Dinas a Sir Abertawe

Hysbysiad o Gyfarfod

Fe'ch gwahoddir i gyfarfod

Pwyllgor Llywodraethu ac Archwilio

Lleoliad: Cyfarfod Aml-Leoliad - Ystafell Gloucester, Neuadd y Ddinas / MS Teams

Dyddiad: Dydd Mercher, 10 Ebrill 2024

Amser: 2.00 pm

Cadeirydd: Paula O'Connor

Aelodaeth:
Cynghorwyr: A Davis, P R Hood-Williams, J W Jones, M B Lewis, M W Locke, S Pritchard, L V Walton a/ac T M White

Aelod(au) Lleyg: Gordon Anderson, Julie Davies a/ac David Roberts

Gwylio ar-lein: http://tiny.cc/GaAC104

Agenda

Rhan B - Adroddiadau Er Gwybodaeth.

Cyfarfod nesaf: I'w gadarnhau.

Huw Evans

Huw Evans
Pennaeth y Gwasanaethau Democrataidd
Dydd Iau, 4 Ebrill 2024

Cyswllt: Gwasanaethau Democrataidd: - 636923

Cyngor **Abertawe**
Swansea Council

City and County of Swansea

Minutes of the Governance & Audit Committee

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

Wednesday, 28 February 2024 at 2.00 pm

Present: Paula O'Connor (Chair) Presided

Councillor(s)	**Councillor(s)**	**Councillor(s)**
A Davis	P R Hood-Williams	J W Jones
M B Lewis	M W Locke	S Pritchard
L V Walton	T M White	

Lay Member(s)
Gordon Anderson   Julie Davies

Officer(s)
Ness Young	Director of Corporate Services
Mark Wade	Director of Place
Stephen Holland	Principal Solicitor
Nick Davies	Principal Auditor
Richard Rowlands	Strategic Delivery & Performance Manager
Jeremy Parkhouse	Democratic Services Officer

Also Present
Matthew Brushett   Audit Wales

Apologies for Absence
David Roberts, Gillian Gillett

___

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

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

Councillors P R Hood-Williams and J W Jones declared personal interests in Minute No.72 - Internal Audit Monitoring Report - Quarter 3 - 2023/24.

71   **Minutes.**

Resolved that the Minutes of the previous meeting of the Governance & Audit Committee were approved as a correct record, subject to the following amendment: -

Amend Minute No. 65 -Fundamental Audits 2022/23 Recommendations Tracker, replacing 'these' with 'such' to read: -

- Ensuring that recommendations partly or not implemented in Accounts Receivable / Accounts Payable which had their deadlines extended, were not missed and considering introducing an alternative classification for such items. The Principal Auditor would highlight this to the Chief Auditor.

72   Internal Audit Monitoring Report - Quarter 3 - 2023/24.

Nick Davies, Principal Auditor presented a detailed report which showed the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 October 2023 to 31 December 2023.

A total of 13 audits were finalised during the quarter. The audits finalised were listed in Appendix 1 which also showed the level of assurance awarded 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 154 audit recommendations were made and management agreed to implement all of the recommendations made.

It was added that staff sickness in the Internal Audit Team continued to be significant during the third quarter, with a total of 34 days sickness absence recorded. Cumulative sickness absence to the end of quarter three totalled 138 days. The Committee were also updated regarding the long-term sickness and staffing issues.

It was highlighted that as at 31 December 2023, 54 audit activities (46%) had been completed, with one additional activity (1%) substantially complete with the audit report issued as draft. As a result, 55 audit activities had been completed to at least draft report stage (47%). An additional 30 activities were in progress at the end of the quarter (26%). As a result, approximately 73% of the audit activities included in the 2023/24 Audit Plan had either completed or were in progress. A copy of the plan showing the status of the activities as at the 31 December 2023 was provided at Appendix 3.

It was explained that two audit reports were issued with moderate assurance level in the quarter as shown in Appendices 1 and 2. These were in respect of Crwys Primary School and Trading Standards Division. Follow-up audits had been scheduled to revisit Crwys Primary School in quarter four 2023/24 and Trading Standards in quarter one 2024/25 to review the progress that had been made in implementing the recommendations made. The results of the follow-up audits would be reported to the Committee in a future monitoring report.

The proposed changes to the reporting of moderate audit reports, drafted by the Chief Auditor, in consultation with the Corporate Management Team, were outlined, in an attempt to make the volume of material presented to the Governance and Audit Committee more manageable and focused.

The Committee were also provided with details of the follow-ups with, high and substantial assurance levels completed during the period.

The Chair commented that she could not support the proposed changes to the reporting of moderate audit reports and would discuss the issue further in her forthcoming meeting with the Chief Executive.

The Committee discussed the following: -

- Audit of Olchfa Comprehensive School – concern that delegated budget had been used to fund a retirement party for the former Headteacher. The Chair suggested that the matter be highlighted to the Director of Education / Cabinet Member for Education. The Principal Auditor stated that the Director of Education had been copied in on the report distribution and once a follow-up had been completed, he would share the updated action plan provided by the school with the Committee.
- Further information be provided on the two moderate audit reports at Crwys Primary School and Trading Standards. The Chair stated that she would share the reports with the Committee.
- Internal Audit Plan – Progress made against the plan and whether the Chief Auditor could provide an opinion at the end of the year. The Principal Auditor stated that the Internal Audit Team were working hard to complete the plan and good recent progress had been made and resources were being concentrated upon high-risk, cross-cutting audits.
- Follow-up Audits - The process regarding high / substantial audit levels of assurance whereby management confirm that actions had been completed.
- Audit of Integrated Community Equipment Service and confirmation of the service provided to customers / residents. The Principal Auditor would provide further information for the Committee.
- Audit of Heol Y Gors Plant Hire and Transport – Concern regarding the lack of control and how assurance would be provided with the implementation of a new digital system in March 2024.
- Deferrals – A rationale to be provided explaining why items had been deferred, as had occurred in previous years.

Resolved that the contents of the report be noted.

73 **Place: Internal Control Environment 2023/24.**

Mark Wade, Director of Place presented a report which provided the Place Directorate control environment, including risk management, in place to ensure functions were exercised effectively; there was economic, efficient and effective use of resources, and; effective governance to secure these arrangements.

The report outlined the procedure within the Directorate relating to risk management and it was noted that there was an expectation that the Place Directorate was fully compliant with reviewing control measures, risk wording and risk level each month as part of a joined-up approach. Appendix A outlined the (Directorate) Corporate and Directorate Risks.

The risks were shared with the responsible Cabinet Members. The Performance and Financial Management meeting makes the decision about whether Directorate risks should be escalated to Corporate Management Team for consideration as to whether they should become a corporate risk.

The addition of two new corporate risks within the period of 2023-24 were noted: -

- RISK: 360 – Waste Strategy.
- RISK: 372 – Future Libraries model.

Details of risk management, business continuity, Performance management / KPI's, planning, decision making, budget and resources management, fraud and financial impropriety procedures, and compliance with policies, rules and regulatory requirements were provided.

It was also outlined that the directorate had developed a cross cutting project management team to develop and deliver a wide range of projects and examples were provided. The progress of projects was also reviewed on a monthly basis.

The report also highlighted key elements of internal controls, data security and partnership / collaboration governance.

The Committee asked a number of questions of the Officer, who responded accordingly. Discussions included the following: -

- Performance management / KPI's, particularly the number of times they were reviewed.
- Response times when performance levels slipped and how the Department deals with issues up front in order to address concerns.
- The welcome drop in sickness absence and how having a dedicated resource had assisted in the figures lowering and the impact upon the use of agency workers.
- Managing Absence – Percentage of absence days lost / decreased.
- Growing homelessness pressure and the short-term measures being used to minimize the risk.
- CCNR1 – Number of trees planted during the year across the Council.
- New style of performance reporting to Cabinet being introduced in March.
- Frequency of KPI's reported to Performance management monthly meetings and the process / timescales for dealing with issues.
- Mandatory training courses – ensuring courses were attended, including refresher courses.
- Induction programme being used for new starters.
- No data breach fines being imposed.

The Director of Place would provide responses regarding CCNR1 – Number of trees planted during the year across the Council and managing absence percentage figures relating to previous years.

The Chair thanked the Director of Place for providing his report.

Resolved that the contents of the report be noted.

74 **Audit Wales Work Programme and Timetable - City and County of Swansea Council.**

Matthew Brushett, Audit Wales presented 'for information' the Audit Wales Work Programme and Timetable – City and County of Swansea.

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

- Annual Audit Summary
- Financial Audit Work
- Performance Audit Work
- Local Government National Studies Planned / In Progress
- Estyn
- Care Inspectorate Wales (CIW)
- Audit Wales National Reports and Other Outputs Published Since December 2022
- Audit Wales National Reports and Other Outputs Due to be Published (and other work in progress / planned)
- Good Practice Exchange Resources

The Committee discussed the following: -

- Audit Wales National Reports and Other Outputs – The Chair queried if it was possible to attend the 'What does good look like?' Good Practice event in Spring 2024.

The Audit Wales representative stated that he would forward details to the Chair following the meeting.

75 **Risk Management Review.**

Richard Rowlands, Strategic Delivery & Performance Manager provided a verbal update regarding the Review of Risk Management.

He stated that the review had been completed and involved an assessment review of risk management across Wales and included approximately one-third of Local Authorities in Wales. He added that discussions had also included Cabinet Members, Corporate Management Team, Heads of Service and the Chair of Governance & Audit Committee.

It was added that the review had identified changes and improvements to the Council's risk management and practice. These included being able to distinguish between risks and issues, by introducing separate risk and issues registers. Being

clearer about the degree of risk or uncertainty that is acceptable, particularly the Council's risk appetite and tolerance limits.

Furthermore, the Council would rationalise the tiers of risk, to try to simplify the management of risk, by introducing two tiers - operational and strategic risks. It would also look to improve the quality of risk dialogue, so that it becomes the norm at management meetings and having a regular report to Cabinet in respect of serious risks.

A draft report on the risk framework and policy would be reported to the Committee on 10 April 2024, prior to it being forwarded to Cabinet for approval.

The Committee commented upon the importance of the level of risk being reviewed.

The Chair noted that a training session on risk management had been scheduled for June 2024, which would give the Committee a better insight into risk.

76   Internal Audit Annual Plan Methodology Report 2024/25.

Nick Davies, Principal Auditor provided a 'for information' report which provided the Committee with a comprehensive briefing on the methodology used to prepare the Internal Audit Annual Plan in advance of the Draft Internal Audit Annual Plan 2024/25 being reported to the Committee.

The Committee discussed the following: -

- Fundamental audits that received a moderate assurance rating remaining on an annual audit cycle, with a full audit being completed every year - the suggestion that it be recognised that follow-up audits be completed in cases of moderate assurance and that limited assurance level audits be included in this section.
- Performances being measured against each of the services in directorates and complaints across directorates as both were good indicators of where potential risks were present.
- Health and Safety Audits – When the last audit was completed and testing against management controls to show the robustness of the system.
- Staff Resources – the opportunity to review the size of the Audit Plan and planning to do less work and add more to the contingency allocation due to ongoing staffing issues, in order to lessen the pressure on the Internal Audit Team.

The Principal Auditor stated that he would discuss the suggestions with the Chief Auditor.

77   Annual Complaints & Compliments Reports 2022-23.

Ness Young, Director of Corporate Services presented 'for information' which provided assurance on the complaints handling process for 2022-23 and highlight compliments received from the public.

The Committee discussed the following: -

- Recording of Stage 1 complaints which were dealt with by departments – It was noted in a previous Internal Audit Report that 1 complaint had not been recorded. It was highlighted that a new system of recording complaints had recently been introduced which was more robust and monitored all complaints, providing for greater assurance.
- Key Performance Indicators – The new system had greatly improved performance by tracking complaints progress and ensuring deadlines were met.
- Performance comparisons with other local authorities in Wales and establishing if other authorities received similar complaints.
- Learning lessons from complaints received.
- Recording complaints received from Councillors.
- Outcomes of complaints that were upheld, which largely resulted in no financial penalty and apologies being sent.
- Child and Family Services – checks carried out without consent and assurance that action / learning had taken place with issues reported to monthly PFM meetings and also a quality assurance check with results forwarded to officers.

The Chair thanked the Director for a far more informative report.

78   Corporate Risk Overview - Quarter 3 2023/24.

Richard Rowlands, Strategic Delivery and Performance Manager presented 'for information' an overview of the status of Council's corporate risks to provide assurance to the Committee that they were being managed in accordance with the Council's Risk Management Policy and Framework.

The Chair commented that she was pleased to see the review had been completed and how risk would be embedded throughout the Council. She noted that the narrative had improved in a number of areas across the Council but noted that it had no control in some areas, for example, the impact of poverty.

79   Audit Wales Recommendation Tracker.

Richard Rowlands, Strategic Delivery and Performance Manager presented 'for information' a tracker report providing progress updates meeting Audit Wales recommendations.

Matthew Brushett, Audit Wales welcomed the introduction of the report, which would monitor progress and would also assist his Audit Wales colleagues to monitor issues.

80   Governance & Audit Committee Action Tracker Report.

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

The Chair requested that references to 2023 be updated to 2024 in items 37 and 38.

81   Governance & Audit Committee Work Plan.

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

The meeting ended at 3.45 pm

Chair

City and County of Swansea

Minutes of the Special Governance & Audit Committee

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

Thursday, 14 March 2024 at 2.00 pm

Present: Paula O'Connor (Chair) Presided

Councillor(s)	**Councillor(s)**	**Councillor(s)**
J W Jones	M W Locke	S Pritchard
L V Walton	T M White	

Lay Member(s)
Julie Davies   David Roberts

Officer(s)
Ness Young   Director of Corporate Services
Ben Smith   Director of Finance / Section 151 Officer
Stephen Holland   Principal Solicitor
Jeremy Parkhouse   Democratic Services Officer

Also Present
Leanne Malough   Audit Wales
Derwyn Owen   Audit Wales

Apologies for Absence
P R Hood-Williams

---

82   Disclosures of Personal and Prejudicial Interests.

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

Councillors S Pritchard, L V Walton, T M White and Julie Davies (Lay Member) declared personal interests in Minute No.84 – Statement of Accounts 2022/23.

83   Audit Wales - Audit of Accounts Report - City & County of Swansea.

Derwyn Owen, Audit Wales presented the draft report which summarised the main Audit Wales findings from the audit of the Council's Statement of Accounts 2022-23.

It was explained that the level of materiality was set at £11.1 million for the audit, except for senior officer's remuneration - £1,000 and related party transactions for Members and senior officers - £10,000.

It was added that the majority of the audit had been substantially completed subject to final review of the audit work and revised accounts.

It was highlighted that Audit Wales intended issuing and unqualified audit opinion on the accounts once the Council had provided a Letter of Representation based upon Appendix 1. The proposed audit report was provided at Appendix 2.

The report also detailed that there were initially misstatements in the accounts that had been corrected by management and Appendix 3 provided a summary.

The Committee were also informed of an error in the application of obsolescence factor in the valuation of property assets. These related to external works and professional fees in the valuation of schools which resulted in an over valuation of £39 million. It was added that the accounting entries to adjust for the error was to decrease the Revaluation Reserve by £35.2m, with the balance being charged to the Comprehensive Income and Expenditure Account.

The Committee asked questions of the Audit Wales representative, which were responded to accordingly and were surrounding the following: -

- Possible penalties due to the late submission of the accounts and whether the current timetables were realistic for all councils in Wales. It was confirmed that whilst there were no financial penalties, the delay affected the reputation of the Council and that the timetable for this year would remain, which would be challenging for the Authority.
- The revised auditing standard (ISA 315) and the impact, particularly upon fees.

The Chair and Committee congratulated the Director of Finance / Section 151 Officer and his staff for the unqualified opinion and thanked the Audit Wales representative for presenting the report.

It was noted that the report would be presented to Council on Thursday, 21 March 2024.

The Director of Finance / Section 151 Officer thanked Audit Wales colleagues for the manner and flexibility in which they had conducted the audit.

84   Statement of Accounts 2022/23.

Ben Smith, Director of Finance presented the Draft Statement of Accounts for 2022/23 'for information' and review.

The Draft Accounts for 2022/23 had been prepared and were signed by the Section 151 Officer on 27 October 2023. A copy was appended at Appendix A of the report.

It was confirmed that the Accounts had been formally presented to the Council's auditors – Audit Wales, who had commenced the audit of the Accounts. It was explained that as part of the audit process, the Accounts were made available for inspection by the public for a four week period from 4 January to 31 January 2024.

Finance Department staff were thanked by the Director for their work on the accounts, which was echoed by the Chair and the Committee. The Chair and Committee were also thanked for agreeing to hold the Special Committee to receive the report.

The Committee asked a number of technical questions of the Director of Finance / Section 151 Officer, which were responded to accordingly. The Chair stated that she had noted some minor amendments required to the Annual Governance Statement and would forward the details following the meeting.

It was noted that the Statement of Accounts were scheduled to be presented to Council on 21 March 2024.

The meeting ended at 2.48 pm

Chair

Report of the Chief Auditor

Governance and Audit Committee – 10 April 2024

Internal Audit Strategy and Draft Annual Plan 2024/25

Purpose:	This report presents the Internal Audit Strategy and Draft Annual Plan for 2024/25 to the Governance and Audit Committee for approval.
Policy Framework:	None.
Consultation:	Corporate Management Team, Legal, Finance, Access to Services.
Recommendation(s):	It is recommended that the Governance & Audit Committee review the Internal Audit Strategy and approve the Draft Annual Plan for 2024/25.
Report Author:	Simon Cockings
Finance Officer:	Ben Smith
Legal Officer:	Stephanie Williams
Access to Services Officer:	Rhian Millar

1.   Introduction

1.1   The Public Sector Internal Audit Standards (PSIAS) requires a risk-based Internal Audit Plan to be prepared each year to determine the priorities of Internal Audit and to ensure they are consistent with the Council's goals and objectives.

1.2   The Audit Plan must provide sufficient coverage to allow the Chief Auditor to be able to give an opinion on the control environment including governance, risk management and internal control. The annual Internal Audit opinion which is delivered to the Section 151 Officer and the Governance and Audit Committee is a key input into the Council's Annual Governance Statement.

1.3   The PSIAS also require the Audit Plan to be linked to a high-level Audit Strategy which shows how the internal audit service will be delivered, how it will be developed in accordance with the Internal Audit Charter and how it links to the Council's objectives and priorities

1.4   The methodology used to prepare the Audit Plan was reported to the Committee at the meeting on 28th February 2024.

1.5   The Internal Audit Strategy and Draft Annual Plan 2024/25 were approved by the Corporate Management Team on the 3rd April 2024 and these are now reported to the Governance and Audit Committee for final approval.

1.6   Since preparing the draft audit plan, the Chief Auditor has been made aware of possible resource issues extending into 2024/25. At the time of compiling this report, it is envisaged that some sickness absence is likely to continue into the first half of 2024/25. There is also a significant possibility of some time being lost in year due to vacancies, which if occurs we will aim to minimise.

1.7   Due to ongoing sickness absence and predicted vacancies within the team, a number of days have been added to the plan to accommodate a sickness absence vacancy provision.

1.8   The audits listed in the draft plan have been reviewed to ensure audit resource is targeted to the highest priority audits i.e., those audits that inform the Chief Auditors Annual Opinion and provide key assurance to the Section 151 Officer. These include the cross-cutting reviews and the fundamental audits. All Service Level audits listed have also been reviewed to ensure the highest risk areas are prioritised.

1.9   All audits that are considered the highest priority are noted as 'planned' in appendix 1 and 2 attached. All other audits marked as 'to be confirmed (TBC)' remain on the audit plan for completion should audit resource allow.

2.   Internal Audit Strategy and Draft Annual Plan 2024/25

2.1   A risk-based Internal Audit Annual Plan is produced each year which is used to guide the work of the Internal Audit Section and ensure sufficient coverage of the Council to allow the Chief Auditor to deliver the annual opinion on the internal control environment as well as providing assurance to management, the Section 151 Officer and the Governance and Audit Committee.

2.2   The Internal Audit Annual Plan must incorporate or be linked to a strategic or high-level statement of how the work of Internal Audit will be delivered and developed in accordance with the Internal Audit Charter and how it links to the Council's goals and objectives. The Internal Audit Strategy 2024/25 is attached in Appendix 1.

2.3   For 2024/25, the Internal Audit Section is made up of 9.1 full time equivalents plus the Chief Auditor which is the same level of resources available in 2023/24. This gives a total number of available days of 2,366.

2.4   A summary of the Internal Audit Plan 2024/25 is shown in Appendix 2 and a list of audits planned for the year is shown in Appendix 3 along with the number of days planned for each audit as well as the perceived risk of each audit arising from the risk assessment process.

2.5   The Internal Audit Plan 2024/25 accommodates any audits which were deferred from the 2023/24 Plan where the risk justifies their inclusion.

2.6   The Plan includes time for all fundamental audits due in the year. The fundamental audits are those systems that are considered to be most significant to the achievement of the Council's objectives. From 2023/24 we have revised the planned timetable for the fundamental audits, as summarised below:

   i)   Fundamental audits that receive a High Assurance rating are moved to a two-year audit cycle, with a full audit being completed every two years.
   ii) Fundamental audits that receive a Substantial Assurance rating are moved to a two-year audit cycle, with a full audit being completed every two years. In addition to this a follow-up audit will be completed in the first year to re-test all Medium and/or High-Risk recommendations.
   iii) Fundamental audits that receive a Moderate Assurance rating remain on an annual audit cycle, with a full audit being completed every year.

2.7   As part of the audit planning process, the corporate and directorate risk registers are reviewed. It should be noted that the control measures documented across the corporate risks have improved over recent years. The updated control measures and associated assurance map as updated by risk owners have been reviewed as part of this year's planning process and internal audit has been able to place some reliance on the documented controls in some instances. However, as in previous years, internal audit's knowledge and experience has continued to be relied upon, in consultation with the Director of Finance & Section 151 Officer and senior staff within the Internal Audit Team, to ensure a suitably balanced and risk targeted audit plan is produced.

2.8   As in previous years, progress made by the Internal Audit Section in completing the Audit Plan will be reported to the Governance and Audit Committee on a quarterly basis.

2.9   It is the view of the Chief Auditor that the proposed Internal Audit Plan 2024/25 will provide sufficient audit coverage for the annual opinion on the control environment to be delivered to Council via the Section 151 Officer and Governance and Audit Committee.

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 Audit Strategy and Plan has a low positive impact across all groups.
- It has been subject to consultation with the Chief Finance & S151 Officer, Legal, Access to Services and the Corporate Management Team.
- All Well-being of Future Generations Act considerations are positive and any risks identified are low.
- The overall impact of the Audit Strategy and Plan 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   Provision of an adequate and effective internal audit function is a legal requirement under the Accounts and Audit (Wales) Regulations 2014 as amended. For local government in Wales, the PSIAS is mandatory for all principal local authorities. An effective internal audit service also ensures that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are being met.

Background Papers: None

Appendices: Appendix 1-Internal Audit Strategy 2024/25
                                    Appendix 2-Internal Audit Annual Plan 2024/25 (Summary)
                                    Appendix 3-Internal Audit Annual Plan 2024/25 inc. Scope
                                    Appendix 4-Integrated Impact Assessment

Cyngor Abertawe Swansea Council

Internal Audit Strategy 2024/25

1.   Introduction

1.1   The Public Sector Internal Audit Standards (PSIAS) set out the requirements for the Chief Auditor to prepare a risk-based Audit Plan to determine the priorities of Internal Audit, consistent with the Council's goals and objectives.

1.2   The Chief Auditor must review and adjust the Plan, as necessary, in response to changes in the Council's business, risks, operations and priorities.

1.3   The Audit Plan must incorporate or be linked to a strategic or high-level statement of how Internal Audit will be delivered and developed in accordance with the Internal Audit Charter and how it links to the Council's objectives and priorities. This Internal Audit Strategy provides the strategic, high-level statement.

1.4   The Internal Audit Strategy must be reviewed and updated on an annual basis as part of the audit planning process. The purpose of the Internal Audit Strategy and Plan is to:

- Provide independent and objective overall assurance to the Council and senior management on the adequacy and effectiveness of the control environment including internal control, risk management and governance and to make appropriate recommendations for improvement.
- Identify the key risks facing the Council to achieving its objectives and determine the corresponding level of audit resources.
- Add value and support senior management in providing effective control and identifying opportunities for improving value for money.
- Support the Director of Finance & Section 151 Officer in fulfilling the statutory financial responsibilities.
- Deliver an Internal Audit service that meets the requirements of the Accounts and Audit Regulations and complies with the PSIAS.
- Optimise the use of audit resources available and provide an effective service.

2. Internal Audit Objectives

2.1 The PSIAS provides the following definition of internal audit:

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

2.2 The primary purpose of the Internal Audit Section is to provide assurance services which requires the Chief Auditor to provide an annual opinion based on an objective assessment of the control environment comprising governance, risk management and internal control.

2.3 Internal Audit also provides advisory or consulting services which are generally performed at the specific request of management with the aim of improving the control environment and providing advice on proposed changes and improvements.

2.4 Collectively the assurance and consultancy work undertaken by the Internal Audit Section must provide added value and improve the operations of the Council to comply with the definition of internal audit.

3. Internal Audit Resources 2024/25

3.1 The Internal Audit Section is made up of 9.1 full time equivalents in 2024/25 plus the Chief Auditor. The resources and staff structure remain unchanged from 2023/24.

3.2 The total number of days available is 2,366 and after allowing for non-productive days such as holidays and bank holidays, administration, sickness provision, training provision, amendments to audit programmes, clerical support, appraisals and a number of days contingency for unexpected pieces of work that may arise in year gives 1,320 productive days available. A vacancy provision has also been included in the plan for 2024/25.

3.3 It is the Chief Auditor's view that there are sufficient skills, expertise and experience within the Section to provide the full range of audit reviews included in the Internal Audit Annual Plan 2024/25. In addition, it is envisaged that some staff will attend specific training courses throughout the year to further develop the skills within the team.

3.4 The Corporate Fraud Function is also managed by the Chief Auditor and includes three members of staff who are subject to a separate Corporate Fraud Plan. Inevitably there are many links and cross overs between the work of Internal Audit and Corporate Fraud.

4. Assurance Services

4.1 A risk-based Internal Audit Plan is prepared annually and is subject to continual review throughout the year. The Plan will be adjusted as necessary in response to changes in the Council's business, risks, operations, programmes, systems and controls.

4.2 The Internal Audit Plan is subject to consultation with the Corporate Management Team prior to being approved by the Governance and Audit Committee. Any significant changes to the annual plan identified during the year will be reported to the Governance and Audit Committee.

4.3 The Audit Plan details the specific services, systems or establishments to be reviewed in the year. All audits will be performed with the aim of reviewing and evaluating the risk management, internal control and governance arrangements in place, in particular how those elements help achieve the Council's objectives.

4.4 A lead auditor is appointed for each audit review to assist in developing the scope of the audit and ensure there is appropriate focus on the key perceived risks, providing assurance and maximising any potential added value. An Audit Brief is prepared for each audit and agreed with management to ensure that the scope, objectives and approach are understood and agreed.

4.5 A draft report in a standard format is issued to the appropriate level of management to give them the opportunity to confirm the factual accuracy of the audit findings. The primary purpose of the audit report is to provide an independent and objective opinion on the framework of internal control, risk management and governance in operation and to address any weaknesses identified and to stimulate improvement.

4.6 Each audit will be given a Level of Assurance based on the findings of the audit. The Level of Assurance will be High, Substantial, Moderate or Limited.

4.7 The draft report will also include Management Action Plan containing recommendations to overcome any control weaknesses or areas of concern. Each recommendation will be classified according to risk and will be High, Medium, Low or Good Practice.

4.8 Service management will complete the Action Plan showing their response to each recommendation including the officer responsible for implementing the recommendation and the agreed implementation date.

4.9 Following the agreement of the draft report, a final report is issued to the service management and copied to the Head of Service. In the case of schools, the final report is issued to the Chief Education Officer, Headteacher and Chair of the Governing Body with a request that the full report is presented to the next meeting of the full Governing Body.

4.10 Where there has been a disagreement over the audit findings or the perceived risk of the recommendation, this will be recorded in the Action Plan to bring it to the attention of the Head of Service. If the Chief Auditor feels that the risk arising from not implementing the recommendation is significant then this will be brought to the attention of the Section 151 Officer and the Governance and Audit Committee.

4.11 Any audit that receives a Moderate or Limited Level of Assurance is reported to the appropriate Directorate Performance and Financial Monitoring (PFM) meeting to ensure that the Corporate Director and Head of Service can monitor progress in implementing the agreed recommendations. A summary of the issues which led to the Moderate or Limited Level of Assurance is also reported to the Governance and Audit Committee in the Quarterly Monitoring Reports.

4.12 The Chief Executive is also receives a copy of all audit reports with a Moderate or Limited level of assurance when the final report is issued. A summary of all the Moderate or Limited audit reports issued in year is also provided to the Corporate Management Team at the start of each financial year so that there is a clear focus on those audits where specific attention is required through the individual directorate management teams on an ongoing basis.

4.13 The outcome of each audit, in particular the Level of Assurance is used by the Chief Auditor in preparing the annual opinion on the control environment which is reported to the Director of Finance & Section 151 Officer and the Governance and Audit Committee in the Internal Audit Annual Report. The annual opinion provides significant input into the Council's Annual Governance Statement.

5. Consultancy Services

5.1 In addition to assurances services, the Internal Audit Section also provides a range of consultancy services including:

- Advice and guidance to management in respect of a range of issues including system implementation, compliance with polices, regulations and procedures and internal control requirements.
- Training.
- Special investigations including fraud work undertaken by the Corporate Fraud Function.

5.2 Internal Audit operates in a consultancy role in advising management in relation to issues within its remit such as the implementation of appropriate controls for new projects, developments and systems.

5.3 As the level of consultancy work is unknown at the start of the year, a contingency item is included in the Annual Audit Plan to cover this work.

5.4 Any advice or recommendations made in the consultancy role is always made on the basis that they may be reviewed and amended in future as result of an assurance assignment.

6. Internal Audit Service Delivery

6.1 The provision of the Internal Audit service is through a directly employed in-house Internal Audit Team.

6.2 Given the range and complexity of areas to be reviewed, it is important that the Internal Audit Section includes suitably qualified, experienced and trained staff. To comply with the PSIAS, the Chief Auditor must be a CCAB qualified accountant and be suitably experienced.

6.3 The training needs of Internal Audit staff are identified as part of the appraisal process and on an ongoing basis throughout the year. Staff are encouraged to undertake appropriate training including in-house and external courses, in particular those provided by the South Wales Chief Auditors Group, to ensure that their audit skills are enhanced and developed.

6.4 All Internal Audit staff are required to conform to the Code of Ethics included in the PSIAS and also any other codes published by any professional bodies of which they are members. An annual declaration of compliance with the PSIAS Code of Ethics is signed by all staff.

6.5 Internal Auditors must also have regard to the Committee on Standards in Public Life's Seven Principles of Public Life (10 Principles in Wales) i.e. the Nolan Principles.

6.6 The Internal Audit Section is independent and has no other management responsibilities which may impact on its independence. All Internal Audit staff are required to complete an annual Declaration of Interests which identifies any conflicts of interest which may impair their impartiality. Any declarations made are used when preparing the quarterly operational plans to prevent any impairment to independence arising.

7. Follow Up Audits

7.1 It is important that action is taken to ensure that agreed recommendations have been implemented within the agreed timescale. The Internal Audit Section has a risk-based follow up policy which dictates the type of follow up audit undertaken.

7.2 For all fundamental audits, a check is made during the year to ensure that all recommendations have been implemented within the agreed timescale. The results of this check are reported to the Governance and Audit Committee in the annual Recommendations Tracker Report.

7.3 From 2023/24 we have revised the planned timetable for the fundamental audits, as summarised below:

> i) Fundamental audits that receive a High Assurance rating are moved to a two-year audit cycle, with a full audit being completed every two years.
> ii) Fundamental audits that receive a Substantial Assurance rating are moved to a two-year audit cycle, with a full audit being completed every two years. In addition to this a follow-up audit will be completed in the first year to re-test all Medium and/or High Risk recommendations.
> iii) Fundamental audits that receive a Moderate Assurance rating remain on an annual audit cycle, with a full audit being completed every year.

7.4 Any routine audits that receives a Moderate or Limited Level of Assurance are subject to a formal follow up visit within 6 months of the issue of the final report. Testing will take place to confirm that any High or Medium Risk recommendations have been implemented and confirmation will be sought from management that any Low Risk or Good Practice recommendations have been implemented.

7.5 The results of the follow up visit will be reported to the service management, Head of Service (or Chair of the Governing Body), the Chief Executive, CMT and the Governance and Audit Committee.

7.6 Where a routine audit has received a High or Substantial Level of Assurance, no follow up audit is arranged but management are asked to confirm in writing that recommendations have been implemented.

8. Reporting of Internal Audit Activity

8.1 An Internal Audit Monitoring Report is prepared on a quarterly basis and presented to the Director of Finance & Section 151 Officer and the Governance and Audit Committee. The report shows the audits finalised in the quarter and the level of assurance given as well as the number of recommendations made and agreed.

8.2 The report will also include brief details of the audit findings for any audits which received a Moderate or Limited Level of Assurance. Any other work completed in the quarter and details of any follow up audits completed are also included in the report.

8.3 The Chief Auditor also produces an Annual Internal Audit Report which will include the annual opinion on the effectiveness of the framework of governance, risk management and internal control. The Annual Report is presented to the Section 151 Officer and the Governance and Audit Committee.

8.4 The Annual Report will follow the requirements of the PSIAS and will include:

- An opinion of the overall adequacy and effectiveness of the framework of governance, risk management and internal control.
- Disclosure of any qualifications to the opinion together with the reasons for the qualification.
- A summary of the Internal Audit work completed from which the opinion is derived including any reliance placed on the work of any other assurance providers.
- Any issues considered by the Chief Auditor to be particularly relevant to the Annual Governance Statement.
- A comparison of the work undertaken with the planned work, a summary of audit performance for the year including any performance indicators maintained and comments on compliance with the PSIAS and the Quality Assurance and Improvement Programme.

Internal Audit Annual Plan 2024/25

Audit Title	Risk Rating	Status as at 01/04/2024	Corporate Priority	Days
Level 1 – Cross Cutting Reviews – Council Governance & Control				
Corporate Governance Review	Med/High	Planned	Cross Cutting	25
Risk Management	Med/High	Planned	Cross Cutting	15
Information Governance	Med	Planned	Cross Cutting	20
Corporate Performance Management	Med	Planned	Cross Cutting	15
FOI/SAR/EIR	Med	Planned	Cross Cutting	15
New Risk Management System & Policy Review	New	Planned	Cross Cutting	15
Debt Recovery	New	Planned	Cross Cutting	15
			Total	120
Level 2 – Fundamental Systems - Section 151 Officer Assurance				
Financial Services – (1) Annual Audit, (2) 2-yearly Audit, (2+Follow-up)- 2 yearly Audit plus follow-up.				
Employee Services (2)	Med/High	Planned	Section 151 Assurance	30
Accounts Receivable (1)	High	Planned	Section 151 Assurance	35
Business Rates (2+Follow-up)	Med	Planned	Section 151 Assurance	20
Treasury - Borrowing & Investments (2)	Med	Planned	Section 151 Assurance	18
Accounts Payable (2 + Follow-up)	Med	Planned	Section 151 Assurance	35
Cash (2)	Med	Planned	Section 151 Assurance	30
Council Tax (2 + Follow-up)	Med/High	Planned	Section 151 Assurance	30
Capital Accounting *	Med	Planned	Section 151 Assurance	25
Main Accounting System (2)	Med	Planned	Section 151 Assurance	20
			Total	243
Level 3 – Service Level Audits – Other Assurance				
Education Planning & Resources	-	See Appendix 3	Education	108
Vulnerable Learner Service	-	See Appendix 3	Education, Safeguarding & Poverty	10
Education Grants & Other	-	See Appendix 3	Education, Safeguarding & Poverty	33
Child & Family Services	-	See Appendix 3	Safeguarding	23
Adult Services	-	See Appendix 3	Safeguarding	20
Adult Services: Tackling Poverty & Directorate Services	-	See Appendix 3	Safeguarding	35
Adult Services: Partnerships & Commissioning	-	See Appendix 3	Safeguarding	25
Building Services	-	See Appendix 3	Economy & Infrastructure, Safeguarding	35
Property Services	-	See Appendix 3	Economy & Infrastructure, Safeguarding	5
Waste Management & Parks	-	See Appendix 3	Economy & Infrastructure, Resource & Biodiversity	25
Highways & Transportation	-	See Appendix 3	Economy & Infrastructure	56
Housing & Public Health	-	See Appendix 3	Poverty, Safeguarding	89
Cultural Services	-	See Appendix 3	Economy & Infrastructure	60

Planning & City Regeneration	-	See Appendix 3	Economy & Infrastructure, Resources & Biodiversity	30
Communications & Marketing	-	See Appendix 3	Transformation & Council Development	5
Financial Services	-	See Appendix 3	Section 151 Assurance	100
Digital & Customer Services	-	See Appendix 3	Transformation & Council Development	30
Legal, Democratic Services & Business Intelligence	-	See Appendix 3	Monitoring Officer Assurance	20
Commercial Services	-	See Appendix 3	Section 151 Assurance	3
Human Resources & Service Centre	-	See Appendix 3	Transformation & Council Development	48
Contract Audits	-	See Appendix 3	Transformation & Infrastructure	35
Computer Audits	-	See Appendix 3	Transformation & Council Development	67
Projects & Special Investigations	-	See Appendix 3	Section 151 Assurance	65
Miscellaneous Audits	-	See Appendix 3	Section 151 Assurance	30
			Total	957
			Grand Total	**1320**
Other Activities				
			Staff Training	48
			Holidays, Sickness Absence, Special Leave	652
			Admin, Planning, Control, Clerical Support, Audit Programmes, Appraisals	205
			Contingency	41
			Vacancy Provision	100
			Total	1046
			Grand Total	**2366**

* Audits deferred from 2023/24 plan.

Internal Audit Annual Plan 2024/25

Audit Title	Risk Rating	Status as at 01/04/2024	Corporate Priority	Days	Scope
Level 1 – Cross Cutting Reviews – Council Governance & Control					
Corporate Governance Review	Med/High	Planned	Cross Cutting	25	Review and assessment of corporate governance arrangements across the Council. Scope to be agreed with CMT/SGG on specific areas to review, initial thought may be to review preparedness for Panel Performance Assessment due in 2025.
Risk Management	Med/High	Planned	Cross Cutting	15	Annual rolling audit of risk management controls and monitoring in each directorate on a rotational basis.
Information Governance	Med	Planned	Cross Cutting	20	Data Breaches, GDPR Compliance, Information and Records Management and staff training and awareness
Corporate Performance Management	Med	Planned	Cross Cutting	15	Review of the collection and publication of Corporate Performance Management data, carried out by the Strategic Development Unit (SDU)
FOI/SAR/EIR	Med	Planned	Cross Cutting	15	Review of compliance with Council policies and procedures relating to Freedom of Information (FOI), Subject Access Requests (SAR) and Environmental Information Regulation (EIR) requests
New Risk Management System & Policy Review	New	Planned	Cross Cutting	15	Review of new risk management system, framework, policy and effectiveness.
Debt Recovery	New	Planned	Cross Cutting	15	Review of debt recovery processes across the council.
Level 2 – Fundamental Systems - Section 151 Officer Assurance					
Financial Services – (1) Annual Audit, (2) 2-yearly Audit, (2+Follow-up)- 2 yearly Audit plus follow-up.					
Employee Services (2)	Med/High	Planned	Section 151 Assurance	30	Fundamental audit of the operations of Employee Services
Accounts Receivable (1)	High	Planned	Section 151 Assurance	35	Fundamental audit of the operations of Accounts Receivable
Business Rates (2+Follow-up)	Med	Planned	Section 151 Assurance	20	Fundamental audit of the operations and collection of Business Rates
Treasury - Borrowing & Investments (2)	Med	Planned	Section 151 Assurance	18	Fundamental audit of the operations of the borrowing and investing activities within Treasury Management
Accounts Payable (2 + Follow-up)	Med	Planned	Section 151 Assurance	35	Fundamental audit of the operations of Accounts Payable

Cash (2)	Med	Planned	Section 151 Assurance	30	Fundamental audit of the Authority's Cash system, under the control of the Cash Management Section
Council Tax (2 + Follow-up)	Med/High	Planned	Section 151 Assurance	30	Fundamental audit of the operations of Council Tax
Capital Accounting *	Med	Planned	Section 151 Assurance	25	Deferred from 2023/24 – unable to audit in 2023/24 due to capital team being audited by Audit Wales as part of the delayed 22/23 statement of accounts audit.
Main Accounting System (2)	Med	Planned	Section 151 Assurance	20	Review of controls and processes of the councils main accounting system the General Ledger
Level 3 – Service Level Audits – Other Assurance					
Education Planning & Resources					
Capital Team	Med	TBC	Education	10	Review of compliance with Council policies and procedures.
Ysgol Gyfun Gwyr	Med	Planned	Education	10	Standard Comprehensive School audit programme
Bishop Vaughan Catholic Comprehensive School	Med	Planned	Education	10	Standard Comprehensive School audit programme
Bishopston Comprehensive School	Med	Planned	Education	10	Standard Comprehensive School audit programme
Pontarddulais Comprehensive School	Med	Planned	Education	10	Standard Comprehensive School audit programme
School Funding & Information	Med/High	Planned	Education	15	Review of the Funding & Information Team, which forms part of the Education Planning & Resources Service includes school budget shares, SLA's etc.
Primary School Procurement (Thematic Review)	Med/High	Planned	Education	15	Thematic review of the controls in place and adherence to council policy across schools.
Business Manager Remuneration Review – Follow-up	Med	Planned	Education	5	Follow up of action taken following the recommendations made in the previous full audit.
Clydach Primary School – Follow-up	Med	Planned	Education	3	Follow-up of moderate report issued in 23/24
Review of Schools opted out of central catering	New	TBC	Education	10	Review of controls in place for schools buying in their catering provision
Review of lunchtime duty payments to staff (Thematic Review)	New	Planned	Education	10	TBC - Requested via consultation
Vulnerable Learner Service					
Pupil Support Team (Inc. Home Tuition & EOTAS Pathways) *	New	Planned	Education, Safeguarding & Poverty	10	Deferred from 2023/24 – department was undergoing a restructure in 2023/24 as such it was requested that the audit be deferred to 2024/25 to allow completion of the restructure.

Internal Audit Annual Plan 2024/25

Education Grants & Other					
Schools Annual Report	n/a	Planned	Education, Safeguarding & Poverty	3	Summary of School Audit work undertaken in 23/24
Education Improvement Grant	n/a	Planned	Education, Safeguarding & Poverty	15	Grant Certification – internal audit review required by ToR
Pupil Development Grant	n/a	Planned	Education, Safeguarding & Poverty	15	Grant Certification – internal audit review required by ToR
Child & Family Services					
Independent Agency Payments and Child and Family Grants & Contracts	Med/High	Planned	Safeguarding	10	Review of Residential placements of Looked After Children with independent providers.
Discretionary Payments	Med	TBC	Safeguarding	10	Review of Discretionary Payments made by officers in Child & Family Services in accordance with the requirements of S17 of the Children Act 1989
Western Bay Adoption Service & Adoption Allowances – Follow-up	Med	Planned	Safeguarding	3	Follow-up of moderate audit report.
Adult Services					
Community Alarm Service	Med	Planned	Safeguarding	10	Review of compliance with Council policies and procedures within the Community Alarms Service.
Learning Disability Recharges	Med	TBC	Safeguarding	10	Review of recharging for service users attending Residential and Day Services within the Learning Disability and Mental Health divisions of Adult Services
Adult Services: Tacking Poverty & Directorate Services					
Supporting People Team	Med	TBC	Safeguarding	5	Government funded scheme to support independent living. Review of returns, payments, and assessments.
Housing Support Grant	n/a	Planned	Safeguarding	10	Grant Certification - internal audit review required by ToR
Tackling Poverty & Welfare Rights Service	Med/Low	Planned	Safeguarding	5	Review of compliance with Council policies and procedures.
Adult Community Learning	Med/Low	TBC	Safeguarding	10	Review of adult learning provision including course income, assessments, grant funding.
Local Area Co-ordinator	New	Planned	Safeguarding	5	Review of operations of the Local Area Co-ordination team who assist local communities and adults to make connections, provide support and source available funding,

Internal Audit Annual Plan 2024/25

Adult Services: Partnerships &Commissioning					
Partnerships, Performance & Commissioning	Med	Planned	Safeguarding	15	Review of the operations of the Partnership, Performance and Commissioning Team.
Community Safety	Med/Low	TBC	Safeguarding	10	Review of compliance with Council policies and procedures of the Community Safety Team incl. income, expenditure, grant income, inventory.
Building Services					
Heol y Gors – Estimating	Med	Planned	Economy & Infrastructure, Safeguarding	15	Review of operations of the Estimating team covering job estimates, subcontractor monitoring and payments, accruals, variations and recharges.
Day to Day Repairs *	Med	Planned	Economy & Infrastructure, Safeguarding	20	Deferred from 2023/24 – Orchard data cleanse and other system upgrades underway in 2023/24. Request to defer the audit to 24/25 once the system updates and cleanse has been completed. Audit in Q3 or Q4 2024/25.
Property Services					
Facilities Management	Med	TBC	Economy & Infrastructure, Safeguarding	5	Review of compliance with Council policies and procedures of the Facilities Management operations
Waste Management & Parks					
Waste Enforcement	Med	Planned	Economy & Infrastructure, Resource & Biodiversity	10	Review of operations in waste enforcement including fixed penalty notices, fines, collections, and legal escalation.
Specialist Park Services	Med	Planned	Economy & Infrastructure, Resource & Biodiversity	10	Review of compliance with Council policies and procedures, includes Singleton Nursery, Playgrounds, litter and beaches expenditure.
Tree Services	Med	TBC	Economy & Infrastructure, Resource & Biodiversity	5	Review of compliance with Council policies and procedures for Park Support Team and Tree Services.
Highways & Transportation					
Home to School Transport	Med	Planned	Economy & Infrastructure	15	Review of compliance with Council Procedure Rules, contract payments, allocation of passes, sale of seats, allocation of free passes and petrol allowances.
Concessionary Bus Fares	Med	Planned	Economy & Infrastructure	5	Review of controls in relation to concessionary fares (annual).

Clydach Depot Stores, finance and admin, and Highways Trading Account	Med/Low	Planned	Economy & Infrastructure	10	Review of stores controls, finance and administration function, and the highways trading account.
Clydach Depot Plant	Med	TBC	Economy & Infrastructure	10	Review of compliance with Council policies and procedures relating to plant hire, inc. orders, issue of plant, security of plant and recharges.
Fleet Maintenance – Follow-up	Med/High	Planned	Economy & Infrastructure	3	Follow up of moderate audit report issued in 2023/24
CTU - Stores (Pipehouse Depot)	Med/Low	TBC	Economy & Infrastructure	8	Review of compliance with Council policies and procedures includes stock records, procurement, security of stores.
Live Kilometre Support Grant	n/a	Planned	Economy & Infrastructure	5	Grant Certification - internal audit review required by ToR
Housing & Public Health					
Central Area Office *	Med	Planned	Poverty, Safeguarding	15	Deferred from 2023/24 – further restructuring of the District Housing offices in 2023/24 and changes to operations at the Central Area Office. Request to defer until 2024/25.
East Area Office	Med	Planned	Poverty, Safeguarding	15	Review of activities of the East Area District Housing Office.
Void Team / Home Prep. Unit	Med	TBC	Poverty, Safeguarding	15	Review of void property management, inc. key security, void referrals, void inspections, additional works, recharges and expenditure.
Rent & Arrears Team	Med/High	Planned	Poverty, Safeguarding	18	Review of current and former tenant arrears, rent management bankruptcies and refunds.
Independent Living Service	Med	TBC	Poverty, Safeguarding	10	Review of compliance with Council policies and procedures.
Application Controls – CX System*	Med	Planned	Poverty, Safeguarding	5	Deferred from 2023/24 – new system go-live delayed to June 2024, look to audit in Q3 or Q4 2024/25.
Trading Standards Division – Follow-up	Med	Planned	Poverty, Safeguarding	3	Follow-up of moderate audit report.
Rechargeable Works – Follow-up	Med	Planned	Poverty, Safeguarding	3	Follow-up of moderate audit report.
Pest & Animal Control	Med/Low	TBC	Poverty, Safeguarding	5	Review of compliance with Council policies and procedures.
Cultural Services					
Outdoor Leisure	Med	Planned	Economy & Infrastructure	15	Review of income and expenditure control across outdoor leisure sites across the council, including cash machine controls and collections.
Branch Libraries	Med/Low	TBC	Economy & Infrastructure	15	Review of compliance with Council policies and procedures across the existing branch libraries by self-assessment questionnaires and evidence validation.

Brangwyn Hall & Catering	Med	Planned	Economy & Infrastructure	15	Review of compliance with Council policies and procedures for events and catering function.
Special Events Projects	Med	TBC	Economy & Infrastructure	15	Review of the controls in place in relation to income and expenditure of large events coordinated by Cultural Services.
Planning & City Regeneration					
Development & Physical Regeneration	Med	TBC	Economy & Infrastructure, Resources & Biodiversity	10	Review of the Development and Physical Regeneration Section based within the Planning and City Regeneration Service.
Swansea Mobility Hire	Med	Planned	Economy & Infrastructure, Resources & Biodiversity	10	Review of the operations of the Swansea Mobility Hire in the City Centre.
Land Searches	Med	Planned	Economy & Infrastructure, Resources & Biodiversity	10	Review of the local land charges operations including charges, fees, system controls and system access.
Communications & Marketing					
Corporate Management Team Support	Med	TBC	Transformation & Council Development	5	Review of compliance with Council policies and procedures.
Financial Services					
Bank Reconciliation	Med	Planned	Section 151 Assurance	10	Review of the Bank Reconciliation process carried out by the Accountancy Section covering reconciliations, unpresented cheques and system controls.
Schools Bank Reconciliation	Med	TBC	Section 151 Assurance	15	Review of the School Bank Reconciliation process carried out by the Accountancy Section covering reconciliations, unpresented cheques and system controls.
Leasing	Med	Planned	Section 151 Assurance	10	Review of capital leasing arrangements within the Council managed by Treasury Management inc. existing, new and expired leases.
Residential Care	Med/High	Planned	Section 151 Assurance, Safeguarding	25	Review of the administration of Residential Care payments and recharges, which are managed by the Social Care Income and Finance Team (SCIFT)
Direct Payments - Adult and Child & Family	Med	Planned	Section 151 Assurance, Safeguarding	15	Review of Direct Payments processed and monitored by the Social Care Income & Finance Team (SCIFT).
Financial Assessments & Payments for Adult Family Placements	Med	TBC	Section 151 Assurance, Safeguarding	10	Review of financial assessment processes and payments made for adult family placements.

Passport to Leisure	Med	Planned	Section 151 Assurance, Safeguarding	10	Review of the application and renewal process for the Passport to Leisure membership (PTL), administered by the Revenues & Benefits Section
Eligibility checks for Free School Meals	New	Planned	Section 151 Assurance, Safeguarding	5	Review of the eligibility checking process for free school meals.
Digital & Customer Services					
ICT Administration inc. IT Assets	Med	Planned	Transformation & Council Development	15	Review to examine controls and procedures associated with ICT Administration & Asset Management in Digital Services
Fusion Authorisation Limits	Med/High	Planned	Transformation & Council Development	10	Review of the setting of authorisation limits across the main financial and ledger system.
Contact Centre - Client & Property Finance Payments	Med	TBC	Transformation & Council Development	5	Review of controls in place in relation to client and property finance payments.
Legal, Democratic Services & Business Intelligence					
Election Expenses	Med	Planned	Monitoring Officer Assurance	10	Review of election expenses and accounts prior to submission.
Councillors Code of Conduct	Med	TBC	Monitoring Officer Assurance	10	Review of compliance with the council's code of conduct for councillors and members.
Commercial Services					
Waivers - follow-up	High	Planned	Section 151 Assurance	3	Follow-up of moderate audit report issued in 2023/24
Human Resources & Service Centre					
Cashiers Office – CCI Reconciliation	Med/High	Planned	Transformation & Council Development	5	Reconciliation of the Chief Cashiers Imprest Account
Petty Cash Accounts	Low	TBC	Transformation & Council Development	5	Review of controls and reconciliations of the various petty cash accounts in existence across the council managed by Cashiers.
Income Tax - Self Employed	Med	Planned	Transformation & Council Development	5	Review of compliance with Self Employment tax legislation.
Employee Vetting (DBS) – Follow-up	Med	Planned	Transformation & Council Development	3	Follow-up of moderate audit report
Purchase Cards – Periodic Review	Med	Planned	Transformation & Council Development	10	Ongoing periodic review of a sample of Purchase Card transactions across the Council for compliance with procurement and p-card guidance.

Payment Card Industry - Data Security Standard	Med	TBC	Transformation & Council Development	5	Review of compliance with the Data Security Standard
Employment of Agency Staff	Med	Planned	Transformation & Council Development	15	Review of compliance with Council policies and procedures in relation to the employment of agency staff.
Contract Audits					
CPR Compliance Audit	New	Planned	Transformation & Infrastructure	20	New audit introduced from 2023/24 reviewing CPR Compliance per directorate on a rolling programme across: Place, Finance, Education, Social Services and Corporate Services. 2023/24: Social Services Directorate
Commissioning & Tackling Poverty - Tendering, Letting and Monitoring	Med	TBC	Transformation & Infrastructure	15	Review of compliance with Council policies and procedures in relation to tendering and letting contracts.
Computer Audits					
File Controls	Med/High	Planned	Transformation & Council Development	5	Review to assess whether the procedures and controls associated with the database management systems of the council are suitable to ensure that the data held can be relied on, is accurate and is secure
ICT Data Storage	Med/High	TBC	Transformation & Council Development	5	Review to examine the procedures and controls to both ensure compliance to the Data Storage Policy and to examine whether capacity management is made in accordance with best practice
Network Firewall Controls - Corporate & Education	Med	Planned	Transformation & Council Development	5	Review of system firewall controls.
Internet Controls - Education Network	Med/Low	TBC	Transformation & Council Development	10	Review of safeguards and controls in place in relation to the Education ICT Network.
E Commerce Controls	Med	TBC	Transformation & Council Development	7	Review of E-commerce Controls administered by Digital Services which enable buying and selling of products or services over electronic systems such as the Internet and other computer networks
Web Development *	New	Planned	Transformation & Council Development	10	Review of web development activities. Carried forward from 23/24 audit plan.
Virtual Server Environment	Med	Planned	Transformation & Council Development	5	Review of move to new Virtual server network – cloud storage.
Disaster Recovery & Business Continuity	Med	Planned	Transformation & Council Development	10	Review of the disaster recovery and business continuity plans for the Councils ICT systems.

Change Control	Med	TBC	Transformation & Council Development	5	Review of the procedures and controls associated with the Digital Services ICT self-service Change Request system.
Use of Idea - Data Matching NFI	n/a	Planned	Section 151 Assurance	5	Data extraction
Projects & Special Investigations					
Unpresented Cheques	n/a	Planned	Section 151 Assurance	5	Investigation into any unpresented cheques as they arise
NFI Data Matching Investigations	n/a	Planned	Section 151 Assurance	10	NFI Match investigations
Galileo Management System	n/a	Planned	Section 151 Assurance	10	Audit Management System in year admin
Annual Plan & Annual Report	n/a	Planned	Section 151 Assurance	5	Production of the Audit Annual Plan and Report
Annual Consultation Exercise	n/a	Planned	Section 151 Assurance	10	Consultation with HoS and CMT for the Annual Audit Plan
Recommendation Tracker Exercise	n/a	Planned	Section 151 Assurance	5	Review of implementation status of the recommendations made in the Fundamental Audits
Follow-ups	n/a	Planned	Section 151 Assurance	20	Standard audit follow-up work throughout the year
Miscellaneous Audits					
Swansea Central Phase 1 Programme & City Deal Progress Update *	n/a	Planned	Section 151 Officer Assurance	5	Review of project progress and update.
Shared Prosperity Fund	New	Planned	Section 151 Officer Assurance	10	New audit added from 2024/25 to review the controls and governance arrangements around the Shared Prosperity Fund as CCS are lead organisation.
Carry forward of audits in progress from 23/24 to be completed in 24/25 ** (estimated)	n/a	Planned	n/a	15	Audits in progress from the 23/24 audit plan that will be carried forward for completion in 24/25

* *Audits deferred from 2023/24 plan.*

** *Audits in progress at year end from the 2023/24 plan. (to be added later)*

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: Internal Audit
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 <u>describe</u> initiative here:
Approval of the Internal Audit Strategy and Annual Plan 2024/25 for the City and County of Swansea as required by the Public Sector Internal Audit Standards.

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

n/a – no impact

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

1

Integrated Impact Assessment Screening Form

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 & S151 Officer, Legal, Access to Services, the Corporate Management Team and Heads of Service.

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**

Council Services included within the Internal Audit planned programme of work for 2023/24 will be subject to internal audit reviews which may result in recommendations being made to improve compliance with Council policies and procedures and consequentially may result in changes to operations/processes within service areas 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 ensure internal controls within the areas subject to internal audit reviews as included in the internal audit planned programme of work for 2024/25 are operating effectively.

Integrated Impact Assessment Screening Form

Outcome of Screening

Q8   Please describe the outcome of your screening below:

The completion of the Integrated Impact Assessment Screening revealed that:
- The Audit Strategy and Plan has a potentially low positive impact across a number of identified groups.
- It has been subject to consultation with the Director of Finance & S151 Officer, Legal, Access to Services, the Corporate Management Team and Heads of Service.
- All WFG considerations are positive and any risks identified are low.
- The overall impact of the Audit Strategy and Plan is positive as it will support the Authority in its requirement to protect public funds.

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

☐ **Full IIA to be completed**

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

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

Screening completed by:
Name: Simon Cockings
Job title: Chief Auditor
Date: 14/02/24

Approval by Head of Service:
Name: Ben Smith
Position: Director of Finance & S151 Officer
Date: 14/02/24

Please return the completed form to <u>accesstoservices@swansea.gov.uk</u>

Report of the Chief Auditor

Governance & Audit Committee – 10 April 2024

Internal Audit Charter 2024/25

Purpose:	This report outlines the background to the Public Sector Internal Auditing Standards (PSIAS) which were introduced with effect from 1st April 2013 and presents the Internal Audit Charter to the Governance and Audit Committee for approval following CMT approval on the 31st January 2024.
Policy Framework:	None
Consultation:	Legal, Finance, Access to Services
Recommendation:	It is recommended that the Governance and Audit Committee approve the Internal Audit Charter for 2024/25.
Report Author:	Simon Cockings
Finance Officer:	Ben Smith
Legal Officer:	Stephen Holland
Access to Services Officer:	Rhian Millar

1. Introduction

1.1 The Public Sector Internal Audit Standards (PSIAS) came into force on 1st April 2013 and replaced the CIPFA Code of Practice for Internal Audit in Local Government.

1.2 The PSIAS were developed by CIPFA and the Chartered Institute of Internal Auditors (CIIA) and are mandatory for all providers of internal audit services in the public sector.

1.3 The standards are based on the mandatory elements of the global CIIA's International Professional Performance Framework with additional requirements to reflect the UK public sector.

1.4   The objectives of the PSIAS are to:

- Define the nature of internal auditing within the UK public sector.
- Set basic principles for carrying out internal audit in the UK public sector.
- Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations.
- Establish the basis for the evaluation of internal audit performance and to drive improvement planning.

1.5   The PSIAS were last updated in 2017 and consist of the following:

- Mission of Internal Audit
- Definition of Internal Audit
- Core Principles for the Professional Practice of Internal Auditing
- Code of Ethics
- International Standards for the Professional Practice of Internal Auditing

1.6   The PSIAS also require an external assessment of the internal audit function at least once every 5 years. The external assessment may either be a full assessment by a suitably qualified external assessor or a self-assessment with independent external validation.

1.7   The City and County of Swansea, along with the majority of all other Local Authorities in Wales, chose to undertake a self-assessment with the results being independently validated by peer authority. Our validation visit was completed in January 2018 which concluded that the City and County of Swansea's Internal Audit Section is broadly compliant with the PSIAS and Cipfa Application Note, with no significant deviations from the Standards being noted. The results of the peer review were reported to Audit Committee in April 2018.

1.8   The external assessment must be undertaken at least every 5 years. The second assessment completed by Blaenau Gwent County Borough Council was undertaken between December 2022 and August 2023.

1.9   In summary, there are 304 best practice lines within the PSIAS. The Internal Audit Service of Swansea Council was assessed as fully conforming with 303 of the requirements (includes those not applicable). One area of partial compliance was noted in relation to a dedicated Information Technology audit resource within the team. Therefore, the Internal Audit Service of Swansea Council was assessed as generally conforming with the standards in all significant areas and operating independently and objectively.

1.10   The Local Government and Elections (Wales) Act 2021 stipulates that remit of the Committee would be extended and the name of the

Committee changed to the Governance and Audit Committee from the 1st April 2021. Additional changes around membership came into effect from May 2022. The updated terms of reference of the Governance and Audit Committee are attached at Appendix C to the Audit Charter for information.

1.11 The Act requires that from May 2022, one-third of the membership of the Governance and Audit Committee must lay persons. A lay person is a person who is not a member or an officer of any local authority, has not at any time in the period of 12 months ending with the date of the person's appointment been a member or an officer of any local authority and is not a spouse or civil partner of a member or an officer of any local authority.

1.12 The Governance and Audit committee has four lay members. The Committee has seen a reduction in total membership from 15 to 12 in 2023/24. The committee therefore meets the requirements of the Act.

1.13 The Act also provides that a lay person must be appointed as Chair of the Committee and the deputy Chair must not be a member of the Cabinet.

2. Internal Audit Charter

2.1 One of the requirements of the PSIAS is that every internal audit provider in the UK public sector whether in-house, shared service or outsourced must have an Internal Audit Charter.

2.2 The Internal Audit Charter is a formal document that defines the internal audit activity's purpose, authority and responsibility. The guidance produced by CIPFA on implementing the PSIAS states that the Charter should:

- Recognise the mandatory nature of the PSIAS (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing).
- Define the scope of internal audit activities.
- Establish the responsibilities and objectives of internal audit.
- Recognise that internal audit's remit extends to the entire control environment of the organisation and not just financial controls.
- Define the terms 'board' and 'senior management' for the purposes of the internal audit activity.
- Establish the organisational independence of internal audit.
- Establish the accountability, reporting lines and relationships between the chief audit executive (Chief Auditor) and:
  - o The board (Governance and Audit Committee).
  - o Those to whom the Chief Auditor must report functionally.
  - o Those to whom the Chief Auditor may report administratively.

- Set out the responsibility of the board and also the role of the statutory officers with regards to internal audit.
- Define the role of internal audit in any fraud-related work.
- Set out the arrangements that exist within the organisation's anti-fraud and anti-corruption policies, requiring the Chief Auditor to be notified of all suspected or detected fraud, corruption or impropriety, to inform his or her annual internal audit opinion and the risk-based plan.
- Establish internal audit's right of access to all records, assets, personnel and premises, including those of partner organisations where appropriate, and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities.
- Cover the arrangements for appropriate resourcing.
- Include arrangement for avoiding conflicts of interest if internal audit undertakes non-audit activities.

2.3 The Chief Auditor is required to review the Internal Audit Charter periodically and present it to the Corporate Management Team and the Governance and Audit Committee for approval. The PSIAS state that final approval of the Internal Audit Charter resides with the Governance and Audit Committee.

2.4 The Internal Audit Charter 2024/25 for the City and County of Swansea's Internal Audit Section can be found in Appendix 1.

2.5 The Charter was approved by the Corporate Management Team on the 31st January 2024 and is presented to the Governance & Audit Committee for final approval.

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 Internal Audit Charter has a low positive impact across all groups.
- It has been subject to consultation with the Director of Finance & S151 Officer, Legal, Access to Services and the Corporate Management Team.
- All Well-being of Future Generations Act considerations are positive and any risks identified are low.
- The overall impact of the Internal Audit Charter 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   Provision of an adequate and effective internal audit function is a legal requirement under the Accounts and Audit (Wales) Regulations 2005 as amended. For local government in Wales, the PSIAS is mandatory for all principal local authorities. An effective internal audit service also ensures that the Well-being Goals within the Well-being of Future Generations Act Wales (2015) are being met.

Background Papers: None

Appendices: Appendix 1 - Internal Audit Charter 2024/25
                  Appendix 2 – Integrated Impact Assessment Form

City and County of Swansea

Internal Audit Charter 2024/25

1.   Introduction

1.1   The Public Sector Internal Audit Standards (PSIAS) came into force on 1st April 2013 and replaced the CIPFA Code of Practice for Internal Audit in Local Government.

1.2   The PSIAS were adopted by the Relevant Internal Audit Standard Setters which is made up of 7 organisations including CIPFA and the Welsh Government.

1.3   The PSIAS were developed by CIPFA and the Chartered Institute of Internal Auditors (CIIA) and are mandatory for all providers of internal audit services in the public sector.

1.4   The PSIAS consist of the following:

- Mission of Internal Audit.
- Definition of Internal Audit.
- Core Principles for the Professional Practice of Internal Audit
- Code of Ethics.
- International Standards for the Professional Practice of Internal Auditing.

1.5   One of the requirements of the PSIAS is that each internal audit provider must have an Internal Audit Charter which is a formal document that:

- Defines the purpose, authority and responsibility for internal audit.
- Establishes the internal audit activity's position within the organisation.
- Authorises access to records, personnel and physical assets.
- Defines the scope of internal audit activities.
- Defines the nature of assurance and consulting activities.

1.6   The Internal Audit Charter must be reviewed periodically by the Chief Auditor and presented to the Corporate Management Team and the Governance and Audit Committee for approval. Responsibility for the final approval of the Internal Audit Charter resides with the Governance and Audit Committee.

2. Definition of Internal Audit

2.1 The statutory nature of Internal Audit is established by the following legislation:

- Section 151 of the Local Government Act 1972 which states that local authorities are required to make arrangements for the proper administration of its financial affairs and shall ensure that one of its officers has responsibility for the administration of those affairs. In the City and County of Swansea, this is the responsibility of the Section 151 & Chief Finance Officer.

- The Accounts and Audit (Wales) Regulations 2014 state that *'a larger relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control'.* The 2014 Regulations also say that *'a larger relevant body must, at least once a year, conduct a review of the effectiveness of its internal audit'.*

2.2 Against this statutory background, the PSIAS provides the following definition of internal audit:

- *'Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.*

- *It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.*

2.3 The Mission of Internal Audit articulates what internal audit aspires to accomplish within an organisation. This Mission, as outlined in the latest version of the Standards is as follows:

'*To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'.*

2.4 The Core Principles for the Professional Practice of Internal Auditing articulate internal audit effectiveness. For an internal audit function to be considered effective, all of the Principles should be present and operating effectively. The Standards state that failure to achieve any of the Principles would imply that an internal audit activity was not as effective as it could be in achieving internal audit's mission. The Core Principles are listed in Appendix A.

2.5 The PSIAS also includes a Code of Ethics which all internal audit staff are required to comply with. The principles which underpin the Code of Ethics are integrity, objectivity, confidentiality and competency. All audit staff are required to complete annual declarations to confirm that they

comply with the Code of Ethics. Further details on the Code of Ethics can be found in Appendix B.

2.6 Internal auditors are also expected to adhere to the requirements of any professional body that they are members of as well as the Council's Officers' Code of Conduct.

2.7 A number of generic terms are used throughout the PSIAS which must be defined in the Internal Audit Charter. The terms and how they are interpreted in the City and County of Swansea are shown in the following table:

PSIAS	City & County Swansea
Chief Audit Executive	Chief Auditor
Senior Management	Corporate Management Team
Board	Governance and Audit Committee

3. Role and Function of Internal Audit

3.1 A professional, independent and objective internal audit service is one of the key elements of good governance in local government with the foundation of an effective internal audit service being evidenced by compliance with the required standards and proper practices.

3.2 Internal Audit is an assurance function that primarily provides an independent and objective opinion to the Council on the control environment comprising risk management, internal control and governance by evaluating its effectiveness in achieving the Council's objectives.

3.3 Internal Audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

3.4 It is management's responsibility to establish and maintain a sound control environment including risk management, internal control processes, accounting records and governance arrangements.

3.5 It is Internal Audit's role to review the established systems and advise management whether suitable arrangements are in place and are operating effectively. It is particularly important that the work of Internal Audit adds value to the services under review.

3.6 Internal Audit will work with management to improve the control environment and assist the Council in achieving its objectives.

3.7 The role undertaken by Internal Audit and the annual opinion on the control environment provided by the Chief Auditor which also informs the Council's Annual Governance Statement provides a vital assurance

function over the Council's activities. This also assists in ensuring the Council's Governance and Audit Committee discharges its responsibilities in line with the Committee's Statement of Purpose which can be found in Appendix C.

4.   Scope of Internal Audit

4.1   The definition of Internal Audit established by the PSIAS covers the control environment of the Council as a whole.

4.2   This means that the scope of Internal Audit similarly covers the Council's operations as a whole and is not limited to the review of financial systems.

4.3   Financial Procedure Rule 12 – Internal Audit states that the Chief Auditor will maintain an adequate and effective internal audit service and provides authority to:

- Enter at all reasonable times on any Council premises or land.
- Have access to, and removal if necessary into custody of, all records, documents and correspondence relating to any financial or other transaction of the Council.
- Require and receive such explanations as are necessary concerning any matter under examination.
- Require any employee of the Council to produce on demand cash, stores or any other Council property under his/her control.

5   Independence of Internal Audit

5.1   It is essential that Internal Audit is independent of the services it reviews and reports upon. Internal Audit must be seen to be independent and all staff must be free of any restrictions which prevent them acting in an independent and objective manner.

5.2   The Internal Audit Section is part of the Finance Directorate reporting to the Director of Finance & Section 151 Officer.

5.3   The Chief Auditor has no other management responsibilities which restrict the independence of Internal Audit.

5.4   The Chief Auditor also has unrestricted access to the Chief Executive, Directors, Chief Officers and Heads of Service and may report to any level of management as considered necessary. Regular meetings are also held with the Council's external auditor.

5.5   The Chief Auditor reports functionally to the Governance and Audit Committee in his own name and has unrestricted access to the Chair of the Audit Committee and elected members. The Chief Auditor or a senior representative from the Internal Audit team attends all Governance and Audit Committee meetings and contributes to the agenda.

5.6   All Internal Audit staff are required to declare any possible conflicts of interest, of whatever kind, which may impair their ability to demonstrate an impartial, unbiased and objective approach to their work on an annual basis. Staff are also required to declare any potential conflicts of interest as they arise during the year. The declarations are considered by the Chief Auditor and the Principal Auditor when allocating work to individual Auditors and Senior Auditors to ensure any potential conflicts of interest are appropriately managed.

6   Consultancy Role of Internal Audit

6.1   In addition to the assurance function provided by Internal Audit, there are also occasions where it may also provide a consultancy or advisory role e.g. providing training or advice on controls for systems under development.

6.2   On such occasions, Internal Audit is providing advice and guidance and is not giving assurance. Where this occurs, Internal Audit always retains the right to review the service at a later date and make further recommendations.

6.3   Should a request be received for consultancy work of a significant nature which is not included in the annual plan, the work will not be accepted if it will restrict the ability to complete the required assurance work and deliver the annual internal audit opinion. The Chief Auditor will also ensure that the Governance and Audit Committee is notified of any requests for significant consultancy work prior to accepting them.

7   Fraud, Bribery and Corruption Role of Internal Audit

7.1   The establishment of systems and controls to prevent fraud, bribery and corruption is the responsibility of management.

7.2   Internal Audit will be aware of the risk of loss by fraud, bribery or corruption in all audit reviews undertaken and will report any exposure to the risk of loss.

7.3   Financial Procedure Rule 12 – Internal Audit requires any responsible officer who suspects financial irregularity to inform the Director of Finance immediately and to provide facilities for investigation in accordance with the Council's Anti-Fraud and Corruption Policy.

7.4   The details of any suspected or detected frauds will be considered when preparing the risk based Internal Audit Plan and will also inform the Chief Auditor's annual internal audit opinion.

7.5   The Council established a Corporate Fraud function with effect from 1st June 2015 based in the Internal Audit Section.

7.6   The Corporate Fraud function is responsible for raising the profile of fraud awareness and promoting an anti-fraud and corruption culture

across the Council. Where appropriate the Corporate Fraud Investigators undertake or assist management in the investigation of suspected cases of fraud, corruption or bribery.

8 Internal Audit Resources

8.1 Internal Audit should be appropriately resourced to meet its objectives in terms of the number of staff, grades, qualifications, personal attributes and experience.

8.2 The PSIAS require the Chief Auditor to be professionally qualified and suitably experienced. The Chief Auditor must be a full member of a CCAB accounting body or a member of the Institute of Internal Auditors.

8.3 Risk assessment methodology is used to identify the level of audit coverage required to provide the annual internal audit opinion on the control environment.

8.4 A risk based annual Internal Audit Plan is produced which matches the required audit coverage to the available resources. The plan is approved by the Corporate Management Team and the Governance and Audit Committee. The Chief Auditor is required to bring to the attention of the Committee the potential consequences of any shortfall in resources which may impact on the provision of the annual opinion.

8.5 The annual plan will be constantly reviewed during the year in response to any changes e.g. vacancies, new risks, frauds and special investigations.

8.6 Quarterly reports showing progress made against the annual plan will be presented to the Director of Finance & Section 151 Officer and the Governance and Audit Committee.

9 Quality Assurance and Improvement Programme

9.1 To ensure compliance with the PSIAS, the Chief Auditor must put in place a Quality Assurance and Improvement Programme (QAIP).

9.2 The QAIP must include both internal and external assessments of Internal Audit.

9.3 The internal assessment includes the ongoing supervision and review of work produced by Internal Audit staff as well as performance against targets and client feedback for each audit completed.

9.4 A periodic, internal self-assessment must also be undertaken to confirm compliance with the PSIAS. The results of the internal self-assessment are reported to the Director of Finance & Section 151 Officer and the Governance and Audit Committee as part of the Internal Audit Annual Report.

9.5   The PSIAS also require an external assessment at least once every 5 years. The external assessment may either be a full assessment by a suitably qualified external assessor or a self-assessment with independent external validation.

9.6   The results of the QAIP must be included in the Chief Auditor's annual report to the Governance and Audit Committee. The report must highlight any areas of non-conformance with any significant areas of non-conformance being included in the Annual Governance Statement.

9.7   Further details of the QAIP can be found in Appendix D.

Appendices: Appendix A – Core Principles of Internal Audit
Appendix B – Code of Ethics
Appendix C – Audit Committee Terms of Reference
Appendix D – QAIP

<u>Core Principles for the Professional Practice of Internal Auditing</u>

The Core Principles, taken as a whole, articulate internal audit effectiveness. For an internal audit function to be considered effective, all Principles should be present and operating effectively. How an internal auditor, as well as an internal audit activity, demonstrates achievement of the Core Principles may be quite different from organisation to organisation, but failure to achieve any of the Principles would imply that an internal audit activity was not as effective as it could be in achieving internal audit's mission '*to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'*.

The Core Principles are:

1. Demonstrates integrity.

2. Demonstrates competence and due professional care.

3. Is objective and free from undue influence (independent).

4. Aligns with the strategies, objectives, and risks of the organisation.

5. Is appropriately positioned and adequately resourced.

6. Demonstrates quality and continuous improvement.

7. Communicates effectively.

8. Provides risk-based assurance.

9. Is insightful, proactive, and future-focused.

10. Promotes organisational improvement.

Code of Ethics

Public sector requirement

Internal auditors in UK public sector organisations (as set out in the Applicability section) must conform to the Code of Ethics as set out below. If individual internal auditors have membership of another professional body then he or she must also comply with the relevant requirements of that organisation

---

The purpose of the Institute's Code of ethics is to promote an ethical culture in the profession of internal auditing. A code of ethics is necessary and appropriate for the profession of internal auditing, founded as it is on the trust placed in its objective assurance about risk management, control and governance.

The Institute's code of ethics extends beyond the definition of internal auditing to include two essential components:

Components

1. Principles that are relevant to the profession and practice of internal auditing

2. Rules of Conduct that describe behaviour norms expected of internal auditors. These rules are an aid to interpreting the Principles into practical applications and are intended to guide the ethical conduct of internal auditors

The Code of Ethics provides guidance to internal auditors serving others. 'Internal auditors' refers to Institute members and those who provide internal auditing services within the definition of internal auditing.

Applicability and Enforcement

This Code of Ethics applies to both individuals and entities that provide internal auditing services. For Institute members, breaches of the Code of Ethics will be evaluated and administered according to The Institute's Disciplinary Procedures. The fact that a particular conduct is not mentioned in the Rules of Conduct does not prevent it from being unacceptable or discreditable and therefore, the member liable for disciplinary action.

Public sector interpretation

The 'Institute' here refers to the IIA. Disciplinary procedures of other professional bodies and employing organisations may apply to breaches of this Code of Ethics

---

1. Integrity

Principle

The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement

Rules of Conduct

Internal auditors:

1.1   Shall perform their work with honesty, diligence and responsibility

1.2   Shall observe the law and make disclosures expected by the law and the profession

1.3   Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organisation

1.4   Shall respect and contribute to the legitimate and ethical objectives of the organisation.

2. Objectivity

Principle

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined

Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements.

Rules of Conduct

Internal auditors:

2.1   Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organisation.

2.2   Shall not accept anything that may impair or be presumed to impair their professional judgement.

2.3   Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review

3. Confidentiality

Principle

Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so

Rules of Conduct

Internal auditors:

3.1   Shall be prudent in the use and protection of information acquired in the course of their duties

3.2   Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation.

4. Competency

Principle

Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services.

Rules of Conduct

Internal auditors:

4.1   Shall engage only in those services for which they have the necessary knowledge, skills and experience.

4.2   Shall perform internal auditing services in accordance with the International Standards for the Professional Practice of Internal Auditing

4.3   Shall continually improve their proficiency and effectiveness and quality of their services

Public sector requirement

Internal auditors who work in the public sector must also have regard to the Committee on Standards of Public Life's *Seven Principles of Public Life,* further information on which can be found at www.public-standards.gov.uk

The 7 Principles of Public Life (10 Principles in Wales)

1. Selflessness

Holders of public office should act solely in terms of the public interest. They must never use their position to improperly confer an advantage on, or to avoid a disadvantage for, themselves or to improperly confer an advantage or disadvantage on others.

2. Integrity and propriety

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Holders of public office must not put themselves in a position where their integrity is called into question by any financial or other obligation to individuals or organisations that might seek to influence them in the performance of their duties. Members must on all occasions avoid the appearance of such behaviour.

3. Objectivity

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful. They must declare any private interests relevant to their public duties and take steps to resolve any conflict in a way that protects the public interest.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

In Wales the seven 'Nolan Principles' are supplemented with three additional principles, which are:

8. Duty to uphold the Law

Holders of public office must act to uphold the law and act on all occasions in accordance with the trust that the public has placed in them.

9. Stewardship

In discharging their duties and responsibilities holders of public office must ensure that their Authority's resources are used both lawfully and prudently.

10. Equality and respect

Holders of public office must carry out their duties and responsibilities with due regard to the need to promote equality of opportunity for all people, regardless of their gender, race, disability, sexual orientation, age or religion, and show respect and consideration for others

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.

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: 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:
Approval of the Internal Audit Charter 2024/25 for the City and County of Swansea as required by the Public Sector Internal Audit Standards.

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

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

1

Integrated Impact Assessment Screening Form

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 & S151 Officer, Legal, Access to Services and the Corporate Management Team.

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?**
(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 ensure an effective Internal Audit function is in place for the City and County of Swansea which is compliant with the requirements of the Public Sector Internal Audit Standards.

Integrated Impact Assessment Screening Form

Outcome of Screening

Q8   Please describe the outcome of your screening below:

The completion of the Integrated Impact Assessment Screening revealed that:
- The Internal Audit Charter has a potentially low positive impact across a number of identified groups.
- It has been subject to consultation with the Director of Finance & S151 Officer, Legal, Access to Services and the Corporate Management Team.
- All WFG considerations are positive and any risks identified are low.
- The overall impact of the Internal Audit Charter is positive as it will support the Authority in its requirement to protect public funds.

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

☐ **Full IIA to be completed**

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

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

Screening completed by:
Name: Simon Cockings
Job title: Chief Auditor
Date: 05/02/24

Approval by Head of Service:
Name: Ben Smith
Position: Director of Finance & S151 Officer
Date: 05/02/24

Please return the completed form to <u>accesstoservices@swansea.gov.uk</u>

Report of the Director of Corporate Services

Governance & Audit Committee – 10 April 2024

Update on Internal Control Environment – Director of Corporate Services

Purpose:	The report presents Corporate Services' control environment, including risk management, in place to ensure functions are exercised effectively; there is economic, efficient and effective use of resources, and; effective governance to secure these arrangements.
Recommendation(s):	It is recommended that the contents of the report be noted.
Report Author:	Joanne Portwood
Finance Officer:	Paul Roach
Legal Officer:	Stephen Holland
Access to Services Officer:	Rhian Millar

1.   Background and Key Points

1.1   Corporate Services has a robust framework and internal control environment in place to ensure the effective and efficient operation of the council. It plays a key role in terms of ensuring that the council fulfils all of its statutory duties and exercises its functions effectively, uses its resources wisely and governs itself properly by working in line with the requirements set out in the Well-being of Future Generations Act (Wales) Act 2015. In addition to supporting services across the council, it undertakes a community leadership role through partnership working, collaboration and promoting local democracy.

1.2   Corporate services also plays a key role in the wider control environment across the council, setting the tone at the top of the organisation by fostering a culture which embraces the importance of internal controls in terms of achieving organisational objectives.

1.3   Corporate Services leads on, as well as participates in many of the common control processes. This includes:

- Corporate planning and review.
- Performance measurement and management.
- Programme and project governance.
- Risk identification and management.
- Development and maintenance of all HR policies.
- Information governance.
- Data security.
- External audit liaison.
- Scrutiny.

1.4   The assurance framework includes the following key elements:

- Clear strategies, objectives and linkages with:
    - Corporate and other statutory plans.
    - Business planning/operational plans.
- Robust risk management through:
    - Mapping, monitoring, mitigation and escalation of risks.
- Tight internal controls consistent with:
    - Scheme of delegation.
    - Standing Orders/Financial Regulations.
    - Corporate Procurement rules.
    - Performance and Financial Monitoring (PFM).
- Reassurance through:
    - Audit.
    - Scrutiny.

1.5   Key aspects of corporate Services' arrangements include:

- Cabinet Member briefing.
- Performance management and budget monitoring (PFM).
- Performance appraisals.
- A robust internal control framework with:
    – Clear roles and responsibilities.
    – Clear and effective authorisation processes.
    – Robust and complete policies and procedures.
    – Robust monitoring, reporting and reviewing arrangements.
    – Timely identification and mitigation of control weaknesses.
    – Staff awareness of procedural rules.
    – Promotion of an anti-fraud culture.
    – Professional qualified staff.

2.   Risk Management and business continuity

2.1   All pertinent risks, encompassing those related to projects, services, directorate, and corporate objectives and priorities, are promptly identified, assessed, addressed, documented, escalated, managed, and monitored, in strict adherence to the Council's Risk Management Policy and Framework.

2.2 Project, service, directorate, and corporate risks are identified by project boards, senior management teams and the Directorate Management Team. and as far as possible mitigated, as part of the service review and planning cycle processes and ongoing self-evaluation The identification of risks is embedded within individual service areas where risks appear as a standing item on team meeting agendas and are escalated to DMT as appropriate. The risks are scored, and control measures are developed, implemented, and monitored by those groups using the corporate risk management systems. DMT reviews the register at each monthly DMT/PFM meeting and escalates/de-escalates risks to and from the corporate risk register.

2.3 The corporate online system is used for documenting and managing risks and all risks are evaluated and RAG rated (based on likelihood and impact) and updated at the end of each month. The risk management process is reported to the Governance and Audit Committee regularly.

2.4 During 2023-34 (as at 29th Feb 24) all corporate, directorate and service level risks in Corporate Services were reviewed at least once, during each quarter. All corporate, directorate, and service-level risks within Corporate Services underwent quarterly reviews, resulting in the following outcomes:

- Seven new risks were incorporated into the corporate/directorate/service level sections of the risk register.
- Seven risks were successfully mitigated and closed within the corporate/service level risk registers.
- Seven risks witnessed alterations in their risk scores within the corporate/directorate level risk registers.
- Two risks were either escalated or de-escalated across different tiers of the risk register.

2.5 Integrated Impact Assessments (IIAs) are required for the decision making at Cabinet (the executive level). If we identify a policy, change or review that requires a Cabinet decision then an IIA must be completed at the inception stage.

3. **Performance management/KPIs**

3.1 Corporate Services leads on performance management across the Council and has a robust framework in place to monitor, report and review performance. It also plays a key role in terms of setting the tone at the top of the organisation which recognises the importance of performance management to ensure the efficient and effective delivery of corporate priorities, learning and continuous improvement.

3.2 KPI and benchmarking data are collected for corporate priorities and all key areas of service delivery which are then used to measure and report performance and to drive improvement actions.

3.3 The Council's Corporate Plan describes the Councils well-being objectives, or key priorities, and the steps to deliver them. Progress is assessed through a

new integrated performance monitoring report introduced in 2023-24 and other evidence and reported each year to Council in the annual self-assessment report. Corporate level KPIs are established to help measure progress meeting the Councils well-being objectives, which is reported through quarterly and annual performance monitoring reports. The performance monitoring reports are considered at Corporate Management Team and are available to the public through Cabinet and Service Improvement, Regeneration & Finance Scrutiny Panel. Internal Audit undertook a review of the Council's corporate performance management arrangements in 2021-22 and concluded that the arrangements provide a high level of assurance.

3.4   Corporate Services has a set of high-level strategic priorities that are reviewed on an annual basis. In addition, the Directorate has four overarching Service Plans, one per Head of Service, updated annually at the end of each financial year in line with corporate planning requirements. As well as the corporate requirement to hold monthly PFM meetings, Corporate Services have monthly Directorate Management Team meetings which are used to monitor, measure performance and report the impact of service delivery.

3.5   Key performance indicators (KPIs) are in place for each service and are as follows:

Communications and Engagement:
- % of first appointment Occupational Health Advisor, within 29 working days.
- % of occupational Health Physician appointment within 45 days.
- % of first contact high risk cases (suicidal ideation) within 24 hours, or next working day.
- % of lower risk referrals, triaged with first appointment scheduled within 28 working days.
- total social media reach.
- total social media engagement.

Digital and Customer Services:
- number of online payments received via City & County of Swansea websites.
- number of forms completed online for fully automated processes.
- number of data breaches which have resulted in a reprimand, enforcement or monetary penalty notice being issued by the Information Commissioners Office (ICO).
- number of Swansea Account holders active during the period.
- % of corporate stage 1 complaints closed in 10 working days or less.

Legal and Democratic Services and Business Intelligence:
- % of staff meeting their time recording target.
- Number of non-compliances in Coroners Service to register deaths – none.
- % EPOs issued within 1 day of receipt of full instructions.

- % FOI/EIR requests answered within statutory deadlines.
- % satisfied with Scrutiny assistance in Feedback survey.

HR and Service Centre:
- Days lost per FTE.
- % of suppliers paid within 30 days.
- Annual turnover rate - less than UK average.
- % of performance management completed.
- % of mandatory training completed.

4. Performance Reviews

4.1 The Director of Corporate Services and Heads of Service all have clear personal objectives for 2023-24 which are monitored monthly at 1-2-1meetings. All staff have an annual appraisal and are clear as to their objectives and training and development needs. This includes reviewing progress of the previous year's objectives, and development plans and objectives are set based on their Team Plans' objectives for the coming year. Reviews of progress are conducted as part of the monthly 1-2-1 meeting between managers and their direct reports where targets are discussed and staff are given the opportunity to raise risks and issues and hear wider directorate and corporate communications. All new Directorate staff have undertaken induction training.

4.2 The new Oracle Fusion Goals and Performance module went live in April 2023 and the Corporate Service Directorate started to use it from that point. By the end of 2023-24 all relevant Directorate employees will have had an appraisal of 2022-23 performance and have personal goals for 2023-24. Taking in account staff absences, new starters, and leavers during the year, good progress has been made in terms of uploading more than 80% of employees' goals into Oracle Fusion.

4.3 Good progress has also been made in relation to all directorate employees completing mandatory training and by the end of the financial year, it is expected that 70-80% of Directorate employees will have completed all the mandatory courses.

5. Planning and decision making

5.1 Corporate Services has robust planning and decision making processes in place to ensure the directorate works effectively and sustainably to deliver the Corporate Plan. Service plans clearly set out the directorate's contribution to delivering corporate priorities and objectives and managing associated risks. Service plan template has been reviewed for 2024-25 to align more closely to the Corporate Plan and have been pre-populated with for each service with relevant corporate plan objectives, steps, KPIs, success measures and risks. Service plans, are approved by the Director of Corporate Services and relevant Cabinet Member and progress is monitored at 1-2-1s between the Director and Heads of Services as well as at the monthly DMT/PFM.

5.2 During 2023-24, we have continued to deliver the council's transformation plan, incorporating key transformational change projects and programmes from across the council. Good progress has been made in delivering the council's digital strategy and using new digital technology to improve digital access to services, increase operational efficiency and improve outcomes for citizens. For example, this year the number of Swansea Account users has increased, we have improved its functionality and embedded the new Oracle Fusion system.

5.3 We have strengthened the Council's Performance Management and Quality Assurance Framework and are embedding self-assessment into the council's performance management arrangements in order to foster a culture of high performance, learning and continuous improvement. We have aligned the Corporate Plan, Medium Term Financial Strategy and Transformation Plan with the long term needs of the population. We have also kept the council's constitution under review, including ensuring appropriate delegation arrangements for members and officers are in place.

5.4 We have also continued to deliver the council's workforce strategy to ensure that our workforce is motivated, innovative, supported, skilled and customer focused. We have introduced a new leadership behaviours and a management learning offer and developed tools to help services implement change, including training, guidance and support. We are also reviewing the senior management structure and pay and grading scheme to ensure our workforce is fit for the future.

5.5 We are committed to collaborating with local partners to develop and implement solutions to the challenges facing our population and progress our 2040 Wellbeing Plan, through Swansea's Public Service Board. We are seeking to engage with our population and ensure that where appropriate we consult, engage, and involve our population in the design and the delivery of our policies and services, enhancing our co-production capacity and capability through pilot projects and practice. We are embedding equality, diversity, and human rights through all that we do as a council and have developed a medium-term action plan for extending our work on human rights across Swansea and promoting the use of the Welsh Language.

6.   Budget and resources management

6.1 Within the Corporate Services there are robust mechanisms in place to deliver the budget, with strong and effective budget monitoring and control. These mechanisms include; monthly meetings between the Principal Account and Heads of Service, monthly meetings between Heads of Service and delegated budget managers, a monthly review of the directorate's financial position and forecast outturn at DMT / PFM, monthly 1-2-1 meetings between the Director of Corporate Services and Heads of Service where in year budget monitoring is a standard agenda item and monthly 1-2-1 meetings with managers to review of budgets. The budget update is a standing item on DMT agenda and Heads of

Service have specific personal objective to manage their budgets and deliver required savings. Within the Legal, Democratic Services & Business Intelligence (LDS&BI) service, each team leader has performance objectives set linked to an understanding of the LDS&BI budget as it affects their team and the income generation targets relevant to their work area.

6.2   In line with corporate requirements, Corporate Services hold Performance and Financial Management meetings (PFM). This group monitors the progress of and addresses any issues:

- Team Improvement Plans, objectives and targets.
- Key performance indicators (KPIs).
- Corporate, directorate and service risks.
- Capital and revenue budgets.
- Freedom of Information Act (FOI) requests; Subject Access Requests (SAR) and complaints.
- Directorate's sickness levels.
- Cases of fraud.
- Headcount reductions.
- Procurement and financial controls.
- Preparations for, and actions arising from, local authority. inspections/regulatory activity.

6.3   Throughout the directorate, there are robust mechanisms in place to deliver all savings and income targets. Risks and impact of any savings proposals are monitored to identify any adverse impact, including adverse impact on equality and on future generations.

6.4   Budgets saving proposals all have an IIA screening and where appropriate a full IIA is undertaken. Budgets are adjusted by Finance at the start of the financial year to remove any budget savings approved by council. Heads of Service are responsible for delivering budget savings in their services.

6.5   Delivery of budget savings is monitored in monthly 121s between Interim Director of Corporate Services as part of standard budget agenda item. If a budget saving cannot be delivered an alternative means of balancing the budget in year is agreed (e.g., vacancy management). During 2023-24, Corporate Services delivered 100% of its budget savings, 91% recurrently and 9% in-year with recurrent delivery scheduled for 2024-25.

7.   Fraud and financial impropriety

7.1   The functions of Corporate services, partnerships and collaborations have robust controls in place to prevent and promptly detect fraud, bribery, and corruption. All frauds and suspected financial irregularities are referred to the Head of Finance, Internal Audit and Corporate Fraud Team in accordance with FPR 12. The council has a corporate fraud policy in place and available to all staff through StaffNet.

7.2 There are a number of arrangements in place within the directorate to prevent and promptly detect fraud, bribery and corruption. Within Digital and Customer Services there is a separation of duties and controls which are audited as part of statement of accounts by Audit Wales. Customer Services also follow policies and procedures with regards to the handling of cash. Within HR and the Service Centre, a whistleblowing policy advises employees and managers on how to safely report any concerns relating to fraud, bribery and corruption and was updated and communicated to the workforce in 2023-24. Within Legal & Democratic Services and Business Intelligence, a conflict check is undertaken when legal officers open files and a robust process is in place for declaring Interests for both Members & Officers within 28 days of any change.

7.3 In 2023-24, there were no instances of fraud, bribery and corruption detected within/by the Directorate.

8. Compliance with policies, rules and regulatory requirements

8.1 The Directorate has robust systems, processes, and structures in place to ensure sound compliance with policies, rules, legal and regulatory requirements.

8.2 During 2023-24, all procurement was compliant with the Council's procurement rules and included examples of good practice such as the procurement of a server and ancillary equipment for new data centre.

8.3 The Directorate is responsible for the development and maintenance of all HR policies, information governance within the Council, complaints and internal audit. During 2023-24, the Directorate working with Trade Unions, has updated the Whistleblowing Policy, Flexi Time Policy and the Special Leave Policy. Further revision and updates to HR policies are scheduled for 2024-25.

8.4 The Directorate is also responsible for information governance within the council. The Information Governance Unit provides support to service departments on information management; records management and Data Protection policies to include advice on undertaking Data Protection Impact Assessments, RIPA etc to reinforce compliance with legislation and good practice. All policies were reviewed in April 2023. The Microsoft 365 Acceptable Use Policy is in the process of formal approval.

8.5 Legal and Democratic Services ensure compliance with legislation and the council's constitution in relation to the proper convening of council meetings, the proper conduct of council business and effective decision making. Legal implications are included in all published committee reports to ensure compliance with relevant legislation and policy guidance. Legal and Democratic Services monitor and record the publication of prescribed delegated decisions. and have been instrumental in developing and reviewing the constitution and governance related policy eg the council's petitions scheme, updating the councillor handbook, reviewing procedures for public

questions, reviewing the officer/member protocol, the Local Resolution protocol and the Family Absence policy for councillors.

8.6 The Elections team has complied with all relevant legislation to ensure that 38 Notices of Vacancy from Community Councils have been properly managed together with 1 County election. Also, the implementation of the Elections Act 2022 has resulted in additional statutory compliance obligations for the team.

8.7 During 2023-24 (up to Feb 15th 2024) a total of 17 internal audit reviews across Fundamentals, Digital and Customer Services, Legal, Democratic Services & Business Intelligence, HR & Service Centre and Communications & Marketing were completed and/or are currently in progress. Out of those reviews completed to date, the assurance ratings were either substantial or high. A further 7 Tier 1 – cross cutting reviews are also underway and/or have been completed. Out of these reviews which have been completed, the assurance rating was high.

8.8 The Directorate oversees the relationship with Audit Wales and ensures all Audit Wales reports are appropriately shared across the council. Arrangements are in place to monitor the Council's response to relevant audit reports – coordinated between Scrutiny and Governance & Audit Committees.

8.9 An Audit Wales Recommendations Tracker was established during 2023/24. All relevant recommendations from Audit Wales national and local reports are recorded in the tracker and are monitored for progress. The tracker lists the relevant Audit Wales report, the recommendations, the actions that the Council intends to undertake to implement the recommendations, progress to date and target dates for completion. The tracker is now reported regularly to Governance & Audit Committee to provide assurance.

8.10 Heads of Service report any compliance issues or concerns at 1-2-1 meetings with the Director or at monthly DMT / PFM meetings. Heads of Service are responsible for ensuring the employees in their services have appropriate training and work instructions. Individual performance in monitored and managed though supervision, 1-2-1 meetings and personal appraisals. In 2023-24 the Directorate started using the Oracle Fusion system to set personal objectives and to monitor mandatory training compliance. Related performance management information was presented regularly at the Directorate's DMT / PFM meeting. DMT/PFM meets monthly and any other compliance requirements which affect the whole Directorate are raised there e.g., hospitality register; budget monitoring; health and safety; risk management, internal and external audit recommendations, and Contract Procedure Rules. There were no areas of non-compliance identified in 2023-24.

9. Programme and project assurance

9.1 Corporate services assures programmes and projects through internal audit, quality assurance reviews, performance monitoring and reporting, risk management, compliance monitoring, governance arrangements,

independent reviews and assurance, documentation and record keeping, continuous improvement, training and capacity building. All of these assurance arrangements are aimed at ensuring effectiveness, efficiency, compliance, and accountability.

9.2   All programmes and projects led by Corporate Services are managed using robust project and programme management methodology and in accordance with corporate guidelines and procedural rules with appropriate highlighting of potential risks/breach. Structured programme and project management methodology is applied for large scale or high-risk projects which includes the production of highlight reports with risks, issues, interdependencies, the tracking of benefits realisation and escalation to CMT and Cabinet where appropriate. All programmes and projects have robust briefs, plans and business cases which have been appropriately approved in a timely manner, and include clearly defined financial and non-financial outcomes and benefits.

9.3   The most significant programmes and projects led by Corporate Services include the Human Rights City initiative and the development of the new Human Rights and Strategic Equality Plan, the Oracle Fusion Project and the Council's Transformation Programme including the Council's Digital Transformation Programme and the Council's Workforce OD and Transformation Programme. Other key programmes and projects lead by Corporate Services include the Aged Debt Project and a Councillor Training & Induction Programme, the development of Multi-Location Meetings / delivery of hybrid meetings and conducting Elections on the appropriate franchise within legislation.

9.4   Structured programme and project management methodology is applied for large scale or high-risk projects within the Digital Transformation programme, which includes the production of highlight reports with risks, issues, interdependencies, the tracking of benefits realisation and escalation to CMT and Cabinet where appropriate.

9.5   By employing a range of programme and project assurance arrangements, corporate services has a robust framework in place to enhance confidence in the successful delivery of programmes and projects, the mitigation of risks, and demonstrates accountability to stakeholders and the public

10.   Internal controls

10.1   Corporate services has an internal control framework which includes a range of mechanisms, policies, and procedures to ensure that operations are conducted effectively, efficiently, and in compliance with applicable laws, regulations, and organisational policies. These controls are essential for safeguarding assets, preventing fraud and errors, and promoting accountability.

10.2   Key elements of the internal control framework include:

  • Clear roles and responsibilities.

- Clear and effective authorisation processes.
- Robust and complete policies and procedures.
- Robust monitoring, reporting and review arrangements.
- Timely identification and mitigation of control weaknesses.
- Staff awareness of procedural rules.
- Promotion of an anti-fraud culture.

10.3 All employees within the Directorate have a job description clearing setting out their role and responsibilities. There are clear and effective authorisation processes with procedure rules and delegations contained within the council's constitution which is available to all staff on the intranet. Heads of Service are responsible for ensuring their staff are aware of the procedure rules and regular reminders are sent out to staff about issues such as the declaration of interest for gifts and hospitality, secondary employment, and mandatory training. HR and the service centre issue reports to managers on a regular basis reminding them of their obligations regarding corporate debt, sickness management responsibilities, outstanding risk assessments for safer recruitment.

10.4 The Directorate has responsibility for corporate policies, including HR, health and safety, information governance, digital security and consultation and engagement. These policies are regularly reviewed, but some have not been reviewed for some considerable time and are out of date, including the Gifts & Hospitality Policy which will be reviewed in 2024-25 and various employee policies which will continue to be worked through in 2024-25.

10.5 The Directorate has robust monitoring, reporting and review arrangements arrangements and there is a timely identification and mitigation of control weaknesses and risks.

10.6 Internal controls compliance is assured through:

- Performance and Budget Monitoring and robust action, reporting and escalation.
- Internal Audit Assurance.
- Senior Management Assurance Statements.
- Risk Management/Data Security.
- Programme/Project Assurance.

11. Data security

11.1 Corporate Services manage high levels of personal information, and statutory requirements are such that this information needs to be routinely used to inform reports, assessments and plans. The consequences of any inadvertent data breach are always serious. Corporate Services report any data breach immediately to the IGU and implement any recommendations made by the Data Breach Panel.

11.2 The processes for monitoring and reporting breaches are well established across the Directorate, as are the processes for learning from any such

breach. Officers collaborate closely with the council's Data Protection Officer to ensure that any lessons learned from breaches anywhere in the council and beyond are used to continually improve our processes. All data breach reports received in the Data Protection inbox are triaged immediately. Major breaches require a separate panel, which is arranged within 72 hours of the discovery of the breach according to ICO reporting requirements. Minor breaches are treated together in a weekly breach panel meeting.

11.3   Arrangements are in place and monitored at PFM and officers are appropriately trained and reminded of the importance of agreed procedures. Between April 2023 to February 2024, Corporate services had 5 minor breaches (3 from Legal, 1 from Comms and marketing and 1 from the Service Centre). There were no self-reported breaches to the ICO. All recommendations were completed and closed.

11.4   The Information Governance Unit (IGU) sits within Corporate Services. The IGU has dealt with 46 Council data breaches in the first three quarters of 2023-24, one of which was referred to the ICO. It has also dealt with one school data breach. In the first three quarters of 2023-24, 4 Decision Notices have been issued by the ICO regarding appeals to them on FOI and other information request responses. All 4 have upheld the Council's position. In the first three quarters of 23/24, 2 First Tier Tribunal cases have been adjudicated.

12.   Partnership/collaboration governance

12.1   Corporate Services lead on and manage the Swansea Public Services Board. The PSB is established as a Joint Committee under the Well-being of Future Generations (Wales) Act 2015. The purpose of the Board is to improve the economic, social, environmental, and cultural well-being of Swansea. The Board is required to prepare and publish an assessment of economic, social, environmental and cultural well-being in Swansea and prepare and publish a Local Well-being Plan and required to prepare and publish an annual report.

12.2   Statutory membership of the Board includes the City and County of Swansea, Swansea Bay University Health Board, Mid and West Wales Fire and Rescue Service and Natural Resources Wales. Invited participants include Welsh Ministers, the Chief Constable of South Wales Police, the South Wales Police and Crime Commissioner, a Probation services representative, a representative of voluntary organisations and any other persons who the Board may be required to invite under regulations made by Welsh Ministers

12.3   Board decisions are only valid when made jointly and unanimously by all statutory members (or their substitutes) and with all statutory members in attendance. The quorum of a PSB meeting is all of its statutory members. The council provides an administrative role supporting statutory members of the Public Services Board to discharge their legal responsibilities. The majority of work carried out by the PSB is carried out within the existing budgets of the Statutory Partners and subject to individual organisation's arrangements. The

council's Scrutiny Programme Committee is the designated Council Committee for Scrutiny of the PSB.

12.4   The Council provides an administrative role supporting statutory members of the Public Services Board to discharge their legal responsibilities. The majority of work carried out by the PSB is carried out within the existing budgets of the statutory partners and subject to individual organisation's arrangements.

12.5   Swansea's PSB joint committee met 4 times during 2023-24 and was subject to scrutiny twice during 2023-24. During the year, the PSB has produced a PSB Well-being Plan Action Plan for 2023-24, which includes actions to improve performance management - recognising the need to be able to demonstrate the value added by the partnership as raised by the Scrutiny Committee, quarterly performance monitoring reports for 2023/24 and an Annual report for 2023-23.

12.6   The Legal and Democratic Services teams ensure that all partnerships and collaboration arrangements between the Council and its partners have effective governance arrangements e.g. joint committees for the South West Wales Corporate Joint Committee, the City Deal and Partneriaeth and board arrangements for the West Glamorgan Regional Partnership. Legal Officers support the partnership arrangements by approving agenda items, advising on interests and supporting the decision-making process.

13.   Integrated Impact Assessment Implications

13.1   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 socioeconomic 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.

13.2   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 social, economic, environmental and cultural well-being of Wales by taking action, in

accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

13.3 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.

13.4 This is a 'for information' report and there is no requirement to screen for an IIA.

14.   Legal Implications

14.1   There are no legal implications.

14.   Financial Implications

14.1   There are no financial implications.

Background papers: None

Appendices: Appendix A Corporate Services Risks
                  Appendix B Risk Assurance Map

Risk on a Page

Appendix A

Risk Title :   Freedom of Information and Subject Access Requests

Risk ID : 175

Description :   IF we repeatedly fail to respond to FOIs and SARs and requests for erasure of personal data within the statutory timescales THEN we risk the number of overdue requests leading to an Enforcement Notice from the ICO requiring us to deal with the backlog and improve performance.

Risk Level : Corporate

Responsible Officer :   Tracey.Meredith

Councillor :   David Hopkins

Inherent Risk : 12

Last Update :   15/02/2024

Historical RAG :

	Mar-23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb-24
	6	6	6		6	6	6	6	12	12	12	8

| Current Control Measures	Last Update	Risk Response	Projected Completion
FOI and other information requests are all logged centrally and dispersed to a network of FOI officers embedded in different service units across the authority. Every service unit has an FOI officer. The workflow process for information requests is manual but will be automated. GOSS software has been purchased. Further improvements to the process are listed in 'Progress to Date'	12/02/2024	Treat	31/03/2025

Current Impact :   2 - Low

Current Likelihood :   4 - High
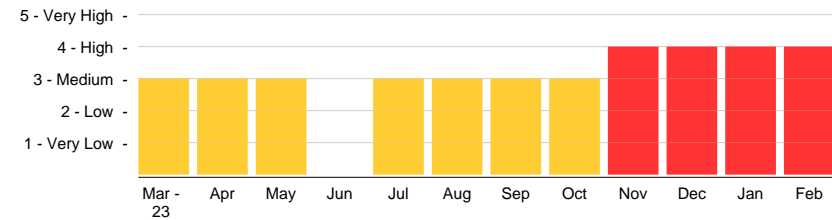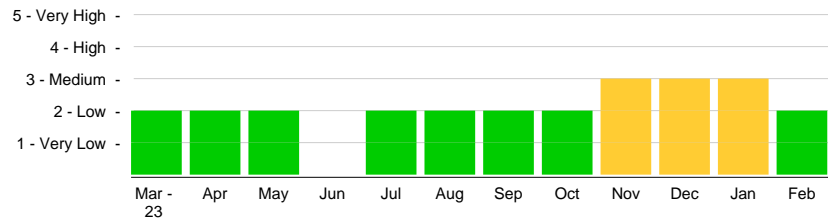
Risk on a Page

Risk Title :   Cyber, data and digital security

Risk ID :   222

Description :   If the council does not have robust cyber, data and digital security measures and systems and behaviours in place, embedded and working as best as they can be then it will not be protected from cyber threats, disruption to service delivery, possible loss of information including confidential information and associated fines and reputational damage.

Risk Level :   Corporate

Responsible Officer :   Sarah.Lackenby

Councillor :   Andrea Lewis

Inherent Risk :   25

Last Update :   06/03/2024

Historical RAG :

Mar-23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb-24
15	15	15	15	15	15	15	15	15	15	15	15

Current Control Measures	Last Update	Risk Response	Projected Completion
DR test training completed for Digital Services team. Simulated test of a cyber attack. Training to be provided to HoS and CMT	06/03/2024	Treat	31/03/2025
Communication to users to keep up awareness	06/03/2024	Treat	31/03/2025
Constant monitoring and surveillance of cyber risks by Security Office using system and tools in place. Situation reported monthly to Digital Services Board and Information Governance Board chaired by SIRO.	06/03/2024	Treat	31/03/2025

Current Impact :   5 - Very High

Current Likelihood :   3 - Medium
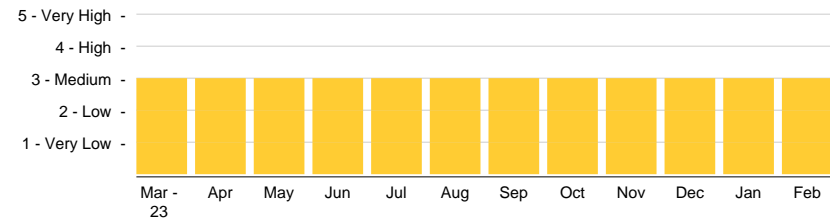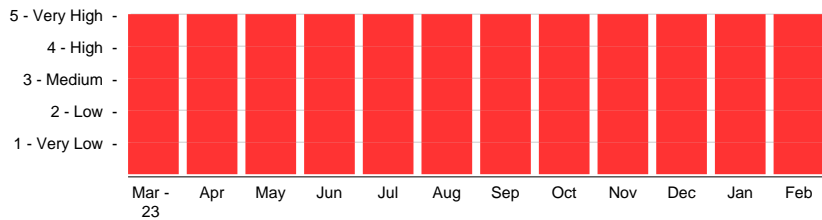
Risk on a Page

Risk Title : ICT Disaster Recovery

Risk ID : 224

Description : CS83 - If full DR arrangements are not in place then the Council will have no access to system in the event of a disaster which will have a significant business impact

Risk Level : Directorate

Responsible Officer : Sarah.Lackenby

Councillor : Andrea Lewis

Inherent Risk : 20

Last Update : 06/03/2024

Historical RAG :

Mar-23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb-24
12	12	12	12	12	12	12	12	12	12	12	12

Current Control Measures	Last Update	Risk Response	Projected Completion
Plans to move all data to Cloud underway to provide resilience for corporate data.	06/03/2024	Treat	31/12/2024
New Data Centre being established with additional resilient lines and new hardware. Migration of on premise systems to new data centre planned	06/03/2024	Treat	31/12/2024

Page 80

Current Impact : 4 - High

5 - Very High
4 - High
3 - Medium
2 - Low
1 - Very Low

Mar - 23 | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb

Current Likelihood : 3 - Medium

5 - Very High
4 - High
3 - Medium
2 - Low
1 - Very Low

Mar - 23 | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb
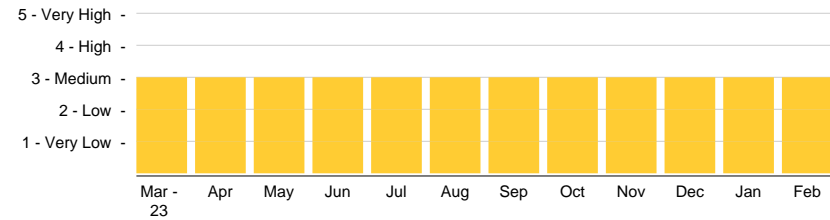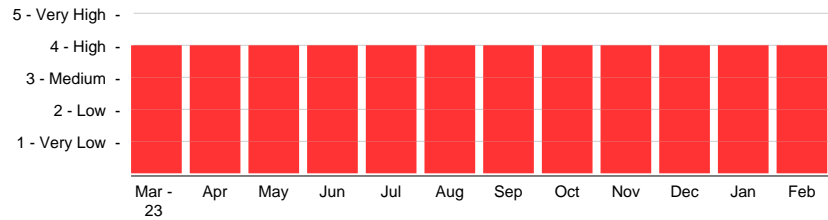
Risk on a Page

Risk Title :   Emergency Planning, Resilience and Business Continuity

Risk ID :   235

Description :   If we do not have sufficient emergency planning, resilience and business continuity arrangements in place, then we will not be able to respond effectively in an emergency, provide the necessary civic leadership or continue to run vital services and ensure compliance with the legal requirements of the Civic Contingencies Act 2004 as a Category 1 Responder, which may lead to reputational damage, a loss of political and community confidence, increased potential for loss of life, prolonged recovery following a major/business continuity incident which will deny service to the public and increase operating costs.

Risk Level :   Corporate

Responsible Officer :   Ness.Young

Councillor :   David Hopkins

Inherent Risk :   16

Last Update :   26/02/2024

Historical RAG :

Mar-23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb-24
9	9	9	9	9	9	9	9	9	9	9	9

Current Control Measures	Last Update	Risk Response	Projected Completion
As a Category 1 responder under the Civil Contingencies Act, Swansea Council has a legal requirement to plan for and respond to emergencies, to do this the following will be maintained and monitored by the CHSEMWS manager, with any gap or area of concern escalated to the CX.	26/02/2024	Treat	31/03/2024

As a Category 1 responder under the Civil Contingencies Act, Swansea Council has a legal requirement to plan for and respond to emergencies, to do this the following will be maintained and monitored by the CHSEMWS manager, with any gap or area of concern escalated to the CX.
1. The authorities Major Incident Plan will be reviewed annually, and tested on a 3 yearly basis unless activated, after which a review of the response will be provided to CMT, including any areas for improvement or additional resources needed to ensure we meet all legal obligations and can effectively respond to an emergency.
2. An annual delivery plan which clearly identifies priorities to address any gaps, or coming statutory needs, will be developed and delivered by the Emergency Management Service, to ensure compliance and maintenance of our ability to effectively respond and protect the organisation and communities .
3. Maintain and review on an annual basis all subordinate plans, including Mass Fatalities, Flood, Offsite COMAH Plan, Rest Centre Plan. with exercising as appropriate
4. Deliver a duty officer rota to effectively respond to emergencies available 24 hours per day, 365 days per year, this will be shared with all key external and internal partners including CMT to ensure a timely response can be acheived.
 5. Annually review all identified risks, with relevant partner agencies that are present within the borders of Swansea Council to ensure control measures remain relevant and proportionate.
6. Ensure that all HoS review their business continuity Plans on an annual basis, with a confirmation provided to ensure governance is in-place via reporting to CMT for compliance..
7. Review each year for all significant risks the Emergency Management Service (EMS) guidance, procedures and action cards.
8. Arrange for appropriate Strategic & Tactical Officer to be delivered by SWLRF, to ensure ongoing competence within key officers, this will be augmented by internal training and exercise participation to protect the organisation, and maintain our ability to respond.

Current Impact :   3 - Medium
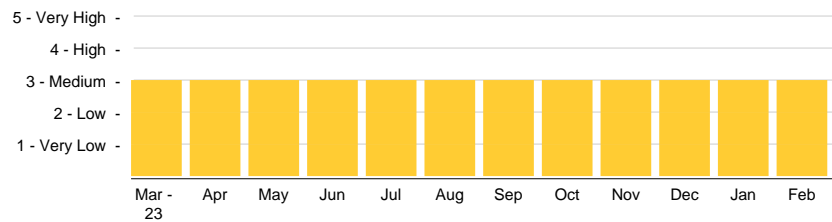
Current Likelihood :   3 - Medium
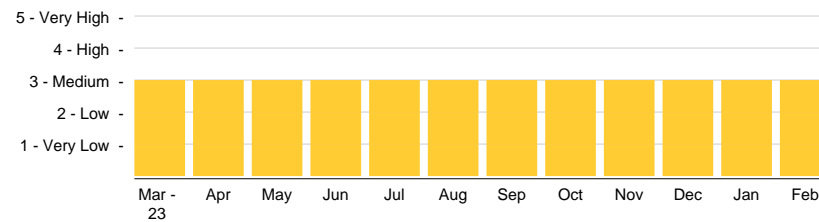
Risk on a Page

Risk Title : Health & Safety

Risk ID : 236

Description : If the Authority does not have a robust framework of Health & Safety Policies and procedures that are reviewed regularly, or in the event of significant change, it may lead to legal non-compliance, the realisation of adverse events including reputational damage, injury, financial loss and litigation by regulators.

Risk Level : Corporate

Responsible Officer : Ness.Young

Councillor : David Hopkins

Inherent Risk : `25`

Last Update : 26/02/2024

Historical RAG :

Mar-23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb-24
8	8	8	8	8	8	8	8	8	8	8	8

Current Control Measures	Last Update	Risk Response	Projected Completion
1. The Authority is required by law to Have a Corporate H&S Policy and arrangements in-place, signed by the Chief Executive & Leader. This will be reviewed under full consultation with the organisation and TU's on a 3 yearly cycle, significant statute change or on the appointment of a new CX or Leader, this will be communicated to the organisation via H&S Alert, and published on Staffnet. 2. A copy of the Corporate H&S Policy will be provided by HR to all new starters prior to commencement of employment, and be covered during induction, and completion of Mandatory H&S training to meet legal compliance, clarify roles and responsibilities and avoid accidents, ill health, reputational damage and the potential for legal/financial penalties. 3. Each Director or their delegated HoS is responsible for ensuring a minimum of a Bi-annual H&S Committee, this will receive all minutes of lower level H&S Groups, statistics and information from the CHSEMWS, including any regulatory activity from the HSE/M&WWFRS and agree action to resolve any unaddressed risks, with an agreed timeframe for completion.	26/02/2024	Treat	31/03/2024
To ensure the Authority meets it's legal responsibilities the following will be implemented and monitored. 1. Review the statutory Corporate H&S Policy and arrangements under full consultation with the organisation and TU's on a 3 yearly cycle, or when there is significant statute change or on the appointment of a new CX or Leader. Communicate changes to the Corporate H&S Policy to the organisation via H&S Alert and published on Staffnet. 2. HR to provide a copy of the Corporate H&S Policy to all new starters prior to commencement of employment, and be covered during induction, and completion of Mandatory H&S training to meet legal compliance, clarify roles and responsibilities and avoid accidents, ill health, reputational damage and the potential for legal/financial penalties. 3. Each Director or their delegated HoS to ensure a minimum of a Bi-annual H&S Committee, which will receive all minutes of lower level H&S Groups, statistics and information from the CHSEMWS, including any regulatory activity from the HSE/M&WWFRS and agree actions to resolve any unaddressed risks, with an agreed timeframe for completion. 4. Review all H&S policies and guidance under full consultation every 3 years, in the case of significant	18/01/2024	Tolerate	31/03/2024

change through legislation or if an adverse incident identifies the need for review. Monitor and report as part of the Corporate HSW action plan, which will be updated on-line quarterly, with reports on progress submitted to each Directors H&S committee with a formal update on an annual basis to CMT.

5. Publish a Health, Safety & Wellbeing Action plan on a rolling 2-year basis, which will be ratified by the CX. This will set out its priorities, setting clear targets for actions such as training and development to maintain competence, improvements and KPI's. This will be monitored by the CHSEMWS Manager with non-compliance or areas of concern escalated to CMT who will receive an annual update.

6. A planned schedule of H&S Audits and Inspections, including Fire Safety will be carried out across the authority based on Risk. This will result in a report submitted to the manager/HoS identifying best practise and any areas for improvement, including action plans where required. This will be monitored by the CHSEMWS Manager and fed into the Departmental H&S & Directors H&S Committees to ensure action.

7. An annual programme of H&S training will be delivered to ensure staff are trained, and to maintain competence as a legal requirement all Health, Safety & Wellbeing Training delivered by the service will be corporately. All HoS are required to annually review mandatory, statutory and role specific training for their areas, and ensure all locally arranged and delivered training is recorded.

8. All accidents/near misses will be reported to the CHSEMWS, with initial investigation by the service area. All RIDDOR reportable incidents will be reported to HSE, investigated, with a formal accident report and action plan as required. This information will be provided to H&S committees to prevent reoccurrence which could lead to injury, loss and legal penalties. An annual accident report complete with trend analysis will be submitted to CMT, with any identified gaps (i.e. Training agreed as priority areas for development in the following year, or sooner if required).

Current Impact :   4 - High
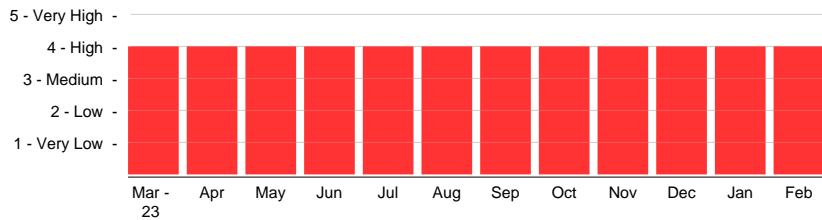
Current Likelihood :   2 - Low
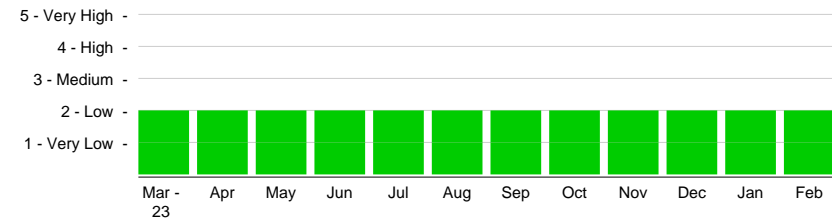
Risk on a Page

Risk Title :	Workforce recruitment and retention

Risk ID : 335

Description : If the Council is not able to recruit and retain the right staff, then there may be reduced workforce capacity and capability, leading to lower staff morale and productivity, poor work quality, increased staff costs and reduced staff well-being / higher sickness rates.

Risk Level : Corporate

Responsible Officer : Rachael.Davies

Councillor : David Hopkins

Inherent Risk : 12

Last Update : 26/02/2024

Historical RAG :

Mar-23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb-24
6	6	6	6	6	6	6	6		6	6	6

Current Control Measures	Last Update	Risk Response	Projected Completion
Workforce planning template for 24/25 to be populated by service areas and HRBP's to include hard to recruit posts in order to generate full picture with accuracy for CMT reporting where appropriate	26/02/2024	Treat	01/06/2024
Review the existing recruitment policy and assess weaknesses in application processes and selection processes for improvement to ensure the most appropriate application and selection techniques are being used to hire talent into the organisation.	26/02/2024	Treat	01/10/2024
Quarterly reporting provided to Directorates for PFM to highlight areas of concern and consider targeted approaches accordingly.	26/02/2024	Treat	01/10/2024
Workforce and OD Transformation Programme board to escalate recruitment and selection as key priority in 24/25 and allocate projects under the 'Employer of Choice' theme accordingly in order to conclude work in this area during the 24/25 year.	26/02/2024	Treat	01/06/2024

Current Impact : 3 - Medium

Current Likelihood : 2 - Low
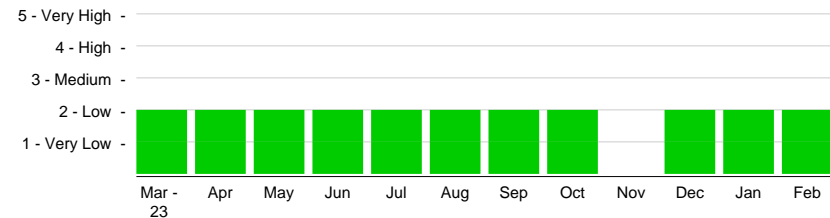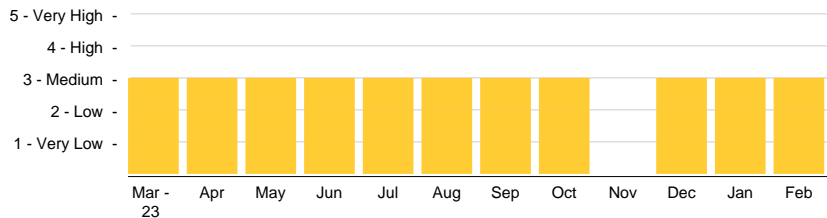
Risk on a Page

Risk Title : Mandatory training

Risk ID : 336

Description : If the Council does not implement, monitor and ensure the completion of mandatory training, then the Council may not fulfil its statutory and regulatory obligations or ensure the safe and effective operation and delivery of services.

Risk Level : Corporate

Responsible Officer : Ness.Young

Councillor : David Hopkins

Inherent Risk : **12**

Last Update : 26/02/2024

Historical RAG :

Mar-23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb-24
6	6	6	6	6	4	4	4		4	4	4

Current Control Measures	Last Update	Risk Response	Projected Completion
PFM reporting to include data on mandatory training and completion rates from April 2024. Once scheduled and running, risk can be de-escalated as reporting risk will have been resolved.	26/02/2024	Treat	01/05/2024

Current Impact : 2 - Low

Current Likelihood : 2 - Low
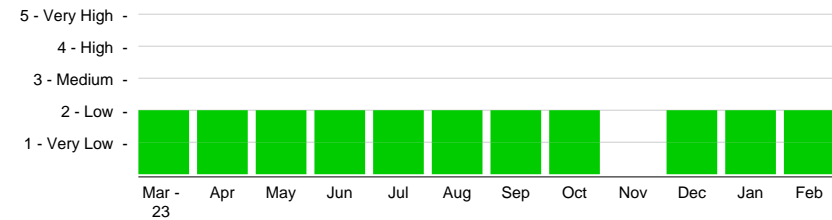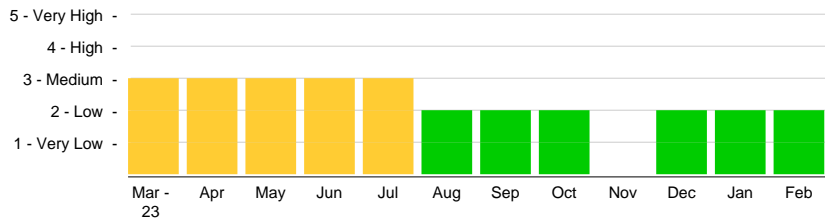
Risk on a Page

Risk Title : Successful and Sustainable Swansea Corporate Transformation Plan

Risk ID : 350

Description : If the council does not successfully deliver the Successful and Sustainable Swansea Corporate Transformation Plan it will struggle to deliver its wellbeing objectives and to respond effectively to the external challenges it is facing up to 2028.

Risk Level : Corporate

Responsible Officer : Ness.Young

Councillor : Andrea Lewis

Inherent Risk : 12

Last Update : 15/02/2024

Historical RAG :

Mar-23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb-24
		8	8	8	8	8	8		8	8	8

Current Control Measures	Last Update	Risk Response	Projected Completion
Implement suggestions contained in Audit Wales letter to the Chief Executive (October 2023) on the progress the Council is making around its Transformation Programme	11/01/2024	Treat	30/04/2024
Transformation Delivery Board to receive quarterly progress reports on all programmes within the CTP to monitor progress and address any performance issues should they arise.	18/05/2023	Treat	31/03/2024
Ensure effective governance arrangements are in place and maintained to oversee implementation of the CTP and undertake annual review of arrangements in March each year to ensure ongoing suitability.	18/05/2023	Treat	31/03/2024

Current Impact : 4 - High

Current Likelihood : 2 - Low
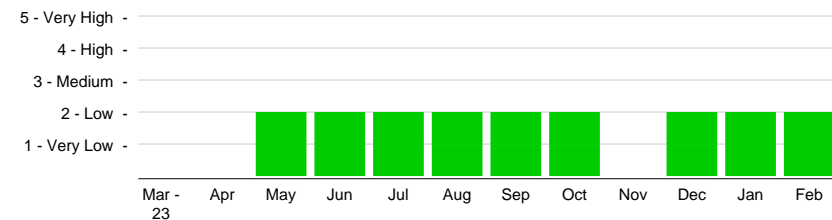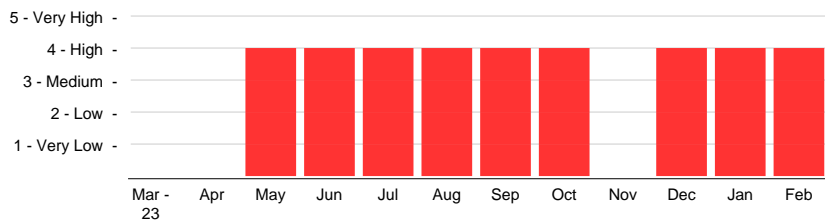
Risk on a Page

Risk Title : Successful delivery of the payroll function

Risk ID : 367

Description : The Payroll service needs to provide an accurate and timely payroll provision to all employees, elected members and pensioners in addition to ensuring compliant reporting to statutory bodies including HMRC, pension funds, WG and others. Systems issues in Oracle Fusion with interfaces is causing instability and uncertainty when running monthly payroll.

Risk Level : Corporate

Responsible Officer : Rachael.Davies

Councillor : David Hopkins

Inherent Risk : 12

Last Update : 29/02/2024

Historical RAG :

	Mar-23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb-24
								12		4	4	12
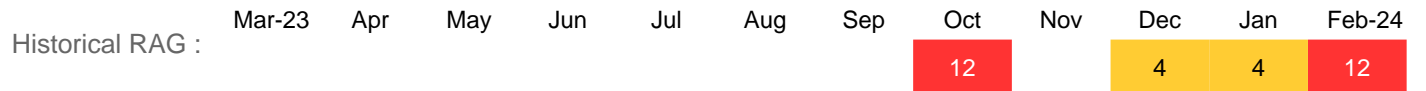
Current Control Measures	Last Update	Risk Response	Projected Completion
Payroll and Finance teams to provide resource for appropriate testing of permanent fix once available from third party support provider to ensure implementation as soon as possible.	29/02/2024	Treat	01/06/2024
Third party support provider to start work on producing permanent fix to interface failure immediately i.e. 1st March 2024.	29/02/2024	Treat	01/06/2024

Current Impact : 4 - High

Current Likelihood : 3 - Medium

Business Risk		Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance							Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
						Level 1	Level 2			Level 3					
							Other *Internal* Assurance			Other *Independent* Assurance					
						Management Assurance	Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit			
Risk ID 175 **Risk Title** Freedom of Information and Subject Access Requests **Risk Level** Corporate	IF we repeatedly fail to respond to FOIs and SARs and requests for erasure of personal data within the statutory timescales THEN we risk the number of overdue requests leading to an Enforcement Notice from the ICO requiring us to deal with the backlog and improve performance.	Medium	High	Red	Tracey Meredith / Kim Collis	> FOI and other information requests are all logged centrally and dispersed to a network of FOI officers embedded in different service units across the authority. Every service unit has an FOI officer. The workflow process for information requests is manual but will be automated. GOSS software has been purchased. Further improvements to the process are listed in 'Progress to Date' >Purchase and implement new workflow process software				>Internal audit of FOI / SAR / EIS on rolling audit cycle					Service Specific Assurance / Cross Cutting

Business Risk	Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance							Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
					Level 1	Level 2			Level 3					
					Management Assurance	Other *Internal* Assurance			Other *Independent* Assurance					
						Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit			
Risk ID 222 **Risk Title** Digital, data and digital security **Risk Level** Corporate	Very High	Medium	Red	Sarah Lackenby / Jo Harley	>Communication to users to keep up awareness >Constant monitoring and surveillance of cyber risks by Security Office using system and tools in place. Situation reported monthly to Digital Services Board and Information Governance Board chaired by SIRO >DR test training completed for Digital Services team. >Simulated test of a cyber attack. Training to be provided to HoS and CMT >Simulated cyber-attacks on staff carried out periodically to measure their actions, identify weaknesses and improve knowledge >Cyber security guidance and cyber scams staffnet page >Cyber security strategy in place >Digital services continually working with internal audit and emergency planning to further improve the ICT disaster recovery plan >LRF Cyber exercise >SIRO training			>Member of the Cyber Security Information Sharing Partnership which is a joint industry and government initiative to exchange cyber threat information >Part of Wales Warning Advice and Reporting Point to share cyber threats and defences with other public bodies >New regional multi-agency cyber cell meetings being attended to share intelligence and actions >PSN Certification Achieved >Cyber essential accreditation achieved >Member of Wales WARP & CISP sharing knowledge of threats.	>Various IT / System audits in Audit Plan. >GDPR audits.	>Public Services Network (PSN) compliance certificate – tested annually.	>WAO review undertake an IT audit each year as part of reviewing financial accounts >WAO undertook an all Wales review last year and the findings were shared in closed sessions with G&AC and Cabinet / CMT	>Range of IT audits in the plan to be completed as part of the rolling audit schedule.	>IT audits included in the 2024/25 plan as per the rolling programme and additional ICT reviews as a result of the annual consultation exercise and review of risk registers.	Service Specific – Digital & Customer Services and IT Audits – Transformation and Future Council

Description: If the council does not have robust cyber, data and digital security measures and systems and behaviours in place, embedded and working as best as they can be then it will not be protected from cyber threats, disruption to service delivery, possible loss of information including confidential information and associated fines and reputational damage.

Business Risk	Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance								Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
					Level 1	Level 2			Level 3						
						Other *Internal* Assurance			Other *Independent* Assurance						
					Management Assurance	Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit				
					>Comms. Issued to staff and members detailing impact of cyber attack at other councils. >Software purchased to protect against malware attacks >More use of secure cloud storage.			>Discussed at IG Board – standing agenda item							

Business Risk		Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance							Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
						Level 1	Level 2			Level 3					
							Other *Internal* Assurance			Other *Independent* Assurance					
						Management Assurance	Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit			
Risk ID 235 **Risk Title** Emergency Planning, Resilience and Business Continuity **Risk Level** Corporate	If we do not have sufficient emergency planning, resilience and business continuity arrangements in place, then we will not be able to respond effectively in an emergency, provide the necessary civic leadership or continue to run vital services and ensure compliance with the legal requirements of the Civic Contingencies Act 2004 as a Category 1 Responder, which may lead to reputational damage, a loss of political and community confidence, increased potential for loss of life, prolonged	Medium	Medium	Amber	Ness Young / Craig Gimblett	As a Category 1 responder under the Civil Contingencies Act, Swansea Council has a legal requirement to plan for and respond to emergencies, to do this the following will be maintained and monitored by the CHSEMWS manager, with any gap or area of concern escalated to the CX. >The authorities Major Incident Plan will be reviewed annually, and tested on a 3 yearly basis unless activated, after which a review of the response will be provided to CMT, including any areas for improvement or additional resources needed to ensure we meet all legal obligations and can effectively respond to an emergency. >An annual delivery plan which clearly identifies priorities to address any gaps, or coming statutory needs, will be developed and delivered by the Emergency Management Service,	>EMS Manager briefs leader/cabinet as required. .>CMT receives regular updates on key planning and agreement as required from EMS manager. >EMS manager meets monthly with the portfolio holder for political oversight and visibility. EMS Manager represents Swansea Council at Strategic level within SWLRF and Pan Wales Forums.	>EMS have been called to several Scrutiny panels, with none currently in the calendar.	>Multi agency exercising and training >Internal development/ training of new officers including newly created assistants post. >Joint work programs and information sharing with Welsh Civil Contingencies managers and South Wales Resilience Team. >Service Manager part of the National and Regional PSPG group and CONTEST Group with local PSPG arrangements in-place. >EMS is embedded within the SWLRF at Executive, Strategic and Tactical levels BC plans in- place with each HoS.	>EMS were audited in Nov 22 with an outcome of High assurance rating.	>EMS have been part of the consultatio n group for Welsh Governme nts Civil Contingen cies review this will lead to independe nt external audit of Civil Contingen cies when final structures are establishe d in 2023. > The Protect Act, which places responsibil ity for CT planning based on organisati onal risk, as part of this a new Regulator will be appointed to enforce complianc e/breache s and audit	>Independe nt external Audits will by conducted through Welsh Government and the new regulator appointed to enforce the Protect Duty in 2023/24 to establish maturity and mitigation.	>Standard audits in the plan cover this area on rolling basis.	>Audits in the plan to be completed in as part of the rolling programm e include disaster recovery & Business Continuity, Emergenc y Planning & Business Continuity	Service Specific Audits – Communications / ICT / Council wide assurance

Business Risk	Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance							Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
					Level 1	Level 2			Level 3					
						Other *Internal* Assurance			Other *Independent* Assurance					
					Management Assurance	Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit			
recovery following a major/business continuity incident which will deny service to the public and increase operating costs.					to ensure compliance and maintenance of our ability to effectively respond and protect the organisation and communities . >Maintain and review on an annual basis all subordinate plans, including Mass Fatalities, Flood, Offsite COMAH Plan, Rest Centre Plan. with exercising as appropriate >Deliver a duty officer rota to effectively respond to emergencies available 24 hours per day, 365 days per year, this will be shared with all key external and internal partners including CMT to ensure a timely response can be acheived. >Annually review all identified risks, with relevant partner agencies that are present within the borders of Swansea Council to ensure control measures remain relevant and proportionate. >Ensure that all HoS review their business			>Plans and Action cards reviewed annually and EMS audited in 2022. >Collaborative working with SWP on call out protocols in-place and reviewed. >ACT App and free training promoted across Authority. Local Partner CT comms strategy and alerts system established.		arrangeme nts.				

Business Risk	Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance								Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
					Level 1		Level 2				Level 3					
					Management Assurance		Other *Internal* Assurance				Other *Independent* Assurance					
							Council/ Cabinet	Scrutiny	Other		Internal Audit	Other Bodies	External Audit			
					continuity Plans on an annual basis, with a confirmation provided to ensure governance is in-place via reporting to CMT for compliance.. >Review each year for all significant risks the Emergency Management Service (EMS) guidance, procedures and action cards. >Arrange for appropriate Strategic & Tactical Officer to be delivered by SWLRF, to ensure ongoing competence within key officers, this will be augmented by internal training and exercise participation to protect the organisation, and maintain our ability to respond											

Business Risk		Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance							Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
						Level 1	Level 2			Level 3					
							Other *Internal* Assurance			Other *Independent* Assurance					
						Management Assurance	Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit			
Risk ID 236 **Risk Title** Health & Safety **Risk Level** Corporate	If the Authority does not have a robust framework of Health & Safety Policies and procedures that are reviewed regularly, or in the event of significant change, it may lead to legal non-compliance, the realisation of adverse events including reputational damage, injury, financial loss and litigation by regulators.	High	Low	Amber	Ness Young / Craig Gimblett	To ensure the Authority meets it's legal responsibilities the following will be implemented and monitored. >Review the statutory Corporate H&S Policy and arrangements under full consultation with the organisation and TU's on a 3 yearly cycle, or when there is significant statute change or on the appointment of a new CX or Leader. Communicate changes to the Corporate H&S Policy to the organisation via H&S Alert and published on Staffnet. >HR to provide a copy of the Corporate H&S Policy to all new starters prior to commencement of employment, and be covered during induction, and completion of Mandatory H&S training to meet legal compliance, clarify roles and responsibilities and avoid accidents, ill health, reputational damage and the potential for legal/financial penalties.	>H&S Manager provides regular updates, reports, presentations, and statistics. to CMT. >H&S Manager meets monthly with portfolio holder to provide briefing and political oversight and awareness. >Accident Statistics and investigations finding provided to all H&S Committees' and sub groups.	>H&S Manager has provided updates to numerous scrutiny panels, none currently in diary. >Service has been fully audited internally in 2019.	>Member of British Association of Counsellors and Psychotherapists (Bacp). >Directors H&S Committees & Sub Safety Groups >Increased accessibility to H&S training via teams and online. >Policy development and review plan in-place under full consultation. >Officer representation at trade union meetings. >Additional resources placed in Occupational Health (31/03/230 & Stress Management and Counselling, with extension of Psychological Support project until 31/03/23	>H&S Audit Plan	> H&S Manager represents Swansea on a Pan Wales/regional basis as part of the Managers forum to share best practise and coproduce where appropriate.		>Standard audits in the plan already cover this area.	>Health, Saftey & Wellbeing audit completed in 22/23 on the rolling programme	Service Specific Audits – Communications / ICT / Council wide assurance

Business Risk	Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance							Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
					Level 1	Level 2			Level 3					
					Management Assurance	Other *Internal* Assurance			Other *Independent* Assurance					
						Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit			
					>Each Director or their delegated HoS to ensure a minimum of a Bi-annual H&S Committee, which will receive all minutes of lower level H&S Groups, statistics and information from the CHSEMWS, including any regulatory activity from the HSE/M&WWFRS and agree actions to resolve any unaddressed risks, with an agreed timeframe for completion. >Review all H&S policies and guidance under full consultation every 3 years, in the case of significant change through legislation or if an adverse incident identifies the need for review. Monitor and report as part of the Corporate HSW action plan, which will be updated on-line quarterly, with reports on progress submitted to each Directors H&S committee with a formal update on an annual basis to CMT. >Publish a Health, Safety & Wellbeing Action plan on a rolling			> New CORITY OH management software management package due for implementation March 2023. > SEQOHS accreditation submission and assessment due March 2023. > Application for evaluation for Welsh Government Gold Corporate Health Standard October 2023.					

Business Risk	Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance							Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
					Level 1	**Level 2**			**Level 3**					
						Other _Internal_ Assurance			**Other _Independent_ Assurance**					
					Management Assurance	Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit			
				2-year basis, which will be ratified by the CX. This will set out its priorities, setting clear targets for actions such as training and development to maintain competence, improvements and KPI's. This will be monitored by the CHSEMWS Manager with non-compliance or areas of concern escalated to CMT who will receive an annual update. >A planned schedule of H&S Audits and Inspections, including Fire Safety will be carried out across the authority based on Risk. This will result in a report submitted to the manager/HoS identifying best practise and any areas for improvement, including action plans where required. This will be monitored by the CHSEMWS Manager and fed into the Departmental H&S & Directors H&S Committees to ensure action. >An annual programme of H&S training will be delivered to ensure									

Business Risk	Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance							Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
					Level 1	**Level 2**			**Level 3**					
					Management Assurance	**Other _Internal_ Assurance**			**Other _Independent_ Assurance**					
						Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit			
					staff are trained, and to maintain competence as a legal requirement all Health, Safety & Wellbeing Training delivered by the service will be corporately. All HoS are required to annually review mandatory, statutory and role specific training for their 23/11/2023 Tolerate 31/03/2024 Current Control Measures Last Update Projected Risk Response Completion areas, and ensure all locally arranged and delivered training is recorded. >All accidents/near misses will be reported to the CHSEMWS, with initial investigation by the service area. All RIDDOR reportable incidents will be reported to HSE, investigated, with a formal accident report and action plan as required. This information will be provided to H&S committees to prevent reoccurrence which could lead to injury, loss and legal penalties. An annual									

Business Risk	Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance								Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
					Level 1	**Level 2**			**Level 3**						
						Other _Internal_ Assurance			**Other _Independent_ Assurance**						
					Management Assurance	Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit				
					accident report complete with trend analysis will be submitted to CMT, with any identified gaps (i.e. Training agreed as priority areas for development in the following year, or sooner if required). >The Authority is required by law to Have a Corporate H&S Policy and arrangements in-place, signed by the Chief Executive & Leader. This will be reviewed under full consultation with the organisation and TU's on a 3 yearly cycle, significant statute change or on the appointment of a new CX or Leader, this will be communicated to the organisation via H&S Alert, and published on Staffnet. > A copy of the Corporate H&S Policy will be provided by HR to all new starters prior to commencement of employment, and be covered during induction, and completion of Mandatory H&S training to meet legal compliance, clarify roles and responsibilities and									

Business Risk		Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance							Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
						Level 1	Level 2			Level 3					
							Other *Internal* Assurance			Other *Independent* Assurance					
						Management Assurance	Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit			
						avoid accidents, ill health, reputational damage and the potential for legal/financial penalties. > Each Director or their delegated HoS is responsible for ensuring a minimum of a Bi-annual H&S Committee, this will receive all minutes of lower level H&S Groups, statistics and information from the CHSEMWS, including any regulatory activity from the HSE/M&								
Risk ID 335 **Risk Title** Workforce recruitment and retention **Risk Level** Corporate	If the Council is not able to recruit and retain the right staff, then there may be reduced workforce capacity and capability, leading to lower staff morale and productivity, poor work quality, increased staff costs and reduced staff well-being / higher sickness rates.	Medium	Low	Amber	Rachael Davies / Rachael Davies	>Review the existing recruitment policy and assess weaknesses in application processes and selection processes for improvement by April 2023, to ensure the most appropriate application and selection techniques are being used to hire talent into the organisation. >Quarterly reporting provided to Directorates for PFM to highlight areas of concern and consider targeted approaches accordingly	>Cabinet Member briefings, Cabinet reports where applicable	>Regular reporting to Scrutiny Working Group - Regular reporting to Organisational Development CDC	>Quarterly reporting provided to Directorates for PFM to highlight areas of concern and consider targeted approaches accordingly. Quarterly reporting to Workforce Transformation Programme Board	>Internal audit of recruitment procedures			>Standard rolling audit schedule, repeated based on audit risk score.	>Audits included on rolling programme in HR & OD / Service Centre. Includes Recruitment and Staff Contracts	Service Specific Audits – HR & OD, Service Centre /

Business Risk		Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance							Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
						Level 1	Level 2			Level 3					
							Other *Internal* Assurance			Other *Independent* Assurance					
						Management Assurance	Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit			
Risk ID 336 **Risk Title** Mandatory Training **Risk Level** Corporate	If the Council does not implement, monitor and ensure the completion of mandatory training, then the Council may not fulfil its statutory and regulatory obligations or ensure the safe and effective operation and delivery of services.	Low	Low	**Amber**	Ness Young / Rachael Davies	>Regular Quarterly and annual reports to CMT on compliance levels by Directorate.	>Cabinet Member briefings, Cabinet reports where applicable	>Scrutiny Panels in place to scrutinise Social Services Work and Performance, of which safeguarding training is included; Scrutiny Working Group – Workforce in place	>Mandatory Corporate Training available for all Staff and Members. Reports to CMT on progress and actions required	>Internal Audit of mandatory training compliance Governance and Audit Committee reporting	>HSE where applicable CIW/EWC where applicable		>Standard rolling audit schedule, repeated based on audit risk score.	>Safeguarding cross cutting audit is included in rolling programme >Corporate Learning & Development team audit due for 2024/25 following Fusion implementation linked to training records	Service Specific Audits – HR & OD, Service Centre /

Business Risk		Current Impact	Current Likelihood	Overall RAG Status	Risk Owner / Updater	Level and Source of Assurance							Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area
						Level 1	Level 2			Level 3					
							Other *Internal* Assurance			Other *Independent* Assurance					
						Management Assurance	Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies	External Audit			
Risk ID 350 **Risk Title** Successful and Sustainable Swansea Corporate Transformation Plan **Risk Level** Corporate	If the council does not successfully deliver the Successful and Sustainable Swansea Corporate Transformation Plan it will struggle to deliver its wellbeing objectives and to respond effectively to the external challenges it is facing up to 2028.	High	Low	Amber	Ness Young / Ness Young	> Transformation Delivery Board to receive quarterly progress reports on all programmes within the CTP to monitor progress and address any performance issues should they arise. > Ensure effective governance arrangements are in place and maintained to oversee implementation of the CTP and undertake annual review of arrangements in March each year to ensure ongoing suitability.									Cross Cutting Audits/Miscellaneous – Council

Page 102

Last Updated: 08/02/24

City and County of Swansea Council
Annual Audit Summary 2023

This is our audit summary for the City and County of Swansea Council. It shows the work completed since the last Annual Audit Summary, which was issued in April 2023. Our audit summary forms part of the Auditor General for Wales' duties.

More information about these duties can be found on our website.

About the Council

Some of the services the Council provides

Key facts

The Council is made up of 75 councillors who represent the following political parties:

- Labour 45
  - Labour 43
  - Labour and Cooperative Party 2
- Liberal Democrat 11
- Independents 11
  - Independent 5
  - Uplands 4
  - Independents@Swansea 2
- Conservative 7
- Green 1

The Council spent £654 million on providing services[1] during 2022-23[2].

---

[1] We define spending on services as the cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest.

[2] Source: 2022-23 Statement of Accounts

Key facts

As at 31 March 2023, the Council had £174.4 million of useable financial reserves[3]. This is equivalent to 31% of the Council's annual spending on services[4].

Swansea has 11% of its 148 areas considered to be within the most-deprived 10% of areas in Wales, this is the eighth highest of the 22 unitary councils in Wales[5].

The population of Swansea is projected to increase by 6% between 2023 and 2043 from 250,000 to 264,900, including a 2% increase in the number of children, a 3% increase in the number of the working-age population and a 17% increase in the number of people aged 65 and over[6].

The Auditor General's duties

We completed work during 2022-23 to meet the following duties

- **Audit of Accounts**

  Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.

- **Value for money**

  The Auditor General examines whether the Council has put in place arrangements to get value for money for the resources it uses, and he has to be satisfied that it has done this.

- **Sustainable development principle**

  Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

[3] We define useable financial reserves as reserves usable for revenue costs, where the purpose is not protected by law. This is the total of the general fund, earmarked reserves, and schools' balances. It excludes Housing Revenue Account reserves, capital receipts and capital grants unapplied.

[4] Source: 2022-23 Statement of Accounts

[5] An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

[6] Source: Stats Wales, Population Projections

What we found

Audit of the City and County of Swansea Council's 2022-23 Accounts

Each year we audit the Council's financial statements.

To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.

For 2022-23:

- the draft statements were presented for audit on 27 October 2023. This was after the deadline of 31 July 2023 set by the Welsh Government. This is the second year in succession that the Council has not met the timescales set by the Welsh Government for the preparation of their annual accounts.

- the quality of the draft statements presented for audit was generally good.

- the Auditor General gave an unqualified true and fair opinion on the Authority's financial statements on 25 March 2024.

- the Authority's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Authority and with our knowledge of the Authority.

- a number of changes were made to the Authority's financial statements arising from our audit work, which were reported to the Governance and Audit Committee in our Audit of Financial Statements Report on 14 March 2024.

- the Auditor General issued the Certificate confirming that the audit of accounts for 2022-23 has been completed on 25 March 2024.

- in addition to the Auditor General's responsibilities for auditing the Authority's financial statements, he also has responsibility for the certification of a number of grant claims and returns. Our work to date has not identified any significant issues but is ongoing.

Assurance and risk assessment review

We reviewed the arrangements the Council has put in place to secure value for money in the use of its resources. We produced the following reports from our assurance and risk assessment work:

- <u>Setting of well-being objectives</u> – we looked at the Council's approach to setting its well-being objectives. We found that the Council has applied the Sustainable Development Principle in setting its well-being objectives. Embedding its approach to engagement and performance monitoring will further strengthen this.

- <u>Use of performance information – service user perspective and outcomes</u> – we looked at the service user perspective and outcome data provided to members and senior officers, and how this information is used. We found that performance information provided to senior leaders to enable them to understand the service user perspective and the outcomes of the Council's activities is limited.

Update on the progress the Council is making around its Transformation Programme (October 2023)

We examined whether the Council is effectively planning and monitoring its approach to its organisational transformation programme and the delivery of associated savings. <u>We found that</u> whilst many aspects of the Council's strategic approach to planning, monitoring, and delivering its new Transformation Programme are well defined, some key arrangements could be strengthened to enable the Transformation Programme to adapt to the ongoing financial pressures and achieve its ambitions.

Digital Strategy (November 2023)

We examined the Council's strategic approach to digital, and specifically 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 the Council's resources. <u>We found that</u> the Council has a clear vision for its approach to digital and is developing comprehensive arrangements to support the delivery and monitoring of its digital strategy.

Springing Forward – Workforce (December 2023)

We examined the Council's arrangements for managing its workforce. We looked at whether the Council's strategic approach to its workforce is effectively helping the Council to strengthen its ability to transform, adapt and maintain the delivery of its services in the short and longer term. <u>We found that</u> the Council has a clear vision for its workforce, strengthened by its work with partners, but has not identified the resources required to deliver its strategy.

Springing Forward – Assets (March 2024)

We examined the Council's arrangements for managing its strategic assets. We looked at how the Council strategically plans to use its assets, how it monitors their use and how it reviews and evaluates the effectiveness of its arrangements. <u>We found that</u> the Council is using its assets to deliver its strategic objectives but could improve its understanding of asset conditions and risks.

Other inspectorates

We also took into account the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response.

Ongoing work

We also looked at the key challenges and opportunities facing the Council. These could have an effect on the Council's ability to meet its legal obligations in relation to the sustainable development principle and the use of its resources.

Our ongoing work for 2023-24 includes:

- Assurance and risk assessment
- Thematic review – Financial sustainability
- Thematic review – Commissioning
- Unscheduled Care (2022-23 audit work). Report being finalised.

Report of the Director of Corporate Services

Governance and Audit Committee - 10 April 2024

Absence Management & Employment of Agency Workers Audits - Update Report

Purpose:	To provide an update on the Absence Management and Employment of Agency Workers audit reports since October 2023
Report Authors:	Rachael Davies
Finance Officer:	Jeff Dong
Legal Officer:	Debbie Smith
Access to Services Officer:	N/A
For Information	

1. Introduction

1.1 The Internal Audit Service (IAS) reviewed the Council's Absence Management arrangements in 2020, giving a moderate assurance level. An action plan was developed to address the issues identified in the 2020 report and all the recommendations have been implemented. A further audit is currently being undertaken, but the outcome will not be known until after the April Governance and Audit Committee meeting.

1.2 In 2021-22 the IAS reviewed the Council's arrangements for the employment of agency workers and gave an assurance level of substantial.

1.3 The Governance and Audit Committee has requested an update on the Council's sickness absence arrangements and employment of agency workers and this report fulfils that request. In addition, the Committee asked for information on:

- Time lost due to accidents at work (paragraph 2.1 and Table 1)
- The shortages of Occupational Health staff nationally (paragraph 5.1)
- Provision of details of agency workers employed for more than 12 months (para 7.3 and Table 3)

- The cost of employing agency workers in previous years (para 6.1)

2. Time Lost to Industrial Injury

2.1 Table 1 shows that so far in this financial year the Council has lost 3,239 days due to industrial injury, which is 0.2% of the total number of days available to work across the Council's workforce.

Table 1: 2023-24 Days Lost to Industrial Injury as at 29 February 2024

Service Area	Days lost
Revenues and Benefits	142
Building Services	251
Highways and Transportation	467.5
Housing and Public Health	198
Planning and Regeneration	32
Property Services	48
Waste, Parks, and Cleansing	1,218
Education Resources & Planning	142
Education Vulnerable Learners	171
Adult Services & Tackling Poverty	372.5
Child and Family Services	197
Total	**3,239**

3. Sickness data

3.1 The historical trend in terms of the Key Performance Indicator (KPI) for sickness absence was included in the October 2023 update to the Committee. The outturn for 2023-24 will not be known until after the end of the financial year but is anticipated to be in the same region as the 2022-23 outturn of 12.28 days per Full Time Equivalent (FTE).

3.2 The 2023-24 KPI figure is for the organisation to have an average of no more than 10 days of sickness absence per FTE. As at the end of February that figure stood at 11.49 dates as shown in Table 2 below.

Table 2: Sickness Days lost by Directorate as at 29 February 2024

Directorate	Days lost per FTE
Corporate Services	4.98
Finance	7.4
Education	14.42
Place	9.46
Social Services	15.12
Total	**11.49**

3.3 The directorates with higher levels of absence have a greater proportion of employees who carry out job roles with working environments that are more likely to incur sickness absence. In the Education Directorate the days lost figure is predominantly caused by the catering and cleaning workforce, whilst in Social Services higher levels of absence are incurred from the residential care workforce. Similarly, those employees in Waste, Parks and Cleansing are more likely to be absent from work than colleagues in other service areas in the Place directorate. Where the physical demands or working conditions of job roles are different from office based job roles, it is foreseeable that sickness absence is likely to be experienced to a greater degree.

3.4 At this point in the year sickness is following the same trend as in 2022-23 (i.e., the majority of sickness is long term (more than 28 calendar days) and stress, musculoskeletal and Covid are the top three reasons for absence).

4.   Review of Sickness Absence Management

4.1 During 2023-24, the Corporate Management Team (CMT) commissioned an internal review into the effectiveness and value for money of the Council's sickness absence management and occupational health arrangements, and to make recommendations for improvement.

4.2 The review focused on the policy approach, impact of short-term trigger breaches (where disciplinary sanctions are applied on the basis of attendance levels), long term absence interventions and the existing occupational health service. The effectiveness of the Management of Absence Advisors, in supporting directorates to improve levels of attendance, was also considered.

4.3 The review concluded in October 2023 and the findings were presented to CMT before a discussion at Leadership Group in November 2023. Following these sessions discussion was held with the Trade Unions on the review to gain their insight into potential improvements.

4.4 Alternatives to the current policy approach were discussed with all stakeholder groups. These alternatives include focusing on wellness in work and retaining staff in work before they need to take sickness absence, identifying the need to address stress as the top strategic priority, and refocusing the work that Management of Attendance Advisors provide to encourage greater cultural change in supporting wellness.

4.5 Leadership Group met again in March 2024 to consider suggested principles for change with the policy approach and consensus was apparent with a new way forward. Taking action to review and revise the trigger process, considering annual sickness reviews, reshaping the occupational health referral process, and giving clear parameters for managing long term absence are some of the likely areas for change as we go through the co-production process with trade union representatives.

4.6   Next steps will be to:

- Start co-production of a revised policy in social partnership with the trade unions
- Consult Occupational Health colleagues on proposed new management of the referral process
- Consider training and development needs of managers
- Engage Cabinet in any new approach to managing absence prior to implementation
- Implement new arrangements during 2024-25

4.7   It is anticipated that a revised approach to managing absence will result in a reduction of overall absence levels for the Council, enabling the 2024-25 KPI of 10 days sickness per FTE to be reduced in future years.

5.   Review of Occupational Health Service

5.1   Occupational Health (OH) Services are delivered by both in-house and external practitioners and demand continues to be high for both medical opinions and stress management and counselling service. There is a recognised shortage of OH practitioners across the UK, but we do not have any recruitment or retention issues at this time.

5.2   The service offers a range of proactive interventions such as stress risk assessment training, supporting employee wellbeing training, mental health first aid, health fairs, suicide awareness training sessions, therapy garden, health promotion newsletters, the LGBTQ+ café, menopause café, and a bereavement support group.

5.3   As per the absence management review, the Occupational Health Service review has generated new proposals for improvement to shorten wait times and improve the impact that OH services can have on long term sickness absence.

5.4   The recommendations for consideration include the potential for removing automatic referrals at 28 days absence and promoting earlier intervention, along with more specific guidance and support for managers in helping them to better understand when occupational health services are appropriate.

6.   Agency Worker Cost

6.1   In 2023-24 the spend to date on agency suppliers has been £6.8 million. In 2021-22 the total spend on agency suppliers was £5.7 million. In 2022-23 this increased to £6.3 million, increasing to £6.8 million in 2023-24.

6.2   Agency suppliers provide the Council with human resources, and we apply pay increases to these contracts in the same way that our contracted staff would receive pay uplift. As such when the inflationary pay award increase of 7% is applied in 2023-24 year, the spend to date figure is comparable to the spend in 2022-23. This indicates that there has been no significant

change overall in the usage of agency workers in 2023-24 compared to recent years.

7. Agency Worker Usage

7.1 The biggest users of agency workers are the Social Services and Place Directorates.

Adult Services Agency Usage

7.2 Agency worker use remains high in 2023-24 across Residential Care due to the impact of workforce instability. The service area remains compliant in all areas and the Social Services Workforce Lead has oversight and governance over the engagement of Agency Workers.

Child and Family Services Agency Usage

7.3 During 2023-24 Child and Family Services has engaged 12 agency social workers with an average placement length of four months. The service currently has three agency social workers, two of whom have been recent placements and one of whom is long standing since 2022.

7.4 During this year, the Council has signed up to the All-Wales Pledge to work cooperatively and transparently to manage the agency supply chain, to improve the quality of agency staff, and to regulate pay rates within Children's Social Work.

7.5 The All Wales-Pledge is a commitment by Children's Services leaders across Wales, to adopt and implement the agreed principles within the pledge when engaging recruitment agencies in the supply of social workers, enhanced social workers (senior practitioners, deputy team managers, senior social workers) and team managers.

7.6 The service area remains compliant in all areas and the Social Services Workforce Lead has oversight and governance over the engagement of Agency Workers.

Waste, Parks, and Cleansing Agency Usage

7.7 During 2022-23 there were an average of 100 agency workers across each month. In 2023-24 work has been done to reduce this and the average has come down to an average of 65 workers a month, as shown in Table 3.

Table 3: 2023-24 Agency Worker Usage in Waste, Parks, and Cleansing

	Waste Collections	Waste Operations (Baling Plant + HWRCs)
Number of agency workers covering specific roles for 12 months+	1	18
Number of agency workers who cover ad hoc absences, on an "as and when needed" basis and have done so for 12 months+	21	2
Average daily number of agency workers including those <12 months	32	33

7.8 The reduction in agency workers in Waste Collections is the result of directly employing 28 successful trainee agency workers into permanent vacant posts. A similar exercise is now underway in the Waste Operations area, so the number of agency workers employed over 12 months in that area is also expected to fall in the coming months.

7.9 However, the nature of the service delivered means that some agency workers will always be required. In the Collection team, with one exception, all substantive roles have now been recruited into and still an average of 32 agency workers are needed each month to cover staff absence, annual leave and vacancies that arise.

7.10 Confirmation has been received that the service continues to remain compliant in all areas and there is base budget provision in Waste Management to cover an agency requirement to maintain the staffing structures required to provide the service every day.

7.11 Agency workers engaged by the Council for more than 12 weeks are made aware by their Agency that they are entitled to equal treatment on basic working and employment conditions.

8. Use of Agency Workers Compliance Requirements

8.1 Heads of Service (HoS) are expected to comply with the following requirements when engaging agency workers:

- Confirmation of budget provision should be obtained and retained for all agency staff appointments
- HoS approval should be obtained and retained for all appointments of agency workers by line managers
- Confirmation of appropriate pre-employment checks should be obtained from the Agency and retained by the line manager

- Confirmation of further budgetary provision should be obtained and retained when agency workers contracts are extended
- Written requests should be submitted to HoS for re-approval when agency workers contracts are extended. This should be in advance of the contract being extended
- Agency workers engaged by the Council for more than 12 weeks should be made aware that they are entitled to equal treatment on basic working and employment conditions

9. Future Agency Contract Arrangements

9.1 An exercise has been carried out in 2023-24 to procure a new 5-year Agency contract. Tenders have been received, the evaluations have been completed and the award is expected to be made shortly. A range of criteria were included in the assessment process including value for money and the new contract will be in place from Summer 2024.

9.2 This will mean the Council has assessed the most appropriate agency provision for the next 5 years and an opportunity to again remind managers of the correct use of agency workers will be cascaded in advance of the new contract being in place.

10. Financial Implications

10.1 There are no financial implications arising from this report which is for information only.

11. Legal Implications

11.1 The Agency Workers Regulations Act 2010 provide important rights for agency workers, concerning their basic working and employment conditions, from day one and after a 12-week qualifying period. These rights are reflected in our Policy.

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

Appendices: None.

Background papers: None.

Report of the Director of Corporate Services

Governance & Audit Committee – 10 April 2024

Risk Management Policy and Framework

Purpose:	The report presents the Councils draft revised Risk Management Policy and Framework
Report Author:	Richard Rowlands
Finance Officer:	Paul Roach
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar
For Information	

1. **Background**

1.1 This report presents the Council's draft revised Risk Management Policy and Framework. The revised Risk Management Policy is attached at Appendix A and is supported by the revised Risk Management Framework attached at Appendix B.

2. **Risk Management Policy and Framework**

2.1 Through the Risk Management Policy, the Council aims to be an exemplar of good practice and continue to meet its statutory responsibility to have in place satisfactory arrangements for managing risks, as laid out under the Accounts and Audit (Wales) Regulations 2014. The Well-being of Future Generations (Wales) Act 2015 requires public bodies to frame what risks they may be subject to in the short, medium and long term, together with the steps the public body will take to ensure they are well managed. The Local Government and Elections (Wales) Act 2021 emphasises the importance of risk-aware governance through continuous performance review and self-assessment.

2.2 The Risk Management Policy establishes the principles to guide decision making within risk management in the Council. The Risk

Management Framework, which accompanies this Policy, aims to help managers and Members at all levels apply risk management principles consistently across their areas of responsibilities.

2.3 The Risk management Policy sets out:

1) *Risk Management Statement* – setting out the Council's overall approach to risk management.

2) *What is Risk Management* – outlining the definition of risk management used in the Policy.

3) *Aims of Risk Management* – describing what the Council aims to achieve through the Risk Management Policy.

4) *Risk Levels* – the different levels of risk managed through the Policy.

5) *Roles & Responsibilities* – setting out the different roles and responsibilities for officers and Members within risk management in the Council.

6) *Risk Management Cycle* – the process for managing risk in the Council.

7) *Risk Escalation* / De-escalation – guidelines for escalating or de-escalating risks for control and mitigation.

8) *Risk Management Communication* – the approach to embed risk management into the Council's organisational culture and governance.

9) *Issues* – the process for resolving risk issues.

10) *Risk Management Framework* – supporting the application of the Risk Management Policy in the Council.

2.4 Subject to circumstances, it is planned that that the revised risk management policy and framework will be implemented in quarter 2 of 2024/25 using a phased approach.

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.

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

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

3.1.3 An IIA Screening was undertaken. This report sets out a revised policy and framework for managing risks in the Council and does not directly impact on communities or on people with protected characteristics.

4. Legal Implications

4.1 There are no legal implications.

5. Financial Implications

5.1 There are no financial implications.

Background Papers: None

Appendices:

Appendix A   Risk Management Policy
Appendix B   Risk Management Framework
Appendix C   IIA Screening Form

City & County of Swansea Draft

Risk Management Policy

Purpose

> This policy sets out the principles for managing and communicating risk, ensuring that risk management is effectively implemented throughout the City and County of Swansea.
>
> The Risk Management Policy governs how the Council manages risks to achieving its priorities and objectives, risks arising from service delivery, risks to corporate and financial health and governance and the longer-term risks facing the Council and community.
>
> The Council recognises that it has a responsibility to manage business risks effectively in order to reduce uncertainty in achieving its priorities and objectives and to benefit from opportunities.
>
> This policy applies to all Council staff and its principles should be applied when working internally or externally with partners and other stakeholders.

Approval

Title	Date

Reference No.:	Version 1
Date:	07/03/2024
Author:	Strategic Delivery Unit
Website	**http://staffnet/riskmanagement**

Risk Management Policy

Contents

Risk Management Policy

1. Risk Management Statement

The City and County of Swansea is aware that the nature and range of its responsibilities and the environment in which it exercises them present a wide range of risks. Such risks may threaten the achievement of the Council's aims and objectives as set out in the Corporate Plan and affects its employees, service users, Council tax payers and other stakeholders.

The Council also recognises the need to strike the right balance between encouraging innovation and avoiding risk. It is appropriate to take and manage calculated risks in pursuing opportunities to improve services and to obtain better value for money.

The Council like all public bodies, as well as considering short and medium risks, will also have to understand and address the longer-term risks and challenges facing the Council and the community. We need to prevent risks from occurring and to mitigate their impact should they occur. We may need to work with others to prevent risks from occurring or to control and manage them. We need to be mindful that dealing with risks does not create risks and issues for other public bodies. Involving clients, customers and citizens in helping to prevent and to control and manage risks will help too.

While the elimination of risk entirely is neither feasible nor desirable, the Council is committed to the continuing management of risk through a cost-effective formal process which involves risk identification and categorisation, evaluation, and treatment to eliminate or mitigate the likelihood of risks occurring and their impact.

Clear identification and assessment of risks will improve corporate governance and performance and lead to more effective use of resources and direct improvements to the service to our customers.

This Risk Management Policy establishes the principles to guide decision making when applying risk management within the Council. This Risk Management Framework that accompanies this policy provides the practical method and structure for implementing the policy.

2. What is Risk Management?

The term 'risk management' incorporates all the activities required to identify and control the exposure to risk which may have an impact on the achievement of the Councils business.

Risk Management is the process by which risks are identified, evaluated and controlled and is a key element of the framework of corporate governance.

> **Definition of Risk**
> *Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies (CIPFA).*

Risk arises as much from failing to capture opportunities whilst pursuing business objectives as it does from a threat that something bad will happen.

3. Aims of Risk Management

Through this Policy, the Council aims to be an exemplar of good practice and continue to meet its statutory responsibility to have in place satisfactory arrangements for managing risks, as laid out under The Accounts and Audit (Wales) Regulations 2014. The Well-being of Future Generations (Wales) Act 2015 requires public bodies to frame what risks they may be subject

to in the short, medium and long term, together with the steps the public body will take to ensure they are well managed. The Local Government and Elections (Wales) Act 2021 emphasises the importance of risk-aware governance through continuous performance review and self-assessment. This policy establishes the principles to guide decision making within risk management in the Council in order to:

- Provide an effective/consistent approach to identifying, evaluating and controlling risk across all activities.
- Improve the ability of the Council to achieve its priorities and objectives.
- Embed risk management into the culture and practices of the Council so that everyone recognises that risk management is part of their jobs.
- Place greater emphasis on prevention rather than detection and correction.
- Improve the identification, evaluation and control of strategic and long-term risks and operational risks.
- Protect and enhance the assets and image of the Council.
- Embed the Sustainability Principle (Well-Being of Future Generations Act 2015) and improve the Council's governance and decision making processes and outcomes.

4. Risk Levels

There are two distinct levels within the risk register: Strategic and Operational risks.

Strategic Risks are risks that could impact on the whole Council or could prevent the Council from achieving its corporate objectives or legal obligations.

Operational Risks are risks that could have a detrimental impact on a service or function and interfere with their delivery but would not have an impact on the whole Council and would not prevent the Council from achieving its corporate objectives or legal obligations.

Risks are identified during Corporate and Service Planning or as and when they arise.

All risks are recorded in Risk Registers and are controlled at least on a monthly basis at the appropriate forum as detailed in the Risk Management Framework accompanying this Policy.

Strategic Risks will also be reported each quarter in line with corporate performance monitoring.

5. Roles & Responsibilities

The Leader has overall Cabinet responsibility for risk and resilience management.

Cabinet is responsible for approving the Council's risk management policy and Risk Management Framework. Cabinet shares ownership of strategic risks and issues with Corporate Management Team and assesses / challenges the current and long-term risks associated with Cabinet reports. The Cabinet sets the Council's risk appetite for each category of risk (see below).

Individual Cabinet Members share with the relevant Director ownership of specific strategic risks that are identified within their Cabinet remit.

Risk Management Policy

The Chief Executive has legal responsibility under the Local Government & Elections (Wales) Act 2021 to keep the Council's risk management arrangements and their operation under continuous review.

The Corporate Management Team (CMT) ensures an effective Risk Management Policy and Framework is embedded and is operating effectively across the Council. CMT shares ownership of strategic risks and issues with the Cabinet and collectively reviews, monitors, and ensures control of strategic risks at least monthly. CMT ensures advice to Cabinet considers the current and long-term risks informs decision making and champions risk management in the Council and leads by example.

Cabinet and CMT share ownership of the Risk Management Policy and Framework and champion risk management throughout the Council. Cabinet and CMT shares ownership of strategic risks and issues and the response to them. Cabinet and CMT identifies and evaluates current and longer-term strategic risks during corporate planning and as they emerge. Cabinet and CMT reviews, monitors, and ensures control of strategic risks each quarter at Corporate Briefing meetings.

Directors are responsible for ensuring that the Risk Management Policy and Framework is embedded within their Directorates and that they champion risk management throughout their Directorates. Directors identify and evaluate current and longer-term strategic risks and issues during corporate and service planning and as they emerge and they manage the response to strategic risks and issues. Directors oversee the response to operational risks and they review, monitor and ensure control of relevant strategic and operational risks at least monthly. Directors ensure that risks are escalated and de-escalated when necessary.

Heads of Service ensure the Risk Management Policy and Framework is embedded within their Services and that they champion risk management throughout their Services. Heads of Service identify and evaluate operational risks during corporate and service planning and as they emerge and manage the response to operational risks. Heads of Service review, monitor and ensure control of relevant operational risks at least monthly and ensure that operational risks are escalated and de-escalated when necessary.

The Senior Information Risk Officer (SIRO) ensures that information risks are appropriately identified as strategic or operational risks. The SIRO ensures that information risks are treated as a priority across all the Council and provides Cabinet / CMT with assurance that information risks are being appropriately addressed.

The Section 151 Officer is responsible for advising the Council on key risks when setting the annual budget, certifying the adequacy of reserves and robustness of estimates, maintaining a balanced budget and on avoiding unlawful expenditure in order to prevent otherwise statutory intervention and ensure prudent financial management at all times.

The Monitoring Officer is responsible for advising the Council on key risks concerning lawful decision making, statutory obligations, standards of behaviour and codes of conduct in order to prevent illegality, maladministration and impropriety.

Programme and Project Managers control, report and escalate programme / project risks above their agreed tolerance levels to senior management.

Managers and other Council officers identify opportunities and manage risks effectively in their jobs, reporting any risk management concerns, incidents and 'near misses' to their line managers. Managers and other Council officers identify, evaluate, and control operational risks and ensure they are documented on relevant risk registers/trackers/reporting templates and they escalate worsening risks to their Head of Service.

Internal Audit provides an independent and objective opinion to the Council on the control environment (which comprises of risk management, control and governance) by evaluating its effectiveness in achieving the Council's objectives.

Governance and Audit Committee challenge and provide independent assurance to the Members of the adequacy of the risk management policy and framework. Governance and Audit Committee challenge and monitor the effective development and operation of risk management in the Council and monitor progress in addressing risk related issues reported to the Committee.

Councillors develop an understanding of risk management and its benefits and are aware of how risks are being managed through the Risk Management Policy and Framework. Councillors maintain an awareness of the risk management implications of policy decisions.

The Responsible Officer manages, monitors, and controls an identified risk and escalates risks for control and mitigation when necessary. The Responsible Officer ensures risk scores and control measures are updated on the risk register as soon as possible after a change in score or measure is agreed.

The Updater updates the risks recorded in the risk register system.

The Administrators oversee the risk management policy and framework, quality assurance, maintaining policies and procedures and system administration and maintenance.

Risk awareness raising and training sessions will be provided for the workforce and for elected Members on identifying and reporting risks, including what to do if they identify a risk.

More detailed information on Risk Management roles and responsibilities can be found in the Council's Risk Management Framework associated with this Policy.

6. Risk Management Cycle

The Council implements a 'Four Step' Risk Management Cycle across the Council to provide a consistent approach to managing risk.

Risks will be identified to understand the context within which the Council is operating and how this impacts on the Councils objectives and priorities.

Current and long-term risks will be formally identified, categorised and reviewed during annual corporate and service planning.

Identified Strategic or Operational Risks will be categorised as: strategy, service delivery, financial, regulatory / legal, governance, health and safety, commercial, technology, information, security, project / programme, reputation and safeguarding risks; these are described in the risk management framework accompanying this policy.

Identified risks will be evaluated according to the likelihood they will occur and the impact they will have should they occur. This will be used to calculate the 'inherent risk score', which is the risk score before risk controls are applied.

Risk appetite is the amount of risk the organisation is willing to take or accept in pursuit of its long-term objectives. The Councils approach to taking risk (i.e., risk appetite) is that it will seek to minimise taking any unnecessary risks but also to reduce risk to an acceptable level to a public body. It also seeks to take risks to achieve its well-being objectives, but these will be

properly considered before such risks are taken. The Council's risk appetite is set out in the Risk Appetite Statement included in the Risk Management Framework accompanying this policy.

Once risks have been identified and evaluated, decisions will be made concerning how to respond to specific risks by taking action to improve the outcome as detailed in the Risk Management Framework associated with this Policy. When considering how to respond to risks, the Sustainable Development principle (Well-Being of Future Generations Act 2015) will be applied.

Once risk controls have been identified, the 'residual risk score' is determined. The residual risk score is the score allocated to the risk once the risk controls have been applied.

Once the residual risk score has been identified, a 'target risk score' is calculated. The target risk score is the score that the Council wishes to reduce the risk to. Additional risk controls may be applied to help achieve the target risk score.

Risk tolerance is the amount of residual risk that the Council is willing to accept. Risk tolerance for a risk defines the acceptable deviation from the risk appetite once risk controls are in place.

Target risk scores should be tailored to the Councils risk appetite and risk tolerance applied to individual risks.

The outcomes from the operation of the Risk Management Cycle will be recorded in the appropriate Risk Registers.

Risks will be controlled and monitored at the appropriate forum on a monthly basis and more frequently if necessary.

Strategic Risks will be reported quarterly to CMT, Cabinet (via Corporate Briefing) and to Governance & Audit Committee.

More detailed information on Risk Management Cycle can be found in the Council's Risk Management Framework associated with this Policy.

7. Risk Escalation / De-escalation

Risks will be escalated when the impact from a risk, or decisions or actions needed to mitigate or control the risk, is beyond a single service or directorate, or when the risk appetite or tolerance line has been exceeded; or for other reasons outlined in more detail in the Risk Management Framework associated with this Policy. A risk may be de-escalated when the risk can be controlled and managed at a lower level, or the risk is below risk appetite boundaries; or for other reasons outlined in more detail in the Risk Management Framework associated with this Policy.

8. Risk Management Communication

This Policy and the associated Risk Management Framework seeks to help embed risk management into the Council's culture. This will require effective staff and Member communication and training. Risk identification and evaluation is integrated into corporate and service planning. Cabinet and CMT and individual Directors and Heads of Service must champion and make arrangements for embedding risk management throughout the Council. The Council will disseminate best practice in risk management from its own experience and that of others.

9. Issues

An issue is an event that is happening or will happen imminently and will adversely affect an organisation's ability to achieve its objectives or deliver its legal obligations.

Issues will be recorded, managed and monitored within a Strategic Issues Register and reviewed by CMT on a monthly basis.

Operational Issues will not be recorded on a register as these will be managed by Heads of Service as part of the day-to-day management of their service.

The process of identifying, recording, prioritising and dealing with / monitoring strategic issues consists of four steps:

- Identify and record strategic issues.
- Prioritise strategic issues.
- Create an action plan.
- Implement and monitor issue and action plan implementation.

More information on how these steps are applied is set out in the Risk Management Framework accompanying this Policy.

10. Corporate Risk Management Framework

This policy should be read in-conjunction with the corporate Risk Management Framework, which aims to help managers and Members at all levels apply risk management principles consistently across their areas of responsibilities.

City & County of Swansea

Draft

Corporate Risk Management Framework

Purpose

This framework describes the specific risk management activities that will be undertaken within the City & County of Swansea. The aim is to help managers at all levels apply the principles consistently across their area of responsibility.

CIPFA state that *"Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective."*

The Council recognises that it has a responsibility to manage risks effectively in order to reduce uncertainty in achieving its priorities and objectives and to benefit from opportunities. This framework applies to all Council staff and its principles should be applied when working internally or externally with partners and other stakeholders.

Definition of Risk
*"**Risk** is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies (CIPFA).*
2010"

Approval

Title	Date

Reference No.:	Version 1
Date:	6th March 2024
Author:	Strategic Delivery Unit
Website	**http://staffnet/riskmanagement**

Contents

1. Foreword

This framework aims to help employees, senior managers and elected Members to apply risk management principles consistently across their area of responsibility. The Risk Management Policy establishes the principles to guide decision making when applying risk management within the Council. This Risk Management Framework provides the practical method and structure for implementing the policy.

The intention of the framework is to help ensure that risk management is embedded into the culture of the Council, with members, managers and officers at all levels recognising that risk management is part of their jobs.

Clear identification and assessment of risks will improve corporate governance, corporate and service planning and performance and lead to more effective use of resources and direct improvements to the service to our customers.

The Council is increasingly involved in dealing with uncertainty and managing major change. We are under increasing pressure to deliver better services, increasingly in partnership with others, in new and innovative ways and within reducing budgets. All of this attracts risk which needs to be managed and controlled effectively if we are to achieve the desired outcomes.

The Council like all public bodies, as well as considering short and medium risks, will also have to understand and address the longer-term risks and challenges facing the Council and the community. We need to try and prevent risks from occurring and to mitigate their impact should they arise. We may need to work with others to prevent risks or to control and manage them. We need to be mindful that dealing with risks does not create risks and issues for other public bodies. Involving clients, customers and citizens in helping to prevent and to control and manage risks will help too.

Risk management is the process of identifying significant risks, evaluating the potential consequences and implementing the most effective way of responding to, controlling and monitoring them.

By being more risk aware, the Council will be better placed to avoid threats and to take advantage of opportunities when they arise.

Risk Management is everyone's business, but it will be championed and strongly led by the Cabinet's Cabinet, the Corporate Management Team, and Leadership Team.

Signed …………………………………………..

Rob Stewart   *Martin Nicholls*
Council Leader   **Chief Executive**

2. Definition of 'Risk'

Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies (CIPFA).

3. Risk Management

Risk Management is the process by which risks are identified, evaluated and controlled and is a key element of the framework of corporate governance (CIPFA).

4. Corporate Commitment to Risk Management

The Council views the management of risk as an essential part of strong corporate governance. The approach is one of managing risk proactively and positively. Effective risk management helps improve services and outcomes, enhances accountability and ensures compliance with formal policies and procedures. Proactive and effective risk management is everyone's business.

5. Aims of the Risk Management Framework

The Council aims to be an exemplar of good practice and continue to meet its statutory responsibility to have in place satisfactory arrangements for managing risks, as laid out under The Accounts and Audit (Wales) Regulations 2014:

• Regulation 5 – Responsibility for internal control and financial management

• The Welsh Government wishes to emphasise that internal control, financial and risk management are corporate responsibilities which must be embedded in the processes of the relevant body as a whole.

The Well-being of Future Generations (Wales) Act 2015 requires public bodies to frame what risks they may be subject to in the short, medium and long term, together with the steps the public body will take to ensure they are well managed.

The Local Government and Elections (Wales) Act 2021 emphasises the importance of risk-aware governance through continuous performance review and self-assessment.

Through this framework, the Council aims to:

- ensure an effective risk management system is in place;
- Improve the ability of the Council to achieve its priorities and objectives.
- help employees, senior managers and Cabinet Members to apply risk management principles consistently across their area of responsibility;
- ensure that the risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective;
- ensure that risk management is embedded into the culture of the Council, with employees, Members and managers at all levels recognising that risk management is part of their jobs;
- place greater emphasis on prevention rather than detection and correction;
- improve the identification, evaluation and control of strategic and long-term risks and operational risks;

- ensure that CMT, Cabinet, Governance & Audit Committee, external regulators and other stakeholders obtain necessary assurance that the Council is managing and mitigating its risks effectively;
- protect and enhance the assets and image of the Council;
- embed the Sustainability Principle (Well-being of Future Generations Act) and improve the Council's governance and decision-making processes and outcomes;
- capture strategic issues currently or imminently facing the Council and the actions being taken to manage them.

6. Risk Levels

There are two different levels within the risk register: strategic risks and operational risks.

Risks Levels

Strategic Risks are risks that could impact on the whole Council or could prevent the Council from achieving its corporate objectives or legal obligations.

Operational Risks are risks that could have a detrimental impact on a service or function and interfere with their delivery but would not have an impact on the whole Council and would not prevent the Council from achieving its corporate objectives or legal obligations.

7. Roles and Responsibilities

To implement this framework, specific roles and responsibilities for key stakeholders have been identified as outlined below:

Roles & Responsibilities

Leader

- Overall Cabinet responsibility for risk and resilience management.

Cabinet

- Approves the Council's Risk Management Policy and Framework.
- Shares ownership of strategic risks and issues with Corporate Management Team.
- Assesses / challenges the current and long-term risks associated with Cabinet reports.
- Sets the Council's risk appetite for each category of risk (see below).

Individual Cabinet Members:

- Share with the relevant Director ownership of specific strategic risks that are identified within their Cabinet remit.

Chief Executive

- Legal responsibility under the Local Government & Elections (Wales) Act 2021 to keep the Council's risk management arrangements and their operation under continuous review.

Corporate Management Team (CMT)

- Ensures an effective Risk Management Policy and Framework is embedded and is operating effectively across the Council.
- Shares ownership of strategic risks and issues with the Cabinet.
- Collectively reviews, monitors, and ensures control of strategic risks at least monthly.
- Ensures advice to Cabinet considers the current and long-term risks informs decision making.
- Champions risk management in the Council and leads by example.

Cabinet and CMT

- Share ownership of the Risk Management Policy and Framework and champions risk management throughout the Council.
- Shares ownership of strategic risks and issues and the response to them.
- Identifies and evaluates current and longer-term strategic risks during corporate planning and as they emerge.
- At Corporate Briefing meetings quarterly, reviews, monitors, and ensures control of strategic risks.

Directors

- Ensure the Risk Management Policy and Framework is embedded within their Directorates.
- Champion risk management throughout their Directorates.
- Identify and evaluate current and longer-term strategic risks and issues during corporate and service planning and as they emerge.
- Manage response to strategic risks and issues.
- Oversee response to operational risks.
- Review, monitor and ensure control of relevant strategic and operational Risks at least monthly.
- Ensure risks are escalated and de-escalated when necessary.

Heads of Service

- Ensure the Risk Management Policy and Framework is embedded within their Services.
- Champion risk management throughout their Services.
- Identify and evaluate operational risks during corporate and service planning and as they emerge.
- Manage response to operational risks.
- Review, monitor and ensure control of relevant operational risks at least monthly.
- Ensure operational risks are escalated and de-escalated when necessary.

Senior Information Risk Owner (SIRO)

- Ensure information risks are appropriately identified as strategic or operational risks.
- Ensure information risks are treated as a priority across all the Council.
- Provide Cabinet / CMT with assurance that information risks are being appropriately addressed.

Section 151 Officer

- The Section 151 Officer is responsible for advising the Council on key risks when setting the annual budget, certifying the adequacy of reserves and robustness of estimates, maintaining a balanced budget and on avoiding unlawful expenditure in order to prevent otherwise statutory intervention and ensure prudent financial management at all times.

Monitoring Officer

- The Monitoring Officer is responsible for advising the Council on key risks concerning lawful decision making, statutory obligations, standards of behaviour and codes of conduct in order to prevent illegality, maladministration and impropriety.

Project and Programme Managers

- Control, report and escalate programme / project risks above their agreed tolerance levels to senior management.

Managers and other Council officers

- Identify opportunities and manage risks effectively in their jobs, reporting any risk management concerns, incidents and 'near misses' to their line managers.
- Identify, evaluate, and control operational risks and ensure they are documented on relevant risk registers/trackers/reporting templates.
- Escalate worsening risks to Head of Service.

Internal Audit

- Provide an independent and objective opinion to the Council on the control environment (which comprises of risk management, control and governance) by evaluating its effectiveness in achieving the Council's objectives.

Governance & Audit Committee

- Challenge and provide independent assurance to the Members of the adequacy of the risk management policy and framework.
- Challenge and monitor the effective development and operation of risk management in the Council.
- Monitor progress in addressing risk related issues reported to the Committee.

Councillors

- Develop an understanding of risk management and its benefits.
- Be aware of how risks are being managed through the Risk Management Policy and Framework.
- Maintain an awareness of the risk management implications of policy decisions.

Responsible Officer on the InPhase system

- Manage, monitor, and control of an identified risk.

- Escalate risks for control and mitigation when necessary.
- Ensure risk scores and control measures are updated as soon as possible after a change in score or measure is agreed.

Updater On the InPhase system

- Update the risks recorded in the risk register.

InPhase Administrators

- Oversee the risk management policy and framework, quality assurance, maintaining policies and procedures and system administration and maintenance.

Risk awareness raising and training sessions will be provided for the workforce and for elected Members on identifying and reporting risks, including what to do if they identify a risk.

8. Risk Management Cycle

The Council implements a 'Four Step' Risk Management Cycle across the Council to provide a consistent approach to managing risk.

Figure 1 – Risk Cycle
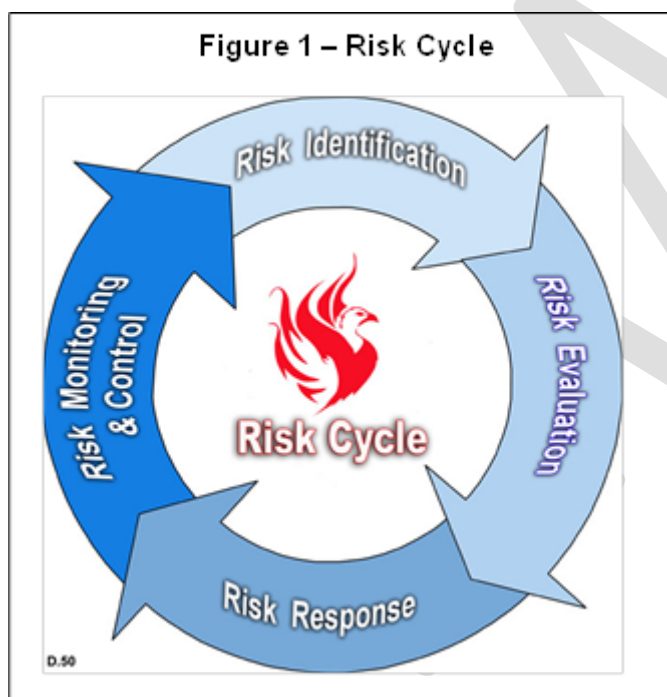
Step 1 – Risk Identification

Step 2 – Risk Evaluation

Step 3 – Risk Response

Step 4 – Risk Monitoring & Control

8.1 Step 1 - Risk identification

The first step in risk identification is to understand the context within which the Council is operating and how this impacts on the Councils objectives and priorities.

Risks are formally identified and reviewed during annual corporate and service planning. including as part of the consideration of the threats to achieving our priorities and objectives.

The SWOT (Strengths, Weaknesses, Opportunities and Threats) tool and the PESTLE tool are useful tools to help scan the **current** and **future (long-term) organisational** and **external environment** in order to help **identify potential Strategic Risks**:

- **P**olitical forces, e.g. Brexit.
- **E**conomic factors (including financial), e.g. inflation rate.
- **S**ocial factors (including demographic / well-being), e.g. levels of deprivation.
- **T**echnological factors (including systems, information and data), e.g. cyber crime.
- **L**egal factors (including legislative),e.g. e.g. new regulations, laws.
- **E**nvironmental factors, e.g. climate action.

Operational risks can be identified during Service Planning by identifying the impact on the resources required to provide day-to-day services and meet operational targets and objectives. This is illustrated in fig 2 below..
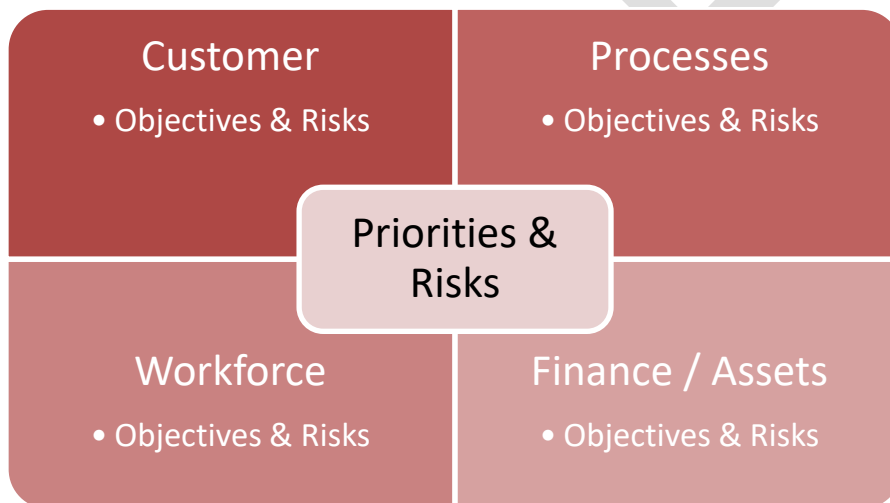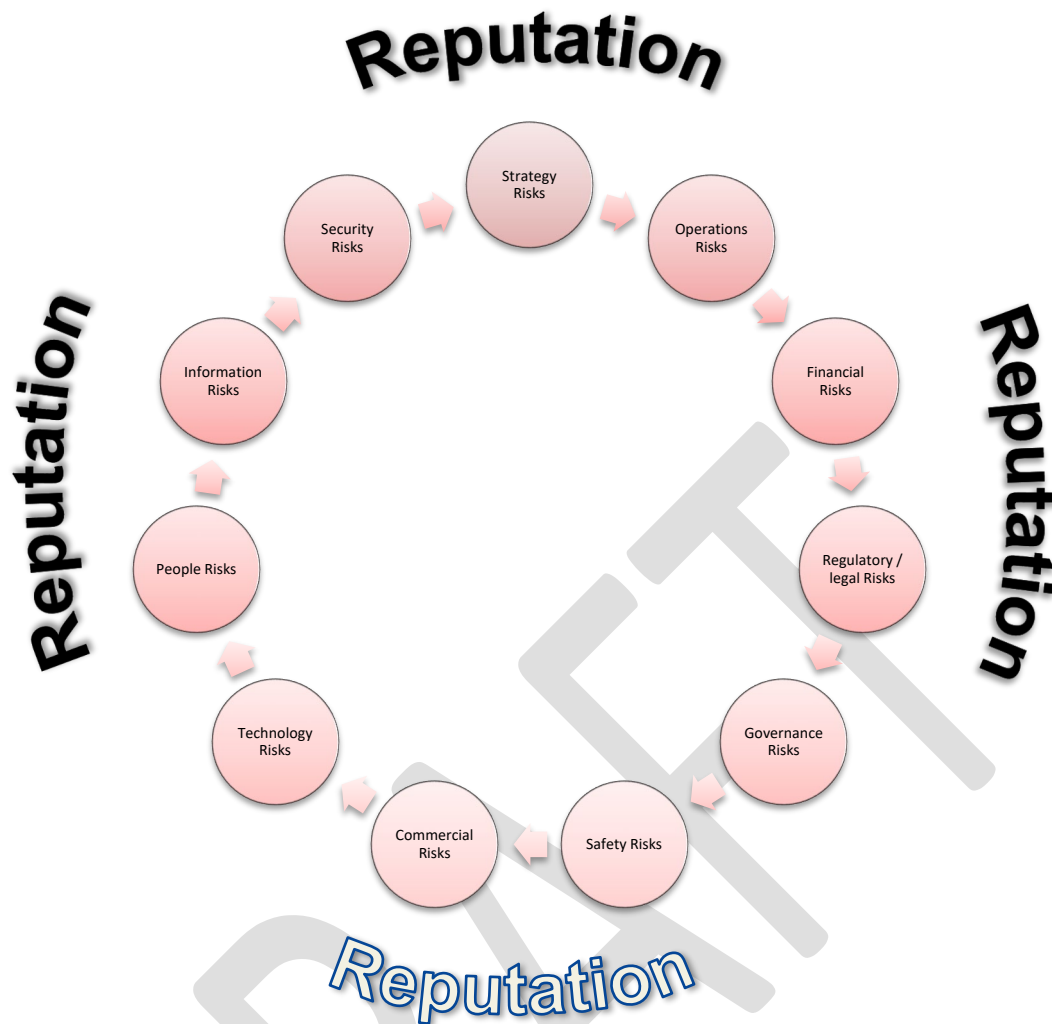

Fig 2 – Identifying risks to achieving our priorities and objectives during service planning.

Note that new and emerging risks will also need to be recorded as they become known.

8.1.1 Risk Categorisation

Risk Categories
Strategy Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (for example, political, economic, social, technological, environment and legislative change). .
Service Delivery Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.
Financial Risks arising from not managing finances in accordance with requirements and financial constraints, poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.
Regulatory / Legal Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets (for example, intellectual property.).
Governance Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance..
Health and Safety Risks arising from safety deficiencies or poorly designed or ineffective/inefficient hazard management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public. More information on Health & Safety Risk Assessments can be found at http://www.swansea.gov.uk/staffnet/riskassessments

Commercial Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and/or failure to meet business requirements/objectives.
Technology Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.
Information Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.
Security Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and non-compliance with *General Data Protection Regulation* requirements.
Project / Programme Risks that change projects and programmes are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.
Reputation Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and/or destruction of trust and relations. All risks can cause reputational harm to the Council if not managed successfully.
Safeguarding Risks arising from failures to ensure the well-being of vulnerable individuals and to prevent harm.

Risk categorisation helps clarify the nature of risks, although in reality risks may be put into more than one category; attempts should be made to identify the main category that any risk should fall into.

The different categories of risk should help identify what type of risk we are dealing with. For Risk categories help **identify** and **classify** different types of risks faced by an organisation. By grouping risks into categories, it becomes easier to understand their nature and potential impact.

Use these categories to identify Strategic or Operational Risks.

8.1.2 Risk description

When identifying risks, use the knowledge and experience of those who know and understand the risk.

Aim to identify the risks to objectives.

Ask yourself the following questions:

- What can go wrong?
- How can it go wrong?
- Has it gone wrong before?
- When can it go wrong?
- Can we learn from experience elsewhere?

Use the following format to draft a risk description:

If ……. (what cause(s) that may give rise to a risk event) **then this will happen** …… (the risk event will happen) **with the undesirable consequence of** … (what the consequences are of the risk event occurring)

The risk description must be clear and precise and appropriate to the public domain. Here is an example of wording a risk using this format:

"If *there is insufficient election staff training,* ***then*** *there is a risk that mistakes by inexperienced staff/staff not fully aware of procedures may be made at the polling station, leading to* **(what we don't want)** *voters not able to vote/results called into question".***

8.2 Step 2 - Risk Evaluation

The aim of risk evaluation is to prioritise individual risks so that it is clear which risks are most important and urgent. This will require and understanding of:

- The chances of it happening (**likelihood**);
- What would be the credible effect on objectives if it occurred? (**impact**).

The following table will help you assess risk impact for some risk categories:

		Service delivery	Financial	Reputation	Governance	Legal / Regulatory	Health & Safety, well-being	Commercial	Technology	Information	Security	Safeguarding
1	Very low	Minor or short-term interruption to services.	Negligible loss	Minor concerns	Negligible loss of public confidence and trust in the Council; no legal or regulatory implications.	Very minor / near miss breach.	No injury or damage to well-being.	No weaknesses in the management of commercial partnerships, supply chains and contractual requirements.	No inadequate or deficient system/process development and performance or inadequate resilience	No fraudulent, unauthorised or negligent access, use, misuse or misplacing of information, records and data held that is confidential, commercial or otherwise sensitive.	No unauthorised and/or inappropriate access to the estate and to information / data.	Insignificant impact, no lasting impact. Unlikely to cause significant risk or to lead to complaints and easily and quickly resolved.
2	Low											
3	Medium											
4	High											
5	Very High	Unable to deliver services in the medium to long-term	Very significant financial loss	Very significant loss of trust, credibility and support	Very significant loss of public confidence and trust in the Council; very serious legal / regulatory implications	Very serious breach/loss contract/very high financial loss. Risk of imprisonment.	Real potential for serious injury or death.	Very serious weaknesses in the management of commercial partnerships, supply chains and contractual requirements	Very serious inadequacies / deficiencies in systems / process development and performance and resilience.	Very serious fraudulent, unauthorised or negligent access, use, misuse or misplacing of information, records and data held that is confidential, commercial or otherwise sensitive.	Very serious unauthorised and/or inappropriate access to the estate and to information / data.	Severe impact. Failure of corporate safeguarding to keep staff and residents safe. Possible risk of serious harm or death. Significant and long-term impact on reputation.

Appendix B

The following table will help you assess risk likelihood:

Likelihood		
1	Very low	Is not expected to occur (<5% chance)
2	Low	Small chance it will occur (5 to 20% chance)
3	Medium	Less likely not to occur than occur (20 to 50% chance)
4	High	More likely to occur than not (50 to 80% chance)
5	Very high	Is expected to occur (>80% chance)

- **Risk Matrix**

When evaluating the likelihood and impact of risks, the risk matrix (as shown in figure 3 below) can be used to help plot the risks.

You multiply the likelihood and impact scores together in order to get a risk scores, e.g. if a risk has a medium likelihood of occurring (3 = medium) and a high impact should it occur (4 = high), then it will be rated as RED and the score will be 12 (because 3 x 4 = 12).

At this stage, the risk score is known as the **'Inherent risk score'**. At this point in the process, this is the risk score **before** Risk Controls (Risk Controls are actions designed to mitigate the risk – see Step 3 Risk Response) are applied, i.e. the assessed likelihood and impact of the risk if we did nothing.

Within the Council, a RAG (Red, Amber, and Green) status will be used to evaluate these factors and it's important to recognise that each RAG colour represents a particular meaning as follows:

Red – Immediate Control - There are significant problems which will have a significant impact on the Council if it is not managed;

Amber – Close Monitoring - will affect the Council if it is not properly monitored and controlled;

Green – Regular Review - Going to plan but needs to be monitored on a regular basis.

When considering a risk's likelihood, another aspect is when the risk might occur. Some risk will be predicted to be further away than others and so attention should be focused on the more immediate ones first. This prediction is called the risk's **proximity**. Under the Sustainable

Development Principle, the Council should look to identify **longer-term risks** – See Section 8.3 Risk Response.
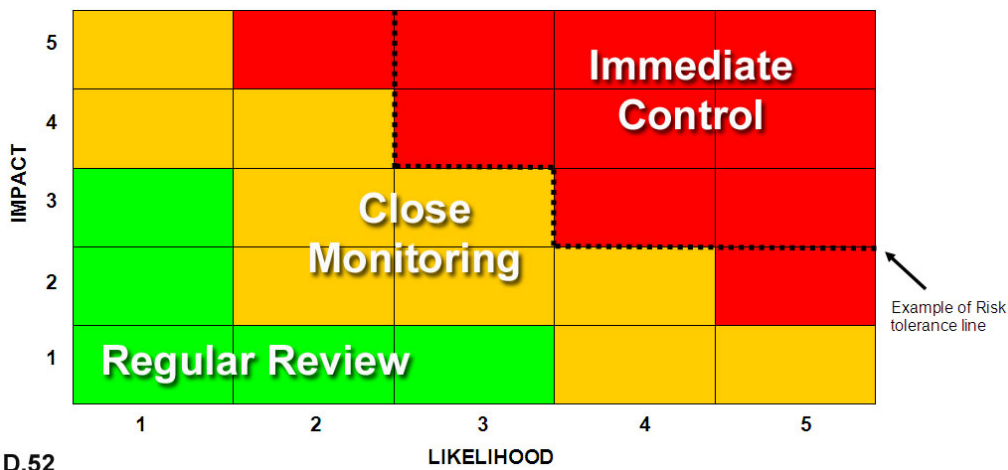

Fig 3 – Risk Matrix

D.52

8.2.1 Risk appetite

Risk appetite is the amount of risk the organisation is willing to take or accept in pursuit of its long-term objectives.

The Councils approach to taking risk (i.e., risk appetite) in that it will seek to minimise taking any unnecessary risks but also to reduce risk to an acceptable level to a public body. It also seeks to take risks to achieve its well-being objectives, but these will be properly considered before such risks are taken.

By articulating how much and type of risks which is acceptable it provides a basis for making judgements on the balance of the benefits and the taking of the risk.

The Council has set risk appetite levels for eleven categories of risk and these are be applied to all risks.

The following table provides definitions of risk appetites:

Risk Appetite	Description
Eager	Eager to be innovative and to choose options offering potentially higher rewards despite greater risk
Open	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward, value for money, and moderate / high risk.
Cautious	Preference for safe delivery options that have a low degree of risk and may only have limited potential for reward.
Minimal	Preference for very safe business delivery options that have a low degree of risk and only have a potential for limited reward.
Averse	Avoidance of risk and uncertainty is a key organisational objective

The following table represents the **Council's Risk Appetite Statement**. It shows relative risk appetites for each of the categories of risk.

Risk Category	Possible Risk Appetite *(to be discussed and agreed by Cabinet / CMT)*
Strategy	Eager
Service Delivery	Cautious
Financial	Averse
Reputational	Cautious
Governance	Minimal
Legal / Regulatory	Minimal
Health & Safety	Averse
Commercial	Open
Technology	Cautious
Information	Averse
Security	Averse
Safeguarding	Averse

The risk appetite levels are indicative given the spread and complexity of risks within each category.

8.3 Step 3 Risk Response

The aim of this step is to prepare specific management responses, known as '**Risk Controls**', to the threats identified, ideally to remove or reduce the threat. Identify the actions that could affect either the cause or impacts of the risk. These risk controls are actions needed to mitigate the risk. Risk Controls need to be SMART.

Possible responses to risk should include a consideration of the four T's as follows to help identify appropriate risk controls:

- **Treat -** Treating the risk – This involves changing the likelihood of the consequences of the risk. This can be done in different ways:

  1. **Prevent**:
     - o **Objective**: The primary goal is to **avoid** the occurrence of risks altogether.
     - o **Actions**:
       - ▪ **Proactive Measures**: Implementing controls, policies, and procedures to prevent risks from materialising.
       - ▪ **Education and Training**: Educating stakeholders about risk awareness and best practices.
       - ▪ **Compliance**: Ensuring adherence to regulations and standards to prevent violations.
     - o **Example**: Strengthening cybersecurity protocols to prevent data breaches.
  2. **Detect**:
     - o **Objective**: To **identify** risks as early as possible.
     - o **Actions**:
       - ▪ **Monitoring Systems**: Regularly monitoring processes, transactions, and activities.
       - ▪ **Alert Mechanisms**: Setting up alerts for unusual patterns or deviations.
       - ▪ **Audits and Reviews**: Conducting periodic audits to detect anomalies.

- o **Example**: Implementing fraud detection systems in financial transactions.
3. **Mitigate / Optimise**:
   - o **Objective**: To **reduce** the impact or likelihood of risks.
   - o **Actions**:
     - ▪ **Risk Mitigation Measures**: Implementing controls, safeguards, and risk-reducing practices.
     - ▪ **Scenario Planning**: Preparing contingency plans for various risk scenarios.
     - ▪ **Resource Allocation**: Allocating resources effectively to address risks.
   - o **Example**: Developing disaster recovery plans to mitigate the impact of disasters.
4. **Recover**:
   - o **Objective**: To **bounce back** after a risk event occurs.
   - o **Actions**:
     - ▪ **Business Continuity Plans**: Having strategies in place to resume operations swiftly.
     - ▪ **Insurance Coverage**: Having insurance to cover losses.
     - ▪ **Post-Incident Analysis**: Learning from past incidents to improve future responses.
   - o **Example**: Restoring critical services after a cyberattack.

Risk treatment strategies should be tailored to the specific context, organisational objectives, and risk appetite of the Council.·

- **Transfer -** Transferring some aspects of risk to a third party, e.g. transferring financial risks (e.g., asset damage) by having assets covered by an insurance firm, or allocating risks to external partners through well-defined contracts.

- **Tolerate -** when the Council retains a risk because it falls within acceptable limits. It can be applicable when the likelihood and impact of the risk are low. Establishing tolerance levels helps prevent risks from exceeding defined thresholds. Responsible officers need to periodically review and monitor identified risks against these tolerance levels.

- **Terminate -** By doing things differently and thus removing the risk, where it is either feasible or practical to do so. It can also mean discontinuing processes or activities that create more significant risks than benefits, or risks that may be outside the Councils risk appetite or have severe impacts.

When considering how to respond to risks, the Sustainable Development Principle should be applied as outlined below:

- **Long-term**…looking at longer-term and emerging risks and looking to see how they may be prevented or their impact reduced, e.g. climate change.

- **Prevention…**looking to see how risks may be prevented from happening or their impact reduced should they occur.

- **Integration…**reviewing how risks, controls or responses may have a detrimental impact on the goals and objectives of other public bodies.

- **Collaboration…**reviewing working in partnership with others to help prevent, control or remove risks.

- **Involvement…**considering how involving stakeholders may help prevent, control or remove risks.

Once the Risk Controls have been identified, the '**residual risk score**' must be determined. The residual risk score is the score allocated to the risk once the risk controls have been applied, i.e. what is the level of risk now that risk controls are in place? You would expect the residual risk score to be lower than the inherent risk score. You can decide the residual risk score by referring to the risk matrix in Step 2.

Once the residual risk score has been identified, a '**target risk score'** must be calculated by referring to the risk matrix in Step 2. The target risk score is the score that the Council wishes to reduce the risk to. At this stage, any additional Risk Controls could be applied to help achieve the target risk score. Target risk scores should be tailored to the Councils risk appetite and risk tolerance applied to individual risks.

To help illustrate the different risk scores, the diagram below in Fig 4 shows **an example** of the risk matrix being used to plot inherent, residual and target risk scores.

Risk tolerance is distinct from risk appetite; it represents the amount of **residual risk** (see step 3 Risk Response) that an organisation is **willing to accept**. In other words, risk tolerance defines the acceptable deviation from the risk appetite once risk controls are in place. When identifying risk tolerance, a **risk tolerance line** could be plotted on the matrix to show that any risks above this line needs to be referred upwards for decisions. An example is plotted on fig 3 above and on fig 4 below.

Risk Tolerance line

Fig 4 – Scores plotted on Risk Matrix
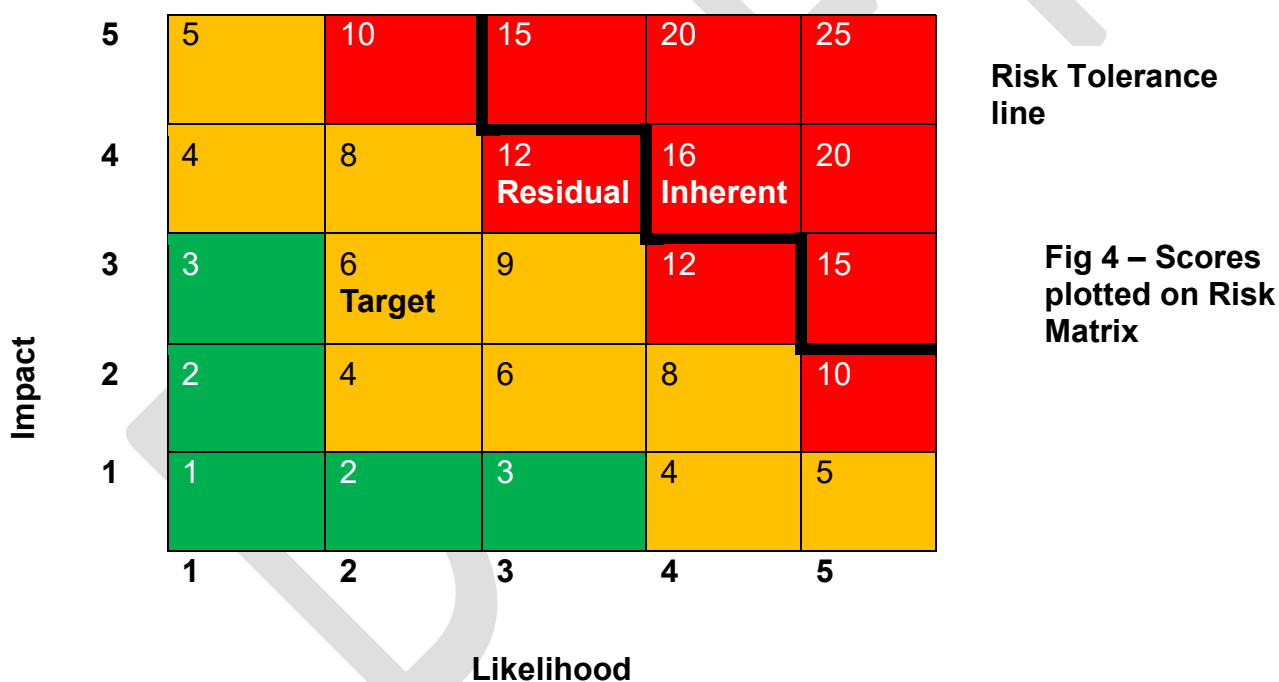
The Risk Assessment Form attached at Appendix A can be used to guide and record the outcome from Steps 1, 2 and 3.

8.4 Step 4 Risk Monitoring and Control (implement, monitor and review)

During this step, planned risk management controls are implemented and monitored as to their effectiveness and corrective action is taken when responses do not match expectations.

Strategic Risks should be monitored on a monthly basis at CMT. Operational Risks should be monitored on a monthly basis at DMT/PFM and more frequently if necessary. The outcome from these risk reviews should be recorded in the Minutes and the Councils Risk Register updated when a change is agreed through these meetings. Directors and Heads of Service should

discuss relevant Strategic and Operational Risks with their relevant Cabinet Members during one-to-one meetings.

Strategic Risks will be reported quarterly to CMT, Cabinet (via Corporate Briefing) and to Governance & Audit Committee.

Risk Control Checklist

The following checks can be useful to help monitor and control the risk:

- ✓ Is the proximity of the risk still correct?

- ✓ Is the residual risk score (likelihood and impact of the risk occurring) still correct?

- ✓ Is the risk within the Councils risk appetite / tolerance?

- ✓ Are the risk controls in place the right ones?

- ✓ Are the risk controls in place accurate and up-to-date?

- ✓ Have the risk controls to the risk been implemented?

- ✓ Are the risk controls having the desired effect in meeting the risk target?

- ✓ Do additional risk controls need to be put in place to help control or mitigate the risk?

- ✓ Does the risk need to be escalated/de-escalated?

9. Risk Escalation / De-escalation

Risks would be escalated from operational level to strategic level when:

- A decision is required or actions need to be taken to mitigate risk that are beyond the authority or capacity of the Service or Directorate;

- When a broader view is required or the collective knowledge of the Service or Directorate is not enough to mitigate the risk.

- When the impact of a risk coming into effect is broader and goes beyond a single Service or Directorate.

- When the 'tolerance line' plotted onto the risk matrix has been crossed.

- When the Councils risk appetite has been exceeded.

- 'Information only escalation', i.e. when it is important that a higher body is aware of issues or risks that they may be required to take action on in the future.

A risk may be moved from Strategic to operational (de-escalated) for the following reasons:

- The risk can be controlled and managed at a lower level.

- The risk rating has decreased significantly or is not considered to be critical to the achievement of a well-being objective.

- The risk is below risk appetite boundaries.

- The risk will only affect one directorate / service unit and is better controlled locally.

Note – these guidelines must be exercised with some discretion and judgment from Heads of Service and Directors. For example, there may be political, reputational issues etc. that although may not be of the greatest corporate importance might still need to be escalated anyway.

10. Issues

In simple terms, an issue is an event that is happening or will happen imminently and will adversely affect an organisation's ability to achieve its objectives or deliver its legal obligations.

Issues will be recorded, managed and monitored within a Strategic Issues Register and reviewed by CMT on a monthly basis. Operational Issues will not be recorded on a register as these will be managed by Heads of Service as part of the day-to-day management of their service.

The process of identifying, recording, prioritising and dealing with / monitoring strategic issues consists of four steps:

- Identify and record strategic issues.
- Prioritise strategic issues.
- Create an action plan.
- Implement and monitor issue and action plan implementation.

- **Step One: Identify and record issues**

  This step involves identifying the current strategic issues that are affecting or will imminently affect the Council's ability to achieve its corporate objectives or to meet its legal obligations and recording them in the Strategic Issues Register.

- **Step Two: Prioritise Issues**

  This step involves evaluating the impact and urgency of each issue using the Issues Matrix to rank them according to their impact on the Council's corporate objectives and legal obligations.

Issues matrix

Impact		Urgency			
Very High	Medium	High	High	High	High
High	Medium	Medium	High	High	High
Medium	Low	Medium	Medium	High	High
Low	Low	Medium	Medium	Medium	High
Very Low	Low	Low	Low	Medium	Medium
	Very Low	**Low**	**Medium**	**High**	**Very High**

Urgency

 High - Red – Urgent / Immediate resolution required.

 Medium - Amber – Important resolution required.

 Low - Green – Non-urgent resolution required.

- **Step Three: Create an issue action plan**

  This step involves assigning an issue owner, setting a deadline and deciding the required actions to resolve the issue.

- **Step Four: Implement and monitor**

  This step involves tracking the actions taken to address the issue and monitoring and reporting progress.

Appendix A - Risk Assessment Form

Directorate / Service / Project		Date	
Risk Category			
Risk Description (If…Then…We don't want)			
Responsible Officer			

Risk Assessment – before controls – Inherent Risk		
Impact Score		Overall Inherent Risk Score and RAG Rating
Likelihood Score		

List Risk Controls currently in place		Monitored by	How effective is the control? (S/M/W)*
1			
2			
3			
4			
5			
6			

Risk Assessment – with current Risk Controls – Residual Risk		
Impact Score		Overall Residual Risk Score and RAG Rating
Likelihood Score		

List additional Risk Controls to implement		By Whom? (name)	By When (date)
1			
2			
3			
4			

Risk Assessment – More Risk Controls – Target Risk		
Impact Score		Overall Target Risk Score and RAG Rating
Likelihood Score		

* S = Strong, M=Medium, W=Weak

21

Integrated Impact Assessment Screening Form – Appendix C

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

Which service area and directorate are you from?
Service Area: SDU
Directorate: Corporate Services

Q1 (a) What are you screening for relevance?

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

(b) Please name and fully <u>describe</u> initiative here:

Revised Risk Management Policy and Framework – The Risk Management Policy establishes the principles to guide decision making within risk management in the Council. The Risk Management Framework, which accompanies this Policy, aims to help managers and Members at all levels apply risk management principles consistently across their areas of responsibilities.

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

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

1

Integrated Impact Assessment Screening Form – Appendix C

Marriage & civil partnership	☐ ☐	☐ ☐	☐ ☐	☐	☒
Pregnancy and maternity	☐ ☐	☐ ☐	☐ ☐	☐	☒
Human Rights	☐ ☐	☐ ☐	☐ ☐	☐	☒

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

This report sets out a revised policy and framework for managing risks in the Council and does not directly impact on communities or on people with protected characteristics.

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

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

Q8	**What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?**
(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the

2

Integrated Impact Assessment Screening Form – Appendix C

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.)

Outcome of Screening – This report sets out a revised policy and framework for managing risks in the Council and does not directly impact on communities or on people with protected characteristics.

Q9   Please describe the outcome of your screening using the headings below:
- **Summary of impacts identified and mitigation needed (Q2)**
- **Summary of involvement (Q3)**
- **WFG considerations (Q4)**
- **Any risks identified (Q5)**
- **Cumulative impact (Q7)**

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

☐ **Full IIA to be completed**

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

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

Screening completed by:
Name: R Rowlands
Job title: Strategic Delivery & Performance Manager
Date: 15/03/24
Approval by Head of Service:
Name: Lee Wenham
Position: Head of Communications & marketing
Date: 15/03/24

Please return the completed form to <u>accesstoservices@swansea.gov.uk</u>

Cyngor **Abertawe**
Swansea Council

Report of the Head of Democratic Services

Governance & Audit Committee – 10 April 2024

Governance & Audit Committee Action Tracker Report

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

1. **Introduction**

1.1 During the course of Governance & Audit Committee meetings various actions may be decided which are recorded on the minutes of the meetings.

1.2 As agreed in 2016/17 an Action Tracker process was put in place to ensure transparency over the outcomes of actions agreed by Committee.

1.3 The Action Tracker records the actions agreed by the Governance & Audit Committee and provides an outcome for each action.

1.4 The up to date Action Tracker 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
28/04/24	80	**Governance & Audit Committee Action Tracker Report**		
		The Chair requested that references to 2023 be updated to 2024 in items 37 and 38.	Jeremy Parkhouse	**Closed** Action completed.
28/04/24	77	**Annual Complaints & Compliments Reports 2022-23**		
		• Key Performance Indicators – How the new system ensured that deadlines were met unlike previously when there were delays due to staff sickness / lack of officer training, which had been addressed. • Performance comparisons with other local authorities in Wales and establishing if other authorities received similar complaints. • Learning lessons from complaints received. • Recording complaints received from Councillors. • Outcomes of complaints that were upheld, which largely resulted in no financial penalty and apologies being sent. • Child and Family Services – checks carried out without consent and assurance that action / learning had taken place with issues reported to monthly PFM meetings and also a quality assurance check with results forwarded to officers.	Ness Young / Sarah Lackenby	**Ongoing**
28/02/24	76	**Internal Audit Annual Plan Methodology Report 2024/25**		
		Committee asked if we could add the word Limited to our 'Internal Audit Annual Plan Methodology Report' in relation to paragraph 2.8.	Simon Cockings / Nick Davies	**Closed** Discussed with Chief Auditor. This does take place, 'Limited' category will be added to the paragraph in the report.
		Performances being measured against each of the services in directorates and complaints across directorates as both were good indicators of where potential risks were present.	Simon Cockings / Nick Davies	**Closed** Discussed with Chief Auditor.
		Health and Safety Audits – When the last audit was completed and testing against management controls in the risk register / assurance map to show the robustness of the system.	Simon Cockings / Nick Davies	**Closed** Discussed with Chief Auditor. Last audit was completed in Feb 2023 with a Substantial Assurance rating. As stated previously, internal audit does not test the effectiveness of the controls in the risk register / assurance map.

		Staff Resources – the opportunity to review the size of the Audit Plan and planning to do less work and to do more in the contingency due to ongoing staffing issues, in order to lessen the pressure on the Internal Audit Team.	Simon Cockings / Nick Davies	**Closed** Discussed with Chief Auditor.
28/02/24	74	**Audit Wales Work Programme and Timetable - City and County of Swansea Council**		
		The Committee discussed the following: - • Audit Wales National Reports and Other Outputs – The Chair queried if it was possible to attend the 'What does good look like?' Good Practice event in Spring 2024. The Audit Wales representative stated that he would forward details to the Chair following the meeting.	Matthew Brushett	**Closed** Details circulated.
28/02/24	73	**Place: Internal Control Environment 2023/24**		
		The Director of Place would provide responses regarding CCNR1 – Number of trees planted during the year across the Council and managing absence percentage figures relating to previous years.	Mark Wade	**Closed** Response circulated 22/03/2024
28/02/24	72	**Internal Audit Monitoring Report - Quarter 3 - 2023/24**		
		Audit of Olchfa Comprehensive School – concern that delegated budget had been used to fund a retirement party for the former Headteacher. The Chair suggested that the matter be highlighted to the Director of Education / Cabinet Member for Education. The Principal Auditor stated that a follow-up would share the updated action plan provided by the school with the Committee.	Simon Cockings / Nick Davies	**Closed** The HoS and Director were made aware of this when the final report was issued. The Chair of the Governing Body also receives a copy of the final report. The completed action plan was circulated to the committee members. The audit is subject to our standard follow-up procedures.
		Further information be provided on the two moderate audit reports at Crwys Primary School and Trading Standards. The Chair stated that she would share the files with the Committee.	Chair	**Closed** Reports circulated.
		Audit of Integrated Community Equipment Service – The Chair queried whether our testing reviewed the performance of the service.	Simon Cockings / Nick Davies	**Closed** Performance was not audited as part of the latest audit. The service received a moderate audit rating in September 2021. Following this the Chair asked us to review performance monitoring arrangements as part of our follow-up review. This was undertaken in March 2022 and was reported to the

				committee in Q4 Monitoring Report on the 15 June 2022.
		Deferrals – A rationale being provided explaining why items had been deferred, as had occurred in previous years.	Simon Cockings / Nick Davies	**Closed** Agreed is usual practice.
28/02/24	71	**Minutes**		
		Amend Minute No. 65 -Fundamental Audits 2022/23 Recommendations Tracker, replacing 'these' with 'such' to read: - • Ensuring that recommendations partly or not implemented in Accounts Receivable / Accounts Payable which had their deadlines extended, were not missed and considering introducing an alternative classification for such items. The Principal Auditor would highlight this to the Chief Auditor.	Jeremy Parkhouse	**Closed** Amendment made
17/01/24	66	**Implementation of Accounts Receivable Internal Audit Service's (IAS) Follow Up Review Recommendations**		
		The Chair requested that the Head of Digital and Customer Services sought priority action from Oracle for the areas that required enhancement that would be relative to all Oracle clients, which would also provide the biggest impact to assist the processes within the Team, for example VAT input becoming a mandated field.	Sarah Lackenby	**Ongoing**
1701/24	65	**Fundamental Audits 2022/23 Recommendation Tracker**		
		Ensuring that recommendations partly or not implemented in Accounts Receivable / Accounts Payable which had their deadlines extended, were not missed and considering introducing an alternative classification for these items. The Principal Auditor would highlight this to the Chief Auditor.	Nick Davies / Simon Cockings	**Closed** Discussed with Chief Auditor.
06/12/23	55	**Internal Audit Monitoring Report - Quarter 2 - 2023/24**		
		The Chair queried whether the effectiveness of the control measures on the risk register had been audited as part of the Corporate Governance audit. The Chief Auditor confirmed that he would respond regarding the review of corporate governance and would ensure the Chair received all audit reports finalised as requested.	Simon Cockings	**Closed** Internal Audit are not able to evaluate the effectiveness of all control measures in the risk register as previously agreed with CMT and communicated to the Chair of the Committee. In 2024-25 the IAS will review the effectiveness of the Council's risk management framework, policy and procedures.
25/10/23	47	Audit Wales stated that it planned to report on the Statement of Accounts in March 2024.	Audit Wales	**Closed** Report presented to Special Committee

				meeting on 14/03/2024 and Council on 21/03/24.
25/10/23	46	**Report on the Audit Wales 'Together We Can' - Community Resilience and Self-Reliance Report Recommendations**		
		The Chair recognised the work already completed and the large amount of work outstanding, which could take time to complete. She requested that the Tackling Poverty Service Manager provides an update on the timelines at a future meeting.	Lee Cambule	**Ongoing** Scheduled for July 2024.
25/10/23	45	**Report on the Audit Wales 'A Missed Opportunity' - Social Enterprises Report Recommendations**		
		The Chair recognised the work already completed and the large amount of work outstanding, which could take time to complete. She requested that the Tackling Poverty Service Manager provides an update on the timelines at a future meeting.	Lee Cambule	**Ongoing** Scheduled for July 2024.
25/10/23	44	**The Governance and Assurance Arrangements of Swansea Council's Strategic Partnerships**		
		The Chair requested that future reports highlight the key challenges and achievements of the partnerships during the period being reported.	Richard Rowlands	**Ongoing** Report be provided in 2024/25 Municipal year.
25/10/23	38	**Absence Management Audit Report Update**		
		Ness Young, Director of Corporate Services highlighted that an update on the Council's Management Arrangements for Sickness Absence and Occupational Health was scheduled for Committee on 6 December 2023. The Chair noted that the report would therefore be moved to the meeting on 10 April 2024.	Rachael Davies	**Closed** Included on the agenda for 10 April 2024.
	38	The Head of Human Resources and Service Centre was requested to provide details of time lost due to accidents in the next update report.	Rachael Davies	**Closed** Included on the agenda for 10 April 2024.
25/10/23	37	**Employment of Agency Staff - 2023 Update**		
		The Head of Human Resources and Service Centre was requested to provide details of agency workers who had been employed on permanent contracts by the Authority and the cost of employing agency workers in previous years.	Rachael Davies	**Closed** Included on the agenda for 10 April 2024.
13/09/23	30	**Education Directorate: Internal Control Environment 2023/2024**		
		The Chair noted that the monitoring of the position at Clydach Primary School would be done by the Education Performance Scrutiny Panel and added that the Committee would gain assurance from their findings. She requested that it be added to the Action Tracker Report.	Education Performance Scrutiny Panel	**Closed** The Education Performance Scrutiny Panel visited the school in February 2024 and the letter of the Chair to the Education Cabinet Member has been circulated to the Committee. A follow-up visit by Internal

					Audit is included in the 2024/25 Audit Plan.
13/09/23	28		**Internal Audit Recommendation Follow-Up Report Quarter 1 2023/24**		
			The Committee also queried the reporting of all outstanding high / medium risks that had not been actioned in future in order for long term outstanding risks to be identified.	Nick Davies / Simon Cockings	**Closed** The Galileo Audit Management System does not have the functionality to report this data for each recommendation made. CMT has been made aware this is not feasible. However, recommendations for Fundamental Audits and Moderate/Limited audits continue to be closely monitored and reported.
19/07/23	19		**Internal Audit Section - Fraud Function Annual Report for 2022/2023**		
			The Corporate Fraud Manager stated that he would provide responses regarding / action the following: - • Provide reasons for closure in future reports. • Provide examples of case studies in future training sessions.	Jonathon Rogers	**Ongoing**
08/03/23	105		**Governance & Audit Committee Action Tracker Report**		
			The Chair highlighted the following: - • 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.	Councillor Andrea Lewis / Geoff Bacon	**Ongoing** 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 it 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. A report on Swansea Council NZ30 emissions (22-23) due at Cabinet imminently and Welsh Government are continuing to develop standardised frameworks to assist public body reporting.

Report of the Head of Democratic Services

Governance & Audit Committee – 10 April 2024

Governance & Audit Committee Work Plan

Purpose:	This report details the Governance & Audit Committee Work Plan to May 2024 and Draft Work Plan to May 2025.
Report Author:	Jeremy Parkhouse
Finance Officer:	N/A
Legal Officer:	N/A
Access to Services Officer:	N/A
For Information	

1. Introduction

1.1 The Governance & Audit Committee Work Plan to May 2024 in Terms of Reference Order is attached at Appendix 1 and the Draft Work Plan to May 2025 is attached at Appendix 1.1.

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 The Scrutiny Programme Committee Work Plan 2023/24 report is attached at Appendix 3.

1.4 The Scrutiny & Monitoring of External Audit / Inspection / Regulatory (AIR) Reports (2023/24) is attached at Appendix 4.

1.5 The updated Governance & Audit Committee Terms of Reference is attached at Appendix 5.

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 1.1 - Governance & Audit Committee Work Plan to May 2025 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 Programme Committee Work Plan 2023/24
Appendix 4 -   Scrutiny & Monitoring of External Audit / Inspection / Regulatory (AIR) Reports (2023/24).
Appendix 5 -   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	14 March 2024	10 April 2024	June 2024 (24/25)
Training									Performance Management Framework (May 24)	Risk Management
Governance & Assurance	Election of Chair & Vice Chair Appointment of Committee Member on Annual Governance Group	Complaints Update Report 2022/23		Scrutiny Annual Report 2022-23. The Governance and Assurance Arrangements of Swansea Council's Strategic Partnerships – 6 Month Update Public Services Ombudsman for Wales Annual letter to the Council for the period 2022-23			Annual Complaints Report		Draft Committee Work Programme 2024/25	Annual Governance Statement 2023/24 Draft Governance & Audit Committee Annual Report 2023/24 Election of Chair & Vice Chair Appointment of Committee Member on Annual Governance Group
Internal Audit	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 Moderate Report - Catering and Cleaning Team 23/24 IA Quarter 1 2023/24 Recommendation Tracking Report	Employment of Agency Staff Update Management of Absence Update Moderate Report – Clydach Primary School External Assessment Report 2023/24.	IA Quarter 2 2023/24 Monitoring Report	Accounts Receivable Update Fundamental Audits 2022/23 – Rec Tracker Report	IA Quarter 3 2023/24 Monitoring Report IA Annual Plan Methodology Report 2024/25		IA Charter 2024/25 IA Strategy & Draft Annual Plan 2024/25 Absence Management & Employment of Agency Workers Audits - Update Report	Internal Audit Annual Report 2023/24 Accounts Receivable Update Moderate Report - Waivers
Risk Management & Performance			Q1 Risk Monitoring Report The Annual Review of Performance 2022-23 (including Self-Assessment Report)		Q2 Risk Monitoring Report		Q3 Risk Monitoring Report Risk Management Review (Verbal)		Risk Management Policy and Framework	Q4 Risk Monitoring Report

Counter Fraud		Corporate Fraud Annual Report 2022/23 and Corporate Fraud Annual Plan 2023/24			Corporate Fraud – Six Month Update					
Operational matters / key risks			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	
External Audit	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 – 2023 Audit Plan 'A Missed Opportunity' - Social Enterprises. 'Together we can' - Community Resilience and Self-Reliance	Audit Wales Work Programme and Timetable – City and County of Swansea Council. Setting of well-being objectives – City and County of Swansea Council Audit Wales Letter – Review of the Council's Transformation Programme External Audit Recommendations.	Audit Wales - Audit of the Council's Digital Strategy 2023-28	Audit Wales Work Programme and Timetable – City and County of Swansea Council. External Audit Tracker Report	Audit Wales - Audit of Accounts Report - City & County of Swansea.	Audit Wales Report - City & County of Swansea Annual Audit Summary	Audit Wales - 2024 Audit Plan External Audit Tracker Report
Financial Reporting					Draft Statement of Accounts 2022/23			Draft Statement of Accounts 2022/23		

Terms of Reference	May 2024	June 2024	July 2024	September 2024	October 2024	December 2024	January 2025	February 2025	April 2025	June 2025 (25/26)
Training	Performance Management	**Risk Management**	Internal Audit							
Governance & Assurance		Annual Governance Statement 2023/24 Draft Governance & Audit Committee Annual Report 2023/24 Election of Chair & Vice Chair Appointment of Committee Member on Annual Governance Group	Complaints Update Report		Scrutiny Annual Report The Governance and Assurance Arrangements of Swansea Council's Strategic Partnerships Public Services Ombudsman for Wales Annual letter to the Council for the period 2023-24		Annual Complaints Report	Update on the Council's Transformation Programme, including Governance	Draft Committee Work Programme Absence Management & Employment of Agency Workers Audits - Update Report	Annual Governance Statement Draft Governance & Audit Committee Annual Report Election of Chair & Vice Chair Appointment of Committee Member on Annual Governance Group
Internal Audit		IA Quarter 4 2023/24 Monitoring Report Accounts Receivable Update Moderate Report - Waivers Internal Audit – Annual Report	Annual Report of School Audits	IA Quarter 1 Monitoring Report	External Assessment Report	IA Quarter 2 Monitoring Report Fundamental Audits – Recommendation Tracker Report	Accounts Receivable Update	IA Quarter 3 Monitoring Report IA Annual Plan Methodology Report Draft IA Annual Plan	IA Charter 2024/25 IA Strategy & Annual Plan	Internal Audit Annual Report
Risk Management & Performance		Q4 Risk Monitoring Report		Q1 Risk Monitoring Report The Annual Review of Performance		Q2 Risk Monitoring Report	Performance Management update.	Q3 Risk Monitoring Report		Q4 Risk Monitoring Report
Counter Fraud			Corporate Fraud Annual Report and Corporate Fraud Annual Plan			Corporate Fraud – Six Month Update				
Operational matters / key risks				Update on Internal Control Environment - Director of Finance	Update on Internal Control Environment - Director of Social Services	Update on Internal Control Environment – Director of Education		Update on Internal Control Environment – Director of Place	Update on Internal Control Environment – Director of Corporate Services	

External Audit		Audit Wales - Audit Plan Audit Wales Report - From firefighting to future-proofing – the challenge for Welsh public services External Audit Tracker Report Audit Wales Work Programme and Timetable – City and County of Swansea Council.	Audit Wales Work Programme and Timetable – City and County of Swansea Council. Update on the Council's response to the Audit Wales 2023 Report on Community Reliance and Self Reliance Update on the Council's response to the Audit Wales 2023 Report on Social Enterprises	External Audit Tracker Report Audit Wales - Audit of Accounts Report - City & County of Swansea - Draft.	Audit Wales Work Programme and Timetable – City and County of Swansea Council.	Setting of well-being objectives – City and County of Swansea Council External Audit Tracker Report		Audit Wales Work Programme and Timetable – City and County of Swansea Council. External Audit Tracker Report	Audit Wales - Assurance and Risk Assessment - Financial Position Update Audit Wales Report - City & County of Swansea Annual Audit Summary	Audit Wales - Audit Plan External Audit Tracker Report
Financial Reporting				Draft Statement of Accounts						

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 *The frequencies are a guide and additional reviews may take place as and when the committee feel necessary.*	Month to present to committee
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	September
To review the Council's draft response to the Panel Performance Assessment Report	Richard Rowlands	Once every 4 years	TBC
To review the Council's draft response to any Auditor General's recommendations arising from a special inspection in respect of the Council's performance requirements	Ness Young	As and When required	TBC
To review the programme of work from regulators	Richard Rowlands	Annually	Quarterly

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

			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 – June

To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Chief Internal Auditor. **To approve and periodically review safeguards to limit such impairments**	Simon Cockings	Annual	Internal Audit Charter Report – April
To receive reports outlining the action taken where the Chief Internal Auditor has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions	Simon Cockings	As and when	Quarterly Monitoring Reports throughout the year.
To consider reports dealing with the management and performance of the providers of internal audit services	Simon Cockings	As and when required	Quarterly Monitoring Reports throughout the year.
To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.	Simon Cockings	Quarterly	Quarterly Monitoring Reports throughout the year.
To contribute to the Quality Assurance and Improvement Programme and in particular the external quality assessment of internal audit that takes place at least once every five year	Simon Cockings	Every 5 Years	Internal Audit Annual Report – May
To consider the external auditor's annual letter, relevant reports, and to those charged with governance.	Ben Smith	Annual	External Auditor's annual letter – July

To review the annual statement of accounts.	Ben Smith	Annual	Report of S151 officer including Statement of Accounts – December
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 – June

Scrutiny Programme Committee – Work Plan 2023/24

ACTIVITY	18 Jul 2023	19 Sep 2023	17 Oct 2023	14 Nov 2023	19 Dec 2023	16 Jan 2024
Scrutiny Work Programme	Agreement of Scrutiny Work Programme	Scrutiny Annual Report 2022/23				
Cabinet Member Portfolio Responsibility Q & A Sessions		Active Travel (CM for Environment & Infrastructure)			Support for Business (CM for Investment, Regeneration, Events & Tourism)	Leader / Economy, Finance & Strategy
Other Cabinet Member / Officer Reports			Scrutiny of Swansea Public Services Board (PSB Chair – Cllr Andrea Lewis)	- Annual Corporate Safeguarding Report (CM for Care Services / Director of Social Services) - Children & Young People's Rights Scheme (annual report) (CM for Community – Support)	Delivery of Corporate Priority – Tackling Poverty (annual item) (Leader / CM for Wellbeing)	
Scrutiny Performance Panel Progress Reports			Education	Service Improvement, Regeneration & Finance	Adult Services	Child & Family Services
Pre-decision Scrutiny / Call In	Pre-decision Scrutiny: FPR7 Redevelopment of 277-278 Oxford Street - Community Hub Project		Pre-decision Scrutiny: Oracle Fusion Project Implementation / Project Closure Report (Leader / CM for Service Transformation)			
Final Scrutiny Inquiry Reports / Follow Up on Scrutiny Recs.				- Follow Up on Bus Services Working Group (CM for Environment & Infrastructure) - Anti-Social Behaviour Inquiry Final Report		Follow Up on Road Safety Working Group (CM for Environ. & Infrastructure)

ACTVITY	1 Feb 2024 (Special)	13 Feb 2024	19 Mar 2024	16 Apr 2024	14 May 2024	
Scrutiny Work Programme					- Audit / Scrutiny Relationship – Discussion w/ Chair of Governance & Audit Committee - End of Year Review	
Cabinet Member Portfolio Responsibility Q & A Sessions		Delivery against Workforce Development Strategy (CM for Corporate Services & Performance)				
Other Cabinet Member / Officer Reports			- Annual Complaints Report 2022-23 (CM for Service Transformation) - Welsh Language Standards (annual report 2022/23) (CMs for Education & Learning / Culture, Human Rights & Equalities)	Crime & Disorder Scrutiny - Safer Swansea Community Safety Partnership (Joint Chairs of Safer Swansea Partnership)	- Scrutiny of Swansea Public Services Board (PSB Chair – Cllr Andrea Lewis) - Welsh Language Standards (annual report 2023/24) (CMs for Education & Learning / Culture, Human Rights & Equalities)	
Scrutiny Performance Panel Progress Reports		Climate Change & Nature	Education	Service Improvement, Regeneration & Finance		
Pre-decision Scrutiny / Call In	Call In - Customer Charter and Service Standards Framework	Call In - Customer Charter and Service Standards Framework				
Final Scrutiny Inquiry Reports / Follow Up on Scrutiny Recs.					Follow Up on Co-production Working Group (CM for Community - Support)	

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 report on education services in City and County of Swansea (September 2022)	Estyn	Education & Learning	Education Panel	27 October 2022 15 December 2022 15 June 2023 14 December 2023	NO Further monitoring scheduled for Dec 2024
'Time for Change' – Poverty in Wales (November 2022)	Audit Wales (National)	Economy, Finance & Strategy AND Well-being	Scrutiny Programme Committee	17 January 2023 19 December 2023	YES Tackling Poverty is an annual item at Committee
'A missed opportunity' – Social Enterprises (November 2022)	Audit Wales (National)	Care Services	Adult Services Panel	5 September 2023	NO Discussion on Action Plan / progress to be arranged – likely March 2024
'Together We Can' – Community Resilience and Self-Reliance (January 2023)	Audit Wales (National)	Community (Support)	Adult Services Panel	7 August 2023	YES
Rose Cross Residential Care Home Inspection (May 2023)	CIW	Care Services	Adult Services Panel	28 June 2023	YES
Ty Waunarlwydd Home For The Elderly Inspection (June 2023)	CIW	Care Services	Adult Services Panel	28 June 2023	YES

Setting of Wellbeing Objectives (August 2023)	Audit Wales (Local)	Corporate Services & Performance	Service Improvement, Regeneration and Finance	17 October 2023	YES
Digital Strategy Review (November 2023)	Audit Wales (Local)	Service Transformation	Service Improvement, Regeneration and Finance	12 December 2023	YES
Cracks in the Foundations' – Building Safety in Wales (August 2023)	Audit Wales (National)	Corporate Services & Performance	Service Improvement, Regeneration and Finance	12 March 2024	
Use of Performance Information: Service User Perspective and Outcomes (November 2023)	Audit Wales (Local)	Corporate Services & Performance	Service Improvement, Regeneration and Finance	9 April 2024	
Springing Forward – Workforce (December 2023)	Audit Wales (Local)	Corporate Services & Performance	Service Improvement, Regeneration and Finance	7 May 2024	

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.