



Dinas a Sir Abertawe

Hysbysiad o Gyfarfod

Fe'ch gwahoddir i gyfarfod

Pwyllgor Archwilio

Lleoliad: Ystafell Bwyllgor 5, Neuadd y Ddinas, Abertawe

Dyddiad: Dydd Mawrth, 9 Mawrth 2021

Amser: 2.00 pm

Cadeirydd: Paula O'Connor

Aelodaeth:

Cynghorwyr: C Anderson, P M Black, D W Helliwell, T J Hennegan, P R Hood-Williams, P K Jones, J W Jones, E T Kirchner, M B Lewis, S Pritchard, A H Stevens, L V Walton a/ac T M White

Aelod Lleyg: Julie Davies

Gwyllo ar-lein: <http://bit.ly/37n3hmA>

Agenda

Rhif y Dudalen.

- 1 Ymddiheuriadau am absenoldeb.**
- 2 Datgeliadau o fuddiannau personol a rhagfarnol.**
www.abertawe.gov.uk/DatgeluCysylltiadau
- 3 Cofnodion.** **1 - 9**
Cymeradwyo a llofnodi, fel cofnod cywir, gofnodion y cyfarfod(ydd) blaenorol.
- 4 Canolfan Wasanaeth - Adroddiad Dilydol y Gwasanaeth Datgelu a Gwahardd (DBS). (Sian Williams / Emma Johnson)** **10 - 14**
- 5 Adroddiad Methodoleg Cynllun Blynyddol Archwilio Mewnol 2021/22. (Simon Cockings)** **15 - 50**
- 6 Cynllun Blynyddol Archwiliad Mewnol Drafft 2021/22. (Simon Cockings)** **51 - 60**
- 7 Meincnodi, Effeithlonrwydd a Gwerth am Arian. (Adam Hill)** **61 - 71**
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Cyfarfod nesaf: Dydd Mawrth, 20 Ebrill 2021 ar 2.00 pm

Huw Evans

**Huw Evans
Pennaeth Gwasanaethau Democrataidd
Dydd Mawrth, 2 Mawrth 2021**

Cyswllt: Gwasanaethau Democrataidd: - 636923

Agenda Item 3



Dinas a Sir Abertawe

Cofnodion Cyfarfod y Pwyllgor ArchwilioA

O bell drwy Microsoft Teams

Dydd Mawrth, 9 Chwefror 2021 am 2.00pm

Yn bresennol: Paula O'Connor (Cadeirydd) fu'n llywyddu

Y Cynghorwyr

C Anderson
P R Hood-Williams
S Pritchard

Y Cynghorwyr

P M Black
J W Jones
L V Walton

Y Cynghorwyr

D W Helliwell
M B Lewis
T M White

Aelod Lleyg

Julie Davies

Swyddogion

Simon Cockings
Michelle Davies
Adam Hill
Tracey Meredith
Jeremy Parkhouse
Richard Rowlands
Ben Smith
Siân Williams

Prif Archwilydd
Rheolwr Rheoli Arian Parod a Chyfrifon Derbyniadwy
Dirprwy Brif Weithredwr/Cyfarwyddwr Adnoddau
Prif Swyddog Cyfreithiol/Swyddog Monitro
Swyddog y Gwasanaethau Democrataidd
Rheolwr Cyflwyno a Pherfformiad Strategol
Prif Swyddog Cyllid/Swyddog Adran 151
Pennaeth y Ganolfan Wasanaeth

Ymddiheuriadau am absenoldeb

Y Cynghorwyr E T Kirchner ac A H Stevens

35 Datgeliadau o fuddiannau personol a rhagfarnol

Yn unol â'r Côd Ymddygiad a fabwysiadwyd gan Ddinas a Sir Abertawe, ni ddatganwyd unrhyw fuddiannau.

36 Cofnodion

Penderfynwyd cymeradwyo cofnodion cyfarfod blaenorol y Pwyllgor Archwilio fel cofnod cywir.

37 Y Ganolfan Wasanaeth: Cyfrifon Derbyniadwy - Diweddariad (Siân Williams / Michelle Davies)

Cyflwynodd Siân Williams, Pennaeth y Ganolfan Wasanaeth a Michelle Davies, Rheolwr Cyfrifon Derbyniadwy a Rheoli Arian Parod, adroddiad diweddar ar gyfer y Ganolfan Wasanaeth, swyddogaeth Cyfrifon Derbyniadwy.

Tynnwyd sylw at y ffaith bod cynnydd rhagorol wedi'i wneud o ran anfonebau hanesyddol a diolchwyd i'r Tîm Cyfrifon Derbyniadwy am y cynnydd a wnaed.

Roedd y sefyllfa bresennol yn fanwl ac esboniwyd, er bod nifer yr anfonebau a godwyd yn gostwng, fod gwerth yr anfonebau a godwyd yn cynyddu'n sylweddol. Roedd Atodiad A yn darparu'r Dadansoddiad o Swm yr Anfonebau. Darparwyd y sefyllfa o ran dyledion a oedd yn weddill hefyd ac fe'i crynhowyd yn ôl oedran y ddyled.

Esboniwyd y cynnydd a wnaed hyd yma ac ychwanegwyd bod y meysydd canlynol wedi'u blaenoriaethu a bod diweddariadau'n cael eu darparu mewn perthynas â phob maes blaenoriaeth: -

- Adolygiad o 500 o anfonebau a oedd dros 5 mlwydd oed a oedd wedi aros yn sefydlog yn y system;
- Camau gweithredu penodol i adennill yr holl anfonebau gwerth dros £10,000 a oedd yn cynnwys 47 o anfonebau gwerth £2.8M (nad oeddent yn cynnwys anfonebau Ysgolion neu'r Bwrdd Iechyd);
- Adolygiad blaenoriaeth o bob un o'r 150 anfoneb ar y categori Aros am Dystiolaeth o Ddyled fel y gellid cyfeirio'r rhain at yr adran Gyfreithiol.

Roedd yr adroddiad hefyd yn manylu ar y cynnydd a gynlluniwyd ar gyfer y dyfodol a'r heriau parhaus a wynebwr gan yr adran, gan gynnwys effaith pandemig COVID-19 ar y Tîm Cyfrifon Derbyniadwy ac ar gwsmeriaid busnes, sydd wedi arwain at lai o allu i dalu dyledion.

Trafododd y pwyllgor y canlynol: -

- Pwysigrwyd parhau â'r neges gref i Benaethiaid Gwasanaeth a monitro cynnydd;
- Y broses ar gyfer ymdrin ag anghydfodau;
- Effaith COVID-19 ar fusnesau/unigolion sy'n effeithio ar eu gallu i dalu;
- Deddf Ansolfedd a Llywodraethu Corfforaethol 2020 sydd wedi'i chyflwyno, yr amddiffyniad y mae'n ei ddarparu a'r angen i'r Pwyllgor Archwilio gael ei ddiweddarau'n llawn ynglŷn â'r ddeddfwriaeth newydd;
- Y broses o ddelio â dyledion hirdymor a chyfrifoldeb adrannau i wirio'r system cyn rhoi credyd i gwsmeriaid/codi anfoneb;
- Y cynnydd a wnaed gan yr Adran Gwasanaethau Cymdeithasol o ran lleihau dyled gyffredinol yr adran;
- Y cyfrifoldeb am ddyledion sy'n gysylltiedig ag adrannau, diffyg dealltwriaeth mewn rhai adrannau ac amrywiaeth y gwasanaethau a ddarperir ledled y cyngor gan gynnwys swyddogaethau statudol sy'n ymwneud â darparu gwasanaethau.

Cydnabu'r Cadeirydd y cynnydd a wnaed eisoes a holodd pryd y byddai swyddogion yn atebol pe na baent yn cydweithredu â'r Tîm Cyfrifon Derbyniadwy.

Dywedodd y Swyddog Adran 151/Prif Swyddog Cyllid ei bod yn bwysig cydnabod maint yr Awdurdod a'r ffigurau mawr sy'n gysylltiedig ag adennill dyledion. Mynegodd fod angen pwyll o ran cyfeirio pob adroddiad cymedrol i'r Pwyllgor Archwilio, gan y byddai'n creu nifer mawr iawn o eitemau i'w trafod. Dywedodd hefyd fod yr holl adroddiadau cymedrol yn cael eu cyfeirio at y Tîm Rheoli Corfforaethol (TRhC).

Dywedodd y Dirprwy Brif Weithredwr fod hierarchaeth ar waith o ran monitro dyledion adrannol a oruchwylir gan y Tîm Rheoli Corfforaethol. Ychwanegodd fod swyddogion yn atebol o ran rheoli dyledion yr adran ac y byddai unrhyw faterion yn cael eu cyfeirio at y TRhC.

Penderfynwyd ar y canlynol: -

- 1) Atgoffir Adrannau Gwasanaeth ymhellach o'u cyfrifoldebau a'u rôl yn y broses anfonebu. Dylid atgyfnerthu hyn drwy'r Cyfarwyddwyr a Phenaethiaid Gwasanaeth er mwyn sicrhau cysondeb a chadernid y broses;
- 2) Bydd Cyfrifon Derbyniadwy yn parhau i adrodd i'r TRhC bob chwarter fel diweddariad pellach ar y sefyllfa o ran dyledion ar draws yr Awdurdod;
- 3) Dylid diweddarau'r Pwyllgor Archwilio ynghylch effaith Deddf Ansolfedd a Llywodraethu Corfforaethol 2020 ar Gyfrifon Derbyniadwy.

38 Cynllun Blynnyddol Archwilio Mewnol 2020/2021 - Adroddiad Monitro ar gyfer y cyfnod 1 Hydref 2020 tan 31 Rhagfyr 2020. (Simon Cockings)

Cyflwynodd y Prif Archwiliwr, Simon Cockings, adroddiad manwl iawn a oedd yn dangos yr archwiliadau a gwblhawyd ac unrhyw waith arall a wnaed gan yr Is-adran Archwilio Mewnol yn ystod y cyfnod o 1 Hydref 2020 i 31 Rhagfyr 2020.

Cwblhawyd cyfanswm o 16 o archwiliadau yn ystod y chwarter. Rhestrwyd yr archwiliadau a gwblhawyd yn Atodiad 1, a oedd hefyd yn dangos lefel y sicrwydd a roddwyd ar ddiwedd yr archwiliad a nifer yr argymhellion a wnaed ac y cytunwyd arnynt. Roedd Atodiad 2 yn darparu crynodeb o gwmpas yr adolygiadau a gwblhawyd yn ystod y cyfnod.

Rhodddwyd dadansoddiad o lefelau sicrwydd yr archwiliadau a gwblhawyd a gwnaed cyfanswm o 73 o argymhellion archwilio a chytunodd y rheolwyr i weithredu'r holl argymhellion. Ni chyhoeddwyd unrhyw adroddiadau cymedrol yn ystod y chwarter.

Esboniwyd bod mynediad i holl safleoedd y cyngor wedi'i gyfyngu oherwydd pandemig parhaus COVID-19. Roedd hyn wedi cael effaith sylweddol ar allu'r Tîm Archwilio i gwblhau profion ar y safle a byddai'n parhau i wneud hynny nes i'r cyfyngiadau gael eu codi. Esboniwyd hefyd nad oedd y Tîm yn gallu cynnal rhai ymweliadau archwilio gan na allai staff gael mynediad i rai safleoedd, e.e. ysgolion.

Cafodd y Pwyllgor yr wybodaeth ddiweddaraf am y grant a'r gwaith ychwanegol a wnaed gan yr Adran Archwilio Mewnol yn ystod y cyfnod. Darparwyd gwybodaeth hefyd am salwch staff a gwaith arall a wnaed gan aelodau'r tîm y tu allan i'w dyletswyddau arfaethedig.

Darparodd Atodiad 3 Gynllun Archwilio Mewnol 2020/21 - Cynnydd hyd at 18/01/21 ac esboniwyd bod 53 o archwiliadau o gynllun archwilio 2020/21 wedi'u cwblhau i gam adroddiad drafft o leiaf (33%), gyda 31 o archwiliadau ychwanegol ar y gweill (19%). O ganlyniad, roedd tua 52% o'r Cynllun Archwilio wedi'i gwblhau neu ar waith. Yn ogystal, er mwyn caniatáu mwy o hyblygrwydd i'r Tîm Archwilio, mae 19 archwiliad ychwanegol (12%) wedi'u neilltuo i'r staff i geisio'u gyrru yn eu blaen.

Ychwanegwyd bod y Pwyllgor wedi cael gwybod o'r blaen na fyddai'r Tîm Archwilio Mewnol, oherwydd amrywiaeth o faterion yn ymwneud â COVID-19, yn gallu cwblhau nifer sylweddol o archwiliadau ar y cynllun archwilio cymeradwy ar gyfer 2020/21. O gymharu â chyfraddau cwblhau'r cynllun mewn blynyddoedd blaenorol lle cododd cyfraddau cwblhau i 87% yn 2018/19 ac 84% yn 2019/20, rhagwelwyd y byddai cyfradd cwblhau'r cynllun ar gyfer 2020/21 rhwng 50% a 60%. Roedd hyn yn llawer is na'r lefel arferol o gwblhau yr oedd y Tîm wedi'i chyflawni yn y gorffennol, ond nid oedd modd osgoi hyn oherwydd y pandemig parhaus.

Hysbyswyd y Pwyllgor hefyd fod yn rhaid gohirio rhai archwiliadau tan 2021-2022 a bod yr archwiliadau gohriedig yn ymwneud yn bennaf â Gwasanaethau Cymdeithasol, TG, Ardrethi Busnes (Ardrethi Annomestig Cenedlaethol) ac archwiliadau ysgolion, a darparwyd manylion llawn.

Darparwyd manylion y gwaith dilynol a gwblhawyd rhwng 1 Hydref a 31 Rhagfyr 2020, gan gynnwys mynd ar drywydd y Gwasanaeth Datgelu a Gwahardd (GDG); Ysgol Gynradd Cwm Glas; ac Ysgol Arbennig Penybryn am yr eildro.

Rhoddodd y Pwyllgor adborth cadarnhaol ynglŷn â'r cynnydd a wnaed a llongyfarchodd y Prif Archwilydd ar waith ei dîm mewn amgylchiadau anodd iawn. Trafododd y pwyllgor y canlynol: -

- Pryder ynghylch methu â chwblhau argymhellion mewn perthynas â'r Gwasanaeth Datgelu a Gwahardd (GDG), yr adroddiad dilynol a roddwyd i'r Tîm Rheoli Corfforaethol (TRhC), sut roedd y risg yn canolbwyntio ar y diffyg mesurau rheoli a'r angen i'r Pwyllgor dderbyn adroddiad ychwanegol gan y Ganolfan Wasanaeth yn ei gyfarfod nesaf a drefnwyd;
- Adolygu'r fframwaith sicrwydd yn y dyfodol;
- Yr arweiniad manwl i roi'r wybodaeth ddiweddaraf i ysgolion ynghylch Rheolau Gweithdrefn Contractau a gaiff ei ddosbarthu cyn bo hir;
- Y newid yn y swyddogaeth ar gyfer Ardrethi Annomestig Cenedlaethol yn ystod y pandemig;
- Canllawiau CIPFA a gyhoeddwyd sy'n tynnu sylw at y posibilrwydd y gallai barn flynyddol y Prif Archwilydd Mewnol fod yn gyfyngiad ar gwmpas gan gydnabod yr anawsterau y mae timau archwilio yn eu hwynebu i gyflawni'u rhaglen arfaethedig oherwydd effaith y pandemig;
- Mabwysiadu adolygiadau thematig ar draws y gwasanaethau a ddewiswyd.

Diolchodd y Cadeirydd i'r Prif Archwilydd a'i staff am y gwaith a'r cynnydd a wnaed, a thynnodd sylw at y defnydd o adolygiadau thematig, y gellid eu hestyn yn y dyfodol. Croesawodd arweiniad CIPFA ac ychwanegodd fod angen adolygu meysydd allweddol y cyngor.

Penderfynwyd ar y canlynol: -

- 1) Caiff cynnwys yr adroddiad ei nodi ynghyd â'r posibilrwydd y gallai barn y Prif Archwilydd Mewnol gyfyngu ar gwmpas;
- 2) Darperir adroddiad diweddar i'r cyfarfod nesaf a drefnwyd ynghylch y Gwasanaeth Datgelu a Gwahardd.

39 Adroddiad Dilynol am Argymhelliad yr Archwiliad Mewnol ar gyfer Ch3 2020/21. (Simon Cockings)

Cyflwynodd y Prif Archwilydd adroddiad i'r pwyllgor a oedd yn darparu statws yr argymhellion a wnaed yn yr archwiliadau hynny lle y gwnaethpwyd gwaith dilynol yn Chwarter 3 2020/21, a oedd yn caniatáu i'r Pwyllgor Archwilio fonitro'r broses o weithredu argymhellion a wnaed gan Archwilio Mewnol.

Darparodd Atodiad 1 grynodeb o'r argymhellion a dderbyniwyd ac a weithredwyd a darparodd Atodiad 2 fanylion yr argymhellion nas gweithredwyd.

Tynnwyd sylw at y ffaith bod 66 o'r 69 o argymhellion a wnaed wedi'u rhoi ar waith. Roedd y 3 nad oeddent wedi'u rhoi ar waith yn rhai risg isel/ganolig ac ni chawsant eu rhoi ar waith oherwydd COVID-19 yn bennaf.

Trafododd y pwyllgor y canlynol: -

- Methiant lechyd, Diogelwch a Lles i ddilyn Rheolau Gweithdrefnau Contractau (RhGC);
- Sut, mewn rhai sefyllfaoedd brys, h.y. trefnu i bobl adael eu cartrefi, y gellir cydnabod y methiant i lynu wrth y RhGC.

Penderfynwyd: -

- 1) Nodi cynnwys yr adroddiad;
- 2) Y bydd y Prif Archwilydd yn gwirio'r amgylchiadau sy'n gysylltiedig â methiant lechyd, Diogelwch a Lles i gadw at Reolau Gweithdrefnau Contractau.

40 Diweddariad ar Abertawe'n Cyflawni'n Well Gyda'n Gilydd. (Er gwybodaeth) (Adam Hill)

Cyflwynodd Adam Hill, y Dirprwy Brif Weithredwr, adroddiad 'er gwybodaeth' a oedd yn rhoi trosolwg o'r broses gychwynnol o ail-lunio'r cyngor a'r blaenoriaethau

uniongyrchol o argyfwng COVID-19, y cynllun tymor hwy o adferiad i drawsnewid a'r fframwaith i ddisodli Strategaeth Abertawe Gynaliadwy gydag Abertawe – Cyflawni'n Well Gyda'n Gilydd.

Amlinellwyd bod y Cabinet, ar 15 Hydref 2020, wedi cymeradwyo'r adroddiad newydd "O Adferiad i Drawsnewidiad" yn manylu ar y 3 Cham o adferiad hyd at Strategaeth Trawsnewid a Fframwaith Rhaglen "Abertawe – Cyflawni'n Well Gyda'n Gilydd 2022 – 2026". Ychwanegwyd bod y Strategaeth Trawsnewid 'Rheoli'r Presennol a Llunio'r Dyfodol, Cyngor Abertawe – O Adferiad i Drawsnewidiad' yn disodli Abertawe Gynaliadwy - yn addas i'r dyfodol.

Roedd yr adroddiad yn manylu ar gefndir a sefyllfa bresennol y rhaglen waith, ac yn tynnu sylw at yr adferiad, y cyfnod ail-lunio i ailffocysu camau, llywodraethu a chasgliad. Cyflwynodd Atodiad 1 amserlen cyfarfodydd y Ffrydiau Gwaith.

Trafododd y pwyllgor y canlynol: -

- Mwy o ymgysylltu/ymgyngori ystyrion, gan gynnwys ymgysylltu ehangach â phreswylwyr;
- Gweithio gyda sefydliadau partner, e.e. Cyngor Castell-nedd Port Talbot/y GIG a chydbwyllgorau corfforaethol sydd ar ddod;
- Y strwythur adrodd a'r gwaith enfawr sydd i'w wneud drwy'r ffrydiau gwaith a'r broses atebolrwydd;
- Pwysigrwydd cyflawni'r rhaglen yn llwyddiannus a sicrhau bod y gweithlu'n dychwelyd i'w rolau arferol;
- Yr angen i ddarparu siart/rhaglen waith sefydliadol;
- Diwygio'r llywodraethu, yn enwedig y cylch gorchwyl ar gyfer pob ardal gyda'r Cynllun Adfer yn dod â phopeth at ei gilydd;
- Datblygu cynllun gweithredu i olrhain perfformiad a'r hyn oedd yn digwydd ar lawr gwlad;
- Darparwyd yr adroddiad ar gyfer sicrwydd a darperir rhagor o fanylion yn dilyn cyfarfod o Bwyllgor y Rhaglen Graffu ddiwedd mis Chwefror 2021.

Dywedodd y Cadeirydd fod y cynnydd yn anghydnaws â'r sefyllfa bresennol ac y dylid rhoi mwy o ffocws ar yr hyn sy'n digwydd mewn gwirionedd. Ychwanegodd y byddai newidiadau arfaethedig yn arwain at reoli perfformiad yn fwy llym a thynhau gafael corfforaethol.

Penderfynwyd ar y canlynol: -

- 1) Nodi cynnwys yr adroddiad;
- 2) Bydd y Dirprwy Brif Weithredwr yn darparu adroddiad cynnydd i Bwyllgor Archwilio'r dyfodol.

41 Trosolwg o'r Statws Risgiau Cyffredinol - Chwarter 3 2020/21 (Er gwybodaeth) (Richard Rowlands)

Cyflwynodd Richard Rowlands, Rheolwr Cyflwyno a Pherfformiad Strategol, adroddiad Chwarter 3 2020/21 a oedd yn darparu trosolwg o statws Risgiau Corfforaethol yn y cyngor i roi sicrwydd i'r Pwyllgor bod risgiau allweddol yn cael eu rheoli'n unol â pholisi a fframwaith rheoli risgiau'r cyngor.

Ychwanegwyd bod y canlynol yn crynhoi statws y risgiau a gofnodwyd yn y Gofrestr Risgiau Corfforaethol yn Chwarter 3 2020/21, o'i gymharu â Chwarter 2 2020/21:

- Cofnodwyd bod yr holl risgiau wedi'u hadolygu o leiaf unwaith yn ystod Chwarter 3.
- Lleihawyd lefel y risg ar gyfer risg y 'Cytundeb Masnach ar ôl Brexit gyda'r UE' o statws Coch i Oren yn dilyn llofnodi cytundeb masnach rhwng y DU a'r UE.
- Cafodd y risg 'Trechu Tlodi' ei thadactifadu (ei chau) fel un a oedd yn cael ei rheoli o fewn yr adrannau a chyda digon o reolaeth ar waith i olrhain a monitro.
- Ni chafodd unrhyw risgiau newydd eu hychwanegu na'u codi i'r gofrestr Risgiau Corfforaethol.

Roedd Atodiad A yn cynnwys y risgiau ar 21/01/21 a gofnodwyd yng Nghofrestr Risgiau Corfforaethol y cyngor. Roedd yr adroddiadau ar gyfer pob risg yn cynnwys gwybodaeth esboniadol gyffredinol yn ymwneud â'u dosbarthiad.

Canmolodd y Cadeirydd y gwaith a gwblhawyd mewn perthynas â fformat newydd yr adroddiadau risg. Ychwanegodd fod angen gwneud rhagor o waith ar y wybodaeth sy'n cael ei mewnbwnu i'r system gan berchnogion risg. Roedd disgwyl y byddai aelodau'r Tîm Rheoli Corfforaethol yn mynychu cyfarfodydd yn y dyfodol er mwyn rhoi'r wybodaeth ddiweddaraf am y risgiau sydd dan eu rheolaeth.

Trafododd y pwyllgor y canlynol: -

- Fformatio/cysondeb gwell yr adroddiadau risg;
- Trosglwyddo risgiau i drydydd parti;
- Sut mae rhai risgiau'n cael eu 'goddef';
- Rhif adnabod Risg 153 – Diogelu, y mesurau rheoli cysylltiedig a'r system i'w diweddarau;
- Yr adnoddau cyfyngedig iawn sydd ar gael yn gorfforaethol i fonitro rheoli risgiau;
- Sut y tynnwyd sylw'r Tîm Rheoli Corfforaethol at faterion cydymffurfio;
- Yr angen i gyflwyno allwedd i ganiatáu dealltwriaeth ehangach o'r adroddiadau;
- Yr angen i Swyddog 'brynu i mewn' i sicrhau bod yr arweinwyr risg yn cael eu cynnwys, gan sicrhau eu bod yn deall y dulliau rheoli sydd ei hangen ac yn mynd i'r afael ag anghenion hyfforddi;
- Sut roedd ymgysylltu â Swyddogion yn hanfodol i lwyddiant yr awdurdod wrth fynd i'r afael â meysydd sy'n peri pryder.

Penderfynwyd ar y canlynol: -

- 1) Gofynnir i Gyfarwyddwyr Corfforaethol fynd i gyfarfod y Pwyllgor Archwilio ar sail cylchdro bob chwarter i amlinellu eu Risgiau Corfforaethol a'r dulliau rheoli llywodraethu a risgiau yn eu hadrannau;
- 2) Tynnir sylw'r Tîm Rheoli Corfforaethol at ddarparu hyfforddiant rheoli risgiau ychwanegol i Swyddogion ar Fesurau Rheoli.

42 Adroddiad Orlhain Camau Gweithredu'r Pwyllgor Archwilio (Er Gwybodaeth) (Jeremy Parkhouse)

Darparwyd adroddiadau Orlhain Camau Gweithredu ac Orlhain Camau Gweithredu Diwygiedig y Pwyllgor Archwilio 'er gwybodaeth'.

43 Cynllun Gwaith y Pwyllgor Archwilio (Er Gwybodaeth) (Jeremy Parkhouse)

Adroddwyd am Gynllun Gwaith y Pwyllgor Archwilio 'er gwybodaeth'.

Ychwanegodd y Cadeirydd fod angen gwaith ychwanegol ar Gynllun Gwaith 2021-2022, a ddylai gynnwys diweddariad ynghylch gwrth-dwyll, diweddariadau Cyfarwyddwyr ar amgylcheddau rheoli mewnol ac adroddiadau Archwilio Cymru.

Daeth y cyfarfod i ben am 3.47 pm

Cadeirydd

1.

2.

(A)

(B)

Agenda Item 4



Report of the Chief Finance Officer

Audit Committee – 9 March 2021

Service Centre – Disclosure & Barring Service (DBS) Follow Up Report

Purpose:	To provide an update for the Service Centre, Disclosure & Barring Service (DBS).
Policy Framework:	
Consultation:	Legal, Finance and Access to Services
Recommendation(s):	It was recommended that Employees & Managers: - 1) be further reminded of their responsibilities and role in the DBS process. This should be reinforced through the Directors and Heads of Service to ensure consistency and robustness of process; 2) Continue to report to CMT on a quarterly basis as a further update on the position across the Authority.
Report Author:	Sian Williams (Head of Service Centre) & Emma Johnson (Helpdesk, DBS & SCW Manager)
Finance Officer:	Ben Smith (Chief Finance Officer S151)
Legal Officer:	Debbie Smith (Deputy Chief Legal Officer)
Access to Services Officer:	Rhian Millar (Equalities Policy Development Officer)

Internal Audit on Disclosure & Barring Service Function – Update March 2021

1. Introduction

As a result of an internal audit on the DBS function carried out in Quarter 1 2020, an assurance level of moderate was given in the final report issued in May 2020.

- 1.1 An action plan was developed to address the issues identified and appropriate implementation steps put in place.

This action plan identified 12 recommendations, 10 of which have been fully implemented, 1 is partially implemented, and 1 not implemented using the criteria of “1 week” but an alternative solution has been found. (HR 2.2.7 below)

The action plan has not been re-tested or updated by internal Audit and the comments are entered by the department.

1.2 The following HR & MR actions (High Risk & Medium Risk) were identified

High Risk

2.2.6 “More rigorous follow up process to ensure employees’ DBS renewals are expedited prior to expiry & full review of school spreadsheets to ensure all DBS are current”.

2.2.7 “Robust process to ensure employees have a risk assessment conducted within 1 week of the expiry, where the renewal has not taken place before the expiry date”

Medium Risk

2.2.4 “All ‘on hold’ are contained in the ‘adverse’ spreadsheets

2.4.1 “All DBS information on Oracle should be updated in a timely manner”

2.6.3 “Reconciliation exercise to be undertaken to identify all incomplete DBS applications”

1.3 A progress report was presented to Audit Scrutiny Committee on 8th September 2020.

This was reviewed and 2 actions were recommended:

- Update CMT on the DBS position
- All Service Departments be reminded of their responsibilities and role in the DBS process, which should be reinforced through the Directors and Heads of Service to ensure consistency and robustness of process.

1.4 These actions were completed and included in the Audit Committee papers for 20th October 2020. The Committee also requested that a further progress report be submitted for the 9th March 2021 Audit Committee meeting. Previous summary reports have outlined the background and reasons that led up to the moderate rated DBS audit report so these are not covered in this report. This report seeks to present the current DBS position and the progress made to date.

2. Current position:

- 2.1 To give some background and context, the DBS function previously had a dedicated team of 5 and as part of the implementation of the Ebulk system, the team was reduced to 2 as part of Sustainable Swansea and merged into the Service Centre to form part of the Helpdesk.
- 2.2 Over the last four years, the Service Centre Helpdesk has matured its business model significantly. Currently there are 9 employees within the Helpdesk – 1 Manager, 1 Team Leader, 3 Full Time Officers and 4 Part Time Officers.
- 2.3 The Service Centre Helpdesk is the first point of contact for the Service Centre covering the following areas:
- Accounts Payable
 - Accounts Receivable
 - HR&OD
 - Employee Self Service
 - Manager Self Service
 - Payroll
 - Purchasing
 - Workforce

The team is also wholly responsible for the following functions:

- DBS
- Flexi/Planned Leave
- Social Care Wales (administration/compliance)

On average the team receives, per month:

- 2800 email queries, 36% of which are DBS
- 1400 telephone queries, 12% of which are DBS

3. Progress to date:

3.1 Update on Actions

2.2.6(HR) In addition to the current process ie sending monthly reports to all departments, the Service Centre Helpdesk now send:-

- Monthly reports sent to HR&OD Business Partners to raise with areas directly.
- Monthly reports sent to Schools Challenge Advisors to liaise directly with respective school(s).

2.2.7(HR) All DBS reports are produced on a monthly basis as per system functionality within Oracle. Unfortunately there is no scope to run weekly reports, however, as an alternative to mitigate this risk, the Service Centre Helpdesk Manager has implemented a Risk Assessment Register, emails are issued to departments/schools

and a deadline given for completion; any non-compliance results in reminders being issued and then escalation to HR&OD to liaise with the relevant business area.

A daily Certificate report is run from the Ebulk system and details entered onto Oracle.

2.2.4(MR) This has been implemented, all new DBS returns from the Ebulk system are checked daily and positive cases added to spreadsheet and letter issued.

2.4.1(MR) This recommendation had to be placed on hold due to the pandemic and the Oracle Fusion project being paused. This will now be picked back up as part of the restart of the project, implementation is scheduled for October 2021.

2.6.3(MR) This recommendation has been partially implemented, reports now received are cross referenced to monthly renewal lists. There is additional work required in Oracle to ensure DBS are coded correctly and this will form part of the project plan with a scheduled go live for October 2021.

4. Additional Progress/Changes

4.1 The list below provides visibility of additional changes and measures implemented in respect of the DBS process.

- Following the DBS Audit, revised procedures were implemented, such as the Risk Assessment Register to strengthen the compliance process which has seen an improvement in returns of 57%.
- As a result of the pandemic, in early 2020, the Helpdesk Manager took over all ID verifications that were previously carried out in the contact centre; this has proved to work so well with daily monitoring implemented that the process will remain within the Helpdesk, and to date over 1000 verifications have been undertaken.
- The DBS Policy has been reviewed and updated and is awaiting agreement; alongside this, work is underway reviewing the procedure guide and letters for Managers/Schools.
- Development of a formal escalation process currently underway, to further reinforce roles/responsibilities and necessary compliance.
- Communications will be issued to all relevant parties, including a document reinforcing the roles and responsibilities of employees, managers and schools.
- Staffnet area to be updated to reflect changes and provide additional information and FAQ's.
- Closer collaboration on DBS procedure across the authority (HR&OD Principle Business Partner for Education & Social Services)
- Update CMT on the DBS position – this was undertaken in October 2020 and February 2021 by the Head of the Service Centre and will be continued on a quarterly basis.

- Head of Service Centre and/or Service Centre Helpdesk manager to attend Safeguarding meetings in Social Services

5. Continued challenges

- The global pandemic has been a big barrier to the progression of some of the recommendations, with priorities shifted and new ways of working needing to be introduced at very short notice; it should also be noted that Schools were closed for a period of time. However, with the plan from WG to start to relax some of the restrictions and the opening of schools, hopefully this will reduce somewhat as we progress throughout the year.
- The Oracle Fusion project go-live is scheduled for Autumn 2021 and key members of staff from the Service Centre are assigned to the delivery of this project. Team members of the Helpdesk are fully trained in the DBS process but will need input from their Manager on occasions.
- Staffing remains a factor, we currently have three members of staff absent (medium/long term) from work at the time of writing this report.

6. Equality and Engagement Implications

The Council is subject to the Public Sector Equality Duty (Wales) 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 Act.
- 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.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

There are no equality or engagement implications in this report.

7. Financial Implications

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

8. Legal Implications

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

Background Papers: Recommendations Tracker Updated as at March 2021.

Appendices: None.

Agenda Item 5



Report of the Chief Auditor

Audit Committee – 9 March 2021

Internal Audit Annual Plan Methodology

Purpose:	This report provides a briefing to the Audit Committee on the methodology used to prepare the Internal Audit Annual Plan in advance of the Annual Plan 2021/22 being reported to the Committee for approval on 20th April 2021.
Policy Framework:	None.
Consultation:	Legal, Finance, Access to Services
Recommendation(s):	It is recommended that: the Committee note the methodology for preparing the Internal Audit Annual Plan 2021/22.
Report Author:	Simon Cockings
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) provide a framework for the delivery of a professional, independent and objective internal audit service and are mandatory for all internal audit providers in the public sector in the UK.
- 1.2 One of the requirements of the PSIAS is that an annual risk-based Internal Audit Plan must be prepared to determine the priorities of Internal Audit and to ensure they are consistent with the Council's goals. The Plan must allow sufficient audit coverage across the whole Council for the Chief Auditor to be able to provide an annual opinion to Council

via the Section 151 Officer and Audit Committee on the control environment covering corporate governance, risk management and internal control.

- 1.3 The Audit Plan should ensure that resources are targeted at the areas of the Council's work where it can provide most benefit by providing assurance over key risks and controls.
- 1.4 The Standards state that the Internal Audit Annual Plan must be discussed with senior management which in the Internal Audit Charter is defined as the Corporate Management Team before being reported to the Audit Committee for approval.
- 1.5 The draft version of the annual plan for 2021/22 was reported to the Corporate Management Team on the 5th March.
- 1.6 This report provides a briefing on the methodology used to prepare the Annual Plan in advance of the Plan for 2021/22 being reported to the Committee for final approval at the April meeting.
- 1.7 As reported in the Internal Audit Quarterly Monitoring reports that have been presented to the Audit Committee throughout 2020/21, the Covid-19 pandemic has had a significant impact on the Audit Team's ability to deliver the full audit plan for 2020/21. As a result, a number of audits that were originally planned to be completed in 2020/21 have been carried forward to the 2021/22 plan.
- 1.8 There continues to be a significant level of uncertainty over the easing of lockdown and the subsequent reopening of the economy and work sites across Swansea. A number of thematic audits have been included in the audit plan to safeguard against continued access restrictions. However, it is hoped that sites will begin to reopen in the coming months and the pressures currently being felt by the Council as a whole will begin to ease which should allow audits to be successfully completed.

2. Internal Audit Plan Methodology

- 2.1 The requirement to produce an Internal Audit Annual Plan is included in the PSIAS which are mandatory for all internal audit providers in the UK public sector.
- 2.2 An extract of the PSIAS requirements regarding internal audit planning is attached in Appendix 1.
- 2.3 The starting point for a risk-based audit approach is gaining an understanding of the Council's objectives and goals as well as the current key risks faced by the Council as recorded in the Risk Registers.
- 2.4 Information is gathered from a number of sources prior to the preparation of the detailed Audit Plan including:

- The Corporate Plan, One Swansea Plan and the Well-Being Statement.
- Risk Registers.
- Areas of concern or request for audit coverage from management or the Audit Committee.
- The Assurance Map which details other sources of assurance available both from internal and external sources.
- Any recent or proposed significant changes to the Council's systems or operations.
- Previous audit results and Internal Audit's cumulative knowledge of systems and procedures across the Council.

2.5 A diagram that illustrates the internal audit annual planning process can be found in Appendix 2.

2.6 A risk assessment is undertaken for each audit which is used to determine the expected frequency of the review as part of the standard audit rolling programme. The risk assessment takes account of a wide range of factors which are grouped into the following categories:

- Materiality e.g. income, expenditure.
- Control Environment/Vulnerability e.g. previous frauds, staff turnover.
- Management Concerns e.g. direct request for help, potential for embarrassment.
- Sensitivity e.g. impact on service, effect on Council's welfare.

2.7 The outcome of the risk assessment is a risk index which is then used to determine the frequency of audit visits as shown in the following table..

Risk Index	Risk Factor	Frequency of Visit
0 – 19	Low	5 years
20 – 25	Medium/Low	4/5 years
26 – 40	Medium	3 years
41 – 49	Medium/High	2/3 years
50 +	High	1/2 years

2.8 In addition to the risk assessment process, a number of systems have traditionally been identified as fundamental e.g. Employee Services, Accounts Receivable, Main Accounting, Council Tax. All fundamental systems are audited either annually or every two years which recognises the significance of the system to the achievement of the Council's objectives.

2.9 A number of audits are undertaken on an annual basis rather than by the determination of risk e.g. grant certification audits where the work is required under the terms and conditions of the grant, the review of debts written off prior to authorisation, services where significant amounts of cash are handled, etc.

- 2.10 The use of the risk assessment process provides every audit in the Council's audit universe with a year when the next audit is due which is also considered when developing the Audit Plan.
- 2.11 Each year, a Consultation Exercise is held with all Heads of Service and the Corporate Management Team, giving them the opportunity to comment on the audit coverage in their areas and to ensure that all risks within their services have been identified. Heads of Service may also request specific reviews or pieces of work by the Internal Audit Section which will add value to their service. All requests are considered in light of the total Internal Audit resources available.
- 2.12 The Consultation Exercise for the 2021/22 Audit Plan commenced in October 2020 and has seen a number of new audits being added to the audit plan.
- 2.13 In order to demonstrate the linkage between the annual plan for 2021/22 and the Council's Corporate Priorities, the Consultation Exercise also included discussions with Heads of Service to determine which of the Corporate Priorities they felt the services in their areas most closely mapped to. Whilst it is acknowledged that some service areas could map to a number of different Corporate Priorities, for simplicity, we have attempted to map each Service Area to the most relevant Corporate Priority.
- 2.14 As requested by Committee, the 2021/22 Audit Plan will reflect this mapping so that Members are able to recognise the clear link between the Plan and the Objectives of the Council. The links between the Corporate Priorities, Service Areas, the Audit Plan, the Governance Framework and the Annual Governance Statement are demonstrated in the illustration in Appendix 3.
- 2.15 Whilst the 2021/22 audit plan is currently being considered, it is envisaged that as in previous years the planned audits will be grouped in the following broad categories:
- **Council Governance & Control Audits** – cross-cutting reviews.
 - **Fundamental Audits** – aimed at providing Section 151 Officer and Monitoring Officer Assurance.
 - **Service Specific Audits** – aimed at providing other assurance, linked to the Corporate Priorities and as a result of the audit planning and consultation process and in line with the usual audit rolling programme.
- 2.16 Historically, a review of the Corporate and Directorate Risk Registers has also taken place as part of the audit planning process to ensure that where necessary, Internal Audit resources are targeted at the areas considered to be the highest risk. This has also been the case for the 2021/22 Audit Plan.

- 2.17 In addition to this, it was recommended as part of the PSIAS Peer Review that an Assurance Mapping Exercise should be carried out to inform the audit planning process and identify other sources of assurance. This exercise has been completed, with the Assurance Map being updated in consultation with the Corporate Management Team as the Risk Owners.
- 2.18 The updated Assurance Mapping can be found in Appendix 4, together with a brief narrative explaining the process. The results of this exercise will also be taken into consideration when compiling the 2021/22 Audit Plan.
- 2.19 The ongoing review of the current year's audit plan also informs the planning process e.g. by identifying any emerging risks, new systems, developments or special investigations which may have a wider impact.
- 2.20 The risk assessment process and rolling programme, consultation exercise and review of the risk registers will provide the total number of audit days required in the Audit Plan for 2021/22 which then has to be matched against the audit resources available.
- 2.21 The audit resources available in 2021/22 is 9.1 full time equivalents excluding the Chief Auditor, unchanged from 2020/21
- 2.22 The audit resources available have to allow for things such as annual leave, public holidays, training, administration, planning, sickness and a contingency to allow for unplanned work. This provides the productive audit days available to deliver the required audit coverage.
- 2.23 Inevitably, the required audit coverage will exceed the available audit resources leading to a further review of the required audit coverage. This review will again be risk based to ensure that the areas of greatest perceived risk are prioritised.
- 2.24 The Internal Audit Annual Plan is reported to the Corporate Management Team and Audit Committee at the start of each year for approval. However, the Annual Plan must remain a flexible document that reacts to changing risks and priorities over the course of the year. Updates are provided to the Audit Committee throughout the year via the Chief Auditors Monitoring Reports.

3 Equality and Engagement Implications

- 3.1 The Council is subject to the Public Sector Equality Duty (Wales) 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 Act.
 - 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.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

3.2 There are no equality and engagement implications associated with this report.

4. Financial Implications

4.1 There are no financial implications associated with this report.

5. Legal Implications

5.1 There are no legal implications associated with this report

Background Papers: None

Appendices: Appendix 1 – Extract from Public Sector Internal Audit Standards
Appendix 2 – Internal Audit Annual Planning Process
Appendix 3 – Audit Plan Mapped Against Corporate Priorities
Appendix 4 – City & County of Swansea Assurance Map

Extract from Public Sector Internal Audit Standards

2010 Planning

The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

Interpretation:

To develop the risk-based plan, the chief audit executive consults with senior management and the board and obtains an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes. The chief audit executive must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems, and controls.

Public sector requirement

The risk-based plan must take into account the requirement to produce an annual internal audit opinion and the assurance framework. It must incorporate or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the internal audit charter and how it links to the organisational objectives and priorities.

2010.A1

The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.

2010.A2

The chief audit executive must identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinions and other conclusions.

2010.C1

The chief audit executive should consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value and improve the organisation's operations. Accepted engagements must be included in the plan.

2020 Communication and Approval

The chief audit executive must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.

2030 Resource Management

The chief audit executive must ensure that internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.

Interpretation:

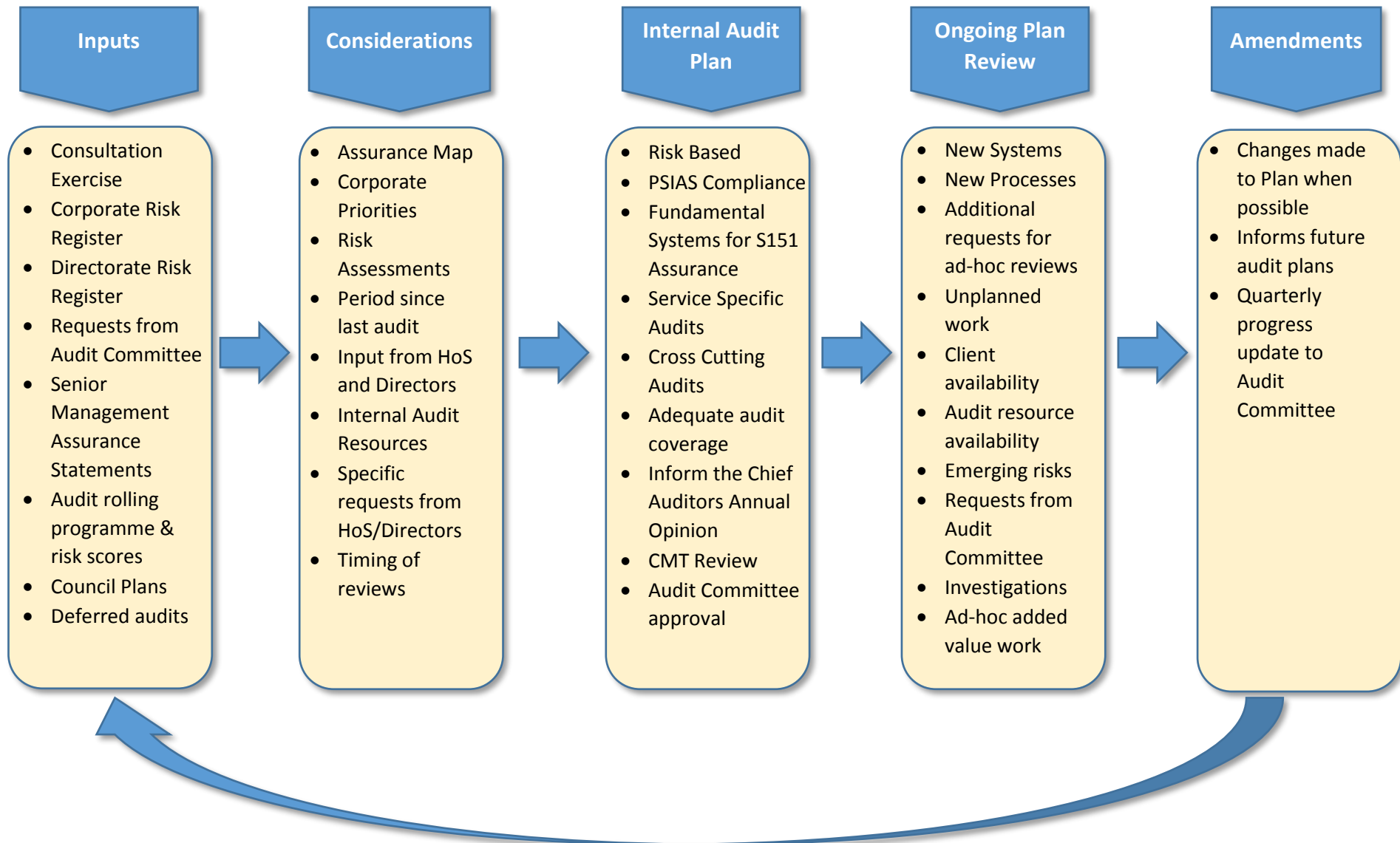
Appropriate refers to the mix of knowledge, skills and other competencies needed to perform the plan. Sufficient refers to the quantity of resources needed to accomplish the plan. Resources are effectively deployed when they are used in a way that optimises the achievement of the approved plan.

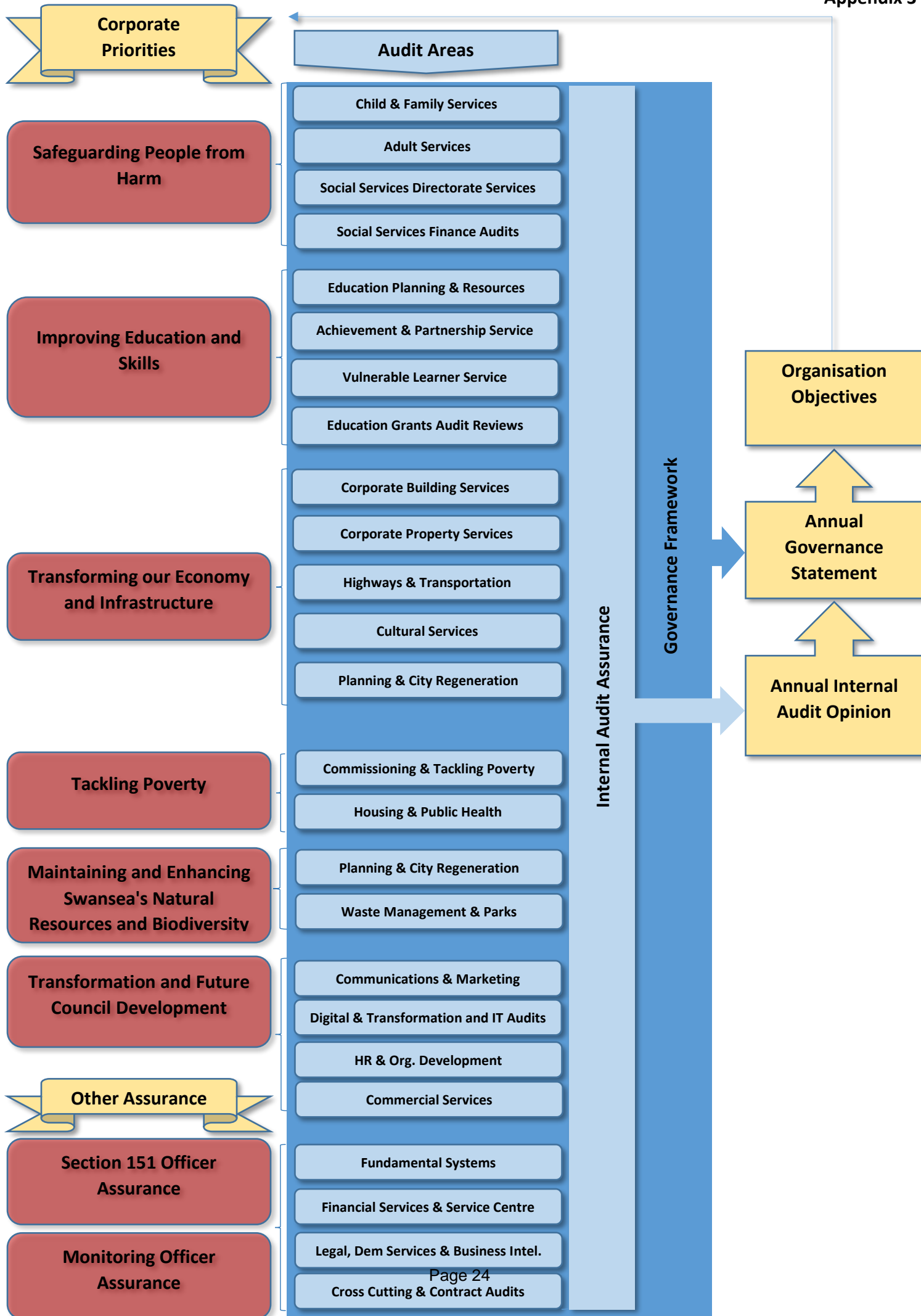
Public sector requirement

The risk-based plan must explain how internal audit's resource requirements have been assessed.

Where the chief audit executive believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, the consequences must be brought to the attention of the board.

Internal Audit Annual Planning Process





Business Risk	2 Month Overall RAG	Previous Overall RAG	Current Overall RAG	Level and Source of Assurance						Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area	
				Level 1	Level 2			Level 3					
				Management Assurance	Other <u>Internal</u> Assurance			Other <u>Independent</u> Assurance					
					Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies				External Audit
Corporate Risk Register													

<p>Risk ID 94</p> <p>Risk Title Pupil Attainment & Achievement</p> <p>Risk Level Corporate</p> <p>Risk Category Operational</p> <p>Responsible Officer Helen Morgan-Rees</p> <p>Updater Kate Phillips</p> <p>Last updated 22/12/20</p>	<p>If pupils do not receive a very good education then they will not achieve the right qualifications and skills to take advantage of the Swansea Bay City Deal and to contribute effectively to the economic prosperity of the city.</p>	Amber	n/a	n/a	<p>>Covid-19 – Safe Return to School Plan in place, 88% attendance first three weeks of Sept. Continuity of Learning Plan and Policy in place – Schools developing remote/ blended learning opportunities.</p> <p>>Support for pupils to return safely in Sept. through Health, Welfare & Community Education Stream of Covid-19 Recovery Plan.</p> <p>>Childcare in schools offer for key workers and most vulnerable children during pandemic.</p> <p>>Pupils eligible for FSM receive fortnightly BACS payment or food parcels during pandemic.</p> <p>>Check-in, Catch-up and prepare sessions for safe return for learners.</p> <p>>Further enhancement of the Continuity of Learning Programme.</p> <p>>Challenge adviser monitoring visits.</p> <p>>Budget proposals for 2021-22 continue to prioritise the</p>	<p>>Positive engagement and support from Cabinet and Council.</p> <p>> Recovery plan has workstream looking at continuity of learning.</p> <p>>Two policy development workstreams looking at skills and training as well as continuity of learning.</p>	<p>>Dedicated Scrutiny Panel to scrutinise education work and performance</p>	<p>>Child Protection Board. Commission review on ALN. Improving Education & Skills PDC.</p> <p>>Education Skills Co-ordinator appointed.</p> <p>>PSO's/ Accountancy provide support and oversight of school finance.</p>	<p>>Various Edu. Audits in the Audit Plan.</p> <p>>ESTYN reports review during school audits for finance / mgt. control.</p>	<p>>ESTYN prog.of external school inspect's has been paused in 2020-2021.</p> <p>>Local authority link inspectors have conducted thematic review on continuity of learning and support for vulnerable learners.</p>	<p>>Audit Wales & CIW.</p> <p>> HSE audit of schools as covid safe environments to allow education to continue.</p> <p>>Welsh government returns, for example. Accelerated learning programme.</p>	<p>>Range of Education audits in the plan to be completed as part of the rolling audit schedule.</p>	<p>>School and other Education audits due in 2021/22</p>
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Business Risk	2 Month Overall RAG	Previous Overall RAG	Current Overall RAG	Level and Source of Assurance						Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area	
				Level 1	Level 2			Level 3					
				Management Assurance	Other <i>Internal</i> Assurance			Other <i>Independent</i> Assurance					
Council/ Cabinet	Scrutiny	Other	Internal Audit		Other Bodies	External Audit							
Corporate Risk Register													

				delegated schools budget and areas of pupil specific support and the significant cash increase will support the continuing enhancement of mainstream provision for all pupils									
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Business Risk	2 Month Overall RAG	Previous Overall RAG	Current Overall RAG	Level and Source of Assurance						Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area	
				Level 1	Level 2			Level 3					
				Management Assurance	Other <u>Internal</u> Assurance			Other <u>Independent</u> Assurance					
Council/ Cabinet	Scrutiny	Other	Internal Audit		Other Bodies	External Audit							
Corporate Risk Register													

Risk ID 153 Risk Title Safeguarding Risk Level Corporate Risk Category Strategic Responsible Officer David Howes Updater Angela Morgan Last updated 07/01/21	<p>If our safeguarding arrangements are not sufficiently robust, then we will not be doing everything we possibly can to prevent the death, injury or neglect of a child or vulnerable adult and consequential reputational damage.</p> <p>Risk added 27/03/18 following review of production of Corporate Plan 2017/22 and subsequent review of Corporate Risks. Supersedes risk CR45.</p>	n/a	Red	n/a	<p>>Covid-19 – Safeguarding Arrangements and resources remodelled to ensure this is a key priority function within social services and services can continue to be safely delivered despite Covid-19 restrictions.</p> <p>>Planned implementation of multi-agency safeguarding hub progressed despite Covid-19 restrictions. The required dedicated Safeguarding Team for Adults included in the modified restructure of Adult Services required as a result of Covid-19</p> <p>>Support and Shield vulnerable people in the community during Covid-19</p> <p>>Provide emotional and well-being support to children and young people during Covid-19.</p> <p>>Provide support to people at greater risk from domestic violence during Covid-19.</p> <p>>Provide frontline social care staff with PPE during Covid-19</p>	<p>>Director of Social Services to advise Cabinet and CMT on options to bolster resilience of the workforce in frontline child protection teams.</p> <p>>Planned engagement and support from Cabinet and Council.</p>	<p>>Two dedicated Scrutiny Panels in place to scrutinise Social Services Work and Performance .</p> <p>>People PDC in place.</p>	<p>>Establish and maintain a regional protocol to provide secure Covid-19 care home provision including increased capacity in in-house care homes.</p> <p>>Council Covid-19 Recovery Plan to recover services and deal with emerging risks</p> <p>>Corporate Safeguarding Board</p> <p>>Principal Officers for safeguarding within Social Services.</p> <p>>Corporate Safeguarding Policy and Group</p> <p>>Mandatory Corporate Safeguarding Training in place for Staff and Members.</p> <p>>Corporate Priority</p> <p>>New Safeguarding</p>	<p>> Internal Audit of Safeguarding</p> <p>>Internal audit of DBS</p>	<p>>Regional and multi-agency safeguarding partnerships</p> <p>> CIW</p>	<p>> Audit Wales</p>	<p>>Currently included as part of standard rolling audit schedule, repeated based on audit risk score.</p>		
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Business Risk	2 Month Overall RAG	Previous Overall RAG	Current Overall RAG	Level and Source of Assurance						Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area	
				Level 1	Level 2			Level 3					
				Management Assurance	Other <i>Internal</i> Assurance			Other <i>Independent</i> Assurance					
Council/ Cabinet	Scrutiny	Other	Internal Audit		Other Bodies	External Audit							
Corporate Risk Register													

				Education Safeguarding Officer in main directorate. >As part of a wider restructuring of Adult Services there is still a plan to re-establish a dedicated Safeguarding Team and the Front Door.									
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Business Risk	2 Month Overall RAG	Previous Overall RAG	Current Overall RAG	Level and Source of Assurance					Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area	
				Level 1	Level 2			Level 3				
				Management Assurance	Other <u>Internal</u> Assurance			Other <u>Independent</u> Assurance				
					Council/ Cabinet	Scrutiny	Other	Internal Audit				Other Bodies
Corporate Risk Register												

Risk ID 155 Risk Title Tax Evasion Risk Level Corporate Risk Category Finance Responsible Officer Ben Smith Updater Jeffrey Dong Last updated 01/02/21	<p>If the Council fails to prevent those who act for or on its behalf from knowingly or unknowingly facilitating (including failing to prevent) tax evasion, then the Council will be criminally liable and will face an investigation by HMRC with potential prosecution and unlimited financial liability.</p> <p>Risk added 27/03/18 following review of production of Corporate Plan 2017/22 and subsequent review of Corporate Risks.</p>	Green	Green	n/a	<p>>VAT Manual and Guidance available on staffnet permanently – refreshed annually as needs be</p> <p>>Accounting Instruction 15 (VAT) permanently available online</p> <p>> VAT advice available to any staff via Principal Finance Partner. All staff know to refer and reports with VAT implications via the nominated VAT Principal Finance Partner</p> <p>>Financial Procedure Rules (FPRs) and Contract Procedure Rules (CPRs).</p> <p>>IR35 guidance and procedure notes available.</p> <p>>Procurement rules and procedures.</p> <p>>Segregation of duties.</p>				<p>>VAT Audit in the Audit Plan.</p> <p>>Cover aspects of VAT, CPR's, FPR's and seg. of duties as part of standard audit tests across all audits.</p> <p>>VAT audit completed 19/20 – High Assurance</p>	<p>>External VAT Advisor retained by Council for specialist VAT advice under contract</p> <p>>Strong working relationships with HMRC Compliance Manager by S151, Principal Finance Partner (VAT) and Service Centre Manager (income tax, NI, IR35, Self Employed, contracts etc.</p> <p>>HMRC compliance team has visited and "signed off" our tax arrangements.</p>	<p>>VAT arrangements considered as part of wider financial audit</p>	<p>>None – elements are already covered in the audit plan.</p>	<p>>Planned audits to be completed as per the standard rolling prog.</p>	
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Business Risk	2 Month Overall RAG	Previous Overall RAG	Current Overall RAG	Level and Source of Assurance					Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area	
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Corporate Risk Register												

Risk ID 159 Risk Title Financial Control – MTFP aspects of Sustainable Swansea Risk Level Corporate Risk Category Finance Responsible Officer Ben Smith Updater Jeffrey Dong Last updated 29/01/21	<p>If we fail to deliver Sustainable Swansea and maintain sufficient financial control, and in particular do not ensure we contain service overspending, then we will not be able to respond appropriately to continuing austerity, demographic pressures, increasing demand and changing public expectations. Risk added 27/03/18 following review of Corporate Plan 2017/22 and review of Corporate Risks. Superseeds risks CR46 and CR47. RR 19/07/19 - Description changed from 'Financial</p>	Red	Red	n/a	<p>>Covid-19 – Recovery Plan : Future Council – Finance new MTFP. >Agreed and well established quarterly reporting plan in place to document and record at Cabinet all actions or non-actions in Services to contain spending. >PFM monitoring process monthly is well established and understood by all officers with appropriate escalation mechanism to S151 Officer, Chief Executive and Cabinet if non-compliance >Spending restrictions published to all staff and reviewed. Many controls continue to be exercised by CMT in relation to filling vacant posts, restructures, regrades and committing contract sums. >Corporate level monitoring. >Agreed budget. >Clear governance and reporting in place. >Prevention Strategy. >Monitoring at monthly P&FM's. >FSTG reporting and monitoring.</p>	<p>>Quarterly monitoring reports to Council and Cabinet >Collaborative Officer/ Member budget setting process in place. >Overspend and under delivery of savings openly and transparently escalated and reported to Cabinet and Council by S151 Officer.</p>	<p>>Dedicated Scrutiny Service Improvement and Finance Performance Panel consider and scrutinise the budget on a quarterly basis.</p>	<p>>Quarterly monitoring reports to Audit Committee >Monthly PFM monitoring in place. Transform & Future Council PDC. > Many controls continue to be exercised by CMT in relation to filling vacant posts, restructures, regrades and committing contract sums. >Budget holders required to monitor and report any budget variances to monthly P&FM for review. >Reshaping Board launched to challenge delivery/ non-delivery and accelerate timescales.</p>	<p>>Audit Committee provide challenge, oversight and assurance >Periodic budget monitoring reports go to Audit Committee >Budget reports included in the 2019/20 workplan for Audit Committee</p>		<p>>WAO review currently underway in relation to the MTFP aspects of Sustain. Swansea. >AW recently published financial resilience national report and showed clearly Swansea position had strengthened considerably boosted by the £17m addition to reserves in 19-20 outturn. >Risks in current year managed temporarily by drawing down from those increased reserves.</p>	<p>>Saving and other budget mgt to be included as part of the Achieving Better Together (trans) audit.</p>	
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Corporate Risk Register													

	Control (Service Overspending) and Sustainable Swansea' to 'Financial Control - MTFP aspects of Sustainable Swansea' as per CMT 10/07/19			MTFP. >Tracker in place from June 2018 to capture and warn of delivery risks. >S151 Officer remains able and prepared to not certify adequacy of budgets and issue S114 notice if proven necessary.									
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Corporate Risk Register													

Risk ID 180 Risk Title New Legislative and Statutory Changes Risk Level Corporate Risk Category Governance Responsible Officer Tracey Meredith Updater Debbie Smith Last updated 01/02/21	<p>IF the council cannot respond adequately to new legislative and regulatory requirements due to reduced resources, then it will be open to external challenge and may suffer reputational damage and fines.</p>	Amber	Amber	n/a	<p>>Covid-19 – Lobby Welsh Government to streamline legislative requirements, bureaucracy and decision making to allow a flexible and rapid response to and recovery from Covid-19.</p> <p>>Lawyers in Local Government update on new legislation, consultation and constitutional matters circulated by Chief Legal Officer to CMT on regular basis.</p> <p>>Prepare action plan for new Local Government and Elections (Wales) Bill.</p> <p>>Legislative requirements built into plans and decision making.</p> <p>>Well-being of Future Generations Act webpage signposting to Welsh Government and Future Generations Commissioner resources to refer to and to help inform development of proposals/ reports at earliest stage</p> <p>>Ensure Legal Statutory Developments are</p>	<p>>All reports for Cabinet/ Council have legal implications paragraph and report authors are supported by legal officers when considering legislative requirements in decision making process.</p>	<p>>Scrutiny councillors routinely monitor and challenge services, policies and decision-making across the Council, which will include compliance with relevant legislation, assessment of quality, and highlighting of issues / concerns.</p>	<p>>Lawyers in Local Government updates received by Chief Legal Officer.</p> <p>> Legislation updates circulated periodically to CMT by Chief Legal Officer.</p> <p>>Policy Briefing – widely circulated</p> <p>>Appraisals and identification of training needs.</p> <p>> The Data Protection Officer provides an annual report on compliance with data protection legislation.</p>	<p>>Consult with CMT / HoS each year as part of annual consult'n exercise to inform the Audit Plan and inform forward work plan for the following year.</p> <p>>Audits added to plan as they arise prioritised by risk.</p>			<p>>Audits to be added to the plan via as per annual consult with HoS/ Directors.</p>	<p>>New audits to be added as requested by HoS/ Directors</p>	
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Corporate Risk Register													

				<p>flagged up with CMT/ Intranet. >Legal implications inserted into decision making reports with Legal and Access to Services sign-off. >Monitoring of new legislation by Legal department.</p>									
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Corporate Risk Register													

Risk ID 196 Risk Title Workforce Strategy Risk Level Corporate Risk Category Strategic Responsible Officer Sarah Lackenby Updater Adrian Chard Last updated 01/02/21	<p>If we do not have a robust workforce strategy in place, then we will not have staff with sufficient capacity and the right knowledge and skills to manage change, deliver transformed services and ensure statutory compliance.</p> <p>Risk added 27/03/18 following review of production of Corporate Plan 2017/22 and subsequent review of Corporate Risks. Supersedes risk CR43.</p>	Amber	Amber	n/a	<ul style="list-style-type: none"> > Covid-19 – Redeploy and train staff to assist with the Covid-19 response. >Support staff health and well-being during Covid-19 >Support staff to work remotely at home during Covid-19 >Workforce will be a key strand of the future Council workstream in the Covid-19 recovery plan >Reporting through Leadership Team >Tracking and monitoring of the OD plan and delivery. >OD Strategy and Implementation Plan in place >Apprenticeship/ Traineeship strategy. >Gender Pay Gap and Project Plan >Service Planning >Corporate Plan – Transformation & Future Council Objective >Workforce Planning 			<ul style="list-style-type: none"> >New Policy development taken to PDC >The PDC has also undertaken a strand of work around the gender pay gap. 				<ul style="list-style-type: none"> >Workforce Planning audit included in 2019/20 audit plan, deferred pending Oracle Cloud implement per SL BS. > To be included as part of the Achieving better Together (trans) audit. 	
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Corporate Risk Register												

Risk ID 222 Risk Title Digital, data and cyber security Risk Level Corporate Risk Category Governance Responsible Officer Sarah Lackenby Updater Jo Harley Last updated 29/01/21	CR86 -If we do not have robust digital, data and cyber security measures and systems and behaviours in place, embedded and working as best as they can be, then we will be vulnerable to cyber threats, disruption to service delivery, possible loss of information including confidential information and associated fines and reputational damage. Risk added 27/03/18 following review of production of Corporate Plan 2017/22 and subsequent review of Corporate Risks.	Amber	Red	n/a	<ul style="list-style-type: none"> >Covid-19 – Ensure the Council's Covid-19 recovery plan accounts for increased risk form cyber-attacks and data fraud arising from new working patterns and reliance on technology >Introduce simulated cyber-attacks on staff to measure their actions, identify weaknesses and improve knowledge >Provide staff with ICT security and data management updates and guidance during Covid-19 and whilst working from home including cyber security guidance and Covid-19 cyber scams staffnet page >Cyber security during Covid-19 reviewed alongside advice from Warp and PSN compliance e.g. use of Zoom. >Enhanced Security Layer provided by Microsoft 365 >Cyber security strategy created and ready for engagement with staff >Digital services working with internal audit and emergency 	<ul style="list-style-type: none"> >Information Management Annual Report to be presented to Cabinet from 2018/19. >GDPR compliance monitoring and reporting through PFM and new CMT/ Cabinet governance. 	<ul style="list-style-type: none"> >Information Management Annual Report to be presented to Scrutiny from 2018/19. >More use of secure cloud storage. 	<ul style="list-style-type: none"> >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 > Cyber Essentials and Cyber Essentials Plus accreditation >New regional multi-agency cyber cell meetings being attended to share intelligence and actions >PSN Certification Achieved >Cyber essential 	<ul style="list-style-type: none"> >Various IT / System audits in Audit Plan. >GDPR audit added 18/19. 	<ul style="list-style-type: none"> >Public Services Network (PSN) compliance certificate – tested annually. >Achieved IASME Cyber Essentials certification, working towards Cyber Essentials Plus by March 2019 	<ul style="list-style-type: none"> >WAO review undertake an IT audit each year as part of reviewing financial accounts 	<ul style="list-style-type: none"> >Range of IT audits in the plan to be completed as part of the rolling audit schedule. 	<ul style="list-style-type: none"> >IT audits due in 2019/20 deferred to 2020/21 	
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Corporate Risk Register													

Page 37	Supersedes risk CR66. Risk revised 18/09/18 following attendance at a cyber-event with the police and receiving information from the WLGA regarding what Local Authorities should be demonstrating as basic measures.			planning to further improve the ICT disaster recovery plan >Live testing of the DR Plan, options being reviewed potentially in line with wider corporate business continuity exercise >LrF Cyber exercise planned and revised SIRO training >Comms. Issued to staff and members detailing impact of cyber attack at other councils.			accreditation achieved >Member of Wales WARP & CISP sharing knowledge of threats. >Discussed at IG Board – standing agenda item						
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Corporate Risk Register												

Risk ID 223 Risk Title Sustainable Swansea Transformation Programme Delivery Risk Level Corporate Risk Category Strategic Responsible Officer Adam Hill Updater Sarah Lackenby Last updated 01/02/21	CR103- If the Sustainable Swansea Transformation Programme does not deliver radical cross-cutting change, then the Council and its workforce are at risk of being unsustainable in the longer term RR 19/07/19 - Corporate Services Risk CS92 Sustainable Swansea Programme Delivery closed and matter escalated to Corporate Risk Register, as per CMT 10/07/19	Amber	Amber	n/a	>Covid-19 – New Transformation Plan in development by Deputy Chief Executive linked with Covid recovery >Annual programme review reflecting lessons learned into revised programme >Links with corporate governance risk around reporting for major projects >Robust programme management for risks, issues, changes >Monitoring and reporting at CMT away days >Robust programme governance and reporting >Sustainable Swansea programme plan	>Monitoring and reporting at CMT/ Cabinet away days	>Annual Report to Scrutiny	>Reshaping board in place			>Sustainable Swansea review being completed by WAO, likely to be focused on MTFP Savings Plans and progress to date.	>Work needed to cover non MTFP Savings that is not covered by WAO review to be included in Achieving better together (trans) audit.	>Replaced by Achieving Better Together (trans) on the audit plan 2021/22	
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Corporate Risk Register													

Risk ID 235 Risk Title Emergency Planning, Resilience and Business Continuity Risk Level Corporate Risk Category Governance Responsible Officer Adam Hill Updater Craig Gimblett Last updated 29/01/21	<p>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.</p>	Red	Red	n/a	<p>>Covid-19 – Prepare for further Covid-19 or other infectious disease outbreaks >Rest Centre Plan and arrangements >Additional dedicated PPE reserve for responders and public during evacuation and additional rest centre location for mass evacuation to be established from bay >Additional strategic training to increase organisational resistance agreed for 3rd Nov >Specific Covid Rest Centre arrangements developed and implemented complete with evac PPE and hygiene supplies >Restructure of EMS to include additional EMS Officer and Principle for 12 months >Review and update business continuity plans >Crisis Media Plan >Temporary Mortuary arrangements >Major Incident Plan >Flood Management Plan >Emergency Recovery Plan</p>			<p>>Multi agency exercising and training</p>	<p>>Emerg. Mgt audit in Audit Plan for CBS. >H&S, Emerg. Planning / Civil Cont. and Business Continuity in Audit Plan for HR&OD</p>			<p>>Standard audits in the plan already cover this area.</p>	<p>>Audits in the plan to be completed when due as part of the standard rolling schedule. > CCS and ICT disaster recover audits on the 2021/22 plan.</p>	
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Corporate Risk Register													

Risk ID 236 Risk Title Health & Safety Risk Level Corporate Risk Category Governance Responsible Officer Adam Hill Updater Craig Gimblett Last updated 01/02/21	<p>If we fail to have robust Health & Safety policies and arrangements in place, then there could be a health and safety breach identified as a corporate failing with associated legal, financial and reputational consequence</p>	Amber	Amber	n/a	<p>>Covid-19 – Additional guidance on H&S assessments and general Covid information as a priority >Retrospective entered Covid assessments, standard operating procedures for schools and premises, BAME and health assessment process created and PPE guidance. >Early review of lone working, DSE and mental health policies >Well-being policies. New mental health policy under consultation includes social isolation and impact of home working >Staff well-being part of future council stream of Covid recovery plan >Stress management and counselling and H&S advice to staff during Covid-19 >Review business continuity plan to prepare for EU exit >H&S toolkits >Noise, dust, light, humidity, vibration sampling</p>			<p>>Member of British Association of Counsellors and Psychotherapists (Bacp). >Directors H&S Committees & Sub Safety Groups</p>	<p>>H&S Audit Plan</p>			<p>>Standard audits in the plan already cover this area.</p>	<p>>Audits in the plan to be completed when due as part of the standard rolling schedule.</p>	
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Corporate Risk Register													

Risk ID 259 Risk Title Regional Working Risk Level Corporate Risk Category Strategic Responsible Officer Phil Roberts Updater Liz Edmonds Last updated 25/01/21	<p>If the Council, along with its partners and Welsh Government, does not develop and improve regional working, then it will divert the Council and its resources from key priorities and will not benefit Swansea and its residents.</p>	Amber	Amber	n/a	<p>>Covid-19 – Maintain stronger partnership working relationships post Covid-19 and as part of the Council's Covid-19 recovery plan and continue to make use of MS Teams to ensure regional meetings are more frequent and effective >Collaboration on the delivery of school improvement services >Playing a leading and proactive role in major regional collaborations >Representations made to WG on reforming the grant regime >Governance structures in place for all major collaborations >Partnerships have been mapped >Director leads for each partnership >Senior Management restructure strengthening capacity for regional working</p>	<p>>Council is playing a leading and proactive role in major regional collaborations. >Leader of the Council is the City Region Joint Committee Chair. >Council meets up regionally with 5 other local authorities to discuss collaboration projects. >Annual Report on Regional Working presented to Council.</p>	<p>>Scrutiny inquiry findings documented as required actions on the Risks Register. >Annual Report on Regional Working is produced by Scrutiny providing overview of three key collaborations s inc. ERW, West Glam. Regional Partnership (prev. Western Bay), and Swansea Bay City Deal.</p>	<p>>Chief Executive takes the lead role for ERW and Western Bay as well as being an executive member of the City Deal Joint Committee. ERW has fully formed Governance Arrangements. >City Deal has Joint Committee Agreement and joint scrutiny arrangements agreed by Council. >Western Bay has a Joint Committee and scrutiny arrangements in place.</p>	<p>>City Deal has a Joint Working Agreem't in place, which was approved at Council on 26th July 2018. >Review of progress by IPC on the Western Bay Health & Social Care collab'n.</p>	None	n/a	
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Corporate Risk Register												

Risk ID 264 Risk Title COVID-19 Risk Level Corporate Risk Category Operational Responsible Officer Adam Hill Updater Richard Rowlands Last updated 26/01/21	<p>If we fail to carry on providing a co-ordinated and joined-up response to Covid-19 and make the best use of our workforce and available resources, then : we will be unable to protect vulnerable people and meet demand for key services, such as social care; there will be disruption to services and supplies, including food supplies; we will not be supporting critical services, key workers and local businesses sufficiently to limit the impact of the virus.</p>	Red	Red	n/a	<p>> Prepare And Implement A Covid-19 Recovery Plan To Restart, Adapt, Recover And Transform Council Services. > Work With Partners To Provide Social Care And Other Critical Front-Line Staff With Ppe. > Work With Partners To Ensure Resilient Supply Chains, Especially Food And Ppe Supply. > Work With Partners To Redeploy Staff And Seek Recruits To Critical Areas, Such As Social Care And Food Distribution To Food Banks. > Prepare For The Possibility Of Further Covid-19 Outbreaks. > Provide Council-Led To Support To Local Businesses, E.G. Advice, Grants And Rate Relief. > Work With Partners To Inform And Reassure The Public And Reinforce Health And Social Distancing Messages Through Social And Other Media. > Work With Partners To Support Education</p>	<p>>Covid-19 Recovery and transformation Plan 'Achieving Better Together' approved At Cabinet. >Various Cabinet reports through 2020/21 to support work to respond to the pandemic, e.g. Financial Procedure Rule 19.1c and FPR7. Authorisation for Alteration and Conversion of Bay Studios, Fabian Way, Swansea into an 1000 Bed Surge Hospital on Behalf of the Swansea Bay University Health Board – See Cabinet 27/04/20.</p>	<p>>Scrutiny has kept a watching brief. SPC to review local position and progress with Recovery Plan.</p>	<p>>Covid-19 Recovery and transformation Plan 'Achieving Better Together' reviewed by Audit Committee. >Audit Committee quarterly overview of risk management, including Corporate Risks. >Audit Committee oversight of relevant reports and impact of Covid-19, e.g. See Audit Committee review of Revenue and Capital Budget Monitoring - 2nd Quarter on 09/02/21, including Welsh Government funding and Covid-19 grant payments made to local businesses</p>	<p>>Matters arising addressed in some Internal Audit work, e.g. See report to Audit Committee 09/02/21 Internal Audit Annual Plan 2020/21 - Monitoring Report for the Period 1 October 2020 to 31 December 2021 – detailing additional work done in the quarter, including Lloyds pre-paid card review in relation to the Covid-19 Foodbank setup and operation.</p>	<p>>Report providing an assessment of the key issues following the Covid-19 response with a particular focus on how we have collectively managed Care Home settings reviewed at the Regional Partnership Board.</p>	<p>>Audit Wales has shaped their work to provide assurance and challenge in a way which helps to support the Council through this period. 2020-21 work includes: • recovery planning in response to the COVID-19 pandemic; • COVID-learning project – helping to identify and share learning from the way in which public bodies have responded to the pandemic;</p>	<p>> Achieving Better Together (Recovery) included on the 2021/22 plan.</p>	
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Corporate Risk Register													

Risk ID 269 Risk Title Local Economy and Infrastructure Risk Level Corporate Risk Category Strategic Responsible Officer Martin Nicholls Updater Phillip Holmes Last updated 13/01/21	<p>If the local economy and infrastructure is not transformed and supported to be resilient and to take advantage of national and global trends and events and attract investment, then it will not fulfil its potential as a regional centre to raise aspirations, improve services, lift skills, improve connectivity, create well-paid employment opportunities and improve the well-being of Swansea citizen.</p>	n/a	Red	n/a	<ul style="list-style-type: none"> > Refresh Regional Economic Regeneration Strategy > Develop A Covid Economic Recovery Plan > Attract Sufficient Investment And Development And Regenerate The City Centre. > Work With Partners To Deliver The Swansea Bay City Deal And Attract Investment Across The Region To Deliver Highly Skilled And Well-Paid Jobs. > Organise And Facilitate Virtual Meet-The-Buyer Events To Help Local Businesses To Identify Opportunities To Bid For Council Work And Contracts. > Take Appropriate Actions Where The Council Has A Direct Relationship With Businesses Such As Swansea Indoor Market Traders With Rent Relief To Support Businesses During Covid-19. > Provide Business Advice And Support, Including Administering Uk And 					<ul style="list-style-type: none"> >Collaborate With Welsh Government On Regional Economic Framework 			
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Corporate Risk Register													

Risk ID 276 Risk Title Achieving Better Together – Recovery Risk Level Corporate Risk Category Strategic Responsible Officer Adam Hill Updater Sarah Lackenby Last updated 29/01/21	<p>If the Council does not deliver the actions and milestones in the recovery plan, then there is a risk the organisation will not move on effectively from the effects of the pandemic. This is important as it forms the foundations for the next transformation programme.</p>	Amber	<p>> Monitoring capacity. Capacity Is A Significant Risk Across The Council With Staff Working On Ttp, Some Staff Still Diverted Onto Urgent Covid Tasks, Staff Off Sick With Covid Or Self-Isolating, And The General Pressure Of Business As Usual Alongside The Continuing Pandemic. Delivery Of The Recovery Plan Must Be Viewed In This Context And Any Risks Or Issues Flagged By Workstream Leads. Overall Programme Management Capacity Is Required. A Post Has Now Been Created And Recruited Will Begin Shortly</p> <p>> Robust governance and recovery plan monitoring and reporting. Governance Established For The Recovery Plan Utilising Existing Groups And Boards. Reporting Monitoring In Place With Workstream Leads.</p>									<p>Audit added to plan for 2021/22</p>	
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Business Risk	2 Month Overall RAG	Previous Overall RAG	Current Overall RAG	Level and Source of Assurance						Internal Audit Needs	Planned Internal Audit Work	Audit Plan Area	
				Level 1	Level 2			Level 3					
				Management Assurance	Other <i>Internal</i> Assurance			Other <i>Independent</i> Assurance					
					Council/ Cabinet	Scrutiny	Other	Internal Audit	Other Bodies				External Audit
Corporate Risk Register													

Risk ID 277 Risk Title Achieving Better Together – Transformation Risk Level Corporate Risk Category Strategic Responsible Officer Adam Hill Updater Sarah Lackenby Last updated 29/01/21	If the Council does not transform effectively it will not be sustainable and financially resilient in the longer term			> Transformation activities in the programme plan must align with the MTFP to ensure future financial sustainability > Programme documents need to be in place: Programme plan (milestones and deadlines), governance, benefits realisation plan, RAID log, change plan > Learning from the previous transformation programme, Sustainable Swansea adapted into the new programme following final report to Scrutiny in June 2021								Audit added to plan for 2021/22	
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Updates:

08/12/20 (MAP consultation responses from TM, BS, HMR, SL)

27/01/21. 03/02/21.

Assurance Map Guidance Notes

Source & Level of Assurance - Three Lines of Defence

Assurance can come from many sources within an organisation. A concept for helping to identify and understand the different contributions the various sources can provide is the Three Lines of Defence model. By defining the sources of assurance in three broad categories, it helps to understand how each contributes to the overall level of assurance provided and how best they can be integrated and mutually supportive. For example, management assurances could be harnessed to provide coverage of routine operations, with internal audit activity targeted at riskier or more complex areas.

- First Line of Defence – Level 1 – Management Assurance

Within the 'front-line' or business operational areas, there will be many arrangements established that can be used to derive assurance on how well objectives are being met and risks managed; for example, good policy and performance data, monitoring statistics, risk registers, reports on the routine system controls and other management information.

Nature of assurance: This comes direct from those responsible for delivering specific objectives or operation; it provides assurance that performance is monitored, risks are identified and addressed and objectives are being achieved. This type of assurance may lack independence and objectivity, but its value is that it comes from those who know the business, culture and day-to-day challenges.

- Second Line of Defence – Level 2 – Other Internal Assurance

This work is associated with oversight of management activity. It is separate from those responsible for delivery, but not independent of the organisation's management chain. This could typically include compliance assessments or reviews carried out to determine that policy or quality arrangements are being met in line with expectations for specific areas of risk across the organisation.

Nature of assurance: The assurance provides valuable management insight into how well work is being carried out in line with set expectations and policy or regulatory considerations. It will be distinct from and more objective than first line assurance.

- Third Line of Defence – Level 3 – Other Independent Assurance & External Assurance

This relates to independent and more objective assurance and focuses on the role of internal audit, which carries out a programme of work specifically designed to provide the Section 151 Officer with an independent and objective opinion on the framework of governance, risk management and control. Internal audit will place reliance upon assurance mechanisms in the first and second lines of defence, where possible, to enable it to direct its resources most effectively, on areas of highest risk or where there are gaps or weaknesses in other assurance arrangements. It may also take assurance from other independent assurance providers operating in the third line, such as those provided by independent regulators, for example.

As an additional line of assurance, sitting outside of the internal assurance framework and the Three Lines of Defence model, are external auditors, who are external to the organisation with a statutory responsibility for certification audit of the financial statements.

Nature of assurance: Independent of the first and second lines of defence. Internal audit operates to professional and ethical standards in carrying out its work, independent of the management line and associated responsibilities. External audit operates similarly.

Agenda Item 6



Report of the Chief Auditor

Audit Committee – 9 March 2021

Draft Internal Audit Annual Plan 2021/22

Purpose:	This report presents the Draft Internal Audit Annual Plan for 2021/22 to the Audit Committee for consideration prior to the final plan being presented to the Committee in April for approval.
Policy Framework:	None
Consultation:	Legal, Finance, Access to Services.
Report Author:	Simon Cockings
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
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 ensure they are consistent with the Council's goals and objectives.
- 1.2 The Audit Plan must provide sufficient coverage across the whole of the Council's activities 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 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 is also reported to the Committee at the meeting on 9th March 2021.
- 1.5 This report presents the Draft Internal Audit Annual Plan 2021/22 to Committee for consideration.

2. Internal Audit Strategy and Annual Plan 2021/22

- 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 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 2021/22 will accompany the final version of the Plan which due to be presented to Committee in April.
- 2.3 For 2021/22, 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 2020/21. This gives a total number of available days of 2,366.
- 2.4 A summary of the Internal Audit Plan 2021/22 is shown in Appendix 1 and a list of audits planned for the year is shown in Appendix 2 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 2021/22 accommodates any audits which were deferred from the 2020/21 Plan where the risk justifies their inclusion.
- 2.6 The Plan includes time for all fundamental audits due in the year i.e. systems that are so significant to the achievement of the Council's objectives that they are audited annually or every 2 years e.g. Employee Services, Accounts Receivable, Pensions Administration.
- 2.7 The Audit Plan has been reconciled to the available resources of 2,366 days by deferring 178 days of audits due in 2021/22. The basis for deciding which audits to defer has been discussed with the Principal Auditor and Senior Auditors. In the majority of cases, those audits that have been deferred are those that were ordinarily due in the year (not deferred from 2020/21), and had received a high level of

assurance when last reviewed and/or were classed as being low or medium risk.

- 2.8 Some low risk areas have been included to ensure adequate audit coverage across the organisation. The detailed discussions between the senior members of Audit Team have dictated which audits are included in the 2021/22 plan based on experience, knowledge of the areas concerned and consideration of any ad hoc issues or concerns that have arisen in the current year.
- 2.9 As detailed in the Audit Plan Methodology report, an assurance mapping exercise is undertaken to inform the internal audit plan. The corporate risk register is also reviewed as part of the planning process, with the control measures noted against each of the risks informing the assurance map. Following a detailed review of corporate risks on the risk register, it was noted that in a number of cases the control measures recorded against the risk couldn't realistically be considered as actual control measures. This was raised with the Strategic Delivery & Performance Manager and the Chief Finance Officer in the first instance, and later with the Corporate Management Team. It is hoped that this will be addressed in 2021/22 via training for risk owners.
- 2.10 The assurance map is also distributed to corporate risk owners in advance of the planning process to give them the opportunity to review the entries in the three tiers of the map to ensure they are up to date and that all sources of assurance have been captured. It should be noted that in some instances, minimal updates or additions were added to the map as a result of this process this year.
- 2.11 As a result of the points above, whilst the updated assurance map has been considered as part of this year's planning process, limited reliance has been placed on the entries in some instances and internal audit knowledge and experience has been relied upon, in consultation with the Chief Finance Officer, to ensure a suitably balanced and risk targeted audit plan is produced.
- 2.12 As in previous years, progress made by the Internal Audit Section in achieving the Audit Plan will be reported to the Audit Committee on a quarterly basis.
- 2.13 It is the view of the Chief Auditor that the proposed Internal Audit Plan 2021/22 will provide sufficient audit coverage for the annual opinion on the control environment to be delivered to Council via the Section 151 Officer and Audit Committee, subject to the extent of ongoing disruption caused by the Covid-19 pandemic in 2021/22.

3 Equality and Engagement Implications

3.1 The Council is subject to the Public Sector Equality Duty (Wales) 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 Act.
- 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.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

3.2 There are no equality and engagement implications associated with this report.

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- Draft Internal Audit Annual Plan 2021/22 (Summary)
Appendix 2- Draft Internal Audit Annual Plan 2021/22

Draft Internal Audit Annual Plan 2021/22 – Summary

Categories of Audit Work	Plan 2020/21	Plan 2021/22	
	Days	Days	%
People	419	335	14
Place	420	322	14
Corporate Services	215	305	13
Fundamental Audits	168	247	10
Contract Audit Systems	55	30	1
Computer Audits	35	52	2
Contract Audits	0	0	0
Cross Cutting Audits	85	135	6
Miscellaneous Audits	40	15	1
Projects & Special Investigations	78	63	3
Productive Days	1515	1504	64
Staff Training	76	48	2
Holidays, Sick & Special Leave	499	543	22
Admin, Planning, Control, Clerical Support etc.	219	219	9
Contingencies	41	36	2
Vacancies	0	0	0
Performance Management - Appraisals	16	16	1
Non Productive Days	851	862	36
Total Days	2366	2366	100

Days Covering Corporate Priorities	
Cross Cutting Audits	135
Section 151 Officer Assurance	515
Education	167
Safeguarding	433
Poverty	160
Economy & Infrastructure	230
Resources & Biodiversity	45
Transformation & Council Development	197

(Note: the table records the number of days in the plan covering the areas above. Some audits cover multiple priorities as reflected in Appendix 3 hence the number of days have been counted in each area)

Audit Title	Risk Rating	Status as at 01/04/2021	Corporate Priority	Days
Level 1 – Cross Cutting Reviews – Council Governance & Control				
Partnerships	Med/High	Planned	Cross Cutting	15
Corporate Governance	Med/High	Planned	Cross Cutting	15
General Data Protection Regulations	Med/High	Planned	Cross Cutting	10
Corporate Performance Management	Med	Planned	Cross Cutting	15
Local Government and Elections (Wales) Bill	New	Planned	Cross Cutting	10
FOI / SAR/ EIR Review	New	Planned	Cross Cutting	15
Wellbeing of Future Generations Act	New	Planned	Cross Cutting	10
Achieving Better Together – Recovery	New	Planned	Cross Cutting	10
Achieving Better Together – Transformation (inc. workforce strategy and savings delivery)	New	Planned	Cross Cutting	15
Assurance Framework	New	Planned	Cross Cutting	20
Level 2 – Fundamental Systems - Section 151 Officer Assurance				
Financial Services & Service Centre				
Employee Services	Med/High	Planned	Section 151 Assurance	30
Pensions Admin	Med/High	Planned	Section 151 Assurance	20
Teachers Pensions	Med	Planned	Section 151 Assurance	15
Accounts Receivable	High	Planned	Section 151 Assurance	35
Business Rates (NNDR)	Med	Planned	Section 151 Assurance	20
Pension Fund Investments	Med/High	Planned	Section 151 Assurance	7
Housing Rents	Med	Planned	Section 151 Assurance	20
Accounts Payable	Med	Planned	Section 151 Assurance	35
Housing & Council Tax Benefit	Med/High	Planned	Section 151 Assurance	40
Capital Accounting	Med	Planned	Section 151 Assurance	25
Level 3 – Service Level Audits – Other Assurance				
Education Planning & Resources				
Pentrehafod Comprehensive	Med	Planned	Education	10
Bishopston Comprehensive	Med	Planned	Education	10
Pontarddulais Comprehensive	Med	Planned	Education	10
Ysgol Gyfun Bryn Tawe	Med	Planned	Education	10
Ysgol Crug Glas	Med	Planned	Education	4
School Funding & Information	Med/High	Planned	Education	15
Catering & Cleaning HQ	Med	Planned	Education	10
SQuid School Income (thematic)	New	Planned	Education	15
Primary School DBS (thematic)	New	Planned	Education	15
Achievement & Partnership Service				
School Support Team	Low	Planned	Education	15

Vulnerable Learner Service				
Behavioural Support Unit	Med/Low	Planned	Education, Safeguarding & Poverty	20
Education Grants & Other				
Schools Annual Report	n/a	Planned	Education, Safeguarding & Poverty	3
Regional Consortia School Improvement Grant	n/a	Planned	Education, Safeguarding & Poverty	15
Pupil Deprivation Grant	n/a	Planned	Education, Safeguarding & Poverty	15
Child & Family Services				
Independent Agency Payments	High	Planned	Safeguarding	10
Discretionary Payments	Med/High	Planned	Safeguarding	10
Nant-y-Felin Children's Home	Med	Planned	Safeguarding	10
Grants & Contracts	Med/High	Planned	Safeguarding	10
Adoption Allowances	Med/Low	Planned	Safeguarding	10
Residential & Outdoor Centres	Med	Planned	Safeguarding	10
Swansea Children's Centre & Mayhill Family Centre	Med	Planned	Safeguarding	10
Adult Services				
Home Care	Med/High	Planned	Safeguarding	10
Community Alarm Service	Med	Planned	Safeguarding	10
Integrated Community Equipment Service & Suresprung	High	Planned	Safeguarding	10
Suresprung Transitional Employer Support Grant	n/a	Planned	Safeguarding	5
CREST	Med	Planned	Safeguarding	10
Supporting People Team – Regional Coordinator Grant	n/a	Planned	Safeguarding	3
Supporting People Grant	n/a	Planned	Safeguarding	10
Enable Support for Independent Living Grant	n/a	Planned	Safeguarding	10
Business Support Team – Child & Family	Med/Low	Planned	Safeguarding	15
Commissioning				
Early Intervention Services	Med	Planned	Poverty	5
Tackling Poverty				
Welfare Rights Service	New	Planned	Poverty	10
Building Services				
Heol y Gors – Stores, Admin & Finance, Oracle T&L	Med/High	Planned	Economy & Infrastructure, Safeguarding	20
Heol y Gors – Estimating	Med	Planned	Economy & Infrastructure, Safeguarding	15
Day to Day Repairs / Maintenance Section	Med	Planned	Economy & Infrastructure, Safeguarding	20
Property Services				

Energy Management	Med/Low	Planned	Economy & Infrastructure	5
Waste Management & Parks				
Domestic Refuse Collection	Med	Planned	Economy & Infrastructure, Resource & Biodiversity	10
Parks Central Operations – Tree Services Unit	Low	Planned	Economy & Infrastructure, Resource & Biodiversity	5
Cleansing inc. Parks Central Operations, Litter & Beaches	New	Planned	Economy & Infrastructure, Resource & Biodiversity	10
Highways & Transportation				
Concessionary Bus Fares	Med	Planned	Economy & Infrastructure	5
Car Parks	Med/High	Planned	Economy & Infrastructure	20
Clydach Depot – Plant	Med	Planned	Economy & Infrastructure	10
CTU Fleet Hire / Spot Hire	Med	Planned	Economy & Infrastructure	10
Taxi Framework Contract	Med	Planned	Economy & Infrastructure	10
Live Kilometre Support Grant (G)	n/a	Planned	Economy & Infrastructure	5
Housing & Public Health				
Morrison DHO	Med	Planned	Poverty, Safeguarding	15
Sketty DHO	Med/Low	Planned	Poverty, Safeguarding	15
Neighbourhood Support Unit inc. CCTV	Med	Planned	Poverty, Safeguarding	7
Affordable Housing	Med	Planned	Poverty, Safeguarding	10
Application Controls – Flare System	Med	Planned	Poverty, Safeguarding	5
Building Regulations	Med	Planned	Poverty, Safeguarding	15
Taxi Licencing	Med/Low	Planned	Poverty, Safeguarding	10
Rechargeable Works	Med	Planned	Poverty, Safeguarding	15
Cultural Services				
Outdoor Leisure	Med	Planned	Economy & Infrastructure	15
Sports Development	Med/Low	Planned	Economy & Infrastructure	10
Swansea Museum	Med/Low	Planned	Economy & Infrastructure	10
Central Library	Med	Planned	Economy & Infrastructure	15
Archives	Med/Low	Planned	Economy & Infrastructure	15
Planning & City Regeneration				
Nature Conservation	Med	Planned	Economy & Infrastructure, Resources & Biodiversity	10
Land Charges	Med	Planned	Economy & Infrastructure, Resources & Biodiversity	10
Communications & Marketing				
Civic Admin/Mayoral Service/Mansion House	Med	Planned	Transformation & Council Development	10
Emergency Planning & Business Continuity	Med	Planned	Transformation & Council Development	10
Risk Management	Med/High	Planned	Transformation & Council Development	15

Financial Services & Service Centre				
Cashiers Office – CCI Reconciliation	Med/High	Planned	Section 151 Assurance	5
Write-Off Requests	n/a	Planned	Section 151 Assurance	5
Cashiers Write-off's	n/a	Planned	Section 151 Assurance	5
Bank Reconciliations	Med	Planned	Section 151 Assurance	10
School Bank Reconciliations	Med	Planned	Section 151 Assurance	15
Grants Receivable	Med/High	Planned	Section 151 Assurance	15
Leasing	Med	Planned	Section 151 Assurance	10
Income Tax – Self Employed	Med	Planned	Section 151 Assurance	5
Construction Industry Tax Scheme	Med	Planned	Section 151 Assurance	10
Residential Care	High	Planned	Section 151 Assurance, Safeguarding	25
Debt Recovery – Financial Services & Legal Recovery	High	Planned	Section 151 Assurance, Safeguarding	25
Learning Disability Recharges	Med	Planned	Section 151 Assurance, Safeguarding	10
Adult Family Placements	Med	Planned	Section 151 Assurance, Safeguarding	10
Employee Vetting (DBS)	High	Planned	Section 151 Assurance, Safeguarding	10
Purchase Card Transactions Monthly Review	Med	Planned	Section 151 Assurance	10
Compliance with CIPFA Financial Management Code	New	Planned	Section 151 Assurance	10
Digital & Transformation				
ICT Administration inc. IT Assets	Med	Planned	Transformation & Future Council Development	15
Oracle Authorisation Limits	Med/High	Planned	Transformation & Future Council Development	10
Commercial Services				
Contracts Review – Education	New	Planned	Section 151 Assurance	10
Chief Transformation Officer Audits				
Contact Centre – Client & Property Finance Payments	Med	Planned	Transformation & Council Development	5
HR Policies	Low	Planned	Transformation & Council Development	10
Employment of Agency Staff	Med/High	Planned	Transformation & Council Development	10
Corporate Learning & Development Team	New	Planned	Transformation & Council Development	5
Oracle Cloud	New	Planned	Transformation & Council Development	10
Post-Coronavirus pandemic review of Agile Working	New	Planned	Transformation & Council Development	10
Regional Broadband Grant	New	Planned	Transformation & Council Development	5
Contract Audits				
Highways & Transportation – Business Case, Tendering & Evaluation	Med/High	Planned	Transformation & Council Development	15

CBS Control of Contracts	Med	Planned	Transformation & Council Development	15
Computer Audits				
File Controls	Med/High	Planned	Transformation & Council Development	5
ICT Data Storage	Med/High	Planned	Transformation & Council Development	5
Firewall Controls – Corporate & Education Network	Med	Planned	Transformation & Council Development	5
Internet Controls for Clients – Social Services	Med	Planned	Transformation & Council Development	5
E-Commerce Controls	Med	Planned	Transformation & Council Development	7
Disaster Recovery & Business Continuity	Med	Planned	Transformation & Council Development	10
Oracle Change Control	Med/High	Planned	Transformation & Council Development	5
Telephony System	Med	Planned	Transformation & Council Development	5
Use of Idea - Data Matching NFI	n/a	Planned	Section 151 Assurance	5
Projects & Special Investigations				
Unpresented Cheques	n/a	Planned	Section 151 Assurance	5
NFI	n/a	Planned	Section 151 Assurance	10
Galileo Management System	n/a	Planned	Section 151 Assurance	5
Annual Plan & Annual Report	n/a	Planned	Section 151 Assurance	5
Annual Consultation Exercise	n/a	Planned	Section 151 Assurance	10
Health & Safety Group	n/a	Planned	Section 151 Assurance	3
Recommendation Tracker Exercise	n/a	Planned	Section 151 Assurance	5
Follow-ups	n/a	Planned	Section 151 Assurance	20
Miscellaneous Audits				
Western Bay Social Services Training Team	New	Planned	Section 151 Assurance	5
City Deal Review Outcomes - Follow-up	New	Planned	Section 151 Assurance	5
Swansea Central Phase 1 Programme	New	Planned	Transformation & Council Development	5

Cross Cutting Audits – 135 days

Section 151 Officer Assurance – 515 days

Corporate Priorities

Safeguarding (Safeguarding People from Harm) – 433 days

Education (Improving Education and Skills) – 167 days

Economy & Infrastructure (Transforming our Economy and Infrastructure) – 230 days

Poverty (Tackling Poverty) – 160 days

Resources & Biodiversity (Maintaining and Enhancing Swansea's Natural Resources and Biodiversity) – 45 days

Transformation & Council Development (Transformation and Future Council Development) – 197 days

Agenda Item 7



Report of the Deputy Chief Executive

Audit Committee – 9 March 2021

Value for Money & Benchmarking

Purpose: The report provides an overview of how the Council seeks to achieve Value for Money, which includes the role of benchmarking, and what information is required to enable the Audit Committee to discharge its duties.

Report Author: Adam Hill

Finance Officer: Ben Smith

Legal Officer: Debbie Smith

Access to Services Officer: Rhian Millar / Catherine Window

For Information

1. Background – legislation

- 1.1 This report provides an overview of how the Council seeks to achieve Value for Money, which includes the role of benchmarking, and what information is required to enable the Audit Committee to discharge its duties.
- 1.2 The phrase 'Value for Money' has had a long history in local government. The Best Value regime was introduced in England and Wales by the Local Government Act 1999. The aim was to improve local services in terms of both cost and quality. A Best Value authority was one that had to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness; otherwise known as the 3 'E's.
- 1.3 Part 1 of the Local Government (Wales) Measure 2009 designated local authorities in Wales as Welsh Improvement Authorities, which meant that the designation of 'best value authorities' no longer had any legal meaning in Wales, nor did the broader concept of 'best value'.

- 1.4 The Local Government Measure 2009 expanded the definition of improvement so that it was no longer limited to economy, efficiency and effectiveness but also other requirements, such as improving fairness by reducing inequality in accessing or benefiting from services; the Local Government Measure 2009 is in the process of being repealed.
- 1.5 The introduction of the Well-being of Future Generations (Wales) Act 2015 introduced the concept of improving 'well-being'. Section 7 of the Act requires (amongst other things) the publication of a statement detailing how a public body proposes to ensure that resources are allocated annually for the purpose of taking such steps to meet their 'well-being objectives'. It is expected that financial planning will address the tendency for short-term priorities and administrative processes to overtake long-term interests and preventative action.
- 1.6 The statutory arrangements for the audit of local government bodies in Wales are set out in Part 2 of the Public Audit (Wales) Act 2004. Among other things, section 17 requires the Auditor General to satisfy himself, 'by examination of the accounts and otherwise' that the bodies concerned have made proper arrangements for securing economy, efficiency and effectiveness in the use of resources'. The Auditor General is able to supplement his accounts examination with further work to specifically examine arrangements for securing value for money.

2. Definition – value for money

- 2.1 The National Audit Office uses three criteria to assess the value for money of government spending i.e. the optimal use of resources to achieve the intended outcomes:
 - **Economy**: minimising the cost of resources used or required (inputs) – **spending less**;
 - **Efficiency**: the relationship between the output from goods or services and the resources to produce them – **spending well**; and
 - **Effectiveness**: the relationship between the intended and actual results of public spending (outcomes) – **spending wisely**
- 2.2 Besides these three 'E's, a fourth 'E' is applied in some places:
 - **Equity**: the extent to which services are available to and reach all people that they are intended to – **spending fairly**. Some people may receive differing levels of service for reasons other than differences in their levels of need.

3. Benchmarking

- 3.1 Improvement is the process by which organisations (in this case, local authorities) determine what their priorities are, and plan, monitor, manage and report their activities on an annual basis so as to achieve them. Before the 2009 Local Government Measure became law, this

process was, for local government, regulated by Part 1 of the Local Government Act 1999 - the 'best value' regime.

- 3.2 As part of the 'best value' regime, local authorities in England and Wales collected and reported on a national set of Best Value Performance Indicators (BVPIs). This allowed local authorities in Wales to compare and benchmark performance with each other and with local authorities in England using a standard set of common measures.
- 3.3 Following the establishment of the Welsh Assembly Government, the BVPIs were subsequently replaced with a different set of national indicators; the National Assembly for Wales Performance Indicators (NAWPIs). This allowed local authorities in Wales to continue to compare and benchmark performance with each other but comparability with England was lessened and became less relevant over time because of divergence as a result of devolution.
- 3.4 Over time, the NAWPIs were replaced with other sets of national indicators to allow comparisons and benchmarking within Wales until local authorities worked with the Welsh Local Government Association to develop a new framework for local performance based on Public Accountability Measures (PAMs). This performance measurement framework was ratified at the Welsh Local Government Association Council on 31 March 2017. The number of national PAMs has reduced since then so that only 25 PAMs were last reported in 2019/20. Progress against the public accountability measures is available on the Data Cymru website.
- 3.5 Whilst the PAMs are used specifically for public accountability purposes, benchmarking clubs cover services from planning to children's services and are run by service managers to help manage and drive improvements in their services. There are benchmarking clubs coordinated through Data Cymru's online Benchmarking Hub.
- 3.6 Other means of comparing and benchmarking performance and other data is also available at service manager level through membership of the Association of Public Service Excellence (APSE). APSE performance networks is a benchmarking service across England, Scotland, Wales and Northern Ireland; it is used by over 200 local authorities for service-level benchmarking.
- 3.7 The WLGA provided an opportunity for local authorities to voluntarily engage in peer reviews, which provides a chance to compare and benchmark performance. Peer reviews provide an expert external perspective, to identify strengths and challenge areas for improvement. Peer reviews, also known as peer challenges, are a key part of the WLGA's improvement offer for local authorities; Swansea Council undertook a voluntary peer review facilitated by WLGA in 2014 to help prepare it for its corporate assessment by Audit Wales under the Local Government Measure 2009. The Local Government and Elections

(Wales) Act 2021 will require local authorities to establish peer assessment panels and undertake such peer reviews once every five years.

4.0 Value for Money & Benchmarking

4.1 The Local Government and Elections (Wales) Act 2021, which will replace the Local Government Measure 2009, requires each council to keep under review the extent to which it is fulfilling the 'performance requirements', which also includes the extent to which it is using its resources economically, efficiently and effectively.

4.2 The Well-being of Future Generations Act provides the context within which councils should be exercising their functions, using their resources and ensuring their governance is effective, with the aim of maximising their contribution to the well-being goals.

4.3 Local authorities can apply the value for money criteria and incorporate benchmarking opportunities as part of that process as follows:

4 'E's	Description	In practice
Economy:	minimising the cost of resources used or required (inputs) – spending less ;	Keeping within expected costs and budget (whole-life costs) and making savings.
Effectiveness:	the relationship between the intended and actual results of public spending (outcomes) – spending wisely	Targets and outcomes to deliver economic, social and environmental benefits are established and are met or exceeded.
Efficiency:	the relationship between the output from goods or services and the resources to produce them (process) – spending well	Economy and Effectiveness criteria and both met...if not, benchmark with similar projects / programmes / services.
Equity (and sustainability):	the extent to which services are available to and reach all people that they are intended to and without compromising the needs of future generations – spending fairly and sustainably	Integrated Impact Assessment

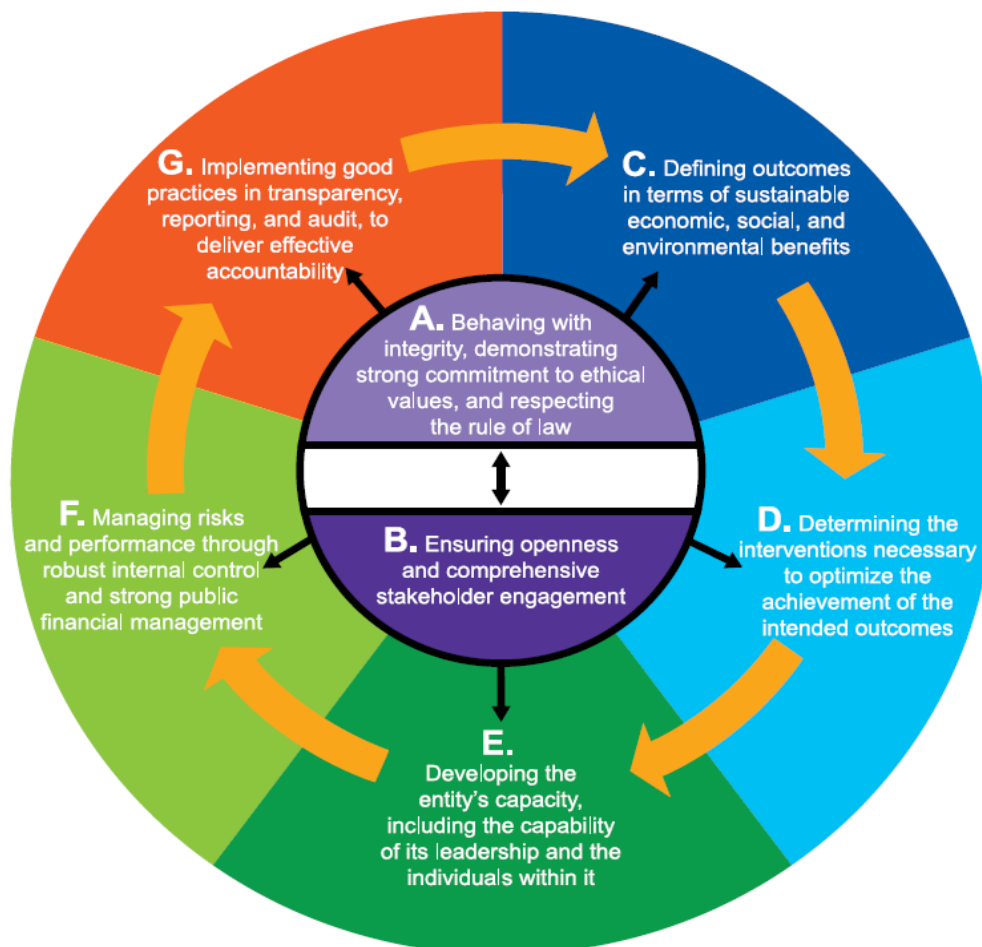
4.4 In other words, value for money can be determined by reviewing a range of financial and performance data and reports and, where available, benchmarking with other comparable information; good governance is essential to ensure value for money.

4.5 Sustainability is a key element of achieving value for money that seeks to balance the economic and efficient use of resources with wider social, cultural, environmental and economic benefits as underpinned by the Well-being of Future Generations Act. For example, the Welsh Government policy to introduce a Circular and Foundational Economy. A Circular Economy where value for money is also about seeking to reuse, repair and recycle resources so as to extract as much value as possible from the resources and materials we utilise. A Foundational Economy that emphasises essential goods and services and obtaining social value and sustainable benefits beyond narrow least cost transactions, such as developing sustainable supply chains and looking for energy and resource sustainability.

5. Value for money - what good looks like

5.1 The core principles and sub-principles of good governance are set out by CIPFA / SOLACE in *Delivering Good Governance in Local Government*, which are pictured in the diagram below and are evidenced in the Council’s Annual Governance Statement

**Achieving the Intended Outcomes
While Acting in the Public Interest at all Times**



6. Value for Money – what Swansea looks like

6.1 The Council's Annual Governance Statement describes how the Council meets the principles of good governance in delivering value for money. In summary, the Council has the following arrangements in place:

- Medium Term Financial Planning covering 3 (currently extended to 4) further financial years beyond forthcoming budget year approved annually by Council.
- The *Achieving Better Together* recovery and transformation programme seeks to modernise and transform the council to meet the longer term challenges and ensure sustainable provision of services.
- An Annual budget setting process in place including an extensive consultation exercise.
- To ensure that the budget process is all inclusive there is regular engagement with members with robust scrutiny by the Service Improvement & Finance Scrutiny Performance Panel.
- The achievement of “social value” through the effective procurement and commissioning of service in compliance with Contract Procedure Rules, e.g. Beyond Bricks and Mortar (community benefit clauses in council contracts).
- Monthly Directorate Performance and Financial Monitoring meetings.
- Risk management is an integral part of decision making supported by monthly monitoring and reporting to Corporate Management Team and Performance & Financial Monitoring meetings.
- There is a specific Corporate risk around Financial Control and MTFP aspects of transformational plans owned by the S151 officer.
- Quarterly and annual finance and performance monitoring reports to Cabinet.
- Robust scrutiny challenge by pre-decision scrutiny, inquiries and Call-In.
- The Annual Statement of Accounts audited by external auditor and approved by Council and published demonstrates how the Council has achieved performance, value for money and the stewardship of resource.
- Senior Managers complete Senior Management Assurance Statements (SMAS) reflecting performance against governance, risk management and internal control. The SMAS contribute to the Annual Governance Statement.
- There is some engagement with benchmarking groups such as APSE, CIPFA.
- There is a comprehensive induction training programme for members and officers, including a Councillor Training Programme based on a Training Needs Assessment.

7. Value for Money – what Audit Wales reported

- 7.1 Audit Wales concluded in 2019/20 that the Council had put in place proper arrangements to secure value for money from the resources it uses but that significant challenges remained, particularly in terms of delivering timely transformation against the backdrop of a challenging financial position.
- 7.2 Their review of all 22 Welsh Councils financial sustainability in 2019/20 sought to assess the sustainability of councils' short to medium-term financial position. They undertook this assessment because they identified financial sustainability as a risk to councils putting in place proper arrangements to secure value for money in the use of resources in light of recent experiences of some councils in England, and their knowledge of the financial situation in councils in Wales and the general trend of decreasing resources for local government combined with rising demand for some services.
- 7.3 In Swansea, Audit Wales concluded that the Council continues to face a significant financial challenge and needs to deliver its savings plans at the pace and scale required whilst controlling service spending within budgets, thus removing reliance on one off central financing measures to otherwise successfully balance the overall budget.
- 7.4 Audit Wales stated that their recent work with the Council had provided them with increased assurance that, through its Reshaping Board, senior management is providing a focused strategic input to support the transformation agenda and the delivery of associated financial savings.
- 7.5 Audit Wales further stated that the Council recognised the extent of the continuing financial challenge and the transformation required to service delivery over the immediate and longer term. Audit Wales noted that the Council was undertaking a fundamental review and refresh of the Sustainable Swansea programme for transformation to ensure that planned actions are of sufficient scale and pace. Audit Wales will be further reviewing these new transformation arrangements during their 2021 Audit Programme.
- 7.6 In October 2020 Cabinet approved the new Swansea - *Achieving Better Together* Transformation Strategy and Programme Framework. The strategic aims of Swansea – Achieving Better Together will now focus on:
- The core purpose of the Council.
 - Transforming services to be effective and efficient.
 - Greater collaboration with other Councils, organisations, community groups and residents, with a focus on regionalisation.
 - Balancing the budget for current and future years.

- Greater and more meaningful engagements with our residents and community.
- To meet aspirations and targets within the Medium Term Financial Plan.

7.6.1 The strategic governance of the *Achieving Better Together* is undertaken by the Recovery, Reshaping & Budget Strategy Board and the operation and Delivery of the workstreams is overseen by the Organisational Cross Cutting & Transformation Steering Group. Reports will be considered by Cabinet, Scrutiny and Audit Committees throughout the implementation and development of the programme.

8.0 Value for Money – Audit Committee

- 8.1 The authority has a statutory duty to make best use of resources and delivering defined outcomes on a sustainable basis within the resources that will be available. The authority must have in place arrangements to obtain assurance over its performance. Assurance should focus on both the arrangements to ensure and the progress in achieving Value for Money (VfM).
- 8.2 The Audit Committee needs to seek assurance on the following in order to fulfil its duties in relation to value for money in line with the principles of good governance as set out in the CIPFA (2018) *Audit Committee Practical Guidance for Local Authorities and Police: “The role of the audit committee is most likely to focus on whether the authority’s overall approach to VfM is in line with governance objectives and to receive assurances on this to underpin the AGS”*.
- 8.3 The role of the audit committee is predominantly to focus on whether the authority’s overall approach to VfM is in line with governance objectives and to receive assurances on this to underpin the Annual Governance Statement. One specific area of activity for the committee will be consideration of the external auditor’s wider work as set out in the codes of audit practice and other guidance adopted by national audit bodies which for Wales includes Audit Wales annual improvement report to Council.
- 8.4 **Note** – this report describes the Council’s governance procedures for obtaining value for money. As noted within the Annual Governance Statement 2019/20 published in June, these arrangements have been disrupted during 2020/21 as a result of the impact of Covid-19. In that statement, the Statutory Governance Chief Officers resolved to maintain appropriate corporate grip to ensure that sufficient governance is maintained throughout this unprecedented crisis and during the recovery. This report and the table below describes the financial and governance arrangements that will need to be renewed and enhanced as part of the Council’s implementation of the *Achieving Better Together* recovery and transformation plan.

Action	In place	Opportunity to strengthen
Realistic and achievable savings and outcomes from the transformation programme are clearly identified and are being monitored and reviewed regularly for achievement.	<i>Achieving Better Together</i> Recovery and Transformation Programme	It is essential in terms of the financial challenges facing the Council beyond 2021/22 that further savings proposals are continuously developed and implemented over and above those already proposed to provide future headroom.
Overspending is being identified and actively controlled through rigorous budget monitoring.	Quarterly and annual financial monitoring reports to Cabinet and Scrutiny. PFM meetings. Budget tracker. Spending controls.	Enhanced monitoring and tracking of progress in achieving budget savings which will be reported to Corporate Management Team, Reshaping Board, Recovery Board and Cabinet.
Good quality, clear, timely and accurate financial & performance information and monitoring reports are being provided to officers and Members.	Annual Budget and Quarterly / annual financial and performance monitoring reports to Cabinet and Scrutiny. Financial reports to Audit Committee	Further training to Scrutiny and Audit Committee Members to enable them to better understand and challenge financial and budget reports. Review further integration between financial, performance and risk reports.
Budget setting, overspends, credibility of savings plans and financial risks / reporting is subject to rigorous and challenging oversight and scrutiny from elected Members.	Annual Budget and Quarterly / annual financial monitoring reports to Scrutiny. Financial reports to Audit Committee. Financial training provided to Members as part of their induction.	
There is strong risk management of	Annual budget setting	

<p>financial decisions and risks.</p>	<p>Annual Budget and Quarterly / annual financial and performance monitoring reports to Cabinet and Scrutiny.</p> <p>PFM meetings.</p> <p>Budget tracker.</p> <p>Corporate Risk on financial control.</p> <p>Senior Management Assurance Statements.</p>	
<p>Borrowing and unplanned use of reserves is kept under control and a safe and adequate level of financial reserves is being maintained.</p>	<p>Quarterly and annual financial and performance monitoring reports to Cabinet and Scrutiny.</p> <p>Budget tracker.</p> <p>PFM meetings.</p> <p>Spending controls.</p>	<p><i>Achieving Better Together</i> Recovery and Transformation Programme.</p> <p>Enhanced monitoring and tracking of progress in achieving budget savings.</p>
<p>There is a constructive and open Member and officer relationship, which is open to challenge from either party and a strong organisational culture and decision making focussed on achieving and maintaining financial sustainability.</p>	<p>Joint CMT and Cabinet meetings.</p>	<p><i>Achieving Better Together</i> Recovery and Transformation Programme and governance arrangements.</p>
<p>The Council compares itself with other similar organisations as a means of identifying weaknesses and improving performance and value for money.</p>	<p>Some limited service-level benchmarking clubs CIPFA, APSE, Data Cymru Benchmarking Networks.</p>	<p>Benchmarking is done when value for money in terms of living within budgets and / or not meeting intended outcomes is not being delivered.</p>

		Peer review panels mandated by the Local Government and Elections (Wales) Act 2021
The Council reviews the sustainability of its transformation and budget proposals and financial decisions and the potential impact on people with protected characteristics and on future generations.	The annual budget is subject to public consultation and an Equality Impact Assessment. We have also just piloted the Sustainable Development Impact Assessment in this budget round, which will inform the development of an Integrated Impact Assessment.	Subject the annual budget round, Medium Term Financial Plan and proposals from <i>Achieving Better Together</i> to an Integrated Impact Assessment when finalised.

9. Equality and Engagement Implications

- 9.1 The Council is subject to the Public Sector Equality Duty (Wales) 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 Act.
 - 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.
- 9.2 Our Equality Impact Assessment process ensures that we have paid due regard to the above. There are no direct equality implications.

10. Legal Implications

- 10.1 There are no legal implications.

11. Financial Implications

- 11.1 There are no financial implications.

For Information

Background Papers: None.

Appendices: None.

Agenda Item 8



Report of the Deputy Chief Executive

Audit Committee – 9 March 2021

Counter Fraud

Purpose: The report provides an action plan from the findings of the Audit Wales report 'Raising Our Game' – Tackling Fraud in Wales and The Counter Fraud Phase 2 Question Hierarchy Responses which informed the development of the Raising Our Game report.

Report Author: Adam Hill

Finance Officer: Ben Smith

Legal Officer: Tracey Meredith

Access to Services Officer: Rhian Millar / Catherine Window

For Information

1. Background – Raising Our Game –Tackling Fraud in Wales (ROG)

1.1 The Crime Survey for England and Wales recognises fraud as being one of the most prevalent crimes in society today. Figures could be anywhere between £100 million and £1 billion.

1.2 Fraudsters appear the very instant that an opportunity presents itself. Recently, there has been an explosion in fraudulent activity, and especially in cybercrime, during the current COVID-19 pandemic

1.3 Public sector bodies can mitigate these risks by having the right organisational culture supported by strong counter-fraud arrangements.

1.4 In June 2019 the Auditor general published a report giving an overview of the scale of fraud in the Welsh Public Sector, together with a description of counter-fraud arrangements across the Welsh Government, the NHS and Local Government. A further report was published in July 2020 which was based on a more extensive programme of field work, and identified a range of opportunities to improve on the current national position, including:

- strengthening strategic leadership, coordination and oversight for counter-fraud across the Welsh public sector;
- increasing counter-fraud capacity and capabilities, especially across local government, and exploring the potential for sharing resources and expertise across public bodies;
- getting the right balance between proactive and reactive counter-fraud activities;
- improving awareness-raising and staff training in counter-fraud
- better evaluation of fraud risks and sharing of fraud information, both within and across sectors.

1.5 The full report can be found in Appendix 1.

2. Counter Fraud Phase 2 (CFP2)

2.1 The Wales Audit Office (now Audit Wales) produced a question Hierarchy (see appendix 2), which was used as fieldwork to answer the question “are arrangements for preventing fraud and detecting fraud in the Welsh public sector effective?” in particular:

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

2.2 This information and responses along with the evidence was used as part of the fieldwork to inform the “Raising Our Game” report and recommendations.

3.0 Action Plan

The 2 documents identified improvements or recommendations. Set out below are the actions which relate to Swansea Council.

CFP2 No.	ROG No.	Question	Improvements identified	Action	Timescale / Responsible Officer
1	Does the top tier demonstrate a commitment to counter-fraud and provide the necessary leadership to fight fraud?				
1.1	R2	Do those charged with governance in the organisation promote a clear message in terms of having a zero tolerance of fraud?	It would be more effective for the CMT to take a proactive role in promoting the consequences of fraudulent behaviour within their service areas	Add to PFM meetings as well as 151 Officer bringing regular update as part of the agenda for CMT - Finance update.	Immediate effect CMT
1.2	R2	Does the organisation's senior leadership team and management actively promote the importance of a good anti-fraud culture?	SLT set a good tone from the top that fraud will not be tolerated, however they could take a more proactive role in actively promoting the message.	CMT will, through the reporting structure, identify areas where fraud has been identified and where appropriate promote through the various media channels and internally	Immediate effect CMT / Head of Communications and Marketing.
1.3	R6	Are all staff required to attend fraud and ethics awareness training so that roles and responsibilities are clear?	Fraud awareness training is not undertaken on an annual basis.	To consider how this could be introduced as an online e-learning package in collaboration with fraud Team.	September 2021 HR & OD Manger
2	Does the organisation have a suitable structure and sufficient skilled resources to prevent and detect fraud?				
2.5	R11	Does the organisation have an annual programme of proactive counter-fraud work (i.e. fraud prevention work) which covers the risks identified in the risk assessment with ring fenced days for proactive	There are no ring-fenced days for proactive work to be undertaken given the limited resources much of the work completed is reactive.	As part of developing the forward work programme that identifies proactive work this will be reviewed to see what proactive or how this can be included.	October 2021 Chief Auditor

		work to be undertaken?			
3	Does the organisation have a sound policy framework to support effective counter-fraud arrangements?				
3.1	R5	Does the organisation have a counter-fraud strategy in place to address identified risks which is communicated across the organisation and is overseen by those charged with governance?	It would be more effective to include fraud risk within the corporate risk register to ensure that the risk is highlighted and disseminated across the organisation	Corporate risk Register to be reviewed and risk added.	April 2021 Deputy Chief Executive / Chief Finance Officer
3.2	R2	Does the organisation have a code of conduct which sets out clearly for employees and contractors which behaviours are acceptable and unacceptable and includes a section for reporting and addressing conflicts of interests?	There is a limited reference to anti-fraud procedures in the Code of Conduct.	The code of conduct will be amended with a section included on Fraud.	June 2021 HR &OD Manager / CFT / Chris Williams
4	Does the organisation undertake an effective fraud risk assessment together with appropriate responses to emerging issues?				
4.1	R3	Does the organisation undertake a regular and comprehensive fraud risk assessment which is shared and discussed with the Board/Senior Management Team/Audit Committee?	Fraud risk is not assessed on a Senior Management Level as part of the Corporate Risk Register.	Corporate risk Register to be reviewed and risk added.	April 2021 Deputy Chief Executive / Chief Finance Officer

4.2	R4	Does the organisation consider fraud risk as part of the overall risk management process?	The Council have not included fraud risk within the Corporate Risk Register which is overseen by the Senior Management Team	Corporate risk Register to be reviewed and risk added.	April 2021 Deputy Chief Executive / Chief Finance Officer
5 Does the organisations internal control environment support effective arrangements for preventing and detecting fraud?					
5.2	R4	Does internal audit look at fraud risks and test controls designed to prevent and detect fraud as part of its annual programme of work?	There is no specific reference to fraud risk detection in the internal audit work programme	The current testing of controls does cover this but it is not specifically stated in the audit programme. All tests are designed to ensure controls are effective and hence preventing fraud.	Chief Auditor to consider this during the year.
5.4	R12 / R13	Does the organisation regularly use data analysis/matching (outside NFI) to validate data and detect potentially fraudulent activity?	The Benefits team use Data Tank to establish any fraud risk. No other data analysis/matching exercise is used.	Review of system to be undertaken and identify if any other analysis / matching would be beneficial	October 2021 Chief Finance Officer
6 Does the organisation have an appropriate response to fraud?					
6.1	R5	Does the organisation have an appropriate fraud response plan that is communicated to all staff which makes clear that all allegations of fraud will be investigated?	There is no specific fraud response plan in place at Swansea Council	Development and implementation plan to be developed mapped out details and timescales and any additional resource required to	August 2021 Chief Auditor

				deliver a fraud response plan	
6.2	R5	Does the organisation take action to ensure that allegations of fraud, including anonymous allegations are assessed in line with the fraud response plan?	No set policy in place about how the investigation will take place	Development and implementation plan to be produced mapping out details and timescales and any additional resource required to deliver a fraud response plan including investigation policy	August 2021 Chief Auditor / Chief Finance Officer
6.3	R5	Does the organisation have documented procedures in place for conducting fraud investigations which follow proper professional practice?	The Council have no documented procedures in place for conducting fraud investigations which follow proper professional practice	Development and implementation plan to be produced mapping out details and timescales and any additional resource required to deliver investigation policy for conducting fraud investigations	August 2021 Chief Auditor / Chief Finance Officer
6.4	R5	Does the organisation effectively investigate allegations of fraud in line with their procedures?	The Council have no documented procedures in place for conducting fraud investigations which follow proper professional practice	Development and implementation plan to be produced mapping out details and timescales and any additional resource required to deliver investigation policy for conducting fraud investigations.	August 2021 Chief Auditor / Chief Finance Officer

7	Does the organisation have proper reporting and scrutiny in place to ensure its counter-fraud culture and framework is operating effectively?				
7.3	R7	Does the organisation provide an appropriate level of information to an Audit Committee to enable it to discharge its duties in relation to counter-fraud?	The Audit Committee should take a more proactive role in helping to promote a good anti-fraud culture.	The audit committee and chair to be made aware of opportunities throughout the year	Ongoing Chief Auditor.
Key to recommendation or question numbers:					
CFP2 = Counter Fraud Phase 2 Question Hierarchy Responses					
ROG = Raising Our Game – Tackling Fraud In Wales					

4. Equality and Engagement Implications

- 4.1 The Council is subject to the Public Sector Equality Duty (Wales) 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 Act.
 - 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.
- 4.2 Our Equality Impact Assessment process ensures that we have paid due regard to the above. There are no direct equality implications.

5. Legal Implications

- 5.1 There are no legal implications.

6. Financial Implications

- 6.1 There are no financial implications.

Background papers: None.

Appendices: Appendix 1: Raising Our Game – Tackling Fraud In Wales
Appendix 2: Counter Fraud Phase 2 Question Hierarchy Responses.

'Gwella ein Perfformiad' Mynd i'r Afael â Thwyll yng Nghymru

Adroddiad Archwilydd Cyffredinol Cymru

Gorffennaf 2020



Paratowyd yr adroddiad hwn i'w gyflwyno i'r Senedd o dan ddeddfau Llywodraeth Cymru 1998 a 2006 a Deddf Archwilio Cyhoeddus (Cymru) 2004.

Roedd tîm astudio Archwilio Cymru yn cynnwys Rachel Davies, Christine Nash ac Ian Hughes, dan gyfarwyddyd Mike Usher.

Mae'r Archwilydd Cyffredinol yn annibynnol o'r Senedd ac o lywodraeth. Mae'n archwilio ac yn ardystio cyfrifon Llywodraeth Cymru a'r cyrff cyhoeddus sy'n gysylltiedig â hi ac a noddir ganddi, gan gynnwys cyrff y GIG. Mae ganddo'r pŵer i gyflwyno adroddiadau i'r Senedd ar ddarbodaeth, effeithlonrwydd ac effeithiolrwydd y defnydd a wna'r sefydliadau hynny o'u hadnoddau wrth gyflawni eu swyddogaethau, a sut y gallent wella'r defnydd hwnnw.

Mae'r Archwilydd Cyffredinol hefyd yn archwilio cyrff llywodraeth leol yng Nghymru, mae'n cynnal astudiaethau gwerth am arian mewn llywodraeth leol ac yn arolygu cydymffurfiaeth gydag anghenion Mesur Llywodraeth Leol (Cymru) 2009.

Mae'r Archwilydd Cyffredinol yn ymgymryd â'i waith gan ddefnyddio staff ac adnoddau eraill a ddarperir gan Swyddfa Archwilio Cymru, sydd yn fwrdd statudol wedi'i sefydlu ar gyfer y nod hwnnw ac i fonitro a chynghori'r Archwilydd Cyffredinol.

© Archwilydd Cyffredinol Cymru 2020

Archwilio Cymru yw enw ymbarél Archwilydd Cyffredinol Cymru a Swyddfa Archwilio Cymru, sy'n ddau endid cyfreithiol ar wahân â'u swyddogaethau cyfreithiol eu hunain. Mae gan yr Archwilydd Cyffredinol swyddogaethau archwilio ac adrodd ar gyrrff cyhoeddus yng Nghymru. Mae gan Swyddfa Archwilio Cymru swyddogaethau darparu adnoddau, megis staff, er mwyn arfer swyddogaethau'r Archwilydd Cyffredinol, a monitro a chynghori'r Archwilydd Cyffredinol. Pan fo hynny'n berthnasol, mae testun y ddogfen hon yn nodi swyddogaethau'r Archwilydd Cyffredinol a swyddogaethau Swyddfa Archwilio Cymru. Nid yw Archwilio Cymru yn endid cyfreithiol ac nid oes ganddo unrhyw swyddogaethau.

Cewch aildefnyddio'r cyhoeddiad hwn (heb gynnwys y logos) yn rhad ac am ddim mewn unrhyw fformat neu gyfrwng. Os byddwch yn ei aildefnyddio, rhaid i chi ei aildefnyddio'n gywir ac nid mewn cyd-destun camarweiniol. Rhaid cydnabod y deunydd fel hawlfraint Archwilydd Cyffredinol Cymru a rhaid rhoi teitl y cyhoeddiad hwn. Lle nodwyd deunydd hawlfraint unrhyw drydydd parti bydd angen i chi gael caniatâd gan ddeiliaid yr hawlfraint dan sylw cyn ei aildefnyddio.

Am fwy o wybodaeth, neu os ydych angen unrhyw un o'n cyhoeddiadau mewn ffurf ac/neu iaith wahanol, cysylltwch â ni drwy ffonio 029 2032 0500 neu drwy e-bostio post@archwilio.cymru. Rydym yn croesawu galwadau ffôn yn Gymraeg a Saesneg. Gallwch ysgrifennu atom hefyd, yn Gymraeg neu'n Saesneg, a byddwn yn ymateb yn yr iaith rydych chi wedi ei defnyddio. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Cynnwys

Rhagair gan yr Archwilydd Cyffredinol	4
Adroddiad cryno	
Crynodeb ac argymhellion	7
Y pandemig COVID-19: astudiaeth achos	10
Prif adroddiad	
1 Diwylliant ac arweinyddiaeth ar draws y sector cyhoeddus yng Nghymru	14
2 Fframweithiau rheoli risg a sicrhau rheolaeth	19
3 Polisiâu a hyfforddiant	23
4 Capasiti ac arbenigedd	27
5 Offer a data	32
6 Cydweithio	37
7 Adrodd a chraffu	41
Atodiadau	
1 Dulliau archwilio	46
2 Ymateb Llywodraeth Cymru i argymhellion y Pwyllgor Cyfrifon Cyhoeddus ym mis Gorffennaf 2019	49

Rhagair gan yr Archwilydd Cyffredinol

- 1 Ym mis Mehefin 2019, cyhoeddais adroddiad a oedd yn cynnwys trosolwg o hyd a lled twyll yn y sector cyhoeddus yng Nghymru, ynghyd â disgrifiad o drefniadau atal twyll ar draws Llywodraeth Cymru, y GIG a llywodraeth leol. Nodais fod y symiau a gollir yn flynyddol yng Nghymru oherwydd twyll a gwallau'n sylweddol – ac y gallent fod rhwng £100 miliwn ac £1 biliwn. Mae Arolwg Troseddu Cymru a Lloegr yn cydnabod bod twyll yn un o'r troseddau mwyaf cyffredin yng nghymdeithas yr oes sydd ohoni.
- 2 Fodd bynnag, mae rhai uwch-arweinwyr yn y sector cyhoeddus yn amheus ynghylch y lefelau o dwyll sydd yn eu sefydliadau. O ganlyniad, maent yn gyndyn o fuddsoddi mewn trefniadau atal twyll ac maent yn rhoi blaenoriaeth isel i'r gwaith o ymchwilio i achosion o dwyll posibl y mae'r Fenter Twyll Genedlaethol yn tynnu eu sylw atynt, er bod llawer o enghreifftiau o adenillion da ar fuddsoddiad i'w gweld yn y maes hwn. Mae eu safbwynt yn mynd yn groes i'r holl ymchwil a gyflawnir gan arweinwyr cydnabyddedig yn y maes, megis y Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth (CIPFA) a Swyddogaeth Atal Twyll Llywodraeth y DU. Mae'r adroddiad diweddaraf hwn sy'n archwilio effeithiolrwydd trefniadau atal twyll mewn dros 40 o gyrff y sector cyhoeddus yng Nghymru wedi gweld nad yw'r amheuaeth honno, lle mae'n codi, yn seiliedig ar unrhyw waith lleol o bwys i atal twyll nac ar unrhyw asesiadau cadarn o'r risgiau o dwyll.
- 3 Ond rydym hefyd yn gwybod bod twyllwyr yn ymddangos cyn gynted ag y bydd cyfle'n codi. Hyd yma mae 15 o unigolion wedi cael eu carcharu am dwyllo'n dilyn trasiedi'r tân yn Nhŵr Grenfell. Roedd twyllwyr a sgamwyr wrth eu gwaith yn sydyn yn gynharach eleni tra oedd y llifogydd yn ne Cymru yn dinistrio cartrefi a bywydau pobl leol. Gwelwyd cynnydd enfawr mewn gweithgarwch twyllodrus, yn enwedig mewn seiberdroseddu, yn ystod y pandemig COVID-19 presennol. Rwy'n croesawu'r camau rhagweithiol y mae Llywodraeth Cymru wedi'u cymryd i godi ymwybyddiaeth ar draws y sector cyhoeddus yng Nghymru o'r risg hon.

- 4 Gall cyrff y sector cyhoeddus leihau'r risgiau dan sylw drwy feithrin y diwylliant sefydliadol cywir a ategir gan drefniadau cadarn ar gyfer atal twyll. Gan fod llawer o awdurdodau lleol wedi buddsoddi cyn lleied mewn trefniadau atal twyll, dim ond ychydig o'r elfennau allweddol sydd ganddynt ar waith. Er bod y sefyllfa'n gyffredinol yn fwy cadarn o lawer ar draws y GIG yng Nghymru, ceir agenda heriol o hyd o safbwynt sicrhau bod trefniadau atal twyll yn addas ar gyfer y degawd nesaf oherwydd bod globaleiddio a dyfodiad technoleg ddigidol wedi creu risgiau newydd, a chyfleoedd newydd, i'r twyllwyr.
- 5 Cefais fy nghalonogi gan ymateb cadarnhaol Llywodraeth Cymru i'm hadroddiad yn 2019 ac, yn dilyn y gynhadledd undydd a drefnwyd gan y Pwyllgor Cyfrifon Cyhoeddus ym mis Gorffennaf 2019, gan ymrwmiad yr Ysgrifennydd Parhaol (gweler **Atodiad 2**) i ddarparu arweinyddiaeth ar lefel Cymru gyfan er mwyn codi proffil gweithgarwch ym maes atal twyll.
- 6 Yn yr adroddiad diweddaraf hwn, sy'n seiliedig ar raglen fwy estynedig o waith maes, rydym yn nodi ystod sylweddol o gyfleoedd pellach i wella'r sefyllfa genedlaethol bresennol. Mae'r cyfleoedd hynny'n cynnwys:
 - a cryfhau arweinyddiaeth strategol, gwaith cydlynu a goruchwyliaeth ym maes atal twyll ar draws y sector cyhoeddus yng Nghymru;
 - b cynyddu capasiti a gallu ym maes atal twyll, yn enwedig ar draws llywodraeth leol, ac archwilio'r potensial i rannu adnoddau ac arbenigedd ar draws cyrff cyhoeddus;
 - c sicrhau'r cydbwysedd cywir rhwng gweithgareddau rhagweithiol ac adweithiol ym maes atal twyll;
 - ch gwella gwaith codi ymwybyddiaeth a hyfforddiant i staff ynghylch atal twyll; a
 - d gwerthuso'r risgiau o dwyll yn well a rhannu gwybodaeth am dwyll yn well, o fewn sectorau ac ar eu traws.
- 7 At hynny, ceir llawer o botensial i Gymru fanteisio lle bo'n briodol ar lawer o'r mentrau atal twyll sydd ar y gweill ar draws sector cyhoeddus ehangach y DU. Yn eu plith y mae Proffesiwn Atal Twyll Llywodraeth y DU, sef proffesiwn cydnabyddedig a sefydlwyd yn ddiweddar sydd â chymwyseddau clir a llwybrau clir o ran gyrfa, a'r ffocws cynyddol ar fynd i'r afael â thwyll drwy wneud defnydd mwy clyfar o wyddor dadansoddi data.

- 8 Wrth i mi gyhoeddi'r adroddiad hwn, mae Cymru yn dal i ymgodymu ag effeithiau'r pandemig COVID-19. Mae'r adroddiad hwn yn cynnwys darlun amserol o rai o'r ffyrdd y mae twyllwyr wedi gweithredu'n gyflym yn ystod y misoedd diwethaf i ecsbloetio'r pandemig er mwyn gwneud elw troseddol. Rwyf eisoes wedi cymryd camau i ehangu rhychwant ein Menter Twyll Genedlaethol er mwyn galluogi awdurdodau lleol yng Nghymru i gynnal archwiliadau o gymhwysedd unrhyw geisiadau am grantiau cymorth COVID-19. Rwyf hefyd yn bwriadu mynnu y dylai pob awdurdod lleol, ynghyd â Llywodraeth Cymru, anfon data ynghylch grantiau a thaliadau COVID-19 i'r Fenter Twyll Genedlaethol er mwyn helpu i ganfod ceisiadau twyllodrus.



Adrian Crompton

Archwilydd Cyffredinol
Cymru

Crynodeb ac argymhellion

Sicrhau bod y trefniadau ar gyfer atal a chanfod twyll yn y sector cyhoeddus yng Nghymru yn effeithiol

Mae'r adroddiad hwn yn archwilio saith '**thema allweddol**' y mae angen i bob corff cyhoeddus ganolbwyntio arnynt wrth wella eu perfformiad o safbwynt mynd i'r afael â thwyll yn fwy effeithiol:

- arweinyddiaeth a diwylliant;
- fframweithiau rheoli risg a sicrhau rheolaeth;
- polisïau a hyfforddiant;
- capasiti ac arbenigedd;
- offer a data;
- cydweithio; ac
- adrodd a chraffu.

Ar gyfer pob un o'r themâu yn eu tro, mae'r adroddiad yn archwilio:

- pam y mae'r thema yn bwysig;
- beth y gwnaeth ein gwaith maes ar gyfer archwilio ei nodi o safbwynt arferion gweithio presennol a'u heffeithiolrwydd ar draws y 40 o gyrff y sector cyhoeddus yng Nghymru a archwiliwyd gennym (ac a restrir yn **Atodiad 1**); a
- beth sy'n gorfod digwydd nesaf i sicrhau gwelliant.

Mae ein **hargymhellion ar gyfer gwella**, a gaiff eu cyfeirio at bob corff cyhoeddus yng Nghymru sydd o fewn cylch gwaith yr Archwilydd Cyffredinol, fel a ganlyn:

Thema

Arweinyddiaeth a diwylliant



Fframweithiau rheoli risg a sicrhau rheolaeth



Polisïau a hyfforddiant



Beth sy'n gorfod digwydd nesaf?

- A1** Dylai Llywodraeth Cymru wella ei harweinyddiaeth strategol ym maes atal twyll ar draws y gwasanaeth cyhoeddus yng Nghymru, a chyflawni rôl gydlynu os yw hynny'n bosibl iddi, gan gydnabod bod cyrff unigol yn parhau'n gyfrifol am eu gweithgareddau eu hunain ym maes atal twyll.
- A2** Dylai pob corff cyhoeddus hyrwyddo pwysigrwydd diwylliant da o ran atal twyll, a hyrwyddo ei bwysigrwydd yn weithredol er mwyn rhoi hyder i staff ac aelodau'r cyhoedd na chaiff twyll ei oddef.
- A3** Dylai pob corff cyhoeddus gynnal asesiadau cynhwysfawr o'r risgiau o dwyll, gan ddefnyddio staff sydd â'r sgiliau priodol ac ystyried gwybodaeth genedlaethol yn ogystal â gwybodaeth sy'n benodol i sefydliad.
- A4** Dylai asesiadau o'r risgiau o dwyll gael eu defnyddio fel adnodd byw a'u hintegreiddio yn y fframwaith cyffredinol ar gyfer rheoli risg, er mwyn sicrhau bod y risgiau dan sylw'n cael eu rheoli'n briodol a'u huwchgyfeirio fel y bo raid.
- A5** Mae angen i bob corff cyhoeddus gael cyfres gynhwysfawr wedi'i diweddarau o bolisïau a gweithdrefnau, sydd gyda'i gilydd yn strategaeth gydlynus ar gyfer adnabod a rheoli risgiau o dwyll ac ymateb iddynt.
- A6** Dylai staff sy'n gweithio ar draws y sector cyhoeddus yng Nghymru gael hyfforddiant ynghylch ymwybyddiaeth o dwyll fel y bo'n briodol i'w rôl, er mwyn gwella effeithiolrwydd sefydliadau o safbwynt atal twyll, ei ganfod ac ymateb iddo.
- A7** Dylid rhoi cyhoeddusrwydd i achosion lle caiff twyll ei ganfod a lle eir i'r afael ag ef yn llwyddiannus, er mwyn atgyfnerthu neges gadarn o'r brig na chaiff twyll ei oddef.

Thema

Capasiti ac arbenigedd



Beth sy'n gorfod digwydd nesaf?

- A8** Mae angen i bob corff cyhoeddus greu digon o gapasiti i sicrhau bod gwaith atal twyll yn cael adnoddau effeithiol, fel bod ymchwiliadau'n cael eu cynnal yn broffesiynol ac mewn modd sy'n arwain at gosbi'r tramgwyddwyr yn llwyddiannus ac at adennill colledion.
- A9** Dylai pob corff cyhoeddus fod yn medru cael gafael ar staff sydd wedi cael hyfforddiant ynghylch atal twyll ac sy'n bodloni safonau proffesiynol cydnabyddedig.
- A10** Dylai pob corff cyhoeddus ystyried modelau a fabwysiadwyd mewn rhannau eraill o'r DU, sy'n ymwneud â chyfuno / rhannu adnoddau er mwyn sicrhau bod cynifer ag sy'n bosibl o staff ar gael sydd â'r sgiliau priodol.

Offer a data



- A11** Mae angen i bob corff cyhoeddus ddatblygu a chynnal ymatebion deinamig a hyblyg ym maes atal twyll, sy'n cynyddu'r tebygolrwydd y bydd camau gorfodi llwyddiannus yn cael eu cymryd ac sy'n ategu'r agwedd o'r brig nad yw'r sefydliad yn goddef twyll.
- A12** Dylai pob corff cyhoeddus archwilio a chrosawu cyfleoedd i arloesi gyda gwyddor dadansoddi data, er mwyn cryfhau trefniadau ar gyfer atal a chanfod twyll.

Cydweithio

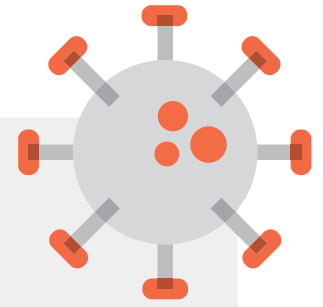


- A13** Dylai cyrff cyhoeddus weithio gyda'i gilydd, dan Ddeddf yr Economi Ddigidol a chan ddefnyddio datblygiadau ym maes gwyddor dadansoddi data, i rannu data a gwybodaeth er mwyn helpu i ganfod twyll a brwydro yn ei erbyn.

Adrodd a chraffu



- A14** Mae angen i gyrff cyhoeddus grynhoi gwybodaeth am golledion ac adenillion a rhannu gwybodaeth â'i gilydd am dwyll er mwyn creu darlun cenedlaethol mwy cywir, cryfhau rheolaeth, gwella gwaith monitro a hybu camau gweithredu a gaiff eu targedu.
- A15** Rhaid i bwyllgorau archwilio ddechrau ymwneud yn llawn ag atal twyll, gan ddarparu cymorth a chyfeiriad, monitro a dwyn swyddogion i gyfrif.



Y pandemig COVID-19: astudiaeth achos ynghylch sut y mae sgamwyr a thwyllwyr yn barod i ecsbloetio argyfwng

Rydym yn gwybod o brofiad bod twyllwyr yn ymddangos cyn gynted ag y bydd cyfle'n codi. Hyd yma mae 15 o unigolion wedi cael eu carcharu am dwyllo'n dilyn trasiedi'r tân yn Nhŵr Grenfell. Roedd twyllwyr a sgamwyr wrth eu gwaith yn sydyn yn gynharach eleni tra oedd y llifogydd yn ne Cymru yn dinistrio cartrefi a bywydau pobl leol.

Yn ôl y disgwyl, gwelwyd cynnydd enfawr mewn gweithgarwch twyllodrus, yn enwedig mewn seiberdroseddu, yn ystod y pandemig COVID-19 presennol.

Adroddwyd ynghylch yr achosion positif cyntaf o COVID-19 yn y DU ar 31 Ionawr 2020. Erbyn hynny, roedd y twyllwyr a'r sgamwyr wedi bwrw iddi ac wrthi eisoes yn gweithio'n ddiwyd.

Cafodd Action Fraud, sef canolfan y DU ar gyfer adrodd ynghylch twyll, ei adroddiad cyntaf ynghylch twyll yn ymwneud â COVID-19 ar 9 Chwefror. Ers hynny, mae nifer yr adroddiadau wedi cynyddu'n sylweddol ledled y DU – cafwyd adroddiadau ar y cyfryngau ynghylch nifer ddigynsail o sgamiau sy'n gysylltiedig â'r feirws.

Rydym wedi gweld enghreifftiau o arfer da gan rai cyrff cyhoeddus a sefydliadau yng Nghymru wrth iddynt nodi'r risgiau o dwyll a'u rhannu â chyrrff eraill a dinasyddion. Mae Llywodraeth Cymru wrthi'n trafod â Swyddfa'r Cabinet yn Llywodraeth y DU ac wrthi'n rhannu ei chanllawiau a'r gwersi a ddysgwyd ganddi ynghylch atal twyll â gweddill y gwasanaeth cyhoeddus yng Nghymru, gan gynnwys arweinwyr atal twyll mewn awdurdodau lleol. Mae swyddogion Llywodraeth Cymru wedi cytuno i gadw a datblygu'r grŵp hwn ar ôl y pandemig COVID. At hynny, mae'r wybodaeth a gafwyd o'r cyfarfodydd hyn wedi cynorthwyo'r Pennaeth Atal Twyll i rannu gwybodaeth am dwyll â Swyddfa'r Cabinet ac â'r tri arweinydd arall atal twyll yn y gweinyddiaethau datganoledig.

Ond a yw ymateb y sector cyhoeddus yng Nghymru wedi bod yn adweithiol yn hytrach nag yn rhagweithiol? Beth y gallwn ei wneud yn well? Er bod globaleiddio wedi bod yn fanteisiol i'r twyllwyr, gall hefyd fod yn fanteisiol i arbenigwyr atal twyll; cawsom wybod yn gynnar am sgamiau filoedd o filltiroedd i ffwrdd ychydig wythnosau cyn i'r achos cyntaf o COVID-19 gael ei ganfod yn y DU.

Y pandemig COVID-19: astudiaeth achos ynghylch sut y mae sgamwyr a thwyllwyr yn barod i ecsbloetio argyfwng

Rydym o'r farn bod y pandemig COVID-19 yn cynnig cyfle pwysig i weithwyr ym maes atal twyll yng Nghymru ddod ynghyd (drwy ddulliau priodol) a myfyrio ynghylch cyflymder ac effeithiolrwydd eu hymateb i'r sgamwyr a'r twyllwyr.

Gallai'r materion allweddol a'r argymhellion a nodir yn yr adroddiad hwn helpu i bennu agenda neu fframwaith ar gyfer digwyddiad o'r fath. Ni chafwyd erioed gyfle mwy amserol i arweinwyr y sector cyhoeddus yng Nghymru ac arbenigwyr atal twyll ystyried:

- sut mae creu arweinyddiaeth strategol, gwaith cydlynu a goruchwyliaeth gryfach ym maes atal twyll ar draws y sector cyhoeddus yng Nghymru;
- sut mae gwneud y defnydd gorau o gapasiti a gallu ym maes atal twyll, ac archwilio'r potensial i gael trefniadau, adnoddau ac arbenigedd a rennir;
- sut mae sicrhau cydbwysedd gwell rhwng gweithgareddau rhagweithiol ac adweithiol ym maes atal twyll;
- sut mae codi ymwybyddiaeth ymhlith gweithwyr a rhoi'r hyfforddiant angenrheidiol i'r sawl sydd fwyaf tebygol o ddod ar draws twyll; a
- sut mae gwerthuso risgiau o dwyll yn fwy effeithiol a rhannu gwybodaeth am dwyll o fewn sectorau ac ar eu traws.

Felly, beth yr ydym yn ei wybod yn barod am ymateb y twyllwyr i'r pandemig?

Mae twyllwyr wedi elwa ar nifer o ffactorau, er enghraifft:

- mae mwy o bobl yn treulio amser ar-lein yn siopa ac yn rhyngweithio'n gymdeithasol â'i gilydd. Caiff pobl hŷn eu hystyried yn bobl sy'n arbennig o agored i niwed, oherwydd bod ganddynt lai o sgiliau cyfrifiadurol yn gyffredinol a'u bod yn fwy tebygol o gael eu twyllo gan sgamiau megis e-bost gwe-rwydo a chyfleoedd i archebu cynnyrch ffug megis masgiau wyneb a hylif diheintio.
- mae patrymau gweithio wedi newid ar fyr rybudd, sy'n gallu gadael gwendidau mewn prosesau a gweithdrefnau.
- mae swm digynsail o arian cyhoeddus wedi'i roi mewn ystod o gynlluniau cymorth ariannol newydd ac arloesol ar gyfer busnesau ac unigolion.

Y pandemig COVID-19: astudiaeth achos ynghylch sut y mae sgamwyr a thwyllwyr yn barod i ecsbloetio argyfwng

Roedd twyllwyr a sgamwyr wedi gallu bwrw iddi'n gyflym am nifer o resymau:

- maent yn dda iawn am werthuso risgiau ac ecsbloetio gwendidau a all fod ar lefel prosesau neu ar lefel unigolion;
- mae ganddynt offer a methodolegau cadarn ac maent yn gallu eu haddasu ar fyr rybudd i gyfle newydd; ac
- nid ydynt yn cydnabod ffiniau daearyddol a gallant fod yn effeithiol drwy weithio ar eu pen eu hunain a thrwy gydweithio ag unigolion sydd o'r un anian â nhw.

Mae mwy o enghreifftiau nag y gellir sôn amdanynt yma o dwyll a sgamiau'n ymwneud â COVID-19 yn ymddangos. Fodd bynnag, mae nifer o themâu'n dod i'r amlwg:

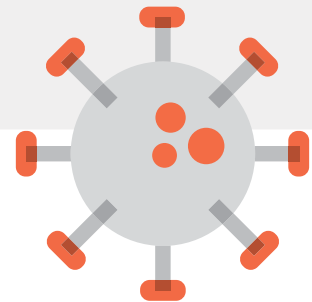
- roedd yr adroddiadau cyntaf yn ymwneud â gwerthu cyfarpar diogelu personol megis masgiau wyneb a hylif diheintio'r dwylo, a chitiau profi. Roedd yr eitemau fel rheol yn ffug, neu'n aml nid oeddent yn cyrraedd ar ôl talu amdanynt¹.
- roedd yr adroddiadau nesaf a ymddangosodd yn ymwneud ag e-bost gwe-rwydo. Er enghraifft, mewn un e-bost honnwyd bod y neges yn cael ei hanfon gan yr Adran Gwaith a Phensiynau i ofyn i'r unigolyn am fanylion cerdyn debyd neu gredyd, a bod hawl gan yr unigolyn i gael ad-daliad treth gyngor.
- wrth i sylw ac adnoddau sefydliadau gael eu dargyfeirio at ddulliau newydd o weithio, ac wrth i lawer o staff gael eu hatal dros dro rhag gweithio, cynyddodd nifer yr ymosodiadau seiberddiogelwch er mwyn dwyn data sensitif o ran busnes a data personol.
- wrth i nifer gynyddol o bobl weithio gartref yn dilyn cyfyngiadau ar symud ledled y DU, dechreuodd ymgyrchoedd gwe-rwydo dargedu rhaglenni y dibynnir arnynt wrth weithio o bell, yn enwedig rhaglenni poblogaidd ar gyfer galwadau cynadledda, a thargedu cwmnïau dosbarthu parseli.

1 Cyflwynodd y GIG yng Nghymru drefniadau i leihau'r risg hon o dwyll ac ni ddatblygodd yn broblem.

Y pandemig COVID-19: astudiaeth achos ynghylch sut y mae sgamwyr a thwyllwyr yn barod i ecsbloetio argyfwng

- wrth i'r ffocws cenedlaethol droi at brofi ac olrhain pobl, cafodd rhwyd y twyllwyr ei thafu'n ehangach a dechreuodd dargedu pawb yn ddiwahân, fel y gwelwyd mewn neges destun ffug a oedd yn ceisio twyllo pobl i gredu eu bod wedi bod mewn cysylltiad â rhywun a gafodd brawf positif am y feirws ac a oedd yn cyfeirio'r bobl hynny at wefan er mwyn iddynt gael rhagor o wybodaeth. Yna, roedd y ddolen gyswilt yn cael ei defnyddio i gynaeafu data personol ac ariannol.

Byddai ymateb diguro o safbwynt atal twyll yn golygu bod arbenigwyr atal twyll wedi nodi'r risgiau o leiaf yr un mor gyflym â'r twyllwyr, os nad yn gynt. Byddai hefyd yn golygu bod ganddynt yr offer cywir i atal a chanfod twyllwyr sy'n ecsbloetio unrhyw gyfleoedd newydd; a bod yr ymateb o safbwynt atal twyll wedi symud yn gyflym drwy gydweithio a rhannu gwybodaeth yn effeithiol.





Diwylliant ac arweinyddiaeth ar draws y sector cyhoeddus yng Nghymru

01

Pam y mae'r thema yn bwysig?

- 1.1 Mae Arolwg Troseddu Cymru a Lloegr yn cydnabod bod twyll yn un o'r troseddau mwyaf cyffredin yng nghymdeithas yr oes sydd ohoni. Mae pob punt a gaiff ei dwyn o'r sector cyhoeddus yn golygu bod llai o arian ar gael i'w wario ar wasanaethau allweddol megis iechyd, addysg a gwasanaethau cymdeithasol. Gall cyrff y sector cyhoeddus leihau'r risgiau sy'n deillio o dwyll drwy sicrhau bod ganddynt y diwylliant sefydliadol cywir a ategir gan drefniadau effeithiol ar gyfer atal twyll.
- 1.2 Mae arweinyddiaeth gref yn sefydlu'r agwedd briodol o frig sefydliad ac mae'n chwarae rhan hollbwysig yn y broses o feithrin diwylliant o safonau moesegol uchel. Mae'n bwysig bod uwch-reolwyr yn arwain drwy esiampl a'u bod yn anfon neges glir na fydd twyll o du mewn na thu allan i'r sefydliad yn cael ei oddef. Gall agwedd gadarn ar y brig godi proffil risgiau o dwyll a hyrwyddo'r safonau a'r dulliau gweithredu gorau ym maes gwaith atal twyll.

Beth welsom ni?

- 1.3 Heblaw am yn y GIG, ceir diffyg dull gweithredu strategol, arweiniad, gwaith cydlynu a goruchwyliaeth drosfwaol.
- 1.4 Yn GIG Cymru mae Gwasanaeth Atal Twyll y GIG² yn darparu arweinyddiaeth, sgiliau ymchwilio arbenigol, cymorth ac arweiniad i'r sector ac mae Grŵp Llywio Atal Twyll³ yn darparu cyfeiriad strategol a goruchwyliaeth. Mae'r model hwn ar gyfer arweinyddiaeth yn cynnig dull cydgysylltiedig o atal twyll ar draws y GIG yng Nghymru ynghyd â diwylliant da o atal twyll, a ategir gan broses integredig ar gyfer craffu ar y trefniadau. Mae'r fframwaith cyfreithiol sy'n benodol i GIG Cymru ynghyd â lefelau buddsoddi'n sicrhau bod gan atal twyll broffil uchel a systemau cadarn ar gyfer gorfodi ac ar gyfer adennill colledion. Ar lefel leol, roedd arweinyddiaeth strategol yn amlwg mewn Byrddau Iechyd gan fod neges gyson yn cael ei rhannu, yn fewnol ac yn allanol, na chaiff twyll ei oddef.

2 Caiff ei letya gan Bartneriaeth Cydwasaethau GIG Cymru

3 Is-grŵp o Fforwm Cyfarwyddwyr Cyllid Cymru Gyfan

- 1.5 Ar draws awdurdodau lleol ceir diffyg arweinyddiaeth strategol, arweiniad, gwaith cydlynu a goruchwyliaeth ar lefel y sector cyfan ym maes atal twyll. Yn yr awdurdodau unigol, gwelsom ddatganiadau mewn polisïau a dogfennau strategol, a oedd o blaid peidio â goddef twyll. Ond gellir gwneud mwy o lawer i atgyfnerthu'r agwedd o'r brig ar lefel ymarferol. Gwelsom enghreifftiau lle mae'r tîm arwain yn hyrwyddo'n weithredol bwysigrwydd diwylliant da o atal twyll, drwy ymgyrchoedd codi ymwybyddiaeth, drwy lythyrau newyddion i staff a thrwy ymwneud yn weithredol â thimau atal twyll. Ond mewn llawer o awdurdodau, gwelsom hefyd nad oedd fawr ddim tystiolaeth bod y neges yn cael ei hanfon o'r brig ac nad oedd fawr ddim blaenoriaeth yn cael ei rhoi i waith atal twyll. Yn aml roedd blaenoriaethau'n cystadlu â'i gilydd ac, o ganlyniad, nid oedd fawr ddim amser yn cael ei neilltuo i waith atal twyll ac roedd proffil y gwaith hwnnw'n aml yn isel.
- 1.6 Mae'r sefyllfa'n gymysg o safbwynt Llywodraeth Ganolog. Yn Llywodraeth Cymru, gwelsom dystiolaeth fod atal twyll yn cael ei gymryd o ddifrif a bod tîm bach wedi sicrhau llawer o ganlyniadau llwyddiannus, er ei fod yn tueddu i roi pwys ar gyflawni gwaith adweithiol yn hytrach na gwaith rhagweithiol. Cawsom ein calonogi o weld bod Llywodraeth Cymru wedi derbyn y ddau argymhelliad a wnaed gan y Pwyllgor Cyfrifon Cyhoeddus yn dilyn ein hadroddiad cyntaf. Fodd bynnag, ceir bwloch o hyd y mae angen mynd i'r afael ag ef o ran arweinyddiaeth.
- 1.7 Ar draws y cyrff llywodraeth ganolog eraill a archwiliwyd gennym, nid oes blaenoriaeth mor uchel yn cael ei rhoi bob amser i atal twyll. Ymddengys mai un o'r rhesymau am hynny yw'r ffaith bod nifer yr achosion o dwyll a ganfyddir ac yr adroddir yn eu cylch yn fach iawn; mae'n rheswm sy'n codi cwestiwn anodd, sef a yw hynny oherwydd diffyg buddsoddi mewn gwaith atal twyll neu oherwydd bod nifer y troseddau sy'n digwydd yn fach mewn gwirionedd. Wedi dweud hynny, mae'r ail esboniad yn mynd yn groes i'r holl ymchwil a gyflawnir gan arweinwyr cydnabyddedig yn y maes, megis CIPFA a'r Asiantaeth Troseddu Cenedlaethol.

- 1.8 Mae'r bygythiad a achosir gan dwyll yn cael ei gydnabod yn gynyddol yn y DU hefyd. Er enghraifft, mae Llywodraeth y DU wrthi'n gweithio i sicrhau bod llywodraeth ganolog, a'r sector cyhoeddus yn ehangach, yn fan lle caiff twyll ei ganfod yn weithredol a lle ymdrinnir ag ef yn gadarn. Mae Llywodraeth y DU wrthi'n trawsnewid ei holl agwedd at atal twyll drwy:
- a sefydlu swyddogaeth atal twyll;
 - b datblygu a lansio Safon Swyddogaethol Llywodraeth y DU (GovS013);
 - c sefydlu 'Proffesiwn Atal Twyll y Llywodraeth' er mwyn datblygu pobl a chynyddu gallu;
 - ch darparu cyngor arbenigol i weddill y llywodraeth ynghylch sut mae ymdrin â thwyll;
 - d darparu gwasanaethau arbenigol er mwyn cynorthwyo cyrff cyhoeddus; ac
 - dd cydweithio â llywodraethau tramor er mwyn dod ag arbenigedd pellach i'r DU.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A1** Dylai Llywodraeth Cymru wella ei harweinyddiaeth strategol ym maes atal twyll ar draws y gwasanaeth cyhoeddus yng Nghymru, a chyflawni rôl gydlynol os yw hynny'n bosibl iddi, gan gydnabod bod cyrff unigol yn parhau'n gyfrifol am eu gweithgareddau eu hunain ym maes atal twyll. Wrth wneud hynny, gallai ystyried:
- ffurfio partneriaethau strategol â'r sawl sydd â rhan allweddol i'w chwarae'n genedlaethol ac yn rhyngwladol;
 - datblygu a chyflwyno strategaeth a gweledigaeth Cymru gyfan ar gyfer atal twyll;
 - argymhell/hyrwyddo safonau gofynnol ar gyfer trefniadau atal twyll yn y sector cyhoeddus, sy'n debyg i'r trefniadau a sefydlwyd gan Lywodraeth y DU;
 - codi statws staff atal twyll drwy gydnabod bod atal twyll yn broffesiwn sydd â chymwyseddau hanfodol;
 - cefnogi'r sectorau eraill drwy gynnig cyfleoedd o ran cyllid Buddsoddi i Arbed, er enghraifft, a chefnogi'r gwaith o ddatblygu cymwyseddau proffesiynol ar draws y sector cyhoeddus yng Nghymru; a
 - darparu cyngor ac arweiniad amserol ynghylch pynciau 'llosg' drwy gasglu a dosbarthu gwybodaeth bwysig a dadansoddi tueddiadau.
- A2** Dylai pob corff cyhoeddus hyrwyddo pwysigrwydd diwylliant da o ran atal twyll, a hyrwyddo ei bwysigrwydd yn weithredol er mwyn rhoi hyder i staff ac aelodau'r cyhoedd na chaiff twyll ei oddef.



Fframweithiau rheoli risg a sicrhau rheolaeth

02

Pam y mae'r thema yn bwysig?

- 2.1 Mae twyllwyr yn mynd yn fwyfwy soffistigedig ac maent yn gwerthuso cyfleoedd a risgiau mewn amser real. Yn aml, nid yw'r systemau ar gyfer rheoli a lleihau risg mewn cyrff cyhoeddus yn gallu dal i fyny â'r newidiadau i natur ac effaith twyll posibl. Creodd y llifogydd diweddar yn ne Cymru gyfleoedd ar gyfer sgamiau o fewn diwrnodau i'r llifogydd ddigwydd. Mae arbenigwyr diogelwch wedi adrodd ynghylch cynnydd enfawr mewn gweithgarwch twyllodrus yn ystod y pandemig COVID-19, oherwydd ei fod wedi creu cyfleoedd dirifedi i dwyllwyr (gweler yr **Astudiaeth Achos ar dudalen 10**).
- 2.2 Dylai asesiad o'r risgiau o dwyll fod yn arfarniad gonest o'r risgiau, sy'n defnyddio ystod o ffynonellau megis gwybodaeth genedlaethol, gwybodaeth leol, adroddiadau archwilio, ymarferion rhannu syniadau a chanlyniadau paru data. Dylai asesiadau risg fod yn ddogfennau byw a dylid eu hadolygu'n gyson. Ar ôl nodi'r risgiau, gall cyrff eu gwerthuso wedyn gan asesu eu tebygolrwydd ac asesu'r effaith pe bai'r twyll yn digwydd. Dim ond pan gaiff risgiau eu nodi a'u gwerthuso'n gywir y gall cyrff cyhoeddus fynd i'r afael â nhw mewn modd cymesur sy'n seiliedig ar flaenoriaethau, a rhoi camau gweithredu a rheolaeth briodol ar waith i reoli neu leihau'r risgiau hynny.
- 2.3 Mae'n bwysig bod gan sefydliadau fframwaith effeithiol ar gyfer sicrhau rheolaeth, er mwyn helpu i leihau'r risgiau a nodwyd. Gall amgylchedd cryf ar gyfer rheolaeth fewnol helpu i atal twyll rhag digwydd yn y lle cyntaf, a chanfod twyll os oes achos o dwyll wedi digwydd. Bydd twyllwyr yn ceisio osgoi'r fframweithiau a sefydlwyd ar gyfer sicrhau rheolaeth, felly mae'n bwysig bod fframweithiau sicrhau rheolaeth yn cael eu hadolygu'n rheolaidd. Mae rhaglen gref o reolaeth, sy'n golygu bod twyllwyr yn wynebu posibilrwydd go iawn y gallai eu twyll gael ei ganfod, yn helpu i leihau'r risg. Pan gaiff achosion o dwyll eu darganfod, dylai fframweithiau sicrhau rheolaeth gael eu hadolygu er mwyn nodi gwendidau a chyflwyno gwelliannau. Mae gan dimau archwilio mewnol arbenigedd ym maes dylunio fframweithiau sicrhau rheolaeth a rhoi prawf arnynt, a dylent gyflawni gwaith ar systemau allweddol gan ddefnyddio dull gweithredu sy'n seiliedig ar risg.

Beth welsom ni?

- 2.4 Mae ansawdd gwaith asesu a lleihau risgiau ym maes atal twyll yn amrywio'n sylweddol yn y sector cyhoeddus yng Nghymru, ac mae lle'n gyffredinol i wella ansawdd ac amseroldeb y gwaith hwnnw.
- 2.5 Yn y GIG, caiff Rhybuddion Cenedlaethol am Risgiau o Dwyll eu llunio gan Awdurdod Atal Twyll y GIG. Caiff y rhain eu dosbarthu fel mater o drefn i bob Arbenigwr Atal Twyll Lleol a phob Cyfarwyddwr Cyllid ar draws GIG Cymru. At hynny, mae'n ofynnol i'r Arbenigwyr Atal Twyll Lleol gynnal eu hasesiadau lleol eu hunain o risg. Mae hwn yn ofyniad cymharol newydd, a gwelsom fod yr asesiadau hynny'n dal i gael eu datblygu a'u sefydlu. Mae Strategaeth Mynd i'r Afael â Thwyll y GIG yn cydnabod mai un her allweddol ar gyfer y sector yw'r angen i ddatblygu dadansoddiad cynhwysfawr o risgiau penodol o dwyll er mwyn sicrhau bod adnoddau atal twyll yn cael eu cyfeirio at y meysydd mwyaf priodol yn y sector. Mae'r Grŵp Llywio Atal Twyll wedi cynnal asesiad cyffredinol o risg ac wedi llunio mapiau sicrwydd ar gyfer pob un o'r prif agweddau ar dwyll. Bydd y mapiau hynny'n cael eu defnyddio i dargedu'r maes y bydd gwaith rhagweithiol yn digwydd ynddo.
- 2.6 Drwy ein gwaith, gwelsom fod rhai awdurdodau lleol a chyrrff llywodraeth ganolog wedi cynnal asesiadau o'r risgiau o dwyll ond bod yna lawer nad oeddent wedi paratoi asesiad o'r fath ers sawl blwyddyn. Nid oedd gan rai cyrrff yn y sectorau hyn unrhyw asesiad o'r risgiau o dwyll, ac felly nid oeddent wedi asesu'n gywir pa mor debygol oedd y risg na beth fyddai ei heffaith. Heb yr elfen allweddol hon, ni all cyrrff gyfeirio adnoddau'n briodol na lleihau'n ddigonol y risg o ddiodeff colledion oherwydd twyll. O ganlyniad, nid yw strategaethau a rhaglenni gwaith ar gyfer atal twyll yn arbennig o ddefnyddiol na pherthnasol gan nad ydynt yn targedu'r prif feysydd risg.
- 2.7 Drwy ein gwaith, gwelsom hefyd ei bod yn bosibl nad oedd asesiadau risg, hyd yn oed lle'r oeddent yn cael eu cynnal, yn cael eu hintegreiddio yn y fframwaith ehangach ar gyfer rheoli risg. Ni chaiff twyll ei adlewyrchu fel rheol mewn cofrestrau risg corfforaethol. Ni welsom lawer o systemau cydgysylltiedig ar gyfer sicrhau bod risgiau o dwyll yn cael eu cyfleu, eu perchenogi a'u monitro'n briodol yn y corff a gâi ei archwilio. Yn hytrach, caiff asesiadau o'r risgiau o dwyll eu hystyried yn aml yn ddogfennau annibynnol nad ydynt yn elwa ar unrhyw berchenogaeth gorfforaethol nac unrhyw gamau gweithredol i reoli'r risg a nodir ynddynt. O ganlyniad i'r dull hwn o weithredu, ni chaiff risgiau o dwyll eu rhannu'n ddigonol ar draws adrannau.

- 2.8 Gwelsom rywfaint o arfer da o safbwynt rhannu gwybodaeth am y risgiau o dwyll. Wrth ymateb i'r pandemig coronafeirws, cyhoeddodd Llywodraeth Cymru fwletin am y risgiau o dwyll yn gynnar ym mis Ebrill 2020, gan nodi'r risgiau a oedd yn dod i'r amlwg i'r sector cyhoeddus yng Nghymru. Cyn i fwletin Llywodraeth Cymru gael ei gyhoeddi, cyhoeddodd Swyddogaeth Atal Twyll Llywodraeth y DU ei chanllaw ei hun: [Fraud Control in Emergency Management – COVID-19 UK Government Guidance](#). Mae'r canllaw yn tynnu sylw at bwysigrwydd asesu risg, gwirio taliadau'n effeithiol a sicrhau trefniadau o dan diwydrwydd dyladwy ac mae'n tynnu sylw at yr angen am drefniadau cadarn ar gyfer adennill arian a delir yn anghywir. At hynny, cafwyd enghreifftiau da mewn awdurdodau lleol o waith a wneir i godi ymwybyddiaeth o sgamiau ymhlith trigolion lleol.
- 2.9 Yn gyffredinol gwelsom fod gan gyrff cyhoeddus ar draws pob sector fframweithiau cadarn ar gyfer rheolaeth fewnol, a bod timau archwilio mewnol yn rhoi prawf ar fframweithiau sicrhau rheolaeth yn rhan o'u rhaglenni blynyddol o waith ym maes sicrwydd. Fodd bynnag, gwelsom nad yw timau archwilio mewnol bob amser yn ystyried y risgiau o dwyll sy'n gysylltiedig â systemau, yn rhan o'u rhaglenni gwaith. At hynny, lle caiff systemau a phrosesau newydd eu sefydlu, gwelsom nad yw sefydliadau bob amser yn defnyddio cysylltiadau ym maes atal twyll a thimau archwilio mewnol i geisio dylunio systemau fel nad yw'n bosibl eu twyllo.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A3** Dylai pob corff cyhoeddus gynnal asesiadau cynhwysfawr o'r risgiau o dwyll, gan ddefnyddio staff sydd â'r sgiliau priodol ac ystyried gwybodaeth genedlaethol yn ogystal â gwybodaeth sy'n benodol i sefydliad.
- A4** Dylai asesiadau o'r risgiau o dwyll gael eu defnyddio fel adnodd byw a'u hintegreiddio yn y fframwaith cyffredinol ar gyfer rheoli risg, er mwyn sicrhau bod y risgiau dan sylw'n cael eu rheoli'n briodol a'u huwchgyfeirio fel y bo raid.



Polisiau a hyfforddiant

03

Pam y mae'r thema yn bwysig?

- 3.1 Mae fframwaith cadarn o bolisïau yn galluogi sefydliadau i gyfarwyddo eu dull o atal twyll ac i hyrwyddo ymddygiad moesegol da. Dylai cyfres o bolisïau a gweithdrefnau fod ar waith, sy'n egluro beth a ddisgwylir a beth yw canlyniadau torri'r rheolau. Dylai codau ymddygiad egluro'r safonau a ddisgwylir gan weithwyr a thynnu sylw at bwysigrwydd datgan pob gwrthdaro o ran buddiannau a sefydlu rheolau ynghylch rhoddion a lletygarwch.
- 3.2 Mae rhoi cyhoeddusrwydd i achosion o dwyll a'r camau a gymerwyd i adennill colledion yn helpu i atgyfnerthu'r neges o'r brig na chaiff twyll ei oddef. Gall cyhoeddusrwydd helpu i atal eraill rhag gwneud drygioni, oherwydd gall dynnu sylw at ganlyniadau niweidiol eu gweithredoedd.
- 3.3 Yn aml, staff fydd yn sylwi gyntaf ar afreoleidd-dra neu dwyll posibl a nhw'n aml fydd y rheng flaen yn y frwydr yn erbyn twyll. Mae angen bod y staff dan sylw'n gallu cael gafael yn hawdd ar bolisi da ar atal twyll a chwythu'r chwiban fel eu bod yn deall eu rolau a'u cyfrifoldebau ac yn deall y broses y mae'n rhaid iddynt ei dilyn os ydynt yn amau twyll.
- 3.4 Mae hyfforddiant effeithiol yn helpu staff i ddehongli polisïau a chodau ymddygiad, ac yn rhoi'r hyder a'r sgiliau iddynt adrodd ynghylch achosion o dwyll a amheuir. Fodd bynnag, dylai hyfforddiant ac ymgyrchoedd codi ymwybyddiaeth gael eu hadolygu'n barhaus, a rhaid bod cysylltiad rhyngddynt a'r asesiadau risg byw fel bod unrhyw risgiau neu achosion newydd o dwyll sy'n wynebu cyrff cyhoeddus yn cael eu rhannu'n gyflym ymhlith staff a chontractwyr os yw hynny'n briodol.

Beth welsom ni?

- 3.5 Yn gyffredinol, gwelsom fod cyrff cyhoeddus wedi paratoi ac wedi cymeradwyo ystod o bolisïau sy'n egluro'r prosesau y dylid eu dilyn os yw'r staff yn amau eu bod wedi dod ar draws achos o dwyll. Fodd bynnag, gwelsom fod rhai polisïau wedi dyddio, bod rhai yn dal ar ffurf drafft, ac nad oedd rhai ar gael yn hawdd i'r staff.
- 3.6 Mae pob un o gyrff y GIG wedi datblygu strategaethau cynhwysfawr ar gyfer atal twyll (a gaiff eu llywio gan strategaeth genedlaethol drosfwaol) ond gwelsom mai ychydig yn unig o gyrff eraill y sector cyhoeddus oedd wedi gwneud hynny. Mae strategaethau o'r fath yn egluro dulliau clir o reoli risgiau o dwyll ynghyd ag ymatebion a chamau gweithredu, maent yn diffinio rolau a chyfrifoldebau, a cheir croesgyfeiriadau at bolisïau eraill fel ei bod yn hawdd i'r staff eu deall.

- 3.7 Mae gan y GIG bolisi o roi cyhoedduswydd yn rhagweithiol i achosion llwyddiannus o ganfod twyll. Mae Gwasanaeth Atal Twyll y GIG yn gwneud hynny drwy gyhoeddi datganiadau i'r wasg a thrwy gysylltu â'r cyfryngau yn lleol i drefnu cyfweiliadau a chyfleoedd hyrwyddo. Mae cyhoedduswydd yn helpu i godi ymwybyddiaeth o'r risgiau o dwyll ac mae hefyd yn atal staff a chontractwyr rhag twyllo. Drwy roi cyhoedduswydd i waith atal twyll a chodi ymwybyddiaeth o effeithiau twyll, mae'r GIG yn cynnwys staff, rhanddeiliaid allweddol a'r cyhoedd yn y frwydr yn erbyn twyll.
- 3.8 Ni welsom yr un lefel o waith rhagweithiol i roi cyhoedduswydd mewn sectorau eraill. Mae rhai awdurdodau lleol o'r farn bod rhoi cyhoedduswydd i achosion yn gallu niweidio eu henw da, ac maent felly'n gyndyn o gyhoeddi gwybodaeth o'r fath. Mae Llywodraeth Cymru yn cydnabod bod mwy y gellir ei wneud i roi cyhoedduswydd i achosion o dwyll. At hynny, mae'r lefelau isel iawn o dwyll a gaiff eu canfod mewn cyrff llywodraeth ganolog yn golygu nad oes fawr ddim cyhoedduswydd i'w gael a all weithredu fel dull pellach o atal twyll.
- 3.9 Yn ogystal, canfu ein gwaith archwilio fod lefelau'r hyfforddiant a'r gweithgarwch codi ymwybyddiaeth sy'n ymwneud yn benodol â gwaith atal twyll ar draws y sector cyhoeddus yng Nghymru yn amrywio'n helaeth. Gwelsom fod ychydig o gyrff cyhoeddus yn darparu hyfforddiant ynghylch ymwybyddiaeth o dwyll i bob un o'u staff. Mae rhai cyrff cyhoeddus eraill yn darparu hyfforddiant yn rhan o raglenni sefydlu staff newydd ond nid ydynt yn darparu'r hyfforddiant hwnnw i staff sydd wedi bod yn gweithio iddynt ers amser hir. Gwelsom rai enghreifftiau lle'r oedd sesiynau diweddarau hyfforddiant a modiwlau e-ddysgu yn cael eu darparu ar gyfer y staff, ond nid oedd yr enghreifftiau hynny'n gyffredin iawn. Nid yw llawer o gyrff yn darparu unrhyw hyfforddiant ynghylch atal twyll nac unrhyw ddigwyddiadau codi ymwybyddiaeth.
- 3.10 Mae'r canfyddiadau hyn yn awgrymu ei bod yn bosibl nad yw cyfran sylweddol o weithwyr y sector cyhoeddus yng Nghymru wedi cael unrhyw hyfforddiant o gwbl ynghylch ymwybyddiaeth o dwyll, neu nad ydynt wedi cael unrhyw hyfforddiant o'r fath ers sawl blwyddyn.
- 3.11 Ceir enghreifftiau da o weithgarwch codi ymwybyddiaeth yn y GIG, lle mae gan yr Arbenigwr Atal Twyll Lleol raglen waith barhaus er mwyn datblygu a chynnal diwylliant o atal twyll yn ei Fwrdd Iechyd. Mae'r rhaglen honno'n cynnwys paratoi cyflwyniadau a chyhoeddiadau er mwyn codi ymwybyddiaeth o dwyll. Ceir enghreifftiau hefyd lle mae Arbenigwyr Atal Twyll Lleol yn cynnal arolygon staff i fesur lefelau ymwybyddiaeth y staff o dwyll er mwyn gweithredu os oes raid. At hynny, mae'r GIG wedi datblygu pecyn e-ddysgu ar gyfer pob aelod o staff am ymwybyddiaeth o dwyll, a chaiff adroddiadau ynghylch lefelau cydymffurfio ar draws sefydliadau eu cyflwyno i'r Cyfarwyddwyr Cyllid bob chwarter. Fodd bynnag, hyd yn oed yn sector y GIG, nid yw hyfforddiant ynghylch atal twyll i staff newydd yn ofyniad gorfodol yn gyffredinol.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A5** Mae angen i bob corff cyhoeddus gael cyfres gynhwysfawr wedi'i diweddarau o bolisïau a gweithdrefnau, sydd gyda'i gilydd yn strategaeth gydlynus ar gyfer adnabod a rheoli risgiau o dwyll ac ymateb iddynt.
- A6** Dylai staff sy'n gweithio ar draws y sector cyhoeddus yng Nghymru gael hyfforddiant ynghylch ymwybyddiaeth o dwyll fel y bo'n briodol i'w rôl, er mwyn gwella effeithiolrwydd sefydliadau o safbwynt atal twyll, ei ganfod ac ymateb iddo.
- A7** Dylid rhoi cyhoeddusrwydd i achosion lle caiff twyll ei ganfod a lle eir i'r afael ag ef yn llwyddiannus, er mwyn atgyfnerthu neges gadarn o'r brig na chaiff twyll ei oddef.



Capasiti ac arbenigedd

04

Pam y mae'r thema yn bwysig?

- 4.1 Mae'n bwysig bod cyrff cyhoeddus yn penodi hyrwyddwr atal twyll, sy'n deall twyll ac sy'n arwain dull y sefydliad o weithredu ac ymateb. Mae angen bod cyrff cyhoeddus yn medru cael gafael ar ddigon o arbenigwyr atal twyll sydd â'r sgiliau priodol, er mwyn iddynt allu atal a chanfod achosion o dwyll a amheuir ac ymchwilio iddynt ac er mwyn iddynt allu diogelu eu hasedau. Wrth i risgiau o dwyll newid, dylai fod gan gyrff cyhoeddus adnoddau i ddarparu ymateb sy'n briodol i'r bygythiad.
- 4.2 At hynny, bydd staff medrus a phrofiadol yn helpu i sicrhau bod ymchwiliadau'n cael eu cynnal yn gywir a bod tystiolaeth yn cael ei chasglu a'i thrin yn gyfreithlon er mwyn cosbi tramgwyddwyr yn llwyddiannus ac adennill colledion.
- 4.3 Er bod ymchwiliadau'n hollbwysig, maent yn gallu cymryd llawer o amser ac yn gallu bod yn gostus, ac mae'r ffaith mai nifer fach ohonynt sy'n arwain at erlyn tramgwyddwyr yn llwyddiannus yn golygu nad yw cyrff cyhoeddus yn gallu dibynnu ar ymchwiliadau'n unig i fynd i'r afael â thwyll. Mae angen bod gan gyrff cyhoeddus y capasiti i atal twyll yn rhagweithiol ac ymchwilio'n adweithiol. Mae gwaith rhagweithiol yn cynnwys ymgyrchoedd codi ymwybyddiaeth o dwyll, hyfforddiant, dylunio polisiau a strategaethau a chryfhau rheolaeth er mwyn atal ymosodiadau.

Beth welsom ni?

- 4.4 Gwelsom yn aml fod capasiti annigonol yn her allweddol y mae cyrff cyhoeddus yn ei hwynebu wrth ymdrechu i frwydro yn erbyn twyll. Ar lawr gwlad, mae capasiti a sgiliau ym maes atal twyll yn amrywio'n helaeth ar draws cyrff y sector cyhoeddus yng Nghymru ac o fewn y cyrff hynny. Caiff y rhan fwyaf o'r capasiti ei neilltuo ar gyfer ymchwiliadau a gwaith ymatebol, a chaiff unrhyw gapasiti sydd dros ben ei ddefnyddio i gyflawni gwaith ataliol ym maes atal twyll.
- 4.5 Mewn llywodraeth leol, mae rhai swyddogion yn amheus ynghylch y lefelau o dwyll sydd yn eu sefydliadau ac yn cwestiynu'r angen am adnoddau ychwanegol. Fodd bynnag, prin yw'r adnoddau y mae'r awdurdodau lleol hynny'n eu dyrannu i drefniadau atal twyll, nid oes ganddynt asesiadau cadarn o'r risgiau o dwyll ac nid ydynt yn rhoi fawr ddim blaenoriaeth i fynd ar drywydd parau data a amlygir gan y Fenter Twyll Genedlaethol. Mae eu rhagdybiaethau ynghylch lefelau isel o dwyll yn mynd yn groes i'r holl ymchwil a gyflawnir gan arweinwyr cydnabyddedig yn y maes, megis CIPFA a'r Asiantaeth Troseddu Cenedlaethol.

- 4.6 Dioddefodd awdurdodau lleol golled sylweddol i'w capasiti ym maes atal twyll pan gafodd y Gwasanaeth Sengl Ymchwilio i Dwyll, sy'n wasanaeth annibynnol, ei greu yn 2014. Mae'r gwasanaeth hwnnw'n bartneriaeth rhwng yr Adran Gwaith a Phensiynau, Cyllid a Thollau Ei Mawrhydi ac awdurdodau lleol ac mae'n ymdrin â thwyll sy'n gysylltiedig â budd-daliadau lles. Gadawodd mwyafrif yr arbenigwyr atal twyll y sector llywodraeth leol er mwyn gweithio i'r sefydliad newydd hwnnw. Mae nifer fach o awdurdodau wedi cadw staff profiadol a medrus ym maes atal twyll, ond timau archwilio mewnol yn bennaf sy'n gorfod cyflawni'r gwaith hwnnw erbyn hyn.
- 4.7 Drwy ein gwaith, gwelsom fod y trefniadau ar gyfer atal twyll yn fwy datblygedig yn gyffredinol yn yr awdurdodau lleol a oedd wedi cadw adnodd pwrpasol ac arbenigol ar gyfer atal twyll. Mewn awdurdodau lle caiff y gwaith atal twyll ei gyflawni gan dimau archwilio mewnol, gwelsom fod cyfaddawdu'n gorfod digwydd rhwng gwaith atal twyll a'r rhaglen gyffredinol o waith sy'n ymwneud â sicrwydd, oherwydd prinder adnoddau ac oherwydd blaenoriaethau sy'n cystadlu â'i gilydd.
- 4.8 Mewn rhai awdurdodau lleol, gwelsom hefyd fod sawl tîm yn chwarae rhan yn y gwaith o atal twyll, er enghraifft bod y tîm archwilio mewnol, tîm y dreth gyngor a'r tîm adnoddau dynol i gyd yn cyfrannu i'r gwaith. Er bod hynny'n ddefnyddiol o safbwynt ychwanegu capasiti, gwelsom ei fod yn gallu arwain at ddiffyg cydlynw ac integreiddio rhwng y timau dan sylw ac at ddiffyg eglurder yn y darlun cyffredinol o weithgarwch atal twyll.
- 4.9 Yn gyffredinol caiff mwy o adnoddau eu dyrannu i waith atal twyll yn y GIG nag mewn cyrff eraill yn y sector cyhoeddus, ac mae'r adnodd sy'n seiliedig ar Arbenigwyr Atal Twyll Lleol wedi cynyddu yn ystod y blynyddoedd diwethaf. Mae gan Wasanaeth Atal Twyll GIG Cymru dîm canolog sy'n ymchwilio i achosion mawr a chymhleth o dwyll ac sy'n darparu adnodd ymchwilio ariannol. Mae'r tîm hefyd yn darparu arweiniad, gwybodaeth a chymorth o ran ymchwilio i'r rhwydwaith o Gyfarwyddwyr Cyllid ac Arbenigwyr Atal Twyll Lleol sydd mewn cyrff iechyd yng Nghymru. At hynny, mae Cyfarwyddiadau Llywodraeth Cymru yn mynnu y dylai pob corff iechyd benodi o leiaf un Arbenigwr Atal Twyll Lleol sy'n weithiwr proffesiynol achrededig ym maes atal twyll. Yr Arbenigwyr Atal Twyll Lleol hyn yw'r prif bwyntiau cyswllt ar gyfer gwaith atal twyll yn eu cyrff iechyd perthnasol, ac mae ganddynt rôl allweddol i'w chwarae o safbwynt atal a chanfod twyll. Mae cynyddu lefelau staffio uwchlaw'r nifer sy'n ofynnol yn fater y penderfynir yn lleol yn ei gylch.

- 4.10 Mae'r cyfuniad o Arbenigwyr Atal Twyll Lleol a chymorth ac arweiniad gan Wasanaeth Atal Twyll y GIG a'r Grŵp Llywio Atal Twyll wedi arwain at drefniadau gwell ar gyfer atal twyll yn sector y GIG o'i gymharu â'r sectorau eraill. Fodd bynnag, er y caiff staff Arbenigwyr Atal Twyll Lleol eu rhannu'n aml rhwng Byrddau Iechyd unigol, ni chânt eu rhannu ar draws y sector cyfan. O ganlyniad, gall y ffaith mai nifer gymharol fach o staff atal twyll sydd mewn rhai Byrddau Iechyd achosi problemau os yw aelodau o staff yn absennol o'r gwaith. Hyd yn oed yn GIG Cymru, cydnabyddir yn gyffredinol y dylid cyflawni mwy o waith rhagweithiol.
- 4.11 Mae'r tîm atal twyll yn Llywodraeth Cymru yn fedrus ac yn brofiadol ac mae wedi llwyddo i sicrhau nifer o erlyniadau proffil uchel yn ystod y blynyddoedd diwethaf. Fodd bynnag, daeth adolygiad diweddar o Lywodraeth Cymru, a gynhaliwyd gan Asiantaeth Archwilio Mewnol y Llywodraeth yn 2017, i'r casgliad y gallai'r swyddogaeth atal twyll gyflawni mwy pe bai'n cael mwy o adnoddau. Mae'r tîm atal twyll yn gallu defnyddio adnoddau o'r tu mewn i Lywodraeth Cymru i gynorthwyo gydag ymchwiliadau lle bo'n briodol, a cheir cynlluniau i gynyddu'r adnoddau sydd gan y tîm yn y dyfodol agos.
- 4.12 At hynny, canfu ein harchwiliad fod cyrff cyhoeddus yng Nghymru yn gyffredinol yn dilyn dulliau traddodiadol o atal twyll, a'u bod yn canolbwyntio ar ganfod ac ymchwilio yn hytrach nag ar atal. Mae'r rhan fwyaf o gyrff cyhoeddus yn cydnabod y dylid gwneud mwy o waith rhagweithiol ac ataliol, ond maent hefyd yn cydnabod bod diffyg amser, adnoddau ac arbenigedd yn rhwystrau i newid y ffocws hwnnw.
- 4.13 Ni welsom lawer o enghreifftiau lle mae cyrff cyhoeddus y tu allan i'r GIG yng Nghymru yn cyfuno adnoddau, er mwyn helpu i leihau'r dyblygu ymdrech sy'n digwydd ac er mwyn gwella effeithlonrwydd ac effeithiolrwydd trefniadau atal twyll ar draws sectorau. Gallai cyfuno adnoddau fod o gymorth hefyd i wella parhad ac ychwanegu hyblygrwydd er mwyn addasu i anghenion a fydd yn newid yn y dyfodol.
- 4.14 Yn 2018, lansiodd Llywodraeth y DU y [Proffesiwn Atal Twyll](#) er mwyn gwella gallu cyffredinol i atal twyll ar draws y llywodraeth. Mae'r proffesiwn yn datblygu sgiliau staff arbenigol ac yn symud y tu hwnt i ffocws traddodiadol ymchwiliadau, gan roi mwy o bwys ar atal twyll a defnyddio gwyddor dadansoddi data. Mae aelodaeth ar draws adrannau Llywodraeth y DU wedi bod yn cynyddu'n gyson, ac mae Llywodraeth Cymru yn ymwneud â'r fenter. Mae'n ofynnol i sefydliadau sy'n ymuno â'r proffesiwn gael amgylcheddau dysgu sy'n cynorthwyo eu staff i ddatblygu a chynnal safonau proffesiynol.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A8** Mae angen i bob corff cyhoeddus greu digon o gapasiti i sicrhau bod gwaith atal twyll yn cael adnoddau effeithiol, fel bod ymchwiliadau'n cael eu cynnal yn broffesiynol ac mewn modd sy'n arwain at gosbi'r tramgwyddwyr yn llwyddiannus ac at adennill colledion.
- A9** Dylai pob corff cyhoeddus fod yn medru cael gafael ar staff sydd wedi cael hyfforddiant ynghylch atal twyll ac sy'n bodloni safonau proffesiynol cydnabyddedig.
- A10** Dylai pob corff cyhoeddus ystyried modelau a fabwysiadwyd mewn rhannau eraill o'r DU, sy'n ymwneud â chyfuno a / neu rannu adnoddau er mwyn sicrhau bod cynifer ag sy'n bosibl o staff ar gael sydd â'r sgiliau priodol.



Offer a data

05

Pam y mae'r thema yn bwysig?

- 5.1 Bydd swyddogaeth effeithiol ar gyfer atal twyll yn sicrhau bod gan y sawl sy'n gyfrifol amdani y methodolegau diweddaraf a'r offer cywir ar gyfer y gwaith. Rhaid i staff atal twyll wneud y defnydd gorau o ddata a gwybodaeth er mwyn:
 - a atal twyll drwy sicrhau bod systemau a phrosesau'n medru ei wrthsefyll;
a
 - b ymateb yn effeithiol i amheuon o dwyll.
- 5.2 Mae bygythiadau newydd o ran twyll yn ymddangos yn barhaus, ar lefel fyd-eang ac yn genedlaethol. Mae'n bwysig bod gan gyrff cyhoeddus ddulliau hyblyg ac arloesol o atal twyll, sy'n addas i oes ddigidol ac sy'n ddigon hyblyg i allu dal i fyny â thwyllwyr neu, yn well fyth, i allu achub y blaen arnynt.
- 5.3 Mae ymosodiadau seiber yn ddull amgen o gyflawni mathau traddodiadol o dwyll, megis dwyn asedau, arian neu eiddo deallusol. Canfu arolwg diweddaraf PricewaterhouseCoopers o droseddau economaidd byd-eang mai seiberdroseddu yw'r math mwyaf cyffredin o dwyll sy'n wynebu busnesau yn y DU erbyn hyn; am y tro cyntaf ers dechrau cynnal yr arolwg, mae wedi mynd yn fwy cyffredin na thwyll sy'n deillio o gamddefnyddio asedau. Gallwn weld hynny yn y cynnydd enfawr a fu yn nifer y sgamiau seiber sy'n gysylltiedig â'r pandemig COVID-19.
- 5.4 Mae atal twyll bob amser yn well na gorfod ymateb i dwyll sydd wedi digwydd. Erbyn hyn, mae llawer o sefydliadau'n ceisio sicrhau bod systemau'n medru gwrthsefyll twyll pan fydd yn cael ei gyflawni, gan ddefnyddio'r datblygiadau diweddaraf ym maes gwyddor dadansoddi data. Er enghraifft:
 - a mae Swyddfa'r Cabinet wedi datblygu offer ar-lein sy'n gallu ystyried 10,000 o gofnodion mewn saith eiliad er mwyn cynnal gwiriadau diwydrwydd dyladwy yng nghyswllt ceisiadau am grantiau; a
 - b mae'r Adran Gwaith a Phensiynau wedi bod yn treialu system Deallusrwydd Artiffisial sy'n canfod hawliadau twyllodrus drwy chwilio am batrymau ymddygiad penodol, megis ceisiadau am fudd-daliadau sy'n defnyddio'r un rhif ffôn neu sydd wedi'u hysgrifennu mewn arddull debyg. Yna, caiff gwybodaeth am unrhyw weithgarwch amheus ei throsglwyddo i ymchwilwyr arbenigol.
- 5.5 Mae gwyddor dadansoddi data'n offeryn mwyfwy pwysig o safbwynt atal twyll yn ogystal â'i ganfod. Rydym yn ystyried yn adran nesaf yr adroddiad hwn sut y gall gyrff cyhoeddus rannu data er mwyn helpu i ddod o hyd i dwyll.

- 5.6 Nid yw technoleg soffistigedig a gwyddor dadansoddi data o fawr ddim gwerth os na chânt eu defnyddio'n effeithiol, ac mae angen adnoddau dynol sydd wedi cael hyfforddiant digonol i'w deall. Felly, mae'n bwysig bod cyrff cyhoeddus yn gallu cael gafael ar staff medrus ym maes gwyddor dadansoddi data, er mwyn sicrhau canlyniadau gwell o safbwynt atal twyll.
- 5.7 Mae gwybod beth y dylid ei wneud mewn achos o dwyll a amheuir yn gwella'r siawns o allu cymryd camau gorfodi llwyddiannus. Mae hefyd yn atgyfnerthu'r agwedd o'r brig nad yw'r sefydliad yn goddef twyll. Rhaid bod cynlluniau ymateb i dwyll yn rhoi cyfarwyddyd clir i bartïon perthnasol fel bod cyrff yn gallu ymateb yn sydyn ac yn briodol i honiadau. Dylai cynllun ymateb gael ei adolygu'n rheolaidd er mwyn sicrhau bod pob ymateb i dwyll yn briodol i gyfnodau newydd a risgiau newydd. Dylai cynllun ymateb egluro'r canlynol:
- a y broses o ymchwilio i dwyll, o'r adeg pan gaiff honiad ei dderbyn i'r adeg pan gaiff adroddiad ynghylch y canlyniadau ei lunio;
 - b rolau a gweithdrefnau ar gyfer cael tystiolaeth a chynnal cyfweiliadau;
 - c manylion ynghylch sut a phryd y dylid cysylltu â'r heddlu;
- ch ymrwymiad i fynd ar drywydd ystod o gosbau;
- d y trefniadau ar gyfer adrodd; ac
- dd sut y bydd y gwersi a gaiff eu dysgu'n cael eu defnyddio i gryfhau rheolaeth ar systemau a phrosesau.

Beth welsom ni?

- 5.8 Yn gyffredinol, gwelsom fod angen gwneud mwy o waith i ddiweddarau offer a methodolegau atal twyll er mwyn adlewyrchu'r oes newydd lle mae ymosodiadau seiber a throseddau a hwylusir gan dechnoleg ddigidol yn digwydd. Nid oedd gan lawer o'r awdurdodau lleol a'r cyrff llywodraeth ganolog y buom yn edrych arnynt, yn rhan o'n gwaith maes, bolisiau diogelwch gwybodaeth a oedd yn adlewyrchu'r risgiau sy'n gysylltiedig â seiberdroseddu. Roedd y sefyllfa'n fwy cadarnhaol yng nghyrrff GIG Cymru.

- 5.9 Canfu ein hadolygiad ychydig yn unig o enghreifftiau lle caiff gwyddor dadansoddi data ei defnyddio fel dull o atal twyll. Caiff gwyddor dadansoddi data ei defnyddio ar raddfa ehangach i ganfod twyll, er enghraifft wrth fynd ar drywydd parau data a amlygir gan y Fenter Twyll Genedlaethol, ond mae gwaith archwilio blaenorol a gyflawnwyd gennym⁴ wedi dangos bod y graddau yr ymwneir â'r Fenter Twyll Genedlaethol yn amrywio'n sylweddol ar draws cyrff cyhoeddus yng Nghymru.
- 5.10 Gwelsom nad oedd gan rai awdurdodau lleol a chyrrff llywodraeth ganolog gynllun ymateb i dwyll, a gâi ei rannu â phob aelod o staff ac a oedd yn egluro y byddai camau'n cael eu cymryd i ymchwilio i bob honiad o dwyll. Roedd gan Lywodraeth Cymru gynllun ymateb i dwyll ond roedd ar ffurf drafft adeg ein gwaith archwilio ac nid oedd, felly, ar gael i'r staff. Unwaith eto, roedd y sefyllfa'n fwy cadarnhaol o lawer yn GIG Cymru.
- 5.11 Mae pob un o gyrff y GIG yn defnyddio'r un system rheoli achosion i gofnodi a monitro'r cynnydd a wneir yng nghyswllt achosion posibl o dwyll. Mewn sectorau eraill, ychydig o gyrff sydd â system rheoli achosion er bod gan rai lög ar ffurf taenlen sy'n cofnodi'r wybodaeth. Mae'r ffaith bod y wybodaeth a gesglir mor amrywiol yn golygu ei bod yn anodd iawn adrodd ynghylch y sefyllfa yng Nghymru gyfan o safbwynt lefel y twyll sy'n digwydd. Nid oedd gan lawer o awdurdodau lleol a chyrrff llywodraeth ganolog system rheoli achosion na chofnodion manwl, gan fod niferoedd yr achosion o dwyll a gâi eu canfod ac yr ymdrinnid â nhw'n fach iawn.
- 5.12 Mae mwyafrif y cyrff cyhoeddus y buom yn edrych arnynt yn ystyried yr ystod lawn o gosbau posibl (disgyblu, rheoleiddio, camau sifil a chamau troseddol) yn erbyn twyllwyr a byddant yn ceisio iawn, sy'n cynnwys adennill asedau ac arian, lle bo modd. Fodd bynnag, mae llawer o gyrff yn adrodd ynghylch lefelau mor isel o dwyll fel ei bod yn amhosibl cadarnhau eu honiadau. Os caiff unrhyw achosion mewnol o dwyll eu nodi, mae mwyafrif y cyrff yn tueddu i ymdrin â'r tramgwyddwyr drwy weithdrefnau disgyblu mewnol.

4 Yn ein hadroddiad ym mis Hydref 2018 ynghylch y Fenter Twyll Genedlaethol, nodwyd bod 'mwyafrif y cyrff sector cyhoeddus yng Nghymru a gymerodd ran yn y Fenter Twyll Genedlaethol yn rhagweithiol o ran adolygu'r parau data, ond nid oedd nifer fach o gyfranogwyr yn adolygu'r parau yn brydlon nac yn eiddidol'.

5.13 Roedd mwyafrif y cyrff cyhoeddus y buom yn edrych arnynt yn myfyrio ynghylch y gwendidau a amlygwyd gan achosion o dwyll a llygredd a brofwyd, ac yn adrodd yn ôl wrth adrannau a thimau er mwyn iddynt sicrhau bod eu systemau'n medru gwrthsefyll twyll. Roedd y trefniadau yng nghyrrff lleol y GIG yn arbennig o gadarn, oherwydd nid yw achosion o dwyll yn eu systemau rheoli achosion nhw'n gallu cael eu cau heb fod sicrwydd yn cael ei roi bod unrhyw wendidau mewn systemau wedi'u hystyried a'u hunioni os oes raid.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

A11 Mae angen i bob corff cyhoeddus ddatblygu a chynnal ymatebion deinamig a hyblyg ym maes atal twyll, sy'n cynyddu'r tebygolrwydd y bydd camau gorfodi llwyddiannus yn cael eu cymryd ac sy'n ategu'r agwedd o'r brig nad yw'r sefydliad yn goddef twyll.

A12 Dylai pob corff cyhoeddus archwilio a chroesawu cyfleoedd i arloesi gyda gwyddor dadansoddi data, er mwyn cryfhau trefniadau ar gyfer atal a chanfod twyll.



Cydweithio



06

Pam y mae'r thema yn bwysig?

- 6.1 Nid yw twyllwyr yn parchu ffiniau daearyddol nac unrhyw ffiniau eraill. Mae hynny'n golygu na all cyrff unigol y sector cyhoeddus sefydlu trefniadau effeithiol ar eu pen eu hunain ar gyfer atal twyll. Rhaid iddynt gydweithio er mwyn sicrhau bod eu hymateb i dwyll gystal ag y gall fod.
- 6.2 Mae cydweithio'n agwedd fwyfwy pwysig ar wasanaeth cyhoeddus, yn enwedig yng nghyd-destun llai o gyllid a'r angen i gyflawni mwy gyda llai o adnoddau. At hynny, mae cydweithio yn un o'r 'pum ffordd o weithio' fel y diffinnir yn nogfen Llywodraeth Cymru, 'Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015: Yr hanfodion'⁵. Mae'n hanfodol, felly, bod cydweithio a rhannu gwybodaeth ac arfer da'n digwydd rhwng cyrff y sector cyhoeddus, y sector preifat a'r trydydd sector ar draws y DU ac yn rhyngwladol.
- 6.3 Gall cydweithio olygu rhannu pobl neu gyfuno adnoddau ac, i raddau mwy cyffredin y dyddiau hyn, rhannu gwybodaeth. Gall y wybodaeth honno gael ei rhannu rhwng adrannau, rhwng cyrff, ar draws gwahanol elfennau'r sector cyhoeddus, ac â rhanddeiliaid allweddol eraill megis awdurdodau gorfodi'r gyfraith a'r sector preifat. Gall y wybodaeth a rennir fod yn wybodaeth am natur achos o dwyll neu'n wybodaeth ynghylch pwy yw'r tramgwyddwyr.
- 6.4 Mae rhannu data er mwyn helpu i ganfod twyll yn faes sy'n esblygu'n gyflym, a chaiff ei hwyluso gan newidiadau yn y gyfraith. Daeth Deddf yr Economi Ddigidol yn gyfraith yn 2017, ac mae'n galluogi awdurdodau cyhoeddus i rannu data personol er mwyn atal twyll yn y sector cyhoeddus, ei ganfod, ymchwilio iddo ac erlyn pobl am ei gyflawni. Mae'r Ddeddf yn cydnabod y gallai ehangu'r arfer o rannu data wella'r gwaith o atal twyll, ei ganfod ac ymchwilio iddo, a hynny mewn nifer o ffyrdd sy'n cynnwys:
 - a gwella'r modd y mae unigolion a allai fod yn twyllu yn cael eu targedu, a gwella proffiliau risg mewn perthynas â nhw;
 - b symleiddio prosesau, a fydd yn galluogi'r llywodraeth i weithredu'n gynt; ac
 - c symleiddio'r dirwedd ddeddfwriaethol.

Beth welsom ni?

- 6.5 Canfu ein gwaith maes ar draws 40 o gyrff y sector cyhoeddus yng Nghymru nad oedd trefniadau ar gyfer cydweithio wedi datblygu'n ddigonol, sy'n ategu canfyddiadau ein hadolygiad yn 2019.
- 6.6 Mewn awdurdodau lleol a chyrff llywodraeth ganolog, ceir rhai enghreifftiau da o gyrff yn gweithio ar y cyd ac o rai rhwydweithiau rhanbarthol, ond maent yn tueddu i fod yn drefniadau anffurfiol ac nid oes dull cyson o weithredu ar waith. Gall ffurfioli trefniadau helpu i wella atebolrwydd a llywodraethu a gall ddylanwadu ar ymrwymiad a chanlyniadau.
- 6.7 Yn gyffredinol, mae'r darlun yn fwy cadarnhaol ar draws cyrff lleol y GIG a Llywodraeth Cymru nag y mae mewn awdurdodau lleol a chyrff llywodraeth ganolog. Fodd bynnag, mae lle i bob corff cyhoeddus gydweithio'n agosach â'i gilydd ac â rhanddeiliaid eraill er mwyn mynd i'r afael â thwyll.
- 6.8 Oherwydd y dull haenog o atal twyll yn GIG Cymru ac oherwydd partneriaethau ffurfiol sydd wedi'u sefydlu ag Awdurdod Atal Twyll y GIG, mae modd cael gafael yn hwylus ar dimau arbenigol ymchwilio i dwyll, megis timau sy'n arbenigo mewn goruchwyllo, gwneud gwaith fforensig ar gyfrifiaduron, adennill asedau a chynnal ymchwiliadau ariannol. Mae Gwasanaeth Atal Twyll y GIG yng Nghymru yn darparu gwasanaethau goruchwyllo, adennill asedau a chynnal ymchwiliadau ariannol i GIG Cymru, ac mae Awdurdod Atal Twyll y GIG yn darparu gwasanaethau gwaith fforensig ar gyfrifiaduron a gwasanaethau cymorth arbenigol eraill i GIG Cymru dan delerau ei gytundeb blynyddol â Llywodraeth Cymru.
- 6.9 Nid yw'r trefniadau ffurfiol hyn ar gyfer cael gafael ar wasanaethau wedi'u sefydlu i raddau cystal mewn sectorau eraill, ond dywedodd y rhan fwyaf o sefydliadau wrthym y gallent gael gafael ar wasanaethau arbenigol pe bai angen. Roedd y lefel isel o dwyll a ganfyddir yn un o'r rhesymau a roddwyd dros ddiffyg partneriaethau ffurfiol rhwng cyrff y sector cyhoeddus.
- 6.10 At hynny, gwelsom fod hyd a lled y data a rennir yn amrywio'n sylweddol. Yn y rhan fwyaf o gyrff, roedd yr arfer o rannu data wedi'i gyfyngu fel rheol i'r Fenter Twyll Genedlaethol, er nad yw pob un o'r cyrff llywodraeth ganolog yn cymryd rhan yn y Fenter Twyll Genedlaethol ar hyn o bryd. Gwelsom nad yw rhai awdurdodau lleol yn buddsoddi llawer o adnoddau ar gyfer mynd ar drywydd parau data a amlygir gan y Fenter, ac yn aml dyma'r awdurdodau a oedd â threfniadau cyfyngedig ar gyfer atal twyll.

- 6.11 Ychydig iawn o enghreifftiau a oedd ar gael o sefydliadau'n gweithio yn fynych ar draws ffiniau mewnol ac allanol ac yn rhannu gwybodaeth. Y rhesymau cyffredin dros y diffyg cydweithio hwnnw oedd diffyg amser ac adnoddau, a phryderon ynghylch rhannu data.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A13** Dylai cyrff cyhoeddus weithio gyda'i gilydd, dan Ddeddf yr Economi Ddigidol a chan ddefnyddio datblygiadau ym maes gwyddor dadansoddi data, i rannu data a gwybodaeth er mwyn helpu i ganfod twyll a brwydro yn ei erbyn.



Adrodd a chraffu

07

Pam y mae'r thema yn bwysig?

- 7.1 Mae llunio amcangyfrif dibynadwy o gost twyll yn dasg anodd, ac mae'n arbennig o anodd ar gyfer y sector cyhoeddus yng Nghymru fel y nodwyd yn ein hadroddiad yn 2019. Er bod Llywodraeth y DU yn llunio amcangyfrif bob blwyddyn, nid yw'r amcangyfrif hwnnw'n cynnwys dadansoddiad ar gyfer pob un o weinyddiaethau datganoledig y DU. Mae dadansoddiad diweddaraf CIPFA yn amcangyfrif bod twyll yn costio £40.3 biliwn bob blwyddyn i'r sector cyhoeddus yn y DU. Mae Swyddfa'r Cabinet⁶ yn amcangyfrif bod colledion oherwydd twyll a gwallau'n cyfateb i rhwng 0.5% a 5% o'r gyllideb. Mae cymhwyso'r ystod ganrannol honno i wariant cyhoeddus blynyddol yng Nghymru, sef tua £20 biliwn, yn golygu bod amcangyfrif posibl o werth colledion oherwydd twyll a gwallau'n cyfateb i rhwng £100 miliwn ac £1 biliwn y flwyddyn. Felly, mae'r colledion yn sylweddol ac yn golygu bod llai o gyllid gwerthfawr ar gael i'n gwasanaethau cyhoeddus.
- 7.2 Yn aml, nid adroddir yn ddigonol ynghylch twyll oherwydd nad yw rhywfaint o'r gweithgarwch amheus a amlygir drwy barau data'r Fenter Twyll Genedlaethol, er enghraifft, yn cael ei ystyried yn dwyllodrus ac nad adroddir, felly, yn ei gylch. At hynny, nid yw rhai cyrff cyhoeddus yn adrodd ynghylch twyll oherwydd ei fod yn gallu denu sylw nas dymunir ac oherwydd y canfyddiad ei fod yn gwneud drwg i enw da sefydliad. Mae sefyllfa o'r fath yn golygu bod y darlun sy'n seiliedig ar wybodaeth genedlaethol yn anghyflawn.
- 7.3 Mae'r Fforwm Rhyngwladol Twyll yn y Sector Cyhoeddus⁷ wedi cydnabod bod canfod twyll yn beth da, a dyna yw un o'i brif egwyddorion ar gyfer ymdrin â thwyll a llygredd. Yn ôl y Fforwm, os nad yw cyrff yn canfod twyll ni allant frwydro yn ei erbyn, ac mae angen newid agwedd fel bod canfod twyll yn cael ei ystyried yn gam cadarnhaol a rhagweithiol.
- 7.4 Mae adrodd ynghylch twyll wrth y sawl sy'n gyfrifol am lywodraethu sefydliadau'r sector cyhoeddus yn bwysig, oherwydd mae'n sicrhau bod rheolwyr a phwyllgorau archwilio, er enghraifft, yn cael y wybodaeth y mae arnynt ei hangen i herio a chraffu. Er mwyn hwyluso atebolrwydd, dylai cyrff cyhoeddus roi copïau o adroddiadau ynghylch atal twyll, sy'n nodi niferoedd achosion a chanlyniadau, i bwyllgorau archwilio fel eu bod yn hollol ymwybodol o unrhyw faterion sy'n peri pryder a'u bod yn gallu dwyn rheolwyr a thimau atal twyll i gyfrif. At hynny, gall pwyllgorau archwilio hyrwyddo'r neges na chaiff twyll ei oddef, gan ategu'r ymdrechion a wneir gan dimau atal twyll.

6 Adroddiad Swyddfa'r Cabinet ynghylch y dirwedd o ran twyll ar draws y Llywodraeth, a gyhoeddwyd yn 2018

7 Canllaw ar gyfer cyrff cyhoeddus gan y Fforwm Rhyngwladol Twyll yn y Sector Cyhoeddus ynghylch rheoli twyll, a gyhoeddwyd ym mis Chwefror 2019

Beth welsom ni?

- 7.5 Mae'r trefniadau yn GIG Cymru ar gyfer cofnodi, casglu a rhannu gwybodaeth am golledion ac adenillion yn dilyn achosion o dwyll yn gadarn. Mae Gwasanaeth Atal Twyll y GIG yn casglu gwybodaeth gan bob corff iechyd fel mater o drefn am nifer yr achosion o dwyll ac am adenillion. Ceir adroddiadau bob chwarter a bob blwyddyn ynghylch perfformiad gweithredol, sy'n crynhoi gwybodaeth am adnoddau, atgyfeiriadau a gwaith y Gwasanaeth Atal Twyll a'r Arbenigwyr Atal Twyll Lleol sydd ym mhob corff iechyd. Caiff yr adroddiadau hynny eu hadolygu gan y Grŵp Llywio Atal Twyll a'u rhannu â Chyfarwyddwyr Cyllid a phwyllgorau archwilio pob corff iechyd, sy'n helpu i hwyluso cymariaethau ystyrion yn y sector. At hynny, mae Awdurdod Atal Twyll y GIG yn adrodd wrth Lywodraeth Cymru bob chwarter.
- 7.6 Yn gyffredinol mewn sectorau eraill, nid yw pwyllgorau archwilio yn cael cymaint o wybodaeth:
- yn Llywodraeth Cymru, nid yw'r Pwyllgor Archwilio a Sicrwydd Risg yn cael gwybodaeth fanwl am achosion o dwyll nac yn gofyn am wybodaeth o'r fath, er bod gwybodaeth am achosion o bwys a gweithgarwch atal twyll yn cael ei chynnwys yn yr adroddiad rheolaidd gan y Pennaeth Archwilio Mewnol;
 - yn y sector llywodraeth leol, mae llai na hanner yr awdurdodau'n adrodd yn rheolaidd ynghylch gwybodaeth am achosion o dwyll, colledion ac adenillion wrth eu pwyllgorau archwilio; ac
 - mae llai fyth o gyrrff llywodraeth ganolog yn adrodd ynghylch achosion o dwyll, sy'n adlewyrchu'r nifer fach iawn o achosion o dwyll a gaiff eu canfod a'u rheoli.
- 7.7 Mae absenoldeb trefniadau ar gyfer adrodd ynghylch gwybodaeth a threfniadau ar gyfer casglu a rhannu'r wybodaeth honno ar draws y sector cyhoeddus yng Nghymru yn peri pryder am nifer o resymau. Nid yw'n gwneud fawr ddim i helpu i atgyfnerthu'r neges o frig sefydliad i'r staff ac i randdeiliaid allanol na chaiff twyll ei oddef. Gallai hefyd olygu bod twyllwyr yn cael y neges anghywir, sef bod Cymru yn credu nad yw twyll yn flaenoriaeth, ac mae'n golygu ei bod yn anodd i wleidyddion ac uwchswyddogion y sector cyhoeddus asesu lefel y risg a'r ffordd orau o ymateb iddi.

- 7.8 Pan gaiff achosion o dwyll eu canfod, bydd timau archwilio mewnol (neu arbenigwyr atal twyll, os ydynt ar gael) yn rhoi adroddiadau a diweddariadau i'r pwyllgorau archwilio. At ei gilydd, fodd bynnag, nid yw pwyllgorau archwilio y tu allan i GIG Cymru wedi gwneud digon o waith rhagweithiol i adnabod y risg gynyddol o dwyll ac i ofyn y cwestiynau treiddgar angenrheidiol ynghylch y modd y caiff adnoddau eu paru â'r risg neu ynghylch y diffyg gwybodaeth a roddir am y risg o dwyll.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A14** Mae angen i gyrrff cyhoeddus grynhoi gwybodaeth am golledion ac adenillion a rhannu gwybodaeth â'i gilydd am dwyll er mwyn creu darlun cenedlaethol mwy cywir, cryfhau rheolaeth, gwella gwaith monitro a hybu camau gweithredu a gaiff eu targedu.
- A15** Rhaid i bwyllgorau archwilio ddechrau ymwneud yn llawn ag atal twyll, gan ddarparu cymorth a chyfeiriad amlwg, monitro a dwyn swyddogion i gyfrif os caiff gwybodaeth annigonol ei darparu am weithgarwch atal twyll.



Atodiadau

- 1 Dulliau archwilio
- 2 Ymateb Llywodraeth Cymru i argymhellion y Pwyllgor Cyfrifon Cyhoeddus ym mis Gorffennaf 2019

1 Dulliau archwilio

Cafodd ein harchwiliad ei strwythuro o amgylch saith llinell ymholi allweddol er mwyn ein helpu i ateb y cwestiwn cyffredinol: 'A yw'r trefniadau ar gyfer atal a chanfod twyll yn y sector cyhoeddus yng Nghymru yn effeithiol?':

- A yw'r haen uchaf yn dangos ymrwymiad i atal twyll ac yn darparu'r arweinyddiaeth angenrheidiol i frwydro yn erbyn twyll?
- A oes gan y sefydliad strwythur addas a digon o adnoddau medrus i atal a chanfod twyll?
- A oes gan y sefydliad fframwaith cadarn o bolisïau i ategu trefniadau effeithiol ar gyfer atal twyll?
- A oes gan y sefydliad asesiad effeithiol o'r risgiau o dwyll ynghyd ag ymatebion priodol i broblemau sy'n dod i'r amlwg?
- A yw amgylchedd y sefydliad o ran rheolaeth fewnol yn ategu trefniadau effeithiol ar gyfer atal a chanfod twyll?
- A oes gan y sefydliad ymateb priodol i dwyll?
- A oes gan y sefydliad drefniadau priodol ar waith ar gyfer adrodd a chraffu, er mwyn sicrhau bod ei ddiwylliant a'i fframwaith atal twyll yn gweithredu'n effeithiol?

Cafodd gwaith maes yr archwiliad ei gyflawni gan ein timau archwilio lleol rhwng mis Tachwedd 2019 a mis Chwefror 2020. Roedd eu gwaith maes yn cynnwys:

- cyfweiliadau strwythuredig – cyfweiliadau ag unigolion allweddol er mwyn deall y trefniadau sydd ar waith ar gyfer atal twyll ym mhob corff a gafodd ei archwilio; ac
- adolygiadau o ddogfennau – fel rheol roedd y dogfennau hynny, os oeddent ar gael, yn cynnwys y strategaeth atal twyll, asesiad risg, cynlluniau gwaith, cofrestr risg gorfforaethol, cynllun ymateb i dwyll, codau ymddygiad, polisi chwythu'r chwiban, canllawiau a gweithdrefnau ar gyfer ymchwilyr lleol i dwyll ac adroddiadau/diweddariadau a ddarparwyd i'r pwyllgor archwilio ynghylch atal twyll.

At hynny, dosbarthodd y timau gais am wybodaeth graidd er mwyn casglu rhywfaint o wybodaeth yn uniongyrchol gan y cyrff a gafodd eu harchwilio.

Buodd tîm y prosiect yn casglu ac yn adolygu'r canfyddiadau lleol er mwyn tynnu'r negeseuon allweddol allan ohonynt i'w cynnwys yn yr adroddiad hwn. Mae ein timau archwilio wedi bod yn rhoi adborth wedi'i deilwra ynghylch eu canfyddiadau lleol i'r staff perthnasol ym mhob corff a gafodd ei archwilio.

Dyma'r cyrff a gafodd eu harchwilio'n rhan o'r astudiaeth hon:

Cyrff llywodraeth leol:

- Cyngor Bro Morgannwg
- Cyngor Bwrdeistref Sirol Blaenau Gwent
- Cyngor Bwrdeistref Sirol Caerffili
- Cyngor Bwrdeistref Sirol Castell-nedd Port Talbot
- Cyngor Bwrdeistref Sirol Conwy
- Cyngor Bwrdeistref Sirol Merthyr Tudful
- Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr
- Cyngor Bwrdeistref Sirol Rhondda Cynon Taf
- Cyngor Bwrdeistref Sirol Torfaen
- Cyngor Bwrdeistref Sirol Wreccsam
- Cyngor Caerdydd
- Cyngor Dinas a Sir Abertawe
- Cyngor Dinas Casnewydd
- Cyngor Gwynedd
- Cyngor Sir Caerfyrddin
- Cyngor Sir Ceredigion
- Cyngor Sir Ddinbych
- Cyngor Sir Fynwy
- Cyngor Sir Penfro
- Cyngor Sir Powys
- Cyngor Sir y Fflint
- Cyngor Sir Ynys Môn

Cyrff GIG Cymru:

- Bwrdd Iechyd Prifysgol Aneurin Bevan
- Bwrdd Iechyd Prifysgol Betsi Cadwaladr
- Bwrdd Iechyd Prifysgol Caerdydd a'r Fro
- Bwrdd Iechyd Prifysgol Cwm Taf Morgannwg
- Bwrdd Iechyd Prifysgol Hywel Dda
- Bwrdd Iechyd Addysgu Powys
- Bwrdd Iechyd Prifysgol Bae Abertawe
- Addysg a Gwella Iechyd Cymru
- Ymddiriedolaeth GIG Prifysgol Felindre
- Ymddiriedolaeth GIG Iechyd Cyhoeddus Cymru
- Ymddiriedolaeth GIG Gwasanaethau Ambiwlans Cymru

Cyrff llywodraeth ganolog:

- Llywodraeth Cymru
- Awdurdod Cyllid Cymru
- Cyngor Celfyddydau Cymru
- Cyngor Cyllido Addysg Uwch Cymru
- Amgueddfeydd ac Oriolau Cenedlaethol Cymru
- Cyfoeth Naturiol Cymru
- Llyfrgell Genedlaethol Cymru
- Chwaraeon Cymru
- Comisiwn y Senedd

2 Ymateb Llywodraeth Cymru i argymhellion y Pwyllgor Cyfrifon Cyhoeddus ym mis Gorffennaf 2019

Argymhelliad y Pwyllgor Cyfrifon Cyhoeddus

Gofynnwn i Lywodraeth Cymru ystyried a oes posibilrwydd a chwmpas ar gyfer cefnogi tîm gwrth-dwyll cenedlaethol i weithio ledled Cymru i sicrhau bod staff sydd wedi'u hyfforddi'n briodol yn ymgymryd ag o leiaf lefel sylfaenol o waith gwrth-dwyll ym mhob ardal awdurdod lleol.

Gofynnwn i Lywodraeth Cymru ystyried beth yw'r ffordd orau iddi ddarparu arweinyddiaeth genedlaethol gryfach a chanllawiau o ansawdd gwell ar rannu gwybodaeth, i helpu i gryfhau a gwella effaith gweithgareddau gwrth-dwyll ar draws y sector cyhoeddus yng Nghymru.

Ymateb gan Ysgrifennydd Parhaol Llywodraeth Cymru

Mae Llywodraeth Cymru yn cydnabod ac yn llwyr gefnogi awdurdodau lleol i roi sylw i dwyll o fewn eu £8 biliwn o wariant refeniw cyffredinol.

Fel sefydliadau annibynnol dan arweiniad democrataidd, y 22 cyngor eu hunain sy'n bennaf gyfrifol am ganfod ac atal twyll. Yn unol â hynny, rydym yn disgwyl pob un ohonynt i ymroi'n llwyr i'r gwaith hwn, ac i wleidyddion lleol ddeall a darparu arweiniad.

Er mwyn gwneud yn siŵr bod yr argymhelliad yn cael ei ddeall ac yn cael blaenoriaeth, bydd swyddogion yn codi'r mater gyda'r Gweinidogion i sicrhau eitem ar agenda'r Cyngor Partneriaeth yn ogystal â'i Isbwyllgor Cyllid. Yn ddarostyngedig i gytundeb y Gweinidogion, byddwn yn gosod eitem ar yr agenda ar gyfer y cyfarfod nesaf posib.

Rwy'n cefnogi unrhyw ymgais i gynyddu'r ddealltwriaeth am dwyll ac i weithredu technegau arferion gorau yn gyson ar draws Sector Cyhoeddus Cymru. Mae cyfrwng eisoes yn bodoli i ddwyn ymarferwyr gwrth-dwyll a phartïon eraill ynghyd ac i ysgogi dealltwriaeth gyffredin o'r maes pwysig hwn.

Mae Pennaeth Gwrth-dwyll Llywodraeth Cymru yn Ddirprwy Gadeirydd Fforwm Twyll Cymru, elusen ddielw sy'n cael ei rhedeg gan fwrdd strategol o wirfoddolwyr. Ei nod yw helpu i atal twyll yng Nghymru drwy godi ymwybyddiaeth yn y sectorau cyhoeddus a phreifat ac ymysg unigolion. Yn benodol, mae'r amcanion a nodwyd yn cynnwys:

- dwyn y sectorau cyhoeddus a phreifat ynghyd i ymladd twyll a throseddau ariannol ac amddiffyn economi Cymru;

Argymhelliad y Pwyllgor Cyfrifon Cyhoeddus

Ymateb gan Ysgrifennydd Parhaol Llywodraeth Cymru

- hyrwyddo ymwybyddiaeth o dwyll ymysg ei aelodau, sefydliadau ac unigolion drwy'r rhanbarth
- creu diwylliant o arferion gorau drwy annog a datblygu strategaethau gwrth-dwyll i'w defnyddio gan yr aelodau
- sefydlu arferion gorau rhwng aelodau ar gyfer atal, ymchwilio a chanfod achosion o dwyll
- hyrwyddo amgylchedd agored a chydweithredol rhwng yr aelodau yn y sectorau cyhoeddus a phreifat.

Mae cryn dipyn o barch i'r Fforwm; yn 2017 bu'r Prif Weinidog presennol yn annerch ei gynhadledd flynyddol, gan amlinellu ei gefnogaeth i drefniadau gwrth-dwyll ar draws Cymru. Ymysg aelodau'r Fforwm mae Swyddfa Archwilio Cymru, yn ogystal â nifer o sefydliadau sector cyhoeddus a phreifat.

Felly, rwy'n credu y gall Llywodraeth Cymru sicrhau'r canlyniad y mae'n ei ddymuno drwy nodi strategaethau i gefnogi gwaith y Fforwm, codi ei broffil ymysg sector cyhoeddus Cymru a cheisio cael lefel uchel o ymrwymiad ganddynt i'w gefnogi. Byddaf yn gofyn i'r Swyddogion ymgysylltu â'r Fforwm i drafod strategaethau ar gyfer cryfhau ei effeithiolrwydd erbyn diwedd y flwyddyn galendr hon.

Rydym yn cytuno bod potensial i rannu data rhwng cyrff cyhoeddus Cymru i wella effaith gweithgarwch gwrth-dwyll. Mae cyflwyno Deddf yr Economi Ddigidol yn rhoi pwerau newydd i Lywodraeth Cymru a rhai cyrff cyhoeddus cofrestredig eraill yng Nghymru rannu data gyda'i gilydd, yn unol â'r drefn, er mwyn adnabod achosion posib o dwyll. Mae swyddogion yn gweithio i sefydlu trefn lywodraethu briodol ar gyfer datblygu'r defnydd o'r pwerau hynny yng Nghymru, a'r nod yw sefydlu panel erbyn diwedd y flwyddyn ariannol i ystyried defnyddiau posib y pwerau.



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Counter Fraud Phase 2 Question Hierarchy

Audit year: 2019 - 20

This document contains the Question Hierarchy (QH) for the Counter Fraud Phase 2 fieldwork to be completed by local audit teams.

Completion by local audit teams of the QH will enable the central study team to answer the overall question, “**Are the arrangements for preventing fraud and detecting fraud in the Welsh public sector effective?**”, in particular:

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

Local auditors will need to use the information obtained from interviews and document reviews to complete the QH. To aid this, prompts have been included next to each question as a guide to auditors re what good/poor practice might look like.

The QH along with all information and evidence obtained to support the narrative and conclusions within the QH, such as interviews and document reviews should be reviewed and uploaded to SharePoint by no later than **31st January 2020**.

1. Does the top tier demonstrate a commitment to counter-fraud and provide the necessary leadership to fight fraud?

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
<p>1.1 Do those charged with governance in the organisation promote a clear message in terms of having a zero tolerance of fraud?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> The Board/ SLT makes a clear statement that fraud committed against the organisation by anyone internal or external will not be tolerated and will be dealt with in the strongest way The Board/SLT champion counter-fraud work There is a clear tone set from the Board/SLT in respect of fraud and fraud risk The organisation has prepared an annual governance statement in accordance with proper practices which reflects the tone at the top in relation to fraud <p>Potential poor practice:</p> <ul style="list-style-type: none"> Management delegates this responsibility a to an operational or functional leader and there is no clear commitment and tone set from the top Counter-Fraud has a low priority and the benefits of counter-fraud work are not fully appreciated by the top tier 	<p>The Corporate Management Team make a clear statement that fraud committed against the organisation by anyone internal or external will not be tolerated. The Code of Conduct sets out standards that must be maintained and failure to comply may render an employee being liable to disciplinary measures. Section 12 of the Code of Conduct refers to fraud and corruption and the Councils Anti-Fraud and Corruption Policy.</p> <p>The Senior Management Assurance Statements (SMAS) form part of the governance assessment framework. Through the SMAS each Director responds to 20 good governance statements covering Fraud & Financial impropriety. The 20 assurance statements summarised by 9 categories showed an overall “strong application” of good governance across the assurance areas</p> <p>One of the Audit Committee’s terms of reference is to monitor the counter fraud strategy, actions and resources. The Committee meets at least bi-monthly. The Audit Committee receive an annual Anti-Fraud and Corruption review report, plus on-going internal audit reports at every meeting where any fraud risks would be highlighted, and management are required to respond promptly.</p> <p>The Councils zero tolerance policy towards fraud is explicitly set out within the Anti-Fraud and Corruption Policy and advice on preventing Bribery. Where there is sufficient evidence, appropriate action, including criminal proceedings, will be taken. Internal and external web pages reinforce this stance.</p> <p>The Council has prepared an Annual Governance statement in accordance with proper practices which reflects the tone at the top in relation to fraud. The SMAS are used as the basis for preparing the AGS which has been prepared in accordance with The Code of Practice on Local Authority Accounting.</p> <p>Whilst there is a clear message and tone set from the top regarding fraud risk, it would be more effective for the SMT to take a proactive role in promoting the consequences of fraudulent behaviour within their service areas. This could be done by ensuring that there is a recurring agenda item within their financial management meetings which would enable the SMT to promote the work of the Corporate Fraud team.</p> <p>The Corporate Risk Register also does not make reference to fraud risk and this could be raised as a recommendation for improvement. Whilst fraud risk is assessed by the Counter Fraud Team and ultimate responsibility lies with the S151 officer, Fraud Risk should also be included within the Corporate Risk Register.</p> <p>Discussions with the Head of Internal Audit confirmed that the Heads of Services often investigate fraud which can result in undocumented cases, however to address this risk, work is currently being undertaken to streamline the process and ensure</p>	<p>Those charged with governance promote a clear message that fraud committed against the Council will not be tolerated which is set out in the Code of conduct and various other policies.</p> <p>Whilst there is a clear message and tone set from the top regarding fraud risk, it would be more effective for the CMT to take a proactive role in promoting the consequences of fraudulent behaviour within their service areas. This could be done by ensuring that there is a recurring agenda item within their financial management meetings which would enable the CMT to promote the work of the Corporate Fraud team.</p>

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
		that any allegations are reported to the CFT to determine whether the fraud investigators need to investigate or whether the investigation may be completed by the client department.	
1.2 Does the organisation's senior leadership team and management actively promote the importance of a good anti-fraud culture?	<p>Expected good practice:</p> <ul style="list-style-type: none"> The top tier should drive an appropriate culture for tackling fraud set from top down with clear values and standards The tone at the top is reinforced through management cascading down the organisation The organisation builds confidence among employees that fraud is taken seriously, and action is taken to address fraud 	<p>The Senior leadership team and management ensure that the tone from the top promotes an anti-fraud culture, however they could take a more proactive role in reinforcing this message more regularly. There are various policies that refer to standards of behaviour expected from employees, however a recurring agenda item reinforcing the work of the CFT would be useful.</p> <p>The Council do build confidence among employees that fraud is taken seriously by having a designated section on the staff intranet to enable staff to report any fraud allegations. Also, the outcome of fraud investigations is publicly advertised which acts as a deterrent and builds awareness about the consequences of fraudulent behaviour.</p>	The SLT set a good tone from the top that fraud will not be tolerated, however they could take a more proactive role in actively promoting the message.
1.3 Are all staff required to attend fraud and ethics awareness training so that roles and responsibilities are clear?	<p>Expected good practice:</p> <ul style="list-style-type: none"> Fraud awareness has a high profile in the organisation and there is an acknowledgement that all staff have a role to play in preventing fraud The organisation conducts induction training covering fraud risks and also annual/periodic refresher training for all staff and elected members/independent members/ Non-executive directors. The effectiveness of training is confirmed through testing Training is updated to reflect emerging risks/ issues and trends <p>Potential poor practice:</p> <ul style="list-style-type: none"> No specific training or informal on the job training with no links to specific fraud risks 	<p>The Fraud Function continues to act as the hub for the receipt of Intelligence and Scam alerts from the National Anti-Fraud Network. Relative alerts are then circulated to the appropriate departments.</p> <p>The CFT delivered a Banking Fraud Awareness training event along with the councils Cash management Team and the banking partners to educate corporate users of potential scams and how to best safeguard themselves to these threats. The event was attended by nearly 70 people and within a short period of time led to users being able to better protect themselves against such threats.</p> <p>All new starters are required to complete a module on fraud risk/ awareness as part of their induction packs. Whistleblowing policy is also part of the induction. However, fraud training is not included within the mandatory training undertaken annually.</p>	All new starters are required to complete a module on fraud risk as part of their introductions, however fraud awareness training is not undertaken on an annual basis.
1.4 Does the organisation publicise proven frauds, and action taken in response to the frauds, both internally and externally as appropriate, to act as a deterrent?	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation publicises its proven fraud and the action taken in response to the frauds as a deterrent The organisation has internal and external publicity campaigns to promote the work of counter-fraud, and ensures that the counter-fraud webpage is kept up-to-date with relevant information and publicity 	<p>The CFT provide an annual report to the Audit Committee outlining the work undertaken summarising the types of cases that has been investigated but no sensitive details are provided. The Council must maintain a balance between upholding their reputation, but also reporting information publicly to act as a deterrent to the staff and public.</p> <p>The Head of Internal Audit and Comms team attend an agenda planning meeting ahead of the Audit Committee meeting to discuss any fraud allegations/ progress of investigations to foresee any potential queries that may arise and also to mitigate any sensitive information being disclosed in the presence of the media in attendance at the Audit Committee. As above, outcomes of some cases may result in warnings/reminders being issued by HoS or managers within certain departments/teams as a deterrent to others if fraud is uncovered/staff are disciplined etc.</p>	Proven frauds are publicised and taken to Audit Committee as part of the CFT annual report. This helps to ensure that the risk of fraud is reduced by acting as a deterrent for future allegations.

2. Does the organisation have a suitable structure and sufficient skilled resources to prevent and detect fraud?

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
<p>2.1 Does the organisation have a designated a senior individual with responsibility for counter-fraud work?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation has an officer with designated responsibility for counter-fraud who has the support of the board and Audit Committee The organisation invests in counter-fraud and buys in services if there is no capacity internally 	<p>The Chief Internal Auditor has designated responsibility for counter fraud and is supported by the Corporate Management team and Audit Committee. The Chief Internal Auditor delegates the responsibility for the counter fraud work to the Corporate Fraud Team (CFT), which was established in June 2015 and is made up two FTE's.</p> <p>Ultimate responsibility for detecting/ preventing fraud lies with the S151 officer (Head of Finance).</p> <p>The annual Fraud Action Plan is signed by the Corporate Management team and presented for approval to the Audit Committee.</p> <p>There are no services that are bought in, however there are joint working arrangements with Trading Standards, DWP & South Wales Police.</p>	<p>Yes- The S151 officer is the designated officer responsible for preventing and detecting fraud. The Council have appointed a designated team to investigate fraud allegations and are the experts when it comes to mitigating the impact of emerging fraud risks.</p>
<p>2.2 Does the organisation's designated/responsible individual with responsibility for counter-fraud work have the ability to influence the level of resources devoted to counter-fraud?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> The officer with responsibility for counter-fraud is able to influence decisions on staffing levels and actions 	<p>The ability to influence resources over staffing levels and actions are dependent on the nature of the complaint/ allegation raised. The ultimate responsibility in relation to the allocation of fraud resources lies with the S151 officer.</p> <p>Once it is determined that an allegation relates to fraud/ corruption then the matter is referred to the Section 151 officer and the Councils Anti-Fraud and Corruption Policy will be followed. The Council's Disciplinary Policy will be used in cases of employee misconduct such as any attempt to defraud the authority, which is treated as gross misconduct and may lead to dismissal.</p>	<p>Yes- The S151 officer has the authority to influence the level of resources devoted to Counter Fraud work. The amount of resources allocated to fraud work is</p>
<p>2.3 Does the organisation have a clear structure where the roles and responsibility in relation to counter-fraud are clearly set out?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> Organisation has a staffing structure with clear designation and clear lines of accountability and good internal communication in relation to counter-fraud The organisation has an appropriate tone from the top, operationally there are designated senior manager/managers responsible for ensuring that fraud risk is addressed and then line managers are responsible for ensuring that systems and processes are up to date. Counter-fraud staff should have a key role in advising senior managers of fraud prevention and detection measures e.g. assessing fraud risk, developing the annual audit plan of counter fraud work, communication/awareness raising 	<p>The Council have designated fraud investigators with clear responsibilities and clear lines of accountability. They report to the Chief Internal Auditor and are responsible for (but not limited to): -</p> <ul style="list-style-type: none"> Ensuring compliance with the CIPFA Code of Practice on managing the risk of fraud and corruption Proactively promote the aims of the Councils Anti-Fraud and corruption policy Developing and promoting the aims of the Councils anti-fraud and corruption policy Promote and anti-fraud culture across the Council Undertake an annual Fraud Risk Assessment to identify the areas of greatest risk and where resources should be targeted To ensure proper and reliable systems are in place to investigate all fraud referrals accepted for investigation to achieve sanctions and to minimise fraud and error. To co-ordinate the evaluation, distribution and monitoring of data matching exercises 	<p>Yes- The Council have a designated team in place to investigate fraud allegations. This helps to ensure that fraud prevention/ detection is more effective by enabling any concerns to be reported to the designated team.</p>

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
	<p>campaigns, evaluating arrangements, as well as undertaking investigations of fraud</p> <p>Potential poor practice:</p> <ul style="list-style-type: none"> Staffing structures are unclear and subject to frequent change and lines of accountability are blurred 	<ul style="list-style-type: none"> To offer formal cautions and administrative penalties in lieu of prosecutions to persons who are alleged to have committed Council Tax Support Scheme fraud. To develop and continually review the Investigators' manual and all relevant policies e.g. Anti-Fraud and Corruption Policy, Anti- Fraud Strategy, Prosecution Policy, Codes of Conduct. Preparation and delivery of fraud awareness training and materials to staff across the Council with particular emphasis on areas of greatest fraud risk. To develop partnership working with other departments and organisations where appropriate e.g. the Police, Single Fraud Investigation Service, Trading Standards <p>There is good internal communication in relation to counter fraud evidenced by the reports taken to Audit Committee. (e.g. Corporate Fraud Annual Report & Corporate Fraud Action Plan). This sets the tone from the top, which promotes a clear message in terms of having a zero tolerance of fraud. The Anti-fraud and Corruption Policy also clearly sets out the roles and responsibility in relation to counter fraud.</p> <p>There are no designated operational senior managers responsible for ensuring that fraud risk is addressed, however cases of suspected fraud should be referred to the CFT. The CFT and Chief Internal Auditor are currently working with HR/ CMT to try and ensure that all allegations are reported to the CFT as some departments may undertake their own investigation without the involvement of the CFT, which sometimes leaves cases unrecorded on the CFT case management spreadsheet.</p>	
<p>2.4 Has investment in counter-fraud been assessed based on the proportionately to risks? i.e. were the numbers of resources derived from a risk assessment?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> There is evidence that an organisation's investment in counter-fraud is based on an informed decision derived from a fraud risk assessment which highlights the risks and then determines the resources needed to address these risks. The organisation has an annual counter fraud plan where the programme of work is balanced <p>Potential poor practice:</p> <ul style="list-style-type: none"> Resources assigned to counter-fraud are based on what organisations can afford and not what is actually risk assessed/ needed 	<p>Prior to 2015, the Council employed a Housing Benefits Investigations team made up of 8 staff who were responsible for the fraud investigation work in respect of Housing Benefits, CT benefit and CT support scheme. The team were funded by grant from the Department of Work and Pensions (DWP). However, from June 2015, the DWP assumed responsibility for the investigations for HB and CT benefit fraud under the newly formed Single Fraud Investigations Service (SFIS). The 8 staff employed by the Council were offered the opportunity to transfer to SFIS under a TUPE arrangement and the DWP funding to the Council ceased.</p> <p>The transfer of the staff created a significant risk that fraud relating to Council Tax Support Schemes would be left investigated. All non-benefit fraud was undertaken by the Internal Audit Section as a reactive piece of work and therefore a proposal was put forward that a Corporate Fraud Team (CFT) should be established to maintain capacity and expertise in fraud investigations.</p> <p>The Business case for the Counter Fraud Team (dated 06/11/2014) proposed that the team should be made up of 3 members of staff (Team leader and 2 investigators). The rationale behind the</p>	<p>The CFT were established on a risk assessment basis due to the previous fraud investigators being transferred via a TUPE agreement to DWP. A business case was put forward which set out the rationale for the need at the time to have 3 Counter fraud officers to be able to sufficiently manage current & emerging fraud risk. However, 1 officer has since left, and the two remaining investigators are responsible for the operational aspect of the counter fraud work.</p>

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
		<p>proposal for setting up the CFT was derived from a risk assessment which set out the number of investigations carried out by the HB/CT fraud investigators in the 24 months prior to the SFIS development. It highlighted the potential enquiries that may arise and confirmed that the number of investigations undertaken in 2011-12 and 2012-13 was 784 and 621 respectively.</p> <p>Overall, the business case put forward justified the rationale for the staffing resources to be allocated to the newly formed CFT. Existing Audit staff have assisted Fraud Function staff as and when appropriate. Subject to available resources, this assistance will continue when needed. The caseload will continue to be monitored and if necessary, notwithstanding the overall resource constraints, the Section 151 Officer and Audit Committee will continue to give due regard to whether additional resource needs to be applied to the fraud function.</p> <p>The CFT develop an Annual Anti- Fraud Plan which covers the principles set out in the 'CIPFA Code of Practice on managing the risk of fraud and corruption'. This is signed by the Corporate Management Team and approved by the Audit Committee each year. The programme of work is balanced setting out the activity, detail and targeted outcomes.</p> <p>The Anti-fraud plan states that estimates published in the 'Annual Fraud Indicator 2017' and 'Fighting Fraud Locally– The Local Government Fraud and Corruption Strategy 2016-2019', and the CIPFA Fraud and Corruption Tracker Results 2018 suggest that fraud is committed in all organisations to varying degrees. Some areas that are considered to more at risk than others are:</p> <ul style="list-style-type: none"> • Council Tax Discounts • Council Tax Reduction • Grants • Housing Tenancy • Payments for Social Care • Procurement <p>Fraud Function resources are directed as appropriate and necessary throughout the year in response to the level of risk and investigation work required.</p>	
<p>2.5 Does the organisation have an annual programme of proactive counter-fraud work (i.e. fraud prevention work) which covers the risks identified in the risk assessment with ring fenced days for proactive work to be undertaken?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> • There is evidence that the organisation sets aside days in the work plan to dedicate to proactive counter-fraud work in an attempt reduce the likelihood of fraud happening e.g. dedicates resources raise the profile of the work within in the community and with other stakeholders e.g. leaflets, posters or undertaking proactive exercises in an attempt to detect cases of fraud that are not otherwise 	<p>The CFT have an Anti- Fraud plan in place which sets out the proactive work intended to be completed for the year, however majority of the work undertaken by the CFT is reactive. This is due to a lack of resource as stated in the Corporate Plan which also has an impact on the Councils Capacity to deal with the vast case load being referred to the team for assistance.</p> <p>There are no designated days that are ringfenced to undertake proactive fraud work, however there are 2 FTE's who are primarily responsible for dealing with all Fraud Allegations.</p>	<p>A plan setting out the proactive work intended to be completed by the Council is set out in the CFT anti-fraud plan. However, there are no ring-fenced days for proactive work to be undertaken given the limited resources much of the work completed is reactive.</p>

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
	<p>identified e.g. a proactive tenancy exercise, Council Tax Reduction Scheme</p> <ul style="list-style-type: none"> Prevention of fraud is often the most efficient way to make savings so stopping fraud from happening should be an aim 		
2.6 Does the organisation have or have access to experienced and trained counter-fraud staff with professional accreditation to undertake fraud investigations and counter-fraud work?	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation has or have access to competent, professionally trained and accredited counter fraud specialists to investigate suspected fraud. If this work is undertaken by Internal Audit teams those teams should be trained in this area <p>Potential poor practice:</p> <ul style="list-style-type: none"> Organisations use Internal Audit or other staff to undertake counter-fraud who have not had professional training 	<p>The Council have 2 Fraud Investigators who are professionally trained and Accredited Counter Fraud Specialists to investigate suspected fraud. The Accredited Counter Fraud Specialist programme is accredited by the Counter Fraud Professional Accreditation Board through the University of Portsmouth PINS (Professionalism in Security).</p> <p>The course contents are broken down into eight core modules, which are as follows:</p> <ul style="list-style-type: none"> (Pins 1): Legislation (Pins 2): Liaison, Intelligence Organisation and Planning (Pins 3): Directed Surveillance (Pins 4): Photographic and Video Evidence (Pins 5): Investigative Interviewing (Pins 6): Rules of Disclosure (Pins 7): Court Procedures (Pins 8): Conversation Management 	Yes- The fraud investigators have accredited qualifications which helps to make sure that fraud prevention and detection are effective.

3. Does the organisation have a sound policy framework to support effective counter-fraud arrangements?

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
3.1 Does the organisation have a counter-fraud strategy in place to address identified risks which is communicated across the organisation and is overseen by those charged with governance?	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation has an up to date counter-fraud strategy that sets out its approach to managing fraud risks and defines responsibilities for action The strategy has been communicated to staff and is readily available to all staff as a reference document An effective strategy includes both proactive and responsive approaches and highlights the use of joint working partnerships to manage risks where appropriate The strategy should be cross referred to other related policies i.e. code of conduct, whistleblowing and fraud response plan The strategy is reviewed regularly to take account of changes in the organisation and the changing fraud environment The strategy is scrutinised and signed off by the counter-fraud expert, 	<p>The Council have an Anti-Fraud Plan that is reported to the Audit Committee. The plan sets out both proactive and reactive work. The progress against the set plan is reported in the Corporate Fraud Annual Report and presented to the Audit Committee. The Anti-Fraud plan is reviewed and updated annually to consider changes in The Council and the changing fraud environment.</p> <p>The Annual Fraud Indicator 2017, Fighting Fraud Locally – The Local Government Fraud and Corruption Strategy 2016-2019 and the CIPFA Fraud and Corruption Tracker Results 2018 suggest that fraud is committed in all organisations to varying degrees. Areas of particular risk highlighted in the reports are: -</p> <ul style="list-style-type: none"> - Council Tax Discounts - Council Tax Reduction - Grants - Housing Tenancy - Payments for Social Care - Procurement <p>The Anti-Fraud Plan is based on the identified high-risk areas above. The CFT assume responsibility for investigating all fraud/</p>	The Council have a counter fraud strategy in place which is overseen by those charged with governance. However, it would be more effective to include fraud risk within the corporate risk register to ensure that the risk is highlighted and disseminated across the organisation.

	<p>management and Audit Committee/Board</p>	<p>corruption allegations. The Council prepare an Annual Anti-Fraud Statement which is communicated to those charged with governance. The Anti-Fraud Statement defines Corporate, Councillor, Manager, Employee, Contractor, Internal Audit & the General Public responsibilities in respect of fraud.</p> <p>Senior managers have access to the fraud action plan, but this is not readily publicised to operational staff. The anti-fraud action plan sets out both proactive and responsive approaches.</p> <p>Related policies such as the code of conduct, whistleblowing and fraud function plan refer to fraud and what you should do in response to the identification of fraud.</p> <p>The Anti-fraud action plan is signed off by chief internal auditor, corporate management team and audit committee.</p>	
<p>3.2 Does the organisation have a code of conduct which sets out clearly for employees and contractors which behaviours are acceptable and unacceptable and includes a section for reporting and addressing conflicts of interests?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> • There is a Code of Conduct in place which sets out standards expected by employees and contractors and highlights that unethical behaviours will lead to disciplinary action • Organisation policies and procedures support the counter-fraud strategy • All staff are required to sign up to the requirements of the Code. • Code of Conduct and related policies are regularly reviewed, communicated to employees and contractors, signed off by managements / audit committee and tested to ensure there are no gaps <p>Potential poor practice:</p> <ul style="list-style-type: none"> • Limited procedural guidance 	<p>The Council has in place a Code of Conduct which sets out standards expected by employees and contractors and highlights that unethical behaviour will lead to disciplinary action. Para 1.3 of the Code of Conduct states that "Failure to observe any provision of the Code of Conduct may render an employee liable to disciplinary measures and depending on the circumstances may be viewed as misconduct or gross misconduct under the Council's Disciplinary Policy."</p> <p>There is also referenced to reporting and addressing conflicts of interests, particularly for secondary employments, memberships and sponsorships.</p> <p>Whilst the scope of the policy applies to all staff, there is limited procedural guidance or reference to anti-fraud procedures. The only reference made to the Anti-Fraud and Corruption Policy within the Code of Conduct is within para 12.1 which relates to staff receiving any gift, loan, fee, reward or advantage corruptly.</p> <p>The latest version of the Code of Conduct is dated 29/11/2016 which reflected updates to the ICT acceptable use policy in para 10.13 and 15.8. The Council monitors the application of the policy and has discretion to review it at any time through the appropriate consultation mechanisms.</p> <p>Responsibility for the implementation, monitoring and development of the policy lies with the Head of Human Resources. Day to day operation of the policy is the responsibility of nominated officers who will ensure that this policy is adhered to.</p>	<p>Yes- the Code of Conduct sets out standards expected by employees and contractors, however there is a limited reference to anti-fraud procedures.</p>
<p>3.3 Does the organisation have whistle blowing arrangements in place that clearly signpost the mechanisms for reporting fraud to both staff and external parties?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> • An organisation has whistleblowing arrangements in place to ensure that staff and external parties have the confidence to raise concerns. 	<p>The Council have a Whistleblowing policy in place which applies to all employees other than those in educational establishments with delegated powers. The policy also applies to all contractors working for the Council on Council premises, for example, agency staff, builders and drivers. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example care homes.</p>	<p>Yes- The Council have a whistle blowing arrangements in place that clearly signposts the mechanisms for reporting fraud to both staff and external parties</p>

	<ul style="list-style-type: none"> The whistle blowing arrangements are monitored for take up to demonstrate that suspicions have been acted upon The whistleblowing policy sets out clear mechanisms to raise concerns confidentially about matters including fraud Contractors and third parties also have to sign up to these policies <p>The policy covers:</p> <ul style="list-style-type: none"> Clear process for raising concerns; Assurances about confidentiality; Clear procedures on how the concerns will be handled including how and with who staff, and external parties should raise concerns about fraud; Reassurance that the employees will not be victimised for raising concerns The policy is reviewed periodically to ensure continued effectiveness Numbers of disclosures (including zero activity) are reported to top management and/or an appropriate scrutiny committee 	<p>Section 9 of the policy sets out clear mechanisms to raise any concerns confidentially. Para 9.2 and 9.4 makes specific reference to cases of known or suspected fraud and how the allegation can be reported to the Corporate Fraud Team.</p> <p>The latest version of the Whistleblowing Policy is dated August 2016 which was revised due to changes in the Corporate Fraud Team. The Council monitors the application of the policy and has discretion to review it at any time through the appropriate consultation mechanisms.</p> <p>Responsibility for the implementation, monitoring and development of this policy lies with the Head of Human Resources. Day to day operation of the policy is the responsibility of nominated officers who will ensure that the policy is adhered to.</p> <p>The Whistleblowing policy covers: -</p> <ul style="list-style-type: none"> - Clear processes for raising concerns (Section 9) - Assurances about confidentiality (Section 7) - Clear procedures on how the concerns will be handled including how and with who staff should raise concerns about fraud (Section 9 & 11) - Reassurance that employees will not be victimised for raising concerns (Section 4) - The policy is reviewed periodically to ensure continued effectiveness (Section 13) 	
<p>3.4 Does the organisation undertake pre-employment screening by risk assessing posts and undertaking checks to minimise the risk of employing dishonest and unethical staff?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation undertakes pre-employment screening through various checks e.g. CRB to minimise the risk of employing dishonest and unethical staff 	<p>The Council require all new staff to provide 2 referee's which are obtained direct from the referee via email. The Council will not issue a start date until both references have been received and verified. The references will be reviewed to identify any issues relating to dishonest or unethical staff.</p> <p>Staff working with Children or Vulnerable Adults require a DBS check to be completed prior to employment. Any issues arising would require an addition pre employment interview to discuss the issues that have been highlighted as part of the DBS clearance process.</p> <p>All Social Workers and some Care workers are required to be registered with Social Care Wales. The Council have access to the Social Care register which would be checked as part of the pre-employment checks process.</p> <p>This confirms that the pre-employment screening is undertaken to minimise the risk of employing dishonest or unethical staff.</p>	<p>Yes- all new starters are required to have 2 suitable references and for those who will work with vulnerable people, a DBS check must be completed.</p>
<p>3.5 Does the organisation hold a register of interests ?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation establishes and maintains a register of interest which is updated regularly to indicate staff and members interest. 	<p>The Council establishes and maintains a register of interest which is updated regularly to indicate staff/ member interests.</p> <p>Discussions with the Head of Democratic Services has confirmed that Councillors have a duty under the Councillors Code of</p>	<p>Yes- The Council maintain a register of interest which helps with ensuring that fraud risk is detected by establishing whether there are any material interests which could lead to staff and others colluding.</p>

	<ul style="list-style-type: none"> The register is compared against schemes of delegation for approving expenditure 	<p>Conduct to make declarations within 28 days of any change in interests. The duty is solely on them as Councillors however, the Democratic services team send an email every two months to remind Councillors of their duty to declare any interest/ changes in circumstances.</p> <p>The declaration of interests have been viewed as part of the Final Accounts audit and no issues were identified. The declaration of interest form is taken from the Councillors Code of Conduct set by the Public Service Ombudsman.</p> <p>Officers declarations are governed in-house by the Council Procedure rules (Section 16.5) and the Officers Code of Conduct (Para 10.10).</p>	
<p>3.6 Does the organisation have an information security policy in place including cyber security?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> Related policies are reviewed annually/ periodically, communicated to employees and contractors/agents/consultants, signed off by managements / audit committee and tested to ensure there are no gaps Policies should be clear, practical, accessible, effectively implemented and enforced. Related policies covers all personnel, including all levels and grades, those permanently employed, temporary agency staff, contractors, non-executives, agents, Members (including independent members), and consultants. 	<p>The Council have an ICT Security Policy in place which was last updated in June 2019. Section 2 of the policy sets out the key roles and responsibilities which covers all personnel. The Senior Information Risk Owner (SIRO) is responsible for information security within the Council and will act as a champion. The SIRO is the owner of the policy and will identify and manage any risks whether internal or external via the information risk register.</p> <p>The Data Protection Officer (DPO) is responsible for ensuring that all systems and controls are in place so The Council, including its managers and employees, comply with their obligations under the latest data protection legislation.</p> <p>The policy is clear setting out high-risk areas and associated procedures to be followed. The policy covers: -</p> <ul style="list-style-type: none"> - Physical and environmental security - Network and desktop security - Information assets - Mobile and agile assets - Cyber Security - Clear screen and desk initiative - Email encryption - Cloud storage - Reporting breaches of data - Related ICT policies such as the non-disclosure agreement and network access protocol. <p>Whilst the ICT Security Policy is thorough, no reference is made to suspected fraud and associated fraud allegation procedures. Therefore, the ICT Security policy is ineffective in supporting counter fraud arrangements.</p>	<p>Yes- The Council have a thorough information security policy in place which also covers cyber security. This helps to make fraud prevention more effective by implementing internal controls to prevent unauthorised access to systems.</p>
<p>3.7 Does the organisation have an anti-bribery and corruption policy in place which includes due diligence arrangements?</p>		<p>The Anti-Fraud and Corruption policy (last updated in December 2016) makes reference to Bribery, setting out behaviour that is unacceptable including accepting, requesting or offering financial or other reward from any person in return for providing some favour.</p>	<p>Yes- The Council have an anti- fraud policy in place which covers bribery.</p>

		<p>Para 5.3 of the policy states that the Council aim to demonstrate it has adequate procedures by addressing due diligence procedures.</p> <p>The policy applies to all Councillors and to all employees, except those based in Educational establishments with delegated powers. Members of the public are also encouraged to report concerns by means of the Council's Complaints Procedure and / or the Corporate Fraud Team (CFT).</p> <p>The Council monitors the application of the policy and has discretion to review it at any time through the appropriate consultation mechanisms.</p> <p>Responsibility for the implementation, monitoring and development of the policy lies with the Head of Human Resources. Day to day operation of the policy is the responsibility of nominated officers who will ensure that this policy is adhered to.</p>	
<p>3.8 Does the organisation maintain a register of gifts and hospitality and are staff made aware of the need to register any gifts and hospitality received?</p>		<p>All Councillors must complete and regularly review their Register of gifts and hospitality on an Annual Basis.</p> <p>Council Procedure Rule 16.4 of the Council Constitution places a personal duty upon Councillors to declare any gift or hospitality of more than £25 in value that a Councillor has received either for him/herself or for the Authority within 28 days. Failure to do so, is treated as a breach and can be reported to the Public Services Ombudsman for Wales.</p> <p>Gifts / Hospitality received include Tickets received from the Authority i.e. for the Liberty Stadium, Grand Theatre, Fireworks Display, Big Weekend etc.</p>	<p>Yes- The Head of Democratic services maintains a register of gifts and sends regular reminder emails to senior officers/ councillors of their duty to report any gifts above £25 within 28 days of receipt.</p>

4. Does the organisation undertake an effective fraud risk assessment together with appropriate responses to emerging issues?

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
<p>4.1 Does the organisation undertake a regular and comprehensive fraud risk assessment which is shared and discussed with the Board/Senior Management Team/Audit Committee?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation has carried out a thorough risk assessment in the last two years to provide an honest appraisal of risk and resources needed to tackle the risks identified The assessment of risk is based on known fraud risks, benchmarking and internal brainstorming The fraud risk assessment is reviewed by Audit Committee/ SLT <p>Potential poor practice: Assessments either not carried out at all or they are prepared but have the following pitfalls;</p> <ul style="list-style-type: none"> Risks identified are too generic so actions to mitigate the risks cannot be formulated Not using an expert Assessments viewed as a one off event and not updated annually Information and data hard to interpret and understand Results not acted upon Too many risk assessments being performed on a piecemeal basis and not linked in/joined up/communicated 	<p>The CFT perform regular and comprehensive fraud risk assessments and this is reflected within the Counter Fraud Action Plan which is reported to the Audit Committee. However, fraud risk is not assessed on a Senior Management Level as part of the Corporate Risk Register.</p> <p>Nevertheless, the Senior Management Team provide 'Senior Management Assurance Statements that is used as the basis for preparing the Annual Governance Statement which covers Fraud and Financial Impropriety. This provides assurance on the following: -</p> <ul style="list-style-type: none"> - Level of robust controls in place to prevent and promptly detect fraud, bribery and corruption - Whether all frauds and suspected financial irregularities are referred to the Head of Finance, Internal Audit and CFT in accordance with Financial Procedure Rule 12. 	<p>The CFT perform regular and comprehensive fraud risk assessments and this is reflected within the Counter Fraud Action Plan which is reported to the Audit Committee. However, fraud risk is not assessed on a Senior Management Level as part of the Corporate Risk Register.</p>
<p>4.2 Does the organisation consider fraud risk as part of the overall risk management process?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation considers and identifies fraud risks. This is could be done through fraud risk workshops, self-assessments or external fraud review The risk of fraud features in department/ corporate risk registers A fraud matrix is used to assess whether the risk is high medium or low. The level of risk often determines the level of intervention needed to mitigate the risks There is good linkage between corporate and departmental risk registers There is regular updating to risk registers to reflect current issues Prevention of fraud features prominently within the organisations risk management framework <p>Potential poor practice:</p> <ul style="list-style-type: none"> There is no organisation wide risk management system Fraud risks do not feature as part of the risk management process 	<p>The Council have not included fraud risk within the Corporate Risk Register which is overseen by the Senior Management Team and therefore have not considered Fraud risk as part of the overall risk management process.</p>	<p>No- Fraud risk is not included within the Corporate Risk Register and therefore excluded from the central risk management process.</p>
<p>4.3 Does the organisation consider fraud risk at the</p>	<p>Expected good practice:</p>	<p>All Contract Procedure rules, Financial Procedure Rules and Accounting Instructions ensure that fraud risk is considered at the</p>	<p>Yes- Fraud risk is considered at the system design stage of new policies. The Chief Internal Auditor has the opportunity to provide comments on any</p>

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
system design stage in order to 'fraud proof' policies and systems?	<ul style="list-style-type: none"> The organisation has considered fraud risk for all its systems and has looked at how to prevent and detect fraud in the system and has 'fraud proofed' its procedures in key areas e.g procurement, payroll, creditors. Counter-fraud/internal audit staff are consulted to fraud proof new policies, strategies and initiatives across departments 	<p>system design stage via checks and balances, dual authorisations, system access controls, password protection.</p> <p>When policies are reviewed, The Chief Internal Auditor is consulted to provide input to ensure that the risk of fraud is accurately reflected in the policies.</p>	updates made to policies where fraud risk/ internal controls are also assessed.

5. Does the organisations internal control environment support effective arrangements for preventing and detecting fraud?

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
5.1 Has the organisation's internal controls been designed and tested to address identified fraud risks and help prevent fraud occurring?	<p>Expected good practice:</p> <ul style="list-style-type: none"> There should be controls in place to prevent fraudsters from assessing systems and prevent losses. It is more cost efficient to prevent losses rather than suffer the losses after the event The Annual Governance Statement should provide assurances from management over the effectiveness of the system of internal controls in mitigating fraud risks 	<p>The Councils internal Audit team regularly review/ test internal controls and provide recommendations for improvement when there are any failures in controls that have been identified.</p> <p>The Council had various external company reviews to provide assurance on systems/controls which help to prevent fraud occurring: -</p> <p>1) Cyber Essentials Plus Assessment Report</p> <p>Assessed by Gaia Technologies Plc dated 29/05/2019 which is the audited version of the Cyber Essentials Information security standard. Cyber Essentials requires organisations to have several technical and procedural controls in place to improve their information security in order to mitigate common internet-borne cyber-attacks. The assessor concluded that the Council passed the required tests and were awarded the Cyber Essentials Plus Certification.</p> <p>The testing undertaken included the following:</p> <ul style="list-style-type: none"> - Test 1 Remote vulnerability patching - Test 2 Review of device patching - Test 3 Review of malware protection - Test 4 Review of protection against malware sent by email - Test 5 Review of protection against malware delivered through a website. <p>2) Public Services Network (PSN)</p> <p>This Public Services Network (PSN) connection compliance certificate was issued on 17/04/2019 which shows that The Council successfully demonstrated that the infrastructure is sufficiently secure to enable connection to the PSN.</p>	<p>Yes- the internal audit team undertake annual fundamental audits of internal controls which have been designed/ tested to prevent fraud from occurring.</p> <p>The Council also have accredited certifications from external companies to provide assurance over the cyber security control environment.</p>

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
<p>5.2 Does internal audit look at fraud risks and test controls designed to prevent and detect fraud as part of its annual programme of work?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> • There is a specific reference to fraud risk in the internal audit work programme. • Internal audit look specifically at fraud risks when they review the policies, procedures and internal controls. • The internal audit plan is risk based and known risks are taken into account in scoping audit programmes • All key systems are covered on a rolling basis • There is a well-planned local programme of counter-fraud work 	<p>There is no specific reference to fraud risk in the internal audit work programme. The Internal Audit team look to identify weaknesses in control that could lead to a fraud occurring.</p>	<p>Internal audit review and test internal controls, however there is no specific reference to fraud risk detection in the internal audit work programme.</p>
<p>5.3 Does the organisation act on recommendations to strengthen controls if internal controls are found to be not operating as well as intended and learn lessons from fraud incidents?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> • There is a track record of action being taken quickly if internal controls are found not to be performing as well as intended. For example, by internal audit, external audit, NFI • Where a fraud has occurred, there is evidence of post event learning where an organisation looks at how the fraud occurred and possible trends in order to learn from this and minimise future incidents. <p>Potential poor practice:</p> <ul style="list-style-type: none"> • Recurring audit recommendations • There is no evidence that an organisations learns lessons from frauds that occur 	<p>Internal Audit maintain a Fundamental Audits Recommendations Tracker which provides a summary of the recommendations made and identifies whether the agreed recommendations have been implemented. This tracker is taken to Audit Committee quarterly for review and discussion of progress made against recommendations made.</p> <p>Fundamental Audits are undertaken by the Internal Audit Team annually. They review systems that are fundamental to the achievement of the Councils objectives and these are listed below: -</p> <ul style="list-style-type: none"> • Main Accounting System • Fixed Assets • Housing and Council Tax Benefit • Council Tax • NNDR • Cash • Accounts Payable • Accounts Receivable • External Investments and Borrowing • Pension Fund Investments • Employee Services (Payroll) • Pensions Administration • Teachers Pensions • Housing Rents <p>In 2018/19 46 recommendations were made, of which 74% had been implemented by 30/09/19 when it was reported to the Audit Committee.</p> <p>Any recommendations that are not/ partly implemented are followed up with an agreed action plan and implementation date with a dedicated Council officer.</p> <p>Whilst the recommendations tracker helps to ensure that internal controls are strengthened, they are not necessarily in relation to fraud incidents identified. The fundamental audits are undertaken</p>	<p>Yes- all recommendations are monitored and tracked to ensure that they have been implemented.</p>

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
		on systems to ensure that CPR are being implemented at a high level. The CFT maintain a register of fraud incidents and use this register to perform a risk assessment when preparing their annual fraud action plan.	
5.4 Does the organisation regularly use data analysis/matching (outside NFI) to validate data and detect potentially fraudulent activity?	<p>Expected good practice:</p> <ul style="list-style-type: none"> Organisations undertake data matching which involves comparing sets of data within or across organisations in order to highlight inconsistencies which can be used to help prevent and detect fraud <p>(NB: NFI will be picked by the study team so auditors are asked to capture other arrangements outside of NFI)</p>	The Benefits Team use Data tank which is a database used to identify duplicates in single persons discounts which helps to detect potentially fraudulent activity. However, the CFT or other teams do not use any other forms of data analysis/ matching outside the NFI to identify inconsistencies to help detect fraudulent activity.	The Benefits team use Data Tank to establish any fraud risk in single persons discount, however no other data analysis/ matching exercise is used.
5.5 Are weaknesses revealed by instances of proven fraud and corruption scrutinised carefully and fed back to departments/teams to fraud proof systems?	<p>Expected good practice:</p> <ul style="list-style-type: none"> Where cases of fraud have been identified the weaknesses behind these frauds and have been scrutinised and fed back to departments to fraud proof systems 	Where fraudulent activity is identified it is usually the case that staff are not adhering to already known controls and protocol. In these instances, staff are reminded of the expected adherence when necessary.	Yes- weaknesses revealed by instances of proven fraud are fed back to teams and recommendations for improvement will be raised and tracked for implementation.

6. Does the organisation have an appropriate response to fraud?

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
<p>6.1 Does the organisation have an appropriate fraud response plan that is communicated to all staff which makes clear that all allegations of fraud will be investigated?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation has a Fraud Response Plan which provides direction to staff, third parties and members of the public who wish to raise their concerns about suspected fraud and gives a framework to follow in responding to allegations of fraud <p>The fraud Response plan includes the following areas:</p> <ul style="list-style-type: none"> outlines the entire fraud investigation process clearly defines the roles and responsibilities of senior management and others involved in the investigation process; outlines procedures for securing evidence and undertaking interviews; sets out arrangements for dealing with staff under suspicion; includes arrangements for when, and how, to contact the police; commit to pursuing the full range of sanctions – disciplinary, regulatory, civil and criminal; makes clear that recovery action will be taken in relation to all fraud losses; clarifies how lessons learned from frauds will be used to strengthen controls to prevent recurrence <p>The plan should be communicated to staff so that all are aware of the process that should be followed</p>	<p>There is no specific fraud response plan in place at Swansea Council. Section 6 of the Anti-Fraud and Corruption Policy makes reference to how the Council will respond to a fraud allegation. However, there is no specific outline of the entire fraud investigation process, clearly defined responsibilities of senior management involved in the investigation process, outline procedures for securing evidence/ undertaking interview, clarification of how lessons learned from frauds will be used to strengthen controls to prevent recurrence etc.</p> <p>Discussions with the CFT confirmed that each fraud allegation is dealt with on a case by case basis. Due to the varied nature of each allegation there is no specific outline policy that is available to staff/ members.</p> <p>There are numerous online reporting tools which states that the information provided will be treated with strict confidence. The Council commit to evaluating the information and to take appropriate action as necessary. The Council website also states that they are unable to provide updates on individual cases due to a potential breach of the General Data Protection Regulations 2018.</p>	<p>No- there is no specific fraud response plan in place at Swansea Council. Section 6 of the Anti-Fraud and Corruption Policy refers to how the Council will respond to a fraud allegation.</p>
<p>6.2 Does the organisation take action to ensure that allegations of fraud, including anonymous allegations are assessed in line with the fraud response plan?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation monitors that allegations are actually assessed in line with the plan 	<p>The Council have an Anti-Fraud Plan in place which sets out the proactive work they intend to complete, however there is no specific policy in place which sets out the fraud response plan to allegations raised.</p>	<p>All fraud allegations will be investigated, however there is no set policy in place about how the investigation will take place.</p>
<p>6.3 Does the organisation have documented procedures in place for conducting fraud investigations which follow proper professional practice?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation has procedures in place for fraud investigations detailing the processes that should be followed The organisation has a clear criteria to determine those cases that should be investigated There are procedures setting out when and how to involve the police 	<p>The Council have not got documented procedures in place for conducting fraud investigations.</p> <p>The Corporate Fraud Team assess each fraud allegation on a case by case basis. The cases are risk assessed and prioritised accordingly.</p>	<p>No- The Council have no documented procedures in place for conducting fraud investigations which follow proper professional practice.</p>
<p>6.4 Does the organisation effectively investigate</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> Investigations should follow the agreed procedures 	<p>The Council have not got documented procedures in place for conducting fraud investigations. The Anti-Fraud and Corruption</p>	<p>No- The Council have no documented procedures in place for conducting fraud investigations which follow proper professional practice.</p>

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
allegations of fraud in line with their procedures?	<ul style="list-style-type: none"> The investigation is undertaken by trained/qualified staff Investigations are carried out in accordance with the fraud response plan Investigations are undertaken in a timely manner 	<p>Policy states that all cases will be investigated, however it does not set out how the investigation will be conducted.</p> <p>The Corporate Fraud Team assess each fraud allegation on a case by case basis.</p>	
6.5 In responding to proven fraud, does the organisation consider the full range of possible sanctions e.g. disciplinary, regulatory, civil and criminal?	<p>Expected good practice: Having a range of options which allows for an appropriate response when determining which sanctions to apply e.g.</p> <ul style="list-style-type: none"> Disciplinary sanctions - when breaches of employment have occurred Regulatory sanctions - when an offender is a person who falls under a professional regulator Civil Sanctions- where recovery of losses can be applied Criminal Sanctions - where there is prosecution 	<p>The Council's Anti-Fraud and Corruption Policy states that The Council will deal swiftly and thoroughly with any employee who attempts to defraud the Council or who is corrupt. The Council will be robust in dealing with financial malpractice. In all cases where financial loss has been suffered by the Council, it will seek to recover such losses.</p> <p>The Corporate Fraud Annual Report 2018-19 confirmed that although there was a decrease in the number of cases investigated in 2018/19, the number of sanction outcomes increased. 8 cases were referred to the Crown Prosecution Service with 5 being prosecuted (2 cases in 17/18) and 4 Administrative Penalties in lieu of prosecution were offered and accepted (2 in 17/18). The value of overpayments realised decreased to £203,019.69 from £290,685.17 in 17/18, but that is reflective of the decrease in cases investigated.</p>	Yes- The full range of possible sanctions will be considered when responding to fraud, which helps to ensure that fraud prevention arrangements are effective.
6.6 Does the organisation seek redress including recovery of assets and money where possible?	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation applies sanctions in response to fraud and seek recovery of losses to help send out a message and act as a deterrent 	Yes- see comments in question 6.5	Yes- The Council seek redress including recovery of assets and money where possible
6.7 Does the organisation have an appropriate case management system to record and monitor the progress of potential fraud cases?	<p>Expected good practice: The system enables relevant information to be included for reporting purposes such as:</p> <ul style="list-style-type: none"> how the fraud occurred how the fraud was discovered the case progress the outcome of the investigation the cost or adverse impact upon the organisation the details of any police involvement the status of cases passed other agencies summary of sanctions and losses recovered actions taken to improve the control environment <p>The system is only accessed/amended by authorised individuals</p>	<p>The Council maintain an internal case management spreadsheet to record/ monitor the progress of any fraud allegations.</p> <p>The system enables relevant information to be included for reporting purposes and form the basis for preparing the Corporate Fraud Annual report (Appendix 1- Overview of activities for 2018-19) which is reported to the Audit Committee annually.</p> <p>The spreadsheet is password protected and can only be accessed by authorised personnel. (i.e. CFT and Chief Internal Auditor)</p>	Yes- the Council maintain an internal spreadsheet to record/ monitor the progress of any fraud allegations. The system enables relevant information to be included for reporting purposes and form the basis for preparing the Corporate Fraud Annual report
6.8 Does the organisation collaborate externally and work with others to tackle fraud i.e. do they work with national, regional and local	<p>Expected good practice:</p> <ul style="list-style-type: none"> The organisation actively seeks to break down the barriers to collaboration and information sharing and has examples of joint working to identify common threats 	<p>The Council currently have joint working arrangements with DWP, South Wales Police and Trading Standards.</p> <p>There is evidence to suggest that the Council actively seek to break down the barriers to collaboration and information sharing</p>	Yes- The Council work with DWP, South Wales Police and trading standards. This helps to reduce fraud occurring by enabling collaborative work to share knowledge and expertise.

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
<p>partnerships and networks to ensure that they know about current fraud risks and issues, can share knowledge and data and have access to wider intelligence and tools?</p>	<p>and pool knowledge and expertise to tackle fraud and share good practice both internally and externally</p> <ul style="list-style-type: none"> The organisation has protocols in place to facilitate joint working and intelligence sharing with outside bodies e.g. memorandum of understanding setting out arrangements in place for sharing data The organisation seeks out opportunities to share resources work across boundaries and share skills The organisation shares good practice or problem areas in relation to counter-fraud to promote learning within the sector and cross sectors There is evidence that the organisation applies the learning through collaboration to help inform risk assessments <p>Potential poor practice:</p> <ul style="list-style-type: none"> Organisations do not collaborate with external organisations in the fight against fraud and hence do not have a way to share good practice or risk areas in order to promote learning and gain efficiencies. No formalised arrangements just sporadic <p>(NB: NFI will be picked by the study team so auditors are asked to document the examples of external collaboration outside of NFI)</p>	<p>with examples of joint working to identify common threats and pool knowledge/ expertise to tackle fraud and share good practice internally or externally. This is evidenced by The Councils association/ information sharing with the following:</p> <ul style="list-style-type: none"> Members of NAFN (National Anti-Fraud Network) Members of TFF (Tenancy Fraud Forum). Members of the Wales Fraud Officers Group. Members of the Local Organised Crime Board Members of the Wales Fraud Forum Participation in NFI (National Fraud Initiative). Has links to CIPFA (Chartered Institute of Public Finance & Accountancy). Dialogue with the WAO (Wales Audit Office). Attendance at the Welsh Chief Auditors Group. <p>Due to concerns raised mainly by Local Authorities (LA's) regarding potential loss of local knowledge, reduced information sharing, and Council tax Reduction (CTR) offences either not being investigated, or LA's undertaking a separate investigation alongside SFIS investigations, the Government introduced a joint working pilot. Swansea Council were the sole Welsh Authority to take part in that pilot which ran from November 2015 to May 2017.</p> <p>On completion of the pilot, the Government concluded that joint working "Protects the integrity of the Welfare Benefit, Tax Credits, and Local Government systems" and therefore the National roll-out commenced 28th April 2019. Swansea is one of 9 of the 22 Welsh Authorities currently undertaking joint investigations with the DWP.</p> <p>The CFT played a senior command and intelligence role with South Wales Police in relation to Operation Timmea, an investigation into a series of serious and aggravated burglaries in South Wales and beyond. During 2018-19, the CFT Handled 435 requests for information from a raft of other government agencies.</p> <p>During 2018/19 the team has continued to develop its role in inter-agency working and data exchange. Staff have attended regular meetings and shaped the development of the Local Authority Welsh Anti-Fraud Officers group e.g. Uniformity in employee investigations.</p> <p>Staff have also attended regular inter agency meetings with other government agencies tackling organised crime and hosted a meeting of the multi-agency Local Organised Crime Board.</p>	

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
6.9 Does the organisation have access (through partnership/other organisations/or funds to buy in) to specialist fraud investigation teams e.g. Surveillance, Computer forensics, Asset recovery, Financial investigations?	<p>Expected good practice:</p> <ul style="list-style-type: none"> Organisation has access to specialist resources that they can call on to assist them in certain cases 	<p>CFT undertake internal surveillance. In cases where further resources are needed then the team would receive assistance from other internal investigation teams. Trading standards have two accredited financial investigators who assist with POCA investigations which includes asset recovery.</p> <p>The CFT buy in computer forensic expertise where necessary.</p>	N/A- The Council have designated Counter Fraud investigators, however where necessary the designated officers will use external resources where necessary specifically for forensic expertise where necessary.

7. Does the organisation have proper reporting and scrutiny in place to ensure its counter-fraud culture and framework is operating effectively?

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
7.1 Does the organisation keep a record of fraud losses and recoveries?	<p>Expected good practice:</p> <ul style="list-style-type: none"> Organisation maintains a log/register/database/spreadsheet of potential losses in order to understand the scope of the challenge and measure performance Organisation has an agreed methodology to ensure that losses from fraud can be estimated on a consistent basis and support a more accurate risk assessment Organisation shares this information internally and externally to aid comparison Organisations have set objectives and targets for counter-fraud work and monitor performance <p>consider whether the organisation has a view of what good performance is in relation to counter -fraud i.e. do they consider that it is lots of fraud cases being identified, or do they consider it to be no frauds found)</p>	<p>The Council maintain an internal case management spreadsheet to record/ monitor the progress of any fraud allegations. The spreadsheet is password protected and can only be accessed by authorised personnel. (i.e. CFT and Chief Internal Auditor)</p> <p>The system enables relevant information to be included for reporting purposes and forms the basis for preparing the Corporate Fraud Annual report (Appendix 1- Overview of activities for 2018-19) which is reported to the Audit Committee annually.</p> <p>Losses from fraud are only recognised based on actual savings/ recoveries made. The Council actively do not estimate losses caused from fraud due to the subjective nature of the estimates being used. The Council base their risk assessment of fraud on published fraud risk studies and areas where fraud had been identified in prior years.</p> <p>The Council set out their objectives in the Anti-Fraud Plan and report their performance against the set objective in the Corporate Fraud Annual report. This information is shared with the audit committee and is available internally and externally as it is published on the Council's website.</p>	The Council maintain an internal case management spreadsheet to record/ monitor the progress of any fraud allegations. The system enables relevant information to be included for reporting purposes and forms the basis for preparing the Corporate Fraud Annual report (Appendix 1- Overview of activities for 2018-19) which is reported to the Audit Committee annually.
7.2 Does the organisation's Audit Committee take a proactive role with respect to fraud prevention and take an active role in promoting an effective counter-fraud culture?	<p>Expected good practice:</p> <p>The Audit Committee;</p> <ul style="list-style-type: none"> Takes an active role and promotes counter-fraud and understands the organisations control environment and risks including fraud risks 	The Audit Committee scrutinise and approve the Anti-Fraud Plan and are required to take a proactive role in counter fraud as per their terms of reference. However, the Audit Committee do not actively promote an anti-fraud culture, they review the work already completed by the CFT.	The Audit Committee oversee the work of the CFT, however it would be more effective for the committee to take a proactive role in promoting an anti-fraud culture rather than review the work already completed by the team. This will help reaffirm the strong anti-fraud culture at Senior Management Level.

Questions	Prompts to auditors to identify good practice and potential poor practice	Auditor comments and links to supporting evidence	Conclusion
	<ul style="list-style-type: none"> • Understands the role of those charged with governance in relation to managing risk • Is familiar with the policies and procedures relating to fraud risk • Critically review and challenge the framework for managing risk • Scrutinise and approve the fraud risk assessment, annual counter-fraud plan and other policies and procedures relating to fraud risk 	<p>Annual Fraud Awareness training is delivered to the Audit Committee by the CFT. The aims were:</p> <ul style="list-style-type: none"> - To clarify the Council's obligations to tackle fraud. - To highlight the principles of good fraud risk management. - To underline the Council's arrangements for tackling fraud. <p>The Audit Committee are not presented with the policies relating to fraud risk, however they critically review/ challenge the anti-fraud plan to help manage risk.</p>	
<p>7.3 Does the organisation provide an appropriate level of information to an Audit Committee to enable it to discharge its duties in relation to counter-fraud?</p>	<p>Expected good practice: Does the organisation provide a report to the Audit Committee on fraud caseload and progress on a regular basis indicating?</p> <ul style="list-style-type: none"> • a summary of all fraud cases in the year (number, type of fraud and value); • how the frauds occurred (e.g. absence of controls, failure to apply controls); • how the frauds were discovered (e.g. whistleblowing, normal operation of controls, internal audit); • the outcomes of internal investigations; • the status of cases passed to external agencies for investigation; • a summary of sanctions imposed, and losses recovered; • changes made to internal control systems to prevent recurrence. <p>Potential poor practice:</p> <ul style="list-style-type: none"> • Information provided to Audit Committee is: Ad hoc, contains information which is incomplete, difficult to understand, misleading, lack commentary 	<p>The Corporate Fraud Annual Report provides a 12-month summary of the activities of the Fraud Function and reviews achievements compared to target outcomes contained in the Fraud Function Anti-Fraud Plan.</p> <p>Appendix 1 of the Annual Report provides an overview of the activities, the number of cases, their status and the outcome of the investigation.</p>	<p>Yes- Sufficient information including the Fraud action plan and annual report are provided to the Audit Committee for review to enable them to discharge their responsibilities. However, the Audit Committee should take a more proactive role in helping to promote a good anti-fraud culture.</p>
<p>7.4 Is the work of the counter-fraud team challenged and reviewed by Management/ Audit Committee?</p>	<p>Expected good practice:</p> <ul style="list-style-type: none"> • The work of the counter-fraud team should be subject to review to ensure it is performed in line with requirements/quality standards 	<p>The work of the CFT is challenged by the Corporate Management Team and Audit Committee.</p> <p>The Audit Committee receive a report that sets out the planned areas of activity for the Internal Audit Section's Fraud Function and it is designed to provide a strategic view of the areas that will be subject to examination. The committee review, discuss and approve the Anti- Fraud plan set out within the appendix to the report.</p>	<p>Yes- the work of the CFT is regularly challenged by the Audit Committee and Senior Management approve their plans prior to them being presented at Audit Committee.</p>

City & County of Swansea Council Annual audit summary 2020

This is our audit summary for City & County of Swansea Council. It shows the work completed since the last Annual Improvement Report, which was issued in March 2020. 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 72 councillors who represent the following political parties:

- Labour (Ruling Group) 48
- Liberal Democrats 7¹
- Independent 3¹
- Independents@Swansea 2¹
- Non Aligned 1¹
- Conservative 9
- Uplands 2

The Council spent £444.6m on providing services during 2019-20, the 3rd highest spend of the 22 unitary councils in Wales.

¹ Liberal Democrats & Independents Opposition Group

Key facts

As at 31 March 2020 the Council had £93.8m of usable financial reserves. This is equivalent to 21% of the Council's annual spend on services, the 8th highest percentage of the 22 unitary councils in Wales.

Swansea has 17 (11%) out of its 148 areas deemed the most deprived 10% of areas in Wales, this is the 8th highest of the 22 unitary councils in Wales.²

Swansea's population is projected to increase by 6.1% between 2020 and 2040 from 247,912 to 262,999, including a 1.0% increase in the number of children, a 3.0% increase in the number of working age population and a 20.5% increase in the number of people aged 65 and over.³

The Auditor General's duties

We complete work each year 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 Council has to put in place arrangements to get value for money for the resources it uses, and the Auditor General has to be satisfied that it has done this.

- **Continuous improvement**

The Council also has to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General has to assess whether the Council is likely to (or has) met these requirements.

- **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.

² An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

³ Source: Stats Wales



Since the Spring of 2020, the ongoing pandemic has affected our audit work. We recognise the huge strain on public services and have reshaped our work programme, and found new ways of working to reduce its impact on public bodies' response to COVID-19, while still meeting our statutory duties.



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.

What we found

Audit of City & County of Swansea Council's 2019-20 Accounts

Each year we audit the Council's financial statements.

For 2019-20:

- The Auditor General gave an unqualified true and fair opinion on the Council's financial statements on 15 September 2020 in line with the statutory deadline;
- The Council'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 Council and with our knowledge of the Council;
- The quality of the draft statements presented for audit on 18th May 2020 was generally good;
- Several changes were made to the Council's financial statements arising from our audit work, which were reported to the Audit Committee in our Audit of Financial Statements Report in September 2020;
- In addition to the Auditor General's responsibilities for auditing the Council'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;
- The Auditor General issued the certificate confirming that the audit of accounts for 2019-20 has been completed; and
- Key facts and figures from the 2019-20 financial statements can be accessed [here](#).

Well-being of Future Generations Examination – Transfer of leisure facilities to the Council’s new delivery partner

The examination that we undertook in 2019-20 considered the extent to which the Council has acted in accordance with the sustainable development principle when effecting the successful transfer of leisure facilities to the Council’s delivery partner. We concluded that the Council has taken appropriate steps to ensure the current service is sustainable but has yet to develop its strategy and intended outcomes for the future provision of leisure services in Swansea. The full report can be viewed [here](#).

Continuous Improvement

The Auditor General certified that the Council has met its legal duties for improvement planning and reporting, and believes that it is likely to meet the requirements of the Local Government (Wales) Measure 2009 during 2020-21.

Financial Sustainability (March 2020)

During 2019-20 we examined the financial sustainability of each Council in Wales. In City & County of Swansea we concluded that the Council continues to face a significant financial challenge and needs to deliver its savings plans at the pace and scale required whilst controlling service spending within budgets. The full report can be viewed [here](#).

National Fraud Initiative

In October 2020, the Auditor General published his report on the findings of the latest National Fraud Initiative (NFI) data-matching exercise in Wales. The exercise helped public bodies in Wales, including the 22 unitary authorities, identify fraud and overpayments amounting to £8m. The report can be accessed on our website [here](#). NFI continues to be developed and in the forthcoming NFI exercise (NFI 2020-22) local authorities will have access to matches designed to help identify potential fraudulent applications for COVID-19 business support grants.

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. During 2019-20 CIW published its ‘Local authority performance review letter 2019/20: Swansea City and County Council’. The letter can be viewed [here](#).

In January 2021, Estyn wrote to the Council’s Chief Executive outlining the outcome of their review of City & County of Swansea Council’s work in supporting their learning communities in schools and pupil referral units (PRUs) during the period from March to October 2020, and published a report on ‘Local authority and regional consortia support for schools and PRUs in response to COVID-19’. The report covers the ways councils across Wales have adapted their work to respond to the challenges from COVID-19. Although the report is a national report, it does reference City & County of Swansea Council’s work during the pandemic. For example the report includes reference to the Council’s work to support schools to adjust and improve their distance learning offer, and to develop their approach to assessing pupils’ work. The report also highlights the timely guidance for schools produced by the Council to support learners’ mental health and wellbeing, and the work done in Swansea to prioritise support for

pupils identified at risk of becoming NEET in the summer 2020. The report can be viewed [here](#).

Local Government Studies

As well as local work at each council, each year we also carry out studies across the local government sector to make recommendations for improving value for money. We have published the following reports:

The effectiveness of local Planning authorities (June 2019)

We reviewed progress of local planning authorities in delivering their new responsibilities. We conclude that Planning Authorities are not resilient enough to deliver long-term improvements because of their limited capacity and the challenge of managing a complex system. The full report can be viewed [here](#).

The 'Front Door' to Social Care (September 2019)

We considered the effectiveness of the new 'front door' to social care, looking specifically at services for adults. We found that whilst councils are preventing social-care demand, information, advice and assistance are not consistently effective. The report can be viewed [here](#).

Review of Public Services Boards (October 2019)

We inspected how Public Service Boards are operating; looking at their membership, terms of reference, frequency and focus of meetings, alignment with other partnerships, resources and scrutiny arrangements. We concluded that Public Services Boards are unlikely to realise their potential unless they are given freedom to work more flexibly and think and act differently. The report can be viewed [here](#).

Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act (November 2019)

We examined how the new duties and responsibilities of the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act are being rolled out and delivered. We found that victims and survivors of domestic abuse and sexual violence are often let down by an inconsistent, complex and fragmented system. The report can be viewed [here](#).

Rough Sleeping in Wales – Everyone's Problem; No One's Responsibility (July 2020)

We looked at how well public services are responding to the issue of rough sleeping. Overall, we found that responding to COVID-19 is an opportunity for public bodies to start addressing long standing weaknesses in partnership working which has stopped them from tackling rough sleeping in the past. The report can be viewed [here](#).

Better Law Making (September 2020)

This report draws on five reports published between 2019 and today looking at how local authorities are responding to the challenge of implementing new legislation. Implementation is a complex task which needs to be fully thought through by the Welsh Government and the Senedd whenever they bring forward and make any new legislation. The paper highlights the difficulties faced by local authorities and their public sector partners in implementing their new responsibilities. The report can be viewed [here](#).

Commercialisation in Local Government (October 2020)

Councils have conducted commercial activity for a long time, and many councils are exploring additional commercial opportunities to mitigate against the financial pressures they face. Our report is specifically targeted at helping elected members and senior officers to examine and judge the potential impact on their organisations when considering whether to undertake commercialisation. It will also help councils to demonstrate how well they are discharging their value for money responsibilities. The report can be viewed [here](#).

Planned work for 2020-21

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

The most significant risk and issue facing councils and the wider public sector during 2020-21 is the COVID-19 pandemic. We have shaped our work to provide assurance and challenge in a way which helps to support the Council through this period. Our work for 2020-21 includes:

- Recovery planning in response to the COVID-19 pandemic;
- Covid-learning project – helping to identify and share learning from the way in which public bodies have responded to the pandemic;
- Assurance and risk assessment; and
- A review of the Council's financial sustainability.

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.

Agenda Item 10



Report of the Chief Legal Officer

Audit Committee – 9 March 2021

Local Government and Elections (Wales) Act 2021

Purpose:	The report presents an update to the Committee around legislative changes to the terms of reference, membership and name of the Audit Committee.
Report Author:	Tracey Meredith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

For Information

1. Background

1.1 The Local Government and Elections (Wales) Act 2021 became law in January 2021. It is an extensive piece of complex legislation of 189 pages, 10 Parts and 170 sections. In addition there are complex commencement provisions which means that some parts of the legislation came into force immediately, others 2 months following Royal Assent and some in May 2022.

2. Local Government and Elections (Wales) Act 2021

2.1 The Act is divided into 10 Parts. Those parts which will have the most impact on the authority are summarised below:

Part 1 – Elections.

- Extension of the franchise to 16 year olds and foreign citizens.
- Changing council electoral cycles from the current 4 years to 5 years.
- Allows council employees not in politically restricted posts to stand for election to their own council.
- Discretionary power for Councils to change the voting system to single transferrable vote for their own elections.

Part 3 – Promoting Access to Local Government.

- Requirement to produce a public participation strategy.
- Duty to make a petition scheme.
- Duty to publish the constitution and a constitution guide.
- Duty to broadcast certain meetings.
- Various provisions around conduct of local authority meetings and documents.

Part 6 – Performance and Governance.

- Duty to report on performance and prepare a self-assessment report.
- Duty to arrange a panel performance assessment.
- Duty to respond to panel assessment report.
- Powers of Auditor General.
- New name and functions of Audit Committee.

3. Governance and Audit Committee

- 3.1 The Committee will recall that Welsh Government recently consulted on draft statutory guidance – Performance and Governance of principal councils. It is anticipated that final statutory guidance will be issued around the commencement dates and will be reported to the Governance and Audit Committee at a future date.
- 3.2 Welsh Government have clarified that the name and remit of the Committee will change from 1 April 2021 but that the other changes around membership are due to come into effect from May 2022.
- 3.3 The amended terms of reference including the change to the name of the Committee are attached at **Appendix 1**. As these updates reflect legislative changes the Monitoring Officer will make the necessary changes to the Constitution under her powers set out in Article 15 of the Constitution. The changes will be reported to Council for information.
- 3.4 Further changes will be made in due course to reflect the legislative changes to membership of the Committee. At present there are 2 lay members of the Committee and 13 Councillor members.
- 3.5 The Local Government and Elections (Wales) Act requires that one-third of the membership of the Governance and Audit Committee are 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.

- 3.6 As the one-third requirement is not coming into force until May 2022 then the Committee will need to start looking at recruitment from September / October to ensure compliance. However to achieve the one-third membership a further 3 lay persons will need to be appointed or the size of the Committee reconsidered.
- 3.7 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.

4. Equality and Engagement Implications

- 4.1 The Council is subject to the Public Sector Equality Duty (Wales) 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 Act.
 - 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.

An EIA Screening Form has been completed with the agreed outcome that a full EIA report is not required as this is a For Information report around legislative changes which have to be complied with.

5. Legal Implications

- 5.1 There are no other legal implications associated with this report.

6. Financial Implications

- 6.1 There are no financial implications.

For Information

Background papers: *None*

Appendices:

Appendix 1 – Terms of Reference – Governance and Audit Committee

1 Governance and Audit Committee

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.

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.

Internal Audit and External Audit

- n) To approve the internal audit charter and resources.
- o) To consider the head of internal audit'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.
- p) To consider summaries of specific internal audit reports as requested.
- q) To consider reports dealing with the management and performance of the providers of internal audit services.
- r) To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
- s) To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- t) To consider specific reports as agreed with the external auditor.
- u) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- v) To commission work from internal and external audit.

Financial Reporting

- w) 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.

- x) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability Arrangements

- y) 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.

Agenda Item 11



Report of the Section 151 Officer

Audit Committee – 9 March 2021

Revenue and Capital Budget Monitoring 3rd Quarter 2020/21

Purpose: To provide the Audit Committee with the Revenue and Capital Budget Monitoring Report that was presented to Cabinet on 18 February 2021.

Report Author: Ben Smith

Finance Officer: N/A

Legal Officer: N/A

Access to Services Officer: N/A

For Information

1. Background

1.1 To provide the Audit Committee with the Revenue and Capital Budget Monitoring Report which was presented to Cabinet on 18 February 2021.

Background papers: None.

Appendices:

Appendix 1 - Revenue and Capital Budget Monitoring Report which was presented to Cabinet on 18 February 2021.



Report of the Cabinet Member for Economy, Finance & Strategy

Cabinet – 18 February 2021

Revenue and Capital Budget Monitoring 3rd Quarter 2020/21

Purpose:	To report on financial monitoring of the 2020/21 revenue and capital budgets
Policy Framework:	Budget 2020/21. Transformation and Future Council (Sustainable Swansea –fit for the future)
Consultation:	Cabinet Members, Corporate Management Team, Legal Services and Access to Services.
Recommendation(s):	It is recommended that Cabinet: <ol style="list-style-type: none"> 1) Notes the comments and variations set out in the report and the actions in hand to address these; 2) Approves the virements in para 2.7; 3) Reduces the level of permitted, in extremis, in year overspending to £4m, to be fully financed from draws from earmarked reserves, well within the sums approved at Council on 4 November 2020, to ensure the overall budget remains balanced for the year; 4) Continue to endorse that no officer may consider any material further spending commitments and must wherever possible continue to defer and delay spending to contain and reduce the likely modest forecast overspend by year end as far as is practicable, whilst delivering agreed Council priorities set out in the approved budget.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Background and Introduction

- 1.1 This report details forecast variations from the agreed budget for 2020/21.
- 1.2 In respect of Revenue Budgets, this report provides a consolidated forecast which combines:
- projected variations (mainly shortfalls) in relation to budget savings agreed by Council in March 2020
 - Variations arising from other service pressures not directly linked to specific savings plans (e.g. increased service demand, price and pay inflation, increased, but most often unfunded, regulatory obligations and burdens from both UK and Welsh governments)
- 1.3 The report includes comments from Directors in relation to the variations highlighted and the action that is in hand or proposed as appropriate.

2. Revenue Outturn Forecast Based on 3rd Quarter position

- 2.1 Appendix 'A' to this report details the approved Revenue Budget for 2020/21 and the forecast variation at this time.
- 2.2 Other than projected variations on Directorate expenditure, it is still too early to confidently forecast final variations that may arise on some significant Corporate items, including the level of Council Tax collection (which posted a deficit in 2019-20 of £0.7m and 2018-19 of £0.3m). However, given the likely impact of COVID on collection it is inevitable that a further shortfall will arise in 2020-21. An updated forecast is that there remains a potential shortfall of £3.8m in 2020-21. This may be subject to some form of grant underpin support in due course from the Welsh Government, but is far from assured.
- 2.3 The overall Directorate position is summarised below:-

DIRECTORATE

	FORECAST VARIATION 2020/21 £000	NET COVID VARIATION 2020/21 £000	OTHER VARIATION 2020/21 £000
RESOURCES	3,366	4,071	-705
PEOPLE - SOCIAL SERVICES	1,983	7,760	-5,777
PEOPLE - EDUCATION	4,898	3,225	1,673
PLACE	6,700	6,700	0
Additional Savings	194		194
<i>NET DIRECTORATE EXPENDITURE</i>	17,141	21,756	-4,615

- 2.4 Directors' comments on the above variations are shown at Appendix B

Appendix 1

- 2.5 Within the *Sustainable Swansea* Delivery Programme, work continues to develop service delivery plans that will include all savings requirements across all strands. This includes the cross cutting nature of new reviews as well as the completion of current in-flight reviews.
- 2.6 The table above shows an estimated overspend for the year of £17.14million. Bar some “Business as usual” fluctuations in Social Services and Education which is in effect entirely as a result of the COVID 19 pandemic and relevant responses in expenditure and reductions in Income as a result. This figure does not include the Business Support Grants costs and Retail/Hospitality/Rates reductions resulting from Welsh Government decisions and which are now anticipated to cost around £110m of additional costs and to be funded in their entirety. A further approx. £15m support is anticipated from WG announcements for additional Business support in relation to the latest lockdown starting Christmas 2020 .Any funding from WG confirmed after the Quarter 3 report as a result of grant claims have not been included in the figures above. Section 2.7 below shows the level of “service” expenditure that has been deemed as eligible and paid by WG to date.
- 2.7 Currently, monthly claims against additional COVID expenditure (April to December and an historic claim in relation to March 2020) and a claim for loss of income for the first two quarters as a result of COVID in relation to the services has been submitted to WG. The summary of claims submitted and amounts received to date is set out below :

Summary of claims submitted and payments received to date in 2020/21

	Claim	Paid	
	£000's	£000's	
Hardship (costs) : April-December	14,928	10,849	Partial October , November Adult Social Care & November schools staffing awaiting WG response. December recently submitted & awaiting WG response.
Loss of Income : 1 st ,2 nd Quarters	11,216	10,805	
Overall total	26,144	21,654	

Welsh Government have amended eligibility criteria as the year has progressed both in relation to additional costs and loss of income. This has included deeming as ineligible certain elements of expenditure (eg day to day expenses such as mobile phones, postage/copying/stationery costs, local decisions re support to local business) and reducing the eligible element of other costs.

As such the monthly claims are amended to include only those elements of expenditure deemed to be eligible so exclude any costs etc not deemed eligible to be claimed.

Whilst some elements of expenditure are going to be continued to be claimed the WG

“panel have suggested as authorities are moving into a different phase of response then some costs deemed additional and necessary at the start will no longer be eligible within the fund but will be a matter for local discretion. e.g. packed lunches for homeless. This is because what was deemed an emergency response at the start of the pandemic is likely to

either have a national policy response or there has been enough time for authorities to make alternative arrangements at a lower cost from existing budgets.”

This will result in a further reduction in those elements deemed to be eligible for grant by WG.

Similarly, the Loss of Income claims only include those elements deemed as “eligible” by WG.

Grant claims to WG in relation to TTP have commenced which are anticipated to cover all additional costs arising. The additional forecast costs are included under Resources and currently amount to £2.8m in 2020/21. Some £0.66m has been claimed against spend to date. It remains unclear how much will be truly additional cost (and claimable) as opposed to, as is predominantly currently the case, redeployed and redirected costs of existing workforce otherwise prevented from working in their normal service areas, but as “return to new normal” becomes more prevalent it is clear costs will rapidly start to be additional rather than “in lieu” and thus reclaimable.

Grant claims to WG for the £500 carer payments are being made in line with the national scheme and again are assumed to fully cover costs with both elements contained with the Social Services forecast. The estimated total cost of the carers support scheme and equivalent grant funding to be claimed is £3.5m .The same approach applies to the £500/person isolation payments and social care statutory sick pay top up payments now the scheme is operational.

At present, therefore, it is proposed to allocate the additional sums received since the second quarter report as follows and to seek that cabinet formalise their virement in receiving this report to service budget lines as follows :

Education	£2.51m
Social Services	£2.26m
Place	£2.83m
Resources	£0.25m
Total	£7.85m

And once the final figure is confirmed up to the following :

Resources (TTP) £2.8m

This proposal has no overall impact on the position, merely allocates grant received back above the line and which will result in some reductions in report service overspending in later reports but equally will remove the net grant income received below the line.

Additional claims and payments regarding COVID from the Welsh Government will continue to be made during the rest of the financial year which will be required to be reflected in the final financial position of the Council. To date, Cabinet approval has been sought to allocate retrospective claim income to services as part of the quarterly reports. Due to the tight timescales for completing the financial outturn position for 2020-21 it is recommended by the S151 Officer that for the final quarter only the relevant claim values for that quarter are allocated out (vired) to the service budget lines as part of financial closure. The value of these amounts received and allocated to services will be reported in the normal “Outturn” financial report to Cabinet in July.

2.8 Corporate Management Team has re-enforced the current arrangements for budget monitoring in particular:-

- focus on a range of corrective actions;
- targeted immediate spend reduction and deferral action;
- spending control on all vacancies and contracts;
- a continued reminder that **no Responsible Officer is authorised to overspend their budget in line with Financial Procedure Rules;**
- and consequently that Directors must work closely with Cabinet Members and the Corporate Management Team to contain, reduce, defer and delay spending as far as possible, having due regard, to existing agreed budget and political priorities to nonetheless seek to limit service overspending.

2.9 Offsetting opportunities do exist to temporarily ameliorate the currently identified service demand and price pressures as follows.

- £1m was set aside in the budget for the potential costs relating to the impact of the Apprenticeship Levy. The final costs relating to this levy will only be known once final employee related costs are calculated at the year end. Should the full allocation not be required then any saving will be proposed to be used to mitigate service pressures at year end.
- £1.85m was also set aside to meet any specific and significant inflationary increases arising in year. Given the overall financial projection at this stage it is proposed by the S151 officer that this be released as a compensating corporate saving especially as the price inflation outlook for the year looks very subdued.
- Use of the Contingency Fund as detailed below.

3. Contingency Fund Provision for 2020/21

3.1 The contingency fund was set at the £3.621m contribution for 2020/21 as set out in the budget report approved by Council in March 2020. As a result of the favourable outturn position this was added to, on a one off basis, to bring the total available to spend to over £9m. This is significantly higher than in recent years reflecting additional mitigation against any repeated overspending.

3.2 The current potential calls on the contingency fund for 2020-21 are:-

Contingency Fund 2020/21	Prediction
	2020/21 (£m)
Budgeted contribution for year.	3.621
Increase from c/fw from 2019-20 (as per Council 4 November 2020)	6.306
Proposed Strengthening and increased resilience in Financial Services	-0.250
Freedom of the City – Merchant Navy	-0.005
Support to Leisure Centres	-0.800
Underwrite to leisure Operators	-1.000
Support to Swansea Market	-0.500

Pipe House Wharf relocation lease costs	-0.057
School 3G pitch Support	-0.025
Communications/PR improvements	-0.010
City of Sanctuary floral badge	-0.001
Coroners ICT	-0.040
Market Rents	-0.035
COVID ICT agile/homeworking costs : staff & members	-0.320
COVID extension of waiver for staff parking permits –loss of income.	-0.300
COVID Wales National Pool support	-0.350
COVID Extending Rent concessions	-0.117
COVID George Hall temporary meeting arrangements.	t.b.c
COVID Reduction in Car Park charges	-0.185
Used to reduce service overspending	-5.932
Balance 31st March 2021	0.000

The above table lists current potential calls on the budgeted contingency fund. All bar the Strengthening of Finance (which will be a proposed budget adjustment for 2021-22) are anticipated to be one off costs .The final amounts will be dependent on a number of factors during the year including speed of implementation, actual costs/commitments incurred and final Directorate outturn position. Spend approvals will be deliberately limited to seek to maximise underspend here as part of mitigating budget savings action.

As at 1st April 2020 some £3m remained within the Restructure Reserve to contribute toward ER/VR or other cost risks that may arise in 2020-21. The S151 officer remains satisfied that this is sufficient for 2020-21 and that there should be no call on contingency this year to fund such costs. The final costs of ER/VR will only be known towards the end of the year once all management actions re savings proposals etc are implemented. At this stage it is assumed that all ER/VR costs will be able to be contained within the sum left in the Restructure Reserve.

Based on current forecast the S151 officer proposes to utilise the current year forecast underspend on the Contingency Fund of £5.932m to provide additional mitigation against the anticipated unfunded elements of cost/loss of income as a result of COVID19 in either 2020-21 or, if outturn improves, as part of the further recovery phase in 2021-22 .

The S151 officer proposes to reserve his final position on the recommended levels of use of the restructure reserve and contingency fund until the absolute success or otherwise of reducing the forecast overspend is known at year-end.

- 3.3 The current indication is that, for 2020-21, there needs to be continued targeted mitigating action and delivery of savings proposals to help reduce the overall service overspends. It looks inevitable as this early stage that substantial draws from earmarked reserves will be needed to achieve a fully balanced budget for the year. Any inroads to net spending will reduce the necessary draw from reserves and increase the amount of reserves available to carry into 2021-22.

3.4 The action being taken includes working through existing plans on an accelerated delivery basis:

- Management and Business Support Review: ongoing review of the management structure across the Council and future requirements given the Council's priorities, future challenges and the changing nature of the role of managers
- Reducing the Pay Bill: review of options to reduce employee costs across the Council as part of our overall future workforce strategy (subject to trade union consultation at the appropriate time)
- Commercialism through third party Procurement Savings and Income Generation: review of further options to increase income from fees and charges, trading etc, in addition to the targets already set for 2020/21
- Progressing implementation of final phases Commissioning Reviews and Cross Cutting Themes.
- Further implementation of the Social Services Saving Plan through which we have identified mechanisms for bringing down overall costs.
- On the basis that these are existing agreed actions fully set out in the agreed budget set by Council in March, whilst wholly recognising the ability to progress any of the above have been seriously impacted by Covid 19.
- Continuing the extant spending restrictions which have been agreed as necessary by Corporate Management Team.
- Directors detailed action plans which are summarised in their commentary in Appendix B.
- The Deputy Chief Executive continue to take forward implementation of the recovery plan approved at Cabinet to agree alternative mitigating actions and future steps, including the detail of the successor programme to Sustainable Swansea more suited and fitted pan and post Covid 19 and Brexit.

3.5 It should be noted that at this time, although the Council continues to pursue a number of VAT related claims, some are more advanced than others, there is NO certainty of windfalls from VAT refunds or any other external source being received in the current year.

4. Revenue Budget Summary

4.1 The position reported above reflects the best known current position and shows a net £17.14m of shortfall in service revenue budgets, almost entirely in relation to anticipated costs/loss of income as a result of COVID19 which when combined with a forecast £3.8m shortfall in Council Tax collection leads to a total shortfall of £20.94m. Some additional £7.07m (incl £0.78m re schools costs not included in 2.7) has, since the previous report, actually been received or confirmed from WG in relation to service additional costs/loss of income claims as per 2.7 above. It is assumed that all the TTP costs will also be recovered and for 2020/21 and some £2.8m is included at this stage. It is also possible that Council tax losses, or part of them at least, will be met by future WG grant support but this is yet to be assured. In addition as identified above further mitigation is anticipated from the Apprenticeship/Inflation provision of £1.9m and Contingency fund of £5.932m. Whilst not able to be estimated until the year end the current pandemic is likely to lead to a substantial increase in bad debt provision, which in conjunction with the above additional costs and mitigation, could result in an overall net overspend of £4m by the year end.

Summary

Service Forecast overspend	£17.14m
Council Tax shortfall	£3.8m
Less Mitigating	
COVID grants received not incl in service forecasts	-£7.07m
COVID claims submitted no response from WG yet – assume will be received.	-£1.3m
Future covid claims re council tax losses - assumed	-£0.9m
TTP costs recovered	-£2.8m
Apprenticeship/Inflation	-£1.9m
Contingency Fund not currently utilised	-£5.9m
Net overspend forecast	£1.07m
(Plus any potential Bad Debt provision movement at year end)	

In addition, as outlined below, there is an anticipated underspend on Capital Charges of some £7.5m which will be utilised to replenish any calls on the Capital Equalisation Reserve made to meet any unfunded elements of the COVID19 costs arising in year.

NB Further claims for re-imburement of both expenditure and loss of income continue to be submitted to Welsh Government in accordance with their criteria. Based on previous expenditure claims submitted (and subsequently paid to date) it is considered reasonable that as a minimum some additional £1.3m is likely to be paid on claims submitted and is therefore included above.

Any additional WG funding towards the additional costs or loss on income received from WG in relation to COVID19 costs /loss of income included in table 2.3 above will further reduce the overall budget shortfall and thus why a target of “no worse than £4m” is recommended to be kept by Cabinet and by the S151 Officer on a truly exceptional one off basis.

- a. All revenue grant income from WG in relation to COVID claims for the services, including schools that has not yet been allocated “back” to departments is allocated in line with claims paid together with any additional claims cash received as part of the year end accounts.
- b. Corporate Management Team have reinforced the expectation that both service and overall net expenditure **must** be, as far as practicable, contained within the relevant limits of the current year budget as set by Council, and certainly within any agreed level of tolerance set by Cabinet on the advice of the s151 Officer, recognising the extreme nature of the Covid 19 impact.
- c. As previously mentioned, it is too early to provide an accurate forecast as to the potential outturn on corporate items such as Council Tax collection which is in itself potentially affected by the effects of welfare reform measures, an often increasing tax base, but equally a substantial deterioration in the economy and employment which may inhibit individuals ability to pay tax already set and due. .
- d. Included in the projected budget for 2020/21 for other corporate items are capital finance charges. At Quarter 3, a significant variance of -£4m and £-3.5m is forecast for Principal Repayments and Net Interest Payments. The reasons for the significant variances are twofold, understandable capital slippage in year due to

Appendix 1

Covid 19 pandemic and also the projected impact of the implementation of the Revised MRP Policy approved by Council in Dec 2018 where the revised policy would result in early year savings but with the expectation that these be reserved for the projected marginal increase in MRP payments in later years, albeit equalising the repayment of borrowing over the lifetime of the created asset. Council has previously approved that any underspending or overspending will be transferred at year end to or from reserves. The S 151 Officer reserves the right to recommend the temporary use of some of these balances to address in year Covid 19 budget pressures as identified in section 2.3 of this report.

- e. There continue to be risks around general inflationary pay and price pressures in the forthcoming year including increases to the National Living Wage from April 2021 which will significantly impact contractors to the Council in some service areas. It will also put further pressure on the lower end of the current local government pay spine in future years. The current year national local government pay award offer has been finalised at 2.75%, as budgeted and there is a now an agreed new pay offer for teachers worth up to 8% for some teachers (3.25% for majority), and part of the excess will be funded by WG by way of a one off specific grant. Whilst all are entirely welcomed from a policy perspective, nevertheless the Council simply cannot afford to fund them in isolation, unless additional permanent support is forthcoming from the UK and Welsh Governments, otherwise savings will have to be made elsewhere to meet such pressures longer term. Pressures are now much more likely to be dampened by UK government policy announcements around expectation for a near freeze in most public sector pay awards for 2021-22.
- f. Detailed monitoring of budgets will continue to be carried out and reported to Departmental Performance and Financial Management meetings on a monthly basis.
- g. It remains imperative that sustainable, but sensitive in the unusual circumstances of Covid 19, base budget savings are found to replace in year one off actions to stabilise the 2020-21 budget ahead of the finalisation of the 2021-22 budget round.

5. Capital Budget

- 5.1 Expenditure to 31st December 2020 is £143.797 million, summarised as follows:

Directorate	Budget 2020/21	Actual to 31/12/20	% spend
	£'000	£'000	
Resources	2,564	1,426	55.6%
People (Education and Social Services)	32,016	20,223	63.2%
Place (General Fund)	165,381	95,777	57.9%
Place (HRA)	44,088	26,371	59.8%
Total	244,049	143,797	58.9%

Expenditure on major capital schemes is detailed in Appendix C.

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It should be noted that the actual spend to 31 December may only have 7 or 8 months costs relating to external invoices. The impact of COVID will have an impact on the timing and potential slippage of the original capital programme. The situation remains fluid and the full impacts of COVID continue to be monitored with capital schemes being reprofiled during the year as the impacts of timing / slippage become known. This will have an impact on the revenue Capital Financing Charges in 2020/21 and beyond.

Bay Studios Surge Hospital (Covid19)

The figures above for Place (General Fund) includes £20.974m of expenditure for the Bay Studio Surge Hospital (Covid 19). As part of the Region's response to address projected increased demand on hospital services as a result of the Covid 19 pandemic, the Authority was asked by Swansea Bay University Health Board (SBUHB)/ Welsh Government (WG) to deliver a 1,000 bed Surge Hospital on the site of the old Bay Studios in SA1.

The scheme was completed in an exceptionally short timeframe. It was conceived, designed, delivered and operational within 3 months (April – June 2020) by Corporate Building Services in partnership with our partner sub-contractors, Kier and TRJ. The full cost of the scheme has been received from SBUHB and WG.

6. Housing Revenue Account

- 6.1 The Covid situation could have a considerable impact on the HRA revenue budget in 2020/21. Whilst income collection rates have not been significantly affected, the economic impact of the crisis continues and rent income is being closely monitored. It is forecast that the current Bad Debt Provision should be sufficient. There has been a major impact on revenue expenditure with the revenue repairs budget forecast to be significantly underspent by £1m due to Covid restrictions on entering properties. This budget will continue to be closely monitored however the further restrictions could impact this figure by year end. There are also underspends on transport and employee/vacancies (£0.17m). The crisis has also understandably impacted the delivery of the HRA Capital Programme with commensurate reduction in spend and financing costs. It is anticipated that financing costs could be reduced by around £0.55m.

7. Legal Issues

- 7.1 There are no legal issues contained within this report.

8. Equality issues

- 8.1 The Council is subject to the Public Sector Equality Duty (Wales) 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 Act.
 - 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.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 8.2 The Revenue budget of the Council was approved following the application of the corporate Equality Impact Assessment (EIA) process throughout the Budget setting process. It is essential where service levels are affected by changes to the Revenue Budgets (including savings options) that the EIA process (alongside consultation and engagement as appropriate) is applied to ensure due regard is paid to the potential equality impacts of any proposals prior to decision making.

Background papers: None

Appendices:

Appendix A - Revenue Budget Projection forecast Quarter 3 2020/21

Appendix B - Directors comments on variances and action plans

Appendix C - Expenditure on major Capital Schemes

REVENUE BUDGET PROJECTION QUARTER 3 2020/21

Appendix A

<u>DIRECTORATE</u>	BUDGET 2020/21 £000	PROJECTED 2020/21 £000	VARIATION 2020/21 £000
RESOURCES	50,524	53,890	3,366
PEOPLE - SOCIAL SERVICES	124,529	126,512	1,983
PEOPLE – EDUCATION	181,887	186,785	4,898
PLACE	63,143	69,843	6,700
Additional Savings	-194	0	194
<i>NET DIRECTORATE EXPENDITURE</i>	419,889	437,030	17,141
SPECIFIC PROVISION FOR APPRENTICESHIP LEVY/INFLATION	2,850	1,000	-1,850
CONTINGENCY FUND	0	0	0
SUPPORT TO LOCAL BUSINESS	0	74,978	74,978
WG COVID GRANTS (Assured & Due to be allocated to Services)	0	-122,253	-122,253
<i>OTHER ITEMS</i>			
LEVIES			
SWANSEA BAY PORT HEALTH AUTHORITY	87	87	0
CONTRIBUTIONS			
MID & WEST WALES COMBINED FIRE AUTHORITY	13,741	13,741	0
<i>CAPITAL FINANCING CHARGES</i>			
PRINCIPAL REPAYMENTS	16,368	12,368	-4,000
NET INTEREST CHARGES	20,010	16,510	-3,500
<i>NET REVENUE EXPENDITURE</i>	472,945	433,461	-39,484
<i>MOVEMENT IN RESERVES</i>			
GENERAL RESERVES	0	0	0
EARMARKED RESERVES	-4,690	-4,206	484
<i>TOTAL BUDGET REQUIREMENT</i>	468,255	429,255	-39,000
DISCRETIONARY RATE RELIEF	400	400	0
<i>TOTAL CITY AND COUNTY OF SWANSEA REQUIREMENT</i>	468,655	429,655	0
COMMUNITY COUNCIL PRECEPTS	1,582	1,582	0
<i>TOTAL REQUIREMENT</i>	470,237	431,237	-39,000
<i>FINANCING OF TOTAL REQUIREMENT</i>			
REVENUE SUPPORT GRANT	253,660	253,660	0
NATIONAL NON-DOMESTIC RATES	85,721	50,521	35,200
COUNCIL TAX - CITY AND COUNTY OF SWANSEA	129,274	125,474	3,800
COUNCIL TAX - COMMUNITY COUNCILS	1,582	1,582	0
<i>TOTAL FINANCING</i>	470,237	431,237	39,000

Service related COVID19 funding already received from WG of c £21.6m IS included above.

Appendix B

Director's comments on budget variances

Director of Resources

The COVID-19 response has had a detrimental effect on the Resources portfolio budget for the 3rd Qtr. The TTP staffing expenditure is expected to be fully recoverable from Welsh Government.

A number of transformation projects and restructures were unable to be progressed resulting in overspends in both Customer Contact Centre, Digital Services and Transformation and Commercial services. Alternative savings plans are being prepared.

The resources portfolio has limited income streams, however, where income streams are within services, these have also been affected and unlikely to be achieved within the year.

The heads of service have and will continue to review the budgets and look for alternative ways of achieving efficiencies to balance the budget in year.

Variance	£000	Explanation and Action
COVID-19 Variation:		
Test Trace & Protect Programme (TTP)	2,800	Estimated Staffing costs of £2.6m and IT costs of £0.2m. This is fully recoverable from Welsh Government.
Oracle Cloud Project	0	Project has been delayed, however, after negotiations with Oracle it is not anticipated that there will not be any additional costs.
WCCIS Project	0	Project has been delayed, No additional costs are anticipated as a result of negotiations with NWIS.
Mobile Phones	0	No additional costs are forecasted after working with the supplier to negate the costs.
Digital services staff costs	12	Additional Digital services staffing costs at the start of lockdown to enable homeworking.
Contact centre software licences and consultancy	25	Digital Services remote contact centre software licences and consultancy to enable call handling from home.
Schools infrastructure project	39	Government directive to continue to pay consultants. Estimated additional cost as a result of continuing to pay consultants

		during lockdown and therefore elongated project timelines.
Design Print	300	Loss of trading income which relates mainly to internal recharges to Council departments.
Council Tax Reduction Scheme (CTRS)	1,000	Estimated additional costs due to additional demand. Based on the latest position it is forecasted the additional cost will be £400k less than previously reported.
CTRS WG Grant	-315	WG grant received for Qtr1 and Qtr2 is £178k and £137k respectively.
Council Tax Court Cost Income	235	Loss of Council Tax/NNDR court cost income as no court action has been taken for a significant part of the year.
Consultancy and Employee Costs	41	Additional Covid-19 costs.
COVID-19 WG Grants	-66	WG Hardship, Loss of Income and NDR Admin grant received.
Net COVID-19 variation	4,071	
Other Variations:		
Contact Centre	50	Restructure in flight to ensure sufficient resources in WTU, Complaints and a new model for Customer Services. The restructure will aim to take account of 'new normal' but will still require additional resources needed for Social Services Complaints and WTU in order to meet legal requirements.
Welsh Translation Service (WTU)	183	Welsh Translation Unit Saving from previous years cannot be achieved as requirement to maintain the service and deliver demand due to Welsh language Measures.
Commercial Services	130	Income target attributed to Commercial Services will not be achieved.
Legal Services	-612	Net underspend mainly due to vacant posts.
Other net variations	-456	Net Employee, Supplies & Services underspends, Income shortfall and unachievable savings.
Total Other Variations	-705	
Total Forecast Variation	3,366	

Director of Social ServicesSocial Services

Variance	£000	Explanation and Action
Covid 19 Variation		
Additional costs within Child and Family	430	The pandemic has reduced the options for placements with particular issues around care leavers. This has resulting in the Council having to secure more expensive placements than would be usual. There has also been a rise in the cost of Direct Payments as we aim to support families through this time.
Additional Costs within Poverty and Prevention	171	The Directorate has incurred additional costs in supporting those deemed especially vulnerable at this time. Support has seen increased investment in services for those at risk of Domestic Violence as well as in Welfare Rights to help them cope with increased demand. Some of these costs have been offset by the use of grant. This includes a £95k cost for the Summer Provision for Vulnerable Children which is recoverable through the hardship fund.
Lost income within Poverty and Prevention	368	The primary area of income loss relates to the Gower Activity Centres. We have also lost expected income from Adult Education.
Additional Costs within Adult Services	8,715	This is the estimated additional cost of the actions taken to increase local social care capacity and the payment of Welsh Government support to the commissioned sector.
Loss of Income within Adult Services	1,679	This loss of income relates to income received from citizens and partners in respect of our day services that closed at the time of the outbreak.
First Tranche of WG Hardship Funding	-2,278	Significant additional income will follow in Q4
Second Tranche of WG Hardship Funding	-1,325	
Other		
Other Child and Family Variances	100	It is possible that this overspend will be reduced by grant funding later in the year.
External Residential Care	-1,455	An underspend continues to be forecast.
External Domiciliary Care	-922	This underspend is a continuation of that reported in 2019/20 and has been driven by increased client income and the 'right sizing' work around packages of care.

Variance	£000	Explanation and Action
Internal Staffing and Services	-2,900	A number of grants have been received that are able to support the overall financial position. Work to ensure services are designed in a way that enables the Council to access all funding sources continues.
Third Party Spend	-51	The Directorate continues to maintain cost management approaches to ensure that our services are sustainable and we continue to pursue external partners to ensure we receive a fair income for our services.
MHLD Complex Care	604	This remains an area of pressure. Additional budget has been allocated but ongoing pressures on demand and fees remain.
Poverty and Prevention	-153	Some small savings are expected due to the management of grants.
Joint Arrangements	-1,000	A substantial underspend is expected within the Community Equipment Store due to the success of the service in attracting grant income. The Store is run as a joint arrangement between the Council, Neath Port Talbot CBC and Health Board. Underspends will be held in reserve for the future benefit of the Store.
Overall Variation	1,983	

Director's Comments

The Council's response to Covid-19 continues to dominate our financial outlook for the year. We have incurred significant additional expenditure through our response to the crisis. We continue to expect the majority of our additional costs will be recoverable through Welsh Government grant funding have aligned our processes to ensure we are successful in this.

Forecasts for Covid related expenditure and income loss are based on current WG Hardship Funding guidance and have been amended in line with the progression of the pandemic through the year.

The pandemic continues to affect our business as usual activity and we are reporting large underspends on some commissioned services that reflect a reduction in activity. Our non Covid variances continue the story from last year where we have been able to align grant income to offset the cost of our internal services.

We continue to forecast an overspend within Mental Health and Learning Disability Complex Care. Retendering has added to the pressures on fees, which have continued to increase at above inflation rates for some time.

We continue with efforts to seek fair and equitable funding contributions from our Health Service partners for the services they commission and have strengthened our systems for the recovery of client income.

Should our expectations around Hardship and Income Loss grants be met, the Directorate will deliver an underspend.

Director of Education

Variance	£0	Explanation and Action
Covid 19 Variations		
Additional direct cost of maintaining provision of lunches / food bags / BACS payments for FSM eligible pupils	3,022	Reflects significant additional food costs, considerably greater coverage of eligible families (with transitional protection), and additional provision over holidays. Work to estimate the cost of continued support in the 20/21 academic year is ongoing and not included in this forecast.
Loss of paid School Meal Income	2,250	Reflects previous year levels of take up of meals
Additional staffing costs over normal contracted hours (catering, cleaning and school support teams)	159	This is due to the support provided to settings at times when they would not usually be open such as weekends and holidays.
Additional hours for teaching assistants outside of term	120	
Additional transport, PPE, and utility costs.	342	Additional costs from the use of vehicles to support the delivery of Free School Meals, as well as the provision of PPE, continues to be scrutinised. Potential shortfall in the Face Covering Grant
Additional costs of licences to support Chromebooks and continuity of learning for pupils	24	Additional cost over and above core broadband and other IT infrastructure costs and available base budget
Loss of other income such as from school clerking services and penalty notices	10	On the basis of broad comparison with previous year – e.g. £4.2k per quarter re penalty notices
Loss of income to schools for example from school lettings and breakfast and other clubs	1,066	Reflects detailed analysis of income lost across our maintained schools.
Income Loss and Hardship Income Received	-3,768	1 st and 2 nd Tranches Received
Total Covid 19 variations	3,225	
Non Covid Variations		
Continuing additional costs of FSM transitional protection - part year impact once schools fully	335	Considerable increase in those entitled to FSM and likely to grow further with impact of lockdown. With transitional protection these numbers will be maintained without any

Appendix 1

Variance	£0	Explanation and Action
re-open		certainty of additional core funding from WG
Additional costs of FSM provision during lockdown which cannot be reclaimed from WG under strict grant criteria	700	Additional food costs, which cannot be reclaimed from WG, from free provision of care lunches to all pupils, over ordering by schools of food bags / parcels, and donation to food banks of food items not required due to changing expectations of food parcel contents
Loss of additional paid meal income from previously proposed MTFP increased prices (April 20 and Sept 20)	205	£125k loss of income from decision to remove increase from April and a further £80k part year impact with no increase in September
Home to School Transport - further underlying cost pressures and undeliverable savings target relating to creation of additional walking routes, allocated from Place Directorate	442	MTFP reflects robust management action to mitigate scale of demand and cost pressures but underlying pressures continue to grow. Further shortfall due to undeliverable savings target allocated to Education, with no influence in its determination or delivery
Continuing Additional Learning Needs demand and cost pressures	192	Significant impact of management action to manage demand and cost pressures reflected in MTFP, but challenges remain
Out of County Placements - undeliverable savings without further specialist provision within County	-96	Direction not to proceed with actions necessary to bring forward delivery of scale of additional Special School Places required
Implications of school decisions on SLA buy back on services	50	Reflects existing pressures on areas such as Music Service, as far as possible mitigate by robust management action
Additional cost for schools of corporate decision relating to average payments to staff	160	A local decision and so not reclaimable against WG funding for COVID 19
Additional staffing costs for schools due to freeze on ER/VR processes	100	Costs will increase further if HR redundancy processes cannot re-commence before September but may be able to mitigate from WG grant
Additional civic catering costs with decision to freeze closure	63	Reflects continuing shortfall exacerbated by loss of any income from sales for the lockdown period - could increase if closure further delayed
One-off additional contribution to Regional Improvement Partnership	82	Agreed for 2020-21 only, before Swansea withdraws from ERW from April 2021

Variance	£0	Explanation and Action
Capita One - one-off cost to have been charged to, and contained, within available 2019-20 budget	30	Proposed carry forward to reflect this one-off cost was not supported
Capita One annual maintenance costs - more than offset by savings in Corporate Digital Services budget but requiring an appropriate budget transfer	32	Highlighted as a potential continuing overspend until an appropriate base budget transfer from Digital Services is approved
Other continuing pressures (Primarily Historic Pension Costs, Maternity etc)	700	Will continue to be scrutinised to as far as possible mitigate pressures
One-off managed savings with delay to full implementation of new EOTAS model	-700	Further managed savings can be delivered whilst the new EOTAS model cannot be fully implemented
One-off managed savings identified in year in addition to those already reflected in MTFP	-622	Continuing robust management action will seek to identify further savings in addition to MTFP requirements
Net non-Covid 19 projected overspend	1,673	Reflects impact of decisions preventing the delivery of current year MTFP savings assumptions and unrecoverable additional Covid-19 costs
TOTAL PROJECTED PRESSURES	4,898	

The closure of schools has had a significant budgetary impact on the Directorate and is the primary cause of the variations reported above. We continue to align our processes in a way to ensure that we maximise the grants available to support us through this period but there is clearly a risk that some costs may not be fully reclaimable.

The non-Covid 19 projected overspend is more than accounted for by the impact of WG or local decision which has increased the uncontrollable and statutory cost pressures, prevented the delivery of significant elements of current year MTFP savings assumptions, and incurred unrecoverable additional Covid-19 costs in part underwritten by S151 Officer.

There are other areas of identified demand and cost pressures, in spite of the continuing delivery of the Education strategy, but these are anticipated to be more than offset by further one-off managed savings in addition to those already reflected in the MTFP. However, the underlying base budget shortfall facing the Education portfolio budget, potentially at almost £1.9m, is clearly of concern even though almost £1.2m directly reflects the full year impact of national or local decisions.

In line with corporate processes, the figures do not account for outstanding Covid Hardship and Loss of income figures that have not been distributed to the directorate. When this is accounted for, the figures reported will improve by £2.8m.

Director of Place

The directorate is currently projecting a £6.7m overspend which is significant and unprecedented (excludes expected quarter 2 loss of income and September/October Hardship Covid Grant of £2.8m currently held centrally, which when allocated to directorates would improve the forecast outturn in Place to an overspend of circa £3.9m) . The reason for this is the additional costs incurred on Covid related matters, plus the lost income across a range of services areas due to the inability to carry out work or recharge for services. This projected out turn will be revised as further clarity is obtained from Welsh Government as to the level of support provided for both expenditure and lost income. There are some other "non Covid" projected overspends as is often the case but as in previous years the directorate would have achieved a balanced budget had it not been for COVID related implications.

Appendix C

Capital expenditure on major schemes to 31 December 2020 (where spend greater than £250k)	£000's
People	
EOTAS new build	4,555
Gorseinon primary new build	2,178
YGG Tan-y-Lan primary new build	2,656
YGG Tirdeunaw primary new build	2,784
YGG Gwyr secondary extension	1,848
Bishopston Comprehensive refurbishment	4,460
Pentrehafod remodelling	278
Hendrefoilan RICs scheme	427
Early Help Family Support hubs	330
Resources	
ERP System Upgrade	517
Hwb-in-schools infrastructure	536
Agile and Mobile IT equipment	332
Place	
City Centre Development Phase 1 (Arena schemes)	48,348
Kingsway Infrastructure	2,479
Kingsway Offices-Design & Plan	730
Hafod Copper Powerhouse scheme	781
Palace Theatre Redevelopment	564
Wind Street improvements	290
Corporate Building Services (including schools)	6,577
Highways - Baldwins Bridge / Fabian Way	486
Highways carriageway resurfacing including invest to save	4,648
Highways - Active Travel fund schemes	879
Highways - Drainage works	572
Highways - LTF Broadway interchange	861
Vehicle replacement scheme	1,370
New equipment for Corporate Transport Unit	283
DPD fitout and adaptations	672
Energy efficiency scheme with Salix Energy	338
Disability Facilities Grants	1,736
Mini adaptation grants	311

Appendix 1

Leisure Centres (Freedom Leisure schemes)	265
Absorbent waste scheme	889
Bay Studios Surge Hospital build for SBUHB managed by CBS	20,974
HRA	
HRA capital programme (More Homes schemes)	4,422
Wind and Weatherproofing (including West Cross)	5,516
External Facilities	4,630
HRA Kitchens & Bathrooms	7,186

Total scheme value where spend greater than £250k 136,708

Agenda Item 12



Report of the Head of Democratic Services

Audit Committee – 9 March 2021

Audit Committee Action Tracker Report

Purpose:	This report details the actions recorded by the 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 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 Audit Committee and provides an outcome for each action.
- 1.4 The up to date Action Tracker 2020/21 is attached at Appendix 1 and Outstanding actions from the Audit Committee Performance Review 2017-18 are provided at Appendix 2.
- 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 Audit Committee meeting for information.

2. Equality and Engagement Implications

2.1 The Council is subject to the Public Sector Equality Duty (Wales) 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 Act.
- 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.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

2.2 There are no equality and engagement 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 – Audit Committee Action Tracker 2020/21 (Closed actions removed).

Appendix 2 – Outstanding actions from the Audit Committee Performance Review 2017-18 (Closed actions removed).

AUDIT COMMITTEE ACTION TRACKER 2020/21				
Date of Meeting	Minute Ref	Action	Nominated Officer(s)	Status
	41	Overview of the Overall Status of Risk - Quarter 3 2020/21		
		Corporate Directors be requested to attend the Audit Committee on a rotational basis each quarter to outline their Corporate Risks and the governance and risk management controls within their departments.	Jeremy Parkhouse	Ongoing Reports to be added to the Audit Committee Work Plan 2021-22.
		The provision of additional risk management training for Officers on Control Measures be highlighted to the Corporate Management Team.	Richard Rowlands	Ongoing CMT to be updated that training is to be provided to the Leadership Team in March / April 2021.
	40	Update on Swansea Achieving Better Together		
		The Deputy Chief Executive provides a progress report to a future Audit Committee.	Adam Hill / Jeremy Parkhouse	Ongoing Reports to be added to the Audit Committee Work Plan 2021-22.
	39	Internal Audit Recommendation Follow-Up Report - Quarter 3 2020/21		
		The Chief Auditor checks the circumstances surrounding the failure of Health, Safety & Well-being to adhere to Contract Procedure Rules	Simon Cockings	Ongoing Chief Auditor is progressing.
	38	Internal Audit Annual Plan 2020/21 – Monitoring Report for the Period 1 October 2020 to 31 December 2021		
		An update report be provided to the next scheduled meeting regarding the Disclosure and Barring Service.	Sian Williams / Emma Johnson	Completed Update report included on the Audit Committee agenda for 9 March 2021.
	37	Service Centre: Accounts Receivable - Update		
		The Audit Committee be updated regarding the impact of the Corporate Insolvency and Governance Act 2020 on Accounts Receivable.	Sian Williams / Michelle Davies / Jeremy Parkhouse /	Ongoing Reports to be added to the Audit Committee Work Plan 2021-22.

	33	Audit Committee Action Tracker Report		
		Update reports in respect of the following list be added to the Audit Committee Tracker Report: - <ul style="list-style-type: none"> • Employment of Agency Staff / Staff Sickness Figures; • Corporate Joint Committees; • Recovery Plan. 	Jeremy Parkhouse / Adrian Chard / Adam Hill	Ongoing Reports to be added to the Audit Committee Work Plan 2021-22.
		Responses in respect of the Future Generations Act impact assessments be forwarded to the Chair / Democratic Services Officer	Chair / Jeremy Parkhouse	Ongoing
	31	Election of the Audit Committee Representative on the Annual Governance Group		
		Councillor L V Walton be elected as the Audit Committee representative on the Governance Group and the appointment be until the end of the current Council term in May 2022 only	Jeremy Parkhouse / Chair	Ongoing Re-appointment to be added to the Audit Committee Work Plan for 2022-23.
	29	Employment of Agency Staff Update		
		A follow up report be provided no later than June 2021. The follow up report to include areas of non-compliance, the total costs involved and associated costs in relation to lost sickness days.	Adrian Chard	Ongoing Update report to be added to the Audit Committee Work Plan 2021-22.
	111	ERW Replacement		
		An update be provided regarding future Scrutiny arrangements as a new regional Education model is introduced post April 2021.	Phil Roberts	Ongoing The constituent councils of ERW have now jointly agreed its dissolution and replacement with different consortium arrangements. The four councils in the Swansea Bay City Deal area are working together to design a new model for school improvement and this will include making appropriate arrangements for scrutiny. A report on progress will be presented to the next joint committee of ERW in February 2021.

		Local Transport Plan		
		An update report regarding the development of a new Local Transport Plan be added to the Audit Committee Work Plan.	Martin Nicholls / Stuart Davies	Ongoing The Wales Transport Strategy is due to be published in March 2021, and as a result of its delay, Welsh Government have extended the date for the submission of replacement Local Transport Plans (LTP) for approval by Welsh Ministers to 20 May 2022. A report will be brought in early 2022, to seek approval of the LTP.
10/03/20	87	Building Services Plant - Findings Update - Internal Audit Report 2019/20		
		The service area further investigates the introduction of a bar reader in respect of stock management.	Nigel Williams / Rob Myerscough	Ongoing Response received 01/12/20 – progress has been made with an alternative test system being put in place (not bar reader). Errors are currently under review. Unfortunately further roll out has been delayed due to IT prioritising Covid-19 response.

Appendix 2

		Outstanding actions from the Audit Committee Performance Review 2017-18		
		1) Benchmarking – The Corporate Management team will consider how best to use benchmarking information and provide an update to the Audit Committee.	Adam Hill	Completed Update report included on the Audit Committee agenda for 9 March 2021.
		2) Efficiency and Value for Money – Corporate Management Team to consider what information is required for the Audit Committee to enable the Committee to discharge its duties.	Adam Hill	Completed Update report included on the Audit Committee agenda for 9 March 2021.

Agenda Item 13



Report of the Head of Democratic Services

Audit Committee – 9 March 2021

Audit Committee – Workplan 2020/21

Purpose:	This report details the Audit Committee Workplan to May 2021.
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 Audit Committee's Work Plan to May 2021 is attached at Appendix 1 for information.
- 1.2 The Audit Committee Statement of Purpose is attached for information at Appendix 2.
- 1.3 The dates included for the meetings in 2020/21 were approved by the Political Group Leaders.

2. Equality and Engagement Implications

- 2.1 The Council is subject to the Public Sector Equality Duty (Wales) 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 Act.
 - 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.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

2.2 There are no equality and engagement 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 – Audit Committee Workplan 2020/21

Appendix 2 – Audit Committee Statement of Purpose

**Audit Committee Plan
2020 – 2021**

Terms of Reference	Report Title	Report Summary	Report Author	Date of Meeting
External Audit	Audit Wales Report – City & County of Swansea Annual Audit Summary 2020.	This is the audit summary for City & County of Swansea Council. It shows the work completed by Audit Wales since the last Annual Improvement Report, which was issued in March 2020. The audit summary forms part of the Auditor General for Wales' duties.	Jason Garcia	9 Mar 2021
Governance & Assurance	Benchmarking, Efficiency and Value for Money.	Corporate Management team will consider how best to use benchmarking information and what information is required for the Audit Committee to enable the Committee to discharge its duties.	Adam Hill	9 Mar 2021
External Audit	Counter Fraud	The report provides an action plan from the findings of the Audit Wales report 'Raising Our Game' – Tackling Fraud in Wales and The Counter Fraud Phase 2 Question Hierarchy Responses which informed the development of the Raising Our Game report.	Adam Hill	9 Mar 2021
Internal Audit	Draft Internal Audit Annual Plan 2021/22.	This report presents the Draft Internal Audit Annual Plan for 2021/22 to the Audit Committee for consideration prior to the final plan coming to committee in April for approval.	Simon Cockings	9 Mar 2021

**Audit Committee Plan
2020 – 2021**

Appendix 1

Terms of Reference	Report Title	Report Summary	Report Author	Date of Meeting
Internal Audit	Internal Audit Annual Plan Methodology Report 2021/22.	This report provides a briefing to the Audit Committee on the methodology used to prepare the Internal Audit Annual Plan in advance of the Annual Plan 2021/22 being reported to the Committee for approval on 20 April 2021.	Simon Cockings	9 Mar 2021
Governance & Assurance	Local Government and Elections (Wales) Act 2021	The report presents an update to the Committee around legislative changes to the terms of reference, membership and name of the Audit Committee.	Tracey Meredith	9 Mar 2021
Financial Reporting	Revenue and Capital Budget Monitoring - 3rd Quarter.	To report on financial monitoring of the 20/21 revenue and capital budgets.	Ben Smith	9 Mar 2021
Internal Audit	Service Centre – Disclosure & Barring Service (DBS) Follow Up Report	To provide an update on the current position following an audit undertaken. To provide an update on the recommendations put forward relating to the DBS procedure and associated processes.	Emma Johnson, Sian Williams	9 Mar 2021
External Audit	Audit Wales Report – City & County of Swansea Audit Plan 2020-2021.	Audit Wales 2021/22 audit plan for City & County of Swansea Council. The audit summary forms part of the Auditor General for Wales' duties.	Jason Garcia	20 Apr 2021

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Audit Committee Plan
2020 – 2021

Terms of Reference	Report Title	Report Summary	Report Author	Date of Meeting
Internal Audit	Fraud Function Annual Plan 2021/22.	This report sets out the planned areas of activity for the Internal Audit Section's Fraud Function for 2021/22 and is designed to provide a strategic view of the areas that will be subject to examination.	Jeff Fish, Jonathon Rogers	20 Apr 2021
Internal Audit	Internal Audit Charter 2021/22.	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 for final approval by Audit Committee following Corporate Management Team approval.	Simon Cockings	20 Apr 2021
Internal Audit	Internal Audit Strategy & Annual Plan 2021/22.	This report presents the Internal Audit Strategy and Annual Plan for 2021/22 to the Audit Committee for approval.	Simon Cockings	20 Apr 2021

Audit Committee Statement of Purpose

- 1) Our 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.
- 2) The purpose of our audit committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the City and County of Swansea's governance, 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.

Governance, Risk and Control

- 3) To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- 4) To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances.
- 5) To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- 6) To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- 7) To monitor the effective development and operation of risk management in the Council.
- 8) To monitor progress in addressing risk related issues reported to the committee.
- 9) To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 10) To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- 11) To monitor the counter fraud strategy, actions and resources.

Internal Audit and External Audit

- 12) To approve the internal audit charter and resources.
- 13) To consider the head of internal audit'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.
- 14) To consider summaries of specific internal audit reports as requested.
- 15) To consider reports dealing with the management and performance of the providers of internal audit services.
- 16) To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
- 17) To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- 18) To consider specific reports as agreed with the external auditor.
- 19) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- 20) To commission work from internal and external audit.

Financial Reporting

- 21) 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.
- 22) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability Arrangements

- 23) 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 is meeting its purpose.

Note: Audit Committee Statement of Purpose extracted from the Council Constitution (31.01.18).