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For all enquiries relating to this agenda please contact Amy Dredge
(Tel: 01443 863100 Email: dredga@caerphilly.gov.uk)

Date: 4th June 2019

Dear Sir/Madam,

A meeting of the **Audit Committee** will be held in the **Sirhowy Room - Penallta House, Tredomen, Ystrad Mynach on Tuesday, 11th June, 2019 at 2.00 pm** to consider the matters contained in the following agenda. Councillors and the public wishing to speak on any item can do so by making a request to the Chair. You are also welcome to use Welsh at the meeting, both these requests require a minimum notice period of 3 working days, and a simultaneous translation will be provided if requested.

All Committee meetings are open to the Press and Public, observers and participants are asked to conduct themselves with respect and consideration for others. Please note that failure to do so will result in you being asked to leave the meetings and you may be escorted from the premises.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chrissy' or similar, enclosed in a large, loopy oval shape.

Christina Harrhy
INTERIM CHIEF EXECUTIVE

AGENDA

- | | Pages | |
|---|---|--|
| 1 | To appoint a Chair and Vice-Chair for the Ensuing Year. | |
| 2 | To receive apologies for absence. | |

A greener place Man gwyrddach



3 Declarations of Interest.

Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any item of business on this agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

To approve and sign the following minutes: -

- 4 Audit Committee held on the 23rd April 2019. 1 - 6

To receive and consider the following reports: -

- 5 Audit Committee Forward Work Programme. 7 - 10
- 6 Regulator Proposals for Improvement Progress Update. 11 - 18
- 7 Draft Annual Governance Statement for 2018/19. 19 - 32
- 8 Public Sector Internal Audit Standards - Action Plan Progress Update. 33 - 52
- 9 Updated Code of Corporate Governance and Terms of Reference for the Corporate Governance Review Panel. 53 - 78

To receive and note the following information items:-

- 10 Annual Review of Complaints Received Under the Council's Corporate Complaints Policy - 1st April 2018 - 31st March 2019. 79 - 100
- 11 Corporate Governance Panel Minutes held on 2nd April 2019. 101 - 102
- 12 Regulation of Investigatory Powers Act 2000. 103 - 106
- 13 Officers Declarations of Gifts and Hospitality - January to March 2019. 107 - 110

**If a member of the Audit Committee wishes for any of the above information reports to be brought forward for discussion at the meeting please contact Amy Dredge, 01443 863100, by 10.00 a.m. on Monday 10th June 2019.*

Circulation:

Councillors M.A. Adams, Mrs E.M. Aldworth, J. Bevan, A. Gair, Ms J. Gale, C.P. Mann, D.T. Hardacre, B. Miles, Mrs T. Parry, Mrs M.E. Sargent (Chair), G. Simmonds and J. Simmonds

Lay Member – Mr N.D. Yates (Vice Chair)

Auditors –Ms N. Jenkins (Wales Audit Office), Ms G. Hawkins (Grant Thornton UK LLP) and Mr B. Morris (Grant Thornton UK LLP)

And Appropriate Officers.

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AUDIT COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN, YSTRAD MYNACH ON TUESDAY 23RD APRIL 2019 AT 2.00 PM

PRESENT:

Councillor M.E. Sargent – Chair
N. Yates – Vice Chair

Councillors:

Mrs E. Aldworth, D.T. Davies, C. Elsbury, A. Gair, Ms J. Gale, D. Hardacre, Mrs B. Miles, G. Simmonds and J. Simmonds.

Together with:

S. Harris (Interim Head of Business Improvement Services), R. Harris (Internal Audit Manager), D. Gronow (Principal Auditor), A. Southcombe (Finance Manager - Corporate Finance) and A. Dredge (Committee Services Officer).

G. Jones (Wales Audit Office).

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J. Bevan, Mrs T. Parry and R. Edmunds (Corporate Director for Education and Corporate Services).

2. DECLARATIONS OF INTEREST

There were no declarations of interest received at the commencement or during the course of the meeting.

3. MINUTES – 29TH JANUARY 2019

RESOLVED that the minutes of the Audit Committee held on the 29th January 2019 (Minute No's 1 – 11) be approved as a correct record and signed by the Chair.

REPORTS OF OFFICERS

Consideration was given to the following reports.

4. AUDIT COMMITTEE FORWARD WORK PROGRAMME

The Interim Head of Business Improvement Services presented the report which outlined the Draft Forward Work Programme from April to October 2019. Members were asked to consider the work programme and to make any amendments or propose any additional items to be included in future meetings. It was explained that the provisional Special Audit Committee meeting scheduled for the 17th December 2019 will be held only if there are a number of reports requiring consideration at that time.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that the Forward Work Programme appended to the report be approved.

5. 2019 AUDIT PLAN - CAERPHILLY COUNTY BOROUGH COUNCIL

Mr G. Jones (Wales Audit Office (WAO)) presented the 2019 Audit Plan and explained that colleagues from Grant Thornton who would usually present the financial aspect of the Plan were unavailable to attend the meeting.

The Committee noted the objectives of the Audit Plan and the duties of the Auditor General in respect of his duties under the Public Audit (Wales) Act 2004, the Local Government (Wales) Measure 2009 (the Measure), Wellbeing of Future Generations (Wales) Act 2015, the Local Government Act 1999, and the Code of Audit Practice. The purpose of the Audit was to examine and certify whether the financial statements are "true and fair", assess whether proper arrangements for securing economy, efficiency and effectiveness in the use of resources have been made; Audit and assess whether Caerphilly County Borough Council (CCBC) have discharged duties and met requirements of the Measure; and undertake studies in order to make recommendations for improving economy, efficiency and effectiveness or for improving financial or other management arrangements.

The Audit Committee noted the extensive work that would be undertaken during the Audit in order to determine any areas of material misstatements, the fees associated with the task, as well as the findings following the Audit and the certificate that would be issued following its satisfactory completion.

Members noted that it is likely that the anticipated Local Government Wales Bill will propose that the Local Government (Wales) Measure 2009 no longer applies to councils in order to minimise work that focuses on the process of improvement planning. In the Audit Plan for 2018, it was explained that in previous years reliance had been placed on work under the Measure to help discharge the duty under the Public Audit (Wales) Act 2004. This was in order to satisfy that councils have made proper arrangements to secure economy, efficiency and effectiveness (value for money) in the use of resources. It is likely that in future years the focus of local performance audit programmes will continue to be more clearly aligned to discharging the Public Audit (Wales) Act 2004 duty.

In 2018-19, an examination was undertaken of the extent to which the Council is acting in accordance with the sustainable development principle in taking steps to meet the wellbeing objectives. A further examination will be undertaken during 2019-20. The WAO also undertakes a programme of local government studies. This work is included within the WAO estimates for funding from the Welsh Consolidated Fund and not local fees. These studies primarily lead to a national report augmented by good practice and shared learning outputs rather than by local reports. Local findings, where relevant, will be captured in improvement assessment work and reported in annual improvement reports depending on the timing and the focus of conclusions.

The Committee discussed the audit fee, the team involved and the timetable for the programme. A Member referenced the Sustainable Development Principle and it was explained that Councils must show how they will secure resources for the future thereby ensuring safeguarding for future generations. Clarification was sought in respect of the Valuation of Pension Fund Net Liability and a Member referred to documents previously distributed received from the Greater Gwent Pension fund (Torfaen) that explained the Actuarial Valuation Report at that time. Officers confirmed that copies would be distributed following the Committee for information. In addition, Members were advised that a large transformation programme/strategy is due to be undertaken by the Council in terms of the future and the resilience of the Council in moving forward. The report will be presented to the

Policy and Resources Scrutiny Committee on the 28th May 2019 and then Cabinet on the 12th June 2019.

The Chair thanked Mr Jones for attending the meeting and presenting the report and the Audit Committee noted its contents.

6. ANNUAL INTERNAL AUDIT REPORT 2018/19

The Internal Audit Manager and Principal Auditor presented the report which informed Members of the overall opinion on the Authority's Internal Control Systems derived from the work undertaken by Internal Audit Services during the 2018/19 financial year. The Head of Internal Audit provides an annual report to support the Annual Governance Statement. This audit opinion will inform the annual governance review process and be incorporated into the Annual Governance Statement which will be reviewed by the Audit Committee at its meeting in June 2019. Both the Council's Financial Regulations and the Internal Audit Charter set out the reporting requirements for Internal Audit Services and the Public Sector Internal Audit Standards (PSIAS) introduced in 2013 have also reinforced the links with corporate governance and the assurance framework.

Members were referred to appendix 1 and 2 (attached to the report) that set out the audit opinions related to the audits undertaken and upon which the overall audit opinion is based. Reference was made to the tables set out on page 39 where the opinion in respect of one particular establishment was inadequate/unsatisfactory. Officers referred to the Audit Committee held in October 2018 where a report was presented and agreed on the rationale behind the rankings in respect of how opinion levels had been set and how they are allocated. Furthermore, details regarding this process will become clearer at future meetings of the Audit Committee with service managers responsible for areas that have received audit reports with less than a satisfactory opinion attending meetings to discuss the position.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that the opinion expressed by the Internal Audit manager, be noted.

7. INTERNAL AUDIT SERVICES: AUDIT CHARTER

The Internal Audit Manager and Principal Auditor presented the report which sought Audit Committee approval for the updated Internal Audit Charter. The existing Audit Charter was in need of updating as a result of agreed recommendations arising from both the internal and external assessments undertaken in line with the requirements of the Public Sector Internal Audit Standards (PSIAS). The Audit Committee has previously agreed an action plan to address the agreed recommendations and the updating of the Audit Charter is a key element in the completion of the actions identified. Officers explained that additional wording has been incorporated into the existing document to more accurately reflect the requirements set out within the Audit Standards. The new Audit Charter and the previous version showing the proposed changes were appended to the report.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that the amended Charter be endorsed.

8. INTERNAL AUDIT SERVICES: ANNUAL AUDIT PLAN 2019/20

The Internal Audit Manager and Principal Auditor presented the report which sought Audit Committee approval for the Internal Audit Services Annual Audit Plan for the financial year 2019/20. The report provides details of the planned work programme for Internal Audit

Services for 2019/20. The Plan (appended to the report) is broadly similar to previous years and reflects the ongoing development of the Plan in terms of coverage and risk identification.

The Officers advised that the resources on which the Plan is based have increased slightly on previous years due mainly to the appointment of an audit trainee. Members noted that following a recommendation by the Council's External Auditor, the Plan now shows planned activity on a quarterly basis. This will allow for better control and monitoring of the Plan during the year. A mid-year report highlighting progress against the Plan along with details of any specific issues arising will be presented at the October meeting.

Members discussed the Plan and the resources available with particular reference to the overheads and available working days per quarter. Officers explained how for planning purposes the audit resource can be analysed in several different ways and that paragraph 2.14 shows a breakdown of planned Directorate coverage and planned types of audit. Officers also explained that the plan may also be flexed and audits reprioritised as Service Managers/Directors become aware of new operational risks or other issues which may arise during the year. The Committee were assured that priority will always be given to high risk areas whether known or emerging, as has been the case in previous years.

Responding to a Member question Officers outlined how the audit universe evolved and continues to evolve and how it facilitates the compilation of the audit plan. Members attention was drawn to Annex A, the Audit Plan, which, it was explained, is an extract from the audit universe of those areas under consideration for audit coverage during the coming 12 months.

A Member queried if more staff will be employed due to the procurement of the new Audit Management, Planning and Reporting system. In response, Officers advised that no additional staff will be employed and the system will be implemented and staff will be trained at the earliest opportunity. The system has the ability to evaluate staff resources by holding data on working patterns and their commitments that affect availability. The 'go live' date for the implementation is anticipated to be the 10th June 2019.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that the Internal Audit Services Annual Audit Plan for the 2019/20 financial year be approved.

9. INTERNAL AUDIT REPORTS - "IN NEED OF IMPROVEMENT"

The Principal Auditor and Finance Manager (Corporate Finance) presented the report which sought to inform the Audit Committee of the work undertaken, risks identified, agreed actions and any associated impact on the Authority's Annual Governance Statement Process. Following the October 2018 Audit Committee meeting and the ISA 260 report from the External Auditors Grant Thornton in July 2018, it was agreed that additional information would be provided to the Audit Committee in respect of the audit assignments undertaken.

It was explained that this process allows Members to assess whether the recommendations made by Internal Audit and agreed management responses are reasonable and support an improvement in internal control processes. It will ensure that the Audit Committee discharges its responsibilities in respect of reviewing and forming an opinion on the overall control environment in place across the Council, which underpins the Annual Governance Statement process at the end of the financial year. The new system has been in place since October 2018 and has been applied to audits completed and where reports have been agreed and issued to management between January 2019 and March 2019.

Members were referred to the 'Final' Internal Audit Report - Treasury Management 2018/19 that was appended to the report. The report sets out details of the Audit review of Treasury Management within Corporate Finance, that was undertaken during November 2018.

A Member sought clarification in respect of Privacy Notices referred to in paragraph 7.1.2 in the report as no specific privacy notice for Treasury Management was found published on the Council's website. Finance staff were not aware of any being drawn up to inform data subjects/service users what happens with their personal data retained by the Treasury Management team and how it is going to be used. Officers assured Members that the Group Accountant (Corporate Finance) and/or the Finance Manager will continue to liaise with the Assistant Information Officer and progress as necessary in order to ensure compliance regarding privacy notices is achieved.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that the contents of the Internal Audit report be noted, and management comments and actions in respect of issues raised are accepted and will effect improvement in the systems of internal control.

10 – 13. INFORMATION ITEMS

The Committee received and noted the following information items:-

- (i) WAO - WHQS Service User and Follow up Report.
- (ii) Regulation of Investigatory Powers Act 2000.
- (iii) Officers Declarations of Gifts and Hospitality - October to December 2018.
- (iv) Minutes of the Corporate Governance Panel - 11th January 2019.

The meeting closed at 3.20 pm.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 11th June 2019, they were signed by the Chair.

CHAIR

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AUDIT COMMITTEE FORWARD WORK PROGRAMME – 2019

AUDIT COMMITTEE – 11TH JUNE 2019 (Deadline for reports: 12 noon 28TH MAY 2019)			
TITLE	PURPOSE	KEY ISSUES	PRESENTING OFFICER
Audit Committee Forward Work Programme	To ensure that the committee agendas reflect its responsibilities in the reviewing and consideration of the Authorities financial affairs and financial statements, including the oversight of the internal and external audit arrangements of the Council and the reviewing and assessment of risk management, internal control and corporate governance arrangements.	It includes all reports that were identified at the Audit Committee on 23rd April 2019. Outlines the reports planned for Audit Committee until December 2019.	R. Edmunds
Regulator Proposals for Improvement Progress Update			R. Roberts/S. Harris
Corporate Risk Register (Q4 – 2018/19)			R. Roberts/S. Harris
Draft Annual Governance Statement 2018/19			R. Edmunds
Progress Report on the Public Sector Internal Audit Standard (PSIAS) Action Plan	To update the Audit Committee on progress against the PSIAS Action Plan		R. Harris/ S. Harris
Corporate Governance Local Code and Terms of Reference for the Review Panel	To Prepare the Terms of Reference for the Review Panel		R. Harris/ S. Harris
INFORMATION ITEMS			
Annual Review of Complaints Received Under the Council's Corporate Complaints Policy – April 2018 – 31st March 2019			L. Lane
Corporate Governance Panel Minutes – TBC			S. Harris

Agenda Item 5

AUDIT COMMITTEE FORWARD WORK PROGRAMME – 2019

Regulation of Investigatory Powers Act 2000	To advise Members of the numbers of covert surveillance operations undertaken by the Council in accordance with the provisions of the Regulation of Investigatory Powers Act 2000 (RIPA)	To provide an update on the number of operations undertaken in accordance with RIPA for the period TBC to TBC , 2019.	L. Lane
Officers Declarations of Gifts and Hospitality – January to March 2019	To provide the Audit Committee with the information regarding the Register of Employees' Interests Forms completed by officers of the Council (excluding Schools) regarding Gifts and Hospitality for the period TBC 2019 i.e the first quarter of the financial year 2018/19 and a comparison with the previous three quarters.		L. Donovan

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**SPECIAL AUDIT COMMITTEE – 23RD JULY 2019
(Deadline for reports: 12 noon 8TH JULY 2019)**

TITLE	PURPOSE	KEY ISSUES	PRESENTING OFFICER
Local Government Financial Statements and the Role of the External Auditor			Grant Thornton
Audit Committee Assurance Over Management Processes and Arrangements			R. Harris/ S. Harris
Financial Statements for 2018/19			R. Harris/ S. Harris
INFORMATION ITEMS			
None			

AUDIT COMMITTEE FORWARD WORK PROGRAMME – 2019

AUDIT COMMITTEE – 15TH OCTOBER 2019 (Deadline for reports: 12 noon 30TH SEPTEMBER 2019)			
TITLE	PURPOSE	KEY ISSUES	PRESENTING OFFICER
Audit Committee Forward Work Programme	To ensure that the committee agendas reflect its responsibilities in the reviewing and consideration of the Authorities financial affairs and financial statements, including the oversight of the internal and external audit arrangements of the Council and the reviewing and assessment of risk management, internal control and corporate governance arrangements.	It includes all reports that were identified at the Audit Committee on 11th June 2019 Outlines the reports planned to Audit Committee until December 2019	R. Edmunds
Corporate Risk Register Monitoring (Q2 – 2019/20)			R. Roberts/S. Harris
Internal Audit Services – Annual Outturn Report 2018/19			R. Harris
Internal Audit Services Mid-Year Progress Report			R. Harris
INFORMATION ITEMS			
Caerphilly County Borough Council – Annual Audit Letter 2018/19			R. Harris/ S. Harris
Regulation of Investigatory Powers Act 2000	To advise Members of the numbers of covert surveillance operations undertaken by the Council in accordance with the provisions of the Regulation of Investigatory Powers Act 2000 (RIPA)		L. Lane
Officers Declarations of Gifts and Hospitality – April to June 2019	To provide the Audit Committee with the information regarding the		L. Donovan

AUDIT COMMITTEE FORWARD WORK PROGRAMME – 2019

	Register of Employees' Interests Forms completed by officers of the Council (excluding Schools) regarding Gifts and Hospitality for the period TBC 2019 i.e the first quarter of the financial year 2018/10 and a comparison with the previous three quarters.		
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(PROVISIONAL) SPECIAL AUDIT COMMITTEE – 17TH DECEMBER 2019 (Deadline for reports: 12 noon 2ND DECEMBER 2019)			
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TITLE	PURPOSE	KEY ISSUES	PRESENTING OFFICER

Dates to be confirmed			
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TITLE	PURPOSE	KEY ISSUES	PRESENTING OFFICER
Corporate Complaints 6 monthly update			L. Lane/R. Tranter

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AUDIT COMMITTEE – 11TH JUNE 2019

SUBJECT: REGULATOR PROPOSALS FOR IMPROVEMENT PROGRESS UPDATE

REPORT BY: DIRECTOR OF EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update members on progress against proposals or recommendations made by all regulators since the last Audit Committee update (January 2019) and to advise on any new proposals that have been added since that time.

2. SUMMARY

- 2.1 Since January 2019 there has been **2** proposals addressed and **9** new ones added onto the register.
- 2.2 Currently we have no statutory recommendations to address. There are 12 Proposals and 5 Areas for Improvement on the register totalling **17** altogether. There are 2 proposals which are considered completed and if agreed by the Audit Committee, would leave **15** outstanding.
- 2.3 We have received 3 reports since the last time an update was provided; A Service User Perspective Review (telephone interview of Housing Tenants), a follow up on WHQS and an Examination of improving the take up of the Flying Start Programme, which is part of the Wales Audit Office (WAO) work on how public bodies are implementing the Well-being of Future Generations Act (Wales) 2015.
- 2.4 For clarity, the WAO issue Proposals and Recommendations. The difference is that a proposal is a 'suggestion for improvement'. This means the Authority does not have to act on it, but if it is on the register it has been agreed that we will. A 'Recommendation' is statutory which means we have a 'statutory duty' to act on the recommendation. The Areas for Improvement are a new category as noted in para 2.3 and looks at how we have used the Sustainable Development principle in forming actions to deliver the Well-being Objectives. This does not have specific proposals but rather identifies areas for improvement.

3. RECOMMENDATIONS

- 3.1 We recommend 2 proposals be closed down as completed and encourage members to view the specific proposals attached within Appendix A, and judge if they concur that the proposals are now complete. It is recommended that Audit Committee give their agreement (if appropriate) to close the proposals that are noted as 'recommended as completed' within Appendix A.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure members are aware of progress the Council's actions for progressing regulator recommendations and proposals and have assurance that progress is being made through an opportunity to monitor and challenge content.

5. THE REPORT

- 5.1 As of June 2019 there are 17 proposals / areas for improvement outstanding including 9 new ones. We are recommending 2 be closed down as completed leaving 15 outstanding. See breakdown below:

Name of Report	How many proposals / recommendation outstanding	How many completed in this reporting period	How many left?
Asset Management	1	0	1
Financial Position	1	1	0
Financial Resilience	1	0	1
Review of arrangement to address external audit inspection	1	1	1
Savings planning (Financial Resilience)	1	0	1
Overview Scrutiny Fit for the Future?	3	1	2
Service User Perspective Review	1	New	1
Welsh Housing Quality Standard Follow up Review	3	New	3
Well-being of Future Generations 'steps' examination of 'improve the take up of Flying Start'	Areas for improvement 5	New	5
Total	17	2	15

- 5.2 **Asset Management** – This last proposal is a long term activity requiring each service to develop a Service Asset Management Plan (SAMP). As noted in an earlier report, Property Services appointed an Asset Management Officer to work with services on a two year fixed term basis to develop SAMPs (Appendix A). Good progress has been made and as the SAMPs develop the Council is able to gain a better idea of future requirements. By understanding those requirements we are able to be more efficient in asset management by identifying if there are any overlaps, potential impacts on other services, possible co-locations, re use of buildings and so forth.
- 5.3 **Financial Position** – This has been on the register for four years and is part of ongoing work to better link council priorities to the Medium Term Financial Plan. As this is ongoing we have never removed it from the register; however it is now part of day to day business and continues to be looked at under the Council's wider strategic Transformation strategy, so we recommend this is now closed down.

- 5.4 **Financial Resilience and Review of arrangement to address external audit inspection** – both these proposals have been on the register for two years. During that time the ground work was started but following a change of direction (due in part to changes occurring because of challenging financial restrictions) the way the actions would be delivered needed to change accordingly. The Councils new operating model as noted in Appendix A addresses both these areas with specific dates for actions to be completed so we expect to be able to report completion at the next Audit Committee update.
- 5.5 **Savings Planning** (Financial Resilience). This proposal is to ensure planned savings are underpinned by robust business cases. This already happens as detailed reports are prepared for Scrutiny; however we are refreshing the process and the way we capture and consider savings, so we would like the proposal to remain until this is completed. Additionally the WAO are carrying out a further Financial Resilience piece of work in their 2019/20 work programme so there may be further proposals for improvement.
- 5.6 **Overview Scrutiny Fit for the Future?** Came onto the register July 2018 and is making good progress and against the dates set for delivering the actions. **Service User Perspective Review** was a survey carried out with Housing tenants and the **Welsh Housing Quality Standard Follow up Review** came onto the register January 2019. Both are making good progress.
- 5.7 **Well-being of Future Generations** ‘steps’ examination of ‘improve the take up of Flying Start’ was published in April 2019. This work is to identify how the Sustainable Development Principle (the five ways of working) was used in developing actions to address our Well-being Objectives. The output identified some very good practice and some areas to consider in making improvements. In a change from the standard report, a workshop was held with a range of staff to suggest their own actions for improvement within the Early Years work and this forms the action plan.
- 5.8 Education Directorate advise there are no ESTYN outputs to report on this occasion. Social Services also advise there are no Care Inspectorate Wales reports or studies to report on at this time.
- 5.9 **Conclusion**

In the main most proposals are making good progress and there are no emerging issues. Para 5.4 identifies two areas that have been slow to make progress and this is due to wider changes taking place. The implementation of the Transformation Strategy gives specific actions to address those outstanding actions.

When monitoring progress against the proposals, members are advised to consider what value the proposals are making and what difference the activity in addressing them has made for our citizens. The WAO view is that the decision on whether a proposal is completed is an internal matter for the organisation to decide, (although it is within their remit to make more proposals if they do not believe it has been addressed). WAO receive this update as part of their attendance at Audit Committee.

6. ASSUMPTIONS

- 6.1 No assumptions have been made or were thought necessary in the context of this report.

7. LINKS TO RELEVANT COUNCIL POLICIES

7.1 Corporate Plan 2018-2023

The Steps Examination Areas for Improvement looks at Flying Start which is an important part of the early year section in Objective 1 - Improve education opportunities for all.

The Service User Perspective proposals and the WHQS follow up contributes to Objective 3 - Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being.

The Corporate Plan can be found on the intranet on the Policy portal, within the performance management section. See link below:

<http://sc-aptdken1/KENTICO/getattachment/ab780120-3a2b-47f9-bff0-f383462fbb98/Corporate-Plan-2018-23.aspx>

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 There are no specific implications to the Well-being of Future Generations within this report however some proposals are a result of the WAO review of our compliance with the Well-being of Future Generations (Wales) Act 2015. The proposals as noted in section 5.1 also relate to two of the Well-being Objectives that the Council has set itself to improve well-being. The Corporate Plan as noted above shows which national goals our Well-being objectives maximise our contribution towards.
- 8.2 The five ways of working, should be included within the actions to address these proposals and are not specific to the proposals themselves, with the exception of the last proposals as they were a direct review of how we applied the five ways of working to set our objective and actions (or steps) to deliver the objective.

9. EQUALITIES IMPLICATIONS

- 9.1 No specific Equalities Impact Assessment has been undertaken on this report; however the Local Government Measure 2009 cites fairness and accessibility as part of the definition of what 'Improvement' means and the Well-being Objectives which are part of the Corporate Plan (link in paragraph 7.1) contribute to a More Equal Wales.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no financial implications arising from this report although of note external audit fees can be reduced, if regulators are assured that they can place reliance on the organisation's own ability to monitor and challenge itself to improve.

11. PERSONNEL IMPLICATIONS

- 11.1 There are no personnel implications arising from this report.

12. CONSULTATIONS

- 12.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report.

13. STATUTORY POWER

- 13.1 Local Government Measure (Wales) 2009.

Author: Ros Roberts Business Improvement Manager roberr@caerphilly.gov.uk
Consultees: Christina Harray, Interim Chief Executive
Richard Edmunds, Corporate Director for Education & Corporate Services
Steve Harris, Interim Head of Business Improvement
Cllr Barbara Jones, Cabinet Member, Performance
Mark Williams, Interim Head of Property Services
Lynne Donovan, Head of People Services
Cath Forbes, Thompson, Scrutiny Manager
Rob Tranter, Head of Legal Services
Shaun Couzens, Chief Housing Officer
Paul Smythe, Housing Technical Manager
Sarah Mutch, Early Years Manager
Keri Cole, Chief Education Officer
Gareth Jenkins, Assistant Director, Children's Services
Jo Williams, Assistant Director, Adult Services
Kathryn Peters, Corporate Policy Manager
Anwen Cullinane, Senior Policy Officer Equalities and Welsh Language

Appendices:
Appendix A: Action Plan 2018 Response to Regulator Proposals

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Action Plan 2019 Response to Regulator Proposals

Number and reference of action	Original Document	Regulator Proposal	Action	Previous Update Jan 2019	Service Officer Responsible	When will be completed by	Jun-19	Status	Percentage completed
46	Asset Management (Land and Property) Strategy Review (September 2013)	P2: Ensure that the individual service asset management plans are developed as soon as possible and are used to inform the Council's financial planning process.	Develop Service Asset Management Plan (SAMP) and consider impact on the Medium Term Financial Plan (MTFP)	The Asset Management Coordinator is liaising with individual services to aid in the completion of service strategies. By completing service strategies, the AMC can clearly understand the service property requirements for the short, medium and long term to aid in the completion of the asset management plans. AMC has currently liaised with Property Services, Countryside, Social Services, Infrastructure, Adult Education and Youth Services	Mark Williams	Jan-Mar '14 (change of completion date to March 2018 due to number of reviews that affect the outcome). Date changed to March 2020 see update	The Asset Management (Land and Property) Strategy has been updated and taken to Cabinet May 19 for Approval. The following services have had their asset management plans completed by the Property department and are with services for sign off. They are; Corporate Offices Adult Education and Youth Service Housing Countryside Library Services Infrastructure In the following weeks draft versions of Cemeteries, Allotments and Amenity Sites are due to be completed.	In progress	75%
FPA2015/1	Financial Position Assessment Issued May 2015	P1 The Council should ensure that its priorities and improvement objectives are explicitly taken into account when determining its savings plans	Continue to develop linkages between Council priorities and the Medium-Term Financial Plan (MTFP).	The Corporate Management Team (CMT) is currently working with the Cabinet to establish a vision for "Caerphilly 2022". This will determine the Council's direction of travel in the context of the significant financial challenges that we continue to face. As part of this process there will be close alignment between the Council's priorities and the Medium-Term Financial Plan (MTFP). The Future Generations Act specifically requires the Well-being objectives publication to explain how the objective will be resourced and that is detailed in the Corporate Plan 2018-2023	Stephen Harris	Ongoing	The Cabinet will be presented with the Future Caerphilly Transformation Strategy on the 12th June 19 which is being launched as #TeamCaerphilly - 'Better Together'. This will be the strategic programme of change, outlining a new operating model for the future which will align with the vision for CCBC including linkages to the medium term financial plan	Completed	100%
181A2016	Financial Resilience 2015/2016 issued April 2016	P1 Developing income generation/charging policies.	A corporate policy on income generation/charging will be progressed once the WAO produces a final national report on its "All Wales Local Government Improvement Study: Strategic approach to income generation and charging".	As part of the work currently underway in relation to "Caerphilly 2022", a Commercial Strategy is being drafted for Cabinet consideration. This Strategy will replace the Income Generation Policy that was previously drafted. It is anticipated that the Commercial Strategy will be presented to Cabinet for approval by the end of May 2018.	Stephen Harris	01/04/2017 (changed) July 17	The Strategic Action Plan for the #TeamCaerphilly - Better Together includes an action to develop a Commercial and Investment Strategy for Cabinet approval by the end of October 2019. After this time we will be a position to close this proposal for improvement.	In progress	75%
344A2016 (Audit year 15/16) Issued May 2016 / reported August 16	Review of arrangements to address external audit, inspection and regulation and proposals for improvement.	P1 As the Council develops its vision and considers the future shape of the organisation, it should identify and plan for the workforce requirements to implement its vision.	Develop Staff Vision and Values to complement Cabinet Commitments. Research and Develop a holistic organisational development plan, that includes age profiling, re-skilling and potential apprenticeships. This would include supporting agile working policy and practise.	We are looking at what the Council needs to support future service delivery, (however services may look), which will involve a review of all our HR policies and also the production of relevant strategies including Workforce Planning / Organisational Development and also Wellbeing. The HR policies and strategies will be essential to support a future workforce that is fit for purpose and able to meet the needs of changing delivery models. The principles of agile working are now in operation and the policy will be developed along with the review of the other workforce flexibility policies to ensure they all integrate. The OD policy is still being developed in line with other workforce policies with an aim to be finished early spring. We will then be in a position to close this proposal as it moves into day to day business.	Lynne Donovan	Oct 2017 Changed to April 2019 Changed to 31st Jan 2020	The Council has developed a transformation programme (as noted above), the core purpose of which is to support sustainable and resilient communities across the County Borough, with growing demands for services and reduced funding. One of the strands of this programme is to produce a workforce development strategy by 31 st January 2020, to ensure that we have the right staff with the right skills in the right place to support our future direction. The Council committed one off funding in 2018 to support the employment of Apprentices. With funding matched from service areas, 23 fixed term Apprentice posts were agreed, for a period of 2 years, each with a comprehensive training and development programme suited to individual placements. The opportunity for further Apprentice appointments will be considered in the workforce development plan. Agile working principles were introduced in 2018 and have generally been received well. Further work need to be undertaken for all services to embrace the opportunities agile working can bring to improve service delivery. Agile working will be a key consideration within the new workforce development plan.	In progress	40%
654A2016 (issued March 15/16) Issued March 15/16 / reported June	Savings planning (Financial Resilience Presented Cabinet 5th July 2017)	P1. Strengthen financial planning arrangements by ensuring that savings plans are underpinned by robust business cases	1 Develop a new template to capture detailed information on future savings proposals. The template will include consideration of the Well being of Future Generations (Wales) Act 2015 to further develop links between the MTFP & Council Priorities and objectives. 2. Guidance notes to be produced to help managers understand why and how to complete.	The pilot template has been used again by the Communities Directorate as part of the process for developing draft savings proposals for 2019/20. The Business Improvement Board is yet to finalise the next steps in relation to business case requirements linked to significant service change proposals but this will be completed by the end of June 2019. As part of business as usual all savings proposals that are likely to have an impact on the public will continue to require detailed reports to be prepared for consideration by Scrutiny Committees.	Stephen Harris	Oct - Dec 18	We are currently refreshing the savings template and all significant service changes will require robust business cases to be proposed moving forward.	In progress	Jan 75%
New WAO Ref 609A2018-19	Overview and Scrutiny - Fit for the Future? Issued July 2018	P1 Improving the provision of training and development opportunities for members to help a) improve their understanding of their role in overview and scrutiny; b) develop their skills to be able to scrutinise effectively; and c) improve their understanding and consideration of the Well-being of Future Generations Act when undertaking scrutiny activity by providing further training .	a) & b) - To run a self-evaluation Survey of officers and members (based on the good characteristics of scrutiny guidelines). Once the results have been analysed, the results and the WAO findings will be used to form a member workshop. The outcomes of member workshops will be used to triangulate these 3 different forms of intelligence to set an action plan for improvement. This outcome of this action is to have a developed action plan that will then be monitored by the Scrutiny Leadership Group.	a) & b) The self-evaluation survey is being completed and the results will be analysed in January. The survey results and the WAO findings will inform the basis for new member workshops. From September the 2 year member training programme was put on the members portal. The training programme was informed by the training needs analysis in which members identified their training needs. C) Additional training has been provided to all Scrutiny's in the Well-being of Future Generations Act and the 5 ways of working (Sustainable Development Principle), so this proposal is now complete.	Cath Forbes-Thompson	Jul-19	A report was considered by Council on 16th April 2019, with 11 recommendations to improve the scrutiny function. Included in the recommendations were proposals to offer additional scrutiny training which will include scrutiny skills and knowledge in addition further WFG training in the form of a workshop in summer 2019, this will be included in an action plan for member training and development and will be monitored by Scrutiny Leadership Group.	In progress	75%
		P2 Clarifying the role of Cabinet Members within the overview and scrutiny process to ensure that arrangements support transparency and accountability.	The above action to complete the survey and hold workshops with input from the WAO report will form the action plan that will address this proposal and will be monitored by Scrutiny Leadership Group	The same update from the above column applies here	Cath Forbes-Thompson	Jul-19	The report that was considered by Council on 16th April 2019, agreed to remove Cabinet Member statement from scrutiny committee agendas and introduce practise of Cabinet Members to introduce reports to scrutiny and answer questions, supported by officers.	Completed	100%
		P3 Setting clear priorities and actions for improvement for the scrutiny function taking into account current and future challenges	The above action to complete the survey and hold workshops with input from the WAO report will form the action plan that will address this proposal and will be monitored by Scrutiny Leadership Group	The same update from the above column applies here	Cath Forbes-Thompson	Jul-19	The report considered by Council on 16th April 2019 with 11 recommendations as noted above decided to implement the following changes immediately: Change the names of Education for Life and Health Social Care and Wellbeing to Education Scrutiny and Social Services Scrutiny respectively, in order to remove link to former Community Strategy. Adjust scrutiny committee structure, to ensure that there is sufficient capacity to consider items and not overburden some committees, Council opted for 5 scrutiny committees. Agreed to review in 12 months, decided to continue with 6 weekly cycle of meetings and retain committee size, agree to ensure that scrutiny committee chairs are consulted on all reports where applicable. Further work will be done to improve public engagement, develop policy development work. These actions will be included in the action plan to be monitored by Scrutiny Leadership Group.	In progress	60%

<p>New WAO ref 826A2018-19</p>	<p>Service User Perspective Review Final Dec 18 Presented to Cabinet 30 Jan 19</p>	<p>P1 To ensure that the WHQS programme meets the needs of all tenants and leaseholders the Council should; <ul style="list-style-type: none"> strengthen its communication approaches with all tenants and leaseholders, taking account of the experiences of different groups of residents; monitor and report compliance with the Charter for Trust to address any identified issues; and analyse complaints about the WHQS programme systematically to address the root causes and share learning to improve tenants' and leaseholders' experience of the programme </p>	<p>Communication: Current communication approaches will be reviewed with our tenant working group whilst also considering the responses received from the household survey. Charter for Trust: included within all contract documentation and promoted at each pre-contract meeting, ensuring that information is required to be passed on to all members of the workforce including sub-contractors. Feedback from tenants to be analysed to learn from experiences. Complaints: Tenant satisfaction returns will be reviewed to ensure any areas of concern are identified and addressed. As part of our complaints process each complaint will be considered to establish if any service changes are required to improve customer experiences for the future.</p>	<p>Communications methodologies and feedback received through the following groups, is continuously under review and open to improvement suggestion: <ul style="list-style-type: none"> Newsletters, social media, events Tenant Liaison Group /Tenant Liaison Officers Surveyors Contractors/Workforce Tenant letters Enforcement orders feedback and complaints Charter for Trust: customer satisfaction questionnaires are issued and responses reviewed to learn from tenant experiences and make improvements to service delivery. Complaints: Response rates for 'Internal Works' has been well monitored for a number of years with follow up actions addressed as and when required. However, for 'External Works' implementation has only occurred these past 2 years with low response rates. The current satisfaction process is being reviewed with the aim of improving level and quality of responses received.</p>	<p>Shaun Couzens</p>	<p>March 19 - March 2020</p>	<p>Customer satisfaction questionnaires are completed and responses reviewed to learn from tenant experiences and make improvements to service delivery. Complaints: Although Response rates for 'Internal Works' to the previous postal surveys has been well monitored for a number of years with follow up actions addressed as and when required. The return rate for External Works was low, therefore the new telephone survey process which went live at the end of January 2019 will hopefully see an improvement in this area.</p>	<p>In progress</p>	<p>80%</p>
<p>WAO ref 994A2018-19</p>	<p>WHQS Follow Up Issued Jan 2019. Reported to Cabinet 30 Jan 19</p>	<p>P1 The Council should ensure that members and tenants receive accurate WHQS performance information regularly about its progress towards achieving its 2020 programme deadline.</p>	<p>Governance: The Repairs & Improvement Group (R&I) is a representative of tenants who meet on a monthly basis. The Group challenge the progress of the WHQS programme and focus on a specific topic relating to WHQS such as Environmental Works, Sheltered Housing Programme and Post 2020 strategy. There is also a dedicated focus on Performance. Performance is also reported at each meeting using the WHQS scorecards that are produced monthly from the validation team. Caerphilly Homes Task Group (CHTG) is a representative of tenants and members specifically set up in 2012 to fulfil a commitment made by the Council following the ballot to fully involve tenants in the WHQS decision making process. The Group meets six weekly to receive and note information reports, to receive and consider varying reports and make recommendations to the Housing & Regeneration Scrutiny Committee, Policy & Resources Scrutiny Committee (P&R) and Cabinet.</p>	<p>New</p>	<p>Shaun Couzens</p>	<p>01/03/2020 (ongoing)</p>	<p>Governance: WHQS progress reports are presented to the R&I Group and CHTG throughout the year prior to Housing and Regeneration Scrutiny Committee and Cabinet. The report provides an overview of the performance of the WHQS programme and the anticipated projected performance up to December 2020, together with financial outturns and achievements made to date. Next report is due June 2019. The WHQS programme is constantly being reviewed to ensure it is on track to achieve the deadline of Dec 2020 and we revise the programme to take account of changing circumstances. Re-profiling reports are presented to R&I for information and CHTG for consideration and recommendation to Policy & Resources Scrutiny and Cabinet. The latest re-profiling report was 14/2/19. The programme of properties within this report was published on the CCBC website and in the tenants newsletter WHQS scorecards are produced on a monthly basis and reported to Welsh Government, R&I Group, CHTG, Housing Project Board, Housing Management Team and WHQS Delivery Team. The scorecard confirms the latest position of WHQS compliance for both internal and external works as well as full property compliance. It also shows the weekly target performance for each contractor and includes the level of tenant satisfaction for internal and external works over in-house workforce and external contractors. The projected date for full WHQS compliance is also included along with a high level financial spend profile. Updates on spend and performance are included in tenants newsletters, CCBC website and social media with a focus on varying topics eg community benefits, Post 2020 consultation, WHQS fact or fiction.</p>	<p>In progress</p>	
		<p>P2 The Council should agree a Local Housing Strategy to set out its long-term vision for the future priorities for homes in Caerphilly.</p>	<p>1. Develop an up to date over arching Local Housing Strategy to set out the long term vision for housing within Caerphilly.</p>	<p>New</p>	<p>Shaun Couzens</p>	<p>Mar-20</p>	<p>The Gwent Homelessness Strategy, which is a key strand of the Local Housing Strategy was approved by Cabinet on 12 December 2018. Consideration is being given to resources required and procurement opportunities available to develop an over arching Local Housing Strategy, and to review existing and develop new themed housing strategies</p>	<p>In progress</p>	
		<p>P3 The Council should ensure that Equality Impact Assessments are undertaken consistently.</p>	<p>1. Record and retain evidence that, where relevant, Equalities and Welsh Language issues are properly taken into account throughout policy development, consultation and approval processes. 2. Record decisions in committee reports in relation to EIAs in accordance with CCBC document 'Equalities Implications in Committee Reports 2018'</p>	<p>New</p>	<p>Shaun Couzens</p>	<p>March 19 - March 2020 (Equality Assessment is ongoing)</p>	<p>All Housing managers and officers responsible for housing policy development have been reminded of Equality Act obligations and received a copy of 'Equalities Implications in Committee Reports 2018'. Where completed, a copy of the relevant EIA has been attached, as background papers, to the committee report.</p>	<p>In progress</p>	
<p>New WAO Ref 1073A2019 March 2019</p>	<p>Well-being of Future Generations An examination of improving take up of the Flying Start Programme</p>	<p>Areas for Improvement - Long term: Council has started to track data on outcomes for children and consideration is needed for tracking parental outcomes</p>	<p>1. Develop a system to link to the employability / legacy programmes to track parental outcomes in tackling poverty. 2. Deliver training on and explore the use of the family resilience tool by frontline staff to track outcomes</p>	<p>New</p>	<p>Sarah Mutch</p>	<p>1. March 2020 2. July 2020</p>	<p>1. A joint meeting was held between Family Support, Legacy and Employability leads to plan implementation of how to track parental transition to employability programmes 2. Resilience training has been delivered across different target groups. Evaluations were very positive and next steps identified.</p>	<p>In progress</p>	<p>50%</p>
		<p>Area for Improvement - Prevention * Consideration of the approach to engaging those parents who are not currently taking up or attending Flying Start. * Consideration of the approach to re-engaging parents who are unable to attend regularly</p>	<p>Explore the initial data form Parent Champions to identify parental issues during 2018/19 and consider how this data could be used to shape future delivery</p>	<p>New</p>	<p>Sarah Mutch</p>	<p>Mar-20</p>	<p>We have collated the data but this is yet to be analysed.</p>	<p>In progress</p>	<p>50%</p>
		<p>Area for Improvement - Integration * Consideration of how increasing take up and attendance could impact positively and negatively on the demand for, and capacity of, other Council and non-Council services (both public bodies and voluntary sector) * Consideration as to whether all step leads are fully conversant with the definition of Integration as set out in the Act</p>	<p>1. Explore use of the resilience framework to identify barriers to attendance 2. Explore development of 'My Journey booklet' into an electronic all for families 3. Develop case studies to show added value of integration of early intervention preventative services with statutory provision 4. There are 4 actions relating to corporate learning for staff and members to embed the 5 ways of working</p>	<p>New</p>	<p>Sarah Mutch & Ros Roberts</p>	<p>Action 1-3 - March 2020 Action 4. May 19- March 2020</p>	<p>This is in the early stages of development and planning prior to implementation.</p>	<p>Just starting</p>	<p>10%</p>
		<p>Area for Improvement - Collaboration: Consideration of how collaborating in different ways may help to engage those parents who are not taking up the Flying Start offer, for example, health visitors, Parent Champions.</p>	<p>1. Implement use of the 'My Journey booklet' antenatal to ensure families understand the programme and to all delivery partners. 2. Continue development of wider collaboration work through Children First task group</p>	<p>New</p>	<p>Sarah Mutch</p>	<p>Mar-20</p>	<p>1. The My Journey booklet has been finalised and is at print run stage. 2. Following our initial research we believe there is more added value to a regionalised approach to collaboration under early years integration and Children First.</p>	<p>In progress</p>	<p>20%</p>
		<p>Area for Improvement - Involvement * Development of innovative ways of reaching and engaging those families who do not take up their entitlement or do not consistently attend sessions * Consideration of the impact of the 'parent champions' * Consistent provision of feedback across all Council services to people who engage in consultations * Further exploration of how digital technologies could increase take up and attendance</p>	<p>1. Explore text remind systems for feasibility 2. Closer working between childcare and parenting teams for families who are struggling with attendance 3. Evaluate the impact of Parent Champions in the community.</p>	<p>New</p>	<p>Sarah Mutch</p>	<p>1. August 2019 2. August 2019 3. March 2020</p>	<p>1. Initial research is showing the text system is more complex to comply with unsolicited marketing rules so this may take longer to achieve. 2. There has been increased connection between childcare settings and parenting teams both informally as well as formally through the joint cluster meetings. 3. Plans to start evaluation of Parent Champions in the autumn term.</p>	<p>In progress</p>	<p>15%</p>



AUDIT COMMITTEE – 11TH JUNE 2019

SUBJECT: DRAFT ANNUAL GOVERNANCE STATEMENT FOR 2018/19

REPORT BY: INTERIM HEAD OF BUSINESS IMPROVEMENT SERVICES & ACTING S151 OFFICER

1. PURPOSE OF REPORT

1.1 To allow Members the opportunity to review the draft Annual Governance Statement (AGS) for 2018/19 and make any changes that they feel are required and justifiable.

2. SUMMARY

2.1 This report presents the Draft Annual Governance Statement (AGS) for 2018/19 which has been updated since 2017/18 particularly in respect of the areas for improvement.

3. RECOMMENDATIONS

3.1 Members are requested to consider the draft AGS for 2018/19 and advise and agree any changes that they feel are justified.

4. REASONS FOR THE RECOMMENDATIONS

4.1 To ensure that the Authority is continually improving its governance arrangements.

5. THE REPORT

5.1 Attached as Appendix 1 is the draft Annual Governance Statement (AGS) for 2018/19 to allow Members to consider its content and make comments.

Conclusion

5.2 The draft Annual Governance Statement (AGS) for 2018/19 has been prepared by the Corporate Governance Review Panel. Work undertaken to address issues raised in the previous year's (2017/18) AGS has been assessed by the Review Panel and as a result one area has been carried forward to join two new areas moving forward as areas for improvement for this current Statement.

6. ASSUMPTIONS

6.1 It is assumed that during the annual governance review only those issues of corporate significance will be highlighted for consideration within the Annual Governance Statement (AGS).

7. LINKS TO RELEVANT COUNCIL POLICIES

7.1 Strong corporate governance arrangements are an essential element of ensuring that the Council's key priorities are effectively delivered.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 Strong corporate governance arrangements are a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met: -

- A prosperous Wales.
- A resilient Wales.
- A healthier Wales.
- A more equal Wales.
- A Wales of cohesive communities.
- A Wales of vibrant culture and thriving Welsh Language.
- A globally responsible Wales.

9. EQUALITIES IMPLICATIONS

9.1 There are no equalities implications.

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications arising from this report.

11. PERSONNEL IMPLICATIONS

11.1 There are no personnel implications.

12. CONSULTATIONS

12.1 The draft AGS has been considered by the Corporate Governance Review Panel and discussed at a Corporate Management Team meeting. All comments have been reflected in the draft AGS attached as Appendix 1.

13. STATUTORY POWER

13.1 Local Government Act 2000.

Author: S Harris, Interim Head of Business Improvement Services & Acting S151 Officer
Consultees: R Edmunds, Corporate Director for Education & Corporate Services
R Harris, Internal Audit Manager

Appendices:
Appendix 1: Annual Governance Statement 2018/19

1. Background

- 1.1 The Corporate Governance Panel met 3 times between February 2018 and April 2019 to review corporate governance related matters. Minutes for the September 2018 and January 2019 meetings were reported to the Audit Committee. The outstanding draft minutes from the April 2019 meeting will be reported to Audit Committee at the next meeting in June.
- 1.2 Corporate Governance is a responsibility for all staff including the Corporate Management Team (CMT) and the wider Leadership Team; hence this collective responsibility ensures business as usual.

2. Scope of responsibility

- 2.1 The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 and the Local Government Measure (Wales) 2009 to make arrangements to secure continuous improvement in the way in which its functions are exercised; improvement is defined as having regard to a combination of strategic effectiveness, service equality, service availability, fairness, sustainability, efficiency and innovation.
- 2.2 The Well-being of Future Generations (Wales) Act 2015 places a duty on public bodies to carry out sustainable development; to do this we have set and published Well-being Objectives including the steps we will take, and the resources we will need to deliver them. Although consideration is being given by Welsh Government to revoking or replacing the Local Government Measure 2009 in 2020, through the new Local Government and Elections Bill, at this time both pieces of legislation are current. Wales Audit Office and the Future Generations Commissioner accept that public bodies will publish one set of objectives and in doing so will meet the requirements of the 2009 Measure and Future Generations legislation.
- 2.3 In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 2.4 The Authority has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. A copy of the Code is on our website at www.caerphilly.gov.uk or can be obtained from the Council's Communications Unit. This statement explains how the Authority has complied with the Code and also meets the requirements of regulation 5(4) of the Accounts & Audit (Wales) Regulations 2014 in relation to the publication of a Statement on Internal Control.

3. The purpose of the governance framework

- 3.1 The governance framework comprises the systems, processes, culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. During 2016/17 an Assurance Framework was produced as a diagrammatical representation of the governance and assurance processes in place. The Framework was endorsed by the Audit Committee in December 2016 and continues to be in place. It is intended to provide clarity and understanding of the connections between functions and activities that enable the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 3.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve

policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3.3 The governance framework has been in place at the Authority for the year ended 31 March 2019 and up to the date of approval of the Statement of Accounts.

4. The governance framework

4.1 The following paragraphs describe the key elements of the systems and processes that comprise the Authority's governance arrangements:

4.1.1 Identifying and communicating the Authority's vision of its purpose and intended outcomes for citizens and service users

- The Council's Corporate Plan (2018-2023), approved by Council on the 17th April 2018, sets out the Cabinet's commitments, priorities and Well-being Objectives. The objectives were informed by the data and narrative included within the local assessment of well-being carried out by the Caerphilly Public Services Board (PSB). The plan includes our well-being statement detailing why we chose our objectives and how they will be monitored and resourced. The Corporate Plan is available on our website, at our main offices, and in hard copy on request.
- Long-term outcomes and interim performance standards have been established for each Well-being Objective. Progress is reported via relevant Scrutiny Committees.
- Through our chosen objectives we contribute to the high level strategic PSB Well-being Plan for the county borough area ('The Caerphilly We Want 2018-2023'). Our Corporate Plan follows the same planning cycle to ensure alignment.
- The Council's Annual Performance Report (published in October each year) tells citizens and service users how we have performed against the Well-being Objectives as required under the Well-being of Future Generations (Wales) Act 2015 and the Local Government Measure 2009.
- The Corporate Plan, PSB Well-being Plan and Annual Performance Report are endorsed by Council and communicated via media release.
- The Authority structures its communication programme around the Council's Well-being Objectives with planned activity aligned to the chosen objectives.

4.1.2 Reviewing the authority's vision and its implications for the authority's governance arrangements

- The Corporate Plan is regularly reviewed and refined to ensure we have employed the sustainable development principle to reflect our changing aspirations - at a local and national level. A formal annual review is conducted and reported to Cabinet.
- A performance management framework is established and is routinely reviewed to ensure it is fit for purpose.
- The Authority has used the information in the local assessment of well-being which identified the well-being needs and strengths of the area. The Authority is a facilitating partner in the PSB and lead on the data assessment work. Work is ongoing to make assessment data available in a regularly updated online form. We use this data to ensure we are supporting the economic, environmental, social and cultural well-being of the area.
- The Authority has considered its vision for the future and what operating models may be needed to take it forward over the coming years. A new Transformation Strategy **#Team Caerphilly – Better Together** has been developed and will be presented to Cabinet on the 12th of June 2019. It sets out the steps that will be needed, via a strategic action plan, to deliver on the strategy's aims. Governance

for the new strategy will be via Corporate Management Team (CMT), Scrutiny and Cabinet.

- Following the local government elections in May 2017 the new Cabinet took the opportunity to review the existing Well-being Objectives and as a result set its five year plan. This approach was taken to accord with the sustainable development principle to: take a longer term view; consider how we may help prevent decreased well-being; how we will integrate our activity with others, particularly through collaborating with partners on the PSB; and how we have involved our communities. Working in partnership requires new methods of planning, delivery and governance to deliver collective vision. As a statutory partner in the PSB the Authority has contributed to delivery of the Well-being Plan and is scrutinised in this activity by the dedicated Partnerships Scrutiny Committee.
- Delivering the well-being objectives of the Council has taken account of the statutory guidance for public bodies under the Well-being of Future Generations (Wales) Act 2015. The authority has updated its risk registers, planning tools, self-evaluation and reporting templates'

4.1.3 *Measuring the quality of services for users, ensuring they are delivered in accordance with the authority's objectives and ensuring that they represent the best use of resources*

- Service Delivery Plans contain key service objectives that are geared, where appropriate, towards achieving the overall strategic objectives detailed in the Council's Corporate Plan. They also contain performance data in respect of both national performance indicators and local performance targets for service delivery.
- In 2017 Service Delivery Plans were changed to a five year rolling plan to be more in keeping with the sustainable development principle and longer term thinking, this removes an artificial once a year deadline. This allows for better evaluation of results and in turn better evidence based decision making.
- Service Delivery Plans were produced after the conclusion of service area self-evaluations. Service self-evaluation outcomes are reported to Performance Management Scrutiny Committees. The self-evaluation process is currently being reviewed and is in the process of being altered to become an ongoing assessment rather than a one off 'point in time' (see para 5.2.2), as part of a wider system of review of performance management.
- This system is in turn supported by individual annual staff performance and development reviews to ensure that everyone understands their individual and service unit contribution to service and corporate objectives
- The Council has used a performance management software system, Ffynnon, to monitor individual performance indicators and their combined effect on the achievement of strategic objectives; however the contract for Ffynnon is not being renewed in 2019. This is being used as an opportunity to clear out considerable amounts of old data that is no longer used. Plans are underway to store the data locally using our own servers.
- Performance is monitored at officer and member levels, by Directorate Management Teams, Corporate Management Team, and with Cabinet Members. Scrutiny Committees hold dedicated performance management meetings every year.
- Measuring service quality is carried out by a range of consultative activities at service level and the Council conducts a "household survey" every two years. The consultation measures citizens' perception of the quality of services. The household survey was carried out in September 2017 and the feedback received was generally positive with high levels of satisfaction recorded for refuse, recycling, street lighting, libraries, country parks and the local bus services.

4.1.4 *Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication*

- The Council's Constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people.
- Policy and decision-making is facilitated through the Cabinet supported by a framework of Statutory and Scrutiny Committees. Delegated decisions made by authorised senior officers, under the scheme of delegation, are posted on the intranet, when appropriate. CMT have no collective decision making powers.
- The Council's Constitution is a living document and is reviewed and refreshed on a regular basis to reflect current legislation and working practices. In addition to the Annual Report presented to the Annual Meeting of council each May, ad hoc reports are presented to Council in relation to any proposed changes. In addition Members approved that overseeing the Council's Constitution should be added to the terms of reference of the Council's Democratic Services Committee.
- Various guidance notes for officers have been prepared to sit alongside the Council's Constitution and training has been rolled out. The documentation is available on the Council's corporate governance page. These arrangements have now been formally embedded within the Council's governance arrangements.

4.1.5 *Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff*

- The Council's Constitution contains formal codes of conduct that articulate the standards of ethical behaviour that are expected from members and officers. These incorporate procedures for the disclosure of personal interests and offers of gifts and hospitality.
- Both members and officers are made aware of the personal conduct and disclosure requirements and they are available for reference on the Council's intranet.
- All declarations of Member gifts and hospitality are reported to the Council's Standards Committee. For Officers a 6 monthly update is given to the Council's Audit Committee.
- Leadership and development competencies are being reviewed which will identify effective behaviours the organisation requires from its managers and staff.

4.1.6 *Reviewing and updating standing orders for contracts, financial regulations, a scheme of delegation and supporting procedure notes / manuals, which clearly define how decisions are taken and the processes and controls to manage risks*

- The Monitoring Officer in conjunction with senior officers and members undertakes periodic reviews of the Council's Constitution including reviewing Standing Orders for Contracts, Financial Regulations and the Scheme of Delegation to ensure that current practices and legislation are reflected.
- The standard member reporting procedure requires a consideration of risk for all significant decisions. This is also underpinned by a robust structure and system for identifying and evaluating all significant business risks at both corporate and operational levels, the key elements of which are a Corporate Risk Register; Directorate Risk Registers and Service Level Risk Assessments built into the business planning process. We are currently in the process of introducing new Directorate Performance Assessments (DPAs) which will incorporate Risk Registers and will also ensure that they are regularly reviewed and updated (see para 5.2.2).
- The Council has a formally agreed Risk Management Strategy which was endorsed in 2013. This has been updated and was presented to Cabinet on 7th June 2017 followed by Audit Committee on 13th September 2017. Training is delivered to relevant Members as a matter of routine. The Corporate Risk Register is reported to Audit Committee twice a year and quarterly to Corporate Management Team, although this can be more frequently if the need arises.

4.1.7 Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

- The Council has appointed an Audit Committee whose terms of reference comply with the latest CIPFA guidelines (published May 2018). These extend to monitoring and reviewing the adequacy of the governance framework.
- Training for new members of the Audit Committee and refresher training is carried out periodically and at least twice in a Council term. Ad hoc training is provided as required or where specific needs have been identified.
- The Terms of Reference are reviewed annually and are updated if required.

4.1.8 Ensuring compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful

- The Council aims to ensure compliance with established policies, procedures, laws and regulations through a variety of mechanisms, including:-

Corporate Management Team;
Heads of Service;
Monitoring Officer;
Section 151 Officer;
Senior Information Risk Owner (SIRO);
Statutory Data Protection Officer;
Internal Audit;
External Audit;
Performance Management Framework.

- The Monitoring Officer attends each formal CMT in the first part of the meeting where Cabinet and Council reports are discussed. The S151 Officer attends CMT in respect of budget setting and monitoring reports and the Medium-Term Financial Plan (MTFP). In addition the S151 Officer will attend for agenda items with a material financial impact. The standard committee reporting procedure and template requires the Monitoring Officer to examine reports to the Executive for compliance with legal and procedural issues. Their comments are referred to the Council's Corporate Management Team for action.
- In addition to the above, the Authority has a Deputy S151 and Deputy Monitoring Officer to ensure adequate cover for these roles is in place during periods of sickness or annual leave.

4.1.9 Arrangements for whistle blowing and for receiving and investigating complaints from the public

- The Council has in operation a widely publicised Whistleblowing Policy, which forms part of the Council's Constitution. The regime is overseen by senior officers within the Authority and reported to the Council's Standards Committee on an annual basis.
- The Council also operates a formal Corporate Complaints Procedure, which has been widely publicised.
- The Audit Committee has continued to play a more proactive role in monitoring the level of complaints and the procedures that are in place. Reports are regularly presented. In addition, individual Scrutiny Committees may receive reports on complaints.
- There are a number of avenues for members of the public to report concerns, complaints and other matters.

4.1.10 Identifying the development need of members and senior officers in relation to their strategic roles, supported by appropriate training

- Formal induction programmes and training and development plans are in place for members. Where identified by the Personal Development Review (PDR) process senior officers participate in management development training.
- It had previously been recognised that the induction and training of members was sporadic in respect of some committees. In order to address this issue Council approved the implementation of a new, more focused training regime for members which includes the identification of certain aspects of training as mandatory.
- A training needs analysis is carried out every 18 months by Democratic Services to help Members identify their own development needs and a training programme is then put together as a result of the analysis.
- The Council has previously undertaken a successful senior member development programme, which was a training framework for members who hold or aspire to hold senior office.
- A review of induction arrangements for officers is being undertaken as this area can be improved. Although some progress has been made with developing an I.T. solution, this is still in progress and needs review in line with the impact of the GDPR. Meetings of the HR Strategy Group have been infrequent but the People Services Division is looking to reframe and alter the focus of the group to improve effectiveness moving forward. Appropriate training has and will continue to be delivered where identified.

4.1.11 *Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation/engagement*

- The authority formally adopted a new 3 year Corporate Communication and Engagement Strategy in 2019 which clearly defines the way the organisation communicates with staff, residents, partners and other key stakeholders across the county borough. The council is increasingly using digital channels in its communication and engagement activity, but is also mindful of the needs of all residents, so continues to adopt a mixed approach using both digital and traditional platforms.
- Details of current and recent consultations (including links to live consultation documents/surveys and reports relating to completed consultations) are available on the CCBC website.
- Extensive consultation/engagement is undertaken annually in relation to the budget setting process. Guidance exists to ensure that effort is made to engage with protected characteristic groups.

4.1.12 *Incorporating good governance arrangements in respect of partnerships and other group working as identified in the CIPFA Framework "Delivering Good Governance in Local Government" and reflecting these in the authority's overall governance arrangements*

- The authority has adopted a partnerships and collaborations framework which specifies the minimum governance requirements in respect of all the authority's partnerships and the enhanced requirements in respect of its key partnerships.
- In addition, the framework sets out the requirements for creating new partnerships and collaborations and importantly includes the arrangements for disbanding and exiting arrangements.
- The authority maintains details of all current partnerships and collaborations; this is reviewed and updated bi-annually and reported to the Corporate Governance Review Panel and Audit Committee periodically.
- The authority has long-standing partnership arrangements with the third sector and has enshrined these in its Compact Agreements. In 2013 this agreement brought in the PSB partners, third sector organisations, Community and Town Council's and the Caerphilly Business Forum. The Compact has been updated to align with the PSB's Well-being Plan and will be resigned as a new Third Sector Agreement at the PSB's annual conference in July 2019.

5. Review of effectiveness

5.1 The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Corporate Governance Review Panel who have responsibility for the development and maintenance of the governance environment, the Internal Audit Manager's annual report, and also by comments made by the external auditors and other review agencies and inspectorates. The review covers all significant corporate systems, processes and controls, spanning the whole range of the Council's activities, including in particular those designed to ensure:-

- The Authority's policies are put into place.
- Laws and regulations are complied with.
- Required processes are adhered to.
- Performance and financial statements and other published information are accurate and reliable.
- Human, financial, data/information and other resources are managed efficiently and effectively.
- Services are delivered efficiently and effectively.

5.2 The following paragraphs describe the processes that have been applied in maintaining and reviewing the effectiveness of the Council's governance framework.

5.2.1 Corporate Level Review

A management group, the Corporate Governance Review Panel, consisting of the following officers and the Cabinet member for Finance, Performance and Governance has been established to oversee the compilation of the Annual Governance Statement:-

- Corporate Director for Education & Corporate Services,
- Head of Corporate Finance and S151 Officer,
- Head of Legal Services and Monitoring Officer,
- Interim Head of Business Improvement Services,
- Head of Customer and Digital services / SIRO,
- Internal Audit Manager.

The group has conducted a detailed corporate level review of the Council's system of governance in accordance with the guidance provided by CIPFA / SOLACE.

5.2.2 Directorate Level Review

The Council has also introduced Directorate Assurance Statements requiring members of Corporate Management Team to review the operation of a range of governance systems and procedures within their service areas and indicate whether there are any significant non-compliance issues. These are analysed to ascertain whether there are any common areas of concern, and if so, whether these constitute significant governance issues and as such need to be included in the Annual Governance Statement. All issues highlighted have been included.

A review of the Performance Management Framework has resulted in a new way to review service outputs at a Directorate and Corporate level. During the 2018/19 financial year new Directorate Performance Assessments (DPAs) have been developed. These will go live from April 2019. Quarterly reports will be presented to the Corporate Management Team and arrangements will also be put in place for progress reports to be presented to Cabinet and Scrutiny Committees. The concept is to bring together a range of performance activities in one quarterly output using information under categories of progress against strategic objectives, performance

indicators, customer information such as complaints, resource information on finance or sickness absence and other workforce data. As previously mentioned, risk registers will also be an integral part of the DPAs. The purpose of the change is to make 'self-assessment /evaluation a continuous learning process rather than a year-end point in time view. The DPAs are also intended to promote learning and understanding of performance and bring together a range of different evidence sets to help identify if there is cause and effect across differing data sets. The process has changed the Planning and Performance Framework as the DPA will be the main vehicle for monitoring progress of Directorate's service priorities and objectives.

5.2.3 Scrutiny Committees

The Council has Scrutiny Committees who meet in public and make recommendations on the improvement and development of policies and hold the Executive and officers exercising delegated powers to account for their decisions.

Wales Audit Office carried out a national study of scrutiny across all 22 Welsh local authorities. The Council received its 'Scrutiny Fit for the Future' report with recommendations for improvement. The Scrutiny Leadership Group considered the report and agreed that the report findings would be considered by Members at a workshop and also aligned with the already planned self-evaluation due in October 2018. This resulted in a report to Council in April 2019 that made a number of recommendations for improvement. An action plan to implement these changes will be monitored by the Scrutiny Leadership Group and the changes will be reviewed in April 2020.

5.2.4 Audit Committee

The Council has appointed an Audit Committee whose terms of reference comply with the latest CIPFA guidelines. These extend to monitoring and reviewing the adequacy of the governance framework

Periodic ad-hoc training and development sessions are held for Members of the Audit Committee to ensure that they are equipped with the knowledge required to effectively undertake their roles.

5.2.5 Standards Committee

The Council has appointed a Standards Committee in accordance with the provisions of the Local government Act 2000 and associated regulations. Its terms of reference are set out in the Council's Constitution.

5.2.6 Business Improvement Team (BIT)

The Business Improvement Team (formerly the Performance Management Unit) was refocused during 2018/19 to better reflect a move from data collection to the use of data to identify improvement. The BIT is responsible for developing and maintaining the authority's performance management framework in accordance with the Wales Programme for Improvement and the Well-being of Future Generations (Wales) Act 2015 as it applies to public bodies. It supports and challenges the authority as a whole, and individual services, to continuously improve through use of relevant data. The BIT works with the external auditors to co-ordinate audit and inspection reviews.

The BIT will co-ordinate and support the new Directorate Performance Assessment (DPA) process.

The BIT is part of the Council's Corporate Policy Unit which includes partnerships, equalities and voluntary sector support. This has strengthened our approach to performance management by reinforcing the links to our policy and planning activities. It has enhanced our ability to respond to the requirements of the Well-being

of Future Generations (Wales) Act 2015 in terms of having a lead role within the Public Services Board, demonstrating our own contribution to the well-being goals for Wales, delivering our Well-being Objectives, and embedding the sustainable development principle.

5.2.7 Information Governance

The Head of Customer and Digital services is the Council's Senior Information Risk Owner (SIRO), whose role is to assure the Council's information through implementation of the Council's Information Risk Management Policy. The SIRO assesses half yearly information risk returns from each Head of Service (as the information asset owner) to ensure risks are reported appropriately, measures to reduce risk are effective and information risk management is embedded into the culture of the organisation.

The new Statutory Data Protection Officer role – an independent advisory role required by the General Data Protection Regulations (GDPR) – reports to CMT via the SIRO, and also fulfills the Data Protection officer role for the majority of the Council's schools (as separate Data Controllers in Law) via a Service Level Agreement. The Data Protection Officer manages the Corporate Information Governance Unit and works closely with a network of Information Governance (IG) Stewards within each directorate who assist Heads of Service in assuring the information that is managed and used by their service area. IG Stewards are responsible for communicating key messages to staff and management across the organisation on IG policies, ensuring staff are appropriately trained, and developing and maintaining a GDPR compliant record of processing activities via their Information Asset Registers and Privacy Notices.

Despite the UK Data Protection Bill only recently being enacted and Information Commissioner Guidance still being finalised, substantial progress has been made over the last 2 years on the Council's action plan for compliancy with the General Data Protection Regulation, overseen by the Corporate Governance Review Panel. Service areas have completed main preparatory tasks, but further work is needed to make sure council privacy notices are fully compliant and all current data processors sign up to GDPR compliant contract terms. This work is ongoing.

It is likely that growing awareness of individual's rights under GDPR will lead to more requests for information under data protection law, which together with annual increases in freedom of information requests will be challenging for services to address within statutory timescales. Therefore further work on records management and open data needs to be prioritised once any additional requirements of UK Data Protection Act are fully addressed.

5.2.8 Internal Audit

Internal Audit Services is responsible for monitoring the quality and effectiveness of the system of governance and internal control. A risk-based Internal Audit Plan is produced each financial year. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Directorate. Each report includes recommendations for improvements and an agreed management action plan. The process includes follow-up reviews of agreed recommendations to ensure that they are acted upon.

Following recommendations in the external auditor's annual ISA260 reports the role of Internal Audit and the contribution made towards the overall governance framework is being reassessed. This process is evolving and developing over time in line with the needs of the organisation and will embrace the principles promoted within the Public Sector Internal Auditing Standards (PSIAS).

During 2017/18 the Internal Audit Section's conformance with the Public Sector Internal Audit Standards (PSIAS) was subject to external review which determined that with the exception of a few minor issues the Section was compliant. A report and action plan outlining the actions required to address the minor issues raised was presented to the Audit Committee on the 10th April 2018. Work is ongoing to achieve the actions outlined in the action plan and a progress report will be presented to the Audit Committee.

The Internal Audit Manager is a key contributor to the annual review of the Authority's governance processes and has concluded for the year 2018/19 that overall the Council's systems and control procedures are effective but there is need for improvement in some specific areas. This opinion was presented to the Audit Committee on 23rd April 2019 as part of the annual internal audit report required by the Council's Financial Regulations.

The improvements required in some specific areas refer to two ongoing investigations, one within a school and the other relating to operational activities within a service area. The school issue is an isolated incident relating to one member of staff and is not something that is common across our school estate. The service area investigation is ongoing and relates to contract administration/management and once the investigation is concluded any changes or system improvements identified will be reported on and an appropriate action plan agreed and implemented.

5.2.9 **External Audit**

The Council receives regular reports on elements of its internal control environment, including performance management, risk management, financial management and governance.

5.3 **Review Outcome**

The Council's governance arrangements are regarded as generally fit for purpose and are in accordance with the governance framework. The Council is committed to maintaining and improving the governance framework and resources are prioritised for this.

The 2017/18 Annual Governance Statement identified 6 areas, listed below, where improvements could be made to strengthen existing processes and procedures during 2018/19. Progress has been monitored and reviewed by the Corporate Governance Review Panel during the year and a position update is included against each item.

1. **To review and strengthen the procedures around the operation and maintenance of the cabinet forward work programme –**

The Cabinet forward work programme is now routinely reviewed by the Corporate Management Team on a weekly basis and is also presented to all Scrutiny Committee meetings. The work programme is also available on the Council's website.

The procedures around the operation and maintenance of the Cabinet work programme are now well established and are business as usual so no further actions are required.

2. **Ensuring that the Authority is prepared for the requirements of the new General Data Protection Regulations 2018 –** The implementation date for GDPR has now passed and the preparation work undertaken has put us in a good position to move forward. This specific action is no longer an issue for the AGS.

3. **Service Asset Management plans need to be reviewed alongside the Medium Term financial Plan's savings proposals for future years –**

The Asset Management (Land and Property) Strategy has been updated and was presented to Cabinet in May 2019. The following services have had their asset management plans completed by the Property Department and are currently with the respective service areas for sign-off: -

- Corporate Offices
- Adult Education and Youth Service
- Housing
- Countryside
- Library Services
- Infrastructure

In the coming weeks draft versions of the asset management plans are also due to be completed for Cemeteries, Allotments and Amenity Sites. Other service areas will be covered under a rolling programme of reviews.

4. **A draft “Income Management and Service Cost recovery” policy has been produced. This will need to be finalised and approved –**

As part of the Council's Future Caerphilly Transformation Strategy, **#Team Caerphilly – Better Together**, a Commercial & Investment Strategy is being drafted for Cabinet consideration. This will replace the Income Generation Policy that was previously drafted. The Commercial & Investment Strategy will be presented to Cabinet for approval by the end of October 2019.

5. **Continue to monitor the Authority's compliance with the General Data Protection Regulation 2018 in light of the recent Data Protection Act 2018 and emerging case law and make changes to Council processes and record keeping as appropriate –** Work is still ongoing to deal with some legacy issues and to embed good practices across the authority, this will continue into 2019/20 as will the monitoring of the GDPR landscape. This will need to remain live on the current governance statement.

6. **The Corporate Management Team has created a new Business Improvement Portfolio (BIP) Board to drive forward an agenda of change, innovation and improvement across the Authority -**

During the 2018/19 financial year the Council has developed its Future Caerphilly Transformation Strategy, **#Team Caerphilly – Better Together**. The Strategy is due to be considered by Cabinet on the 12th June 2019 and it provides details of a new operating model for the Council that examines how services are prioritised, how they can become more business efficient, how we can explore opportunities for greater customer focus and digital delivery, and how we will consider alternative delivery models and seek out commercial opportunities. Furthermore, the Strategy provides details of the new relationships that will need to be built with our staff and communities to ensure the successful delivery of the outcomes that we aim to achieve through the ambitious transformation programme.

The Transformation Strategy includes a Strategic Action Plan and progress against this will be monitored by the #Team Caerphilly Project Board. Periodic progress reports will also be prepared for the Cabinet and the Policy & Resources Scrutiny Committee.

It will be essential to ensure that robust governance arrangements are in place to underpin the emerging transformation programme.

The review of the Council's governance arrangements operating throughout 2018/19 has highlighted three areas where steps will need to be taken to ensure that sound governance arrangements are in place: -

1. **GDPR** - Work is still ongoing to deal with some legacy issues and to embed good practices across the authority, this will continue into 2019/20 as will the monitoring of the GDPR landscape.
2. **Directorate Performance Assessments (DPAs)** – These will go live from April 2019 and the effectiveness of the new approach will need to be monitored and reviewed.
3. **Future Caerphilly Transformation Strategy, #Team Caerphilly – Better Together** – Progress against the Strategic Action Plan will need to be closely monitored and we will need to ensure that robust governance arrangements are in place to underpin the emerging transformation programme.

We propose over the coming year to take steps to address the above 3 matters to further enhance our governance arrangements. We are satisfied that these steps will address the issues identified during the review process and we will monitor their implementation over the coming months.

Signed

David Poole
Leader of the Authority

Christina HARRY
Interim Chief Executive

End



AUDIT COMMITTEE – 11TH JUNE 2019

**SUBJECT: PUBLIC SECTOR INTERNAL AUDIT STANDARDS - ACTION PLAN
PROGRESS UPDATE**

REPORT BY: INTERNAL AUDIT SERVICES MANAGER

1. PURPOSE OF REPORT

- 1.1 To provide an update on the completion of the actions previously agreed at the April 2018 Audit Committee, in relation to the internal and external reviews of compliance with the Public Sector Internal Audit Standards (PSIAS).

2. SUMMARY

- 2.1 Following the completion of an external peer review in late 2017 and receipt of the outcome report the Audit Committee, in April 2018, was provided with an action plan which amalgamated issues identified in both the internal and the external assessments along with intended actions and suggested timescales.
- 2.2 This report provides an appendix which sets out the progress made against each action.

3. RECOMMENDATIONS

- 3.1 The Audit Committee is asked to note the progress made to date in completing the previously agreed actions.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To provide assurance to the Audit Committee that progress is being made against the previously agreed actions.

5. THE REPORT

- 5.1 The Public Sector Internal Audit Standards (PSIAS) came into force on 1st April 2013 and introduced a requirement for internal and external assessments to be undertaken periodically to evaluate compliance with the Definition of Internal Auditing, the Code of Ethics and the Standards.
- 5.2 Following the completion of the external peer review in late 2017 and the subsequent receipt of the outcome report the Audit Committee, in April 2018, was provided with an action plan which amalgamated issues identified in both the internal and the external assessments along with intended actions and suggested timescales..

- 5.3 Attached at Appendix 1 is the updated action plan that shows the progress made and also includes notes setting out how the remaining actions will be dealt with moving forward.
- 5.4 Many of the actions are in some way linked to the development and operation of the recently acquired audit management software solution. This will take some time to set up, however once completed and operationally embedded into our working practices many of the outstanding issues will be resolved.

Conclusion

- 5.5 Good progress has been made on the actions previously agreed and the completed tasks will add to the future compliance with the PSIAS.
- 5.6 The purchase and embedding of the new audit management software will deal with the majority of the outstanding points, any minor points remaining will be completed as soon as possible.

6. ASSUMPTIONS

- 6.1 It is assumed that the implementation of the audit management software will not be problematic and it will be embedded into everyday operational practices as quickly as possible.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 The work of Internal Audit Services provides assurance on the robustness of internal controls and the corporate governance arrangements operating within the Authority and identifies areas for improvement.
- 7.2 Strong corporate governance arrangements are an essential element of ensuring that the Council's key priorities are effectively delivered.

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 Strong corporate governance arrangements are a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met: -
- A prosperous Wales.
 - A resilient Wales.
 - A healthier Wales.
 - A more equal Wales.
 - A Wales of cohesive communities.
 - A Wales of vibrant culture and thriving Welsh Language.
 - A globally responsible Wales.

9. EQUALITIES IMPLICATIONS

- 9.1 There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the categories identified in Section 6 of the Council's Strategic Equality Plan, therefore a full Equalities Impact Assessment has not been carried out.

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications arising from this report.

11. PERSONNEL IMPLICATIONS

11.1 There are no personnel implications arising from this report.

12. CONSULTATIONS

12.1 Any comments received have been reflected in the report.

13. STATUTORY POWER

13.1 The Local Government Act 2000.

Author: R. Harris, Internal Audit Manager

Consultees: R. Edmunds, Corporate Director for Education & Corporate Services
S. Harris, Interim Head of Business Improvement Services & Acting S151 Officer

Appendices:

Appendix 1 PSIAS self-assessment / external assessment – progress on agreed actions

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

ATTRIBUTE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
<p>1000 Purpose, authority and responsibility The purpose, authority and responsibility of the Internal Audit activity must be formally defined in an internal audit charter, consistent with the definition of internal auditing, the code of ethics and the standards. The charter must be reviewed periodically and approved by the Audit Committee.</p>	<p>Internal audit arrangements are derived from the Council’s constitution and specifically the Financial Regulations. These arrangements are reinforced within the Internal Audit Charter approved and adopted by the Audit Committee in September 2014.</p>	<p>Add an explanation to the Charter that references the PSIAS use of the term Board and Senior Management and then interpret this as meaning the Audit Committee and the Section 151 (S151) Officer.</p>	<p>Agreed</p>	<p>The Audit Charter to be reviewed and updated. The updates to be reported to the Audit Committee and approved. S151 and Internal Audit Manager - 31.3.19</p> <p>The audit charter has been updated and reported to Audit Committee on 23rd April 2019</p>
		<p>Add additional wording into the Audit Charter to explain the notification requirement in respect of suspected fraud or irregularities. May also need to be included in Financial Regulations to reach a wider audience.</p>	<p>Agreed. Update to clearly link the Audit Charter with the Councils Anti-fraud, bribery and corruption policy. Also to explain the notification requirement in respect of suspected fraud or irregularities.</p>	<p>The Audit Charter to be reviewed and updated. The updates to be reported to the Audit Committee and approved. S151 and Internal Audit Manager - 31.3.19</p> <p>The audit charter has been updated and reported to Audit Committee on 23rd April 2019</p>
		<p>Add wording into the Audit Charter relating to arrangements to avoid conflicts of interest arising in respect of non-audit duties</p>	<p>Agreed</p>	<p>The Audit Charter to be reviewed and updated. The updates to be reported to the Audit Committee and approved. S151 and Internal Audit Manager - 31.3.19</p> <p>The audit charter has been updated and reported to Audit Committee on 23rd April 2019</p>

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

ATTRIBUTE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
Page 37		Strengthen the Audit Charter by specifying a requirement to review the charter at an agreed interval.	Agreed. Any updates to the Audit Charter should be clearly documented and approved by the Audit Committee.	Consider how best to record and evidence the review process. S151 and Internal Audit Manager - 31.3.19 The audit charter has been updated and reported to Audit Committee on 23rd April 2019
		Not considered an issue in the Self-Assessment	Update Charter to demonstrate Internal Audit's contribution to the review of the effectiveness of the controls environment and link with Financial Regulations.	The Audit Charter to be reviewed and updated to include a cross reference to Financial Regulations. The updates to be reported to the Audit Committee and approved. S151 and Internal Audit Manager - 31.3.19 This will be considered at the next review of the audit charter
		Not considered an issue in the Self-Assessment	The Charter should recognise the mandatory nature of the Chartered Institute of Internal Auditors definition of Internal Auditing and Code of Ethics and PSIAS.	The Audit Charter to be updated to demonstrate compliance with the Standards. S151 and Internal Audit Manager - 31.3.19 The audit charter has been updated and reported to Audit Committee on 23rd April 2019

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

ATTRIBUTE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
<p>1100 Independence and objectivity The internal audit activity must be independent and internal auditors must be objective in performing their work.</p>	<p>Appropriate structures and reporting arrangements are in place. The Internal Audit Manager has direct access to the Section 151 Officer, the Chief Executive and the Chair of the Audit Committee. Internal Audit independence is maintained and no operational responsibilities are undertaken. Internal Audit staff comply with the Council’s Code of Conduct and declare any conflicts of interest that could impinge on the work of the service. Any threats to auditor’s objectivity are raised</p>	<p>Add references to the organisational independence of the Internal Audit Service in the Annual Audit Plan and outturn report.</p>	<p>Agreed</p>	<p>To be included in the Audit plan and annual out turn report. S151 and Internal Audit Manager - 31.3.19</p> <p>This will be included in future plan and outturn reports as the template is developed in the new report templates within the new audit management system</p>
		<p>Involve the Audit Committee in any proposed structural reviews of the Internal Audit Service.</p>	<p>Audit Committees are not generally involved with these processes but agree that the Committee should be consulted on any proposed structural reviews of the Internal Audit Service</p>	<p>Audit Committee to be consulted on any future reviews or changes to the structure of the service. S151 and Internal Audit Manager</p> <p>The Audit Committee will be consulted on any future proposed structural reviews.</p>
		<p>Invite feedback from the CEO in the performance appraisal of the Internal Audit Manager.</p>	<p>Not considered necessary. No further action proposed</p>	

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

ATTRIBUTE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
Page 30	as identified and appropriate avoidance measures taken.	Obtain feedback from the Chair of the Audit Committee as part of the performance appraisal of the Internal Audit Manager.	Not considered necessary. No further action proposed	
		Staff to complete a declaration confirming that they understand the independent role of Internal Audit and disclose any potential conflicts of interest.	Declarations have been seen. Consideration be given to staff completing a further declaration confirming that they understand the independent role of Internal Audit and disclose any potential conflicts of interest.	Additional documentation to be considered. S151 officer - 31.3.19 An additional declaration has been introduced for the start of the 19/20 financial year. This requirement is also included in the updated charter.
1130 Impairment to Independence or Objectivity Have internal auditors assessed specific operations for which they have been responsible within the previous year?	No this has not occurred and would not occur in future	Not considered an issue in the Self-Assessment	More detailed explanation is required. Also detail of how the authority would deal with any internal appointments from other sections or spouses who also work for CCBC should be considered. Consider making an annual declaration, even if it states there is nothing to declare.	Consideration to be given to this if the situation should arise in future. S151 officer - 31.3.19 This is dealt with operationally if the situation arises, no further action considered necessary.

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

ATTRIBUTE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
<p>Are assignments for ongoing assurance engagements and other audit responsibilities rotated periodically within the internal audit team</p>	<p>When circumstances and opportunity allows some rotation of tasks does take place however it is balanced against the knowledge and experience requirements when allocating work</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>This should be evidenced in the audit planning records.</p>	<p>The team is relatively small and allocation of audit work must be balanced against the requirements of the task and knowledge and expertise. However consideration will be given to detailing selection of personnel within the audit assignment scoping and planning documents. Internal Audit Manager - 31.3.19</p> <p>This will be considered at the time work is allocated if an opportunity arises.</p>
<p>1200 Proficiency and due professional care Engagements must be performed with proficiency and due professional care.</p>	<p>Staff are aware of the Public Sector Internal Audit Standards (PSIAS) and the Code of Ethics. Staff are appropriately allocated assignments based on knowledge,</p>	<p>The Internal Audit Manager needs to ensure that all job descriptions are up-to-date and in the agreed corporate format.</p>	<p>Agreed.</p>	<p>Job descriptions to be reviewed and updated if necessary. Internal Audit Manager - 31.3.19</p> <p>8 of 10 are completed and in the current format, the remaining two have been drafted and are in the process of being formally agreed.</p>

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

ATTRIBUTE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
Page 41	experience and personal attributes. Ongoing training and support is provided to continually develop the skills and competencies of audit staff and the current Internal Audit Team is knowledgeable and experienced. The Internal Audit Manager is professionally qualified and suitably experienced.	Performance Development Reviews (PDRs) must be undertaken for all staff on an annual basis.	Agreed	PDRs to be undertaken for all staff Internal Audit Manager - 30.9.19 This will be done by the end of September
1300 Quality assurance and improvement programme The Head of Audit must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.	Internal Audit Services undertakes a self-evaluation which feeds into the service improvement planning process. Performance measurement and benchmarking is undertaken to inform the improvement	The constituent parts of the quality and improvement programme should be formalised and written into the audit manual.	Agreed	Audit Manual to be reviewed and updated. Internal Audit Manager - 31.3.19 The audit manual is being reviewed on an ongoing basis and its format/use will be reviewed once the new electronic audit management software is installed and operating.

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

ATTRIBUTE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
	process. Individual audit assignments are monitored throughout the process with reports reviewed for quality and consistency purposes prior to being issued to clients. A post-audit evaluation process is in place to inform the annual self-evaluation.	Not considered an issue in the Self-Assessment	The process is not maintained but embedded into the operational processes of the service and should be formalised and written into the audit manual.	Audit Manual to be reviewed and updated. Internal Audit Manager - 31.3.19 As above
<p>1310 Requirements of the Quality Assurance and Improvement Programme (QAIP) Does the QAIP include both internal and external assessments?</p>	In future both processes will be run alongside the corporate self-evaluation process to ensure priorities and actions are aligned.	Not considered an issue in the Self-Assessment	The constituent parts of the quality and improvement programme should be formalised and written into the audit manual	Audit Manual to be reviewed and updated. Internal Audit Manager - 31.3.19 As above

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

ATTRIBUTE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
<p>1311 Internal Assessments Do internal assessments include ongoing monitoring of the internal audit activity, such as: Routine quality monitoring processes? Periodic assessments for evaluating conformance with the PSIAS?</p>	<p>The corporate self-evaluation and performance monitoring processes have been in place for a number of years and are well established. The requirement to conform with the PSIAS is fairly recent and informal assessments have been used to identify improvement areas.</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Processes are needed to ensure the audit review process would pick this up. This should also be evidenced within the process.</p>	<p>Consideration to be given to including this in the review process. Internal Audit Manager - 31.3.19</p> <p>The review and monitoring processes will be re-evaluated once the audit management software is fully operational.</p>
<p>1320 Reporting on the Quality Assurance and Improvement Programme Has the Chief Audit Executive (CAE) reported the results of the QAIP to senior management and the board? Note that: -</p> <ul style="list-style-type: none"> the results of both external and periodic internal assessment must be communicated upon completion the results of ongoing monitoring must be communicated at least annually the results must include the assessor's or assessment team's 	<p>The self-assessment exercise was reported to Audit Committee in December 2016. In future results of the internal assessments will be reported in the annual outturn report The results of the external assessment process will be reported to the Audit Committee when received by the</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>This will be done in future as part of the normal reporting process</p>	<p>Will be included in the next self-evaluation cycle. Internal Audit Manager - 31.3.19</p> <p>This will be done following future self- assessments and reviews</p>

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

ATTRIBUTE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS.	external reviewer			
Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report? Page 4	This has not been included in the annual outturn report to date.	Not considered an issue in the Self-Assessment	Following the internal & external reviews this will be reported	To be considered in reporting process. Internal Audit Manager - 31.3.19 Progress against agreed actions has been reported separately to the annual report. In future this may well be included in the annual opinion report.
1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing' Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	This has not been included in the annual outturn report to date.	Not considered an issue in the Self-Assessment	Following the internal & external reviews this should be reported	To be considered in reporting process. Internal Audit Manager - 31.3.19 This was reported in the Annual Internal Audit Report 2018/19 which was presented to the Audit Committee on 23rd April 2019.
1322 Disclosure of Non-conformance Has the CAE reported any instances of non- conformance with the PSIAS to the board?	This has not been included in the annual outturn report to date.	Not considered an issue in the Self-Assessment	Following the internal & external reviews this should be reported	To be considered in reporting process. Internal Audit Manager - 31.3.19 The results of both the internal and external assessments were reported to

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

ATTRIBUTE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
				the Audit Committee. The agreed action plan was also reported and this update on progress is also being reported.

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

PERFORMANCE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
<p>2000 Managing the internal audit activity The Head of Audit must effectively manage the internal audit activity to ensure it adds value to the organisation</p>	<p>The service has a good understanding of the needs and objectives of the whole organisation and understands its position in the assurance framework. It aspires to be innovative and challenging as well as being a catalyst for change. A risk based operational plan is developed in consultation with Members, Directors, Heads of Service and staff. The plan is reported to and approved by the Audit Committee prior to the start of the financial year. Processes and procedures to guide internal audit activity in line with the requirements of the Public Sector Internal Audit</p>	<p>The annual audit plan report needs to clearly show links to organisational objectives and priorities.</p>	<p>Agreed</p>	<p>To be considered in reporting process. Internal Audit Manager - 31.3.19</p> <p>Further development of the audit planning process will be facilitated through the new audit software package once it is fully operational.</p>
		<p>Future audit planning work needs to include a review of the Council’s assurance framework to determine what assurances can be gained from other sources.</p>	<p>Agreed. This is currently not covered in the Audit Plan.</p>	<p>To be considered in reporting process. Internal Audit Manager - 31.3.19</p> <p>An assurance framework has now been developed and future audit plans will be evolving to match key priorities and key risks to potential areas of audit focus. Stage 2 of the assurance framework’s development will be looking at the various sources of assurance to provide another level of narrative on the assurances provided.</p>

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

PERFORMANCE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
	Standards (PSIAS) are set out in an Audit Manual which is available to all staff.			
<p>2010 Planning Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?</p>	The plan does not specifically cover this however the plan does refer to the need for flexibility in order to address emerging or new areas and to respond to changing priorities or structures etc. Audit Committee members are well aware of the impact of change on the plan. Directors and Heads of Service are consulted during the planning process to identify both national and local issues or areas needing additional assurances.	Not considered an issue in the Self-Assessment	Members need to be made aware of impact and changing priorities	<p>To be considered in reporting process. Internal Audit Manager 31.3.19</p> <p>This will continue to be done via reports to the Committee or as part of the Committees annual training regime.</p>

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

PERFORMANCE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
<p>Does the risk-based plan set out the:</p> <ul style="list-style-type: none"> • Audit work to be carried out? • Respective priorities of those pieces of audit work? 	<p>At the planning stage there are too many variables to enable this level of detail to be included. Consultation with the client and the scoping process deals with these issues within a flexible framework.</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Consider providing greater detail around the audit work to be undertaken in order to better inform members of any changing priorities / risk profiles.</p>	<p>To be considered in reporting process. Internal Audit Manager – 31.3.19</p> <p>The process of providing more detailed information has begun with the latest reports providing more information on future areas of coverage and the respective risk ratings.</p>
<p>Does the risk-based plan set out the:</p> <ul style="list-style-type: none"> • Estimated resources needed for the work? 	<p>Audit resource input is indicated for staff management purposes</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Additional detail should be supplied to Audit Committee when variations arise.</p>	<p>To be considered in reporting process. Internal Audit Manager 31.3.19</p> <p>This is being considered as part of the roll-out of the audit management software.</p>
<p>2050 Coordination Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?</p>	<p>An assurance framework is under development which will give members a view of the whole assurance landscape.</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Future audit planning work needs to include a review of the Council's assurance framework to determine what assurances can be gained from other sources and evidence provided</p>	<p>The Assurance Framework was presented to the Audit Committee in December 2016 and will now be kept under review by the Corporate Governance Panel</p> <p>Internal Audit Manager</p> <p>Ongoing review</p>

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

PERFORMANCE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
				Further development of the assurance framework will be coordinated by the Annual Governance review panel
Does the CAE meet regularly with the nominated external audit representative to consult on and coordinate their respective audit plans?	Meetings do take place with the external auditor as and when required and the external auditors do attend all meetings of the Audit Committee.	Not considered an issue in the Self-Assessment	Agreed	Meetings to be arranged as required This is in place and meetings do get arranged by either party as required
2068 Reporting to Senior Management and the Board Does the periodic reporting also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board?	The content of the periodic reporting continues to evolve and will in future include comments on issues or themes that are of particular note in relation to issues needed or requested by the Audit Committee or senior management.	Not considered an issue in the Self-Assessment	Agreed – these tend to be generalised	To be considered in reporting process. Internal Audit Manager - 31.3.19 High importance or emerging or requested issues will be reported as they occur
2100 Nature of work Internal audit must evaluate and contribute to the improvement of governance, risk management and control processes using a systematic and disciplined approach	The internal audit service is a key player in promoting risk management, governance and internal control	As part of the response to the WAO report on its “review of arrangements within Caerphilly CBC to address external audit, inspection and regulation recommendations and	Agreed	To be considered in the audit planning process. Internal Audit Manager 31.3.19 The annual audit planning

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

PERFORMANCE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
Page 50	throughout the authority and the Head of Audit is a key contributor and facilitator of the Authority’s corporate governance review process. The risk based plan is developed and assignments performed in a way that allows for evaluation and improvement of governance, risk management and control processes, using a systematic and disciplined approach. Implementation of recommendations made is monitored.	proposals for improvement”, a Panel will be established to review Directorate Risk Registers to inform the annual audit planning process.		process will continue to consider the three key areas identified as well as the Internal Audit Manager continuing to contribute to the development and improvement of the key processes.
2340 Engagement Supervision Is appropriate evidence of supervision documented and retained for each engagement?	Time recording system would identify time spent against projects but would not specifically identify supervision.	Not considered an issue in the Self-Assessment	Clearer documentation of the review process and evidence of review notes would further enhance this requirement	Consideration to be given to this. Internal Audit Manager 31.3.19 The implementation of an electronic management

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

PERFORMANCE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
	Piecemeal time allocations may not be recorded			system will improve the recording and evidencing of management reviews
2430 Use of ‘Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing’ Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?	This does not currently feature within the body of internal audit reports.	Not considered an issue in the Self-Assessment	Internal audit reports could be amended to include a statement on conformance with the PSIAS	Consideration to be given to an appropriate statement to be included in the Audit report. Internal Audit Manager -31.3.19 This has been implemented with standard wording included in all report templates.
2450 Overall Opinion Does the annual report incorporate the following: The annual internal audit opinion? A summary of the work that supports the opinion? A disclosure of any qualifications to the opinion? The reasons for any qualifications to the opinion? A disclosure of any impairments or restriction in scope? A comparison or work actually carried out with the work planned? A statement on conformance with the PSIAS?	Where relevant and appropriate these would all be included within the annual report.		The annual outturn report to the Audit Committee could be amended to include a statement on conformance with the PSIAS	Consideration to be given to an appropriate statement to be included in the report. Internal Audit Manager -31.3.19 An appropriate statement was been included in the annual outturn report as reported to the Audit Committee on 23rd April 2019.

PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT – PROGRESS ON AGREED ACTIONS

PERFORMANCE STANDARDS				
Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale
<p>Does the annual report incorporate the following: The results of the QAIP? Progress against any improvement plans resulting from the QAIP? A summary of the performance of the internal audit activity against its performance measures and targets? Any other issues that the CAE judges is relevant to the preparation of the governance statement</p>	<p>This will be reported to the Audit Committee in future</p>		<p>The summary does not include details of specific audit work undertaken in the period. Therefore a significant reliance on the Internal Audit Manager to determine appropriate assurances</p>	<p>Consideration to be given to how best this is to be reported.</p> <p>Internal Audit Manager -31.3.19</p> <p>This has been dealt with by reporting to the Audit Committee specifically on both the internal and external assessments the agreed action plans and the progress made in implementing the actions</p>
<p>2500-Monitoring progress Where issues have during the follow-up process, has the CAE considered revising the internal audit opinion?</p>	<p>The review mechanism is focussed on achieving improvement by implementation of agreed actions. If audit is not satisfied with progress on fundamental issues it would be escalated in the first instance to the S151 Officer then Audit Committee</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Consideration should be given to revising the audit opinion post follow up which would give further assurances that improvements have been made</p>	<p>Consideration to be given to the option of revising the audit opinion to reflect direction of travel in respect of improvement.</p> <p>Internal Audit Manager - 31.3.19</p> <p>This will be built into the processes set up within the audit management software</p>



AUDIT COMMITTEE – 11TH JUNE 2019

SUBJECT: UPDATED CODE OF CORPORATE GOVERNANCE AND TERMS OF REFERENCE FOR THE CORPORATE GOVERNANCE REVIEW PANEL

REPORT BY: INTERNAL AUDIT SERVICES MANAGER

1. PURPOSE OF REPORT

- 1.1 To seek approval of two updated documents prior to consideration by Cabinet on the 4th September 2019. The documents are the Code of Corporate Governance and the Terms of Reference for the Review Panel that oversees the annual review of governance arrangements and drafts the Annual Governance Statement (AGS).
- 1.2 The updated Code of Corporate Governance is attached at Appendix 1 and the Terms of Reference for the Corporate Governance Review Panel at Appendix 2.

2. SUMMARY

- 2.1 Following the publication of updated guidance by CIPFA/SOLACE in 2016 the Corporate Governance Review Panel has undertaken a review of, and updated, the Authority's local Code of Corporate Governance. The Terms of Reference of the Review Panel have also been reviewed and updated.

3. RECOMMENDATIONS

- 3.1 Members of the Audit Committee are asked to approve both the updated documents, the Code of Corporate Governance and the Terms of Reference for the Corporate Governance Review Panel prior to their consideration by Cabinet on the 4th September 2019.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that both Council documents remain up to date.

5. THE REPORT

- 5.1 The Authority has always strived to maintain a high level of probity and integrity when carrying out its business and with corporate governance continuing to become a key business driver the need to maintain, review and update key policies is as ever an important part of the governance toolkit.
- 5.2 In late 2016 the Chartered Institute of Public Finance and Accountancy (CIPFA) published revised guidance for Welsh Authorities in respect of a document called Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE, 2016). The new guidance is intended to assist local authorities in reviewing the effectiveness of their own governance arrangements by reference to best practice and using self-assessment.
- 5.3 The original CIPFA/SOLACE guidance of 2007 set out the requirement for authorities

to maintain a local Code of Corporate Governance and this requirement has been brought forward into the new publication. This Authority's local code was first approved in April 2010 and has been reviewed to bring it up to date and in line with the new Welsh specific guidance.

5.4 As previously the new document urges Authorities to: -

- Review existing governance arrangements;
- Develop and maintain an up to date local Code of Governance, including arrangements for ensuring ongoing effectiveness;
- Report publicly on compliance with their own Code on an annual basis and on how they have monitored the effectiveness of their governance arrangements in the year and on planned changes.

5.5 The major changes between the two CIPFA/SOLACE publications is that originally there were six fundamental principles of good governance and these have now become seven, and also there is a recognition of the impact that the Well being of Future Generations (Wales) Act 2015 has on future governance structures and processes.

5.6 The revised local Code which reflects both these changes is attached at Appendix 1.

5.7 One of the key components of the governance structure as identified within the local Code is the Corporate Governance Review Panel. The Panel plays a pivotal role in the annual governance assessment leading to the production of the Annual Governance Statement (AGS).

5.8 The updated Terms of Reference at Appendix 2 have not changed fundamentally from the previous version with only some updating of post titles and wording improvements being made.

Conclusion

5.9 The governance landscape is continuing to evolve and grow and the CIPFA/SOLACE guidance continues to maintain its relevance in line with developments in business and organisational practices and procedures.

5.10 The embedding and alignment of good governance processes is seen as a necessity moving forward and will enable both the organisation and its stakeholders to benefit from increased focus on purpose, openness and transparency.

6. ASSUMPTIONS

6.1 It is assumed that the local Code of Corporate Governance and the Corporate Governance Review Panel will remain in place for some time but that from time to time updates and amendments will be required as the CIPFA/SOLACE guidance changes and staff roles and titles change.

7. LINKS TO RELEVANT COUNCIL POLICIES

7.1 Strong corporate governance arrangements are an essential element of ensuring that the Council's key priorities are effectively delivered.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 Strong corporate governance arrangements are a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

- A prosperous Wales.

- A resilient Wales.
- A healthier Wales.
- A more equal Wales.
- A Wales of cohesive communities.
- A Wales of vibrant culture and thriving Welsh Language.
- A globally responsible Wales.

9. EQUALITIES IMPLICATIONS

9.1 There are no equalities implications.

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications arising from this report

11. PERSONNEL IMPLICATIONS

11.1 There are no personnel implications.

12. CONSULTATIONS

12.1 Any comments received have been reflected in the report.

13. STATUTORY POWER

13.1 Local Government Act 2000

Author: R Harris, Internal Audit Manager

Consultees: R Edmunds, Corporate Director for Education & Corporate Services
S Harris, Interim Head of Business Improvement Services & Acting S151 Officer

Appendices: 1. Code of Corporate Governance.
2. Corporate Governance Review Panel Terms of Reference.

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CAERPHILLY COUNTY BOROUGH COUNCIL

Code of Corporate Governance

A greener place to work
Man gwyrdach i gweithio



CONTENTS

1. Introduction

2. Fundamental Principles

3. Review of Arrangements

4. Annual Governance Statement

5. Directorate Assurance Statements

Appendix 1 - Directorate Statement of Assurance

1. INTRODUCTION

- 1.1 The term Corporate Governance refers to the 'systems by which the Council directs and controls its functions and relates to the community it serves'. It is therefore the framework of the policies, systems, procedures and structures that together determine and control the way in which the Council manages its business, determines its strategies and objectives and sets about delivering its services to meet those objectives.
- 1.2 The basic principles of good governance as set out in this Code require the Council to carry out its functions in a way that is completely open and inclusive of all sectors of the community; demonstrates the utmost integrity in all its dealings and is fully accountable to the public it serves. Caerphilly County Borough Council fully supports these principles and this Code confirms the Council's commitment to these principles.
- 1.3 The initial CIPFA/SOLACE framework and supporting guidance issued in 2007 has been reviewed and updated with new Welsh specific guidance (published in November 2016) urging authorities to:
- review existing governance arrangements;
 - develop and maintain an up to date local code of governance, including arrangements for ensuring ongoing effectiveness;
 - report publicly on compliance with their own code on an annual basis and on how they have monitored the effectiveness of their governance arrangements in the year and on planned changes.
- 1.4 This local Code of Corporate Governance has been produced to show how Caerphilly County Borough Council will implement the core principles and detailed provisions of the new CIPFA/SOLACE Framework and therefore ensure compliance with it.

2. FUNDAMENTAL PRINCIPLES

- 2.1 The following seven fundamental principles are taken from the International Framework: Good Governance in the Public Sector on which the Delivering Good Governance in Local Government: Framework is based.

Within the Authority the fundamental function of good governance is to ensure that it achieves its intended outcomes while acting in the public interest at all times.

Acting in the public interest requires:

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Ensuring openness and comprehensive stakeholder engagement.

In addition, achieving good governance in the Council requires effective arrangements for:

Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Determining the interventions necessary to optimise the achievement of the intended outcomes.

Developing the entity’s capacity, including the capability of its leadership and the individuals within it.

Managing risks and performance through robust internal control and strong public financial management.

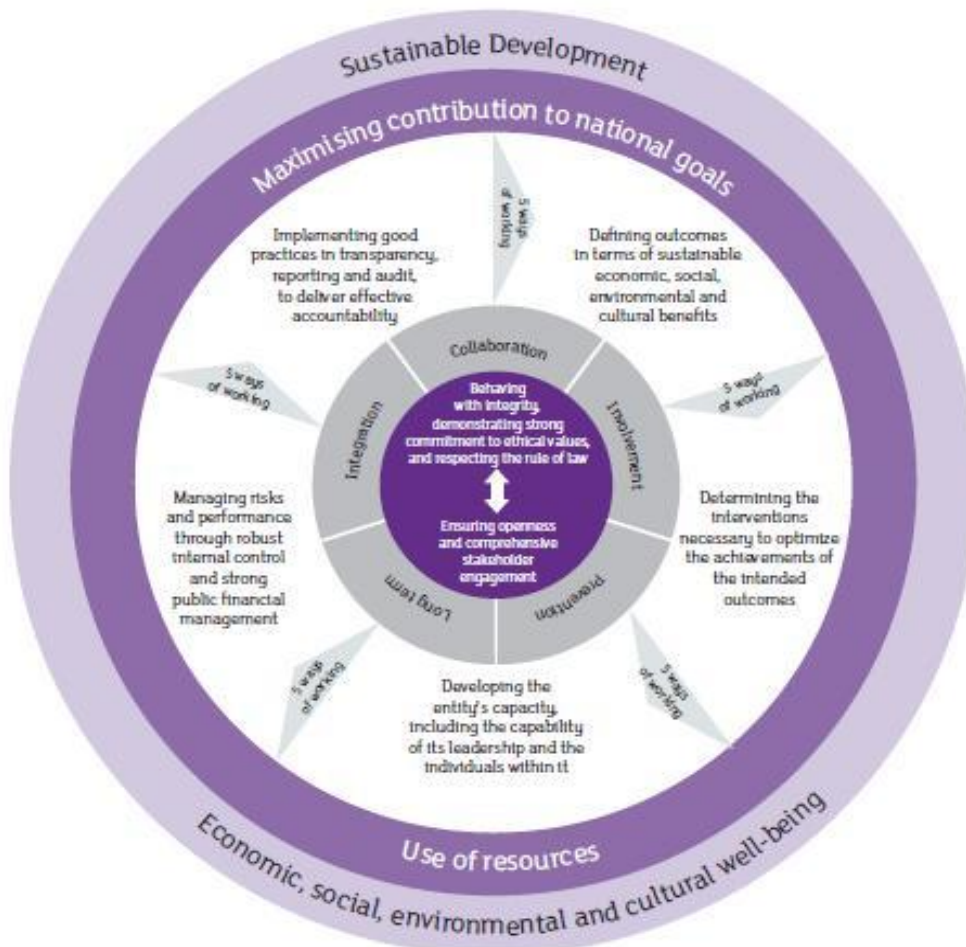
Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

2.2 The diagram below brings together the above principles of good governance with the requirements of the Well-being of Future Generations Act 2015. It shows sustainability as all encompassing.

The core behaviours of ;

- behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law, and
- ensuring openness and comprehensive stakeholder engagement, need to be applied to the five ways of working outlined in the 2015 Act.

The five ways of working have to permeate all segments of delivering outcomes which in turn should ensure effective use of resources as the Council maximises its contribution to the economic, social, environmental and cultural well being of Wales.



2.3 In order to support the seven fundamental principles this code sets out the requirements identified as being key to delivering good governance along with a series of measures that Caerphilly County Borough Council sees as being key to supporting and facilitating their delivery.

Fundamental principle 1 – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

SUPPORTING REQUIREMENTS	DELIVERABLE MEASURES
<p>Behaving with integrity</p> <p>Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the authority.</p>	<p>Codes of conduct</p> <p>Individual sign off with regard to compliance with code</p> <p>Induction for new members and staff on standard of behaviour expected</p> <p>Performance appraisal</p>
<p>Ensuring members take the lead in establishing specific standard operating principles or values for the Authority and its staff and that they are communicated and understood. These should build on the seven Principles of Public life (the Nolan Principles).</p>	<p>Standards reflect Welsh Government public service values</p> <p>Communicating shared values with members, staff, the community and partners</p>
<p>Leading by example and using these standard operating principles or values as a framework for decision making and other actions.</p>	<p>Leadership behaviours set out by the Welsh Government are followed</p> <p>Decision making practices</p> <p>Declarations of interests made at meetings</p> <p>Conduct of meetings</p> <p>Shared values guide decision making</p> <p>Develop and maintain an effective standards committee</p>
<p>Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.</p>	<p>Anti-Fraud and corruption policies are working effectively</p> <p>Up to date register of interests(members and staff)</p> <p>Up to date register of gifts and hospitality</p> <p>Whistleblowing policies are in place and protect individuals raising concerns</p> <p>Whistleblowing policy has been made available to members of the public, employees, partners and contractors</p> <p>Complaints policy and examples of responding to complaints about behaviour</p> <p>Changes/improvements as a result of complaints received and acted upon</p> <p>Members and officers code of conduct refers to a requirement to declare interests</p> <p>Minutes show declarations of interest were sought and appropriate declarations made</p>

<p>Demonstrating strong commitment to ethical values</p> <p>Seeking to establish, monitor and maintain the Authority's ethical standards and performance.</p>	<p>Scrutiny of ethical decision making</p> <p>Championing ethical compliance at governing body level</p>
<p>Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the Authority's culture and operation.</p>	<p>Provision of ethical awareness training</p>
<p>Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</p>	<p>Appraisal processes take account of values and ethical behaviour</p> <p>Staff appointments policy</p> <p>Procurement policy</p>
<p>Ensuring that external providers of services on behalf of the Authority are required to act with integrity and in compliance with high ethical standards expected by the Authority.</p>	<p>Agreed values in partnership working</p> <ul style="list-style-type: none"> • Statement of business ethics communicates commitment to ethical values to external suppliers • Ethical values feature in contracts with external service providers <p>Protocols for partnership working</p>
<p>Respecting the rule of law</p> <p>Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.</p>	<p>Statutory provisions</p> <p>Statutory guidance is followed</p> <p>Constitution</p>
<p>Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.</p>	<p>Job description/specifications</p> <p>Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, 2016)</p> <p>Terms of reference</p> <p>Committee support</p>
<p>Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.</p>	<p>Record of legal advice provided by officers</p>
<p>Dealing with breaches of legal and regulatory provisions effectively.</p>	<p>Monitoring officer provisions</p> <p>Record of legal advice provided by officers</p> <p>Statutory provision</p>
<p>Ensuring corruption and misuse of power are dealt with effectively.</p>	<p>Effective anti-fraud and corruption policies and procedures</p>

Fundamental principle 2 - Ensuring openness and comprehensive stakeholder engagement.

SUPPORTING REQUIREMENTS	DELIVERABLE MEASURES
<p>Ensuring an open culture through demonstrating, documenting and communicating the Authority's commitment to openness.</p>	<p>Annual report Freedom of Information Act publication scheme Online council tax information Authority's goals and values Authority website</p>
<p>Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.</p>	<p>Record of decision making and supporting materials</p>
<p>Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, that they are clear about the impact and consequences of those decisions are clear.</p>	<p>Decision making protocols Report pro-formas Record of professional advice in reaching decisions Meeting reports show details of advice given Discussions between members and officers on the information needs of members to support decision making Agreement on the information that will be provided and timescales Calendar of dates for submitting, publishing and distributing timely reports is adhered to</p>
<p>Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action.</p>	<p>Wellbeing strategy (public service board) and statement (local authority) Use of consultation feedback Complaints policy and use of complaints Citizen survey</p>
<p>Engaging comprehensively with institutional stakeholders</p> <p>Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.</p>	<p>Communication and engagement strategy</p>

Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.	Database of stakeholders with whom the authority should engage and for what purpose and a record of an assessment of the effectiveness of any changes
Ensuring that partnerships are based on: <ul style="list-style-type: none"> • trust • a shared commitment to change • a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.	Wellbeing strategy Partnership protocols.
Engaging stakeholders effectively, including individual citizens and service users Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.	Record of public consultations Partnership framework Public service boards' terms of reference
Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.	Evidence of structured stakeholder discussions Communications strategy.
Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.	Communications and engagement strategy Effective community involvement.
Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.	Communications and engagement strategy
Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.	Processes for dealing with competing demands within the community, for example, consultation.
Taking account of the interests of future generations of tax payers and service users.	Reports Wellbeing assessment (public services board) Wellbeing objectives and statements

Fundamental principle 3 - Defining outcomes in terms of sustainable economic, social, and environmental benefits

SUPPORTING REQUIREMENTS	DELIVERABLE MEASURES
<p>Defining outcomes</p> <p>Having a clear vision which is an agreed formal statement of the Authority's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the Authority's overall strategy, planning and other decisions.</p>	<p>Wellbeing statement and objectives</p> <p>Vision used as a basis for corporate and service planning</p>
<p>Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.</p>	<p>Community engagement and involvement</p> <p>Corporate and service plans</p> <p>Wellbeing plan (public service board) and wellbeing statement (local authority)</p>
<p>Delivering defined outcomes on a sustainable basis within the resources that will be available.</p>	<p>Regular reports on progress</p>
<p>Identifying and managing risks to the achievement of outcomes.</p>	<p>Performance trends are established and reported upon</p> <p>Risk management protocols</p>
<p>Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.</p>	<p>An agreed set of quality standard measures for each service element are included in service plans</p> <p>Processes for dealing with competing demands within the community</p>
<p>Sustainable economic, social and environmental benefits</p> <p>Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.</p>	<p>Capital investment is structured to achieve appropriate life spans and adaptability for future use so that resources are spent on optimising social, economic and environmental wellbeing</p> <ul style="list-style-type: none"> - Capital programme - Capital investment strategy <p>Legislative requirements – Well-being of Future Generations (Wales) Act 2015</p>
<p>Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Authority's intended outcomes and short-term factors such as the political cycle or financial constraints.</p>	<p>Application of Wales procurement policy statement</p> <p>Corporate plans take account of medium and long-term service plans</p> <p>Discussion between members and officers on the information needs of members to support decision making</p> <p>Record of decision making and supporting</p>

	materials
Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade offs.	Public Services Board wellbeing plan Record of decision making and supporting materials Protocols for consultation
Ensuring fair access to services.	Develop protocols to ensure fair access and that statutory guidance is followed

Fundamental principle 4 – Determining the interventions necessary to optimise the achievement of the intended outcomes

SUPPORTING REQUIREMENTS	DELIVERABLE MEASURES
<p>Determining interventions</p> <p>Ensuring decisions makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.</p>	<p>Discussion between members and officers on the information needs of members to support decision making</p> <p>Decision making protocols</p> <p>Option appraisals</p> <p>Agreement of information that will be provided and timescales</p>
<p>Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.</p>	<p>Financial strategy</p>
<p>Planning interventions</p> <p>Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.</p>	<p>Calendar of dates for developing and submitting plans and reports that are adhered to</p>
<p>Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.</p>	<p>Communication an engagement strategy</p> <p>Public Services Board wellbeing plans</p>
<p>Considering and monitoring risks facing each partner when working collaboratively including shared risks.</p>	<p>Partnership framework</p> <p>Risk management protocol</p>
<p>Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.</p>	<p>Planning protocols</p>
<p>Establishing appropriate local performance</p>	<p>Local performance indicators have been</p>

indicators (as well as relevant statutory or other national performance indicators) as part of the planning process in order to identify how the performance of services and projects is to be measured.	established and approved for each service element and included in the service plan and are reported upon regularly
Ensuring capacity exists to generate the information required to review service quality regularly.	Reports include detailed performance results and highlight areas where corrective action is necessary
Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan.	Evidence that budgets, plans and objectives are aligned
Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.	Budget guidance and protocols Medium-term financial plan Corporate plans
Optimising achievement of intended outcomes Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.	Feedback surveys and exit/decommissioning strategies Changes as a result
Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.	Budgeting guidance and protocols
Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.	Financial strategy Long-term trends are taken into account
Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is 'the additional benefit to the community...over and above the direct purchasing of goods services and outcomes.'	Service plans demonstrate consideration of 'social value' Achievement of 'social value' is monitored and reported upon

Fundamental principle 5 – Developing the entity’s capacity, including the capability of its leadership and the individuals within it

SUPPORTING REQUIREMENTS	DELIVERABLE MEASURES
Developing the entity’s capacity Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.	Regular reviews of activities, outputs and planned outcomes

<p>Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.</p>	<p>Utilisation of research and benchmarking exercises</p>
<p>Recognising the benefits of partnerships and collaborative working where added value can be achieved.</p>	<p>Effective operation of partnerships which deliver agreed outcomes</p>
<p>Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.</p>	<p>Workforce plan Organisational development plan</p>
<p>Developing the capability of the entity's leadership and other individuals</p> <p>Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.</p>	<p>Job descriptions Chief executive and leader pairings have considered how best to establish and maintain effective communication</p>
<p>Publishing a statement that specifies the types of decisions delegated and those reserved for the collective decision making of Council.</p>	<p>Scheme of delegation reviewed at least annually in the light of legal and organisational changes Standing orders and financial regulations which are reviewed on a regular basis</p>
<p>Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.</p>	<p>Clear statement of respective roles and responsibilities and how they will be put into practice</p>
<p>Developing the capabilities of members and senior management to achieve effective leadership and to enable the Authority to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by;</p> <ul style="list-style-type: none"> • ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged. • ensuring members and officers have the appropriate skills, knowledge resources and support to fulfil their roles and responsibilities 	<p>Access to courses/information briefings on new legislation</p> <p>Member development strategy Members induction and ongoing training and development programme Mentoring and peer support programmes Personal development plans for members and officers</p> <p>For example, for members this may include the ability to;</p>

<p>and ensuring that they are able to update their knowledge on a continuing basis.</p> <ul style="list-style-type: none"> ensuring personal, organisation and system-wide development through shared learning, including lessons learnt from both internal and external governance weaknesses. 	<ul style="list-style-type: none"> Scrutinise and challenge Recognise when outside expert advice is required Promote trust Work in partnership Lead the organisation Act as a community leader <p>Efficient systems and technology used for effective support</p> <p>Arrangements for succession planning</p>
<p>Ensuring that there are structures in place to encourage public participation.</p>	<p>Citizens' and residents' panels</p> <p>Stakeholder forum terms of reference</p> <p>Communication and engagement strategy</p>
<p>Taking steps to consider the leaderships own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.</p>	<p>Reviewing individual member performance on a regular basis taking account of their attendance and considering any training or development needs</p> <p>Peer reviews</p>
<p>Holding staff to account through regular performance reviews which take account of training or development needs.</p>	<p>Training and development plan</p> <p>Staff development plans linked to appraisals</p> <p>Implementing appropriate human resource policies and ensuring that they are working effectively</p>
<p>Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.</p>	<p>Human resource policies</p>

Fundamental principle 6 – Managing risks and performance through robust internal control and strong public financial management

SUPPORTING REQUIREMENTS	DELIVERABLE MEASURES
<p>Managing risk</p> <p>Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.</p>	<p>Risk management protocol</p>

Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.	Risk management strategy/policy formally approved, adopted, reviewed and updated on a regular basis
Ensuring that responsibilities for managing individual risks are clearly allocated.	Risk management protocol
Managing performance Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.	Performance map showing all key activities have performance measures Benchmarking information Cost performance (using inputs and outputs) Calendar of dates for submitting, publishing and distributing timely reports that are adhered to
Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Authority's financial, social and environmental position and outlook.	Discussion between members and officers on the information needs of members to support decision making Publication of agendas and minutes of meetings Agreement on the information that will be needed and timescales
Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made, thereby enhancing the authority's performance and that of any organisation for which it is responsible.	The role and responsibility for scrutiny has been established and is clear Agenda and minutes of scrutiny meetings Evidence of improvements as a result of scrutiny Terms of reference Training for members Membership Public Service Boards are subject to effective scrutiny
Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.	Calendar of dates for submitting, publishing and distributing timely reports that are adhered to
Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements).	Financial standards, guidance Financial regulations and standing orders
Robust internal control Aligning the risk management strategy and policies on internal control with achieving the authority's objectives.	Risk management strategy Audit plan Audit reports

Evaluating and monitoring the authority's risk management and internal control on a regular basis.	Risk management strategy/policy has been formally approved and adopted and is reviewed and updated on a regular basis
Ensuring effective counter fraud and anti-corruption arrangements are in place.	Compliance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)
Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.	Annual governance statement Effective internal audit service is resourced and maintained
Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body. <ul style="list-style-type: none"> provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment. that its recommendations are listened to and acted upon. 	Audit committee complies with best practice – see Audit Committees; Practical Guidance for Local Authorities and Police (CIPFA, 2013) Terms of reference Membership Training
Managing Data Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.	Data management framework and procedures Designated data protection officer Data protection policies and procedures
Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.	Data sharing agreement Data sharing register Data processing agreements
Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.	Data quality procedures and reports Data validation procedures
Strong public financial management Ensuring the financial management supports both long term achievement of outcomes and short-term financial and operational performance.	Financial management supports the delivery of services and transformational change as well as securing good stewardship
Ensuring well-developed financial management is integrated at all organisational levels of planning and control, including management of financial risks and controls.	Budget monitoring reports

Fundamental Principle 7 – Implementing good practices in transparency, reporting, and audit to deliver effective accountability

SUPPORTING REQUIREMENTS	DELIVERABLE MEASURES
<p>Implementing good practice in transparency Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.</p>	<p>Website Council meetings are webcast</p>
<p>Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous for the authority to provide and for users to understand.</p>	<p>Councillor’s annual reports Annual report</p>
<p>Implementing good practices in reporting Reporting at least annually on performance, value for money and the stewardship of its resources.</p>	<p>Formal annual report which includes key points raised by external scrutineers and service users’ feedback on service delivery Annual financial statements</p>
<p>Ensuring members and senior management own the results.</p>	<p>Appropriate approvals</p>
<p>Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement).</p>	<p>Annual governance statement</p>
<p>Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate.</p>	<p>Annual governance statement</p>
<p>Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.</p>	<p>Format follows best practice</p>
<p>Assurance and effective accountability. Ensuring that recommendations for corrective action made by external audit are acted upon.</p>	<p>Recommendations have informed positive improvement</p>

Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to the governance arrangements and recommendations are acted upon.	Compliance with CIPFA's Statement on the Role of the Head of Internal Audit (2010) Compliance with the Public Sector Internal Audit Standards
Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.	Recommendations have informed positive improvement
Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.	Annual governance statement
Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.	Public service boards' terms of reference and wellbeing plans Public service boards engage with scrutiny

3. REVIEW OF ARRANGEMENTS

3.1 The CIPFA/SOLACE Framework requires the Council to:

- consider the extent to which it complies with the principles and requirements of good governance set out in the Framework
- identify systems, processes and documentation that provide evidence of *compliance*
- identify the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified
- identify the issues that have not been addressed adequately in the Authority and consider how they should be addressed
- identify the individuals who would be responsible for undertaking the actions required and plan accordingly.

3.2 A working group, known as the Corporate Governance Panel has been established to facilitate the ongoing review of the Authority's governance arrangements including the annual self-assessment of compliance with the above core and supporting principles leading to the publication of the Annual Governance Statement.

3.3 The composition of the working group includes the Cabinet Member for Finance, Performance and Governance, and key officers as below:

The Director of Education and Corporate Services (Chair)

Section 151 Officer, Head of Corporate Finance

The Head of Legal Services & Monitoring Officer

The Interim Head of Business Improvement Services

The SIRO, Head of Customer and Digital Services

Internal Audit Manager

- 3.4 The Director of Corporate Services has corporate responsibility for governance including oversight of compliance with the CIPFA/ SOLACE Framework and the process leading to the publication of the Annual Governance Statement.
- 3.5 Any significant non-compliance issues identified in the self-assessment process will be disclosed within the Annual Governance Statement and fed into the business planning process. Progress in addressing governance issues will be regularly monitored by the working group to ensure that agreed actions are implemented and the intended outcomes are fully addressed.

4. ANNUAL GOVERNANCE STATEMENT

- 4.1 Regulation 5(2) of the Accounts and Audit (Wales) Regulations 2014 requires a local authority to “conduct a review at least once in a year of the effectiveness of its system of internal control and [5(4)] the body must approve a Statement on Internal Control prepared in accordance with proper practices. [5(5)] Such statement must accompany the financial statements”.
- 4.2 The new CIPFA/SOLACE Framework defines proper practice for the form and content of an Annual Governance Statement (AGS), which meets the requirements of regulation 5 of the Accounts and Audit (Wales) Regulations 2014 in relation to the publication of a Statement on Internal Control.
- 4.3 The Council therefore publishes an AGS based on the CIPFA/SOLACE model governance statement. The AGS covers all significant corporate systems, processes and controls, spanning the whole range of the Council's activities, including in particular those designed to ensure:
- the Authority’s policies are put into place
 - the Authority’s values are met
 - laws and regulations are complied with
 - required processes are adhered to
 - financial statements and other published information are accurate and reliable
 - human, financial and other resources are managed efficiently and effectively
 - high quality services are delivered efficiently and effectively.
- 4.5 It therefore covers performance issues – good governance promotes good service but poor service performance reflects a failure of governance. Consequently, approval and ownership of the AGS should be at a corporate level and should be confirmed by the most senior officer (chief executive or equivalent) and the most senior member (leader or equivalent) signing the statement on behalf of the Authority.
- 4.6 The Leader and Chief Executive therefore sign the AGS on behalf of Caerphilly County Borough Council once the review and approval process has been completed. The AGS will be approved by the Audit Committee and published with the annual financial statements so that the publication timetable for the financial statements drives the AGS approval timetable.

5. DIRECTORATE ASSURANCE STATEMENTS

- 5.1 As Section 4 above indicates, before signing the AGS the Leader and Chief Executive will seek assurances that the review and approval process has been followed. This ensures that the views of the statutory officers have been taken into account, and they have in turn sought the views of auditors (internal & external) and other inspectorates as to the adequacy and effectiveness of the Council's system of governance.
- 5.2 However in reviewing and approving the AGS members will also require assurances on the effectiveness of the governance framework from managers across the Council, as it is they who are charged with embedding corporate governance systems within their directorates.
- 5.3 The Council has therefore adopted a system of Directorate Assurance Statements (Appendix 1) which are compiled on an annual basis to coincide with the production of the AGS. These require Directors to review the operation of a wide range of governance systems and procedures within their service areas and indicate whether there are any significant non-compliance issues.
- 5.4 The completed Directorate Assurance Statements are analysed to ascertain whether there are any common areas of concern, and if so, whether these constitute significant governance issues. Any significant non-compliance issues emerging will be included in the Annual Governance Statement itself.

DIRECTORATE ASSURANCE STATEMENT

Caerphilly County Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In discharging this responsibility, members and senior officers are responsible for establishing a sound system of governance. As Director, I have responsibility to enforce the system of governance within my Directorate to ensure that it supports the achievement of the Directorate's and therefore the Council's objectives. When discharging my responsibility for reviewing the effectiveness of the system of governance operating within the Directorate, I have taken into account the following:

- The adequacy and effectiveness of management review processes;
- Outcomes from risk assessments ;
- Relevant self-assessments of key service areas within the Directorate;
- Relevant internal audit reports and the implementation of recommendations made by Internal Audit Services; and
- Outcomes from reviews by other bodies including external and statutory inspectorates and the Council's external auditors.

I am satisfied that, except for the specific matters arising in the attached schedule, a sound system of governance has been in place throughout the year ended 31st March 20XX and is ongoing. I also propose to take steps to address the matters arising to enhance the Directorate's system of governance and I will be monitoring their implementation and operation on an ongoing basis.

Director Signature:

Name:

Date:

**CAERPHILLY COUNTY BOROUGH COUNCIL
CORPORATE GOVERNANCE REVIEW PANEL
TERMS OF REFERENCE**

1. MEMBERSHIP

- 1.1. The Corporate Governance Review Panel shall consist of the following individuals:-
- 1.1.1. The Corporate Director for Education & Corporate Services, who shall be the Chair.
 - 1.1.2. The Section 151 Officer, Head of Corporate Finance
 - 1.1.3. The Head of Legal Services and Monitoring Officer
 - 1.1.4. The Interim Head of Business Improvement Services
 - 1.1.5. The SIRO, Head of Customer and Digital Services
 - 1.1.6. The Cabinet Member for Finance, Performance and Governance
 - 1.1.7. The Internal Audit Manager

2. MEETINGS

- 2.1. The Panel will meet bimonthly and at such other times as the Chair determines.
- 2.2. Agendas and relevant papers will be produced prior to the meetings.
- 2.3. Minutes will be produced to record the discussions had and decisions taken by the Panel. The minutes will be presented to the Corporate Management Team (CMT) and any proposals from the group will be discussed at CMT prior to referral to Audit Committee. The minutes will be put to the Audit Committee for information, monitoring and agreement.

3. TERMS OF REFERENCE

- 3.1. To review and monitor the Council's Code of Corporate Governance in line with best practice and to make recommendations to the Audit Committee regarding amendments or revision to the agreed Code.
- 3.2. To promote good governance throughout the organisation.
- 3.3. To facilitate and co-ordinate the ongoing review of the Authority's governance arrangements.
- 3.4. To undertake the annual review of the Council's corporate governance arrangements and to co-ordinate the production of the Annual Governance Statement (AGS).
- 3.5. To recommend to the Audit Committee any areas for improvement that should be included within the Annual Governance Statement (AGS).
- 3.6. To report progress in addressing the areas for improvement identified in the Annual Governance Statement (AGS).
- 3.7. To receive and discuss regular updates from the SIRO on outputs from the Information Governance Project Team.
- 3.8. To receive reports and presentations from the External Auditor and other external review agencies on governance issues.
- 3.9. To review and update the Terms of Reference on a periodic basis as required.

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AUDIT COMMITTEE – 11TH JUNE 2019

SUBJECT: ANNUAL REVIEW OF COMPLAINTS RECEIVED UNDER THE COUNCIL'S CORPORATE COMPLAINTS POLICY 1ST APRIL 2018 TO 31ST MARCH 2019

REPORT BY: DEPUTY MONITORING OFFICER

1. PURPOSE OF REPORT

- 1.1 To provide Members with an overview of the corporate complaints received for the year 1st April 2018 to 31st March 2019.
- 1.2 To advise Members whether any trends were identified during this period and if so the action to be taken.
- 1.3 To provide Members with an overview of the lessons learned in respect of the complaints which have been upheld or partially upheld.

2. SUMMARY

- 2.1 To provide members with a review of the corporate complaints received during the year 1st April 2018 to 31st March 2019.
- 2.2 Complaints are one of the ways in which, the Council gains information on the level of satisfaction or dissatisfaction of the services provided corporately by the Council. The result of the monitoring enables each department to focus on areas of concern, to improve services and to monitor performance and ensure that any trends in issues raised are identified and dealt with so as to be avoided in the future.
- 2.3 The implementation of the Corporate Complaints Policy ensures that corporate complaints are dealt with consistently and fairly across all service areas.

3. RECOMMENDATIONS

- 3.1 Members are asked to note the content of the report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 One of the terms of reference for the Audit Committee is to monitor the complaints process to ensure effective delivery of Council services.

5. THE REPORT

5.1 On 1st April 2013, the Council implemented a Corporate Complaints Policy (referred to as the Policy in this report) in order to reflect the model policy introduced by the Welsh Government, which has been subsequently updated and is available on the Council's Website. The Policy was subsequently reviewed and updated in 2016.

5.2 The Policy defines a complaint as "an expression of dissatisfaction or concern which requires a response" which may be:

- Either written or spoken,
- Made by one or more members of the public,
- About the Council's action or lack of action or about the standard of service provided,
- About the Council itself, a person acting on its behalf or a public service provider partnership.

Members are aware that the Policy does not apply to Service Requests.

5.3 The Policy introduced a two-stage complaints process to be followed within the Council. Stage 1 complaints should be dealt with within 10 working days and Stage 2 within 20 working days. If a complainant remains dissatisfied with the outcome of a Stage 2 response, he/she will have the opportunity to refer the matter to the Public Services Ombudsman for Wales.

5.4 The individual service areas are responsible for ownership of the conduct of the complaint process and investigate complaints at both stage 1 and 2, with the Stage 2 response being dealt with by the Head of Service or nominated representative. In addition where complaints relate to more than one directorate these are responded to by the Deputy Monitoring Officer.

5.5 Officers have established a Learning from Complaints Group (referred to throughout this report as "the Group"), which is chaired by the Deputy Monitoring Officer (or nominated representative), and includes Complaints Officers from across the Council, the Council's Senior Policy Officer (Equalities and Welsh Language), a representative from the Council's Performance Management Unit and a representative from the Council's Internal Audit Section.

5.6 In addition, representatives from the Group attend the All Wales Complaints Group meetings which are held twice per year to share experience and learn from other Councils.

5.7 Complaints provide valuable feedback and are viewed as a positive opportunity to learn from experiences, which are in turn used to improve our services, strengthen relationships with customers and prevent similar problems which lead to the complaint from arising again. Some of the actions taken in response to complaints may seem to be of a minor nature however they can often make a big difference for example to the provision of a service. Members are asked to note the information contained in paragraph 5.12.1 and Appendix 2.

5.8 The information in relation to corporate complaints has been previously reported on a six monthly basis to Audit Committee. In addition this Committee received the first Annual Report in 2015. This is the fourth annual report; it includes comparative data against the data reported for the year 2017/18. Moving forward the Committee will receive a six monthly update following the expiration of the first six month period together with an Annual report.

5.9 Review of Corporate Complaints

5.9.1 The data included in the Report relates to the complaints formally logged as corporate complaints received from 1st April 2018 to 31st March 2019. It includes comparative data for the year 2017/18 for each Directorate referred to, and an overview of the response timescales. The data also includes the outcome of each complaint; namely whether a complaint has been upheld, not upheld or partially upheld. An overview of the outcomes in respect of Stage 1 complaints are set out in paragraph 5.9.6 and an overview of the outcomes

in respect of Stage 2 Complaints are set out in paragraph 5.9.15 of the Report.

- 5.9.2 Members are asked to note that this report includes details of formally logged corporate complaints only and does not include detail of interactions with customers which are deemed to be service requests. In addition Members will note that the number of complaints considered by Education and Social Services are less than those relating to services delivered by the Environment and Housing. Both of these areas operate separate complaints processes established by specific legislation. In addition cross directorate complaints are dealt with under Stage 2 of the Corporate Complaints Policy.
- 5.9.3 The total number of corporate complaints received across the Authority was **202**; this is a notable increase on last years' total of **155**; there were **152** complaints dealt with at Stage 1 and **90** complaints dealt with at Stage 2 with **40** escalating from a Stage 1 to a Stage 2 (including **2** complaints which escalated from the previous years' stage 1 responses); **1** in Corporate Services; **14** in Housing; **21** in the Environment and **4** in Social Services. This comparison is set out in the graph at Appendix 1(A)
- 5.9.4 A breakdown of the Stage 1 corporate complaints by reference to service area, together with comparative data from last year is set out below.

Stage 1 Corporate Complaints		17/18 Actual	18/19 Actual
Corporate Services		14	15
Education		3	1
Environment		54	68
Housing		45	44
Social Services		11	24
		127	152

- 5.9.5 It should be noted that the number of complaints per service does not necessarily provide a direct correlation with the standard of customer service provided and that these results should not be treated in isolation. Each of these services are heavily influenced by the type of business transacted by that service, for example the number of customer facing transactions carried out, the public profile of the actions carried out by that service and whether the customer has alternative formal routes for redress or appeal.

Outcomes of Stage 1 complaints

- 5.9.6 Of the **152** Stage 1 complaints responded to, **37** have been upheld, **85** were not upheld, **28** have been partially upheld, and **2** are ongoing. The breakdown by service area is listed below together with the comparative data for the year 2017/18.

Year	17/18 Upheld	18/19 Upheld	17/18 Not Upheld	18/19 Not Upheld	17/18 Partially Upheld	18/19 Partially Upheld	17/18 Did Not Proceed	18/19 Did Not Proceed	18/19 Ongoing
Corporate Services	6	8	7	6	1	1	0	0	0
Education	0	0	3	1	0	0	0	0	0
Environment	14	20	32	29	8	18	0	0	1
Housing	1	9	36	25	7	9	1	0	1
Social Services	0	0	9	24	2	0	0	0	0
	21	37	87	85	18	28	1	0	2

- 5.9.7 The overall number of complaints dealt with at stage 1 this year when compared to 2017/18 has **increased** by approximately 19.7% (**152** this year compared to **127** last year).
- 5.9.8 The number of Stage 1 complaints upheld has increased by 16 (37 this year compared to 21

last year); the number of complaints not upheld has slightly reduced and the number of complaints partially upheld has increased by 10 this year (28 compared to 18 last year).

- 5.9.9 From an analysis of the data, in terms of the increase in numbers of Stage 1 complaints responded to generally, these can be identified within the Environment Directorate and Social Services Directorate.
- 5.9.10 In terms of Social Services complaints, from an analysis of this data it appears that the Corporate Complaints policy has been utilised in more circumstances where complainants were unable to progress their complaints through the separate Social Services Complaints procedure as they were not in receipt of social services and therefore complainants received a response via the Corporate Complaints Process. That said all of the complaints dealt with were not upheld and one did not proceed.
- 5.9.11 With regard to Housing, the number of complaints which have been upheld have increased this year from 1 to 9. On analysis these are across a couple of different service areas provided including housing management, WHQS and private sector. There does not appear to be any particular trend.
- 5.9.12 With regard to complaints in the Environment directorate, these have been analysed and there appears to be a number of complaints partially upheld or upheld in relation to waste services and include those relating to the contamination of bins, non-collection of food waste assisted collections, and green waste sacks. This increase is likely due to the fact that the waste management department have been focusing on improving the quality of recycling and as such have not been collecting bins that contain bags or non-recyclables which has led to some non-collection complaints. There are also complaints regarding green waste sacks and the need to pay for new sacks which is a direct result of the charges introduced as part of the medium term financial plan savings. Officers will continue to monitor complaints of this nature and learn from the outcomes. However it should be noted that the Council collects recycling from every property once a week (i.e approx. 79,300) with the same service for food/green waste and once a fortnight for refuse. In summary that equates to a total number of collections approaching 200,000 per week and as such the number of complaints in comparison to the scale of the service are relatively small.
- 5.9.13 A breakdown of Stage 2 corporate complaints by reference to the service area, together with comparative data is set out below.

	Stage 2 Corporate Complaints	17/18 Actual	18/19 Actual
	Corporate Services	6	3
	Education	0	1
	Environment	28	50
	Housing	24	26
	Social Services	1	5
	Other (cross directorate)	7	5
		<u>66</u>	<u>90</u>

- 5.9.14 Members will note the number of complaints dealt with at Stage 2 have notably increased in comparison to last year, with the increase being evident within the Environment directorate. Social Services have had a slight increase of 4, Corporate Services have reduced by 3 and other areas have remained at a similar number.

Outcomes of Stage 2 Complaints

5.9.15 Of the 90 Stage 2 complaints responded to 11 have been upheld, 63 were not upheld and 14 were partially upheld. The breakdown by service area is listed below together with the comparative data for the year 2017/18.

	17/18 Upheld	18/19 Upheld	17/18 Not Upheld	18/19 Not Upheld	17/18 Partially Upheld	18/19 Partially Upheld	17/18 Did Not Proceed	18/19 Did Not Proceed	18/19 Ongoing
Corporate Services	2	0	4	2	0	1	0	0	
Education	0	0	0	1	0	0	0	0	
Environment	4	7	20	36	4	7	0	0	0
Housing	3	4	17	18	4	4	0	0	
Social Services	0	0	1	3	0	0	0	1	1
Other (cross directorate)	1	0	3	3	3	2	0		
	<u>10</u>	<u>11</u>	<u>45</u>	<u>63</u>	<u>11</u>	<u>14</u>	<u>0</u>	<u>1</u>	<u>1</u>

5.9.16 Overall there has been a similar number of complaints upheld at Stage 2 this year (11 this year compared to 10 last year) and a slight increase in the number of complaints partially upheld (14 this year compared to 11 last year). In relation, Education and Social Services the figures have remained comparable and there has been a slight drop in Corporate Services.

5.9.17 With regard to Housing, the overall figures are very similar to last year with complaints being in relation to various aspects of housing. There was, however, a decrease in the number of housing management complaints and an increase in the number of WHQS complaints, which is due to the volume of works being undertaken.

5.9.18 In relation to Environment 3 more complaints have been upheld, 16 more not upheld and 3 more partially upheld. From an analysis of this data it has been noted that there has been an increase in the number of planning complaints however one particular planning application attracted 10 separate complaints all of which were not upheld. That said, the number of planning specific complaints received remain at a low level particularly when bearing in mind that over the last year 996 planning applications were validated. In addition there were a mix of complaints ranging from parking issues, illegal dumping, missed bin collections, rights of way, school transport, street lighting, contaminated bin waste and noise pollution. The issues regarding waste complaints have been referred to in paragraph 5.9.12 above. Having regard to the overall nature of the complaints dealt with no particular trends have been identified.

5.10 Ombudsman's Referrals

5.10.1 Of the 90 complaints responded to under Stage 2 of the Corporate Complaints Process, 12 were referred on to the Public Services Ombudsman for Wales, none of which were taken into investigation. There was however one case taken into investigation during 2017 and the decision issued in the year 2018/19. This related to a Planning Complaint which was partially upheld and the outcome reported to the Standards Committee in accordance with normal reporting procedures.

In addition to the Stage 2 responses referred to the Public Services Ombudsman for Wales there were 44 complaints referred to prematurely i.e without first exhausting the Council's Corporate Complaints process

In addition the Authority agreed 4 quick fixes, one in relation to housing repairs and maintenance; one in relation to road maintenance; one in relation to roads and transport and one in relation to parking.

For completeness, in addition to the above there were 5 quick fixes agreed in relation to the Social Services complaints procedure however this is outside the remit of this report.

5.11 Target time for responses

- 5.11.1 The data in relation to this indicates that overall compliance with the response deadlines is 88.9%, 0.7% down on last years' figure of 89.6% as identified in the graph at Appendix 1(B).
- 5.11.2 The reasons for not meeting the deadline include the following; the complaint was one of multiple complaints which required a comprehensive and multi service response; workload pressures; pressures due to sickness of team members; missed due to human error; a need to liaise with officers. The Group regularly discuss the data at its meetings and will continue to remind officers to request an extension of time from the complainant should it become clear that the deadline for responding cannot be met.

5.12 Review of Trends and Lessons Learned

- 5.12.1 The volume of complaints is not always as important as the nature and the content of the complaint. Each complaint can be an opportunity to make small changes or service improvement on a small or greater scale. Sometimes the smallest change can result in the greatest increase in customer satisfaction. Examples of some of the changes made are set out at Appendix 2 which contains an anonymised summary of a sample of upheld/partially upheld complaints across the various service areas. The lessons learnt include the following

Corporate

- All staff, particularly recent recruits have received refresher training on how to advise customers of delays in service and have been reminded of the importance of carrying out tasks correctly.
- Refresher training given by Team Leader to Billing staff.
- The process of checking DWP deductions more regularly to try and prevent issues occurring again.
- Staff were made aware of the need to be as accurate as possible whilst acknowledging there was always potential for human error. Whilst the delay in applying the single person discount was minimal, 12 working days with a performance target to process circumstance changes within 14 working days but as the complaint was responded to on the basis that higher levels of correspondence was being experienced at that time action is being taken to address this issue.
- Reviewing an e-mail template to ensure that it provides clear information. Asking Team Leader of the Advisor that dealt with complainant to review the way in which her team handle calls and to put in place arrangements to improve the information that is provided and asking Team Leader to provide advice and coaching on blue badge applications.

Environment

- Liaise with Refuse/Recycling collection crews prior to bank holidays to ensure the bin is emptied and when possible meet with residents on site to establish and ascertain the problem areas.
- Staff advised of the need to be very careful when and checking address specifics and customer requirements
- Ensure that complainants are provided with a professional and comprehensive explanation of policies and service levels.

- To recognise the importance of communication. CRM had been informed that a waste bag had not been collected for containing soil and rubble. Had the resident been informed of this the complaint may not have escalated.
- Crew have been instructed to place the recycling bags over the gates or boundary walls if possible, alternatively, if there are no front gardens, we have instructed the crew if the property has a food caddy, to place it, when emptied on top of the bags to stop them blowing away in inclement weather.
- Two new post mounted litter bins were installed in the area and officers will also monitor the area to ascertain if we need to cleanse the area twice a week instead of only once at present.
- Whilst the bin collections have indeed been missed on a number of occasions, there have been issues with vehicular obstruction. The issue is not yet resolved as the residents will be letter dropped and other options explored.
- Contractor did not follow correct procedure in terms of checking with Education Transport /college when student was not waiting for taxi at end of a college session. Correct procedure reiterated with Contractor – particularly with regards to dealing with pupils with additional learning needs. Noted that this was an exception and measures agreed should prevent a recurrence.

Housing

- Housing Repair Operations Manager reminded officers from WHQS and Area Housing Office of the importance of checking systems before passing tenants onto other departments. This will also be included in the Centralised Repair Team 's regular refresher training.
- It has been agreed they need to monitor the contractor more closely and the need to reinforce the charter for trust with the contractors.
- To ensure tenants are given sufficient time to consider undertaking any rechargeable repairs themselves.
- Officers to be reminded to follow procedure when a tenant passes away and issue standard letters.
- A review of procedures for registering and assessing online housing application was carried out and the automatic request for a tenancy reference has been removed. Applications are now reviewed by an officer before arranging a tenancy reference appointment.
- To look to improve communication with homeless applicants
- Officers to be reminded to consider exercising discretion at an earlier stage
- Officers received additional training on the correct method of calculating redemption figures for Property Appreciation Loans
- To improve customer service and better explain the housing register limitations

- Officers to be reminded of the importance of clearly completing – signing and dating the End of Tenancy paperwork – letters must be checked to ensure accuracy and clarity.

Cross directorate

- Relevant Officers to refresh their knowledge of the School Admissions Appeal code.
- Update procedure for instructing recovery of debt to make it clear if it relates to a private owner or Council tenant. Additional information in chase up letters for payment to acknowledge when payment received the letter can be ignored.

5.12.2 A complaint is not only valuable in terms of service improvements but also in terms of public relations and general public perception of and satisfaction with the Authority.

5.12.3 Over the last year officers have considered the data collected for each specific service area. Members will note from the above information that the types of complaints received have been wide ranging and also include for example, street lighting, school transport, housing tenancy, council tax, WHQS works, customer services, overhanging branches, grass cutting, blue badge applications, noise nuisance, missed food waste collections, school admissions, illegal dumping, housing benefit, recycling assisted bin collections, planning applications, resident parking permits, rights of way, damage to property by contractors, car parking on verges, service received from social services, dropped kerb application, grants, dog waste bins and illegal dumping. This is not an exhaustive list but no trends have been identified.

5.12.4 Members will recall at the meeting of the Audit Committee in March 2016 it was agreed that the causes of complaints would be recorded in accordance with the following agreed list.

- 1 Collaborative Working
- 2 Decision Making
- 3 Delay in Service Provision
- 4 Officer/Contractors Conduct with public (including sensitivity/empathy of staff/politeness)
- 5 Following Council Policies/relevant Legislation
- 6 Accessibility of Services
- 7 Clarity/Accuracy/Timeliness of information
- 8 Quality of Work
- 9 Openness/ Fairness and Honesty
- 10 Compliance with Complaints procedure
- 11 A combination of categories

This data has been analysed within each directorate and is set out in the table at Appendix 3 with comparable data for the year 2017/2018.

5.13 Vexatious Complainants Policy

5.13.1 There have been no referrals under this Policy, however it continues to provide a useful aide in dealing with potential unreasonable complainants.

5.14 Conclusion

5.14.1 Whilst the number of complaints received and dealt with under the Corporate Complaints Process over the last year has increased, the areas of complaint remains wide ranging across the authority with no overall trends to report. That said it is recognised that the outcome of

many complaints dealt with enable us to implement changes and improve on our services provided. An important part of dealing with complaints are the lessons learned and any actions agreed as a result of recognising when we need to put things right for the customer and the service as a whole. Complaints officers will continue to monitor the complaints received and dealt with over the coming year with a view to providing the Committee with a six monthly report covering the period 1st April to 30 September.

6. ASSUMPTIONS

6.1 The information contained in this report is based on data collected over the year and therefore it has not been necessary to make assumptions.

7. LINKS TO RELEVANT COUNCIL POLICIES

7.1 Monitoring of the Council's corporate complaints and successful resolution of those complaints contributes to the following Well-Being goals within the Well-being of Future Generations Act (Wales) 2015 as it supports the provision of higher quality and more effective services to the public across all service areas. In addition monitoring provides information on the level of satisfaction of the services provided corporately by the Council. The result of the monitoring enables each department to focus on areas of concern, to improve services and to monitor performance, ensure that any trends or issues raised are identified and dealt with so as to be avoided in the future and to ensure that corporate complaints are dealt with consistently and fairly across all service areas.

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities and thriving Welsh language
- A globally responsible Wales

8. WELL-BEING OF FUTURE GENERATIONS

8.1 This report contributes to the Well-being Goals as set out in Links to policies above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act in that the monitoring of the Council's corporate complaints handling across all service areas and enables departments to focus on areas of concern, to improve services and to monitor performance to ensure that any issues raised are identified and dealt with so as to be avoided in future.

9. EQUALITIES IMPLICATIONS

9.1 Monitoring of complaints via the Corporate Complaints policy addresses the Council's statutory duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 and the Welsh Language Measure (Wales) 2011 in two ways. It addresses specific complaints to the Council around alleged discrimination by service areas and also addresses the monitoring of complaints from people who fall under the categories protected by these statutory duties.

9.2 The full details of these issues (that cover wider matters than are recorded as Corporate Complaints in this report) are included in the annual reports provided to the Equalities and Human Rights Commission and the Welsh Language Commissioner's Office. These reports are considered by Policy and Resources Scrutiny and Cabinet prior to being published.

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications associated with this report.

11. PERSONNEL IMPLICATIONS

11.1 There are no direct personnel implications associated with this report.

12. CONSULTATIONS

12.1 The views of the consultees have been incorporated into this report.

13. STATUTORY POWER

13.1 Local Government Act 1972 - 2003

Author: Lisa Lane, Deputy Monitoring Officer

Consultees: Corporate Management Team
Robert Tranter, Head of Legal Services and Monitoring officer
Jan Carter, Senior Housing Officer
Gemma Hoare, Housing Officer (Customer Services)
Ruth Betty, Customer Services Manager
Rob Waggett, Customer Services Development Officer
Kath Thomas, Customer Services/Complaints Officer
Nicola Broom, Customer Services Manager / Karen Broom
Ros Roberts, Performance Manager
Andrea Jones, Corporate Complaints Officer
Anwen Cullinane, Senior Policy Officer – Equalities and Welsh Language
Deborah Gronow, Service Auditor
Karen Williams, PA to Chief Executive
Leigh Brook, PA to the Director of Social Services and Housing
Lianne Fry, PA to Corporate Management Team
Sian Wilkes, PA to the Interim Corporate Director of Communities
Hayley Bowen, Customer Services/Complaints Officer

Background Papers:

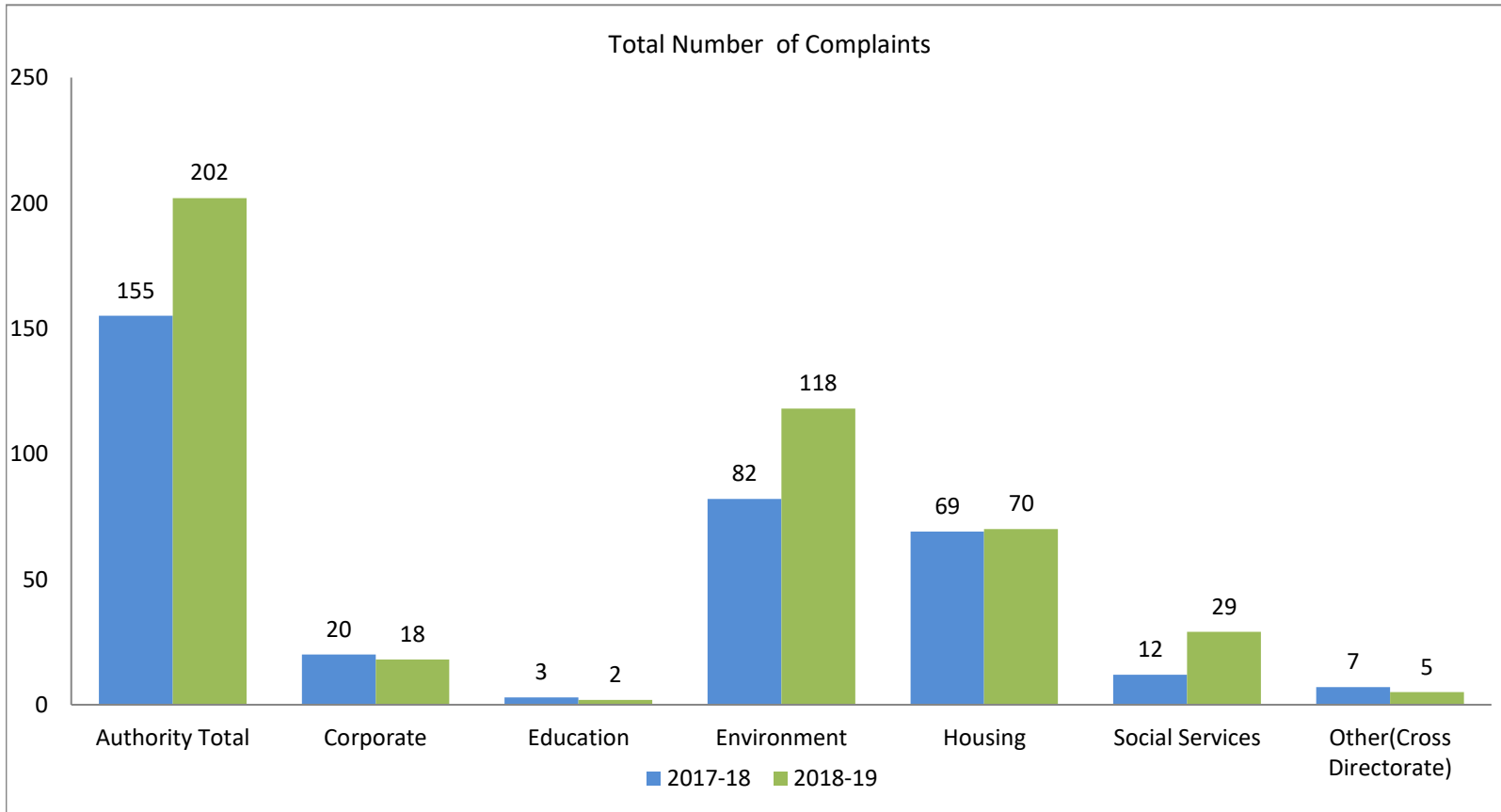
Report to Audit Committee 17th September 2013 – Update on the Implementation of the Council's New Corporate Complaints Policy
Report to Audit Committee 5th March 2014 – Update on the Implementation of the Council's Corporate Complaints Policy
Report to Audit Committee 10th September 2014 – Update on the Implementation of the Council's Corporate Complaints Policy
Report to Audit Committee 10th December 2014 – Social Services Representations and Complaints Procedure Activity
Report to Audit Committee 11th March 2015 - Procedure relating to School Based Complaints
Report to Audit Committee 14th September 2016 – Annual Review of Complaints received under the Council's Corporate Complaints Policy 1st April 2015 to 31st March 2016
Report to Audit Committee 14th June 2017 Annual Review of Complaints received under the Council's Corporate Complaints Policy 1st April 2016 - 31st March 2017
Report to Audit Committee 24th July 2018 - Annual Review of Complaints received under the Council's Corporate Complaints Policy 1st April 17 to 31st March 2018

Appendices:

Appendix 1(A) – Graph with comparison of Numbers of Complaints for 2017/18 and 2018/19.
Appendix 1(B) – Graph with comparison of targets not met for 2017/18 and 2018/19
Appendix 2 – Anonymised summary of a sample of upheld and partially upheld complaints
Appendix 3(A) and (B) – Graph identifying categories of complaints within each Directorate

Appendix 1A

Service Area	Authority Total	Corporate	Education	Environment	Housing	Social Services	Other(Cross Directorate)
2017-18	155	20	3	82	69	12	7
2018-19	202	18	2	118	70	29	5



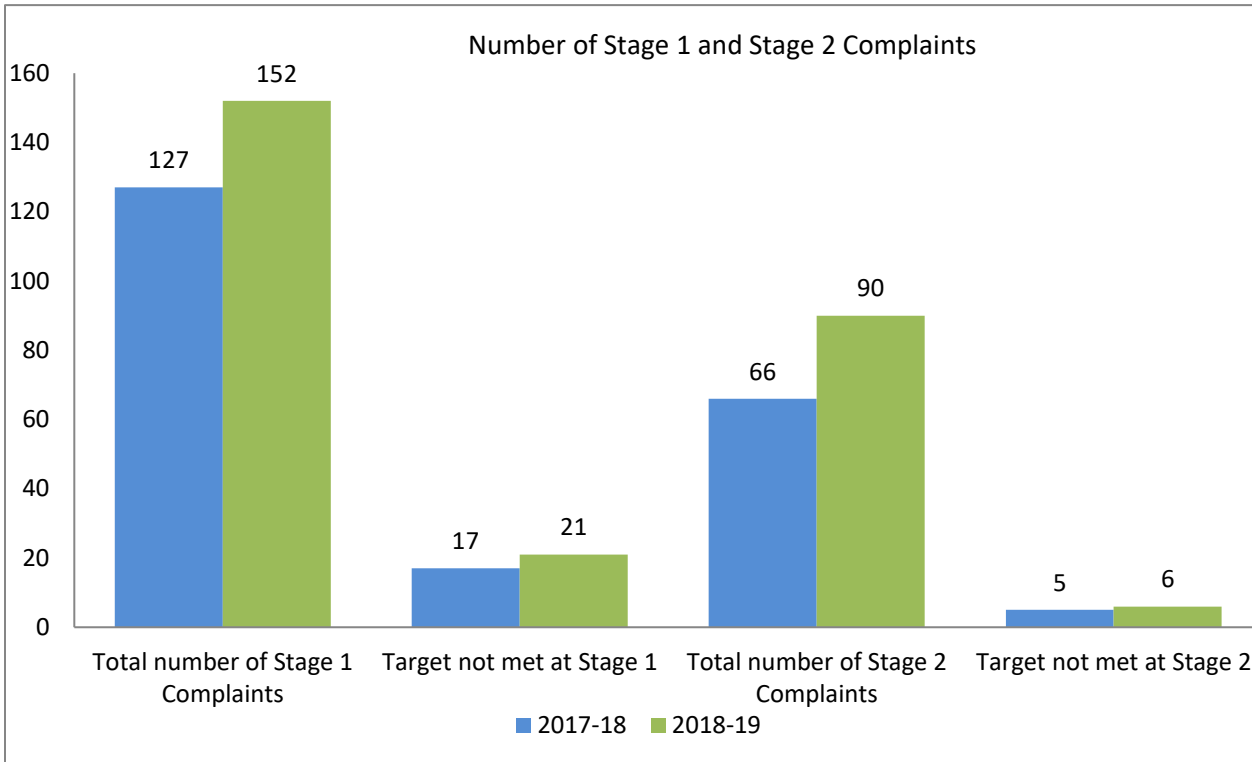
*The figures include the number of Escalated complaints as referred to in para 5.93 of the report

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Appendix 1B

Service Area	Total number of Stage 1 Complaints	Target not met at Stage 1	Total number of Stage 2 Complaints	Target not met at Stage 2
2017-18	127	17	66	5
2018-19	152	21	90	6

*2 Complaints at stage 1 are ongoing & 1 Complaint at stage 2 is ongoing & 1 did not proceed



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Noise Nuisance

- A complaint was received regarding noise from a local club and initial emails being ignored. Environmental Health attended numerous site visits and visited the club in question. A meeting was arranged with various CCBC officers and the club to discuss use of outdoor areas resulting in noise. The club were accommodating and happy to discuss any future events and take on board advice provided by our CCBC officers. An apology was also provided with reference to previous complaints being ignored. The explanation for this was that Environmental Health deal with high volumes of requests for services relating to allegations of noise and they are now able to target resources more effectively.

Highways

- Issues were brought to our attention regarding the condition of a local footway. Instructions were issued for a highways inspector to visit the area to action if necessary. The inspector concluded that there were many issues with the footway in question and actioned works to bring the footway to a satisfactory standard. The complainant was happy with the outcome.

Waste Services

- A complaint was received with reference to a dog waste bin being full. A crew were instructed to empty the bin. However, weeks later we received an additional email stating that the bin was full again and that this needed to be looked into. The bin is situated by the side of a bus stop and therefore unpleasant for residents using the public transport. It was established by the Area Foreman that an increase in collections was necessary. Therefore, an inspection took place and it was agreed that this particular bin be emptied on a more regular basis. The resident is now happy with the outcome.

Tree Maintenance

- A resident of the Borough made a complaint regarding overhanging trees and lack of response to previous calls. We apologised for the service they received concerning the prior enquiries with regard to these trees, which they found disappointing. We agreed that the response to the enquiries was lacking, and this was understood fully. We explained that the demand on the tree section is constantly at a very high level, and has historically been a very under resourced department. This is something that is currently being addressed internally. With extensive responsibilities for all trees on Council held land across the county borough areas, including all tree inspections and all maintenance, this can sometimes result in a delay in responding to residents and carrying it out any resultant work. This can at times be the case with regard to timely communications to residents. We confirmed that the trees in question have been re-inspected and works are to be carried out imminently. Therefore the resident was happy with the outcome.

Housing

- An elderly tenant's daughter appealed against a recharge her mother received for an alarm call out, stating the alarm had been tampered with. The appeal letter advised that she was present when her mother signed for the tenancy and when they were advised there was an alarm present they explained they would not require an alarm and made an immediate request for the alarm to be removed. They explained that they would need to be in and out of the property to decorate etc so could the alarm be removed as soon as possible. They were advised at that time that 24hrs notice was required to remove the alarm but it would be disarmed with immediate effect. On completing the sign up the tenant and her family went to the new property. At that time the alarm went off. On checking with the housing office there

was no apparent reason why the alarm had not been disarmed and the housing officer agreed to contact the alarm company again. A couple of days later the alarm had not been removed, however it was placed in an area they wanted to decorate so the tenant's son in law unscrewed the alarm believing it to have been disarmed. A short time later an engineer arrived at the property explaining he had received a call out as the alarm had been 'tampered' with. Subsequently the tenant received a recharge for the call out. While considering this appeal it was accepted that the information provided at sign up was not clear enough that even when the alarm has been disarmed is still remains active and should not be tampered with in any way. As a result the recharge was withdrawn and the wording on the alarm instruction sheet has been amended to try to prevent any future misunderstanding.

- An owner occupier contacted the building maintenance team to question why the renewed fence between them and their neighbour is only 900mm high when another neighbour has recently had a new fence and theirs is 1200mm high. The owner occupier is unhappy as they have to contribute £500 towards the replacement fence and due to its height, it is failing to keep the neighbour's dog out of their garden. The Area Housing Manager explained their fence was renewed by the Housing Repairs Operations team some time ago and they replaced the fence on a 'like for like' basis. The neighbouring fence was renewed under the Welsh Housing Quality Standards programme which determines replacement fencing must be at least 1200mm in height. In this circumstance, even though the divisional fence between the owner occupier and council property was appropriate, the Chief Housing Officer has recommended defective fencing is replaced with 1200mm fencing in the future

Customer Services

A complaint was received regarding the assistance received when applying for a blue badge.

An applicant telephoned the switchboard and was put through to the Blue Badge team who said an application needed to be made on line via GOV.UK. This should not have happened and the application should have been dealt with there and then.

When the online application was received from Gov.UK there was nothing in the form that would indicate that the applicant had a life limiting condition, which may have been as a result of the route selected on the form which meant that no other information was passed on and the application was dealt with as a normal PIP application with no special assistance offered.

The applicant was sent a letter asking them to make an appointment. During a subsequent telephone call it became clear that the applicant had a life- limiting condition. If a request is received directly from someone with a life limiting condition the application is usually dealt with over the telephone and the documentation is dealt with after the application has been processed. An applicant is not required to attend an appointment for this

However the call was still dealt with as a standard application. The partner of the applicant subsequently attended the offices and the Advisor who was unaware of the sensitivities asked why the applicant did not attend.

Following investigation of the complaint it was clear that the application should have been escalated to a senior advisor when it became clear that the applicant had a life limiting condition who could have processed the application straight away. An opportunity was also missed to speed up the process as the applicant was not told that there were earlier appointments available in an alternative office. The appointment with the partner should also have been dealt with more sensitively.

As a result of the complaint a full and unreserved apology was given. In addition the calls were reviewed and further staff training will be provided. The Blue Badge Application process is also in the process of being reviewed and redesigned. Officers will also pass on to the team managing the national Blue Badge on-line application process the issues raised.

Other (Cross Directorate)

A complaint arose as a result of actions undertaken in relation to a process to recover a contribution for the removal of a joint chimney stack between a Council Tenant and a private home owner. The incorrect process was followed and the complainant was incorrectly referred to as a Council Tenant.

As a result of the complaint the processes and procedures were reviewed and improved to prevent this error from occurring in future. Instructions to invoice private individuals for recharges will be made clear at the outset. These invoices should then follow the standard recovery process and will ensure that there is no reference to Housing tenancy matters or Housing waiting list applications in the reminder letters.

The complaint also included reference to the timing of the payment and the reminder letters sent. Whilst it is not uncommon for payments and reminder letter to cross over, what became clear was that the final reminder letter and indeed all reminder letters could be more explicit where this occurs. As such all automatic reminder letters were to advise that if payment had already been made then the letter could be ignored.

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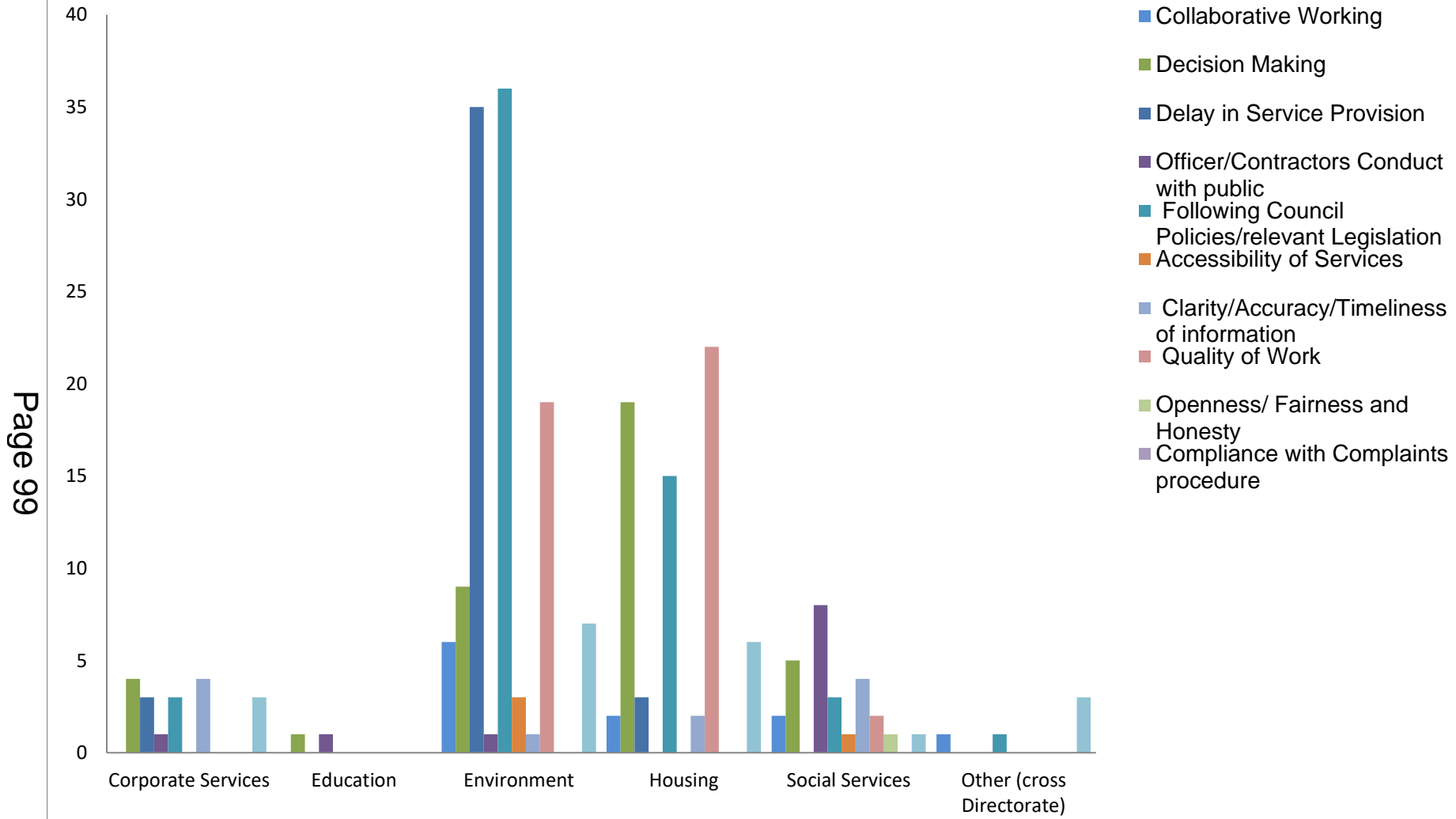
Appendix 3A

Category	Service Area	Corporate Services	Education	Environment	Housing	Social Services	Other (cross Directorate)
1	Collaborative Working	0	0	6	2	2	1
2	Decision Making	4	1	9	19	5	0
3	Delay in Service Provision	3	0	35	3	0	0
4	Officer/Contractors Conduct with public	1	1	1	0	8	0
5	Following Council Policies/relevant Legislation	3	0	36	15	3	1
6	Accessibility of Services	0	0	3	0	1	0
7	Clarity/Accuracy/Timeliness of information	4	0	1	2	4	0
8	Quality of Work	0	0	19	22	2	0
9	Openness/ Fairness and Honesty	0	0	0	0	1	0
10	Compliance with Complaints procedure	0	0	0	0	0	0
11	A combination of categories	3	0	7	6	1	3
	Total number of complaints	18	2	117	69	27	5

* 1 Complaint is ongoing in Housing & 1 complaint is ongoing in Environment

& 1 complaint ongoing in social services & 1 did not proceed

2018/19 Causes of Complaints by Category



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MINUTES

CORPORATE GOVERNANCE PANEL

Held on Tuesday 2nd April 2019 in the Sirhowy Room
Penallta House

Panel members present

S Harris (SH), N Scammell (NS), R Tranter (RT) , Liz Lucas (LL) and Richard Harris (RH)

1. APOLOGIES

Apologies were received from E. Edmunds and Councillor B Jones

2. MINUTES

The minutes of the meeting held on the 24th September were agreed as a correct record

3. PROGRESS ON 2017/2018 AGS MATTERS ARISING

RH introduced to the panel an action plan format which had previously been discussed for use monitoring the AFI's identified in the previous years AGS review process. The progress made for each of the AFI's was discussed and it was agreed that panel members (RT,SH & LL) would provide RH with a narrative to bring the action plan up to date.

4. 2018/19 CHECKLISTS PROGRESS UPDATE

RH introduced a summary of the checklists received and discussion took place around the issues being highlighted (the full checklists had also been provided to each member of the panel). In order to provide clarity RH reminded the panel that the checklists tended to raise operational issues as well as providing statements of future actions. Panel members should look for themes or common issues as a means of determining whether there are underlying governance issues that need to be considered.

RH stated that 4 checklists were outstanding and were being chased up. In respect of the schools checklists 63 had been received out of a total of 86 the remainder were being chased by education finance.

5. AUDIT COMMITTEE FORWARD WORK PROGRAMME

Some amendments to the FWP were discussed and agreed . For the April meeting the PSIAS action plan report would be pushed back to the June meeting, RH would aim to get the Audit Charter report finalised for the April meeting and the New corporate governance code and ToR for the AGS review panel would be added to the June Committee.

6.AOB

RH confirmed that the expert group were due to meet at 2.00 that afternoon. The panel members present queried whether they were required to attend as they had been invited, it was agreed that there was no need to attend.

RH informed the panel that the Assurance Framework would need to be changed to reflect the changes made to the panel membership. It was agreed for RH to look at this and report back.

9. FUTURE MEETING DATES

The next meeting was confirmed as 7th May 2019



AUDIT COMMITTEE – 11TH JUNE 2019

SUBJECT: REGULATION OF INVESTIGATORY POWERS ACT 2000

REPORT BY: HEAD OF LEGAL SERVICES AND MONITORING OFFICER

1. PURPOSE OF REPORT

- 1.1 To advise Members of the numbers of covert surveillance operations undertaken by the Council in accordance with the provisions of the Regulation of Investigatory Powers Act 2000 (RIPA) for the period 1st April to 31st May 2019.

2. SUMMARY

- 2.1 To provide an update on the number of operations undertaken in accordance with RIPA for the period 1st April to 31st May 2019.

3. RECOMMENDATIONS

- 3.1 None. Members note the information provided.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure compliance with statutory requirements.

5. THE REPORT

- 5.1 The Regulation of Investigatory Powers Act 2000 (RIPA) sets out strict controls for public authorities wishing to carry out covert surveillance of individual members of the public as part of their exercise of their statutory functions. In addition to this Act, advice and guidance is found within the Codes of Practice issued by the Investigatory Powers Commissioner's Office.

- 5.2 The Authority has a corporate policy, which provides guidance on how surveillance should be used by the relevant officers.

- 5.3 Public Authorities undertaking covert surveillance of individual members of the public are subject to inspection by the Investigatory Powers Commissioner's Office.

- 5.4 Members are advised that for the period 1st April to 31st May 2019, there has been one RIPA operation authorised as follows:

- 5.4.1 Directed Surveillance (the covert surveillance of individuals)

1 relating to the sale of alcohol to persons under the age of 18 years.

5.5 **Conclusion**

5.6 The report advises members that there has been one application authorised in relation to RIPA operations for the period 1st April to 31st May 2019.

6. **ASSUMPTIONS**

6.1 There are no assumptions contained within this report.

7. **LINKS TO RELEVANT COUNCIL POLICIES**

7.1 This report contributes to the governance arrangements on the use of directed surveillance and covert human intelligence sources under the Regulation of Investigatory Powers Act 2000 as set out in the Council's Policy and Procedure under the Regulation of Investigatory Powers Act 2000.

8. **WELL-BEING OF FUTURE GENERATIONS**

8.1 The Council is under an obligation to comply with legislative requirements - this report helps to achieve that.

8.2 The Regulation of Investigatory Powers Act 2000 (RIPA) provides a statutory mechanism for authorising directed surveillance and the use of a covert human intelligence source, which aims to ensure that any interference with the individual's right to privacy under Article 8 of the European Convention is necessary and proportionate, and that both the public interest and the human rights of individuals are protected and as such contributes to the following wellbeing goals within the Well-being of Future Generations Act (Wales) 2015.

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A globally responsible Wales

9. **EQUALITIES IMPLICATIONS**

9.1 None, the report is for information only.

10. **FINANCIAL IMPLICATIONS**

10.1 None, the report is for information only.

11. **PERSONNEL IMPLICATIONS**

11.1 None, the report is for information only.

12. **CONSULTATIONS**

12.1 None. The report is for information only.

13. STATUTORY POWER

13.1 Regulation of Investigatory Powers Act 2000.

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AUDIT COMMITTEE – 11TH JUNE 2019

**SUBJECT: OFFICERS DECLARATIONS OF GIFTS AND HOSPITALITY
JANUARY TO MARCH 2019**

REPORT BY: HEAD OF PEOPLE SERVICES

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to provide the Audit Committee with information regarding the Register of Employees' Interests Forms completed by officers of the Council (excluding Schools) regarding Gifts and Hospitality for the period 1 January to 31 March 2019 i.e. the fourth quarter of the financial year 2018/19 and a comparison with the previous three quarters.

2. SUMMARY

- 2.1 Enclosed as Appendix 1 is a list of Register of Employees' Interests Forms in respect of Gifts and Hospitality completed by officers of the Council (excluding Schools) for the period 1 January to 31 March 2019.

3. RECOMMENDATIONS

- 3.1 The Audit Committee are asked to note the contents of this report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The recommendation is designed to ensure members of the Audit Committee have an oversight of the position in relation to officers' Gifts and Hospitality.

5. THE REPORT

- 5.1 The Council's Code of Conduct for Employees sets out guidance for employees on a range of issues, including the completion of a Register of Employee Interests form, which help maintain and improve the high standards of conduct within Local Government and protect employees from misunderstandings and confusion.
- 5.2 Completed Register of Employees' Interests forms are submitted to Heads of Service, Directors or the Chief Executive who countersign the forms to show they are aware of the declaration. The form also records details of any controls / action taken to protect the Council's interests in the circumstances outlined on the form. A copy of the countersigned form is given to the employee and a copy sent to Human Resources for filing on the employee's personal file.
- 5.3 The Head of Service, Director or Chief Executive retains the original form and maintains a summary spreadsheet to record the forms. On a monthly basis the summary spreadsheet or a nil return is submitted to Human Resources for collation and monitoring for consistency and compliance.

- 5.4 In accordance with the Council's Code of Conduct for Employees, Gifts / Hospitality of less than £25 may be accepted by the employee but any Gift / Hospitality which could be seen by a third party as placing the employee under an improper obligation such as more than one Gift / Hospitality from the same party must be refused, irrespective of its value.
- 5.5 Employees may accept small offers of Hospitality only where the activity is of a nature where there is a genuine need to impart information or to represent the Council in the community. Offers to attend purely social or sporting functions should be accepted only when these are part of the life of the community or where the Council should be seen to be represented.
- 5.6 The table below details the number of declarations regarding Gifts submitted by Directorate for the period 1 January to 31 March 2019 and the previous three quarters for comparison.

Directorate	Number of declarations received - Gifts			
	Jan – March 2019	Oct – Dec 2018	July – Sept 2018	April – June 2018
Communities	3	0	0	0
Education and Corporate Services	0	0	0	1
Social Services and Housing	1	6	20	0
Total	4	6	20	1

- 5.7 The table below details the number of declarations regarding Hospitality submitted by Directorate for the period 1 January to 31 March 2019 and the previous three quarters for comparison.

Directorate	Number of declarations received - Hospitality			
	Jan – March 2019	Oct – Dec 2018	July – Sept 2018	April – June 2018
Communities	1	0	0	3
Education and Corporate Services	0	0	0	0
Social Services and Housing	0	0	0	0
Total	1	0	0	3

5.8 Conclusion

The Head of People Services will continue to monitor the declarations submitted and work with Heads of Service to improve their understanding, promote best practice and corporate compliance of the Code of Conduct where appropriate.

6. ASSUMPTIONS

- 6.1 There are no assumptions made within this report.

7. LINKS TO RELEVANT COUNCIL POLICIES

7.1 The Council's Code of Conduct for Employees confirms that in performing their duties, employees must act with integrity, honesty, impartiality and objectivity and that they must act in accordance with the principles set out in this Code, recognising the duty of all public sector employees to discharge public functions reasonably and according to the law. This is a Statutory Code requirement.

7.2 Corporate Plan 2018-2023

Whilst this report does not specifically contribute towards the Corporate Well-being Objectives, it does support good governance which is the foundation of the Council's performance management framework.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 Having considered the five ways of working, they will not be affected by the contents of this report.

9. EQUALITIES IMPLICATIONS

9.1 There are no equalities implications, as the reason for declaring an interest applies equally to all staff, regardless of their individual characteristics.

10. FINANCIAL IMPLICATIONS

10.1 None.

11. PERSONNEL IMPLICATIONS

11.1 The personnel implications are included in this report.

12. CONSULTATIONS

12.1 There are no consultation responses that have not been included in the report.

13. STATUTORY POWER

13.1 Local Government Act 2000.

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Appendices:

Appendix 1 - Declarations of Gifts and Hospitality 1 January to 31 March 2019

Appendix 1
Declarations of Gifts and Hospitality 1 January to 31 March 2019

Directorate	Service Area	Post Title of Employee Making the Declaration	Type of Declaration	Details Of Declaration	Post Title of Head of Service, Director or Chief Executive who authorised the declaration	Outcome
Communities	Infrastructure	Technician	Gift	Bottle of whisky from contractor / developer. Approximate value £14. Donated to Mayors Charity	Marcus Lloyd	Accepted
Communities	Infrastructure	Senior Engineer	Gift	Bottle of whisky from contractor / developer. Approximate value £14. Donated to Mayors Charity	Marcus Lloyd	Accepted
Communities	Infrastructure	Assistant Engineer	Gift	Bottle of whisky from contractor / developer. Approximate value £14. Donated to Mayors Charity	Marcus Lloyd	Accepted
Social Services and Housing	Adult Services	Social Worker	Gift	Gift from service user. Approximate value £10. Trying to decline was causing offence	Jo Williams	Accepted
Communities	Regeneration and Planning	Manager	Hospitality	External company invitation to Six Nations Launch Event. Approximate value £50. Declined	Rhian Kyte	Declined