



## Report of the Interim Director of Place

Governance & Audit Committee – 8 February 2023

### Place: Internal Control Environment 2022/23

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

#### 1. Background

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

#### 2. Risk Management and business continuity

- 2.1 Risks within Place are promptly identified and managed at appropriate levels (corporate, directorate, service, programme / project), and as far as possible mitigated, as part of the service review and planning cycle processes and ongoing self-evaluation. Monitoring is carried out through the Directorate performance management and reporting mechanisms at PFM and DMT meetings and programme / project boards with risks escalated as appropriate (with particular focus on 'red' risks).
- 2.2 The corporate online system is used for documenting and managing risks and all risks are evaluated and RAG rated (on the basis of likelihood and impact) and updated at the end of each month. The risk

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

- 2.3 The risks are shared with the responsible Cabinet Members. The P&FM meeting makes the decision about whether Directorate risks should be escalated to CMT for consideration as to whether they should become a corporate risk.
- 2.4 Each service areas also has a robust continuity plan.
- 2.5 To note the addition of two new corporate risks within the period of 2022-23:  
RISK: 334 - Cost of Living Crisis.  
RISK: 338 - Achieving the Net Zero 2030 Swansea Council target.

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

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

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

- 4.1 Each service within the Directorate has an annual service plan which sets out the steps that will be taken to deliver against agreed priorities. These plans are informed by all of the above and new Council policies, new statutory requirements, the latest performance information, any savings requirements set out within the Council's medium term financial plan and recommendations from internal or external audit.
- 4.2 The governance structure along with robust planning, monitoring, review and risk management practices ensures sound planning and decision making, performance and financial monitoring and robust consultative/partnership activity, as well as integrated and collaborative ways of working.

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

- 5.1 The Directorate is supported by dedicated Finance Partners who are part of the corporate finance team.
- 5.2 The Finance Partners work closely with the Directorate's budget officers meeting monthly to review budgets. The Finance Partner provides independent scrutiny and challenge of the Directorates financial plans, including direct advice to the statutory Director and the Council's S151 officer.
- 5.3 There are robust arrangements in place to ensure effective cross Council charging and income generation is maintained.

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

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

- 6.1 The Directorate's systems of internal controls have been designed in accordance with the Accounting instructions. Compliance is monitored through regular internal audits of the establishments and functions. Suspicions of impropriety are referred to internal audit and Human Resources. These measures have been shown to be effective in practice and helped to inform improvements over time.

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

- 7.1 The assurance framework and robust internal controls set out in this report provide a solid foundation for ensuring compliance with policies, rules and regulatory requirements within the Place Directorate. Periodic reminders are given to managers and team members and re-emphasised in any training opportunities.
- 7.2 Due to the broad range of service areas within the directorate, there are regular requirements to attend Scrutiny sessions in support of the relevant cabinet members. These may relate to general service provision or more specifically specific reviews or project pre decision Scrutiny sessions.

7.3 The directorate contributes regularly to the newly established Corporate Delivery Committees (CDCs) to assist in developing new policy areas aligned with the new corporate objectives. The main CDC's relevant to the Place Directorate are:

- Climate Change
- Economy & Infrastructure

## 8. Programme and project assurance

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

- **The Delivery of the Climate Change and Nature Strategy** The team leads on this authority wide programme, established to not only deliver the net zero council target by 2030, but also the Swansea wide campaign for net zero by 2050. Sound governance underpins the project, ensuring full engagement across all council directorates and with external partners.
- **Supporting service areas with IT cloud solutions** Project management governance established in order to improve and develop robust processes and support key stakeholders to deliver a successful outcome for the service areas.
- **Swansea Public Toilet Strategy** Every local authority has a duty to produce a strategy for public toilet provision. Swansea had produced a draft strategy, but had been unable to take this work forward in line with the legislation. Since being supported by the project management team, the strategy, its newly developed action plan and a progress report have been accepted by cabinet and we are now compliant with our duties, under the Public Health Act (Wales) 2017. The project team is now working on the delivery of the action plan by May 2023.
- **Economic Recovery Fund (ERF)** - To support the recovery of the local economy from the covid-19 pandemic the Council in conjunction with Regeneration Swansea partnership developed an economic recovery plan for Swansea. It specifically references the support for the Tourism, Leisure, Events and Hospitality sectors to assist with recovery following the pandemic. The team continue to monitor the process from application through to approval.
- **Play ERF** - The team provides support to the lead service area on effective processes, delivery, monitoring and reporting of the programme.
- **Swansea Bay Strategy** – Delivery Plan to assist the cross cutting teams on operational delivery.

- **CCTV & Wi-Fi** – to upgrade the Council’s CCTV system and roll out of public Wi-Fi.

All project progress is monitored and reviewed at bi - monthly Place DMT meetings, using a traffic light ‘RAG’ process for escalation.

## **9. Internal controls**

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

## **10. Data security**

- 10.1 Elements of the Directorate manages high levels of personal information and statutory requirements are such that this information needs to be routinely used to inform reports and plans. The consequences of any inadvertent data breach are always serious.
- 10.2 The processes for monitoring and reporting breaches are well established across the Directorate, as are the processes for learning from any such breach. Officers work closely with the Council’s Data Protection Officer to ensure that any lessons learned from breaches anywhere in the Council and beyond are used to continually improve our processes.
- 10.3 Arrangements are in place and monitored at PFM and officers appropriately trained and reminded as to the importance of agreed procedures. This is apparent from the limited number of breaches and issues that have taken place within the Directorate relative to the large amount of correspondence dealt with. Breaches have decreased as follows:

|    |            |       |                  |
|----|------------|-------|------------------|
| 11 | for ¾ year | 22-23 | (18% of Council) |
| 17 | full year  | 21-22 | (19% of council) |
| 17 | full year  | 20-21 | (26% of council) |

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

- 11.1 Elements of the Directorate are also involved in the regional working agenda via the City Deal This is in the capacity either of senior

responsible owner of specific city deal projects or part of the programme board structure for relevant regional projects of Talent and Skills and Homes as Power stations. The directorate is also now supporting the emerging work of the Corporate Joint Committee specifically relating to key themes of Transport Planning, Planning, Economic Development and Energy.

- 11.2 The recently established framework set up to work with three environmental partners on the Climate Change and Nature Recovery agenda, has proved effective within its first year. Six projects have been delivered to date, with a final one scoped for action before year end.

## **12. Integrated Assessment Implications**

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

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

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

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

- 12.2 There is no direct impact associated with this report, but assessing long-term trends and preventing risks from becoming issues are key aspects of risk management. Sustainable ways of working are incorporated

within the Council's risk management policy and framework. **See Appendix B.**

- **Summary of impacts identified and mitigation needed**  
All activities across the Place Directorate follow governance and procedure for approval and delivery. The report demonstrates sound systems are in place to reduce impact and mitigate any challenges.
- **Summary of involvement**  
Engagement and consultation is considered as required for all key projects within the Place Directorate.
- **WFG considerations**  
The Place Directorate senior team develop strong services plans across each area, which include consideration for all projects and business as usual services in relation to the wellbeing goals set out in the Well-being of Future Generations Act.
- **Any risks identified**  
Projects and business as usual activity across the Place Directorate utilises the Corporate/Directorate and Service Risk Register for escalation. Cross cutting projects are also monitored using the RAG process and escalated at DMT as necessary.
- **Cumulative impact**  
The report demonstrates by using a combination of monitoring processes and strong governance that the cumulative impact of potential issues is minimised.

### **13. Legal Implications**

13.1 There are no legal implications.

### **14. Financial Implications**

14.1 There are no financial implications.

**Background papers:** None

**Appendices:**

**Appendix A** (Place Directorate) Corporate and Directorate Risk Report

**Appendix B** IIA Screening