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For all enquiries relating to this agenda please contact Julie Lloyd  
(Tel: 01443 864246 Email: [lloydj4@caerphilly.gov.uk](mailto:lloydj4@caerphilly.gov.uk))

**Date: 3rd June 2021**

Dear Sir/Madam,

A digital meeting of the **Governance and Audit Committee** will be held via Microsoft Teams on **Tuesday, 8th June, 2021 at 2.00 pm** to consider the matters contained in the following agenda. You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so.

This meeting will be recorded and made available to view via the Council's website, except for discussions involving confidential or exempt items. Therefore the images/audio of those individuals speaking will be publicly available to all via the recording on the Council website at [www.caerphilly.gov.uk](http://www.caerphilly.gov.uk)

Yours faithfully,

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

**Christina Harrhy**  
CHIEF EXECUTIVE

## AGENDA

|   | Pages |
|---|-------|
| 1 To appoint a Chair and Vice Chair of the Governance and Audit Committee for the ensuing year. |       |
| 2 To receive apologies for absence.   |       |

A greener place Man gwyrdach



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 Governance and Audit Committee held on 20th April 2021. 1 - 6

To receive and consider the following reports: -

- 5 Governance and Audit Committee Forward Work Programme. 7 - 12
- 6 Update from Audit Wales. 13 - 20
- 7 Update on Tracking of Agreed Audit Report Recommendations. 21 - 26
- 8 CCBC Response to 'Raising our Game - Tackling Fraud in Wales'. 27 - 36
- 9 Annual Internal Audit Report 2020/21. 37 - 50
- 10 Draft Annual Governance Statement 2020/21. 51 - 70

To receive and note the following information items: -

- 11 Regulation of Investigatory Powers Act 2000. 71 - 72
- 12 Officers Declarations of Gifts and Hospitality January to March 2021. 73 - 78
- 13 Register of Employees Interests Forms 2020/21. 79 - 86
- 14 Corporate Governance Panel Minutes. 87 - 88
- 15 Annual Review of Complaints Received Under the Council's Corporate Complaints Policy 1st April 2020 to 31st March 2021. 89 - 108

*\*If a member of the Governance and Audit Committee wishes for any of the above information reports to be brought forward for discussion at the meeting please contact Julie Lloyd, 01443 864246, by 10.00 a.m. on Tuesday 8<sup>th</sup> June 2021.*

**Circulation:**

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

Lay Member: Mr N.D. Yates

And Appropriate Officers

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## GOVERNANCE AND AUDIT COMMITTEE

### MINUTES OF THE MEETING HELD VIA MICROSOFT TEAMS ON TUESDAY 20TH APRIL 2021 AT 2.00 P.M.

#### PRESENT:

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

#### Councillors:

M. Adams, E. Aldworth, C. Cuss J. Gale, C. Mann, B. Miles, T. Parry, G. Simmonds,  
J. Simmonds

#### Together with:

R. Edmunds (Corporate Director of Education and Corporate Services), R. Tranter (Head of Legal Services & Monitoring Officer), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), D. Gronow (Acting Internal Audit Manager), L. Lucas (Head of Customer and Digital Services), J. Jones (Information Governance Manager and Data Protection Officer), S. Richards (Head of Education Planning and Strategy), R. Roberts (Business Improvement Manager), A. Southcombe (Finance Manager - Corporate Finance), R. Kedward (Senior Audit Assistant), A. John (Trainee Auditor), R. Barrett (Committee Services Officer), J. Lloyd (Committee Services Officer)

G. Jones (Audit Wales), M. Jones (Audit Wales)

#### RECORDING AND VOTING ARRANGEMENTS

The Chair reminded those present that the meeting was being recorded and would be made available to view following the meeting via the Council's website, except for discussions involving confidential or exempt items - [Click Here to View](#). Members were advised that voting on decisions would take place via Microsoft Forms.

#### 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from J. Bevan and D. Hardacre, together with S. Harris (Head of Financial Services & S151 Officer).

#### 2. DECLARATIONS OF INTEREST

L. Lane (Head of Democratic Services and Deputy Monitoring Officer) declared a personal interest as her relative is employed by Audit Wales and occasionally attends the Governance and Audit Committee, but he was not in attendance at this meeting.

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

### **3-4. MINUTES – 26TH JANUARY 2021 AND 19TH MARCH 2021**

It was moved and seconded that the minutes of the Audit Committee held on 26th January 2021 and Special Audit Committee held on 19th March 2021 be approved as a correct record, and by way of Microsoft Forms and verbal confirmation this was unanimously agreed.

RESOLVED that the minutes of the meetings held on 26th January 2021 and 19th March 2021 be approved as a correct record.

### **5. GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME**

The Chair referred to the large number of items on the agenda for the meeting and proposed that in view of previous Committee discussions on limiting the number of items for each meeting, that Item 9 (Update on Tracking of Agreed Audit Report Recommendations) and Item 10 (CCBC Response to 'Raising our Game - Tackling Fraud in Wales') be deferred to the next meeting on 8<sup>th</sup> June 2021.

The Committee were supportive of the proposal but sought reassurance that deferring the items would not delay the work detailed in the reports. Deb Gronow (Acting Internal Audit Manager) confirmed that the work referenced in the reports would proceed in the meantime and Officers would be able to report on this work more fully at the next meeting. One Member suggested that it would be helpful to receive notice of any potential deferrals to avoid preparing questions in advance.

Mr Mark Jones (Audit Wales) added that in regards to Item 9 (Update on Tracking of Agreed Audit Report Recommendations) it should be noted that the recommendations input into the tracker should cover both external and internal audit, and Mrs Gronow confirmed she would look into how this can be addressed.

It was moved and seconded that Agenda Items 9 and 10 be deferred to the next meeting of the Governance and Audit Committee and by a show of hands up was unanimously agreed.

RESOLVED that Agenda Item 9 (Update on Tracking of Agreed Audit Report Recommendations) and Agenda Item 10 (CCBC Response to 'Raising our Game - Tackling Fraud in Wales') be deferred to the next meeting of the Governance and Audit Committee on 8<sup>th</sup> June 2021.

In view of the two items deferred to the June meeting, the Chair proposed that two other items scheduled for that meeting be rescheduled to an additional meeting in July 2021, namely "Corporate Risk Register Updates" and "Regulator Recommendation and Proposal Register". The Chair confirmed she had consulted with the report author beforehand who foresaw no issue in moving these particular items to July.

The Committee were in agreement with the suggested changes and it was moved and seconded that the two aforementioned reports be rescheduled to an additional meeting and that subject to these changes, the Forward Work Programme be noted. By way of Microsoft Forms and verbal confirmation this was unanimously agreed.

RESOLVED that the "Corporate Risk Register Updates" and "Regulator Recommendation and Proposal Register" reports be rescheduled to an additional meeting in July 2021, and that subject to these changes, the forward work programme be noted.

## REPORTS OF OFFICERS

Consideration was given to the following reports.

### 6. UPDATE FROM AUDIT WALES

Mr G. Jones and Mr M. Jones (Audit Wales) presented an update on the Financial Audit work and Performance Audit work being carried out by Audit Wales in respect of Council activities.

Members were referred to the audit of the Council's 2019-20 Grants and Returns, with it noted that a report on this matter was included in the agenda pack which reflected a positive outcome for the Council, together with the audit of the 2020-21 Statement of Accounts which is currently being undertaken by Audit Wales.

The Committee were also referred to the Corporate Governance Review which examines the Council's governance arrangements to support the delivery of its Transformation Agenda. A report on this matter will be presented to the next meeting of the Governance and Audit Committee. In regards to the other areas of performance audit work, it was explained that Audit Wales recently met with the Corporate Management Team and Cabinet together with Care Inspectorate Wales and Estyn to present assurance and risk assessment, and are now looking to develop proposals for risk-based work that may come through in the Audit programme for 2021-22I. It is anticipated that Audit Wales may be in a position to present an update on this area of work at the next meeting of the Committee.

Work is also continuing on Recovery Planning, with it intended to bring a report to Committee in Summer 2021, and work is also continuing on the Covid-19 learning project. Reference was also made to a number of national reports prepared by Audit Wales, including Test, Track and Protect, Procurement and supply of PPE during the COVID-19 pandemic, and Providing Free School Meals During Lockdown (which references to the approach undertaken by Caerphilly). Further reports of this nature will be developed in due course.

The Chair thanked Mr Jones for his report and Members questions were welcomed.

A Member referred to financial sustainability and the £500m allocated by WG to local authorities through the Economic Resilience Fund, and asked if the financial outlook for councils is expected to improve moving forward. Mr G. Jones explained that Audit Wales will be producing a Financial Sustainability Assessment report for the next meeting of the Committee to reflect the local position. Mr M. Jones added that WG have recently extended their financial support to the end of September 2021, but that the future position is uncertain as this will depend to some extent on the funding it receives from UK Government. Therefore the Council have a reasonable amount of financial certainty up to September 2021, but there are lots of challenges ahead which are shared by all local authorities across the UK.

A Member asked if Audit Wales have the remit to examine commercialisation strategies across local authorities (such as the development of shopping centres). Mr G. Jones highlighted that Team Caerphilly's Transformation Agenda includes commercialisation plans for which there will be full Member updates, and that Audit Wales worked with the Council at the outset of its transformation journey to produce a report and subsequent updates which set out a series of checklists and other matters that the Council may wish to consider in managing risks relating to commercialisation as well as the benefits that may be realised.

The Corporate Director for Education and Corporate Services also highlighted that the Council are aware of their strengths and the areas requiring development and are in the process of securing commercial training to enable relevant Officers to operate in a more commercial way.

Following consideration of the report, the Committee noted its contents.

## 7. 2021 AUDIT PLAN - CAERPHILLY COUNTY BOROUGH COUNCIL

Consideration was given to the report which detailed the 2021 Audit Plan for Caerphilly County Borough Council and sets out the planned work by Audit Wales during 2021 to discharge their statutory duties as the Council's external auditor and to fulfil their obligations under the Code of Audit Practice.

Members' attention was drawn to Exhibit 1 of the Audit Plan which summarises the key financial audit risks identified at the planning stage of the audit and is of particular importance because it identifies key risks associated with the 2020-21 financial statements and potential risks of material misstatement. This section contains references to last year's findings, together with a number of recommendations and reported issues which Audit Wales felt would be beneficial to flag for this year's accounts. It was highlighted that Audit Wales have been in regular contact with key Officers regarding the recommendations and the evidence of progress made is encouraging. Exhibit 1 also identifies issues and around Covid-19, including the ways in which Covid-19 funding and expenditure may be accounted for in the financial statements this year, and also references the potential for City Deal expenditure to be a material area of consolidation in the accounts.

In regards to Exhibit 2, Audit Wales highlighted the need for early engagement in relation to accounting arrangements should the Council determine to establish a Corporate Joint Committee (CJC). Exhibit 4 sets out the details of the grant certification work to be undertaken by Audit Wales with a combined value of £100m for the 6 grants. Members were also asked to note the fee estimate for 2021 for Audit Wales services as set out in Exhibit 5, which is expected to be £373.7k and is lower than last year's figure of £399.7k.

Members were advised that in regards to the performance audit programme, Audit Wales are striving to be more flexible in how they respond to their audits and the work they are doing, and their update reports will reflect how the programme set out will be turned into deliverables. Audit Wales will discuss with the Council the ongoing work in terms of the Well-being of Future Generations Act and will also audit the Council's discharge of duty to publish an assessment of performance. The main bulk of Audit Wales' work will be made up of Assurance and Risk Assessment which will look at 5 key areas (financial position, self-assessment arrangements, recovery planning, implications of the Local Government and Elections (Wales) Act, and carbon reduction plans). Audit Wales will also deliver a piece of work Across all local authorities, called "Springing Forward" which will look at the building blocks for a sustainable future and how councils are effectively strengthening their ability to transform, adapt and maintain the delivery of services moving through the pandemic.

Clarification was sought on the recurring error in the calculation of earned income against the Housing Benefit Subsidy at Exhibit 4 and whether this could have a serious effect on people relying on housing benefit. Audit Wales explained that this related to the previous year's audit and that the information report contained in the agenda (Certification of Grants and Returns 2019-20) identifies this as a small adjustment of £434, so any impact would be minimal.

A Member asked how Audit Wales plan and cope for an anticipated drop in income as a result of the reduced estimated fee for financial audit account work compared to the previous financial year. It was explained that the fee estimate is provided under Public Audit Wales Act 2013, and that the 19/20 accounts included several factors which resulted in greater costs to the Council. The estimate for this element of the fee this year is £235k with good engagement and responsiveness from last year. It was further explained that as the audit last year was carried out by Grant Thornton, Audit Wales were not in a position to answer this question.

Following consideration of the report, the Committee noted its contents.

## **8. INTERNAL AUDIT SERVICES: ANNUAL AUDIT PLAN 2021/22.**

Consideration was given to the report which sought Governance and Audit Committee approval for the Internal Audit Services Annual Audit Plan for the financial year 2021/22. Deb Gronow (Acting Internal Audit Manager) gave an overview of the report, which provided details of the resources and planned work programme for Internal Audit Services for 2021/22. Members were asked to note that in relation to the programme of work, there is uncertainty around access to establishments as a result of Covid-19 restrictions, and so Audit Services have had to change their approach to certain areas of work. There are also some staffing issues arising from a number of retirements, and Audit Services are currently working to recruit and backfill these vacancies. As a result, the work planned is based on the approach that high-risk financial systems, corporate risks such as safeguarding, fraud and IT will be prioritised in the first instance. Control Risk Self-Assessments will be further developed and rolled out for schools and other establishments and work will be conducted remotely (rather than face to face) for the time being.

Reference was also made to the implementation of the audit report recommendation tracker using the MK Insights system, which provides an integrated reporting tool and recommendation tracker and is now in use in all audits.

The Committee discussed the report and a Member enquired as to the total staff shortage in the Audit Team. Mrs Gronow confirmed that Audit have appointed an apprentice for a 4 year contract as an additional complement to the staffing, and there are 5 vacancies in total, including a member of staff temporarily seconded to the Track and Trace Service to June 2021.

A Member asked if an update on the staffing position and potential restructure could be provided at the June meeting. Officers confirmed that an update on the recruitment position could be shared at the June meeting and that the details of any restructure would be shared in due course. It was also confirmed that a further update on the Audit Plan could be arranged for the additional Committee meeting in July.

Following consideration of the report, it was moved and seconded that the Internal Audit Services Annual Audit Plan for 2021/22 be approved and by way of Microsoft Forms and verbal confirmation this was unanimously agreed.

RESOLVED that the Internal Audit Services Annual Audit Plan 2021/22 be approved.

## **9-10. UPDATE ON TRACKING OF AGREED AUDIT REPORT RECOMMENDATIONS AND CCBC RESPONSE TO 'RAISING OUR GAME - TACKLING FRAUD IN WALES'**

As per the agreement of the Committee earlier in the meeting, it was noted that these items had been deferred to the next meeting of the Governance and Audit Committee on 8th June 2021.

## **11. PUBLIC INTEREST TEST – EXEMPT ITEM**

Members considered the public interest test certificate from the Proper Officer and concluded that on balance the public interest in maintaining the exemption outweighed the public interest in disclosing the information. By way of Microsoft Forms and verbal confirmation this was unanimously agreed.

RESOLVED that in accordance with Section 100A(4) of the Local Government Act 1972 the public be excluded from the remainder of the meeting because of the likely disclosure to them of exempt information as identified in paragraph 18 of Part 4 of Schedule 12A of the Local Government Act 1972.

## **12. CYBER RESILIENCE IN THE PUBLIC SECTOR**

Mr G. Jones (Audit Wales) gave an overview of the report and, together with CCBC Officers, responded to Members' queries.

Following consideration of the item, the Committee noted the contents of the report.

## **13-15 INFORMATION ITEMS**

It was confirmed that none of the following items had been called forward for discussion at the meeting, and the Committee noted the contents of the reports :-

- (i) Certification of Grants and Returns 2019-20 - Caerphilly County Borough Council.
- (ii) Officer's Declarations of Gifts and Hospitality October to December 2020.
- (iii) Regulation of Investigatory Powers Act 2000.

The Chair thanked Members and Officers for their attendance and contributions and the meeting closed at 3.28 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 8th June 2021.

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CHAIR

**GOVERNANCE AND AUDIT COMMITTEE FWP – 20<sup>th</sup> MAY 2021**

| <b>GOVERNANCE AND AUDIT COMMITTEE – 8<sup>TH</sup> JUNE 2021</b> |  |                   |                           |
|--|--|-------------------|---------------------------|
| <b>TITLE</b>   | <b>PURPOSE</b>   | <b>KEY ISSUES</b> | <b>PRESENTING OFFICER</b> |
| Update from Audit Wales (Standing Item)                          |  |                   | Audit Wales               |
| Update on Tracking of Agreed Audit Report Recommendations        | To provide an update on the progress made in relation to Internal Audit report recommendations   |                   | D. Gronow                 |
| CCBC Response to Raising our Game – Tackling Fraud in Wales      | To provide the Governance and Audit Committee with information on the response to this report  |                   | D. Gronow                 |
| Annual Internal Audit Report 2020/21                             | To present the Annual Audit Outturn report   |                   | D. Gronow                 |
| 2020/21 Annual Governance Statement (AGS)                        | To seek approval of the AGS prior to its inclusion in the 2020/21 Financial Statements.  |                   | S. Harris                 |
| <b>INFORMATION ITEMS</b>   |  |                   |                           |
| Regulation of Investigatory Powers Act 2000                      |  |                   | L. Lane                   |
| Officers Declarations of Gifts and Hospitality                   | To provide the Governance and 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 last quarter and a comparison |                   | L. Donovan                |

| <b>GOVERNANCE AND AUDIT COMMITTEE – 8<sup>TH</sup> JUNE 2021</b> |  |                   |                                  |
|--|--|-------------------|----------------------------------|
| <b>TITLE</b>   | <b>PURPOSE</b>   | <b>KEY ISSUES</b> | <b>PRESENTING OFFICER</b>        |
|  | with the previous three quarters.  |                   |                                  |
| Register of Employees Interests Annual Report 2020/21            |  |                   | L. Donovan                       |
| Corporate Governance Panel Minutes                               | To note the minutes of the Corporate Governance Panel held on 30 <sup>th</sup> April 2021  |                   | R. Edmunds, D. Gronow, S. Harris |
| Corporate Complaints Annual Report 2020/2021                     | To provide an overview of the corporate complaints received for 1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021. To advise members whether any trends have been identified together with an overview of the lessons learned. |                   | Lisa Lane                        |

| <b>SPECIAL GOVERNANCE AND AUDIT COMMITTEE – 20<sup>TH</sup> JULY 2021</b>       |  |                   |                            |
|---|--|-------------------|----------------------------|
| <b>TITLE</b>  | <b>PURPOSE</b>   | <b>KEY ISSUES</b> | <b>PRESENTING OFFICER</b>  |
| Corporate Risk Register   |  |                   | R. Roberts                 |
| Regulator Recommendation and Proposal Register                                  |  |                   | R. Roberts                 |
| Financial Sustainability Assessment 2020/21 – Caerphilly County Borough Council | To present the Audit Wales report on the findings of the 2020/21 Financial |                   | Audit Wales (Gareth Jones) |

| <b>SPECIAL GOVERNANCE AND AUDIT COMMITTEE – 20<sup>TH</sup> JULY 2021</b> |   |                   |                            |
|---|---|-------------------|----------------------------|
| <b>TITLE</b>  | <b>PURPOSE</b>  | <b>KEY ISSUES</b> | <b>PRESENTING OFFICER</b>  |
|   | Sustainability Assessment for Caerphilly County Borough Council.  |                   |                            |
| Delivering Good Governance – Caerphilly County Borough Council            | To present Audit Wales report on the findings of the Delivering Good Governance Review for Caerphilly County Borough Council. |                   | Audit Wales (Gareth Jones) |
| CCBC Anti-Fraud Strategy  |   |                   | D. Gronow                  |

| <b>SPECIAL GOVERNANCE AND AUDIT COMMITTEE – 30<sup>TH</sup> SEPTEMBER 2021</b>       |   |                   |                           |
|--|---|-------------------|---------------------------|
| <b>TITLE</b>   | <b>PURPOSE</b>  | <b>KEY ISSUES</b> | <b>PRESENTING OFFICER</b> |
| Governance and Audit Committee Assurances Over Management Processes and Arrangements | To present the Chair's response to Audit Wales on how the Committee gains assurance over management processes and arrangements.   |                   | S. Harris                 |
| Financial Statements for 2020/21   | To present the External Auditor's Audit of Accounts Report and to seek a recommendation from the Governance and Audit Committee that Council approves the 2020/21 Audited Financial Statements at the Special Council meeting on the 14 <sup>th</sup> October 2021. |                   | Audit Wales / S. Harris   |

**GOVERNANCE AND AUDIT COMMITTEE – 12<sup>th</sup> OCTOBER 2021**

| <b>TITLE</b>                                   | <b>PURPOSE</b>   | <b>KEY ISSUES</b> | <b>PRESENTING OFFICER</b> |
|--|--|-------------------|---------------------------|
| Update from Audit Wales (Standing Item)        |  |                   | Audit Wales               |
|  |  |                   |                           |
|  |  |                   |                           |
|  |  |                   |                           |
| <b>INFORMATION ITEMS</b>                       |  |                   |                           |
| Regulation of Investigatory Powers Act 2000    |  |                   | L. Lane                   |
| Officers Declarations of Gifts and Hospitality | To provide the Governance and 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 last quarter and a comparison with the previous three quarters. |                   | L. Donovan                |



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## Caerphilly County Borough Council

Audience: Governance and Audit Committee 8<sup>th</sup> June 2021

Updated: 28 May 2021

### Financial Audit work

| Description   | Scope | Status  |
|---|-------|---|
| <b>Audit of the Council's 2020-21 statement of accounts</b> |       | We have commenced our audit planning and interim testing.<br>Audit Plan for 2021 was presented to Audit Committee on 20 April 2021. |

## Performance Audit work

### 2019-20 Performance Audit Work

| Project   | Scope  | Status   |
|---|--|--|
| <b>Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations</b> | Examination of the extent to which the Council has acted in accordance with the sustainable development principle when delivering the its approach to preventing avoidable hospital admissions and enabling timely discharges. | <b>Complete.</b><br>Final report issued November 2019<br><br>Yet to be presented to Scrutiny           |
| <b>Delivering Good Governance Review</b>  | Our review sought to answer the question: <b>'Is the Council improving its governance arrangements so that they support its transformation agenda'?</b>  | <b>Complete.</b><br><br>Final report to be presented to Governance and Audit Committee on 20 July 2021 |

| Project                              | Scope   | Status  |
|--------------------------------------|---|---|
| <b>Annual Audit Summary</b>          | Annual report summarising the audit work undertaken in the last year which also includes a summary of the key findings from reports issued by 'relevant regulators'. Also now combined with the Annual Audit Letter.  | Date TBC<br>Early 2022  |
| <b>Assurance and risk assessment</b> | <p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.</p> <p>Presentation jointly with Care Inspectorate Wales and Estyn.</p>   | <p><b>In progress</b></p> <p>Joint Presentation to Corporate Management Team and Cabinet on 14<sup>th</sup> April 2021.</p> <p>Ongoing discussions around local risk based projects</p>   |
| <b>Recovery Planning</b>             | We intend to support and challenge recovery planning in real-time. Collectively we need assurance that recovery takes due account of the multitude of risks, but also that it grasps the opportunities for a different and sustainable future. We have taken the decision to replace the 'prevention' themed work that we set out in audit plans with this work on recovery planning. | <p><b>Ongoing</b></p> <p>First feedback letter issued to Council in late November 2020</p> <p>2<sup>nd</sup> letter to be issued in late June 2021 .</p> <p>Aiming at a summary report potentially in late Summer 2021 but depends on the pandemic's trajectory</p> |
| <b>Financial Sustainability</b>      | <p>We have completed <b>Phase 1</b>, publishing local reports to councils and a national report in October 2020.</p> <p>We are currently undertaking <b>Phase 2</b> and are scheduled to issue our draft local report in April, for clearance prior to publication.</p>   | <p><b>In progress</b></p> <p>Phase 1 – Published 6th October 2020<br/>Link is found <a href="#">HERE</a>.</p> <p><b>Completed</b></p> <p><b>Phase 2 report to be presented to Cabinet on 23<sup>rd</sup></b></p>  |

|                                  |   |   |
|----------------------------------|---|---|
|                                  | There will be a national report published in the summer.  | <b>June and Governance and Audit Committee 20<sup>th</sup> July 2021.</b>                                   |
| <b>Local risk based work</b>     | <p>A number of options for local risk based work were presented to Council CMT and Cabinet in early March 2020.</p> <p>The 2020-21 Audit Plan had this work as TBC and due to the pandemic we have yet to agree scope of local risk based work but the scope may be focussed on the outcomes of the Corporate Governance Review</p>   | <p><b>Yet to start</b></p> <p>To be confirmed subject to discussion between the Council and Audit Wales</p> |
| <b>Covid 19 learning project</b> | <p>To help public bodies capture and share the lessons they are learning, we have established the 'COVID-19 learning project'. Rather than the traditional audit approach of examining actions after the event, our aim here is to get alongside public services to capture and share learning in real time.</p> <p><a href="https://twitter.com/AuditWales_GPX">https://twitter.com/AuditWales_GPX</a></p> | <b>Ongoing</b>  |

2021-22 Programme as set out in the Audit Plan presented at April 2021 Audit Committee

| Project  | Scope   | Status                      |
|--|---|-----------------------------|
| Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations                   | Further details to follow.  | <b>Not yet commenced</b>    |
| Improvement reporting audit  | Audit of discharge of duty to publish an assessment of performance.   | To be completed Autumn 2021 |
| Assurance and Risk Assessment  | <p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.</p> <p>At Caerphilly County Borough Council, the project is likely to focus, in particular, on:</p> <ul style="list-style-type: none"> <li>• Financial position</li> <li>• Self-assessment arrangements</li> <li>• Recovery planning</li> <li>• Implications of the Local Government and Elections (Wales) Act</li> <li>• Carbon reduction plans</li> </ul> | Ongoing through the year    |
| Thematic work – Springing Forward – Examining the building blocks for a sustainable future | As the world moves forward, learning from the global pandemic, this review looks at how effectively councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.   | From September 2021 onwards |

| Project                  | Scope  | Status  |
|--------------------------|--|---|
| Local risk-based project | Further updates to be provided to the Audit Committee following further discussion with the Council. | <b>Not yet commenced</b><br><br>To be confirmed subject to discussion between the Council and Audit Wales |

## Recent National Reports

| Report title  | Publication date and link to report  |
|---|--|
| <p><b>Local authority discretionary services</b></p>                | <p>Published 22 April 2021 Link is found <a href="#">HERE</a></p> <p><b>No recommendations for local Councils but sets out the position nationally.</b></p> <p>This report looks at how councils define their services and look to protect essential services when dealing with funding cuts. We focussed on how councils define services, the systems and processes they have used to review services and how robust these are.</p> <p><b>The pandemic offers an opportunity to reevaluate the role and value of local government.</b></p> <p>Councils provide essential services that protect people and communities, but they've had to make difficult choices on what to protect in responding to over a decade of austerity.</p> <p>Demand for some essential services is continuing to increase and councils are not confident that they can continue to deliver these services in the face of this rising and complex demand.</p> <p><b>Looking to the future</b></p> <p>Councils need to take the opportunity to refresh, reevaluate and reset what they do and to learn from the pandemic to build a better future.</p> <p>There are opportunities for councils to involve citizens in shaping and running services themselves.</p> <p><b>The challenge for local councils will be to apply the lessons learnt from the pandemic and use it to refine, adapt and deliver further improvements in order to create positive change and remain relevant to all of their citizens</b></p> |
| <p><b>Procuring and Supplying PPE for the COVID-19 Pandemic</b></p> | <p>Published 14 April 2021 Link is found <a href="#">HERE</a></p> <p><b>No recommendations for local Councils.</b></p>   |

**Test, Trace, Protect in Wales:  
An Overview of Progress to Date**

Published 18 March 2021 Link is found [HERE](#)

**No recommendations for local Councils.**

## **Upcoming local government national studies**

| <b>Title</b>                       | <b>Anticipated Publication date</b> |
|------------------------------------|-------------------------------------|
| <b>Picture of public services</b>  | <b>Summer 2021</b>                  |
| <b>Emergency services</b>          | <b>Spring 2021 – Phase 1</b>        |
| <b>Direct payments</b>             | <b>Autumn 2021</b>                  |
| <b>Regeneration – town centres</b> | <b>Autumn 2021</b>                  |



## **GOVERNANCE AND AUDIT COMMITTEE – 8<sup>TH</sup> JUNE 2021 (DEFERRED FROM THE 20<sup>TH</sup> APRIL 2021)**

**SUBJECT: UPDATE ON TRACKING OF AGREED AUDIT REPORT  
RECOMMENDATIONS**

**REPORT BY: ACTING INTERNAL AUDIT MANAGER**

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### **1. PURPOSE OF REPORT**

- 1.1 To provide members of the Governance and Audit Committee with an update on progress on the implementation of the audit report recommendation tracker, and to provide data on findings identified by audit work.

### **2. SUMMARY**

- 2.1 The ISA 260 report in 2018 stated that the Audit Committee does not have oversight of the recommendations made by Internal Audit. The report recommended that a tracking document should therefore be produced which shows the progress of the Internal Audit recommendations.
- 2.2 Following that an exercise took place to procure an Audit Management system and Pentana MK was subsequently purchased. This system allows reporting and tracking of agreed recommendations arising from audits. This report provides an update on the implementation of this system.

### **3. RECOMMENDATIONS**

- 3.1 Members note the implementation of the Pentana MK system and the reporting of progress on agreed recommendations that this will facilitate.
- 3.2 Members consider the frequency of reporting of recommendations and the tracking of progress to the Governance and Audit Committee.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To ensure that the Governance and Audit Committee is aware of the progress on this matter and is informed of the number of findings identified.

## 5. THE REPORT

- 5.1 There was an outstanding recommendation from a prior ISA 260 report which had recommended that a tracking document should be introduced which showed the progress of recommendations arising from Internal Audit reports.
- 5.2 The Institute of Internal Auditors (IIA) has published guidance that states that the follow up and tracking of agreed recommendations by management is important as it ensures that management have implemented the agreed actions, and this has addressed the risks identified.
- 5.3 Previously Internal Audit relied on a manual system of following up Audit Reports by the overall audit opinion rather than at a more granular level of the individual findings and their risk ratings.
- 5.4 Management are responsible for addressing the risks highlighted in Internal audit reports and implementing control processes to reduce or eliminate the risks identified. Recommendations that are not addressed may expose the authority to unnecessary risks. Therefore, it is key to ensure that high risk findings are adequately dealt with and mitigated or eliminated by appropriate management actions.
- 5.5 The Pentana MK system was procured in 2019 and it was introduced later in that year. The intention was to perform all new audits using the system, and the expectation at that time was that audits would be concluded, and recommendations would be generated and trackable all within the system before the end of the 2020/21 financial year.
- 5.6 The version of Pentana MK in use has the facility to assign recommendations to Officers and link to their emails so that once a recommendation has been agreed and a planned implementation date set, the system is able to generate reports to management on recommendations raised, due and overdue. Such reports would then be able to provide information to the Governance and Audit Committee who would then be able to assess progress or make further enquiries as necessary.
- 5.7 The system is also able to generate automatic reminders to officers that the deadline for agreed recommendations is approaching and also to advise them if the deadline has passed. The intention being that they will be able to either advise Internal Audit that the agreed actions have been implemented, that they are in hand or that they may need to change the due date. This system also has the capability for the managers to log into the recommendation tracker for their own reports via an online portal and update any actions taken and also attach files or other supporting information. However, some network related IT issues have delayed the roll out of this portal, so it is currently being managed manually by audit staff. The intention is to activate the user's portal as soon as the IT issues have been resolved. Some training and guidance is anticipated to be required to support the rollout of this portal.
- 5.8 As members are aware the COVID-19 pandemic affected audit work such that audits were temporarily suspended, and not recommenced until the second half of 2020/21. Time has been prioritised on completing those audits that were unfinished when audits were suspended.
- 5.9 Work has been continuing and as at 8<sup>th</sup> April 2021 there were 255 findings that had been raised within the MK system since the date of implementation within the tracker

module. The system identifies and risk rates findings, these are linked at the agreement stage of the draft report to agreed recommendations. Accordingly, it is possible that risk ratings may change during the draft report discussion process if additional information is provided to the auditors.

5.10 The chart below shows the current findings by risk rating, using the criteria previously agreed by the committee.

### Audit findings by risk rating

This chart below shows the total number of recommendations classified by risk rating

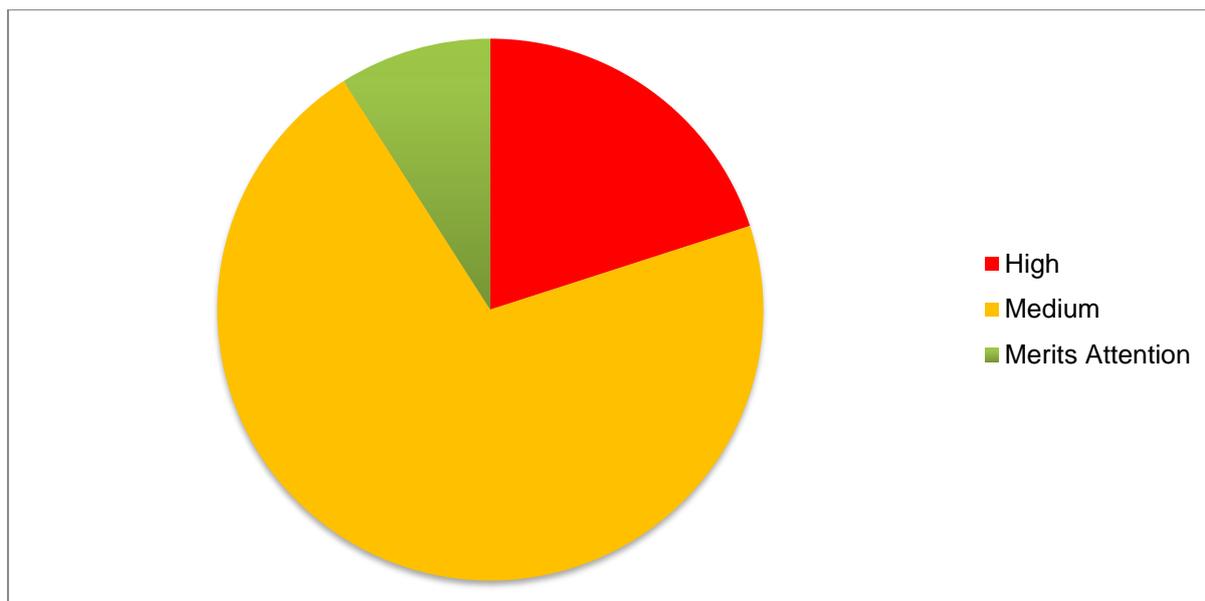


Table showing number of recommendations classified by risk ratings

| <b>Risk Rating</b> | <b>Total</b> |
|--------------------|--------------|
| High               | 51 (20%)     |
| Medium             | 181 (71%)    |
| Merits Attention   | 23 (9%)      |
| <b>Total</b>       | <b>255</b>   |

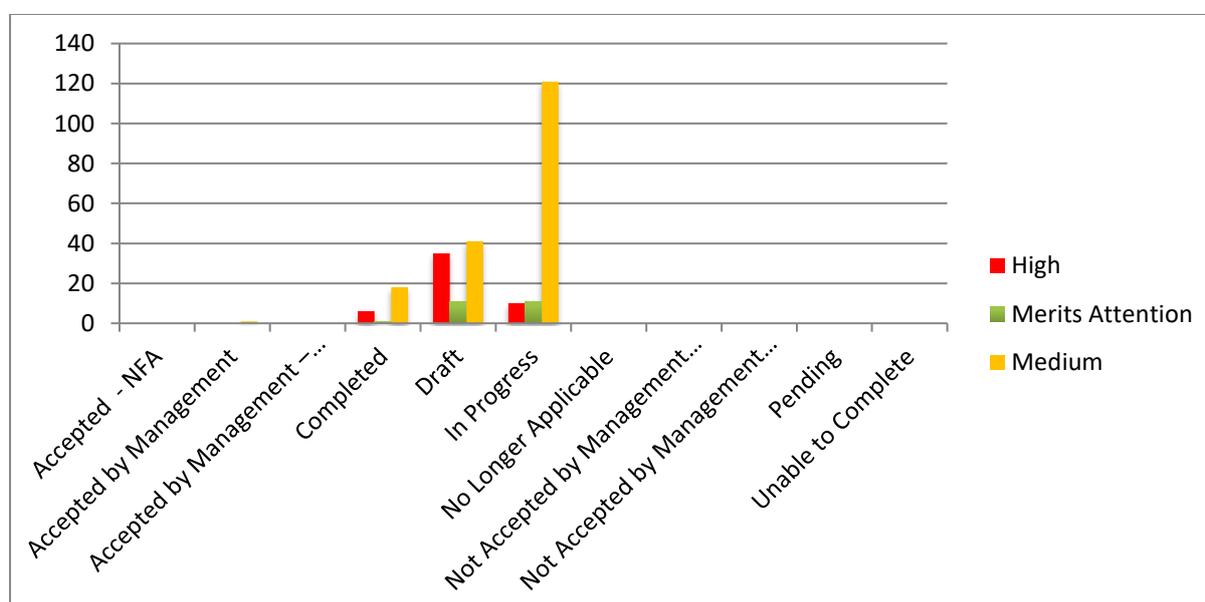
5.11 It can be seen that the significant majority of all findings are considered to be medium risk.

5.12 The stage of completion of these can also be reported in the following matrix and it can be seen that the majority of these are identified as either draft which means that the draft report has not yet been agreed or in progress which means that the recommendation has not yet reached its due date. However, it is expected that as time goes on this pattern will change as more recommendations are issued, agreed, and subsequently implemented.

## Recommendation Matrix: Risk Rating & Status

| Status                 | High      | Medium     | Merits Attention | Total      |
|------------------------|-----------|------------|------------------|------------|
| Accepted by Management | 0         | 1          | 0                | 1          |
| Completed              | 6         | 18         | 1                | 25         |
| Draft                  | 35        | 41         | 11               | 87         |
| In Progress            | 10        | 121        | 11               | 142        |
| <b>Total</b>           | <b>51</b> | <b>181</b> | <b>23</b>        | <b>255</b> |

5.13 It can also be displayed in the following chart which shows the relative proportions of each.



5.14 It will be the intention of the Internal Audit Section to provide this detail to the Governance and Audit Committee on a regular basis, at a frequency that can be agreed but it is suggested that this is at least twice a year.

5.15 The Pentana MK system also allows further management information to be extracted and it is anticipated that it will be possible in future to inform the Governance and Audit Committee on details such as overdue actions and this will be developed in due course as familiarity with the reporting functionality develops.

### Conclusion

5.16 The report informs the Governance and Audit Committee on the progress of the implementation of the recommendation tracker and the increased detail of reporting that will now be possible.

5.17 It is also considered that this recommendation of the ISA 260 report is now completed.

## **6. ASSUMPTIONS**

6.1 There are no assumptions in this report.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

7.1 The Council will be unable to deliver its Well-being objectives in the absence of effective corporate governance arrangements.

7.2 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, in that a prosperous Wales and a resilient Wales requires an effective Internal Audit service to protect public funds.

7.3 There are no other equalities implications arising from this report in relation to other equalities issues.

## **8. FINANCIAL IMPLICATIONS**

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

## **9. PERSONNEL IMPLICATIONS**

9.1 There are no personnel implications arising from this report

## **10. CONSULTATIONS**

10.1 Any comments received from consultees have been included within the report.

## **11. STATUTORY POWER**

11.1 Local Government and Elections Act 2021

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## **GOVERNANCE AND AUDIT COMMITTEE – 8<sup>TH</sup> JUNE 2021 (DEFERRED FROM 20<sup>TH</sup> APRIL 2021)**

**SUBJECT: CCBC RESPONSE TO “RAISING OUR GAME - TACKLING FRAUD IN WALES”**

**REPORT BY: ACTING INTERNAL AUDIT MANAGER**

### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to provide the Governance and Audit Committee with a response to the report by the Auditor General together with information on any findings that are pertinent to Caerphilly and any future actions that may need to be considered.

### **2. SUMMARY**

- 2.1 As reported to the Audit Committee in January 2021, the Auditor General for Wales published a report in June 2019 titled “Counter fraud arrangements in the Welsh Public Sector”. This report “Raising Our Game - Tackling Fraud in Wales” is based on more extensive work and a number of recommendations have been made by the Auditor General.

### **3. RECOMMENDATIONS**

- 3.1 Members note the Caerphilly responses to the report and consider future actions that may be needed.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To ensure that the Governance and Audit Committee has an up to date view on the current counter fraud position in Wales and how Caerphilly CBC is responding.

### **5. THE REPORT**

- 5.1 The Auditor General published a report in June 2019 titled ‘Counter-Fraud Arrangements in the Welsh Public Sector’, the report gave an overview of the scale of fraud in the Welsh public sector, together with a description of counter-fraud

arrangements across the Welsh Government, the NHS and Local Government. The report was followed by a one-day conference organised by the Public Accounts Committee in July 2019. The report was presented to Audit Committee in October 2019.

- 5.2 A subsequent report of the Auditor General for Wales, 'Raising Our Game' Tackling Fraud in Wales, was published in July 2020. This latest report was based on a more extensive programme of fieldwork, between November 2019 and February 2020, at a sample of Public Sector organisations in order to understand counter-fraud arrangements in place at each audited body.
- 5.3 This report was presented by Audit Wales to the Audit Committee in January 2021. The report refers to the scale of fraud in the Welsh public sector and it was suggested in the 2019 report that the sums lost annually in Wales to fraud could be anywhere between £100 million and £1 billion, although the precise figures are unknown they do give an indication of the magnitude of the potential risk to Welsh public sector finances. The report also highlighted the importance of appropriate investment in counter-fraud arrangements
- 5.4 The foreword notes the Welsh Government's positive response to the June 2019 publication, and the conference organised by the Public Accounts Committee in July 2019, and the Permanent Secretary's commitment to provide Wales-wide leadership in raising the profile of counter-fraud activity. The foreword concludes, with a recognition of the risk of fraud associated with the COVID-19 pandemic and outlines the extended scope of the National Fraud Initiative (NFI) to help identify fraudulent COVID-19 support grant claims.
- 5.5 The report examined seven 'key themes' that it considered all public bodies need to focus on, in raising their game to tackle fraud more effectively. The overall question was "Are the arrangements for preventing fraud and detecting fraud in the Welsh public sector effective?" In particular: -
  - Leadership and Culture – Does the top tier demonstrate a commitment to counter -fraud and provide the necessary leadership to fight fraud?
  - Risk management and Control framework – Does the organisation have a suitable structure and sufficient skilled resources to prevent and detect fraud?
  - Policies and Training – Does the organisation have a sound policy framework to support effective counter-fraud arrangements?
  - Capacity and Expertise – Does the organisation have a sound policy framework to support effective counter-fraud arrangements?
  - Tools and Data - Does the organisation's internal control environment support effective arrangements for preventing and detecting fraud?
  - Collaboration – Does the organisation have an appropriate response to fraud?
  - Reporting and Scrutiny – Does the organisation have proper reporting and scrutiny in place to ensure counter-fraud culture and framework is operating effectively?
- 5.6 The report has 15 recommendations which have been raised on a national basis under each of the themes noted above: -
  - **Leadership and Culture**

**R1** The Welsh Government should enhance its strategic leadership of counter-fraud across the public service in Wales, playing a coordinating role where it can, while recognising that individual bodies remain responsible for their own counter-fraud activities

**R2** All public bodies should champion the importance of a good anti-fraud culture and actively promote its importance to give confidence to staff and members of the public that fraud is not tolerated.

- **Risk management and Control framework**

**R3** All public bodies should undertake comprehensive fraud risk assessments, using appropriately skilled staff and considering national intelligence as well as organisation-specific intelligence.

**R4** Fraud risk assessments should be used as a live resource and integrated within the general risk management framework to ensure that these risks are appropriately managed and escalated as necessary.

- **Policies and Training**

**R5** All bodies need to have a comprehensive and up-to-date set of policies and procedures which together represent a cohesive strategy for identifying, managing and responding to fraud risks. All bodies need to have a comprehensive and up-to-date set of policies and procedures which together represent a cohesive strategy for identifying, managing, and responding to fraud risks.

**R6** Staff working across the Welsh public sector should receive fraud awareness training as appropriate to their role in order to increase organisational effectiveness in preventing, detecting, and responding to fraud.

**R7** Cases where fraud is identified and successfully addressed should be publicised to re-enforce a robust message from the top that fraud will not be tolerated.

- **Capacity and Expertise**

**R8** All public bodies need to build sufficient capacity to ensure that counter-fraud work is resourced effectively, so that investigations are undertaken professionally and in a manner that results in successful sanctions against the perpetrators and the recovery of losses.

**R9** All public bodies should have access to trained counter-fraud staff that meet recognised professional standards.

**R10** All public bodies should consider models adopted elsewhere in the UK relating to the pooling /sharing of resources in order to maximise the availability of appropriately skilled staff.

- **Tools and Data**

**R11** All public bodies need to develop and maintain dynamic and agile counter-fraud responses which maximise the likelihood of a successful enforcement action and re-enforces the tone from the top that the organisation does not

tolerate fraud.

**R12** All public bodies should explore and embrace opportunities to innovate with data analytics in order to strengthen both the prevention and detection of fraud.

- **Collaboration**

**R13** Public bodies should work together, under the Digital Economy Act and using developments in data analytics, to share data and information to help find and fight fraud.

- **Reporting and Scrutiny**

**R14** Public bodies need to collate information about losses and recoveries and share fraud intelligence with each other to establish a more accurate national picture, strengthen controls, and enhance monitoring and support targeted action.

**R15** Audit committees must become fully engaged with counter-fraud, providing support and direction, monitoring, and holding officials to account.

5.7 Caerphilly's current position regarding the 7 themes examined and the recommendations detailed above can be reported as follows.

5.8 **Leadership and Culture**

The Council sets high standards for Members and Officers and allegations are always robustly dealt with. The Council developed a number of Anti-fraud policies, and these can be found on the Council's intranet pages. These are The Anti-Fraud Bribery and Corruption Policy, Anti Money Laundering Policy and Payment Card Industry Policy, Whistleblowing Policy, IT Security Policy and Codes of Conduct. Since these policies were first developed the nature and types of fraudulent activity has expanded to exploit every opportunity that presents itself, and the current COVID pandemic has intensified this, so it is considered that these policies will benefit from a review and refresh if necessary, particularly to reflect the current situation with staff working in an agile fashion. It should be noted that the IT Security Forum agreed to pause the review of the IT Security Policy until a clear stance on agile working was agreed, in order to future proof the policy as much as possible.

5.9 In addition to the refresh or updating of these policies these should also be linked with the development of a holistic Counter Fraud Strategy in order to ensure we are remaining up to date with the evolving nature of fraud risk.

5.10 Audit staff have contacted the Wales Fraud Officers group with a view to engaging with them and events organised by the Audit Wales Good Practice Exchange have also been attended, and the Head of Financial Services & S151 Officer is considering whether we should engage with the fraud prevention service CIFAS. The Acting Internal Audit Manager has also contacted NAFN (National Anti-Fraud Network) with a view to registering for their notifications and alerts.

5.11 While errors, such as duplicated payments are identified and irregularities such as cash and bank issues and on rare occasions frauds are sometimes detected during audit work, frauds identified are quite rare. However, it is accepted that some proactive counter fraud work needs to be included in the audit plan, and this may need to be supported by resources such as training.

- 5.12 **Risk management and Control framework**  
The Council acknowledges the increasing risk of fraud and the evolving and developing threats of fraud, particularly in relation to Cyber fraud, and acknowledges that work is required to perform an assessment on how the Council prevents, detects, and pursues monies or assets obtained fraudulently and considers how services that are more susceptible to fraud manage that risk.
- 5.13 Fraud risk has been identified as an issue that will need to be more clearly linked to all plans and strategies going forward, this will also be considered when the Counter-Fraud strategy is undergoing consultation and development.
- 5.14 Cyber fraud risk has been identified as a particular threat nationally and internationally as a result of the COVID-19 pandemic as working from home practices have evolved rapidly in response the pandemic and the need for a separate Cyber Risk strategy has been considered. The WG has commissioned Bobs Business to undertake a managed phishing exercise that will be undertaken this year. The IT Section is developing a Cyber Security Strategy which will raise the profile of cyber security across the organisation. The Corporate Management Team (CMT) receives a monthly cyber security briefing.
- 5.15 The Internal Audit Section does consider risk in the preparation of the annual plan and it would be anticipated that the work on fraud risk assessment will inform future Internal Audit plans.
- 5.16 **Policies and Training**  
As previously mentioned, the Council has a number of policies, procedures, and reporting mechanisms to prevent and detect fraud, bribery, and corruption. These include The Anti-Fraud Bribery and Corruption Policy, Anti Money Laundering Policy and Payment Card Industry Policy, Whistleblowing Policy, IT Security Policy, Register of Gifts and Hospitality, and Codes of Conduct, and also appropriate Data Governance policies. However, it is acknowledged that some of these may need review and refreshing / updating particularly to reflect the current situation with staff working in an agile fashion. Therefore, consideration should be given to formally developing a Fraud Risk Assessment and a Corporate Anti-Fraud Strategy and further consideration be given to how to integrate these documents into the general risk management framework and other policy documents. In addition, with the current increased risk challenges that are arising from the COVID-19 pandemic and changes in working practices including remote working and reliance on IT records, further new policies may be needed to address these issues.
- 5.17 Detailed data / information governance training material has been developed by the information governance team and templates have been devised which could be utilised for counter fraud training purposes. This approach is being adopted in PCI (Payment Industry Card) training where staff who accept card income must complete an annual refresh of training. The council also has a new learning management system which could be adopted as this system has the advantage of tracking completed training and identifying those who have not yet undertaken training. These options will need further exploration in order to identify the optimum solution.
- 5.18 The Information Unit has issued training on Information Governance and undertaken awareness raising for staff via Management Network on Data and Cyber Security. Consideration could be given to delivering further fraud awareness, training and updates using Management network. Also, the use of IT in preparing video or webinar sessions could also be investigated. All staff are required to undertake Data

Governance training annually, and this is monitored and reported via the Service area Information Governance Stewards.

5.19 IT security, OLAS Purchase Ledger and Proactis teams will send out alerts to users where they have become aware of attempted frauds or phishing emails, however consideration will need to be given to developing more formal anti-fraud awareness training and this could also be included in the Intranet as a resource for staff when the Intranet is redeveloped. One of the Service Reviews commissioned as part of the Team Caerphilly initiatives covers increasing awareness and training on Financial Regulations and Best Practice and it is considered that the issue of Fraud awareness could be reviewed as part of this process

5.20 **Capacity and expertise**

As already reported the Council does not have a formal fraud risk assessment process or a fraud response plan in place so these will need to be considered when the Anti-Fraud Strategy is developed.

5.21 The Head of Financial Services & S151 Officer purchased a specialist piece of software called AP Forensics which is able to undertake a number of data matches and fuzzy logic searches on purchase ledger files, and this tool has been very successful in identifying duplicated payments. This is a very powerful tool and is able to also identify other issues such as payroll /purchase ledger matches or VAT issues, but the creation of the reporting routines and subsequent monitoring of the output would benefit from some additional resource.

5.22 The Council needs to identify if it needs to become more proactive in relation to fraud risk and capture and respond to emerging threats and in order to do this anti-fraud awareness may need to be further embedded within the culture of the organisation. One way to do this could be by means of considering fraud risk as an element of the Corporate Reviews, however detailed procedures will need to be developed and adopted within the process.

5.23 Like most authorities in Wales specific fraud investigation officers were redeployed when the DWP Single Fraud Investigation Service was set up. Internal Audit have undertaken or supported investigations since that time although no specific officers are allocated to these roles. Internal Audit will investigate frauds that are reported to them or identified as part of their work; however, this specific work is not resourced separately and may divert time from other areas of the audit plan.

5.24 **Tools and Data**

Notwithstanding the above, the results of AP forensics, NFI data matches and Data tank who undertake the Council tax single person discount checks, tend to indicate that the number of identified frauds are low. The Council is an active participant in the NFI and the outcomes of the NFI work is reported to the Governance and Audit Committee when the work is completed. Any specific issues identified are also reported to individual service managers for investigation if necessary.

5.25 Where frauds have been identified they are fully investigated and passed to the appropriate bodies such as DWP Single Fraud Investigation Service (SFIS) or Police where appropriate and external investigations are supported.

5.26 The Acting Internal Audit Manager has attended a presentation by CIFAS in relation to subscribing and receives the 2-weekly Fraud Threat update, which is a newsletter that summarises the current intelligence on fraud threats and latest phishing emails,

cyber threats and other issues identified by them. Subscribers can access a daily briefing which provides more detailed information. The Acting Internal Audit Manager has also requested to register for NAFN which is an organisation that also provides alerts on frauds and other relevant issues.

**5.27 Collaboration**

Caerphilly CBC is an active participant in the NFI and has constructive dialogue with them and the Acting Internal Audit Manager is the point of contact for the exercise. Consideration is being given to joining an All -Wales group membership of CIFAS as this facility can be used for Insurance, Council Tax, NNDR Grants, procurement and other financial data matching. The Council also subscribes to the CIPFA fraud updates and the CIFAS fortnightly update. The Acting Internal Audit Manager has made contact with the Wales Fraud officers group and has requested to be included on information exchanges that occur when authorities alert this group of known fraud attempts. Events organised by the Audit Wales Good Practice Exchange have also been attended by Internal Audit staff. Officers are also members of other groups that share information in relation to fraud alerts and notifications. Where Internal Audit becomes aware of national or regional alerts and notifications e.g. suspected phishing attempts or bank mandate fraud etc this is passed onto relevant sections internally such as IT security, payroll, and purchase ledger.

5.28 The Council always responds promptly to information received via direct or anonymous reports which are filtered through the Internal Audit Section to the appropriate service areas for further investigation and in some cases these are also referred to external bodies such as the Police or the DWP SFIS if relevant.

5.29 Where fraud is found as a result of work performed it is shared with relevant departments, HR or with other bodies such as the Police as necessary.

5.30 In order to have a clear fraud response plan it will be necessary to ensure that staff are aware of what to do and who to contact if they have concerns or need advice. This needs to be set out clearly in policies and supporting documents such as Financial Regulations and underpinned with awareness raising and further embedded in the corporate culture of the organisation. As indicated above the development of an Anti -Fraud strategy together with a refresh of the relevant policies will do this.

**5.31 Reporting and Scrutiny**

One of the Governance & Audit Committee's core functions is to consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and corruption arrangements. Regular reports are provided to keep members updated. In addition, the Committee also reviews the risk register on a regular basis and is able to request officers attend as necessary if further information or reports are required on any specific matters.

5.32 However, it should be noted that Whistleblowing reports go to the Standards Committee, so it is necessary to consider an appropriate process to ensure that the Governance and Audit Committee sees the whole picture.

5.33 It also needs to be recognised that where potential fraud is under investigation or frauds have been identified, investigations may take some time particularly where third parties such as the DWP SFIS or the Police are involved, and it may be longer if cases are taken to court. In these cases only limited information may be provided to members until these investigations are concluded. However, it is important to

understand that this is necessary so that cases can be successfully concluded.

- 5.34 The Council has in the past publicised investigations and prosecutions so this approach could be reviewed as appropriate. The Council will need to determine its appetite for publishing frauds, this needs careful consideration and may need a case by case approach depending on the specific issues of each case.
- 5.35 Furthermore consideration may need to be given as to whether the reporting is effective or could be improved so that cases being reported to the right people at the right level in the organisation at the right time.

### **Conclusion**

- 5.36 The Governance and Audit Committee is asked to note the report and also consider what if any further action or information is needed in order that the authority is able to meet the recommendations noted in the report.

## **6. ASSUMPTIONS**

- 6.1 There are no assumptions in this report.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 The Council will be unable to deliver its Well-being objectives in the absence of effective corporate governance arrangements.
- 7.2 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, in that a prosperous Wales and a resilient Wales requires an effective Internal Audit service to protect public funds.
- 7.3 There are no other equalities implications arising from this report in relation to other equalities issues.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 There are no direct financial implications arising from this report.

## **9. PERSONNEL IMPLICATIONS**

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

## **10. CONSULTATIONS**

- 10.1 Any comments received from consultees have been included within the report.

## **11. STATUTORY POWER**

## 11.1 Local Government and Elections Act 2021

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Appendices:

Appendix 1 [https://www.audit.wales/sites/default/files/2020-11/raising\\_our\\_game\\_tackling\\_fraud\\_in\\_wales\\_english.pdf](https://www.audit.wales/sites/default/files/2020-11/raising_our_game_tackling_fraud_in_wales_english.pdf)

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## GOVERNANCE AND AUDIT COMMITTEE - 8<sup>TH</sup> JUNE 2021

**SUBJECT: ANNUAL INTERNAL AUDIT REPORT 2020/21**

**REPORT BY: ACTING INTERNAL AUDIT SERVICES MANAGER**

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform the Governance and Audit Committee of the Internal Audit Manager's overall opinion on the Authority's Internal Control Systems derived from the work undertaken by Internal Audit Services during the 2020/21 financial year.

### 2. SUMMARY

- 2.1 It is a requirement the Council's Financial Regulations, the Internal Audit Charter, and the Public Sector Internal Audit Standards (PSIAS) that the Head of Internal Audit provides an annual report to support the Annual Governance Statement. The report should: -
- Include an opinion on the overall systems of internal controls.
  - Present a summary of the audit work that has been undertaken on which this opinion is based.
  - Draw attention to any issues which may impact on the level of assurance provided.
- 2.2 This audit opinion informs the annual governance review process and is incorporated into the draft 2020/21 Annual Governance Statement which is included separately on the agenda.

### 3. RECOMMENDATIONS

- 3.1 The Governance and Audit Committee is asked to note the content of this report and the Internal Audit annual opinion for the 2020/21 financial year.

### 4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that: -
- the Governance and Audit Committee is aware of the level of Internal Audit

- coverage and the overall opinion derived from undertaking this work;
- adequate supporting information and evidence has been supplied to the Governance and Audit Committee to enable the Committee to meet its requirements under the Committee's terms of reference; and
- adequate assurance is provided to support the Annual Governance Statement process.

## **5. THE REPORT**

- 5.1 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.
- 5.2 The purpose of this report is to provide Members of the Governance and Audit Committee with an opinion or view of the robustness and effectiveness of the internal control systems and procedures in place within the organisation during the 2020/21 financial year.
- 5.3 The opinion is a key element of the annual governance review process and forms part of the Annual Governance Statement, which is included separately on the agenda.
- 5.4 The approach adopted for reviewing and evaluating the internal controls and processes would usually revolve around a flexible well-constructed plan that considers several factors such as risk, impact, nature, and history etc. However, the outbreak of the Covid-19 pandemic and resulting emergency status imposed on the Country has had a significant impact on the authority as a whole, including Internal Audit Services.
- 5.5 The internal audit programme was temporarily suspended in April 2020 with some staff being redeployed to support the Track, Trace and Protect (TTP) service and some staff providing financial support to the Caerphilly Buddy Volunteer Shopping Scheme. This left a minimum core of Internal Audit staff to provide advice and guidance on good practice and amendment of control processes to adapt to Covid-19 new ways of working. This is similar to the experiences of other Internal Audit Sections across Wales. The Chartered Institute of Public Finance & Accountancy (CIPFA) has issued guidance in relation to the impact of the pandemic and this document has been used as a reference point.
- 5.6 Internal Audit work recommenced during the second half of the 2020/21 financial year with a revised plan being approved by the Audit Committee at its meeting on the 21<sup>st</sup> October 2020. Work undertaken from October 2020 to the end of the year concentrated on high risk financial systems and completing a number of outstanding audits from 2020. There were also some staffing changes which have impacted on available resources, but steps have now been taken to begin to rectify those issues.
- 5.7 Section 2050 of the Public Sector Internal Audit Standards (PSIAS) states that reliance may be placed on other sources of assurance in supporting the annual audit opinion. Information used within the assessment process can also be obtained from the reported control environments over the last few years, and from other sources. These other sources include audit report opinions, historical knowledge of systems, staffing, software etc. and the experience of risk, whether there has been maintenance of governance processes, risk management and internal control

arrangements, and the adoption and maintenance of an assurance framework.

- 5.8 Formal meetings of the Council including the Audit Committee were suspended in the initial stages of the pandemic and the Council enabled the Executive functions to continue via a temporary delegation of powers to the Chief Executive. The Senior Leadership Team under the direction of the Chief Executive and with advice from the Head of Financial Services & S151 Officer and the Head of Legal Services & Monitoring Officer adopted a robust and clear demonstration of governance and internal controls throughout 2020/21.
- 5.9 In addition other audit work undertaken can inform the overall assurance provided by the audit opinion, and further detail is given in Appendix 1.
- 5.10 As agreed by the Audit Committee in October 2020, the plan for the second half of the 2020/21 financial year prioritised systems audits which have been carried out on some of the high risk and key financial systems. Audits were progressed with a low impact on the capacity of Service Managers through the increased use of desktop exercises, internal control reviews and remote interviews with Service Managers, although detailed testing has been limited. These areas reviewed include income management, debtors, purchase ledger controls, AP Forensics system, treasury management, NNDR Covid grants, PCI compliance, safeguarding and payroll. Some of these audits are not fully completed but for those that have been no major issues have been identified.
- 5.11 As a result of the concentration on financial audits, audit coverage in the Social Services and Communities Directorates has reduced but an evaluation of those Directorates Head of Service Governance and Risk Checklists have not indicated any specific risks or emerging issues that would impact on the annual opinion.
- 5.12 Internal Audit staff have continued to work in an agile manner mostly from home with minimal office contact. It has been noted that it can take longer to receive all information to conduct and complete audits remotely, and this has had an impact on report clearance.
- 5.13 Some high risk areas traditionally covered by systems work have also received audit coverage via the evaluation and investigation of data matches identified from the National Fraud Initiative (NFI) data matches released in January 2021. A number of match reports relating to duplicated payments have already been concluded. The results indicate there has been no increase in duplicated payments and this also provides assurance for the payments and purchase ledger systems.
- 5.14 No on-site establishment audits have taken place however the MK Insights software system is being used to deliver Control Risk Self-Assessments (CRSAs) for schools and it is intended to roll these out to other establishments in 2021/22. These provide a breadth of baseline data to support assurance within schools. It is intended to repeat the exercise annually and CRSAs will be followed up during 2021/22 and data held within the MK insights system will be used to identify themes and issues of risk. This information will support school audits and direct auditor resource when on-site visits restart.
- 5.15 Internal Audit reports risk rate each individual finding, and the MK Insights system is also able to evaluate a score for each section of the audit and an overall score for the whole audit. A high score will indicate that test results show high levels of compliance and a low number of negative responses. However, this does not take account of the risk rating of the individual findings, so some nuance is still required. The score and

the number / risk rating of the findings can then be used to inform an overall opinion on the adequacy of the system of controls and the compliance with the system in place if transactional tests were also performed. The current 4 tier opinion system is still in use i.e. Effective; Effective with Opportunity to Improve; In need of Improvement and Inadequate and the numerical scoring assessment plus the data on numbers / risk ratings of recommendations provides robust support for the assurance opinion.

- 5.16 This is a new, enhanced way of reporting our findings and the MK Insights system will allow a more granular evaluation and identification of themes across audits at audit level or even at test result level as it is further developed. Also, the system will allow analysis of recommendations and findings by risk or across audit types or Service areas and this functionality is being developed.
- 5.17 Where findings are reported, recommendations are made to management, who are required to indicate the actions they are planning to take to address the findings noted. The MK Insights system enables an online portal to manage recommendations and enable reporting and tracking of progress, however recommendation tracking is currently being managed manually. An update report on the Recommendation Tracker is included separately on the agenda.
- 5.18 In line with PSIAS, reports now also contain a “direction of travel” indicator to show whether there has been an improvement/ reduction in the nature or type of risks reported.
- 5.19 Other work that has been undertaken during the year includes ad-hoc advice, supporting working parties and advising on best practise in relation to new systems and processes, grant certification, provision of the Corporate Finance Information Governance Steward role, some final account checks, review and monitoring of anonymous letters and the logging of returned cheques. Internal Audit also provided support and advice for the administration of the Covid-19 £500 carers’ payment to ensure compliance with the terms and conditions of the scheme and financial best practice and data protection requirements. The Acting Internal Audit Manager is also developing counter-fraud work via contacts with the Welsh Fraud Officers Group and by attending presentations by the National Anti-Fraud Network (NAFN)) and the Credit Industry Fraud Avoidance Scheme (CIFAS).
- 5.20 MK Insights holds an Audit Universe but it also allows all audits to be mapped to the Corporate Well-being Objectives and 6 fundamental principles; Internal control; Governance; Risk Management; Fraud; Safeguarding and Financial Resilience, which also provides evidence and support of assurance in those areas.
- 5.21 The audits completed and used to generate the overall opinion are shown in tabular format in Appendix 1. This shows the work that has been undertaken, the status within MK insights which broadly reflects stage of progress towards completion of the audit and the overall audit score for each piece of work. Where the audit is incomplete the score reflects the result of work to date and may be subject to change as work is completed. There are a number of audits where field work has been completed but draft reports and associated recommendations have not yet been agreed or assigned to responsible officers. Generally, this has been as a result of conflicting demands on time and availability of Service Managers or locations being closed or not allowing visits. These matters will be progressed in 2021. In some cases where there have been significant changes in services/systems under review an update will be performed to ensure that findings remain accurate and relevant.

- 5.22 The Public Sector Internal Audit Standards (PSIAS) came into force on the 1<sup>st</sup> April 2013 and consist of the following: -
- Definition of internal audit.
  - Code of Ethics.
  - Standards for the Professional Practice of Internal Auditing.
- 5.23 The Standards aim to promote further improvement in the professionalism, quality, and effectiveness of Internal Audit across the public sector. The Standards require that each public sector Internal Audit Service has in place robust arrangements for quality assurance and requires that Internal Audit is subject to an external assessment at least once every 5 years.
- 5.24 The results of an external peer review in 2017/18 were reported to the Audit Committee in January 2018. The assessment noted that there were no significant deviations from the Standards. The Internal Audit Service continued to conform to the Standards during 2020/21 and no significant deviations have been noted. A new review cycle has now been entered into and the Internal Audit Service is due for a further external peer review in 2023.

## **Conclusion**

- 5.25 **Internal Audit Manager's Opinion** - The Internal Audit Manager's opinion is that overall, the Council's systems and control procedures are effective based on the reduced level of audit coverage during the 2020/21 financial year. There has been some impact due to the Covid-19 pandemic and staffing issues but not enough to adversely affect the annual opinion.
- 5.26 Plans are now in place to overcome these limitations in 2021/22 with the adoption of new working practices, the gradual reopening of locations and establishments and the appointment of staff to fill the vacancies in Internal Audit Services.

## **6. ASSUMPTIONS**

- 6.1 There are no assumptions in this report.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 The Council will be unable to deliver its Well-being Objectives in the absence of effective corporate governance arrangements.
- 7.2 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, in that a prosperous Wales and a resilient Wales requires an effective Internal Audit service to protect public funds.
- 7.3 There are no other implications arising from this report in relation to other equalities issues.

## **8. FINANCIAL IMPLICATIONS**

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

## **9. PERSONNEL IMPLICATIONS**

9.1 There are no personnel implications other than the steps being taken to fill the vacancies within the team.

## **10. CONSULTATIONS**

10.1 Any comments received from consultees have been included within the report.

## **11. STATUTORY POWER**

11.1 Local Government and Elections Act 2021

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Appendices:

Appendix 1 – Complete List of Audit Work 2020/21

## APPENDIX 1 COMPLETE LIST OF AUDIT WORK 2020/21

| <b>Audit Title</b>                | <b>Audit Period</b> | <b>Audit Type</b>   | <b>Audit Status</b> | <b>Current Audit Score</b> | <b>Opinion</b>                        |
|-----------------------------------|---------------------|---------------------|---------------------|----------------------------|---------------------------------------|
| Crumlin High Level Primary School | April 2019          | Themed Review       | Audit Work Approved | 38.44%                     | o/s                                   |
| Coed Y Brain Primary School       | April 2019          | Themed Review       | Audit Work Approved | 49.59%                     | o/s                                   |
| Machen Primary School             | May 2019            | Themed Review       | Audit Work Approved | o/s                        | o/s                                   |
| Pengam Primary School             | May 2019            | Themed Review       | Audit Work Approved | o/s                        | o/s                                   |
| Deri Primary School               | May 2019            | Themed Review       | Audit Work Approved | 48.12%                     | o/s                                   |
| Cwmfelinfach Primary School       | May 2019            | Themed Review       | Audit Work Approved | o/s                        | o/s                                   |
| Fleur De Lys Primary School       | May 2019            | Themed Review       | Audit Work Approved | 70.12%                     | o/s                                   |
| Libanus Primary School            | May 2019            | Themed Review       | Audit Work Approved | o/s                        | o/s                                   |
| Glyngaer Primary School           | June 2019           | Themed Review       | Audit Work Approved | 66.08%                     | Effective with opportunity to improve |
| Rhydri Primary School             | June 2019           | Themed Review       | Audit Work Approved | o/s                        | o/s                                   |
| Pontllanfraith Primary School     | September 2019      | Establishment Audit | Audit Completed     | 96.84%                     | Effective with opportunity to improve |
| Pontllanfraith Primary School     | September 2019      | Themed Review       | Audit Work Approved | o/s                        | o/s                                   |
| Penllwyn Primary School           | October 2019        | Themed Review       | Audit Work Approved | 74.71%                     | Effective with opportunity to improve |
| Risca Primary School              | October 2019        | Establishment Audit | Audit Work Approved | 98.58%                     | Effective                             |
| Risca Primary School              | October 2019        | Themed Review       | Audit Started       | 58.33%                     | o/s                                   |
| Idris Davies School 3-18          | September 2019      | Establishment Audit | Audit Completed     | 96.94%                     | Effective with opportunity to improve |
| Llanfbon Infants                  | October 2019        | Themed Review       | Audit Work Approved | o/s                        | o/s                                   |
| Aberbargoed Primary School        | October 2019        | Themed Review       | Audit Work Approved | o/s                        | o/s                                   |
| Llanfabon Infants School          | October 2019        | Establishment Audit | Audit Completed     | 99.06%                     | Effective                             |

| <b>Audit Title</b>                                       | <b>Audit Period</b> | <b>Audit Type</b>   | <b>Audit Status</b> | <b>Current Audit Score</b> | <b>Opinion</b>                        |
|--|---------------------|---------------------|---------------------|----------------------------|---------------------------------------|
| Islwyn High School                                       | October 2019        | Establishment Audit | Audit Completed     | 91.96%                     | Effective with opportunity to improve |
| Blackwood Primary School                                 | November 2019       | Establishment Audit | Audit Completed     | 95.20%                     | Effective with opportunity to improve |
| NFI payroll matches to purchase ledger                   | April 2019          | Regularity          | Audit Completed     | 62.00%                     | In need of improvement                |
| NFI matches payroll to Companies House Directors records | April 2019          | Regularity          | Audit Completed     | 70.00%                     | Effective with opportunity to improve |
| Schools IT Inventory Audit                               | November 2019       | Themed Review       | Audit Approved      | o/s                        | o/s                                   |
| NFI data match - Duplicate payments                      | April 2019          | Regularity          | Audit Completed     | 85.00%                     | Effective with opportunity to improve |
| NFI match Duplicated creditor records                    | April 2019          | Regularity          | Audit Completed     | 85.00%                     | Effective with opportunity to improve |
| NFI Matches review- Council Tax reduction scheme matches | January 2020        | System Audit        | Audit Completed     | 100.00%                    | Effective                             |
| NFI match investigations Housing Benefits                | January 2020        | Regularity          | Audit Completed     | 100.00%                    | Effective                             |
| IT Inventory Audit                                       | January 2020        | Themed Review       | Audit Completed     | 56.22%                     | o/s                                   |
| £500 Carers grant payments and validation                | November 2020       | Grant certification | Audit Completed     | 100.00%                    | Effective                             |
| Gilfach Fargoed Primary School                           | February 2020       | Establishment Audit | Audit Work Approved | 93.30%                     | Effective                             |
| Trinant Primary School                                   | February 2020       | Themed Review       | Audit Work Approved | 73.11%                     | o/s                                   |
| Ysgol Gymraeg Cwm Derwen                                 | February 2020       | Themed Review       | Audit Started       | o/s                        | o/s                                   |
| Ysgol Ifor Bach  | February 2020       | Themed Review       | Audit Work Approved | 85.71%                     | o/s                                   |
| Gilfach Fargoed Primary School                           | February 2020       | Themed Review       | Audit Work Approved | 73.62%                     | Effective with opportunity to improve |

| <b>Audit Title</b>  | <b>Audit Period</b> | <b>Audit Type</b>   | <b>Audit Status</b> | <b>Current Audit Score</b> | <b>Opinion</b>                        |
|---|---------------------|---------------------|---------------------|----------------------------|---------------------------------------|
| Park Primary School   | February 2020       | Establishment Audit | Audit Completed     | 86.68%                     | Effective with opportunity to improve |
| Ysgol Bro Allta   | February 2020       | Establishment Audit | Audit Completed     | 80.20%                     | Effective with opportunity to improve |
| Rents High level Internal control review  | March 2020          | System Audit        | Audit Closed        | 98.89%                     | Effective                             |
| Blackwood Primary School  | February 2020       | Themed Review       | Audit Started       | 92.50%                     | Effective                             |
| NFI matches   | January 2020        | Regularity          | Audit Completed     | 100.00%                    | Effective                             |
| Payroll high level internal controls  | March 2021          | System Audit        | Audit Completed     | 92.31%                     | Effective                             |
| EIG 2020  | September 2020      | Grant certification | Audit Completed     | 95.36%                     | Effective                             |
| PDG 2020  | September 2020      | Grant certification | Audit Completed     | 96.36%                     | Effective                             |
| NFI VAT mismatches report investigation   | November 2019       | Regularity          | Audit Completed     | 70.00%                     | In need of improvement                |
| Cwmfelin Boiler replacement   | December 2020       | Contract Audit      | Audit Completed     | 100.00%                    | Effective                             |
| School Private Fund Review  | January 2021        | Themed Review       | Audit Started       | 29.19%                     | o/s                                   |
| TH1152 Rectory Gardens Machen Culvert final account                                 | January 2021        | Contract Audit      | Audit Completed     | 100.00%                    | Effective                             |
| NFI 707 Duplicate record by reference, amount and creditor reference                | January 2021        | Crosscutting Review | Audit Work Approved | 100.00%                    | Effective                             |
| NFI 708 Duplicate record by creditor reference and amount                           | January 2021        | Regularity          | Audit Completed     | 100.00%                    | Effective                             |
| NFI 711 Duplicate record by differing creditor reference same amount invoice number | January 2021        | Regularity          | Audit Completed     | 100.00%                    | Effective                             |
| NFI 712 Duplicate supplier records by invoice amount                                | January 2021        | Regularity          | Audit Completed     | 100.00%                    | Effective                             |

| <b>Audit Title</b>   | <b>Audit Period</b> | <b>Audit Type</b>            | <b>Audit Status</b> | <b>Current Audit Score</b> | <b>Opinion</b>                        |
|--|---------------------|------------------------------|---------------------|----------------------------|---------------------------------------|
| and different creditor reference                                 |                     |                              |                     |                            |                                       |
| NFI 713 Duplicate supplier records by postcode                   | January 2021        | Regularity                   | Audit Completed     | 100.00%                    | Effective                             |
| Corporate Safeguarding self evaluation                           | January 2021        | Crosscutting Review          | Audit Started       | o/s                        | o/s                                   |
| Review of AP forensics processes                                 | January 2021        | System Audit                 | Audit Completed     | 100.00%                    | Effective                             |
| Data protection and PCI e-learning record keeping and compliance | February 2021       | Regularity                   | Audit Started       | o/s                        | o/s                                   |
| Penllwyn Primary Control risk self assessment                    | February 2021       | Control Risk Self-Assessment | Audit Started       | 94.64%                     | o/s                                   |
| St James Primary School Control risk self assessment             | February 2021       | Establishment Audit          | Audit Approved      | o/s                        | o/s                                   |
| Bryn Primary   | February 2021       | Control Risk Self-Assessment | Audit Work Approved | 98.08%                     | o/s                                   |
| TH1175 B4251 Gelligroes to Ynysddu                               | February 2021       | Contract Audit               | Audit Completed     | 100.00%                    | Effective                             |
| TH1174 Libanus Culvert Access Platform                           | February 2021       | Contract Audit               | Audit Completed     | 100.00%                    | Effective                             |
| TH1161 Footway Slurry Sealing                                    | March 2021          | Contract Audit               | Audit Completed     | 94.17%                     | Effective                             |
| European grants  | January 2021        | Regularity                   | Audit Completed     | 100.00%                    | Effective                             |
| PCI  | March 2021          | Regularity                   | Audit Completed     | 86.67%                     | Effective with opportunity to improve |
| NFI 709 - VAT Overpayment  | April 2021          | Regularity                   | Audit Started       | o/s                        | o/s                                   |
| Central Income management  | March 2021          | System Audit                 | Audit Completed     | 93.89%                     | Effective                             |
| Trinity Fields School Courtyard classroom                        | March 2021          | Contract Audit               | Audit Completed     | 100.00%                    | Effective                             |

| <b>Audit Title</b>       | <b>Audit Period</b> | <b>Audit Type</b>            | <b>Audit Status</b> | <b>Current Audit Score</b> | <b>Opinion</b> |
|--------------------------|---------------------|------------------------------|---------------------|----------------------------|----------------|
| Ysgol Gymraeg Cwm Derwen | March 2021          | Control Risk Self-Assessment | Audit Started       | 96.82%                     | o/s            |
| Plas Y Felin Primary     | March 2021          | Control Risk Self-Assessment | Audit Started       | 99.65%                     | o/s            |
| Ysgol Gymraeg Penalltau  | March 2021          | Control Risk Self-Assessment | Audit Started       | 94.29%                     | o/s            |
| Ty Isaf Infants          | March 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Cefn Fforest Primary     | March 2021          | Control Risk Self-Assessment | Audit Started       | 96.00%                     | o/s            |
| Trinity Fields           | March 2021          | Control Risk Self-Assessment | Audit Started       | 95.84%                     | o/s            |
| Newbridge Comprehensive  | March 2021          | Control Risk Self-Assessment | Audit Started       | 93.86%                     | o/s            |
| Lewis School Pengam      | March 2021          | Control Risk Self-Assessment | Audit Started       | 99.53%                     | o/s            |
| Bedwas Juniors           | March 2021          | Control Risk Self-Assessment | Audit Started       | o/s                        | o/s            |
| Crumlin High Level       | March 2021          | Control Risk Self-Assessment | Audit Work Approved | 98.84%                     | o/s            |
| Deri Primary             | March 2021          | Control Risk Self-Assessment | Audit Started       | 96.35%                     | o/s            |
| St Helens Primary        | March 2021          | Control Risk Self-Assessment | Audit Work Approved | 96.99%                     | o/s            |
| Tir Y Berth Primary      | March 2021          | Control Risk Self-Assessment | Audit Work Approved | 96.98%                     | o/s            |
| Cwm Ifor Primary         | March 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Ynysddu Primary          | March 2021          | Control Risk Self-Assessment | Audit Started       | 95.53%                     | o/s            |
| Fochrhiw Primary         | March 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |

| <b>Audit Title</b>                              | <b>Audit Period</b> | <b>Audit Type</b>            | <b>Audit Status</b> | <b>Current Audit Score</b> | <b>Opinion</b> |
|---|---------------------|------------------------------|---------------------|----------------------------|----------------|
| Derwendeg Primary                               | March 2021          | Control Risk Self-Assessment | Audit Started       | 96.53%                     | o/s            |
| Blackwood Comprehensive                         | March 2021          | Control Risk Self-Assessment | Audit Work Approved | o/s                        | o/s            |
| NNDR COVID grants High level review             | March 2021          | System Audit                 | Audit Started       | o/s                        | o/s            |
| Treasury management high level review           | March 2021          | System Audit                 | Audit Completed     | 98.59%                     | Effective      |
| Cwmfelinfach Primary                            | April 2021          | Control Risk Self-Assessment | Audit Started       | 95.53%                     | o/s            |
| Central Debtors income                          | March 2021          | System Audit                 | Audit Completed     | 97.37%                     | Effective      |
| Rents - Collection, Recovery and Administration | March 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Ty Sign Primary                                 | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Ysgol Cwm Gwyddon                               | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Pantside Primary                                | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Pentwynmawr Primary                             | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Abercarn Primary                                | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Cwmcarn Primary                                 | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Hengoed Primary                                 | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Tynewydd Primary                                | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Cwmaber Infants                                 | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |

| <b>Audit Title</b>                     | <b>Audit Period</b> | <b>Audit Type</b>            | <b>Audit Status</b> | <b>Current Audit Score</b> | <b>Opinion</b> |
|--|---------------------|------------------------------|---------------------|----------------------------|----------------|
| Maesycwmmmer Primary                   | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Upper Rhymney Primary                  | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Pengam Primary                         | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| St Gwladys Primary                     | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Waunfawr Primary                       | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Cwmglas Infants                        | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Tyn Y Wern Primary                     | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Nant Y Park Primary                    | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Graig Y Rhacca Primary                 | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Markham Primary                        | April 2021          | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Community Hydro                        | April 2021          | Grant certification          | Audit Work Approved | 100.00%                    | o/s            |
| Phillipstown Primary                   | May 2021            | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Fleur De Lys Primary                   | May 2021            | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Go Connect Virtual Inclusion Programme | April 2021          | Grant certification          | Audit Completed     | 100.00%                    | Effective      |
| SR217 Rose Cottage Retaining Wall      | May 2021            | Contract Audit               | Audit Approved      | o/s                        | o/s            |
| Greenhill Primary                      | May 2021            | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |

| <b>Audit Title</b>                         | <b>Audit Period</b> | <b>Audit Type</b>            | <b>Audit Status</b> | <b>Current Audit Score</b> | <b>Opinion</b> |
|--|---------------------|------------------------------|---------------------|----------------------------|----------------|
| Bedwas Infants                             | May 2021            | Control Risk Self-Assessment | Audit Approved      | o/s                        | o/s            |
| Central Creditors and PL Internal Controls | January 2021        | System Audit                 | Audit Started       | 83.33%                     | o/s            |
| Ysgol Ifor Bach                            | March 2021          | Control Risk Self-Assessment | Audit Started       | 99.33%                     | o/s            |



## GOVERNANCE AND AUDIT COMMITTEE - 8TH JUNE 2021

**SUBJECT:** DRAFT ANNUAL GOVERNANCE STATEMENT 2020/21

**REPORT BY:** HEAD OF FINANCIAL SERVICES & S151 OFFICER

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### **1. PURPOSE OF REPORT**

- 1.1 To present Members of the Governance and Audit Committee with the Draft Annual Governance Statement (AGS) for the 2020/21 financial year.

### **2. SUMMARY**

- 2.1 The report provides details of the Draft Annual Governance Statement (AGS) for 2020/21.
- 2.2 Good corporate governance requires the active participation of members and officers across the council drawing on their skills and knowledge and the document reflects this input. The AGS also includes updates on the areas for improvement noted in the AGS for 2019/20 and identifies any new issues arising in 2020/21.

### **3. RECOMMENDATIONS**

- 3.1 The Governance and Audit Committee is asked to consider the Draft Annual Governance Statement for 2020/21 and approve the content subject to any changes agreed.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To ensure that the Annual Governance Statement is endorsed by the Governance and Audit Committee prior to its inclusion in the 2020/21 Draft Financial Statements.

### **5. THE REPORT**

- 5.1 The Draft AGS 2020/21 is attached as Appendix 1 to allow the members of the Audit and Governance Committee to consider its contents.
- 5.2 The document has been prepared by the Corporate Governance Review Panel and

the panel has considered responses from Heads of Service, Directors and key officers in this process, and has included these as appropriate.

- 5.3 As part of this process, the previous year's AGS (2019/20) has been reviewed by the panel to assess progress on addressing issues raised and these have been updated within the document.
- 5.4 The panel has also identified any issues for improvement that need to be reported in the 2020/21 AGS.
- 5.5 Following approval of the 2020/21 AGS by the Governance & Audit Committee, the document will be incorporated into the 2020/21 Draft Financial Statements which will be handed over to Audit Wales on the 9<sup>th</sup> July 2021 for the external audit to be completed.
- 5.6 The audited 2020/21 Financial Statements and External Auditor's report will be presented to the Governance and Audit Committee on the 30<sup>th</sup> September 2021, followed by Council on the 14<sup>th</sup> October 2021.

### **Conclusion**

- 5.7 The Draft Annual Governance Statement (AGS) for 2020/21 has been prepared by the Corporate Governance Review Panel. Work undertaken to address issues raised in the previous AGS has been assessed by the Panel and it has been determined that sufficient progress has been made to address those issues.
- 5.8 Three new areas for improvement have been identified moving forward in the 2020/21 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. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 The Council will be unable to deliver its Well-being Objectives in the absence of effective corporate governance arrangements.
- 7.2 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.
- 7.3 There are no other implications arising from this report in relation to other equalities issues.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 There are no direct financial implications arising from this report.

## **9. PERSONNEL IMPLICATIONS**

9.1 There are no direct personnel implications arising from this report

## **10. CONSULTATIONS**

10.1 The Draft AGS has been considered by the Corporate Governance Review Panel and all Directors and Heads of Service have been consulted. All comments have been reflected in the draft AGS attached as Appendix 1.

## **11. STATUTORY POWER**

11.1 Local Government and Elections Act 2021

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Appendices:

Appendix 1 Draft Annual Governance Statement 2020/21

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**1. Background**

- 1.1 The Governance Framework comprises the systems, processes, culture and values by which the Council is directed and controlled and the activities through which it accounts to, engages with and leads the community.
- 1.2 The system of internal control is a significant part of that framework. The system of internal control is based on an ongoing process designed: -
- To identify and prioritise the risks to the achievement of the Council's policies, aims and objectives.
  - To evaluate the likelihood and impact of those risks being realised.
  - To manage the identified risks effectively.

**2. Scope of responsibility**

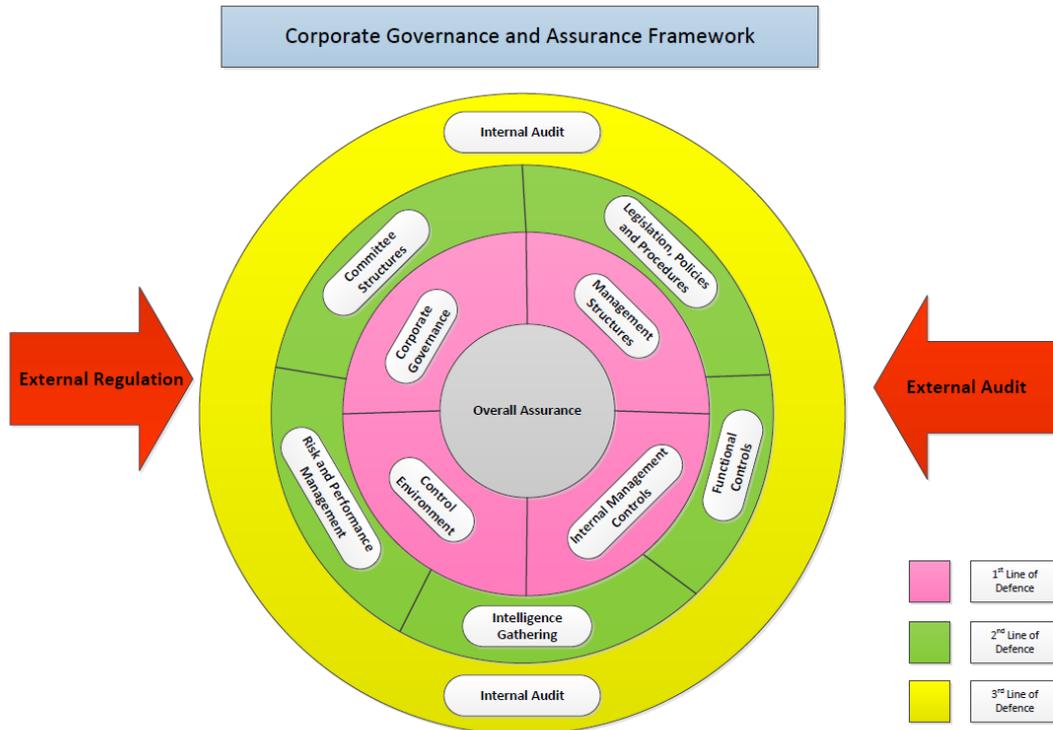
- 2.1 The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 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 in setting its objectives. 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. The Welsh Government is repealing the Local Government Measure with effect from May 2021, although the requirement to publish an Annual Report under the 2009 Measure will still be required for 2020/21.
- 2.3 Audit Wales and the Future Generations Commissioner accept that public bodies will publish one set of objectives covering improvement and well-being and in doing so will meet the requirements of the 2009 Measure and Future Generations legislation. There is an expectation that the corporate plan, which encompasses the well-being objectives is reviewed annually.
- 2.4 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.
- 2.5 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 available on the Council's website or can be obtained from the Council's Communications Unit.
- 2.6 The Annual Governance Statement (AGS) explains how the Authority has complied with the Code and 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 the activities through which it accounts to, engages with, and leads the community.
- 3.2 During the 2016/17 financial year an Assurance Framework was produced as a diagrammatic representation of the governance and assurance processes that are in place. The Framework was endorsed by the Audit Committee in December 2016 and

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continues to be relevant. Its purpose is 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.



3.3 The system of internal control is an integral part of the 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.

3.4 The governance framework has been in place at the Authority for the year ended 31 March 2021 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 current 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 17<sup>th</sup> April 2018, sets out the Cabinet's commitments, priorities, and Well-being Objectives. The objectives were informed by the information from 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 the Council's website, at our main offices, and in hard copy on request. The plan is reviewed on an annual basis to ensure its continued relevance

- Long-term outcomes and interim performance standards have been established for each Well-being Objective and progress is reported via the relevant Scrutiny Committees on a six-monthly basis.
- 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 and because it is based on the same data and community.
- The Council's Annual Report 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 for the last time this year the Local Government Measure 2009.
- The Corporate Plan, PSB Well-being Plan and Annual Report are endorsed by Council and communicated via media release.
- The Authority structures its communications programme around the Council's Well-being themes 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 yearly review is conducted and reported to Cabinet with the most recent report being considered and approved on the 28<sup>th</sup> October 2020.
- A performance management framework is established and is routinely reviewed to ensure it is fit for purpose. During the 2019/20 financial year a new performance framework was established (see Section 4.1.3 for more details), and this was approved by Cabinet on the 26<sup>th</sup> February 2020. The full implementation of this new framework was delayed due to the Covid-19 pandemic and was formally recommenced from October 2020.
- 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 leads on the data assessment work. This data assessment is 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.
- Following the local government elections in May 2017, the new Cabinet took the opportunity to review the existing Well-being Objectives alongside the results of the local assessment of well-being as noted earlier. This enabled the Cabinet to determine its five-year plan. This approach was taken as part of the sustainable development principle to take a longer-term view, consider how we may improve well-being, how we integrate our activity with others, particularly through collaborating with partners on the PSB, and how we have involved our communities.
- Working in partnership requires collaborative planning, delivery, and governance to deliver a collective vision. As a statutory partner in the PSB the Authority has contributed to the 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.
- The Authority has continued to work on its transformation programme through the Team Caerphilly - Better Together Strategy and has developed a programme of corporate reviews to drive the change forward. These have been developed in the light of engagement with staff and the learning from the changed working practices brought about by the Covid-19 pandemic and the reviews were agreed by Cabinet on the 22<sup>nd</sup> July 2020. The Authority has reviewed the wider implications of Covid-19 on communities and has implemented a Strategic Recovery Framework to help communities overcome the worst effects of the pandemic, adopted by Cabinet on the 30<sup>th</sup> September 2020. A new Well-being and Place-shaping Framework was also adopted by Cabinet on the 24<sup>th</sup> February 2021.

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- The governance arrangements for the transformation programme include a Programme Coordination Group and the Programme Board.

### 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.***

- A new performance framework has been established, which was approved by Cabinet on the 26<sup>th</sup> February 2020. Although it has full usage within the organisation as mentioned above the full implementation into the member arena of this new framework was delayed due to the Covid-19 pandemic and was formally rolled out from October 2020. The Council's new performance framework has a number of component parts: -
  - Corporate Performance Assessment (CPA).
  - Directorate Performance Assessments (DPAs).
  - Service Planning.
  - Risk Management.
  - MyTime Extra.
- **Corporate Performance Assessment (CPA)** - The CPA dashboard is used by the Corporate Management Team (CMT) and Cabinet to monitor the Council's progress in delivering its strategic priorities, identifying and challenging areas of underperformance and discussing and agreeing any remedial actions that may be required. The dashboard provides a graphical and easily accessible overview of: -
  - Progress against CMT priorities, Directorate Management Team (DMT) priorities, Wellbeing Objectives, and the Team Caerphilly transformation programme.
  - Budget position (over / underspend) by Directorate.
  - Corporate risk position.
  - Sickness absence position by Directorate and Service.
  - Workforce position (starters and leavers).
  - Complaints and compliments received by Directorates.
  - Public Accountability Measures.
  - Freedom of Information requests received and compliance.
- The CPA dashboard is reviewed by CMT on a quarterly basis as well as being presented twice-yearly to Cabinet. While the dashboard itself offers a rich insight, it is the quarterly discussion at CMT that enables constructive challenge and ultimately improvement activity to be agreed.
- **Directorate Performance Assessments (DPA's)** - The CPA dashboard is underpinned by a more detailed set of Directorate Performance Assessment (DPA) dashboards. DPAs provide Directorate Management Teams with a range of data to keep progress under review, drive performance improvement and manage resources, intelligence and risks. Information in the DPA dashboards is grouped as follows: -
  - Overall summary of the quarter.
  - Progress on Directorate priorities.
  - Performance data.
  - Customer intelligence.
  - Resources – financial, workforce and assets.
  - Risk Register.
  - Well-being Objectives.
  - Lessons learned.
  - Conclusion.

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- The DPAs are received by Directorate Management Teams on a quarterly basis providing opportunities to account for progress, challenge performance and agree improvement activity. The DPA's are shared with relevant Scrutiny Committee's twice-yearly.
- The new framework is different from the previous process by joining a wide range of different information in the one place to form an overall self- assessment of the Directorate. This provides a "single source of the truth" and makes it easier to identify reasons for self- assessment learning and judgements.
- **Service Planning** – The approach to service planning centres on a Directorate service planning workshop which takes place in February each year, if required by the relevant Director.
- In advance of the workshop, Heads of Service are tasked with working through a set of questions with their staff to identify key priorities and targets for the year ahead; recognise service contributions to the wellbeing objectives; propose measures of success; and define potential risks.
- The final output is transposed into the DPA and CPA dashboards for quarterly review. The outputs are also incorporated into the MyTime Extra review process as well as being published and distributed as a booklet to staff from across the service.
- Where services have existing mechanisms in place for setting priorities (for example Education have robust processes that meet ESTYN requirements), they will populate the DPA dashboards with the relevant information before the beginning of the financial year.
- **Risk Management** - The monitoring of risk is now embedded within the CPA and DPA dashboards rather than existing as a standalone document. As such, risks are monitored quarterly by Corporate Management Team and Directorate Management Teams with risk levels and mitigating actions being discussed and agreed.
- The CPA contains the organisation's 'high level risks' and is owned and updated by CMT. DPAs contain Directorate as well as CMT risks. The Council's risk position continues to be reported twice-yearly to the Audit Committee.
- **MyTime Extra** – The Council has implemented a replacement for the Personal Development Review (PDR) process for all staff. The new approach which will still be undertaken formally on an annual basis, MyTime Extra, has been rolled out across the authority, albeit that there have been delays due to the ongoing impact of Covid-19. The new approach is based on a set of principles to support annual meetings with staff to explore what has gone well and not so well and to set goals and priorities for the following year. The concept has been introduced as part of the Team Caerphilly transformation programme. The annual discussion enables staff to reflect on their prior year achievements, discuss any learning that has emerged, define their contribution to the service objectives defined at service planning workshops, and to explore their training and development needs. MyTime Extra enables a specific link to be made between the work of the individual and the priorities of the organisation.
- The Council's performance framework as set out above provides Cabinet, Scrutiny Committees, CMT and DMTs with a regular and embedded mechanism for monitoring progress, managing performance, and driving improvement. The dashboards provide a 'single source of the truth', enable key aspects of performance to be discussed, actions to be agreed and learning to be generated. The ability to specifically link individual contributions to organisational goals provides a platform for every employee to understand how they fit and to be recognised for the part they play in delivering the Council's objectives.
- The Council also conducts a "household survey" every two years. This measures citizens' perception of the quality of services. The household survey was due to be carried out again during 2020 but was delayed due to Covid-19. The survey took place over the Christmas period 2020 and ended in January 2021. It supported the ongoing Caerphilly Conversation and the Consultation and Engagement Framework 2020-2025, adopted by Cabinet on the 26<sup>th</sup> February 2020. The results have been used in refining the transformation corporate reviews. As it is the first such survey since 2017 its results will also inform the next review of the Corporate Plan.

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. The CMT has 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 to the Constitution. In addition, Members approved that overseeing the 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 corporate governance pages on the Council's intranet. These arrangements have now been formally embedded within the Council's governance arrangements.
- One of the ten corporate reviews being undertaken as part of the Team Caerphilly transformation programme will focus on decision-making. The review will seek to ensure that: -
  - Governance arrangements are in place that keep us safe while supporting modern ways of working.
  - Cabinet decision-making arrangements focus appropriately on Council-wide strategic issues.
  - Scrutiny Committees focus Committee time on Council wide strategic issues aligned to the Cabinet Forward Work Programme.
  - Delegated Decision-Making capability is introduced for individual Executive Members as well as Directors with appropriate thresholds and safeguards in place.

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 both elected 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 quarterly update is given to the Council's Audit Committee.
- The Council's is developing a Workforce Development Strategy and one of the actions arising from it will be to review management and leadership learning and development requirements and opportunities to ensure current and future managers and leaders have the necessary skills to deliver the vision of the Team Caerphilly transformation strategy.
- Customer Services standards have been introduced as standards of behaviour adopted by the authority that all staff should be adhering to.

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.***

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- 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. These are all key elements of the new performance framework that was approved by Cabinet on the 26<sup>th</sup> February 2020.
- The Council has a formally agreed Risk Management Strategy which was endorsed in 2013. This strategy was reviewed and updated with a report being presented to Cabinet on the 7<sup>th</sup> June 2017, followed by the Audit Committee on the 17<sup>th</sup> October 2017.
- Given the scale of Council's ongoing transformation programme and the challenges presented by the recovery from the Covid-19 pandemic, it is now considered timely for a further review of the Risk management Strategy to be undertaken. This review will be completed during the 2021/22 financial year.
- The Corporate Risk Register is reported to the Audit Committee twice-yearly, with CMT providing quarterly updates through the CPA. Cabinet also receives mid-year and year-end updates as part of the Corporate Performance Assessments.

### 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 CIPFA guidelines. These extend to monitoring and reviewing the adequacy of the governance framework.
- The committee has been renamed from April 2021 as the Governance and Audit Committee in line with the requirements of the Local Government and Elections (Wales) Act 2021.
- 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. The latest review was completed in February 2021 and reported to the Audit Committee on the 19<sup>th</sup> March 2021.

### 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 the following: -
  - Corporate Management Team.
  - Directorate Management Teams.
  - Heads of Service.
  - Head of Legal Services & Monitoring Officer.
  - Head of Financial Services & S151 Officer.
  - Senior Information Risk Owner (SIRO).
  - Data Protection Officer.
  - Internal Audit.
  - External Audit.
  - Performance Management Framework.
- The Head of Legal Services & Monitoring Officer and the Head of Financial Services & S151 Officer routinely attend each formal meeting of the Corporate Management Team and they also attend all Cabinet meetings. Furthermore, the standard committee reporting procedure and report template requires these Officers to

examine reports to the Executive for compliance with legal and procedural issues. The report template also includes a section on financial implications which is reviewed by the Head of Financial Services & S151 Officer.

- In addition to the above, the Authority has a Deputy Monitoring Officer and a nominated Finance Manager will represent the Head of Financial Services & S151 Officer when required. This ensures that adequate cover for these roles is in place during periods of sickness absence 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. This 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, with reports being presented periodically. In addition, individual Scrutiny Committees may receive reports on complaints when requested.
- There are a number of avenues for members of the public to report concerns, complaints and other matters.
- One of the corporate reviews currently underway includes a review of complaints handling, with the aim being to ensure consistency across the authority together with the consideration of the introduction of a centralised complaints logging system.

**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 through the staff appraisal 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.
- As mentioned in Section 4.1.5 leadership and development competencies are being reviewed to identify effective behaviours that are needed to deliver the vision of the Team Caerphilly transformation strategy, and the skills and values required from all staff. A new fixed-term Principal Human Resources Officer has been appointed to assist with this work.

**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 three-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. However, we are mindful of the needs of

all residents, so will continue 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 Council's website.
- Extensive consultation / engagement is undertaken annually in relation to the budget setting process. Guidance exists to ensure that all efforts are made to engage with groups with protected characteristics.
- In addition, in February 2020 the council adopted its Consultation and Engagement Framework, setting out a series of high-level principles which build upon the way the Council engages with its citizens and supports enhanced consultation and engagement activity across communities. The framework complements the principles within the Corporate Communication and Engagement Strategy and also has clear links to the Council's Team Caerphilly transformation strategy. The framework's intentions are: -
  - To highlight the continued importance of effective consultation and engagement and the clear strategic link to the decision-making process.
  - To demonstrate the key role that engaged, empowered communities have in supporting the future proofing of Council services.
  - To provide a clear definition of engagement and explain the 'Spectrum of Engagement'.
  - To outline the principles and standards that underpin meaningful engagement and consultation.
- The framework is very much intended to further build on the national consultation and engagement principles and standards that the Council already operates within.

#### 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 joint agreements. In 2013 this agreement brought in the PSB partners, third sector organisations, Community and Town Council's and the Caerphilly Business Forum. The Third Sector Partnership Agreement has been updated to align with the PSB's Well-being Plan, "The Caerphilly We Want 2018-2023" and was signed by all PSB organisations 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 (which has responsibility for the development and maintenance of the governance environment), the Internal Audit Manager's annual report, and 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 Corporate Governance Review Panel has been established to oversee the compilation of the Annual Governance Statement. Membership of the Panel is as follows: -
  - Corporate Director for Education & Corporate Services (Chair).
  - Head of Financial Services and S151 Officer.
  - Head of Legal Services & Monitoring Officer.
  - Interim Head of Transformation.
  - SIRO/Head of Customer & Digital Services.
  - Internal Audit Manager.
  - Cabinet Member for Finance, Performance & Customer Service.
  - Audit Committee Chair.

5.2.2 **Directorate Level Review**

- The Council adopts Directorate Assurance Statements requiring members of the Corporate Management Team to review the operation of a range of governance systems and procedures within their service areas, and to indicate whether there are any significant non-compliance issues. These are analysed by the Corporate Governance Review Panel 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.
- The new performance management framework has resulted in the introduction of Directorate Performance Assessments (DPA's) as detailed in Section 4.1.3.

5.2.3 **Scrutiny Committees**

- The Council has Scrutiny Committees which 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.

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.
- The name of the Committee changed to the Governance and Audit Committee from April 2021 in line with the requirements of the Local Government and Elections (Wales) Act 2021. Revised terms of reference were agreed by the Committee on the 19<sup>th</sup> March 2021.

**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 (BIT) is responsible for implementing and maintaining the Authority's new performance management framework. The Team supports and challenges the authority as a whole, and individual services, to continuously improve through the use of relevant data and also being part of a new programme of service reviews that are being undertaken as part of the Team Caerphilly – Better Together transformation programme.
- The BIT is part of the Council's Service Improvement and Partnership Unit which includes Policy, Equalities, Welsh Language 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 (PSB), demonstrating our own contribution to the well-being goals for Wales, delivering our Well-being Objectives, and embedding the sustainable development principle.
- The BIT also works with the council's external auditors to co-ordinate audit and inspection.

**5.2.7 Information Governance**

- The Council's Information Governance structure continues to provide assurance that information is used appropriately and kept securely.
- The Head of Customer & Digital Services is the Council's Senior Information Risk Owner (SIRO), and the Procurement and Information Manager is the Deputy SIRO.
- The SIRO's role is to assure the Council's information through implementation of the Information Risk Management Policy.
- During 2019/20 we updated the process for Heads of Service, as Information Asset Owners, to submit half-yearly information risk returns to the SIRO. The new process provides the SIRO with enhanced visibility to ensure risks are reported appropriately, measures to reduce risk are effective across all services, and information risk management is embedded into the culture of the organisation.
- The Data Protection Officer (DPO) required by Article 37 of GDPR is the Information Governance Manager. This post provides DPO reports to CMT via the SIRO and the relevant Cabinet Member quarterly. In addition, to respond to increasing cyber security risks, regular updates on cyber security are now provided to CMT for their consideration, which has resulted in the Chief Executive raising awareness of this key risk amongst all staff and elected members. The post also fulfils the DPO function for all of the Council's schools via a Service Level Agreement and works closely with Legal Services via the Exemption Panel.
- A network of Information Governance (IG) Stewards within each Service Area assist Heads of Service in assuring their information by communicating key messages on IG policies and training and developing and maintaining a GDPR compliant Record of Processing Activities via Information Asset Registers and Privacy Notices. A fixed-term Information Governance Compliance Officer was recruited in March 2021 for one year to address any identified gaps in the Council's data protection compliance.
- During 2019/20 the Information Security function was moved under the remit of Information Governance, providing an opportunity for management of data protection and IT security via one team, as well as an independent overview of the Council's IT systems.
- Attention has turned to encouraging effective records management practices across the Council including during the set-up of new technologies. This will ensure records repositories are well managed to encourage services to make the best use of Council data.

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- Sound records management, especially of electronic formats, will also help to address growing demands of information rights requests whilst staff Council-wide work in an agile way. Increasing request numbers, office access restrictions due to Covid, and redeployment of staff across the organisation to address Covid has led to a large backlog of information requests. The potential to automate aspects of information requests is being explored, alongside other measures to manage the volumes of requests received.
- During the 2021/22 financial year priorities will include continuing to improve the content, governance and security of records, and developing a cyber-security strategy to build on staff, management and elected member awareness, particularly when staff are working remotely/agile, and to plan our response in the event of an attack.

**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 continues to be 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 peer review which determined that with the exception of a few minor issues the Section was compliant. A new review cycle has now been entered and plans are in place for a further external review to take place in 2022/23.
- The Covid-19 pandemic has impacted on the work of Internal Audit Services during the 2020/21 financial year. The audit programme was temporarily suspended in April 2020 with some staff being redeployed to support the Track, Trace and Protect (TTP) service and some staff providing financial support to the Caerphilly Buddy Volunteer Shopping Scheme. This left a minimum core of Internal Audit staff to provide advice and guidance on good practice and amendment of control processes to adapt to Covid-19 new ways of working. In addition, there were a number of Internal Audit team members who left the Council's employment in 2020/21 due to retirement or resignation. The Head of Financial Services & S151 Officer has been fully appraised of these issues and during the second half of the financial year an Internal Audit Services Audit Plan was established and approved, prioritising high risk financial systems. This together with the previous knowledge and experience gained from historical audits of these areas have contributed to the overall assurance in order to support the Internal Audit Annual Opinion for 2020/21.
- The Acting Internal Audit Manager has concluded for the year 2020/21 that overall, the Council's systems and control procedures are effective.

**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.
- In May 2021, Audit Wales issued its report 'Delivering Good Governance – Caerphilly County Borough Council'. Initially it was planned that this report would be based on a review that would answer the question '**Is the Council improving its governance arrangements so that they support its transformation agenda**'? However, for reasons set out in the report Audit Wales have instead focused more narrowly on the

robustness of the Council's arrangements for the delivery of its Transformation Strategy.

- Overall, the report found that aspects of the Council's arrangements are not yet sufficiently well developed to support the increasing scale of the Council's wide-ranging transformation programme. The report included five matters for consideration and an action plan is being developed setting out how the Council will respond to these matters.
- The Audit Wales report is available through the following link: -

[Link to be inserted when document is available.](#)

#### 5.2.10 *Extraordinary events – Coronavirus (Covid-19)*

- The emergence of the Coronavirus across the world posed a significant and unprecedented challenge to our way of life and the way in which the Council has provided services during the year.
- In response to the pandemic and the Authority refocussed, repurposed and reshaped its priorities and how it works within a very short timescale. This has ensured that we were best placed and equipped to respond to the immediate needs of our communities.
- The lockdown restrictions initially made it impractical to convene any political decision-making meetings so decision-making was temporarily transferred to the Chief Executive in accordance with Part 3 of the Council's Constitution. Urgent decisions made by the Chief Executive were posted on the Council's intranet following consultation with the Leader and/or Cabinet and were subsequently reported to full Council for information on the 6<sup>th</sup> October 2020.
- The Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020 have introduced several changes to the mechanisms and regulations attached to Council decision-making functions. The Welsh Local Government Association (WLGA) issued a guidance note on the regulations for Councillors on the 23rd April 2020, which has been distributed to all members. Some of the key components of the guidance are: -
  - **Remote attendance** - All members can remotely participate in meetings. This applies to meetings held before the 1st May 2021. Audio participation is all that will be required. Members have been provided with appropriate equipment and training to enable them to participate in remote meetings.
  - **Annual Meetings** - If a Council has not held an annual meeting after the 1st March or before the 22nd April 2020 then the annual meeting can be held on any date in 2020. Caerphilly CBC's annual meeting was held on the 3<sup>rd</sup> September 2020.
  - **Other meetings** - Other meetings that would normally be required to be held at specific times in the Council calendar can now be held at any time before the 1<sup>st</sup> May 2021.
  - **Summonses to meetings** - Members can now be summoned to meetings through electronic communication.
  - **Public attendance** - Due to the public health risks, public and press attendance at meetings is no longer required. However, if practicable, public viewing or listening of any meetings should be arranged. Caerphilly CBC initially recorded meetings of Cabinet and the Planning Committee using Microsoft Teams, with the recordings subsequently being made available on the Council's internet. This has now been rolled out to a wider range of meetings and we are also exploring the potential for the live streaming of meetings moving forward.
  - **Meeting papers** - A note of meeting proceedings should be published electronically within 5 days of the meeting being held. This note should include a list of attendees, declarations of interest, any decisions taken (except exempt items) and the outcomes of any votes.
  - **Executive decisions** - When a decision is taken by the Executive any written statements or reports relating to the decision should be published on the

- Council's website.
- **Flexibility** - The WLGA guidance also references the fact that whilst the new regulations allow greater flexibility around managing Council business, Council resources and staff have been refocused and reprioritised to respond to the Coronavirus pandemic, and that Members should bear in mind that meetings are only likely to be held to take decisions on urgent and business critical issues until the pandemic subsides.
- The Council has worked towards bringing decision-making back online in a sensible, practical and manageable timeframe. Two of the key considerations in delivering this timetable were the availability of the technology to support remote decision-making and the extensive training and development programme that was required to ensure that every elected member can participate fully.
- The Authority has incurred significant additional costs due to the pandemic and has lost income in several key areas. The key areas where additional expenditure has been incurred include Social Care, the provision of Personal Protective Equipment (PPE), Information Technology, the establishment of Community Hubs for childcare provision and Free School Meals.
- The main areas where income loss has been experienced include Leisure Centres, Tourism Venues and School Catering. Council Tax collection rates have also been adversely affected by the economic impact of the pandemic.
- The Welsh Government has provided a significant financial support package to help Local Authorities manage the financial impact of Covid-19 in the 2020/21 financial year. The Welsh Government has also committed ongoing financial support for the first half of the 2021/22 financial year but the position beyond this remains uncertain and presents a significant financial risk.
- At its meeting on the 1<sup>st</sup> July 2020, Cabinet endorsed a recommendation in the 'Provisional Outturn for 2019/20 Report' to transfer £2.713m into an earmarked reserve to meet potential unfunded additional costs arising from the Covid-19 pandemic.
- Clearly, the virus will remain with us for some time yet and the resilience of the organisation and our communities must be ensured and protected throughout.
- At its meeting on the 30<sup>th</sup> September the Cabinet approved a Strategic Framework for Recovery setting out our strategic aim for recovery from the pandemic together with a set of underlying principles and values through which our recovery work will be guided.

### 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.
- As mentioned in paragraph 5.2.9, in April 2021 Audit Wales issued its report 'Delivering Good Governance – Caerphilly County Borough Council'. The report included five matters for consideration and an action plan is being developed setting out how the Council will respond to these matters.
- A further matter to report that emerged during the 2019/20 financial year is the actions of the former Leader of the Council who bought shares in a company that was in a contract with the Cardiff Capital Region. The councillor reported a possible breach of the members' code of conduct to the Public Services Ombudsman for Wales and the final outcome of the referral is awaited.
- Another issue to report from previous years is an investigation in the council's Waste Service into irregularities with the working practices of operatives and potential weaknesses in respect of contract management. This investigation was concluded during 2020/21 and several improvements have been implemented in relation to contract management. Furthermore, a full service review is ongoing along with the development of a new Waste Strategy.
- The 2019/20 Annual Governance Statement identified three areas, listed below, where improvements could be made to strengthen existing processes and

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procedures during 2020/21. Progress has been monitored and reviewed during the year and an update is provided below: -

- 1. Ensure that the new performance framework approved by Cabinet on the 26<sup>th</sup> February 2020 is fully embedded and operating effectively.**

**Update** - As set out above at 4.1.3 the new performance framework, although delayed due to the pandemic, is now operational.

- 2. Work with Audit Wales to complete the self-evaluation of the council's governance arrangements that commenced during the 2019/20 financial year.**

**Update** – The joint work to evaluate the council's governance arrangements has concluded and the Audit Wales 'Delivering Good Governance – Caerphilly County Borough Council' report was issued in May 2021. The report includes five matters for consideration and an action plan is being developed setting out how the Council will respond to these matters.

- 3. Continually monitor the impact of the ongoing Covid-19 pandemic to ensure that our governance and financial management systems are robust and able to respond flexibly to emerging issues.**

**Update** – The Authority responded well to the immediate challenges posed by Covid-19. A Strategic Framework for Recovery has been approved by Cabinet and we are also now focussing on the ten Corporate Reviews under our transformation programme that will shape the way we provide services to our communities in the future.

- The review of the Council's governance arrangements operating throughout 2020/21 has highlighted three areas where steps will need to be taken to ensure that sound governance arrangements are in place and are fit-for-purpose to deal with emerging issues: -

- 1. The Council's Risk Management Strategy will be reviewed and updated as appropriate.**

- 2. We will ensure that the Council's ability to mitigate cyber risk is effective given the escalating global threats. This will include the development of a Cyber Security Strategy.**

- 3. We will develop and implement an action plan to address the five key matters for consideration included in the Audit Wales report 'Delivering Good Governance – Caerphilly County Borough Council'.**

- We propose over the coming year to take steps to address the above 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: -

**Philippa Marsden**  
Leader of the Authority

**Christina Harry**  
Chief Executive

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## GOVERNANCE AND AUDIT COMMITTEE - 8<sup>TH</sup> JUNE 2021

**SUBJECT:** REGULATION OF INVESTIGATORY POWERS ACT 2000

**REPORT BY:** HEAD OF DEMOCRATIC SERVICES AND DEPUTY 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 1<sup>st</sup> April 2021 to 31<sup>st</sup> May 2021.

### 2. SUMMARY

- 2.1 To provide an update on the number of operations undertaken in accordance with RIPA for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> May 2021.

### 3. RECOMMENDATIONS

- 3.1 None. This report is for information only.

### 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 1<sup>st</sup> April 2021 to 31<sup>st</sup> May 2021 there have been no RIPA operations undertaken.

## 5.2 **Conclusion**

The report advises members that there have been no applications made in relation to RIPA operations for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> May 2021.

## 6. **ASSUMPTIONS**

6.1 There are no assumptions contained in this report.

## 7. **SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

7.1 As this report is for information there is no requirement for an Integrated Impact Assessment to be completed.

## 8. **FINANCIAL IMPLICATIONS**

8.1 There are no financial implications arising from this report.

## 9. **PERSONNEL IMPLICATIONS**

9.1 There are no personnel implications arising from this report.

## 10. **CONSULTATIONS**

10.1 There has been no consultation undertaken on this report as it is for information only.

## 11. **STATUTORY POWER**

11.1 Regulation of Investigatory Powers Act 2000.

Author: Lisa Lane Head of Democratic Services and Deputy Monitoring Officer

Consultees: Robert Tranter Head of Legal Services and Monitoring Officer



## **GOVERNANCE AND AUDIT COMMITTEE – 8TH JUNE 2021**

**SUBJECT: OFFICERS DECLARATIONS OF GIFTS AND HOSPITALITY  
JANUARY TO MARCH 2021**

**REPORT BY: HEAD OF PEOPLE SERVICES**

### **1. PURPOSE OF REPORT**

- 1.1 The purpose of the report is to provide the Governance and 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 2021 ie the fourth quarter of the financial year 2020/2021 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 2021.

### **3. RECOMMENDATIONS**

- 3.1 The Governance and 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 Governance and 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 2021 and the previous three quarters for comparison.

| Directorate                      | Number of declarations received - Gifts |                |                  |                   |
|----------------------------------|---|----------------|------------------|-------------------|
|                                  | Jan – March 2021                        | Oct – Dec 2020 | July – Sept 2020 | April – June 2020 |
| Communities                      | 1                                       | 0              | 0                | 0                 |
| Education and Corporate Services | 0                                       | 1              | 0                | 0                 |
| Social Services and Housing      | 0                                       | 2              | 0                | 0                 |
| <b>Total</b>                     | <b>1</b>                                | <b>3</b>       | <b>0</b>         | <b>0</b>          |

- 5.7 The table below details the number of declarations regarding Hospitality submitted by Directorate for the period 1 January to 31 March 2021 and the previous three quarters for comparison.

| Directorate                         | Number of declarations received - Hospitality |                |                     |                      |
|-------------------------------------|---|----------------|---------------------|----------------------|
|                                     | Jan – March<br>2021                           | Oct – Dec 2020 | July – Sept<br>2020 | April – June<br>2020 |
| Communities                         | 0   | 0              | 0                   | 0                    |
| Education and<br>Corporate Services | 0   | 0              | 0                   | 0                    |
| Social Services and<br>Housing      | 0   | 0              | 0                   | 0                    |
| <b>Total</b>                        | <b>0</b>                                      | <b>0</b>       | <b>0</b>            | <b>0</b>             |

## 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. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 As this report is for information only an Integrated Impact Assessment is not required.

## 8. FINANCIAL IMPLICATIONS

8.1 None.

## 9. PERSONNEL IMPLICATIONS

9.1 The personnel implications are included in this report.

## 10. CONSULTATIONS

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

## 11. STATUTORY POWER

11.1 Local Government Act 2000.

Author: Lynne Donovan, Head of People Services  
(donovl@caerphilly.gov.uk)

Consultees: Richard Edmunds, Corporate Director – Education & Corporate Services  
(edmunre@caerphilly.gov.uk)  
Robert Tranter, Head of Legal Services & Monitoring Officer

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Stephen Harris, Head of Financial Services & Section 151 Officer  
(harrisr@caerphilly.gov.uk)  
Cllr Colin Gordon, Cabinet Member for Corporate Services  
(gordocj@caerphilly.gov.uk)

Appendices:

Appendix 1 Declarations of Gifts and Hospitality 1 January to 31 March 2021

**Appendix 1**  
**Declarations of Gifts and Hospitality 1 January to 31 March 2021**

| <b>Directorate</b> | <b>Service Area</b>       | <b>Post Title of Employee Making the Declaration</b> | <b>Type of Declaration</b> | <b>Details of Declaration</b>  | <b>Post Title of Head of Service, Director or Chief Executive who authorised the declaration</b> | <b>Outcome</b> |
|--------------------|---------------------------|--|----------------------------|--|--|----------------|
| Communities        | Regeneration and Planning | Events Officer                                       | Gift                       | Flowers (x4) and chocolates (x4) from Buddies supported during the Covid 19 pandemic. Accepted, as to refuse would have caused offence. Total value of £56 approx. | Head of Regeneration and Planning  | Accepted       |

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## **GOVERNANCE AND AUDIT COMMITTEE – 8TH JUNE 2021**

**SUBJECT: REGISTER OF EMPLOYEES' INTERESTS FORMS 2020/21**

**REPORT BY: HEAD OF PEOPLE SERVICES**

### **1. PURPOSE OF REPORT**

- 1.1 The purpose of the report is to provide the Governance and Audit Committee with information regarding the Register of Employees' Interests Forms completed by officers of the Council (excluding Schools) for the 12 month period 1 April 2020 to 31 March 2021 and provide a comparison with the same information for the previous 2 financial years.

### **2. SUMMARY**

- 2.1 Enclosed in the Appendices are summaries of the declarations completed by officers of the Council (excluding Schools) by Directorate, Service Area, Type and Relationship for the 12 month period 1 April 2020 to 31 March 2021.

### **3. RECOMMENDATIONS**

- 3.1 The Governance and 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 Governance and Audit Committee have an oversight of the position in relation to officers' Register of Employees' Interests Forms.

### **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 2020/21 declarations were made by 39 employees compared to 2019/20 declarations were made by 103 employees and 1 agency worker; 2018/19 declarations by 80 employees and 2 agency workers. Where multiple declarations have been made on one form they have been recorded individually.
- 5.5 Appendix 1 summarises the Declarations of Interest by Directorate and Service Area for the period 1 April 2020 to 31 March 2021 and a comparison with the previous 2 financial years. The declarations for the previous years have been adjusted to reflect the current Directorate structures.
- 5.6 A total of 47 declarations of interest were made in 2020/21 compared to 152 in 2019/20 and 93 in 2018/19. A percentage breakdown of Declarations of Interest by Type is shown below:

| Type of Declaration          | % of Declarations |         |         |
|------------------------------|-------------------|---------|---------|
|                              | 2018/19           | 2019/20 | 2020/21 |
| <b>Relationship</b>          | 29                | 49      | 34      |
| <b>Outside Interest</b>      | 33                | 31      | 53      |
| <b>Gifts and Hospitality</b> | 38                | 20      | 9       |
| <b>Annual Leave</b>          | 0                 | 0       | 4       |

- 5.7 Appendix 2 shows the detail of the Declarations of Interest by Type shown above divided into the 3 sections of the Register of Employees' Interest Form for the period 1 April 2020 to 31 March 2021 and a comparison with the previous 2 financial years.
- 5.8 Declarations of Interest regarding Annual Leave carry over were made by members of the senior management team, in the interests of transparency. A separate report was submitted to Cabinet on 24 February 2021 regarding annual leave balances in excess of 5 days being carried over for the year 2020 relating to employees across the Council.
- 5.9 The percentage for declarations of Outside Interests have increased to 53% and include school governor posts, external employment and volunteering. Appendix 2 shows the detail.
- 5.10 The Governance and Audit Committee will be aware that Gifts and Hospitality is the subject of a separate, quarterly report to the Committee.

- 5.11 Appendix 3 shows the detail of the Declarations of Interest by Relationship for the period 1 April 2020 to 31 March 2021 and a comparison with the previous 2 financial years. A percentage breakdown by Relationship is shown below:

| Type of Relationship | % of Declarations |         |         |
|----------------------|-------------------|---------|---------|
|                      | 2018/19           | 2019/20 | 2020/21 |
| Councillor           | 4                 | 1       | 6       |
| Contractor           | 4                 | 4       | 19      |
| Employee             | 85                | 75      | 56      |
| Other                | 7                 | 20      | 19      |

## 5.12 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. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 As this report is for information only an Integrated Impact Assessment is not required.

## 8. FINANCIAL IMPLICATIONS

- 8.1 None.

## 9. PERSONNEL IMPLICATIONS

- 9.1 The personnel implications are included in this report.

## 10. CONSULTATIONS

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

## 11. STATUTORY POWER

- 11.1 Local Government Act 2000.

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Appendices:  
Appendix 1 Declarations by Directorate and Service Area  
Appendix 2 Declarations by Type  
Appendix 3 Declarations by Relationship

## Appendix 1

### Declarations by Directorate and Service Area 2018/19, 2019/20 and 2020/21

| Directorate                      | 2018/19   | 2019/20    | 2020/21   |
|----------------------------------|-----------|------------|-----------|
| Chief Executive                  | 0         | 4          | 2         |
| Communities                      | 28        | 9          | 26        |
| Education and Corporate Services | 21        | 61         | 6         |
| Social Services and Housing      | 44        | 78         | 13        |
| <b>Total</b>                     | <b>93</b> | <b>152</b> | <b>47</b> |

| Directorate / Service Area                           | 2018/19   | 2019/20    | 2020/21   |
|--|-----------|------------|-----------|
| <b>Chief Executive</b>                               | <b>0</b>  | <b>4</b>   | <b>2</b>  |
| <b>Communities</b>                                   | <b>28</b> | <b>9</b>   | <b>26</b> |
| Director   | 0         | 1          | 3         |
| Infrastructure                                       | 9         | 5          | 2         |
| Property Services                                    | 4         | 0          | 1         |
| Public Protection,<br>Community and Leisure Services | 7         | 3          | 3         |
| Regeneration and Planning                            | 8         | 0          | 17        |
| <b>Education and Corporate Services</b>              | <b>21</b> | <b>61</b>  | <b>6</b>  |
| Director   | 0         | 4          | 0         |
| Business Improvement                                 | 1         | 31         | 0         |
| Corporate Finance                                    | 1         | 0          | 3         |
| Customer and Digital Services                        | 12        | 3          | 1         |
| Education Planning and Strategy                      | 4         | 8          | 1         |
| Learning Education and Inclusion                     | 0         | 11         | 0         |
| Legal and Governance                                 | 3         | 3          | 1         |
| People Services                                      | 0         | 1          | 0         |
| <b>Social Services and Housing</b>                   | <b>44</b> | <b>78</b>  | <b>13</b> |
| Adult Services                                       | 31        | 19         | 5         |
| Childrens Services                                   | 0         | 14         | 6         |
| Caerphilly Homes                                     | 13        | 45         | 2         |
| <b>Overall Total</b>                                 | <b>93</b> | <b>152</b> | <b>47</b> |

**NB** The declarations for the previous years have been adjusted to reflect the current Directorate structures.

**Appendix 2**  
**Declarations by Type 2018/19, 2019/20 and 2020/21**

| Type of Declaration                     | 2018/19   | 2019/20   | 2020/21   |
|---|-----------|-----------|-----------|
| <b>Relationships</b>                    | <b>27</b> | <b>75</b> | <b>16</b> |
| Councillor                              | 1         | 1         | 1         |
| Contractor                              | 1         | 3         | 3         |
| Employee                                | 23        | 56        | 9         |
| Other                                   | 2         | 15        | 3         |
| <b>Outside Interest - Financial</b>     | <b>18</b> | <b>27</b> | <b>16</b> |
| Business Relationship                   | 0         | 1         | 0         |
| Outside Employment                      | 18        | 23        | 14        |
| Personal Interest                       | 0         | 3         | 2         |
| <b>Outside Interest - Non Financial</b> | <b>13</b> | <b>20</b> | <b>9</b>  |
| Business Relationship                   | 0         | 1         | 0         |
| Membership of an External Body          | 3         | 8         | 5         |
| Personal Interest                       | 9         | 8         | 1         |
| Volunteering                            | 1         | 3         | 3         |
| <b>Gifts and Hospitality</b>            | <b>35</b> | <b>30</b> | <b>4</b>  |
| Gift                                    | 31        | 18        | 4         |
| Hospitality                             | 4         | 12        | 0         |
| <b>Annual Leave</b>                     | <b>0</b>  | <b>0</b>  | <b>2</b>  |
| Personal Interest                       | 0         | 0         | 2         |

**Appendix 3**  
**Declarations by Relationship 2018/19, 2019/20 and 2020/21**

|  | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21</b> |
|--|----------------|----------------|----------------|
| <b>Relationship – Councillor</b>                         | <b>1</b>       | <b>1</b>       | <b>1</b>       |
| Aunt / Uncle including in-Law / Step / Civil / Ex        | 0              | 0              | 1              |
| Child / Step Child                                       | 1              | 0              | 0              |
| Cousin including in-Law                                  | 0              | 1              | 0              |
| <b>Relationship - Contractor</b>                         | <b>1</b>       | <b>3</b>       | <b>3</b>       |
| Aunt / Uncle including in-Law / Step / Civil / Ex        | 0              | 0              | 1              |
| Child / Step Child                                       | 1              | 0              | 0              |
| Cousin including in-Law                                  | 0              | 0              | 1              |
| Friend / Acquaintance                                    | 0              | 2              | 1              |
| Husband / Wife including Partner / Civil Partner / Ex    | 0              | 1              | 0              |
| <b>Relationship - Employee</b>                           | <b>23</b>      | <b>56</b>      | <b>9</b>       |
| Aunt / Uncle including in-Law / Step / Civil / Ex        | 2              | 6              | 1              |
| Brother / Sister   | 5              | 8              | 1              |
| Brother / Sister in-Law                                  | 0              | 1              | 0              |
| Child / Step Child                                       | 4              | 7              | 2              |
| Cousin including in-Law                                  | 1              | 9              | 0              |
| Friend / Acquaintance                                    | 0              | 0              | 2              |
| Husband / Wife including Partner / Civil Partner / Ex    | 3              | 6              | 3              |
| Niece / Nephew including in-Law / Great / Step           | 1              | 1              | 0              |
| Parent / Step  | 4              | 11             | 0              |
| Parents-in-Law including Civil / Partner / Ex            | 2              | 3              | 0              |
| Son / Daughter in-Law                                    | 1              | 4              | 0              |
| <b>Relationship - Other</b>                              | <b>2</b>       | <b>15</b>      | <b>3</b>       |
| Aunt / Uncle including in-law / Step / Civil / Ex        | 0              | 1              | 0              |
| Brother / Sister   | 0              | 2              | 0              |
| Child / Step Child                                       | 0              | 2              | 1              |
| Friend / Acquaintance                                    | 1              | 1              | 1              |
| Grandparent including Great / in-Law / Step / Civil / Ex | 0              | 2              | 0              |
| Husband / Wife including Partner / Civil Partner / Ex    | 1              | 0              | 1              |
| Niece / Nephew including in-Law / Great / Step           | 0              | 1              | 0              |
| Parent / Step  | 0              | 3              | 0              |
| Parents-in-Law including Civil / Partner / Ex            | 0              | 3              | 0              |

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# Agenda Item 14

## Corporate Governance Panel Minutes 30<sup>th</sup> April 2021

**Attendees:** Cllr Eluned Stenner\Deb Gronow\Rob Tranter\Liz Lucas (part meeting)\Steve Harris\Sue Richards

**Chair:** Richard Edmunds (Ed)

### 1. Apologies

Cllr Margaret Sargent

### 2. Minutes of Last Meeting

The minutes of the last meeting held on 23<sup>rd</sup> March 2021 were approved.

### 3. Progress on actions noted from the last meeting

SH advised that the actions from the last meeting have informed the agenda.

### 4. 20/21 AGS – Directorate Checklists – themes/common issues

Social Services and Communities AGS checklists complete. Education and Corporate Services checklist almost complete. Directors Statements to be signed off in next couple of weeks.

Ed advised that references to cyber resilience within the statements may need to be strengthened (as advised previously by LL).

SR raised the issue of risk from security of data due to agile working and also the speed that the Council moved to agile working.

SH commented on the impact the new Local Government and Elections Act would have on the Council and anticipated some references to this within the Statement

DG advised that schools will not have assessments sent out until July due to current workload and would be given an extended period of time for completion (September). Plan is to send to a set amount of schools every month with a view to getting all complete by end of year. DG advised that as no transactional decisions have been taken by schools due to lockdown minimal balancing of risks and benefits would need to be undertaken.

Common themes emerging were mainly in relation to Covid, Impact on Service Delivery and post Covid Recovery over the medium term.

## 5. 20/21 AGS – to consider need for expert panel input

The Panel agreed that there was no requirement to convene a separate Expert Panel to consider the checklists as the relevant expertise already exists on the Governance Panel.

## 6. AGS Document Template

The Panel considered the four examples that were provided. However, due to the serious nature of the AGS it was agreed that only a flowchart/diagram be added which showed the process for completing the AGS and highlighted the key issues.

Panel members agreed to update their parts of the AGS prior to the meeting on 26<sup>th</sup> May 2021 in order to sign off ahead of the Audit Committee.

RT raised the issue that if these documents were made glossier and included more graphics then it could cause problems from an accessibility perspective.

Next Audit Committee scheduled for 8<sup>th</sup> June 2021.

**Action: Panel need to sign off document 3 weeks in advance of the Audit Committee. Meeting arranged for 26<sup>th</sup> May 2021. Need to agree areas of improvement and firm up wording from last year.**

## 7. Update on External Audit Governance Review and Draft Report

Ed gave an update on the background to this matter and advised that pre-Covid a self-evaluation exercise was being undertaken in conjunction with Audit Wales. However, Audit Wales recognise that the Council is now in a vastly different place and it would be of little benefit to complete this piece of work. Instead Audit Wales compiled a report outlining matters for consideration by CCBC. Upon receipt of this report a number of changes were agreed by the Council and signed off, however, the final version of the document is still yet to be received.

Ed advised that overall he was quite pleased with the findings of the Audit Wales report and the recognition that our current governance arrangements have strengthened over time.

Audit Wales to present this report to the Audit Committee on 8<sup>th</sup> June 2021.

## 8. Any Other Business

No matters raised.

## 9. Date of Next Meeting

26<sup>th</sup> May 2021 – 4pm-5pm



## **GOVERNANCE AND AUDIT - 8<sup>TH</sup> JUNE 2021**

**SUBJECT: ANNUAL REVIEW OF COMPLAINTS RECEIVED UNDER THE COUNCIL'S CORPORATE COMPLAINTS POLICY 1ST APRIL 2020 TO 31ST MARCH 2021**

**REPORT BY: HEAD OF DEMOCRATIC SERVICES AND DEPUTY MONITORING OFFICER**

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### **1. PURPOSE OF REPORT**

- 1.1 To provide Members with an overview of the corporate complaints received for the year 1st April 2020 to 31st March 2021.
- 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 2020 to 31st March 2021.
- 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 to be avoided in the future.
- 2.3 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 Members of the Committee will recall that it received a report on 19<sup>th</sup> March this year to consider the provisions of an updated Concerns and Complaints Policy, based on guidance issued by the Public Services Ombudsman for Wales. This new Policy was endorsed by Cabinet on 24<sup>th</sup> March and has been uploaded onto the Council's website. From the 1<sup>st</sup> April this year we are implementing the changes on the way in which we collect and analyse data which will be the subject of future biannual reports to the Governance and Audit Committee and Cabinet. However, this report centres on the reporting mechanisms implemented under the previous Complaints policy which had been in place since April 2013, albeit the two-stage process has remained the same.

- 5.2 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.

- 5.3 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 may be responded to by the Deputy Monitoring Officer.

- 5.4 Members will also be aware that 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. The restrictions due to the pandemic has meant that the Group has not met as regularly as it would ordinarily meet, however the data for the last year has been discussed between complaints officers in order to provide members with the data in the attached report.

- 5.5 The Committee received the first Annual Report in 2015. This is the sixth annual report; it includes comparative data against the data reported for the year 2019/20. In addition to this report Committee also received a six-monthly update in January this year which provided members with an overview of the complaints received from 1<sup>st</sup> April 2020 to 30<sup>th</sup> September 2021.

#### **5.6 Review of Corporate Complaints**

- 5.6.1 The data included in the Report relates to the complaints formally logged as corporate complaints received from 1st April 2020 to 31st March 2021. It includes comparative data for the year 2019/20 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 5.6.4 and an overview of the outcomes in respect of Stage 2 Complaints are set out in paragraph 5.6.15 of the Report.

5.6.2 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 are also reminded that complaints relating to Schools are dealt with under a separate policy as are complaints raised by services users within Social Services.

5.6.3 The total number of corporate complaints received across the Authority was **177**. This is a notable decrease on last years' total of **274** with the comparison with last years' figures by Directorate set out below. There were 161 complaints dealt with at Stage 1 and 53 complaints dealt with at Stage 2 (of which 37 escalated from a Stage 1 to a Stage 2 (including 18 in the Communities Directorate ( one of which escalated from the previous years' stage 1 response) together with 14 in Housing and 5 in Social Services.

5.6.4 A breakdown of the Stage 1 corporate complaints by reference to service area, together with comparative data from last year is set out below.

|                    | <b>20/21</b> | <b>19/20</b> |
|--------------------|--------------|--------------|
| Corporate Services | 4            | 18           |
| Education          | 0            | 3            |
| Communities        | 62           | 110          |
| Housing            | 51           | 75           |
| Social Services    | 44           | 37           |
| <b>Total</b>       | <b>161</b>   | <b>243</b>   |

### **Outcomes of Stage 1 complaints**

5.6.5 Of the **161** Stage 1 complaints responded to, **15** have been upheld, **98** were not upheld, **39** have been partially upheld, and **8** did not proceed (DNP) and **1** is on hold. The breakdown by service area is listed below together with the outcomes and comparative data for the year 2019/20.

|                    | <u>Upheld</u> |           | <u>Not Upheld</u> |            | <u>Partially Upheld</u> |           | <u>DNP</u> |          |
|--------------------|---------------|-----------|-------------------|------------|-------------------------|-----------|------------|----------|
|                    | 20/21         | 19/20     | 20/21             | 19/20      | 20/21                   | 19/20     | 20/21      | 19/20    |
| Corporate Services | 2             | 5         | 1                 | 12         | 1                       | 0         | 0          | 1        |
| Education          | 0             | 0         | 0                 | 2          | <b>0</b>                | 1         | 0          | 0        |
| Communities        | 3             | 34        | 30                | 44         | 29                      | 31        | 0          | 1        |
| Housing            | 9             | 7         | 36                | 61         | 6                       | 7         | 0          | 0        |
| Social Services*   | 1             | 2         | 31                | 33         | 3                       | 2         | 8          | 0        |
| <b>Total</b>       | <b>15</b>     | <b>48</b> | <b>98</b>         | <b>152</b> | <b>39</b>               | <b>41</b> | <b>8</b>   | <b>2</b> |

\* One complaint is on hold within the Social Services Directorate.

- 5.6.6 The overall number of complaints dealt with at stage 1 this year when compared to 2019/20 has decreased by 82 (161 this year compared to 243 last year).
- 5.6.7 The number of Stage 1 complaints upheld has decreased by 33 (15 this year compared to 48 last year); the number of complaints not upheld has decreased by 54 (98 this year compared to 152 last year) and the number of complaints partially upheld has decreased by 2 (39 this year compared to 41 last year).
- 5.6.8 The data for this year has been analysed by the service areas who have provided the following synopses.
- 5.6.9 In terms of **Social Services** complaints responded to under the Corporate Complaints Procedure were varied in nature and related to both Adult Services and Children's Services, there was no particular trend. The adults complaints referred to residents being unhappy that carers were disposing of PPE equipment outside property and parking dangerously outside, family member not wanting Social Services to take over finances, family unhappy with the care provided to parents, care plan review did not accurately reflect mother's needs, being refused a Disabled Persons Parking Place, family unhappy that late mother's property was under the directorate's supervision and that it was not kept in good condition, staff attitude, behaviour of staff in a private care home towards the residents and the staff not adhering to lockdown guidance, unhappy with the comments made by grandmother's social worker, staff member not being aware of the social services structure.
- 5.6.10 The children's complaints referred to personal information being shared, grandparents concerned about their grandchildren, concerns raised not being answered by the social work team and the Safeguarding team not being informed of allegations, grandparent unhappy that child has been removed, grandparent unhappy that PNC completed without her consent, false claims made during Court hearing, social services contacted family to advise that complainant's contact with child should not be unsupervised and did not contact the complainant and were related to family concerns regarding Covid-19, contact and restrictions.
- 5.6.11 The Corporate Complaints policy has continued to be utilised in more circumstances where complainants were unable to progress their complaints through the separate Social Services Complaints procedure. That said of the complaints dealt with 31 were not upheld, 1 upheld and 3 partially upheld, 8 did not proceed and 1 is on hold.
- 5.6.12 In terms of **Corporate Services** complaints there has been a variety of complaints and no trends identified. They related to a customer services contact, correspondence in relation to Council tax matters, a complaint about the attitude of a member of staff and a disputed business rates calculation. Examples of the complaints which have been upheld or partially upheld are set out in paragraph 5.11
- 5.6.13 In relation to **Communities**, the number of complaints which have been upheld has substantially decreased this year from 34 to 3, partially upheld complaints from 31 to 29 and complaints not upheld from 44 to 29. The three complaints upheld related to different services within the Directorate: one street lighting, one repeated missed collection and one in relation to road markings for parking bays. In terms of the partially upheld complaints, the majority, 22, related to repeat missed bin collections and were a combination of food waste, recycling, and garden waste and were throughout the County Borough. Members will recall the six-monthly report noted the issue in relation to missed collections and were advised that the *Waste Management department have faced resource challenges during the pandemic due to increased tonnages which have influenced the collection systems. However,*

*going forward the lessons learned during this period have been to utilise and monitor resource on a regular basis to ensure services are delivered effectively and to undertake and implement a review of collection round size/structure over the next 12-18 months.*

Other complaints related to the rules in place for the Civic Amenity site due to Covid restrictions, fly tipping, over hanging trees, pre planning advice, dog nuisance and noise nuisance. Examples of complaints upheld or partially upheld are set out in paragraph 5.11 below.

- 5.6.14 The complaints recorded within **Housing** span a wide service provision area and no defined trends or systemic problems were identified. Overall, the number of Stage 1 complaints recorded for the Housing service has decreased by approximately 28 percent on the year 20/21 compared to 19/20.

The **Housing Management Service** has seen a decrease in the number of Stage 1 complaints. No specific area for the Stage 1 complaints have been identified, however examples would include neighbouring garden conditions, maintenance of communal areas and boundary fence disputes.

There has been a notable decrease in Stage 1 complaints recorded for the **Leasehold Services Section**. This is due to the volume of Welsh Housing Quality Standard works being carried out on blocks including Leasehold properties reducing within the last year. Additionally, the **Welsh Housing Quality Standards** external and internal works Stage 1 complaints have decreased. This is due to the Tier 4 restrictions that have been put in place by the Welsh Government following the Covid-19 pandemic reducing the volume of work undertaken.

The small increases in **Homelessness** and **Anti Social Behaviour** Stage 1 complaints are likely to be related to the Covid-19 pandemic, due to increases in the numbers of people presenting as homeless, and lockdown restrictions impacting on people's behaviours and routines.

- 5.6.15 In **Education** there were no complaints dealt with in this service area for this reporting period.

- 5.6.15 A breakdown of Stage 2 corporate complaints by reference to the service area, together with comparative data for 2019/2020 is set out below.

|                           | <b>20/21</b> | <b>19/20</b> |
|---------------------------|--------------|--------------|
| Corporate Services        | 1            | 4            |
| Education                 | 0            | 0            |
| Communities               | 27           | 46           |
| Housing                   | 20           | 35           |
| Social Services           | 5            | 2            |
| Other (cross directorate) | 0            | 2            |
| <b>Total</b>              | <b>53</b>    | <b>89</b>    |

- 5.6.16 Members will note the number of complaints dealt with at Stage 2 are noticeably less than the number from 2019/20 with the Communities Directorate and Housing seeing the largest decrease in numbers.

5.6.17 Of the 53 Stage 2 complaints responded to **1** has been upheld, **40** were not upheld and **12** were partially upheld. The breakdown by service area is listed below together with the outcomes and comparative data for the year 2019/20.

|                    | <u>Upheld</u> |          | <u>Not Upheld</u> |           | <u>Partially Upheld</u> |           | <u>DNP</u> |          |
|--------------------|---------------|----------|-------------------|-----------|-------------------------|-----------|------------|----------|
|                    | 19/20         | 20/21    | 19/20             | 20/21     | 19/20                   | 20/21     | 19/20      | 20/21    |
| Corporate Services | 0             | 0        | 3                 | 1         | 1                       | 0         | 0          | 0        |
| Education          | 0             | 0        | 0                 | 0         | 0                       | 0         | 0          | 0        |
| Communities        | 11            | 1        | 26                | 19        | 9                       | 7         | 0          | 0        |
| Housing            | 3             | 0        | 27                | 16        | 5                       | 4         | 0          | 0        |
| Social Services    | 0             | 0        | 1                 | 5         | 1                       | 0         | 0          | 0        |
| Cross/Directorate  | 0             | 0        | 2                 | 0         | 0                       | 0         | 0          | 0        |
| <b>Total</b>       | <b>14</b>     | <b>1</b> | <b>59</b>         | <b>41</b> | <b>16</b>               | <b>11</b> | <b>0</b>   | <b>0</b> |

5.8.16 Overall there has been a lower number of complaints upheld at Stage 2 this year (1 this year compared to **14** last year and a slight decrease in the number of complaints partially upheld (**11** this year compared to **16** last year).

5.8.17 With regard to **Housing**, the overall figures have decreased by 15. As previously mentioned there has been a notable decrease in Stage 2 complaints recorded for the Leasehold Services Section and Welsh Housing Quality Standards external and internal works. This could be attributed to the reduced volume of Welsh Housing Quality Standard works being carried out on blocks, including those containing Leasehold properties, reducing within the last year due to the Tier 4 restrictions that have been put in place by the Welsh Government following the Covid-19 pandemic. There has been an increase in Stage 2 complaints recorded for Anti Social Behaviour. As previously mentioned, this is likely to be due to lockdown restrictions impacting on people's behaviours and routines.

5.8.18 In relation to **Communities** there was only 1 complaint upheld this year compared to 11 last year; 7 partially upheld compared to 9 last year. Of these complaints six had escalated from a stage 1 response and 2 commenced at Stage 2. These complaints related to the following: two fly tipping issues, one relating to the out of hours emergency repairs helpline, one in relation to road markings for parking bays, and four in respect of repeated missed bin collections.

## 5.9 Ombudsman's Referrals

5.9.1 There were 47 complaints referred to the Public Services Ombudsman for Wales for this period.

In relation to Education 2 complaints were referred prematurely and not investigated. One related to an Education Appeal which are dealt with outside the Corporate Complaints process and one related to a decision the Council had already made which the Ombudsman advised had been properly made and no further action was to be taken. In relation to Corporate Services there were no complaints referred to the Ombudsman. In relation to Housing 6 referrals were made prematurely and 3 had received stage 2 responses and were not investigated.

In relation to Communities 10 referrals were made prematurely and 5 had received a stage 2 response and not investigated.

In relation to Social Services, there were 2 referrals made under the separate Social Services Complaints policy which were not investigated. In addition, there were 12 premature referrals 2 of which resulted in an early resolution, the remainder were not investigated, and 6 referrals were made following receipt of a stage 2 response under the corporate complaints process of which 1 resulted in an early resolution and the remainder were not investigated.

There were 3 referrals which could not be allocated to a service area; one was withdrawn, one was referred to the Information Commissioner and one did not progress within the Ombudsman's office.

## 5.10 Target time for responses

5.10.1 In terms of response times there were 24 stage 1 complaints which did not meet the target and 3 stage 2 responses. The comparable figures with 2019/2020 are set out below.

| Year      | Total Stage 1 | Target not met | Total Stage 2 | Target not met |
|-----------|---------------|----------------|---------------|----------------|
| 2020/2021 | 161           | 24             | 53            | 3              |
| 2019/2020 | 243           | 28             | 89            | 4              |

The data in relation to this indicates that overall compliance with the response deadlines is 90.36%, 1.46% up on last years' figure of 88.9% as identified in the graph at Appendix 1.

5.10.2 The reasons for not meeting the deadline include the following: response waiting approval, administrative error, workload pressures, consultation required, officers on leave, initial impact of the Covid 19 pandemic. The Group 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.

## 5.11 Review of Trends and Lessons Learned

5.11.1 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. An overview of any trends, anonymised summaries of a sample of upheld/partially upheld complaints for each directorate are set out below.

### **Corporate Services**

#### Example 1

Customer complained that they had received a letter which expressed condolences in hearing that a family member had passed away due to Covid 19, but the letter continued to ask for financial details for the surviving family member. The department acknowledged that the timing of the letter was inappropriate as the family were grieving and had not held the funeral at this stage.

Lessons learned are that more care needs to be taken when sending out further information letters of the particular circumstances of the matter in hand.

## Example 2

A customer complained that she and her husband had received a letter from the Council with her husband's ex-partner incorrectly named as one of the addressees. The customer was unhappy with the error as she and her husband had been married for a number of years and so the correspondence should not have been incorrectly addressed.

Lessons Learned: - All staff are reminded to be vigilant when checking information received from other departments to mitigate this type of error and to prevent this from happening again.

## Example 3

A customer complained that a neighbour's bin had not been emptied, the neighbour had passed away and the bin was left out and remained full. The customer called a number of times to report the missed bin collection and was transferred to officers within the waste department but the customer was cut off a number of times and was not able to speak to an officer within waste. The customer called back to Customer Services each time and the operator tried to transfer the call.

The officer dealing with the complaint identified a technical issue with one of the telephone numbers and unfortunately this resulted in the customers call not being answered and eventually their call being terminated. The customer was advised that the arrangements had been made for the bin to be emptied and the customer was satisfied that the matter was dealt with.

Lessons learned – Where a telephone line drops out on a call with a customer, staff have been advised to check for any technical issues with that particular line. Staff must also ensure that the customer is called back in such circumstances and connected to the appropriate department.

## **Housing**

### Example 1 Leaseholder Example

A Leaseholder contacted Customer Services regarding an ongoing issue relating to a leak from the toilet at the Leaseholder's property. The Leaseholder was told the leak was their responsibility and it was for them to arrange for a plumber to fix however after further investigation, it was established that the leak was caused by a council operative drilling a hole into the soil pipe. The complaint was upheld, and the Leaseholder was provided with an apology. The lesson learned from this case involved the Leasehold Team and the Housing Repair Operations Team being made aware of the circumstances of the complaint to encourage due consideration in the future of leaseholders' views as to the potential cause of repair issues.

### Example 2 Housing Repair Operations Example

A tenant's daughter contacted the Central Repairs Team to request an operative look at her mother's bathroom taps as they were leaking. The daughter was advised that due to the taps being the tenants own, it would be their responsibility to have the leak fixed. The daughter explained they had recently reported an issue with the taps and a Caerphilly Homes operative had called to fix them. The operative in question was spoken to and it was later established they did go and repair the taps as they were not aware, they had been replaced by the tenant. The complaint was upheld and due

to the previous error, on this occasion a Caerphilly Homes operative called to fix the leak on the taps but it was explained to the tenant that as part of the landlords consent procedure, they would have been advised it was their responsibility to maintain the taps should any faults occur. In light of this, to discuss the lessons learned in this case, the all operatives were advised by way of a tool box talk not to carry out any repairs to non council materials or items which would have required landlord's consent.

### Example 3 Housing Advice Centre Example

A local resident contacted Customer Services to advise they had received a letter from CCBC's Housing Advice Section detailing they were in mortgage arrears and a Possession Order had been obtained from their mortgage company. The resident was very upset by this letter as they explained they were not in arrears and were in fact currently changing mortgage providers and were concerned this letter would put the process in jeopardy. The details of this complaint were passed to the Housing Solutions Manager to consider and following an investigation it was established the letter was misread by the Administrative Officer, resulting in the complaint being upheld. The resident received an apology for the upset caused and by way of a lesson learnt, the Administrative Officer was reminded to read correspondence thoroughly and if in doubt of its contents, a query should be raised with a senior officer.

## **Social Services**

### Example 1

A complaint was received from a solicitor on behalf of relatives who were unhappy that their late mother's property was not kept in good condition whilst under the Directorate of Social Services supervision and requested a copy of any visit logs or maintenance that the Directorate carried out at the property whilst it was under its supervision. On collection of the keys, the relatives found the property to be in a state of disrepair which distressed them. Relatives took photographs of the condition of the property, also the representative who handed over the keys to the relatives took photographs as well.

Following an investigation into the complaint it was identified that an area of the ceiling in the front bedroom that was sagging and that there was an active leak in the roof of the property, the garden should have been maintained to a better standard than it was. Whilst the visits did happen on a monthly basis the visit logs showed very little detail of any substantive checking or inspection. The Directorate apologised to the relatives for the property not being maintained as it should have whilst subject to a Protection of Property and it and the Facilities Department would undertake a review of the documentation in order to make it clearer in future. Relatives were advised that the damage to the ceiling as well as the garden clearance and any damage to property will be processed via a CCBC insurance claim process.

Lessons Learned - Substantive checking and inspection to be carried out in future. Documentation also to be reviewed to ensure it is clearer in future.

### Example 2

A complaint was received from a complainant who was unhappy with the attitude of the member of staff she spoke to regarding the final invoice for her late mother-in-

law's care, that she was unhelpful, rude towards her and downright obstructive as the staff member would not give her any information in respect of her late-in-law mother even though she was the executor.

Following an investigation it was identified that the member of staff was correct in not providing information to the complainant as on Directorate records, the complainant's husband was the named person as dealing with the his late mother's account, who had signed the Financial form authorising the complainant's husband to deal with her finances and there was no actual consent form to deal with the complainant. The staff member was not obstructive and had attempted to explain that information could only be provided to the complainant's husband and agreed to send this, however, was unable to provide the information over the telephone due to Data Protection requirements. During the investigation another issue was identified, in that the information in respect of the complainant's mother-in-law was not passed on in a timely manner and therefore there was a delay in closing the account and passing the information to the appropriate section to raise the final invoice. The Directorate apologised for the delay in the invoice and for any upset and distress caused by the complainant having to make contact on several occasions during such a difficult time for their family.

Lessons Learned - Staff to pass on information in a timely manner via email as given the current Covid situation staff have restricted access to the office and are not in the office enough for previous procedures to be followed.

### Example 3

A complaint was received from a complainant on behalf of his mother who was unhappy with the criteria and process for Disabled Persons Parking Places(DPPP) which is part of the council's Works and Adaptations Policy. The issues were that the application for the DPPP took 15 months to be processed, was unfairly considered based on the criteria set out and inconsistency in the Council's approach to dealing with the application, there was no information provided to advise of an appeals process, the lack of consideration for the complainant's mother's carer, expecting them to unnecessarily expose themselves to risk in suggesting they should have to travel further than necessary when assisting an individual using a mobility aid. The complainant also felt that there had been discrimination based on protected characteristics, and disability, also, failure to consider reasonable adjustments by using a set criterion/policy resulting in a service/provision not being provided due to an individual's disabilities not being taking into account.

Following an investigation, it was identified that unfortunately there was a delay in processing the DPPP application and the Directorate apologised for this error. The application was dealt with in accordance with the DPPP criteria. The information on the appeals process was not sent out in the email correspondence, however it would have been had it been requested and that sending of this information would be the usual practice when responding by post. The Directorate apologised for this oversight. When Social Services apply the criteria that consideration also needs to be given to other residents and when a resident already has a dedicated parking facility, in this case in the form of a garage, then it could be deemed unfair by other residents who may not have access to such a facility and the Directorate advised the complainant that it would be more than happy to assess the property in order to determine if there is potential to adapt the property to facilitate wheelchair access to the rear of the property where the garage is located. The complainant was advised that there is clear guidance for DPPP provision which unfortunately in this instance had not been met and that the complainant's mother's disabilities were taken into

account in accordance with the established criteria which was agreed by elected council members.

Lessons Learned – the process by which such applications are administered is being reviewed to prevent the potential for any such errors occurring in the future.

## **Communities**

### Example 1

A Complaint was received to report repeated missed waste collections and ongoing problems with collections of all waste for their property together with others in the street. This was investigated and it was discovered that as a result of different crews operating in the area and collections were missed. The complaint was partially upheld.

Lessons learned - To remain committed to complying with the statutory service requirements for waste collection and for better communication to be required between supervisor and driver.

### Example 2

A Customer submitted a complaint about the delays on gaining access to a Civic Amenity site and felt more cars should be permitted access at the same time. This complaint was made in October 2020 and was responded to having regard to the Covid restrictions in place at that time.

Due to Covid restrictions the number of vehicles permitted into the CA site were limited which caused delays in residents gaining entry.

Officers explained that queues at our HWRC sites were in line with those experienced at other HWRCs across the country and stressed the importance of complying with the protection of public health and staff. Having learnt from other experiences where sites were open before the Welsh Council facilities, a conscious effort was made to design out the risk of people getting into unnecessary contact, conflict, and tension by to and froing between skips.

A specific risk out design was implemented and from the user feedback many commented on this system as being a safe and re-assuring tipping experience. At the time the complaint was made, local lockdowns were in place and the situation with Covid continuing to worsen the Authority was committed to retain this safe user system and thus not increasing the risks any further to staff and residents. Whilst it was necessary to queue from time to time they were provided with a safe and contactless tipping opportunity.

Officers explained that the Council was constantly reviewing site operations and responding to the ever-increasing changes due to the Covid rules which would continue and residents would be advised of any user rules implemented.

The customer was advised that our facilities were operating on the premise of trying to recycle as much material as possible and in turn achieve the strict Government recycling targets and that the interim site layouts maintain the opportunities for material recovery.

Officers agreed to review the layouts to determine if they could optimise space whilst not compromising servicing of such containers. As a result the majority of sites were reconfigured to allow additional traffic whilst still providing for the recycling of all types of materials. Officers listened to the feedback and as a result liaised with Authorities across the country about their experience of new waste solutions. The result of this review was a new working proposal which it was hoped would improve further the HWRC experience we offer to our residents.

Lessons Learned - Remain committed to the mantra of continuous service improvement and dealing appropriately with customer feedback.

#### Example 3

A resident had fallen down a set of steps where the area was poorly lit due to a broken/faulty light. This was investigated and was upheld.

Lessons Learned – It was identified that parts for the lighting system were not available. In future where there are obsolete fixtures suppliers to be contacted earlier to find suitable alternatives.

#### Example 4

A customer had reported incidents of dog nuisance to Environmental Health and were advised to report the concerns as a formal complaint about the constant barking and dog faeces. When logging the complaint with the contact centre the details of the complaint were not taken down correctly which resulted in an officer from a different section contacting the customer who then needed to refer the matter on to the correct officer, delaying the matter being dealt with. This was investigated and it was partially upheld acknowledging that the matter was not passed to the correct officers.

Lessons learned - as the nature of the complaint was wrongly recorded at contact centre but our response was in line with policy it was allocated to wrong officer.

#### Example 5

A complaint was received in relation to payment for a pre-planning application that was submitted and paid for and no decision was provided for a number of months. The complaint was investigated and was partially upheld.

Lesson learnt – Ensure resources are sufficient to meet demand and that any advice given over the telephone is immediately followed up with a written response. However, the current Uniform planning system was due to be upgraded in Autumn and will diarise such matters which will in turn set triggers for action to be taken by an officer in, order to meet deadlines.

### **Causes of complaints**

5.12.3 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 2 and a graph of the causes is attached at Appendix 3.

### **5.13 Vexatious Complainants Policy**

- 5.13.1 Members are advised that there have been no referrals made under this policy, although the officer Learning from Complaints Group will continue to monitor its use. The Group does however acknowledge that it is a useful aide in dealing with potential vexatious 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 decreased the areas of complaint remain wide ranging across the authority. It is important to recognise 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.

## **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. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 As the report is for information only there is no requirement to undertake an Integrated Impact Assessment.

## **8. FINANCIAL IMPLICATIONS**

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

## **9. PERSONNEL IMPLICATIONS**

- 9.1 There are no direct personnel implications associated with this report.

## **10. CONSULTATIONS**

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

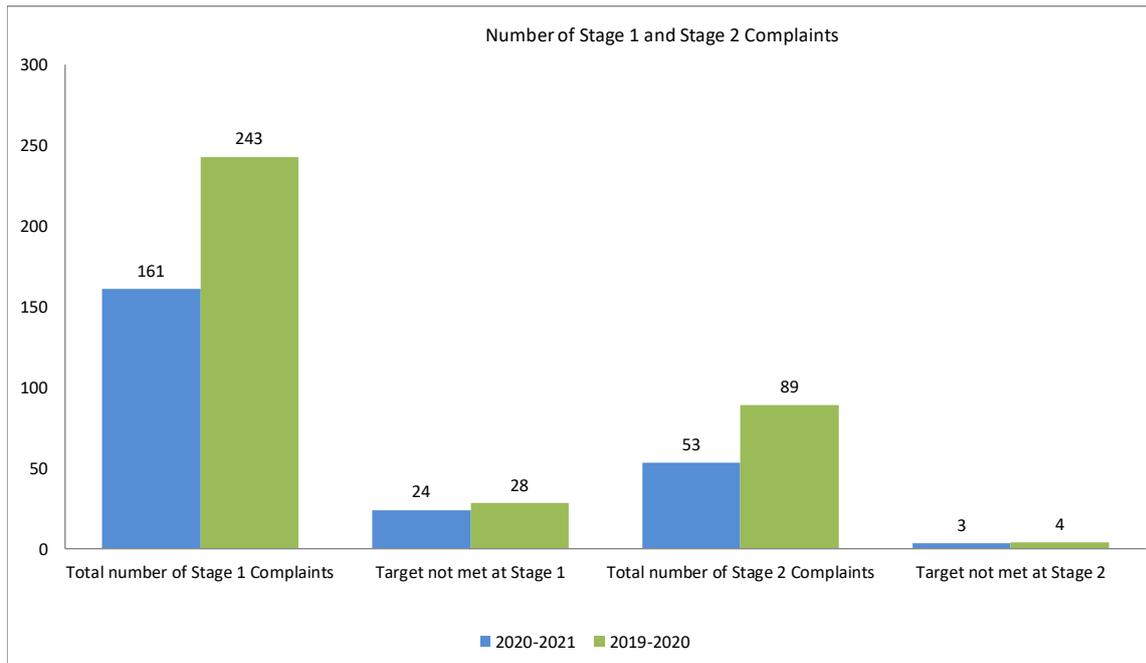
## **11. STATUTORY POWER**

## 11.1 Local Government Act 1972 – 2003

Author: Lisa Lane, Head of Democratic Services and Deputy Monitoring Officer  
Consultees: Corporate Management Team  
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Deborah Gronow, Audit Group Manager  
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

Appendix 1 Comparable data in respect of targets not met  
Appendix 2 Table outlining causes of complaints  
Appendix 3 Graph highlighting causes of complaints

| Comparable years | Total number of Stage 1 Complaints | Target not met at Stage 1 | Total number of Stage 2 Complaints | Target not met at Stage 2 |
|------------------|------------------------------------|---------------------------|------------------------------------|---------------------------|
| 2020-2021        | 161                                | 24                        | 53                                 | 3                         |
| 2019-2020        | 243                                | 28                        | 89                                 | 4                         |

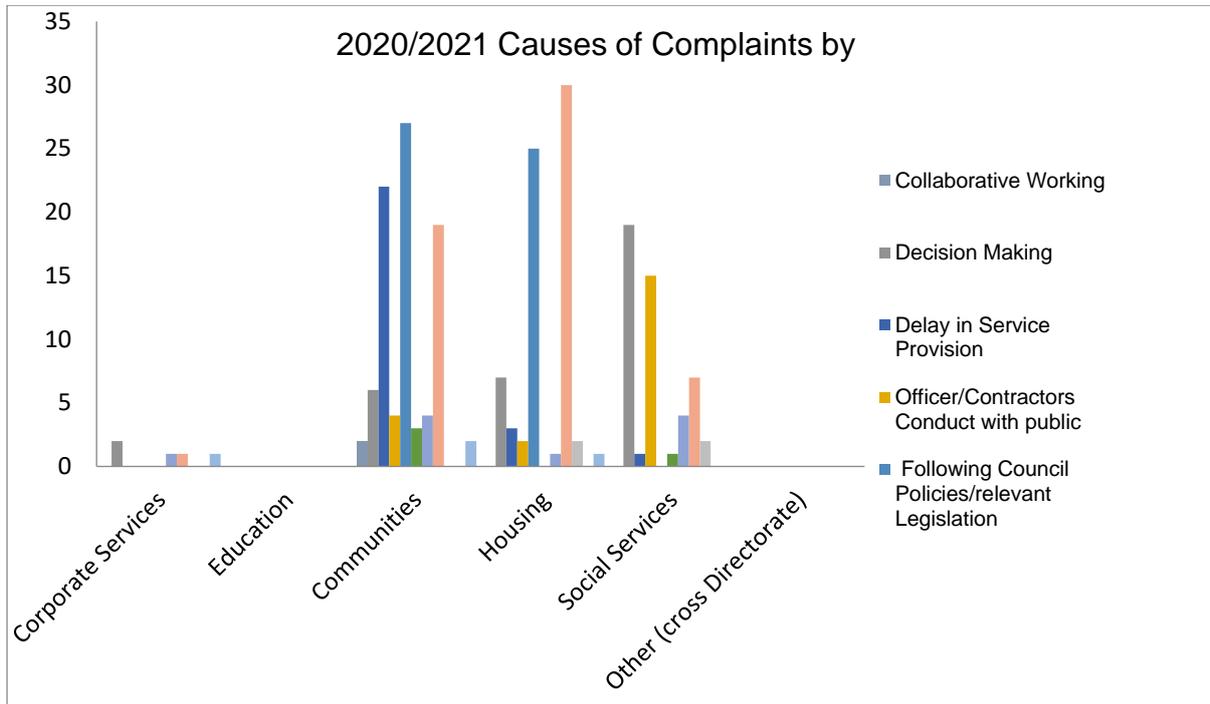


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APPENDIX 2

| Category | Service Area                                    | Corporate Services | Education | Communities | Housing | Social Services | Other (cross Directorate) |
|----------|---|--------------------|-----------|-------------|---------|-----------------|---------------------------|
| 1        | Collaborative Working                           | 0                  | 0         | 2           | 0       | 0               | 0                         |
| 2        | Decision Making                                 | 2                  | 0         | 6           | 7       | 19              | 0                         |
| 3        | Delay in Service Provision                      | 0                  | 0         | 22          | 3       | 1               | 0                         |
| 4        | Officer/Contractors Conduct with public         | 0                  | 0         | 4           | 2       | 15              | 0                         |
| 5        | Following Council Policies/relevant Legislation | 0                  | 0         | 27          | 25      | 0               | 0                         |
| 6        | Accessibility of Services                       | 0                  | 0         | 3           | 0       | 1               | 0                         |
| 7        | Clarity/Accuracy/Timeliness of information      | 1                  | 0         | 4           | 1       | 4               | 0                         |
| 8        | Quality of Work                                 | 1                  | 0         | 19          | 30      | 7               | 0                         |
| 9        | Openness/ Fairness and Honesty                  | 0                  | 0         | 0           | 2       | 2               | 0                         |
| 10       | Compliance with Complaints procedure            | 0                  | 0         | 0           | 0       | 0               | 0                         |
| 11       | Combination of categories                       | 1                  | 0         | 2           | 1       | 0               | 0                         |
|          | Total number of complaints                      | 5                  | 0         | 89          | 71      | 49              | 0                         |

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