged within 2 working days	6 complaints not acknowledged within 2 working days
81% (76) 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	Delays due to capacity within the team
88.5% (82) of stage one responded to within 5 working days of discussion	Delays due to capacity within the team. Some delay also due to being unable to reach complainants
100% (7) of stage two complainants receiving a written summary of the complaint within 5 working days	No delays – or within agreed timeframe with complainant
86% (6) of stage two complaints responded to within 25 working days, or within any extension approved by the Director of Social Services.	All extensions agreed with Director of Social Services One is still ongoing and has exceeded the timeframe the Director can agree to
<b>Child and Family Social Services Complaints KPIs:</b>	
85% (7) stage 1 corporate complaints responded to within 10 clear working days (no requirement for a discussion)	Delay due to responding officer
100% (2) of stage two corporate complaints responded to within 20 clear working days, or within any extension agreed with the customer.	Both not upheld
92% (63) stage 1 social services complaints acknowledged within 2 working days	A small number of delays due to the volume of workload and capacity within the team for three of the six month period
69% (43) 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	Delays due to capacity within the team. Some delay also due to being unable to reach complainants

<b>KPI</b>	<b>Performance Comments and Management Measures</b>
74% (47) of stage 1 Social Services complaints responded to within 5 working days of discussion	A small number of delays due to the volume of workload and capacity within the team
100% (6) of stage two complainants receiving a written summary of the complaint within 5 working days	No delays – or within agreed timeframe with complainant
100% (6) of stage two complaints responded to within 25 working days, or within any extension approved by the Director of Social Services.	All extensions agreed with the Director 3 of the complaints were not upheld 1 partially upheld 1 upheld 1 decided to take legal action



# Agenda Item 5



## Report of the Chief Auditor

Governance and Audit Committee – 19 July 2023

### Annual Report of School Audits 2022/23

<b>Purpose:</b>	This report provides a summary of the school audits and thematic reviews undertaken by the Internal Audit Section during 2022/23 and identifies some common issues found during the reviews.
<b>Policy Framework:</b>	None.
<b>Consultation:</b>	Legal, Education and Access to Services
<b>Report Author:</b>	Nick Davies
<b>Finance Officer:</b>	Simon Cockings
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Rhian Millar
<b>For Information</b>	

## 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, Internal Audit have moved to yearly thematic reviews for the primary and special schools as agreed by the Director of Education and the Director of Finance & Section 151 Officer.
- 1.2 A report summarising the school audits and thematic reviews undertaken has been prepared for the Director of Education. This report also identifies the common themes of non-compliance which have been highlighted during the audit reviews.

## **2. Annual Report of School Audits 2022/23**

2.1 The Annual Report of School Audits 2022/23 is attached in Appendix A.

## **3. Integrated 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.

3.2 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'.

3.3 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.

3.4 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.

#### **4. Financial Implications**

4.1 There are no financial implications associated with this report.

#### **5. Legal Implications**

5.1 There are no legal implications associated with this report.

**Background Papers:** Internal Audit Plan 2022/23.

**Appendices:** Appendix A – Annual Report of School Audits 2022/23.

Appendix B – Integrated Impact Assessment.

## Report of the Chief Auditor

### Annual Report of School Audits 2022/23

#### 1. Introduction

- 1.1 Each year, Internal Audit resources are dedicated to undertaking 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.
- 1.2 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.
- 1.3 The scope for individual school audits during the 2022/23 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
- 1.4 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.
- 1.5 In 2022-23, Internal Audit continued with the 'thematic' review approach for schools providing assurance across the following topics. Testing covered the key risk areas of procurement, headteachers remuneration and compliance with HMRC requirements regarding the employment status of individuals in primary schools. Secondary and special schools were also included in both headteacher and Business Manager remuneration reviews.

- 1.6 We are happy to report to Committee that we successfully completed all planned thematic reviews across the primary schools that were scheduled to be included in our rolling programme. We also completed the two planned thematic reviews for the secondary and special schools. Furthermore, the team also finalised individual reviews of four secondary schools during the year.
- 1.7 On completion of the individual audit reviews, a formal level of assurance is provided for the overall financial management and other areas reviewed within the school. The assurance levels vary across four categories, namely High, Substantial, Moderate and Limited assurance.
- 1.8 Recommendations are contained within a Management Action Plan and are prioritised according to perceived risk. Therefore, each 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.
- 1.9 Once the Action Plan has been agreed 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 Head of Planning and Resources for information. Agreed actions are followed up in accordance with the timescales in the Management Action Plan 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.
- 1.10 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 issues encountered, these findings have also been communicated to schools via the various forums available and followed up in due course. Where applicable, individual memos were also issued to the schools included in the audits informing them of the specific outcomes of their review.
- 1.11 As part of their monitoring procedures in place, 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 four comprehensive schools that were audited remotely in 2022/23, the School Support Team had received minutes confirming that the audit report had been presented for three of the schools. The Team has requested minutes from the one remaining school that has not forwarded them to date.
- 1.12 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 2022/23.

## **2. Summary of Findings**

- 2.1 Twenty-Five primary schools were included in the thematic reviews, covering the key risk areas of procurement, headteachers remuneration and compliance with HMRC requirements for the employment status of individuals.
- 2.2 All secondary and special schools were included in both headteacher and business manager remuneration reviews.

- 2.3 Of the four secondary schools scheduled to be audited individually, all were completed with site visits undertaken where necessary.
- 2.4 It is pleasing to note that all thematic reviews undertaken where a report was issued achieved at least a Substantial assurance rating.
- 2.5 Of the four secondary schools audited in year, two were awarded a High level of assurance and two were awarded a Substantial level of assurance. This continues to demonstrate that the schools in question are being managed appropriately and were operating effectively.
- 2.6 Termly training continues to be offered to all headteachers and other leadership team staff by the Funding and Information Team, which clearly communicates the procedures that should be followed in relation to complying with financial management within the school. It should also be noted that a new training course has been implemented for schools specifically on procurement, and this will be offered at least twice a year to capture new leadership and office staff. A termly training course is also offered on the completion of IR35, and as with finance training, it is discretionary but attendance is monitored.
- 2.7 In addition to the above, 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.
- 2.8 The sections that follow, provide a more detailed examination in relation to the findings of our audits across the individual and thematic school reviews completed in Swansea during 2022/23.

### **3. Primary Schools**

#### **3.1 Thematic Review – Procurement**

- a) A thematic review was completed to ensure that the correct procurement practices were being followed and this involved detailed testing on both individual and cumulative expenditure over £10k. A list of the schools included in the audit is shown in Appendix 1.
- b) An expenditure report was obtained for the financial year for each of the schools and our testing revealed that there were three individual payments made to suppliers of over £10,000, and six cumulative payments of over £10,000. The following was found:-
- On one occasion, four quotations were obtained, however two were dated after the date of the invoice paid by the school.
  - There was one occasion highlighted where only two quotations were requested due to the specialist nature of the supplier.
  - On two occasions, no quotations had been requested at all.
  - In the other five instances the correct procurement practices had been followed.

### 3.2 Thematic Review – Employment Status of Individuals (IR35)

- a) This review was undertaken to ensure compliance with HM Revenue & Customs (HMRC) requirements in relation to the employment status of individuals engaged by the school. Only those primary schools which were scheduled to be audited in the 2022/23 financial year were included in the review as shown in Appendix 1.
- b) A Summary Supplier Account Status report was obtained for each of the schools, in order to identify suppliers who may require an IR35 check. From this report, a sample of invoices across a number of schools was selected. Each school was contacted, and copies of invoices requested to determine what services had been provided by the suppliers. Copies of IR35's were then requested for the relevant suppliers. The main areas of non-compliance identified were as follows:-
- Fifteen IR35's were over 12 months old when the last invoice was paid.
  - Five IR35's had been completed during the audit and two had been completed after the information had been requested as part of the audit.
  - Four IR35's had not been completed or were not available during the audit.
  - Twelve IR35's had insufficient detail of the supplier or service recorded on them. This included handwritten notes on the IR35 after they had been printed.
  - Five IR35s recorded a result of 'unable to make a determination'.
  - Only a small number of the primary and special schools had undertaken the IR35 training in the last 12 months.

### 3.3 Thematic Review – Headteachers Remuneration Review (Primary and Secondary)

- a) A review was undertaken of headteachers remuneration. All 14 secondary school headteachers were included and the 25 primary school headteachers (those schools that would have been due for an audit in the 2022-23 financial year) formed part of this review. A list of the schools included in the audit is shown in Appendix 1 & Appendix 2.
- b) Testing was undertaken to ascertain if any headteachers were being paid outside of the leadership points within the group allocated for the school. Checks were also undertaken to ensure that salary payments made did not exceed the additional 25% of the maximum of the allocated Group as prescribed by the School Teachers' Pay and Conditions (Wales) Document 2021. Our review revealed the following:
- There were a number of primary and secondary school headteachers paid at a point outside of their leadership group for the school. However, it was noted that the total salary payments made within the 2021-22 academic year were still within the additional 25% of the maximum allowed for the group.
  - Eight of the 25 primary school headteachers and seven of the secondary school headteachers were in receipt of discretionary payments. Testing confirmed that all payments had been agreed by the schools governing body and the total payments made within the 2021-22 academic year were still within the additional 25% allowed.

- One secondary and one primary school had their own unique Individual School Range (ISR). These were outside of their allocated groups, however the headteachers total salary was within the additional 25% allowable in both cases.
- Our review also highlighted that there were six secondary school headteachers who were in receipt of payments for senior supervisor roles in addition to their headteacher salary. Our testing confirmed approval for these roles had been received from each of the schools governing body.

## 4. Secondary Schools

### 4.1 Thematic Review – Business Managers Remuneration.

a) An audit was completed reviewing the remuneration awarded to school Business Managers in the Secondary and Special schools to ensure the required approvals were in place. The following was found:

- Four schools had Business Managers who held a second post.

#### Overtime Paid

- Overtime payments had been paid to Business Managers in three schools at enhanced rates and two schools paid additional hours to Business Managers at plain time.

#### Additional Payments

- Business Managers in three schools received payments for additional work undertaken due to Covid and one Business Manager received a payment of £5,000 for leading the school's Covid response.

b) It was found that all of the additional posts, overtime and additional payments made had the required approvals in place from the Governing Body.

4.2 Four secondary schools were visited by Internal Audit during 2022/23. The level of assurance awarded for each of the schools can be seen in Appendix 2.

4.3 A total of 35 recommendations were made, which represents an average of 9 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.

4.4 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 individual recommendations i.e. High, Medium, Low Risk or Good Practice.

4.5 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 School Funds, Procurement / Expenditure and Multi-Pay Cards. Please also see Appendix 3, which details the main areas reported on within each category below.



<b>Secondary Schools</b>		
<b>Audit Area</b>	<b>Total Rec's 2022/23 based on 4 Schools</b>	<b>2022/23 %</b>
Governance	1	3
Management of Delegated Resources	1	3
Income & Bankings (inc Lettings)	0	0
School Funds	5	14
School Meals	0	0
Bank Reconciliations	2	6
Procurement / Expenditure	10	28
Multi-Pay Cards	6	16
Verification of Employees / Self Employed	2	6
Health & Safety / Premises Security	0	0
Inventory	3	9
IT	2	6
Other	3	9
<b>TOTAL</b>	<b>35</b>	<b>100</b>

4.6 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 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.

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

- a) Not raising authorised purchase orders at the point of commitment or not 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) Single Supplier Tender Waiver forms were not completed where bespoke suppliers had been used for purchases over the value of £10k.
- c) In some cases, valid VAT invoices and or receipts were not always being requested and retained for Multi-pay card purchases.
- d) Multi-pay card pre-defined authorisation spend limits approved by the Governing Body had not been minuted.

4.8 School Fund non-compliance accounted for 14% of the recommendations made. The main areas reported on were:-

- a) The recommended constitution template for a School Fund contained in Accounting Instruction No. 11 had not been adopted.
- b) Monthly bank reconciliations of the School Fund had not been undertaken, independently reviewed and signed / dated confirming the review had taken place.

## **5. Special Schools**

5.1 No special schools were audited independently during the 2022/23 financial year.

## 6. Developments and Other Work Undertaken

- 6.1 In addition to the individual school audits and thematic reviews, the following other work was also undertaken, as noted below.
- 6.2 Ad-hoc work was undertaken covering a range of areas as and when they arise, at the request of individual schools or the Education Directorate.
- 6.3 Information and advice provided in school forums on areas such as Inventory Management and Procurement training. Also, the main issues highlighted during routine school audits and thematic reviews were published in the school bulletins.
- 6.4 The continued revision of Accounting Instructions for schools ensuring they are up to date and relevant. The updated suite of documents is published on 'Staffnet' for the schools to refer to when requiring support and advice in carrying out their day-to-day financial administration duties. Training continues to be offered on a regular basis.
- 6.5 Internal Audit continues to review and update all school audit programmes and questionnaires on an annual basis, ensuring their scope cover any updated procedures and reflect any changes in the school environment.
- 6.6 As stated above, the team conducted four thematic audit reviews for primary, comprehensive and special 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.
- 6.7 Risk Management
- a) During our annual risk management audit, enquiries were made with the Director of Education on how risks were managed by schools and whether each school maintained their own Risk Register. We were advised at that time that there was no requirement for schools to maintain a Risk Register and that schools have different ways of managing risks as part of their own school governance arrangements.
  - b) We recommended that consideration should be given to devising a standard process to be introduced in individual schools whereby risks are identified, recorded, and monitored on a periodic basis to ensure appropriate risk management controls are in place.
  - c) The report was finalised, and Education management agreed to consider looking into the legislative requirements in this area, their workload impact and any governing body requirements before implementation. Education management were contacted for a progress update and the following was provided:
  - d) Senior Education Officers are working at pace to address risk management in schools and identify additional actions that could be implemented at a school level. They already undertake many risk assessments at a local level as part of their 'business as usual', for example to cover school trips and health and safety issues. Officers have met with the Corporate Performance & Risk Manager to establish whether the corporate risk management process could be applied effectively across all schools but concluded that this would not fit operationally and would be cumbersome for schools in addition to their current workload. However, following further conversations with Internal Audit, it was determined that a number of actions that schools and the Education department already undertake actually fall under the umbrella of risk, but these have not been previously captured in a specific risk report. Officers are now working to capture all of those actions

visibly on the appropriate risk registers to demonstrate the work already being undertaken, and to highlight any further areas for development.

## 7. School Self-Assessment Questionnaires

- 7.1 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.
- 7.2 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.
- 7.3 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.

## 8. Quality Measures

- 8.1 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 received. For thematic reviews, the questionnaire is sent to education management for a response. A copy of the questionnaire is attached, see Appendix 4.
- 8.2 Each completed questionnaire is reviewed, and comments are taken into account when planning future audits, where appropriate.
- 8.3 The QCQ results feed into a Performance Indicator, which shows the percentage of schools expressing at least 'satisfaction' with the conduct of the audit undertaken by Internal Audit.
- 8.4 The Performance Target for responses that were at least 'satisfied' with the quality of audit service for 2022/23 was 98%.
- 8.5 The response rate to our QCQ surveys are as follows:

	2022-23		
	QCQ's issued	No. of Responses	Response%
Primary (Procurement)	1	1	100%
Primary (IR35)	1	1	100%
Comprehensive & Special (BM Remuneration)	1	1	100%
Secondary Schools	4	4	100%
<b>Overall</b>	<b>7</b>	<b>7</b>	<b>100%</b>

- 8.6 Over the last number of years Internal Audit have made a concerted effort to ensure that where possible, feedback from headteachers is returned, by contacting those schools that have not submitted their QCQ. The table above shows that this year we achieved a 100% return rate, with all QCQ's issued being returned. We also received all responses from the relevant education managers in relation to the thematic reviews undertaken.

8.7 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 exceeds our internal performance target of 98%. This confirms the continued good working relationship between Internal Audit, Education and the Schools.

## **9. Conclusion**

9.1 This annual report provides information on the schools audited remotely, and thematic reviews undertaken and finalised during 2022/23. It also identifies the main areas for improvement in relation to the findings for secondary school Private Funds, Procurement / Expenditure and 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 School's Bulletin and to the individual schools concerned as part of the feedback process. Detailed findings of the thematic reviews have also been provided to the Director of Education and the Director of Finance & S151 Officer.

9.2 This year has continued to be relatively challenging when trying to arrange and carry out school audits as we transition out of the pandemic, and some restrictions remained in place with regards to site visits.

9.3 However, we were able to complete four individual comprehensive school audits and four thematic reviews to provide assurance over the key risk areas across the population.

9.4 A good working relationship continues to exist between schools, the Education Department and the Internal Audit Team, with headteachers and Education management responding positively to audit recommendations.

9.5 It is again the opinion of the Chief Auditor that based on the work undertaken in year, the financial management systems within 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 non-compliance as stated in the main body of the report.

### **Appendices:**

Appendix 1 –

Primary Schools covered by the thematic reviews of procurement, IR35 and headteachers remuneration 2022/23.

Appendix 2 -

Secondary Schools covered by the headteacher and business managers remuneration reviews 2022/23.

Special Schools covered by the business managers remuneration review 2022/23.

Secondary Schools audited independently and finalised 2022/23.

Appendix 3 –

Areas Reviewed at Primary / Secondary / Special Schools during 2022/23

Appendix 4 –

Quality Control Questionnaire

**PRIMARY SCHOOLS COVERED BY THE THEMATIC PROCUREMENT, IR35 &  
HEADTEACHERS REMUNERATION REVIEWS 2022/23**

<b>School</b>	<b>Date Reports Finalised</b>	<b>Level of Assurance</b>
Bishopston Primary	December 2022 & March 2023	Substantial
Cadle Primary	December 2022 & March 2023	Substantial
Christchurch CIW Primary	December 2022 & March 2023	Substantial
Clwyd Community Primary	December 2022 & March 2023	Substantial
Crwys Primary	December 2022 & March 2023	Substantial
Cwmglas Primary	December 2022 & March 2023	Substantial
Glyncollen Primary	December 2022 & March 2023	Substantial
Grange Primary	December 2022 & March 2023	Substantial
Gwyrosydd Primary	December 2022 & March 2023	Substantial
Morrison Primary	December 2022 & March 2023	Substantial
Pengelli Primary	December 2022 & March 2023	Substantial
Penyfro Primary	December 2022 & March 2023	Substantial
Pennard Primary	December 2022 & March 2023	Substantial
Pentrechwyth Primary	December 2022 & March 2023	Substantial
Penyrheol Primary	December 2022 & March 2023	Substantial
Pontarddulais Primary	December 2022 & March 2023	Substantial
Seaview Community Primary	December 2022 & March 2023	Substantial
St David's RC Primary	December 2022 & March 2023	Substantial
St Joseph's RC Primary	December 2022 & March 2023	Substantial
St Joseph's Cathedral Primary	December 2022 & March 2023	Substantial
St Thomas' Community Primary	December 2022 & March 2023	Substantial
Terrace Road Primary	December 2022 & March 2023	Substantial
Waun Wen Primary	December 2022 & March 2023	Substantial
Wanarlwydd Primary	December 2022 & March 2023	Substantial
Y.G.G. Pontybrenin	December 2022 & March 2023	Substantial

**SECONDARY SCHOOLS COVERED BY THE HEADTEACHER & BUSINESS MANAGER  
REMUNERATION REVIEWS 2022/23**

School	Date Report Finalised	Level of Assurance
Birchgrove Comprehensive	August 2022 & March 2023	Substantial
Bishop Gore Comprehensive	August 2022 & March 2023	Substantial
Bishop Vaughan Comprehensive	August 2022 & March 2023	Substantial
Bishopston Comprehensive	August 2022 & March 2023	Substantial
Cefn Hengoed Comprehensive	August 2022 & March 2023	Substantial
Dylan Thomas Comprehensive	August 2022 & March 2023	Substantial
Gowerton Comprehensive	August 2022 & March 2023	Substantial
Morrison Comprehensive	August 2022 & March 2023	Substantial
Olechfa Comprehensive	August 2022 & March 2023	Substantial
Pentrehafod Comprehensive	August 2022 & March 2023	Substantial
Penyrheol Comprehensive	August 2022 & March 2023	Substantial
Pontarddulais Comprehensive	August 2022 & March 2023	Substantial
Ysgol Gyfun Bryn Tawe	August 2022 & March 2023	Substantial
Ysgol Gyfun Gwyr	August 2022 & March 2023	Substantial

**SPECIAL SCHOOLS COVERED BY THE BUSINESS MANAGER REMUNERATION  
REVIEW 2022/23**

School	Date Report Finalised	Level of Assurance
Ysgol Crug Glas	August 2022 & March 2023	Substantial
Penybryn Special	August 2022 & March 2023	Substantial

**SECONDARY SCHOOLS AUDITED INDEPENDENTLY AND FINALISED 2022/23**

School	Date Report Finalised	Level of Assurance
Cefn Hengoed Community School	07-09-2022	Substantial
Penyrheol Comprehensive School	09-09-2022	High
Dylan Thomas Community School	18-10-2022	High
Gowerton Comprehensive School	20-12-2022	Substantial

## AREAS REVIEWED AT PRIMARY / SECONDARY / SPECIAL SCHOOLS DURING 2022/23

AUDIT AREA	MAIN CATEGORIES REVIEWED IN EACH AUDIT AREA
<b>Governance</b>	Roles and Responsibilities of Governors, Committees and Staff Policies and Committees Governors Involvement in Setting the School Development Plan Finance, Administration and DBS
<b>Management of Delegated Resources</b>	Budget Setting and Approval Authorised Signatories Delegated Powers
<b>Budget Monitoring</b>	Budget Monitoring Reports sent to the Governing Body Any Capital Expenditure Any Loans / Overdrafts / Leases
<b>Lettings</b>	Governing Body Approval Lettings Applications & Insurances
<b>After School / Breakfast Clubs</b>	Charges Governing Body Approval Income & Expenditure
<b>Banking Procedures</b>	Safety of Monies Holding Limits
<b>Recording of Income</b>	Types of Income Record Accuracy & Retention Segregation of Duties
<b>School Unofficial Funds</b>	School Fund Signatories Audit and Presentation of the School Fund Fund Transactions & Reconciliations Fund Constitutions & Management Committees
<b>School Meals</b>	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
<b>Bank Reconciliation</b>	Undertaken / Frequency Independently Reviewed
<b>Expenditure &amp; Procurement</b>	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.

<b>Multi-pay Cards</b>	Card Security
	Segregation of Duties
	Reconciliations & Authorisation Limit Approval
	VAT Compliance
<b>Verification of Employees / Self Employed</b>	Staff References
	Travel & Subsistence Payments
	Overtime Payments
	IR35 Status
<b>Health &amp; Safety/ Fire/ Premises</b>	Health and Safety Inspections
	Fire Risk Assessments and Portable Appliance Testing
	Self-review of Security Issues
<b>Inventory</b>	Format and Security of the School Inventory
	Keeping the Inventory up-to-date including Disposal Procedures
	Physical Checks & Annual Reconciliation / Authorisation
<b>School Mini Bus / Vehicles</b>	Vehicle Logs Maintained
	Driver Licence Checks
	Security of Vehicles
	Insurance, MOT, Serviced
<b>Computer Security &amp; Data Protection</b>	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
<b>AUDIT PLANNING</b>				
Appropriateness of scope and objectives of audit				
Usefulness of initial discussions with auditor(s)				
Timing of audit				
<b>CONDUCT OF AUDIT</b>				
Duration of audit				
General helpfulness of auditors				
Consultation on findings				
<b>AUDIT REPORT</b>				
Fair presentation of findings				
Importance of findings				
Usefulness of recommendations				
Consultation on findings and recommendations				
The value and practicality of the recommendations				
<b>OVERALL</b>				
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 2022/23.

**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 22-23.

**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.

<b>Screening completed by:</b>
<b>Name: Nick Davies</b>
<b>Job title: Principal Auditor</b>
<b>Date: 04/07/23</b>
<b>Approval by Head of Service:</b>
<b>Name: Ben Smith</b>
<b>Position: Director of Finance &amp; S151 Officer</b>
<b>Date: 04/07/23</b>

Please return the completed form to [accesstoservices@swansea.gov.uk](mailto:accesstoservices@swansea.gov.uk)



## Report of the Chief Auditor

Governance & Audit Committee - 19 July 2023

### Internal Audit Section – Fraud Function Annual Report for 2022/2023

<b>Purpose:</b>	This report provides a summary of the work completed by the Fraud Function of Internal Audit in 2022/23.
<b>Policy Framework:</b>	None.
<b>Report Author:</b>	Jonathon Rogers
<b>Finance Officer:</b>	Simon Cockings
<b>Legal Officer:</b>	Tracey Meredith
<b>Access to Services Officer:</b>	Rhian Miller

#### For Information

#### 1. Introduction

- 1.1 This report provides a summary of the activities of the Fraud Function for 2022/23 and reviews achievements compared to target activities contained in the Fraud Function Anti-Fraud Plan for 2022/23 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. **Staff Structure**

3.1 In 2022 it was identified by the Director of Finance that investment would be made in the team and a Fraud Manager position would be created, and as per the fraud function plan 2022/23 two additional investigation fraud investigators would be recruited.

3.2 A Fraud Manager post was created and filled in July 2022. However, the position was vacant from September as the Fraud Manager accepted a position in Education. Two new investigation officers were recruited and employed in January 2023.

3.3. Both new members of staff are from a benefits background not a corporate fraud background and even though they have the requisite skills needed for the position, a period of assimilation, training and mentoring will be required.

3.4 Due to the ongoing financial uncertainty, the post of Fraud Manager was not filled until May 2023, with a deletion of an investigation officer post.

3.5 Subsequently, the team structure going forward will be an investigation manager and two fraud investigators.

## 4. **Overview of Activities**

4.1 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 are considered as part of joint working arrangement with the Department for Work and Pensions (DWP).

4.2 The team have also continued to manage the National Fraud Initiative (NFI 20) That was concluded in November 2022. (See section 5.2)

- 4.3 The volume of reports and requests for support received by the team during 2022/23 decreased overall as demonstrated in Tables 1 and 2 below, however this is still far higher in relation to comparable pre-covid data.
- 4.4 The high volume of cases 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.
- 4.5 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 or 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 always required.

**Table 1 – Caseload Volume 2022/23**

Type	Joint Working with DWP	Fraud Function only	Total
Brought forward	15(7)	57(81)	72 (88)
New cases in 2022/23	12 (11)	309 (368)	322 (379)
<b>Total</b>	<b>27 (18)</b>	<b>366 (449)</b>	<b>394(467)</b>

(Figures in italics refer to 2021/22)

**Table 2 – 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
2021/22	41	415*	368	643	2
2022/23	88	379	395	642	2
2023/24	72	321	328	704	2/3

\*Included Covid Increase

- 4.6 Despite the decreased volume and a higher brought forward figure the case turnover remained high in 2022/23 as can be seen in Table 3. The decrease in Covid grant support work being a direct contributor.

**Table 3 – Case status as at 31/3/23**

Type	Joint Working with DWP	Fraud Function only	Total
Cases closed	14 (3)	314 (392)	328 (395)
Cases to be evaluated	0 (0)	1 (5)	1 (6)
Cases under investigation	14 (15)	51 (52)	65 (72)
<b>Total</b>	<b>28 (18)</b>	<b>366 (449)</b>	<b>394 (467)</b>

(Figures in italics refer to 2021/22)

4.7 The on-line public reporting tool continues to receive a high volume of reports and we continue to further develop to improve the quality of reports.

## **5 Key Activities 2022/2023**

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

5.1.1 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.

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

5.1.3 As a result of the removal of the majority of Covid restrictions, operations have now returned to 'business as usual'.

5.1.4 Data outcomes for this work are shown below. A return to normal working practices shows a value of overpayments realised at £104,095. Cases have been referred to the Crown Prosecution Service, and as of 31<sup>st</sup> March 2023, one case had been successfully prosecuted. In addition to this, civil penalties of £522.71 were realised with in the year.



## Overpayments created:

Joint Working with DWP cases				FF only cases
Created via FF		Created via DWP		
CTR	Other LA	HB & CTB	DWP	
<b>£9,488.69</b> <i>(£0.00)</i>	<b>£0.00</b> <i>(£0.00)</i>	<b>£27,434.68</b> <i>(£0.00)</i>	<b>£76,660.89</b> <i>(£0.00)</i>	
<b>£9,488.69</b> <i>(£0.00)</i>		<b>£104,095.57</b> <i>(£0.00)</i>		
<b>£113,584.26</b> <i>(£0.00)</i>				CTR & Other
				<b>£14,278.24</b> <i>(£43,878.23)</i>

(Figures in italics refer to 21/22)

Total of all overpayments
<b>£127,862.50</b> <i>(£43,878.23)</i>

## 5.2 National Fraud Initiative 2020

- 5.2.1 NFI is a bi-annual data matching exercise delivered by the Cabinet Office.
- 5.2.2 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.
- 5.2.3 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 and waiting lists
  - Immigration
  - Payroll
  - Pensions
  - Personal alcohol licences
  - Personal budgets for social care
  - Student loans
  - Taxi licenses
  - VAT overpaid.
- 5.2.4 The main data output for NFI20 was received in late January 2021 and the examination of all relevant matches was concluded in November 2022. Just under 10,000 matches were received across 90 reports of which 1285 were considered High Risk.

- 5.2.5 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.
- 5.2.6 For NFI 2020 an additional data set was included to identify matches in relation to Covid 19 Grant Support payments. As expected, no matters of concern were identified following the partnership work between the fraud function and economic regeneration team in 2020/21 to stop applications with a value of £2.4million at source.
- 5.2.7 City & County of Swansea realised saving in four key areas as follows as a result of the NFI exercise:

Service Area	Fraud and Overpayments (£)
Blue Badge	<b>£184,575.00</b>
Housing Waiting Lists	<b>£3,240.00</b>
Housing Benefit	<b>£5,247.13</b>
Pensions	<b>£42,734.00</b>
<b>Total</b>	<b>£235,797.03</b>

- 5.2.8 In line with the completion of NFI 2020, the Auditor General for Wales published a report that had three recommendations. The full report can be found at: <https://www.audit.wales/cyhoeddiad/national-fraud-initiative-2020-21>. Those recommendations have already been implemented and were reported to the Governance and Audit Committee in December 2022.
- 5.2.9 In the report the auditor general identified £6.5million of fraud and overpayments in seven main areas. The biggest area was council tax discounts which estimated £2.6 million of fraud, error and overpayment, identified across Wales.
- 5.2.10 The authority received over 20,000 matches in respect of discretionary Council Tax discounts that were not part of the main exercise. As the Revenues Service already utilises a third-party company to undertake a review of discounts, it was deemed not cost effective or practical to allocate additional resources to review the NFI matches in addition to that exercise.
- 5.2.11 Previous NFI data matches have been found to be out of date as there is a time lag before the when the data is collected and received. An improved programme to review Council Tax discounts over the next 2 years has recently started. An initial bulk review of all current single person discounts will be carried out and then a monthly rolling review of new applications will be 'added' to the process so the measure will be further enhanced.
- 5.2.12 The report identified approximately £1.4 million of fraud and overpayments in in relation to blue badges nationally. It is believed that the £184,575 figure produced by the authority is a positive result in relation to this figure.

5.2.13 The report identified approximately £800,000 of fraud and overpayments in housing waiting lists nationally. There are many reasons for the authority's relatively modest figure of £3,240, but to give assurance to committee, due to the extra resources available the fraud function will review all housing waiting list matches in the NFI 2022/23 exercise.

### **5.3 Fraud Awareness**

5.3.1 The team continues to act as the hub for the receipt of Intelligence and Scam alerts from the National Anti-Fraud Network and Action Fraud. The volume has reduced significantly in line with the end of the pandemic.

5.3.2 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.

5.3.3 Annual Fraud Awareness training was provided to the Governance & Audit Committee in 2022/23.

5.3.4 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.

### **5.4 Inter-Agency work and Data Exchange**

5.4.1 The team has further developed its role in inter-agency working and data exchange.

5.4.2 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.

5.4.3 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.

5.4.4 During the year, the function received 704 requests for information from other agencies, which was an increase from 642 requests in 2021/22.

### **5.5 Employee related Investigations**

5.5.1 The volume of employee referrals at 19 in 2022/23 **remained consistent** from the previous year. It was pleasing that this figure has again not increased given the change in working practices to hybrid/agile working and possible risks that could have occurred from this. The team continue to prioritise assisting client departments in this area.

## **6 Review of Outcomes against the Fraud Function Plan for 2022/2023**

6.1 The team now operates hybrid working, spending time at the office, home and at other client departments and external agency buildings. No days were lost due to sickness in 2022/23.

- 6.2 Of the eight planned Fraud Function activities seven were fully achieved with one being partly achieved. Appendix 1 provides commentary against these activities.
- 6.3 The only activity that was not fully achieved was the perceived data matching of HMRC SPD report. As reported in 5.2.10 this was not undertaken due to the age of the data, practical allocation of resources and the use of an alternative third party to review single person discounts.
- 6.4 Urgent employee investigations continue to be prioritised, and time critical responses and actions undertaken.

## **7. Integrated Assessment Implications**

- 7.1 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.
- 7.2 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'.
- 7.3 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.

The IIA indicated that there are low impacts on any identified group and the Fraud Function Annual Report 2022/2023 applies equally to all. Public consultation and engagement are 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)

## **8. Financial Implications**

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

## **9. Legal Implications**

- 9.1 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 2022/23

Appendix 2 – Integrated Impact Assessment Screening Form

## Appendix 1

Activity	Detail	Target Outcomes	Outcome Achieved
1. 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 &amp; 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>Fully Achieved</p> <p>The team have continued to receive numerous referrals from the public and the Housing Department.</p> <p>Full investigations continue to take place.</p>
2.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>Fully Achieved</p> <p>Incorrectly claimed discounts and exemptions, have been identified via individual investigations and internal &amp; external data matching.</p>

Activity	Detail	Target Outcomes	Target Outcomes
3.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"> <li>• To ensure that the totality of welfare benefit and CTRS frauds tackled in the most efficient and effective manner.</li> <li>• To identify overpayments and excess reductions.</li> <li>• To take sanction action in appropriate cases. Administrative Penalties and prosecutions.</li> </ul>	Fully Achieved  The team have continued to receive numerous referrals in this area and full investigations are taking place.
4.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 to 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.	Partly Achieved  NFI 2020 has been completed.  HMRC SPD report was not undertaken due to the age of the data, practical allocation of resources and the use of a third party to review discounts.  NFI 2022 has commenced

Activity	Detail		Target Outcomes
<p>5.Internal Employee Matters</p> <ul style="list-style-type: none"> <li>• Abuse of Position</li> <li>• Travel and subsistence</li> <li>• Flexi time/timekeeping</li> <li>• Other matters of misconduct/gross misconduct</li> </ul>	<p>Continue to assist Human Resources &amp; 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.</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 include:</p> <ul style="list-style-type: none"> <li>• Procurement fraud</li> <li>• Social Care (Direct Payments)</li> <li>• Blue badge</li> <li>• Income collection and banking</li> <li>• Grants</li> <li>• Payroll</li> <li>• Pensions</li> <li>• Etc.</li> </ul>	<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>Fully achieved.</p> <p>The team has considered all allegations received.</p>



Activity	Detail		Target Outcomes
7.Raising Awareness	<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"> <li>• New – Carried forward from plan 2021/22. A guide to Corporate Fraud is included in Corporate Induction Training provided by Human Resources.</li> <li>• Existing – Continue to develop and deliver bespoke training and support that is responsive to changes in threat.</li> </ul> <p><u>Members:</u></p> <ul style="list-style-type: none"> <li>• Deliver presentations/reports/training to the Governance and Audit Committee and other members that develops knowledge and understanding that will develop effective scrutiny.</li> </ul> <p><u>Public:</u> Continue to publicise activities, successes, and prosecutions.</p>	<p>Fully achieved.</p> <p>The Corporate Fraud Team has sourced suitable training material to be used across the organisation. HROD is currently in the process of identifying who will be required to complete the training and will facilitate the roll-out via the council's Oracle Fusion system.</p> <p>Members undertook fraud awareness training.</p> <p>Where possible, the function continues to raise awareness in the local press.</p>

Activity	Detail		Target Outcomes
<p>8. Policy, Procedure and Resource Implementation.</p>	<p>To continue work with nominated officers as prescribed in the Action Plan presented to Governance &amp; Audit Committee 9<sup>th</sup> March 2021 to deliver on the appropriate actions.</p> <p>To recruit and appoint suitably two additional qualified Counter Fraud Investigators. To commence the implementation of the Government Counter Fraud Professional Standards.</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 developed and fully implemented prior to the financial year 2023/24.</p>	<p>Fully Achieved</p> <p>All actions relevant to the fraud function from the report of the Auditor General 'Raising Our Game' Tackling Fraud in Wales have been completed.</p> <p>Two new Fraud Investigators have been employed and are in post.</p>

# 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: 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 2022/23.

This report provides a summary of the activities of the Fraud Function for 2022/23 and reviews achievements compared to target activities contained in the Fraud Function Anti-Fraud Plan for 2022/23 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"/>

## Integrated Impact Assessment Screening Form – Appendix 2

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"/>
Pregnancy and maternity	<input type="checkbox"/> <input type="checkbox"/>	<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 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

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**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...)**

<b>High risk</b> <input type="checkbox"/>	<b>Medium risk</b> <input type="checkbox"/>	<b>Low risk</b> <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:**

## Integrated Impact Assessment Screening Form – Appendix 2

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.

<b>Screening completed by:</b>
<b>Name: Jonathon Rogers</b>
<b>Job title: Corporate Fraud Team Manager</b>
<b>Date: 5.7.2023</b>

<b>Approval by Head of Service:</b>
<b>Name: Ben Smith</b>
<b>Position: Director of Finance and Section 151 Officer</b>
<b>Date: 5.7.2023</b>

Please return the completed form to [accesstoservices@swansea.gov.uk](mailto:accesstoservices@swansea.gov.uk)

# Agenda Item 7



## Report of the Chief Auditor

Governance & Audit Committee – 19 July 2023

### Internal Audit Section – Fraud Function Anti-Fraud Plan for 2023/2024

<b>Purpose:</b>	This report sets out the planned areas of activity for the Internal Audit Section's Fraud Function for 2023/24 and is designed to provide a strategic view of the areas that will be subject to examination.
<b>Policy Framework:</b>	None.
<b>Consultation:</b>	Legal, Finance, Access to Services
<b>Recommendation(s):</b>	It is recommended that Committee review, discuss and approve the Anti-Fraud Plan for 2023/24. (As at Appendix 3).
<b>Report Author:</b>	Jonathon Rogers
<b>Finance Officer:</b>	Simon Cockings
<b>Legal Officer:</b>	Tracey Meredith
<b>Access to Services Officer:</b>	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<sup>1</sup>
  - 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*'<sup>2</sup> 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.

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

<sup>2</sup> 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 officeholder. 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

- 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 Additionally, the AFP for 2023/2024 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’  
<https://www.audit.wales/publication/raising-our-game-tackling-fraud-wales>
- 2.4 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.
- 2.5 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 2023/2024 applies equally to all. Public consultation and engagement are 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 2023/24.

Appendix 2 - Anti-Fraud Statement 2023/24.

Appendix 3 - Anti-Fraud Plan 2023/24.

Appendix 4 - Integrated Impact Assessment Screening Form.

## Appendix 1 – Anti-Fraud Risk Assessment Checklist 2023/2024

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 three 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.		
• 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 <a href="#">that supports all Council Services</a> 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.		

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. Additionally, 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, and £30,000 to those designated officials in cases of employee fraud.		

<b>Fighting Fraud with reduced resources</b>		
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"/>
An Audit based Fraud Function consists of 3 officers, but existing Audit staff can assist Fraud Function staff as and when appropriate.  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.		
<b>Current risks and issues</b>		
<b>Housing tenancy</b>		
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"/>
Checks are carried out by Housing Department staff responsible for appropriate 'estate management' action in instances where the 'lawful tenant' is not in occupation.  <ul style="list-style-type: none"> <li>• Up to date awareness sessions will continue to need to be delivered to relevant Housing Department staff as necessary.</li> <li>• 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"> <li>• The Prevention of Social Housing Fraud Act 2013, and,</li> <li>• The Prevention of Social Housing Fraud (Detection of Fraud) (Wales) Regulations 2014.</li> <li>•</li> </ul> </li> <li>• The fraud function will continue to monitor developments in the illegal subletting of council properties as short term service accommodation.</li> </ul>		
<b>Procurement</b>		
20. Are we satisfied our procurement controls are working as intended?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Controls appear to be adequate - Contract Procedure Rules.  Subject to the new resources being implemented, the Fraud Function intends to develop proactive rather than reactive work in this area.		

21. Have we reviewed our contract letting procedures in line with best practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Procedures appear to be adequate. There has been no credible criticism of the Council's procurement procedures, e.g., from unsuccessful bidders.		
<b>Recruitment</b>		
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		
<b>Personal Budgets for Social Care (Direct Payments)</b>		
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.		
<b>Council tax discount &amp; exemptions</b>		
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 2023 'Data Tank' was commissioned to identify cases where an award of SPD may not be appropriate and review every match.  'Data Tank' will 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.  Avoidance of second home and empty property premiums, is actively pursued by a nominated officer and supported by the Fraud Function as necessary.		

<b>Housing benefit</b>		
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"> <li>• VEP (Verifying Earnings and Pensions) Alerts and checks – real time information from HMRC supplied by DWP.</li> <li>• Housing Benefit Matching Service – monthly via the DWP.</li> <li>• National Fraud Initiative – biannually via the Cabinet Office.</li> <li>• Interactive Data Extraction and Analysis software – as and when necessary, via the Audit Section.</li> </ul>		

Other fraud risks		
27. Do we have appropriate and proportionate defences against the following fraud risks		
<ul style="list-style-type: none"> <li>• Business rates?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>The Council has a process of postal and in-person reviews to check properties for indication of a business operating undeclared.</p> <p>Subject to available resources, this is an area that the Fraud Function intends to explore to determine the extent of any fraud, in particular:</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>		
<ul style="list-style-type: none"> <li>• Right to Buy?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>To help tackle the shortage of affordable housing Welsh Government abolished the 'Right to Buy' scheme in Wales on 26.1.2019.</p>		
<ul style="list-style-type: none"> <li>• Council Tax Reduction?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Joint working with DWP's Counter Fraud Compliance &amp; Debt Service is a business-as-usual function.</p>		
<ul style="list-style-type: none"> <li>• Schools?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>There is a school's audit programme within the Internal Audit plan each year.</p>		
<ul style="list-style-type: none"> <li>• Grants?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>There is a grants audit programme within the Internal Audit plan each year.</p>		



## Appendix 2 - Anti-Fraud Statement 2023/2024

### 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 Taxpayers 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 include 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 Councillors & Co-opted 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 & Co-opted Members are required to declare any potential conflicts of interest that could be deemed to impact on the way they perform their roles. They are also required to register any gifts or hospitality offered or received over a given value (£25.00 as at July 2023).

### 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](http://www.swansea.gov.uk/bluebadgefraud)
- By telephoning 01792 637366.
- By e-mail to [fraud@swansea.gov.uk](mailto:fraud@swansea.gov.uk)

#### **4.3 *Council Tax Reduction fraud***

- Online at [www.swansea.gov.uk/reportctrfraud](http://www.swansea.gov.uk/reportctrfraud)
- By telephoning 01792 635359
- By e-mail to [fraud@swansea.gov.uk](mailto:fraud@swansea.gov.uk)

#### **4.4 *Other frauds that affect the Council.***

- Online at:
- Staffnet: [www.swansea.gov.uk/Staffnet/fraud](http://www.swansea.gov.uk/Staffnet/fraud)
- Public website: [www.swansea.gov.uk/fraud](http://www.swansea.gov.uk/fraud)
- By telephoning 01792 635359
- By e-mail to [fraud@swansea.gov.uk](mailto: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](http://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](http://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 2023/2024

### 1. Introduction

- 1.1 This document sets out the Fraud Function's Anti-Fraud Plan 2023/24, 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.



## 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>Monitor latest developments in the illegal subletting of council stock as short term serviced accommodation and undertake a proactive exercise in the second quarter concentrating on council stock in at risk areas.</p> <p>Recover properties where tenancy fraud has been identified.</p> <p>Undertake criminal prosecutions &amp; 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>

Activity	Detail	Target Outcomes
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 discount, other disregards and discounts 'incorrectly' claimed.</p> <p>Review Revenue Service Datatank exercise matches where the match has been positively challenged by the ratepayer.</p> <p>Identify cases of council tax evasion through nonregistration of liability and banding.</p> <p>Identify cases that should attract a premium charge.</p>
Tackle Council Tax Reduction fraud	Continue to work with DWP's Counter Fraud and Compliance & Debt Service in countering CTRS fraud.	<p>Sharing information and expertise between the Fraud Function &amp; DWP's CFCD.</p> <ul style="list-style-type: none"> <li>• To ensure that the totality of welfare benefit and CTRS frauds tackled in the most efficient and effective manner.</li> <li>• To identify overpayments and excess reductions.</li> <li>• To take sanction action in appropriate cases. Administrative Penalties and prosecutions.</li> </ul> <p>Collaborate with Benefits section on cases identified on Datatank smart referrals where there is a council tax reduction interest and provide support and investigate further where needed.</p>

Activity	Detail	Target Outcomes
Cabinet Office National Fraud Initiative	Commence the National Fraud Initiative 2022	<p>To ensure an appropriate number of matches are examined with particular reference high fraud risk matches.</p> <p>To identify processes and procedures that need to be made more robust.</p> <p>To identify overpayments and excess reductions.</p> <p>To take appropriate action against offenders.</p> <p>As identified as a potential weakness in NFI 2020, review all matches in respect of housing waiting lists.</p>
<p>Internal Employee Matters</p> <ul style="list-style-type: none"> <li>• Abuse of Position</li> <li>• Travel and subsistence</li> <li>• Flexi time/timekeeping</li> <li>• Other matters of misconduct/gross misconduct</li> </ul>	<p>Continue to assist Human Resources &amp; 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>

Activity	Detail	Target Outcomes
<p>Tackle other internal and external fraud, examples include:</p> <ul style="list-style-type: none"> <li>• Procurement fraud</li> <li>• Social Care (Direct Payments)</li> <li>• Blue badge</li> <li>• Income collection and banking</li> <li>• Grants</li> <li>• Payroll</li> <li>• Pensions</li> <li>• Etc.</li> </ul>	<p>During 2023/2024, 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>Provide identity verification and case assurance to the Economic Funding Team when administering grants including the Share Prosperity Fund.</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"> <li>• New – Carried forward from plan 2021/22. A guide to Corporate Fraud is included in Corporate Induction Training provided by Human Resources.</li> <li>• Existing – Continue to develop and deliver bespoke training and support that is responsive to changes in threat. HROD are due to roll out online training to relevant officers imminently.</li> </ul> <p><u>Members:</u></p> <ul style="list-style-type: none"> <li>• Deliver presentations/reports/training to the Governance and Audit Committee and other members that develops knowledge and understanding that will develop effective scrutiny.</li> </ul> <p><u>Public:</u></p> <p>Continue to publicise activities, successes, and prosecutions.</p>

Activity	Detail	Target Outcomes
Policy, Procedure and Resource Implementation.	Review the internal corporate fraud administrative management system to ensure it is fit for purpose.	Consider current arrangements in line with potential alternative cost effective internal and external options.

# 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 2023/24

This report sets out the planned areas of activity for the Internal Audit Section's Fraud Function for 2023/24 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 2023/24 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.

<b>Screening completed by:</b>
<b>Name: Jonathon Rogers</b>
<b>Job title: Corporate Fraud Team Manager</b>
<b>Date: 5.7.2023</b>

<b>Approval by Head of Service:</b>
<b>Name: Ben Smith</b>
<b>Position: Director of Finance and Section 151 Officer</b>
<b>Date: 5.7.2023</b>

Please return the completed form to [accesstoservices@swansea.gov.uk](mailto:accesstoservices@swansea.gov.uk)



## Audit Wales Work Programme and Timetable – Swansea Council

**Quarterly Update: 30 June 2023**

### Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in May 2023.	Complete	Published: <a href="#">Annual Audit Summary 2022</a>

### Financial Audit work

Description	Scope	Timetable	Status
<b>Audit of the Council's 2021-22 statement of accounts</b>	To provide an opinion on the 'truth and fairness' of the Council's financial statements for the financial year ended 31 March 2022.	February 2022 to March 2023	Complete
<b>Audit of the Council's 2022-23 statement of accounts</b>	To provide an opinion on the 'truth and fairness' of the Council's financial statements for the financial year ended 31 March 2023.	To be confirmed	Not started

Description	Scope	Timetable	Status
<p><b>Certification of Grant returns for financial year 2021-22:</b></p> <ul style="list-style-type: none"> <li>• <b>Housing Benefit Subsidy</b></li> <li>• <b>Non-Domestic Rates</b></li> <li>• <b>Teachers' Pension Contributions</b></li> </ul>	<p>Certification that nothing has come to our attention to indicate that the return is:</p> <ul style="list-style-type: none"> <li>• Not fairly stated</li> <li>• Is not in accordance with the relevant terms and conditions</li> </ul>	<p>In line with certification deadlines. December 2022 to February 2023</p>	<p>Complete</p>
<p><b>Certification of Grant returns for financial year 2022-23:</b></p> <ul style="list-style-type: none"> <li>• <b>Housing Benefit Subsidy</b></li> <li>• <b>Non-Domestic Rates</b></li> <li>• <b>Teachers' Pension Contributions</b></li> </ul>	<p>Certification that nothing has come to our attention to indicate that the return is:</p> <ul style="list-style-type: none"> <li>• Not fairly stated</li> <li>• Is not in accordance with the relevant terms and conditions</li> </ul>	<p>To be confirmed</p>	<p>Not started</p>

## Performance Audit work

2021-22 Performance Audit Work	Scope	Timetable	Status
<b>Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations</b>	We will seek to integrate the delivery of our WFG examinations of steps to deliver well-being objectives with our other audit work. We will discuss this with the Council as we scope and deliver the audit projects listed in this plan.	N/A	N/A
<b>Improvement reporting audit</b>	Audit of discharge of duty to publish an assessment of performance.	December 2021	Complete
<b>Assurance and Risk Assessment</b>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.</p> <p>At Swansea Council the project is likely to focus on:</p> <ul style="list-style-type: none"> <li>• Financial position</li> <li>• Self-assessment arrangements</li> <li>• Recovery planning</li> <li>• Implications of the Local Government and Elections (Wales) Act</li> <li>• Carbon reduction plans</li> </ul>	Ongoing	<p>Mostly complete:</p> <p>Published <a href="#">ARA 2021-22 progress update letter</a> summarising Implications of the Local Government and Elections (Wales) Act, and Self-Assessment arrangements.</p> <p>Published <a href="#">ARA 2021-22 Carbon Reduction plans summary</a></p> <p>Published <a href="#">ARA 2021-22 Financial Position Update</a></p>

			Drafting Recovery Planning (see also local risk work too)
<b>Springing Forward – Examining the building blocks for a sustainable future</b>	As the world moves forward, learning from the global pandemic, this review looks at how effectively councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.	Autumn 2021 onwards	Drafting
<b>Local risk work: ‘Achieving Better Together’ Transformation – a local project to ‘review’ new transformation arrangements</b>	<p>The focus of the work is real time working alongside the Council in taking forward its new transformation arrangements to:</p> <ul style="list-style-type: none"> <li>• Remobilise the Council</li> <li>• Refocus the Council to be efficient and effective in delivering its Corporate Plan and current priorities</li> <li>• Reshape to look beyond the next two years in setting out its new Corporate Plan building on ‘Sustainable Swansea – fit for the future’</li> </ul> <p>We have worked alongside the Council as it further develops its recovery plan as a ‘critical friend’ and in learning from and sharing practice and assurance and insight.</p>	Ongoing	Drafting

2022-23 Performance audit work	Scope	Timetable	Status
<b>Assurance and Risk Assessment</b>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle. The project is likely to focus in particular on:</p>	March 2022 – December 2023	Ongoing
	<ul style="list-style-type: none"> <li>Financial position</li> </ul>	Ongoing monitoring of financial position	Ongoing
	<ul style="list-style-type: none"> <li>Capital programme management</li> </ul>	September – December 2023	Scoped
	<ul style="list-style-type: none"> <li>Use of performance information – with a focus on service user feedback and outcomes</li> </ul>	February – September 2023	Draft issued to the Council.
	<ul style="list-style-type: none"> <li>Setting of well-being objectives</li> </ul>	March 2023 – July 2023	Drafted and about to issue to the Council.
<ul style="list-style-type: none"> <li>Any other local areas of focus that arise as part of our Assurance and Risk Assessment work</li> </ul>			

2022-23 Performance audit work	Scope	Timetable	Status
<b>Thematic Review – Unscheduled Care</b>	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	August 2022 – July 2023	Fieldwork nearing completion, reporting from June 2023 onwards.
<b>Thematic review – Digital</b>	A review of councils’ strategic approach to digital, and the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of councils’ resources.	January – September 2023.	In progress – fieldwork is being scheduled at each council between March and August 2023.

## Local government national studies planned/in progress

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

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



## Estyn

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

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

## Care Inspectorate Wales (CIW)

CIW planned work 2022-23	Scope	Timetable	Status
<b>Programme 2022-23</b>	<p><a href="#">We have published our updated Code of Practice for our local authority inspection activity   Care Inspectorate Wales</a></p> <p><a href="#">How we inspect local authority services and CAFCASS Cymru</a></p>	May 2023	Published

CIW planned work 2022-23	Scope	Timetable	Status
<b>Joint work</b>	We are finalising our thematic reviews programme of work for 2023-2026. Areas for consideration include, adult safeguarding, carers, CLDT and CAMHS.	Current	In progress
	We continue to work with partners, sharing information and intelligence including completing joint reviews.	Current	In progress
	We are working in collaboration with HIW for a national review of the stroke pathway. A national report will be published early summer.	Current	In progress
	We continue to work in collaboration with HIW in conducting CMHT inspections.	Current	In progress
	CIW is working with partners to complete a rapid review. The overarching objective of the rapid review is to determine to what extent the current structures and processes in Wales ensure children who are in need of care, support and protection are appropriately placed on, and removed from, the Child Protection Register, when sufficient evidence indicates it is safe to do so. This is a collaborative review.	Interim findings – Publish 22 June 2023  National report – September 2023	In progress
<b>Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2022-23</b>	The <a href="#">2020-21 report</a> was published on 7 February 2021	Published	Published
	The 2021-2022 report is underway	To be confirmed	Preparing

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

## Audit Wales national reports and other outputs published since June 2022

Report title	Publication date and link to report
Maximising EU funding – the Structural Funds Programme and the Rural Development Programme	<a href="#">June 2023</a>

Report title	Publication date and link to report
Digital inclusion in Wales (including key questions for public bodies)	<a href="#">March 2023</a>
Orthopaedic Services in Wales – Tackling the Waiting List Backlog	<a href="#">March 2023</a>
Betsi Cadwaladr University Health Board – Review of Board Effectiveness	<a href="#">February 2023</a>
Welsh Government purchase of Gilestone Farm	<a href="#">January 2023</a>
Together we can – Community resilience and self-reliance	<a href="#">January 2023</a>
A Picture of Flood Risk Management	<a href="#">December 2022</a>
'A missed opportunity' – Social Enterprises	<a href="#">December 2022</a>
Poverty Data Tool	<a href="#">November 2022</a>
'Time for change' – Poverty in Wales	<a href="#">November 2022</a>
Learning from cyber-attacks	October 2022 (distributed privately to audited bodies)
National Fraud Initiative 2020-21	<a href="#">October 2022</a>
COVID-19 business support in 2020-21 – Memorandum for the Public Accounts and Public Administration Committee	<a href="#">October 2022</a>

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

## Audit Wales national reports and other outputs (work in progress/planned)<sup>1</sup>

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

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

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

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

## Good Practice Exchange events and resources

Title	Link to resource
<p><b>A Wales of vibrant culture and thriving Welsh language:</b> Inspired by the Football Association of Wales journey over the past decade, this event will examine and discuss how going beyond expectations creates an inclusive and positive attitude that becomes self-fulfilling.</p> <p>Working in partnership with the Future Generations Commissioner and the Welsh Language Commissioner, this event will assist and inspire public bodies, and the third sector to embrace the cultural diversity of modern Wales and work beyond compliance and into excellence.</p>	<p>All resources are now available on our website.</p> <ul style="list-style-type: none"> <li>• <a href="#">Main page</a></li> <li>• <a href="#">Blog</a></li> </ul>
<p><b>Together we can – creating the conditions to empower our communities to thrive:</b> This shared learning event will bring people together from across public services to share ideas, learning and knowledge. We will share the findings of our reports on social enterprises and community resilience, including our recommendations going forward.</p>	<p>20 June 2023 – 10:00 – 12:00 – Online.  <b>The recording will be available on our website in 1-2 weeks.</b></p>
<p><b>Podcast: Poverty and Community Resilience</b> Our latest podcast follows our recent reports and events on poverty, social enterprises, and community resilience.</p>	<p><a href="#">Podcast</a></p>



Title	Link to resource
<p><b>Digital Strategy:</b> The Covid pandemic has demonstrated the importance of digital in delivering modern services at pace. We have seen digital acting as a major catalyst in adapting to the challenges we have faced. Public services need to continue with this agile and responsive mind set as the norm and not the exception. This event will help equip public services with the practical tools and knowledge they need to successfully implement a Digital Strategy within their organisations.</p>	<p><b>21 September 09:00 – 13:00 – Cardiff - <a href="#">To register for Cardiff</a></b></p> <p><b>27 September 09:00 – 13:00 – North Wales – <a href="#">To register for North Wales</a></b></p>

## Recent Audit Wales blogs

Title	Publication date
<a href="#">Helping people to help themselves</a>	15 February 2023
<a href="#">A perfect storm – the cost of living crisis and domestic abuse</a>	21 November 2022
<a href="#">Tackling poverty means tackling poverty data</a>	11 November 2022
<a href="#">Cost of living and putting away the bayonet</a>	21 September 2022
<a href="#">Heat is on to tackle Climate Change</a>	18 August 2022
<a href="#">Direct Payments in Wales</a>	15 June 2022
<a href="#">Unscheduled Care in Wales – a system under real pressure</a>	21 April 2022
<a href="#">Skills Competition Wales</a>	18 February 2022
<a href="#">Cyber resilience – one year on</a>	9 February 2022

Title	Publication date
<u>Helping to tell the story through numbers</u> (Local government financial sustainability data tool)	3 February 2022
<u>Call for clearer information on climate change spending</u>	2 February 2022
<u>Actions speak louder than words</u> (Building social resilience and self-reliance in citizens and communities)	14 January 2022

# Agenda Item 9



## Report of the Head of Democratic Services

Governance & Audit Committee – 19 July 2023

### Governance & Audit Committee Action Tracker Report

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

#### 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 2023/24 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 2023/24 (Recently closed actions highlighted).

### Governance & Audit Committee - Action Tracker 2023/2024

Date of Meeting	Minute Ref	Action	Nominated Officer(s)	Status / Timescale
14/06/23	13	<b>Governance &amp; Audit Work Plan</b>		
		It was highlighted that there was not any training contained in the Work Plan. The Chair stated that future training was being considered.  The Interim Director of Corporate Services would discuss prior to the next meeting.	Chair / Ness Young	<b>Ongoing</b> A training session will be arranged in September 2023.
14/06/23	10	<b>Audit Wales - City &amp; County of Swansea Annual Audit Summary</b>		
		The request that the report be forwarded to Council / Cabinet was noted and would be discussed further following the meeting.	CMT	<b>Ongoing</b>
14/06/23	7	<b>Accounts Receivable</b>		
		The Chair thanked the officers for a detailed report and requested an update be provided in approximately 6 months.	Rachael Davies / Michelle Davies	<b>Ongoing</b> Added to the Work Plan for January 2024.
14/06/23	6	<b>Fleet Maintenance Audit Report 2022/23</b>		
		The Chair noted that the electrification of the fleet could be the subject of a future audit. The Chief Auditor stated that he would add it to the programme. He added that a follow up audit and report would be reported to a future meeting.	Simon Cockings	<b>Closed</b> Fleet electrification has been added to the audit programme to ensure this is covered at the next audit. The follow up of the 22/23 fleet maintenance review is due to be completed in Q3 23/24 and the results will be reported in the Q3 Monitoring Report in due course.
		The Head of Highways and Transportation stated that he would circulate figures regarding the number of electrical vehicles in the fleet.	Stuart Davies	<b>Ongoing</b>
17/05/23	121	<b>Draft Annual Governance Statement 2022/23</b>		
		1) The Annual Governance Statement be agreed, subject to the amendments highlighted by the Committee being added. 2) The amended report be circulated to the Committee. 3) The report be forwarded to Council for approval as part of the Statement of Accounts.	Richard Rowlands	<b>Closed</b> The completed report has been forwarded for inclusion in the Statement of Accounts.

17/05/23	118	<b>Draft Governance &amp; Audit Committee Annual Report</b>		
		The Governance and Audit Committee Annual Report 2022-2023 be agreed and subject to the amendments highlighted by the Committee being added, be forwarded to Council for approval	Chair / Simon Cockings / Jeremy Parkhouse	<b>Closed</b> The Chair presented the report to Council on 06/07/2023.
12/04/23	111	<b>Internal Audit Strategy &amp; Annual Plan 2023/24</b>		
		The Chair asked the Chief Auditor to consider whether the reviews of Clydach and Crwys Primary Schools, which had been requested by the Education Department, were the responsibility of the department and not Internal Audit. She added that due to the size of the Plan and the resources issues, the request could be pushed back to be dealt with by central management.	Simon Cockings	<b>Ongoing</b>
08/03/23	105	<b>Governance &amp; Audit Committee Action Tracker Report</b>		
		The Chair highlighted the following: - <ul style="list-style-type: none"> <li>Minute 90 (08/02/2023) – Audit Wales Reports – Readiness of the Public Sector for Net Zero Carbon by 2030 – Councillor A S Lewis (Deputy Leader of the Council) had updated the Climate Change and Nature Performance Panel regarding progress and would provide the Committee with a briefing note in order to provide assurance.</li> </ul>	Councillor Andrea Lewis / Geoff Bacon	<b>Ongoing</b> Audit Wales have rightly identified the need for all public bodies to develop costed plans to meet political aspirations and legal obligations. It remains relatively early days and at this stage it is not realistic to have a fully costed plan that's aligned to the MTFP and beyond. The costed plan doesn't and couldn't align with a 4-year MTFP as the programme will develop and continues up until 2030.  As yet there has been no statement from WG concerning additional funding. The council recognises its obligations and the expectations placed upon it and the wider public sector and will continue to develop its own methodology and share and learn best practice with others to try and ensure comparability and consistency where possible. Conversations are ongoing with Welsh Government Energy Services as to how an action plan can be refined and properly delivered which strikes a pragmatic balance between the realistic and affordable

				at a truly local, council wide level and what will require regional, national and international joint working and very substantial additional funding support . A future draft/interim report will follow when completed.
08/03/23	105	<ul style="list-style-type: none"> <li>Minute 77 (11/01/2023) – Annual Complaints Report 2021/22 – Scrutiny Performance Panel had received a report from the Ombudsman which stated that the Ombudsman would welcome feedback from the Governance &amp; Audit Committee’s review into the Authority’s ability to handle complaints effectively. The Chair had requested that this be included in the next complaints report and the Ombudsman would use this information to feed future work.</li> </ul>	Sarah Lackenby	<b>Closed</b> Included on agenda for 19 July 2023.
08/02/23	88	<b>Social Services Absence Management Audit Report Update</b>		
		Comparators being provided in future reports to allow the Committee to observe if absences are reducing or not and Introducing measures that were aimed at reducing future sickness.	Adrian Chard	<b>Ongoing</b> Update to be provided in October 2023.
11/01/23	77	<b>Annual Complaints Report 2021-22</b>		
		Providing year on year information including numbers not only percentages and in table format to allow the Committee to monitor any changes.	Sarah Lackenby	<b>Closed</b> Included on agenda for 19 July 2023.
14/12/22	70	<b>Annual Review of Performance 2021-22</b>		
		The following be added to the 2022/23 report: - <ul style="list-style-type: none"> <li>Consider methods &amp; methodologies for 2022/23 in parts 1, 2, 3.</li> <li>Linking the performance and risk assessments for 2022/23.</li> <li>Recognizing improvements that would need to be articulated within the report around stronger analysis.</li> <li>Improving the links between consultation engagement and stakeholder reference.</li> </ul>	Richard Rowlands	<b>Ongoing</b> To be included in the 2022/23 report.
27/09/22		The Chair requested that an evaluation of the effectiveness of Occupational Health be completed.	Rachael Davies	<b>Ongoing</b> A review of sickness management and the end-to-end absence management process including Occupational Health will be completed by September 2023.

08/02/22	74	<b>Internal Audit Recommendation Follow-Up Report - Quarter 3 2021/22</b>		
		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.	Ness Young / Richard Rowlands	<b>Ongoing</b> Reports being tracked using a corporate email folder.



# Agenda Item 10



## Report of the Head of Democratic Services

Governance & Audit Committee – 19 July 2023

### Governance & Audit Committee Work Plan

<b>Purpose:</b>	This report details the Governance & Audit Committee Work Plans to May 2024.
<b>Report Author:</b>	Jeremy Parkhouse
<b>Finance Officer:</b>	N/A
<b>Legal Officer:</b>	N/A
<b>Access to Services Officer:</b>	N/A
<b>For Information</b>	

#### 1. Introduction

- 1.1 The Governance & Audit Committee Work Plan to May 2024 in Terms of Reference Order is attached at Appendix 1.
- 1.2 The Additional Work programme Governance and Audit Committee as a result of the Local Government and Elections Act is attached at Appendix 2.
- 1.3 There is no Scrutiny Programme Committee Work Plan 2023/24 to report as the Work Plan has not been agreed yet.
- 1.4 The Scrutiny & Monitoring of External Audit / Inspection / Regulatory (AIR) Reports (2023/24) is attached at Appendix 3.
- 1.5 The updated Governance & Audit Committee Terms of Reference is attached at Appendix 4.
- 1.6 The dates included for the meetings in 2023/24 were approved at the Council's Annual Meeting on 18 May 2023.

## **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 2024 in Terms of Reference Order.
- Appendix 2 - Additional Work Programme - Governance and Audit Committee as a result of the Local Government and Elections Act.
- Appendix 3 - Scrutiny & Monitoring of External Audit / Inspection / Regulatory (AIR) Reports (2023/24).
- Appendix 4 - Governance & Audit Committee Terms of Reference.

Governance & Audit Committee Workplan 2023/24

Appendix 1

Terms of Reference	14 June 2023	19 July 2023	13 September 2023	25 October 2023	6 December 2023	17 January 2024	28 February 2024	10 April 2024	June 2024 (24/25)
<b>Training</b>									
<b>Governance &amp; Assurance</b>	Election of Chair & Vice Chair  Appointment of Committee Member on Annual Governance Group	Complaints Update Report 2022/23	Public Services Ombudsman for Wales Annual letter to the Council for the period 2022-23	Scrutiny Annual Report 2022-23.  The Governance and Assurance Arrangements of Swansea Council's Strategic Partnerships – 6 Month Update		Annual Complaints Report	The Governance and Assurance Arrangements of Swansea Council's Strategic Partnerships.  Update on the Council's Transformation Programme, including Governance	Draft Committee Work Programme 2024/25	Annual Governance Statement 2023/24  Draft Governance & Audit Committee Annual Report 2023/24
<b>Internal Audit</b>	IA Quarter 4 2022/23 Monitoring Report  IA Quarter 4 2022/23 Recommendation Tracker Report  Fleet Maintenance Update  Accounts Receivable Update  DBS Update	Annual Report of School Audits 2022-23	IA Quarter 1 2023/24 Monitoring Report  IA Quarter 1 2023/24 Recommendation Tracking Report	Employment of Agency Staff Update  Management of Absence Update  IA Quarter 2 2023/24 Monitoring Report  IA Quarter 2 2023/24 Recommendation Tracker Report  Fundamental Audits 2022/23 – Recommendation Tracker Report		Accounts Receivable Update	Employment of Agency Staff Update  Management of Absence Update  IA Quarter 3 2023/24 Monitoring Report  IA Quarter 3 2023/24 Recommendation Tracker Report  IA Annual Plan Methodology Report 2024/25  Draft IA Annual Plan 2024/25	IA Charter 2024/25  IA Strategy & Annual Plan 2024/25	Internal Audit Annual Report 2023/24
<b>Risk Management &amp; Performance</b>			Q1 Risk Monitoring Report  The Annual Review of Performance 2022-23 (including Self-Assessment Report) (Provisional)		Q2 Risk Monitoring Report		Q3 Risk Monitoring Report		Q4 Risk Monitoring Report
<b>Counter Fraud</b>		Corporate Fraud Annual Report 2022/23 and Corporate Fraud Annual Plan 2023/24			Corporate Fraud – Six Month Update				

Governance & Audit Committee Workplan 2023/24

Appendix 1

<b>Operational matters / key risks</b>			Update on Internal Control Environment – Director of Education	Update on Internal Control Environment - Director of Social Services	Update on Internal Control Environment - Director of Finance		Update on Internal Control Environment – Director of Place	Update on Internal Control Environment – Director of Corporate Services	
<b>External Audit</b>	Audit Wales Report - City & County of Swansea Annual Audit Summary	Audit Wales Work Programme and Timetable – City and County of Swansea Council.	Audit Wales Work Programme and Timetable – City and County of Swansea Council.  Audit Wales - Audit of Accounts Report - City & County of Swansea - Draft.  Audit Wales – 2023 Audit Plan		Audit Wales Work Programme and Timetable – City and County of Swansea Council.		Audit Wales Work Programme and Timetable – City and County of Swansea Council.	Audit Wales - Assurance and Risk Assessment - Financial Position Update  Audit Wales Report - City & County of Swansea Annual Audit Summary  Audit Wales - 2024 Audit Plan	
<b>Financial Reporting</b>			Draft Statement of Accounts 2022/23						

**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	Month to present to committee
		<b><i>The frequencies are a guide and additional reviews may take place as and when the committee feel necessary.</i></b>	
To review the Council's corporate governance arrangements against the good governance framework	Ness Young / Richard Rowlands	Every 2 years	See Annual Governance Statement
To review the Council's draft annual Self-Assessment Report,	Richard Rowlands	Annual	December
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	Ness Young	As and When required	TBC
To review the programme of work from regulators	Richard Rowlands	Annually	Quarterly

## Appendix 2

To review and assess the authority's ability to handle complaints effectively	Sarah Lackenby	Annual	January
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 / Ness Young	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 / Ness Young	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 - December
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 - December
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	Director of Corporate Services / 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. <b>To approve and periodically review safeguards to limit such impairments</b>	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

## **Scrutiny & Monitoring of External Audit / Inspection / Regulatory Reports (2023/24)**

The Chair of the Governance & Audit Committee and Chair of the Scrutiny Programme Committee decide between them the route that specific reports should take, i.e., whether reported to and monitored by G & A Committee or SPC, as deemed appropriate.

External reports that are relevant for Scrutiny are allocated either to the Scrutiny Programme Committee or referred to relevant Scrutiny Performance Panels and scheduled for discussion, as appropriate.

When a report has been issued to the Council and is available for Scrutiny, the relevant Scrutiny Chair / Convener is made aware, and it can be highlighted to Committee / Panel members within the next available meeting agenda.

Reporting to Scrutiny will typically require relevant Cabinet Members / Officers to attend meetings to discuss implications and present action plans along with statements about progress. Scrutiny Officers will engage with relevant Cabinet Members / Officers to forward plan the scheduling of Committee / Panel discussion at the right time, e.g., with a response / action plan (showing any progress to date), making the best use of time given pressure on scrutiny work plans / workloads.

The Committee / Panel can then receive assurance from Council leads about their response to any external reports and provide challenge to ensure improvement, making observations, and arranging further monitoring as necessary.

Depending on content, every report may not require the same level of involvement and consideration (given degree of importance or interest) therefore it will be up to relevant scrutiny lead member(s) to determine best approach in dealing with relevant reports. In certain cases, the Committee / Panel may take an exceptional approach to reports, e.g., being provided with information outside of meetings and only scheduling for discussion at a meeting with relevant Cabinet Member / Officer where there are specific issues, concerns about action / progress. Flexible approaches will relieve pressure on workloads and ensure best use of time and resources.

The Governance & Audit Committee is provided with a log of reports being dealt with by Scrutiny so that it can maintain an oversight of monitoring and be assured that reports are being effectively followed up.

Report Title	Type of Report	Lead Cabinet Portfolio	Scrutiny Committee / Performance Panel	Report(s) to Scrutiny	Monitoring by Scrutiny Complete (YES / NO?)
<a href="#">A report on education services in City and County of Swansea</a> (September 2022)	Estyn	Education & Learning	Education Panel	<a href="#">27 October 2022</a> <a href="#">15 December 2022</a>	NO Further monitoring scheduled for 15 June 2023
<a href="#">‘Time for Change’ – Poverty in Wales</a> (November 2022)	Audit Wales (National)	Economy, Finance & Strategy AND Well-being	Scrutiny Programme Committee	<a href="#">17 January 2023</a>	NO Tackling Poverty is an annual item at Committee – actions arising from Audit to be followed up in Dec 2023
<a href="#">‘A missed opportunity’ – Social Enterprises</a> (November 2022)	Audit Wales (National)	Care Services	Adult Services Panel	5 September 2023	
Building Social Resilience and Self-Reliance in Citizens and Communities (January 2023)	Audit Wales (National)	Care Services? Community?	Adult Services Panel	7 August 2023	
Ty Waunarlwydd Care Home Inspection	CIW	Care Services	Adult Services Panel	28 June 2023	
Rose Cross Care Home Inspection	CIW	Care Services	Adult Services Panel	28 June 2023	

**NOTE:**

Estyn: All individual School Estyn Inspection outcome summaries and links to full reports are included in Education Scrutiny Performance Panel agendas for information / awareness. The Panel will follow up on any where there are concerns and some when good practice has been highlighted.

## **Governance & Audit Committee – Terms of Reference**

### **Statement of Purpose**

The Governance and Audit Committee is a key component of the City and County of Swansea's corporate governance. It 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 and 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.

### **Membership**

The Local Government (Wales) Measure 2011 provides that two thirds of the members of the Committee are to be members of the council and one third must be lay members. Only one member of the Cabinet or Assistant to the Cabinet may sit on the Committee, and that person must not be the Leader. The Chair must be a lay member and the vice chair must not be a member of the Cabinet or an Assistant to the Cabinet.

### **Governance, Performance, Risk and Control**

- a) To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- b) To review the Council's draft annual Self-Assessment Report, and make any appropriate recommendations for changes to the conclusions or actions the Council intends to make.
- c) To review the Council's draft response to the Panel Performance Assessment Report, and make any appropriate recommendations for changes.
- d) 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 and to make any appropriate recommendations for changes.
- e) To review and assess the authority's ability to handle complaints effectively and to make any associated reports and

recommendations in relation to the authority's ability to handle complaints effectively.

- f) To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances.
- g) To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- h) To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- i) To monitor the effective development and operation of risk management in the Council.
- j) To monitor progress in addressing risk related issues reported to the Committee.
- k) To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- l) To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- m) To monitor the counter fraud strategy, actions and resources.
- n) To review any proposals in relation to the appointment of external providers of internal audit services and to make recommendations.
- o) To review the governance and assurance arrangements for significant partnerships or collaborations.

#### **Internal Audit**

- p) To approve the internal audit charter and resources.
- q) To approve the risk-based internal audit plan, containing internal audit's resource requirements, the approach to using other sources of assurances and any work required to place reliance upon those other sources.
- r) To approve significant interim changes to the risk based internal audit plan and resource requirements.

- s) To make appropriate enquiries of both management and the Chief Internal Auditor to determine if there are any inappropriate scope or resource limitations.
- t) 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.
- u) To consider the Chief Internal Auditor's annual report.
- v) 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.
- w) 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.
- x) 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.
- y) To consider summaries of specific internal audit reports as requested.
- z) 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.
- aa) To consider reports dealing with the management and performance of the providers of internal audit services.
- bb) To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
- cc) To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- dd) 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 years.



- ee) To provide free and unfettered access to the Governance and Audit Committee Chair for the Chief Internal Auditor, including the opportunity for a private meeting with the Committee.

### **External Audit**

- ff) To consider the external auditor's annual letter, relevant reports, and to those charged with governance.
- gg) To consider specific reports as agreed with the external auditor.
- hh) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- ii) To commission work from external audit.
- jj) To advise and recommend on the effectiveness of relationships between external audit and other inspector agencies or relevant bodies

### **Financial Reporting**

- kk) To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- ll) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

### **Accountability Arrangements**

- mm) To report to full Council on a regular basis on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.
- nn) To report to Council on an annual basis and to publish an annual report on the Committee's work, its performance in relation to the Terms of Reference, and its effectiveness in meeting its purpose.
- oo) To raise the profile of probity generally within the Council and to report on matters of concern to the individual Cabinet Member, relevant Scrutiny Committee, Cabinet or to Council as necessary and appropriate.
- pp) To work in synergy with the Scrutiny Committees of the Council and liaise with other Council Committees as and when appropriate to avoid duplication in work programmes.

- qq) To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the Appendix 1 adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions
- rr) To publish an annual report on the work of the committee.

**Training and Development**

- ss) To attend relevant training sessions including specialist training tailored for Members of the Governance and Audit Committee.