

# Pecyn Dogfennau Cyhoeddus

Penallta House,  
Tredomen Park,  
Ystrad Mynach,  
Hengoed CF82 7PG

Ty Penallta,  
Parc Tredomen,  
Ystrad Mynach,  
Hengoed CF82 7PG



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Am unrhyw ymholiad yn ymwneud â'r agenda hwn cysylltwch â Julie Lloyd  
(Rhif Ffôn: 01443 864246 Ebst: lloydj4@caerphilly.gov.uk)

**Dyddiad: Dydd Gwener, 9 Chwefror 2024**

At bwy bynnag fynno wybod,

Cynhelir cyfarfod aml-leoliad o **Pwyllgor Llywodraethu ac Archwilio** yn Nhŷ Penallta, a thrwy Microsoft Teams **Dydd Iau, 15fed Chwefror, 2024** am **2.00 pm** i ystyried y materion sydd wedi'u cynnwys yn yr agenda canlynol. Mae croeso i chi ddefnyddio'r Gymraeg yn y cyfarfod, mae angen o leiaf 3 diwrnod gwaith o rybudd os byddwch chi'n dymuno gwneud hynny. Darperir cyfieithiad ar y pryd ar gais.

Gall aelodau o'r cyhoedd neu'r Wasg fod yn bresennol yn Nhŷ Penallta neu wyllo'r cyfarfod yn fyw drwy'r ddolen ganlynol: <http://civico.net/caerphilly>

Bydd y cyfarfod hwn yn cael ei ffrydio'n fyw a bydd recordiad ar gael i'w weld ar wefan y Cyngor, ac eithrio trafodaethau sy'n ymwneud ag eitemau cyfrinachol neu eithriedig. Felly bydd delweddau/sain o'r unigolion hynny sy'n siarad ar gael yn gyhoeddus i bawb drwy wefan y Cyngor yn [www.caerffili.gov.uk](http://www.caerffili.gov.uk)

Yr eiddoch yn gywir,

**Christina Harrhy**  
PRIF WEITHREDWR

## A G E N D A

Tudalennau

1 I dderbyn ymddiheuriadau am absenoldeb

A greener place Man gwyrddach

Correspondence may be in any language or format | Gallwch ohebu mewn unrhyw iaith neu fformat



2 Datganiadau o Ddiddordeb.

Atgoffi'r Cynghorwyr a Swyddogion o'u cyfrifoldeb personol i ddatgan unrhyw fuddiannau personol a/neu niweidiol mewn perthynas ag unrhyw eitem o fusnes ar yr agenda hwn yn unol â Deddf Llywodraeth Leol 2000, Cyfansoddiad y Cyngor a'r Cod Ymddygiad ar gyfer Cynghorwyr a Swyddogion.

I gymeradwyo a llofnodi'r cofnodion canlynol:-

- 3 Pwyllgor Llywodraethu ac Archwilio 7 Tachwedd 2023. 1 - 6

I dderbyn ac ystyried yr adroddiad(au) canlynol:-

- 4 Blaenraglen Waith y Pwyllgor Llywodraethu ac Archwilio. 7 - 16
- 5 Diweddariad ar lafar gan Swyddfa Archwilio Cymru.
- 6 Adroddiad Hunanasesu Blynyddol Drafft 2022/23. 17 - 68
- 7 Safonau Archwilio Mewnol y Sector Cyhoeddus - Diweddariad Hunanwerthuso. 69 - 96
- 8 Diweddariad ac Adroddiad Cynnydd ar Argymhellion Archwilio Mewnol. 97 - 102
- 9 Diweddariad Cynnydd Traciwr -Argymhelliad Rheolydd. 103 - 110

I dderbyn a nodi yr eitem(au) gwybodaeth ganlynol

- 10 Deddf Rheoleiddio Pwerau Ymchwilio 2000. 111 - 112
- 11 Datganiadau Swyddogion o Roddion a Lletygarwch - Hydref i Ragfyr 2023. 113 - 118

\* Os oes aelod o'r Pwyllgor Craffu yn dymuno i unrhyw un o'r Eitemau Gwybodaeth uchod i gael eu dwyn ymlaen ar gyfer adolygiad yn y cyfarfod, cysylltwch â Julie Lloyd, 01443 864246, erbyn 10.00am ar ddydd Lau, 15 Chwefror 2024.

**Cylchrediad:**

Cynghorwyr M.A. Adams, Mrs E.M. Aldworth, A. Broughton-Pettit, M. Chacon-Dawson, Mrs P. Cook, G. Enright, J. Taylor a C. Wright (Is Gadeirydd)

Aelod Lleyg – Vivienne Pearson, Mark Rees, Jo Williams a Mr N.D. Yates

A Swyddogion Priodol.

## **SUT FYDDWN YN DEFNYDDIO EICH GWYBODAETH**

Bydd yr unigolion hynny sy'n mynychu cyfarfodydd pwyllgor i siarad/roi tystiolaeth yn cael eu henwi yng nghofnodion y cyfarfod hynny, weithiau bydd hyn yn cynnwys eu man gweithio neu fusnes a'r barnau a fynegir. Bydd cofnodion o'r cyfarfod gan gynnwys manylion y siaradwyr ar gael i'r cyhoedd ar wefan y Cyngor ar [www.caerffili.gov.uk](http://www.caerffili.gov.uk). ac eithrio am drafodaethau sy'n ymwneud ag eitemau cyfrinachol neu eithriedig.

Mae gennych nifer o hawliau mewn perthynas â'r wybodaeth, gan gynnwys yr hawl i gael mynediad at wybodaeth sydd gennym amdanoch a'r hawl i gwyno os ydych yn anhapus gyda'r modd y mae eich gwybodaeth yn cael ei brosesu.

Am wybodaeth bellach ar sut rydym yn prosesu eich gwybodaeth a'ch hawliau, ewch i'r Hysbysiad Preifatrwydd Cyfarfodydd Pwyllgor Llawn ar ein [gwefan](#) neu cysylltwch â Gwasanaethau Cyfreithiol drwy e-bostio [griffd2@caerffili.gov.uk](mailto:griffd2@caerffili.gov.uk) neu ffoniwch 01443 863028.

Gadewir y dudalen hon yn wag yn fwriadol



## GOVERNANCE AND AUDIT COMMITTEE

### MINUTES OF THE MEETING HELD IN PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY 7<sup>TH</sup> NOVEMBER 2023 AT 2.00 P.M.

PRESENT:

Councillors:

Mrs. E.M. Aldworth, A. Broughton-Pettit, M. Chacon-Dawson, E. Davies, G. Enright, J. Taylor, and C. Wright (Vice Chair)

Lay Members:

N. Yates, M. Rees (Chair), V. Pearson, and J. Williams.

Together with:

Officers: S. Harris (Head of Financial Services and S151 Officer), D. Gronow (Acting Internal Audit Manager), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), R. Roberts (Business Improvement Manager), N. Roberts (Principal Group Accountant), L. Sykes (Deputy Head of Financial Services and S151 Officer), and J. Lloyd (Committee Services Officer).

M. Jones (Audit Wales).

### RECORDING AND VOTING ARRANGEMENTS

The Chair reminded those present that the meeting would be live-streamed and a recording made available to view 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. TO RECEIVE APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M.A. Adams, and Mrs E. Stenner.

#### 2. DECLARATIONS OF INTEREST

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

### **3. MINUTES – 12<sup>TH</sup> SEPTEMBER 2023**

It was moved and seconded that the minutes of the Governance and Audit Committee held on 12<sup>th</sup> September 2023 be approved as a correct record, and by way of Microsoft Forms and verbal communication (and in noting there were 8 For, 0 Against, and 2 Abstentions) this was agreed by the majority present.

RESOLVED that the minutes of the meeting held on 12<sup>th</sup> September 2023 (minute nos. 1-11) be approved as a correct record.

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

The Head of Financial Services and S151 Officer presented the Governance and Audit Committee Forward Work Programme for the period November 2023 to June 2024, together with an Action Sheet which had been produced as requested.

A Member requested that an amendment be made to the Action Sheet, going forward, to include an additional column for 'status'. The Member also requested a future update on the HR policies that were outdated.

A Member sought clarification on the term 'endorsed', in relation to the Members, and suggested the term be amended to 'approved'. The Member also requested whether a 'draft' set of the annual accounts could be provided to Members prior to the final accounts being produced for the April 2024 meeting and suggested the next Governance and Audit Committee meeting on 15 February 2024.

Members were advised that the term 'endorsed' is used for reports that subsequently go to Cabinet or Council for final approval. Members were also advised that the presentation of draft accounts to the Committee is something that can be considered for future years. Members were informed that a 'development session' is being planned in relation to the annual accounts process and that this will be scheduled prior to the audited 2022/23 Financial Statements being presented to the Governance and Audit Committee on 16 April 2024.

The Chair asked when the annual Self-assessment and Well-being Report, would be presented. Members were advised it would be presented to Members at the February 2024 meeting. The Chair requested that the Chief Executive present the report at that meeting, together with the Officers that had produced the report.

Members noted the details of reports scheduled for the forthcoming meetings.

It was moved and seconded that the Forward Work Programme be approved. By way of Microsoft Forms and verbal communication, this was unanimously agreed.

RESOLVED that the Forward Work Programme as appended to the meeting papers be approved.

### **REPORTS OF OFFICERS**

Consideration was given to the following reports.

**5. AUDIT WALES PROGRAMME AND TIMETABLE – CAERPHILLY COUNTY BOROUGH COUNCIL.**

M. Jones, Audit Wales, introduced the report to Members which summarised the completed audit work since the last Annual Audit Summary, which was issued in December 2022.

Members were referred to the financial audit work and performance audit work and the timetable details in the report for the planned and ongoing work.

The Chair sought clarification on the timetable for the 2022/23 audit of the annual accounts and noted that a neighbouring authority had already completed theirs. Members were advised that there was no particular order for dealing with local authorities, and that external factors had affected the completion of some audits. Members were also advised that Caerphilly County Borough Council's draft accounts had been completed and submitted to Audit Wales.

The Governance and Audit Committee noted the report.

**6. ANNUAL REPORT ON THE CORPORATE COMPLAINTS RECEIVED FOR THE PERIOD 1<sup>ST</sup> APRIL 2022 TO 31<sup>ST</sup> MARCH 2023.**

The Head of Democratic Services and Deputy Monitoring Officer introduced the report which provided the Governance and Audit Committee with an overview of the complaints dealt with under the Corporate Complaints Policy for the annual period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 together with the outcomes and lessons learned.

Members were advised that appendix 7 was missing from the agenda pack and would be circulated to Members following the meeting.

Members were also advised that following a request for complaints training, enquires were made to the Ombudsman's office, who confirmed that training is available for Governance and Audit Committee Members which could be arranged going forward, if Members wished to do so. Members were also advised that training for Officers is ongoing with more training planned in the New Year. Members were referred to the new online complaints process which is due to go live later this month.

The Chair thanked the Officer and welcomed any training opportunities available to Members.

A Member sought clarification on appendix 2 and what was deemed as 'other matters', and also noted the absence of any complaints about dog fouling. Members were advised that the requested information would be confirmed to members following the meeting. Members were also advised that dog fouling may not be included as a complaint and would be dealt with as a service request for it to be removed.

A Member thanked the Officer for the improvements to the format of the report, which had been requested at the last meeting of the Governance and Audit Committee.

A Member queried whether trend analysis could be included in future reports. Members were advised that Complaints Officers continually look for trends in complaints, and recently noted that communication was a trend across different directorates. Members were advised that this would be referred to going forward.

A Member queried whether the timeframe targets were recorded or only highlighted during a complaint, and also questioned whether there are records of staff learning from continuous monitoring rather than relying on complaints. Members were advised that targets are monitored based on which stage the complaint is at. Members were also advised that a database records 'lessons learned' which is also monitored by the complaints team.

The Governance and Audit Committee noted the content of the report.

## **7. INTERNAL AUDIT SERVICE – UPDATE ON PROGRESS 2023/24.**

The Acting Internal Audit Manager introduced the report which provided information to Members on progress being made against the audit plan and other unplanned work to date.

Members were advised that the report provides details of the progress made against the Internal Audit Annual Plan 2023/24 which was presented to the Governance and Audit Committee in April 2023. The original planned audits by quarter presented to the Committee were shown in Appendix 1. Members were advised that planned audits were subject to change, due to ongoing prioritisation and staffing levels.

A Member raised concerns with the volume of data and the layout of appendix 2. The Member was invited to discuss their concerns with the Officer following the meeting.

A Member sought clarification on the 'planned not started' audits included in the report, in particular, an audit referring to Council Tax. Members were advised that audits planned at the start of the year could be affected by staff absence and/or resources needed elsewhere within the authority, where priorities change during the year.

Discussion followed regarding self-assessments in schools and Members were advised that this process was introduced when Officers' access to visit schools was not permitted under Covid restrictions. Going forward, Officers would be continuing to visit school sites in person. A Member suggested a mixed approach where self-assessment could still be used for continuous monitoring.

The Governance and Audit Committee noted the content of the report.

## **8. CORPORATE RISK REGISTER QUARTER 2 UPDATE.**

The Business Improvement Manager introduced the report which provided an updated Corporate Risk Register for the Governance and Audit Committee to have the opportunity to satisfy itself that appropriate arrangements are in place for the Council's risk management processes to be regularly and robustly monitored and scrutinised.

A Member wished to note their thanks for recognition of suggestions made in a previous meeting. Reference was made to the number of risks and the size of the report and queried whether some of the data could be consolidated. The Member also suggested improving the information by making the risks more descriptive, using corporate objectives and linking to well-being objectives.

A Member sought clarification on the risk levels and whether they would be affected by the implementation of the actions. Members were advised that the implementation of the actions should have a positive effect on the risk ratings. Discussion followed in relation to possible forecasting information being provided, going forward.



The Governance and Audit Committee noted the contents of the report.

**9. INFORMATION ITEM**

It was confirmed that the following item had not been called forward for discussion at the meeting, and the Committee noted the contents of the report: -

- (i) Officer's Declarations of Gifts and Hospitality July to September 2023.

The Chair thanked Members and Officers for their attendance and contributions and the meeting closed at 3.23 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 15<sup>th</sup> February 2024.

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CHAIR

Gadewir y dudalen hon yn wag yn fwriadol

**GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME**

**GOVERNANCE AND AUDIT COMMITTEE – 15<sup>th</sup> February 2024**

<b>TITLE</b>	<b>PURPOSE</b>	<b>KEY ISSUES</b>	<b>PRESENTING OFFICER</b>
Update from Audit Wales (Standing Item)	To provide the Governance and Audit Committee with information on the work performed by Audit Wales.	To ensure the Governance and Audit Committee has oversight of these activities	Audit Wales
Draft Annual Self – Assessment report 2022/23	To present the Governance and Audit Committee with the Draft Annual Self-assessment Report for 2022/23 prior to its onward submission to Joint Scrutiny and Council.	To provide the Governance and Audit Committee with assurance that the Council's self-assessment process is robust and effective.	R. Edmunds / R. Roberts
Public Sector Internal Audit Standards (PSIAS) Self-Evaluation update	To inform members of the Governance and Audit Committee of the results of the self-evaluation of compliance with PSIAS.	To ensure the Governance and Audit Committee is aware of the results of this process.	D. Gronow
Update and progress report on Internal Audit Recommendations.	To provide members of the Governance and Audit Committee with an update on the recommendations issued to Service Managers arising from Internal Audit work and the progress on completing	The report provides updates on new recommendations issued since the previous report was presented to the Committee and progress on the implementation of agreed recommendations by Service Managers.	D. Gronow

	agreed actions, in the period since the previous report.		
Regulator recommendations for improvement progress update	To update members on progress of recommendations that have been made by all regulators since the last Governance and Audit Committee update, and to advise on any new proposals that have been added since that time.	To ensure the Governance and Audit Committee has oversight of this matter.	R. Roberts
<b>INFORMATION ITEMS</b>			
Regulation of Investigatory Powers Act 2000	To advise Members of the numbers of covert surveillance operations undertaken by the Council in accordance with the provisions of the Regulation of Investigatory Powers Act 2000 (RIPA)	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.	L. Lane
Officers Declarations of Gifts and Hospitality	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 last quarter and a comparison with the previous three quarters.	To ensure members of the Governance and Audit Committee have an oversight of the position in relation to officers' Gifts and Hospitality.	L. Donovan

**GOVERNANCE AND AUDIT COMMITTEE –16<sup>th</sup> April 2024**

<b>TITLE</b>	<b>PURPOSE</b>	<b>KEY ISSUES</b>	<b>PRESENTING OFFICER</b>
Update from Audit Wales (Standing Item)	To provide the Governance and Audit Committee with information on the work performed by Audit Wales.	To ensure the Governance and Audit Committee has oversight of these activities	Audit Wales
Financial Statements for 2022/23	To present the Governance and Audit Committee with the Audit Wales 'Audit of Accounts Report' for the 2022/23 financial year, along with the audited Financial Statements.	To ensure that the 2022/23 Financial Accounts are endorsed prior to approval by Council and submission to the Auditor General for Wales.	Audit Wales / S. Harris
Audit Wales Caerphilly CBC Annual Audit Summary 2023	To provide the Governance and Audit Committee with information in relation to the work completed by Audit Wales since the previous Annual Audit Summary.	This report forms part of the Auditor General for Wales duties and aims to ensure that the Governance and Audit Committee is updated appropriately.	Audit Wales
Corporate Risk Register Update	To provide an update on the Corporate Risk Register in accordance with the Council's Risk Management Strategy.	The updated Corporate Risk Register is presented to the Governance and Audit Committee to ensure there is opportunity for the Committee to satisfy itself that appropriate arrangements are in place for the Council's risk management processes to be regularly and	R. Roberts

		robustly monitored and scrutinised.	
Six month update on corporate complaints received.	The purpose of this report is to provide the Governance and Audit Committee with an overview of the complaints dealt with under the Corporate Complaints policy for the six month period 1st April to 30th September together with the outcomes and lessons learned.	To provide the Committee with complaints data to enable the Committee to review and assess the effectiveness of complaints handling for the six-month period.	L. Lane
Internal Audit Annual Plan 2024/25	To seek Governance and Audit Committee approval of the Internal Audit Services Annual Audit Plan for the 2024/25 financial year.	The Governance and Audit Committee is responsible for ensuring that risk and internal controls are adequately managed and monitored, and that the work planned by Internal Audit will achieve the required levels of assurance.	D. Gronow
Review and Refresh of Financial Regulations	To provide the Committee with the draft revised Financial Regulations for review and endorsement.	To ensure the Governance and Audit Committee has the opportunity to review and endorse the updated Financial Regulations prior to Council consideration.	S. Harris / D. Gronow
<b>INFORMATION ITEMS</b>			
Regulation of Investigatory Powers Act 2000	To advise Members of the numbers of covert surveillance operations undertaken by the Council in accordance with the	The Regulation of Investigatory Powers Act 2000 (RIPA) sets out strict controls for public authorities wishing to carry out	L. Lane

	provisions of the Regulation of Investigatory Powers Act 2000 (RIPA)	covert surveillance of individual members of the public as part of their exercise of their statutory functions.	
Officers Declarations of Gifts and Hospitality	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 last quarter and a comparison with the previous three quarters.	To ensure members of the Governance and Audit Committee have an oversight of the position in relation to officers' Gifts and Hospitality.	L. Donovan
Management of buildings and building safety	To provide the Governance and Audit Committee with details of the arrangements in place for the management of buildings and building safety (including asbestos).	To provide assurances that appropriate arrangements are in place.	A. Ford / E. Townsend
Corporate Governance Panel Minutes	To provide the Governance and Audit Committee with information in relation to the matters under review by the Panel, outcomes, and actions.	To ensure members of the Governance and Audit Committee have an oversight of the activities of the Panel.	D. Gronow

**GOVERNANCE AND AUDIT COMMITTEE –18<sup>th</sup> June 2024**

<b>TITLE</b>	<b>PURPOSE</b>	<b>KEY ISSUES</b>	<b>PRESENTING OFFICER</b>
Update from Audit Wales (Standing Item)	To provide the Governance and Audit Committee with information on the work performed by Audit Wales.	To ensure the Governance and Audit Committee has oversight of these activities	Audit Wales
Audit Wales Audit of Accounts Addendum report	To present the Governance and Audit Committee with the Audit Wales 'Audit of Accounts Addendum Report' for the 2022/23 financial year.	To ensure that the Committee is informed of the Audit Wales recommendations arising from the audit of the accounts and the associated management responses.	Audit Wales / S. Harris
Update and progress report on Internal Audit Recommendations.	To provide members of the Governance and Audit Committee with an update on the recommendations issued to Service Managers arising from Internal Audit work and the progress on completing agreed actions, in the period since the previous report.	The report provides updates on new recommendations issued since the previous report was presented to the Committee and progress on the implementation of agreed recommendations by Service Managers.	D. Gronow
Regulator recommendations for improvement progress update	To update members on progress of recommendations that have been made by all regulators since the last Governance and Audit Committee update, and to advise on any new proposals	To ensure the Governance and Audit Committee has oversight of this matter.	R. Roberts



	that have been added since that time.		
Internal Audit Annual Report 2023/24	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 2023/24 financial year.	To ensure the Governance and Audit Committee has oversight of this matter.	D. Gronow
Draft Annual Governance Statement 2023/24	To present Members of the Governance and Audit Committee with the Draft Annual Governance Statement for the 2023/24 financial year.	To ensure that the Draft Annual Governance Statement is considered by the Governance and Audit Committee prior to its inclusion in the Draft Financial Statements.	S. Harris
<b>INFORMATION ITEMS</b>			
Regulation of Investigatory Powers Act 2000	To advise Members of the numbers of covert surveillance operations undertaken by the Council in accordance with the provisions of the Regulation of Investigatory Powers Act 2000 (RIPA)	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.	L. Lane

Officers Declarations of Gifts and Hospitality	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 last quarter and a comparison with the previous three quarters.	To ensure members of the Governance and Audit Committee have an oversight of the position in relation to officers' Gifts and Hospitality.	L. Donovan
Register of Employee's interest forms 2023/24	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 2023 to 31 March 2024 and provide a comparison with the same information for the previous 2 financial years.	To ensure members of the Governance and Audit Committee have an oversight of the position in relation to officers' Register of Employees' Interests Forms.	L. Donovan
Corporate Governance Panel Minutes	To provide the Governance and Audit Committee with information in relation to the matters under review by the Panel, outcomes, and actions.	To ensure members of the Governance and Audit Committee have an oversight of the activities of the Panel.	D. Gronow

## GOVERNANCE AND AUDIT COMMITTEE ACTION SHEET

DATE OF MEETING	SUBJECT/AGENDA ITEM	ACTION	RESPONSIBLE OFFICER	STATUS
12.09.2023	4. Governance and Audit Committee Forward Work Programme	Forward Work Programme to include reports on self-assessment, building safety and outdated HR policies, together with an Action Sheet with actions agreed at each meeting going forward.	SH	Draft 2022/23 Annual Self-Assessment report scheduled for 15.02.2024 Completed  Building safety report scheduled as information item for 15.02.2024  Head of People Services has confirmed that all HR policies are scheduled for review in consultation with the Trade Unions.
12.09.2023	4. Governance and Audit Committee Forward Work Programme	CIPFA training for Members of the Governance and Audit Committee.	DG	Training scheduled for 05.12.2023 Completed
12.09.2023	6. Update from Audit Wales.	Information required from Audit Wales in relation to the 'Raising Our Game' Tackling Fraud in Wales July 2020.	S.J. Byrne (Audit Wales)	Information forwarded to Members 02.10.2023 Completed
12.09.2023	6. Update from Audit Wales.	Link to Building Safety report to be provided to Members.	I. Phillips (Audit Wales)	Information forwarded to Members 13.09.2023 Completed
12.09.2023	9. Update on Internal Audit Report Recommendations.	Information requested by Members on the detail and nature of the overdue recommendations.	DG	This information will be provided in reports from April 2024 onwards. Pending
07.11.2023	4. Governance and Audit Committee Forward Work Programme	Development session with Members to discuss the draft annual accounts.	SH	Session planned for 26/3/2024.

07.11.2023	4. Governance and Audit Committee Forward Work Programme	To arrange for the Chief Executive to present the annual self-assessment and well-being report at a future meeting of the Governance and Audit Committee.	SH	Deputy Chief Executive Officer to attend Governance and Audit Committee meeting 15/02/24.
07.11.2023	6. Annual Report on the Corporate Complaints received for the period 1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023.	To circulate appendix 7 to the Governance and Audit Committee as it was missing from the agenda pack.	LL	Information forwarded to Members 08.11.2023.  Completed.
07.11.2023	6. Annual Report on the Corporate Complaints received for the period 1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023.	Complaints training for Members, provided by the Ombudsman's Office, to be arranged.	LL	Ongoing – link in with the Ombudsman's office to agree a date for training.
07.11.2023	6. Annual Report on the Corporate Complaints received for the period 1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023.	Clarification on 'other matters' in appendix 2, to be confirmed to Members following the meeting.	LL	Response forwarded to members 9.2.24
07.11.2023	7. Internal Audit Service – Update on Progress 2023/24.	To devise an alternative format for the report data and refer back to Members in due course.	SH/DG	In development



## **GOVERNANCE AND AUDIT COMMITTEE - 15<sup>TH</sup> FEBRUARY 2024**

**SUBJECT: DRAFT ANNUAL SELF-ASSESSMENT REPORT 2022/23**

**REPORT BY: CORPORATE DIRECTOR OF EDUCATION AND  
CORPORATE SERVICES**

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

- 1.1 To present Governance and Audit Committee with the Draft Annual Self-Assessment Report for 2022/23 (Appendix 1) for their consideration and comment prior to its onward submission to Joint Scrutiny on 26<sup>th</sup> February and Cabinet on 6<sup>th</sup> March 2024.
- 1.2 To provide Governance and Audit Committee with assurance that the Council's self-assessment process is robust and effective.

### **2. SUMMARY**

- 2.1 The self-assessment report is a statutory requirement under the Local Government and Elections (Wales) Act 2021. It is an important part of the Council's performance framework. This is the second time the Council has been required to produce a self-assessment report which replaces the former Annual Performance Report.
- 2.2 The Council is required to assess its own performance and provide the public with a balanced picture of that performance.

### **3. RECOMMENDATIONS**

- 3.1 To review the Draft Self-assessment Report (Appendix 1) and if necessary, make recommendations for changes to the conclusions or action the council intends to take.

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

- 4.1 The Council has a statutory duty to publish a self-assessment report which should be made available as soon as reasonably practicable after the financial year to which it relates.

- 4.2 The Local Government and Elections (Wales) Act 2021 replaces the improvement duty for principal councils set out in the Local Government (Wales) Measure 2009. The approach as set out in the Act is designed to be a more streamlined, flexible, sector-led approach to performance, good governance, and improvement. The intention is for councils to be proactive in keeping their performance under review and consider whether organisational processes and procedures are as effective as they could be or improved to drive better outcomes.
- 4.3 Under the Act we have duty to keep performance under review the extent to which we are fulfilling the 'performance requirements' that is, the extent to which we are:
- exercising our functions effectively.
  - using our resources economically, efficiently and effectively.
  - has effective governance in place for securing the above
- 4.4 Part 6, Chapter 1, of the Local Government and Elections (Wales) Act 2021 statutory guidance says that councils are responsible for:
- Conducting robust self-assessments and reporting on the extent to which the council is meeting the performance requirements to improve the social, economic, environmental and cultural well-being of its local communities.
  - Setting out any actions to increase the extent to which the council is meeting the performance requirements, including, for example, the role of scrutiny in challenging and driving the extent to which the performance requirements are being met.
- 4.5 The aim is to support councils to build on existing strengths and to support them to achieve a more innovative, open, honest, transparent and ambitious sector, challenging itself and collectively driving up service delivery outcomes and standards.
- 4.6 The guidance states that the Council must make a draft of its self-assessment report available to its Governance and Audit Committee. The committee must review the draft report and may make recommendations for changes to the conclusions or action the council intends to take.
- 4.7 If the Council does not make a change recommended by the Governance and Audit Committee, it must set out in the final self-assessment report the recommendation and the reasons why the Council did not make the change.
- 4.8 Under the Act there is also a duty to carry out a panel assessment where an independent panel, appointed by the Council, will assess, through self-assessment, the extent to which the Council is meeting the performance requirements. The panel are not responsible for holding the Council to account but should offer an external view of how the Council is managing its self-assessment process. There must be at least one panel assessment during an electoral cycle, and it is for the Council to choose the time during the electoral cycle when panel performance assessment is likely to be of most value.

## **5. THE REPORT**

- 5.1 This report introduces the Draft Annual Self-Assessment Report for 2022/23 (Appendix 1). The self-assessment can be seen as a view on internal organisational effectiveness.

- 5.2 The intention of self-assessment is to provide and act on organisational learning and provide an ongoing process of review about how good our performance is and where it could be better. From this learning we produce a self-assessment report.
- 5.3 The statutory guidance advice is that self-assessment be achieved by using intelligence already held corporately in an insightful way and reflecting at a strategic level on how the council is operating, and what action is needed to ensure it can continue to provide effective services now and for the long term.
- 5.4 The Council's Performance Framework has been developed to meet several strategic and operational needs as well as to meet the new legislation and further the Council's desire to be a high performing learning organisation focused on meeting the needs of its residents.
- 5.5 Much of the information contained within the report is sourced from the Directorate Performance Assessments (DPA's) and the Corporate Performance Assessment (CPA), in addition to other council reports, including the Annual Governance Statement and Financial Reports.
- 5.6 The self-assessment process will produce a summary of the learning which has emerged from the self-assessment process. We have chosen a range of information to use that will be reviewed to reach our conclusions under the following headings:
- Corporate Planning
  - Financial Planning
  - Workforce Planning
  - Procurement and Information Technology
  - Assets
  - Risk Management
  - Performance Management
  - Other Key Council Health Checks
- 5.7 Last year Governance and Audit Feedback was to 'provide more 'evaluative statements' in the final document, by showing a greater connection to the source information, which informed the summary 'judgements'. The committee also wanted greater use of data to help understand how judgements were informed. The second self-assessment seeks to address this with more data and trends, without increasing the volume substantially.

## **Conclusion**

- 5.8 The self-assessment provides a platform to celebrate the activity that has gone well, reflect on the areas that need to be improved, and to identify new approaches and interventions to support future progress.

The Council's Performance Framework has been developed to meet several strategic and operational needs, as well as to meet the legislation. It is an ongoing process that allows the Council to act on organisational learning, review its performance and recognise where it could improve.

## **6. ASSUMPTIONS**

- 6.1 No assumptions have been made or were thought necessary, for this report that are not already contained within the report.

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

- 7.1 No Integrated Impact Assessment has been completed for this report although individual assessments may have been made to support activity within the Well-being Objectives. Page 35 of the Draft Self-assessment Report provides a brief update on our Welsh Language and equalities work. Delivery of the Well-being Objectives maximises our contribution to all the national well-being goals including 'A More Equal Wales'.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 Page 13 of the Draft Self-assessment Report provides information on Financial Planning.

## **9. PERSONNEL IMPLICATIONS**

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

## **10. CONSULTATIONS**

- 10.1 All consultation responses have been incorporated within this report.

## **11. STATUTORY POWER**

- 11.1 Local Government and Elections (Wales) Act 2021  
Well-being of Future Generations Act 2015 and associated statutory guidance

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Richard Edmunds, Corporate Director Education and Corporate Services  
Mark S Williams, Corporate Director for Economy and Environment  
Cllr Eluned Stenner, Cabinet Member for Finance and Performance  
Gareth Jenkins, Interim Director of Social Services  
Jo Williams, Assistant Director Adult Services, Social Services  
Steve Harris, Head of Financial Services and S151 Officer  
Sue Richards, Head of Education Planning and Strategy  
Kathryn Peters, Corporate Policy Manager  
Rob Tranter, Head of Legal Services and Monitoring Officer  
Deborah Gronow, Internal Audit Manager



Background Papers:

[Corporate Plan 2018-2023](#)

[Statutory guidance on Part 6, Chapter 1, of the Local Government and Elections \(Wales\) Act 2021](#)

Appendices:

Appendix 1 Draft Annual Self-Assessment Report 2022/23

Gadewir y dudalen hon yn wag yn fwriadol

# Team Caerphilly

## BETTER TOGETHER

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### Draft Self-Assessment Report

### 2022/23



Self-assessment Report 2022/23

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# Part 1: Self-assessment Report 2022/23

## Section 1: Foreword from the Leader and Chief Executive

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Caerphilly county borough council is transforming and improving the way we deliver our services and a key part of this process is the continuous assessment of our performance to ensure we remain on track.

This, our second self-assessment report, provides an important opportunity for us to reflect on the performance of all parts of the organisation over the past 12 months and consider our future direction of travel.

We want our Team Caerphilly ethos to permeate everything the council does, and this is particularly important as we work together to tackle the significant financial challenges that lie ahead over the coming years.

The self-evaluation and understanding we have gained as an organisation has been enhanced through engagement with residents to gather important feedback from the heart of our community. This has been reinforced with our annual corporate performance assessment, confirming our place as a resilient, confident, and high performing Council.

The forthcoming years undoubtedly will require us to flex, focus and facilitate, but we are well-prepared to meet these challenges together and bring a welcomed certainty to the people and place of Caerphilly, as we continue to deliver together as Team Caerphilly.



A handwritten signature in black ink, appearing to read 'S Morgan'.

**Cllr Sean Morgan**  
**Leader of the Council**



A handwritten signature in black ink, appearing to read 'Chrissy'.

**Christina Harrhy**  
**Chief Executive**

## Section 2: Introduction

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Welcome to Caerphilly County Borough Council's second annual self-assessment.

In 2021 The Local Government and Elections (Wales) Act came into law and set out a new approach for how a Council assesses and reports on their organisational effectiveness.

The intention of the legislation is for councils to be proactive in considering how internal processes and procedures can improve, to enable more effective planning, delivery, and decision-making to drive better outcomes.

In the Act, there is a duty to keep under review, the extent to which the Council is fulfilling its performance requirements, which reflects on the extent to which the Council:

- is exercising its functions effectively.
- is using its resources economically, efficiently, and effectively.
- has effective governance in place for securing the above.

The Council must publish a Self-Assessment Report once in every financial period, which considers the main learning points, and what it will do to improve upon them. The Self-Assessment Report is a way of critically, and honestly, reviewing the current position, to make decisions on how to secure improvement for the future. This Self-Assessment Report replaces the former Annual Performance Report.

**Part 1** of this report can be viewed as the Council's internal assessment for improving its organisational effectiveness.

The Council key messages are framed around the core set of activities that are common to the corporate governance of public bodies as outlined in the [Well-being of Future Generations \(Wales\) Act 2015 \('the Act'\) Guidance](#), and more information can be found from this link.

**Part 2** of the report can be viewed as the 'outside look' as this tells the reader about how the Council progressed in aiming to achieve its Well-being Objectives (2018-2023).

## Section 3: How do we carry out our self-assessment?

### Our approach

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The intention of self-assessment is to provide and act on organisational learning and provide an ongoing process of review about how good our performance is, and where it could be better. From this learning we produce a Self-Assessment Report.

We have chosen a range of information to use that will be reviewed to reach our conclusions, such as performance data, complaints, and finance data. Where possible, we aim to use existing sources of information to provide a joined-up approach.

Self-assessment is achieved by using intelligence in an insightful way, reflecting on how we are operating and identifying improvement actions. To inform our self-assessment it is important for us to know the following:

- What went well and why?
- What did not go well and why?
- What impact have we made and how do we know? What difference have we made?
- What have we learned?
- What actions do we intend to take in the next period to ensure that we are meeting our performance requirements?

An important tool in how we assess our performance, is the use of a '**Corporate Performance Assessment**', or CPA, which is a high-level strategic dashboard that includes a range of information to give a 'snapshot' of performance across the organisation. This is compiled from key data reported in several **Directorate Performance Assessments** (DPAs), from which, each directorate within the Council, provides a range of information to keep progress under review, provide knowledge, manage resources, and risks, providing intelligence to answer the question, what are we learning? and what are we doing about that learning?

Using a variety of data sets in one focused output, can help us better understand potential causes and effects of situations, so that data is not seen in isolation, and it can assist the identification of cause-and-effect correlations. It is about providing us with a rounded and balanced view of intelligence across the Council. In addition to the information gathered in the DPAs, we include other sources of information such as:

- Annual Equality and Welsh Language Reports
- The Annual Governance Statement
- Organisational Complaints data
- The Council's Director of Social Service's Annual Report
- Evidence from in year inspection and regulatory sources, including reports from Estyn, Audit Wales, and Care Inspectorate Wales, and other public interest reports where appropriate, although this list is not exhaustive.
- Consultation responses and service complaints data

We have a large pool of evidence around how we are performing and publishing all that data would be difficult to make such a large document accessible. This document seeks to provide a higher-level summary statement that assesses our performance from intelligence gathered through our internal monitoring and assessments in a balanced way.

## Section 4: Monitoring Progress

We make a draft of our Self-assessment Report available to our Governance and Audit committee. The committee will review the draft report and may make recommendations for changes to the conclusions or actions.

The Governance and Audit function is to gain assurance that processes are in place and are effective. They can challenge and suggest changes to the conclusions, for example if they believe there is further learning that should have been included.

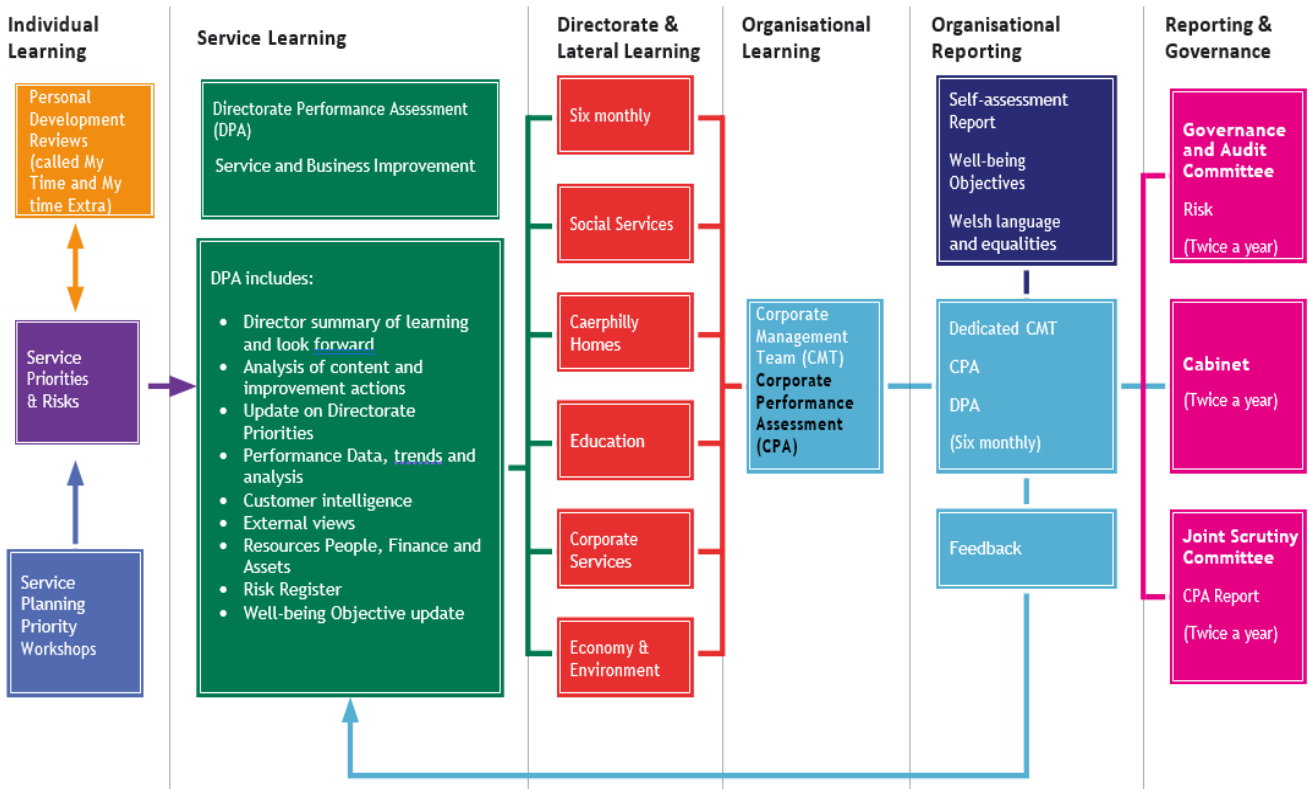
They can also suggest different actions to address an area of improvement and review if these are the right actions for effectiveness. The Self-Assessment will then go to the wider member groups such as Joint Scrutiny for a challenge session prior to going to Cabinet.

The flowchart below shows the system of which most of our information flows through to inform the high-level self-assessment and how actions to take forward within our self-assessment will be monitored.

This year we will also send the assessment more formally to our trade unions as part of the challenge process prior to Governance and Audit Committee.

The Self-Assessment process is noted below, although it is also informed by other evidence as noted on page 4.

### Self-assessment process





## Section 5: Our Key Learning from 2022/23

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### Overall Summary from our Chief Executive

#### **This summary reflects the end of the 2022/23 financial year**

The last twelve months has been very challenging for our citizens, our communities, and our organisation. The impact of the cost-of-living crisis, post-Covid impact, the climate and humanitarian crisis has made this a very challenging environment in which to operate. The demands for our services and the complexity of those demands provides firm evidence that the civic leadership role of the Council and the services which we provide and enable, are needed more now than ever. This increasing demand, however, is set within a financial climate that over the medium term will require us to deliver more for less and operate differently.

We recognise the Council needs to evolve to ensure it remains fit for purpose and sustainable over the medium to long term. We have chosen not to approach this challenge by simply ‘salami slicing’ our services and shrinking our organisation. We have, instead, embarked upon an alternative approach which focuses upon realising financial savings through becoming more efficient and effective as a Council and re-shaping our services using different approaches, to enable us to continue to deliver the much-needed services, for and with our residents.

This approach is far from easy, it is the largest organisational change programme we have ever delivered. Whilst progress initially was hindered due to our collective focus upon the pandemic and more recently its recovery, through doing the right things we aim to make significant financial savings. There is now a sense of urgency and pace required to make this happen. We need to find around £50m savings within the next 2 years, which is a significant sum in a relatively short space of time, especially when you consider we have already delivered in excess of £100m savings during the period 2008/09 to 2022/23.

Having built the foundations of the new operating model over the last 12 months, the focus is now upon delivery. Evolving our organisation to ensure it is sustainable over the longer term, whilst still delivering the “day job” is a challenge we are juggling. We know we will need some assistance along the way, from both a capability and capacity perspective, but the focus remains upon investing to evolve our services.

The emerging Corporate Plan adopted by Council in November 2023, will bring further focus and synergy to the transformation journey. Binding the whole organisation to a set of shared priorities and outcomes for the next 5 years. The skills, staff and financial resources will become aligned to these shared objectives, providing clarity and further reinforcing our shared purpose and values. Whilst we have one eye set firmly on the future, we certainly have not taken our eye off the ball with the current challenges and ambitions we have and there have been many achievements with much learning captured and shared along the way.

The Council's Placeshaping Capital investment programme is progressing well. Using Council Capital funding to lever in further funding opportunities, many key projects are progressing, including:

- New and enhanced school developments with integrated leisure, library and community use.
- New build passive, energy efficient, social housing, creating new sustainable communities.
- Integrated public service hubs with health and education.
- New centre for vulnerable learners
- New enhanced tourism destination at Cwmcarn.
- A469 north major repair works
- New Caerphilly market and Caerphilly transport interchange.
- Caerphilly well-being and leisure centre
- New community hubs, providing a one-stop shop access to the Council, informed by local community needs.

The cost-of-living crisis has impacted upon our communities hard, and this has presented itself with a significant increase in demand to the Caerphilly Cares integrated support service. Through this approach we have been able to offer our residents access to various forms of funding and payments, food parcels and over 33 new welcome spaces to access across the county borough. Our free school meals holiday food voucher continued to operate successfully over the holiday periods, bring much needed relief to our vulnerable children and young people.

The humanitarian crisis became a local reality for us this year. The arrival of over 100 Ukrainians to the county borough, seeking sanctuary required us to respond quickly and compassionately. A new team has been created to provide ongoing arrival and resettlement support for our Ukrainian and Afghan citizens to ensure our new arrivals settle seamlessly into our communities.

The impact of the delays and backlogs within the Health Service is impacting our communities too. Overall performance across the Social Services Directorate has been strong despite significant pressures emerging from the NHS in terms of hospital discharges as well as increases in child safeguarding referrals. The number of children in our care has increased over that of last year and this has brought challenges associated with finding appropriate placements within the locality and the associated financial challenges. However, it is very pleasing to see the establishment of a second children's home this year and preparations taking place for a further two homes, to meet the increasing demand, we face across this area.

The replacement Local Development Plan has progressed well over the last year; however, the focus is currently on seeking agreement with Welsh Government on some local and regional policies. This Plan once agreed, will set out the Council's land-based framework for the next 10 years to develop the county borough economically and environmentally and this will be reported on as part of our new set of Well-being Objectives.

The Climate Emergency agreed by this Council a few years ago, has been brought to the forefront of our minds, following the hot summer and wet winter recently experienced. The Council's climate strategy is developing well through a series of "green" projects and a new waste strategy to improve our recycling performance over the medium term.

Our new build social housing targets are progressing well; however, we are currently managing a significant backlog of housing repairs and voids. We have a series of measures in place to address this performance decrease and will be monitoring this closely. Nationally, the housing shortage has been a topic of much debate, through the introduction of a new “empty homes” team, we have brought 104 empty (7%) private sector properties back into use.

The pandemic and its legacy impact can be seen in recent data presented from our schools and there is more information in our year-end report on our Well-being Objective progress for ‘Improving Education for All’.

Our economic performance as a local area and region remains a priority for us and the emergence of the Cardiff Capital Region (CCR) Economic strategy, coupled with our local regeneration and economic strategies will bring further progress in this area over the forthcoming year. Our comprehensive and successful events programme has brought much needed energy, emphasis and cohesion to our communities and town centres over the past year. Our events programme for the next year looks equally exciting and ambitious.

In the last 2 years there has been a renewed focus on the Northern Valleys and taking advantage of the duelling of the A465 Heads of Valleys Road. The opportunities this brings in terms of regeneration, economic development, and improved transport links to residential areas. An initial task force involving all Chief Executives with Local Authorities bordering the area was set up with Welsh Government (WG) and CCR representatives and has been badged as the Northern Valleys Initiative (NVI). To stimulate the private sector investment required to generate additional jobs resulting in growth of vibrant and resilient communities and in Gross Value Added (GVA), the NVI will be targeted in six local authority areas (Blaenau Gwent, Merthyr Tydfil, Rhondda Cynon Taf, Caerphilly, Torfaen, and Bridgend).

In the future the NVI will focus on 3 key areas: Sites and Premises by bringing forward industrial sites and premises that meet current and future market needs, providing financial support to unlock key sites; it aims to help improve digital connectivity overcoming existing barriers delaying fast digital services by providing a financial mechanism for investment into projects that use the best of breed network technologies (fixed and mobile); and in tourism it will explore opportunities for joined-up regional marketing as a visitor destination, enabling infrastructure projects to unlock new or expand existing opportunities.

Projects and initiatives will be focused on de-risking and therefore increasing the probability of other forms of investment both private and public.

Aligned with the CCR’s Regional Economic and Industrial Plan (REIP), NVI will allocate funds from several sources (£50m from Cardiff Capital Region City Deal / 5 Local Authorities with match funding from WG as appropriate). The programme will run over a five-year period with the aim of delivering projects in financial years 2024-2029. Whilst some initial benefits will be accrued during the programme, longer term benefit in the target areas will follow the project delivery.

In summary, the past twelve months has brought significant progress across several areas aligned to our corporate plan objectives. Through our corporate performance assessment and departmental performance assessments, we fully understand and are addressing our areas of improvement.

Our more detailed Self-Assessment based on the 7 Organisational Activities within the Well-being of Future Generations (2015) Act Wales is detailed from page 10 onwards.

The Self-Assessment includes an update against the actions we said we would take to improve on our previous Self-assessment. The colour code key for the progress of our action plans is shown as follows:

Not yet started or too early to report any progress (achievements/changes)	Black
Started but did not progress well – limited or no progress	Red
Started with reasonable progress achieved	Amber
Going well with good progress	Green
Completed	Blue

## 5.1 Corporate Planning – reflecting the financial year 2022/23

Overall, our corporate planning mechanisms are sound, we often refresh them when changes take place, however this year our focus was on the development of the new Corporate Plan for 2022-28 and the Transformation programme.

The Council's current Corporate Plan 2018-2023 concluded this year and progress on this is in our annual report, which will be part 2 of this self-assessment.

The new 5-year plan looks to the longer term with the use of data and population assessments combined with asking our citizens what is important to them, we conducted consultation activities to establish what matters to our residents, as a basis of the new plan.

We applied the sustainable development principle to our thinking to develop our Well-being Objectives to improve the lives of our residents and the environment they live in.

The Sustainable Development Principle is based on **five ways of working**:

- **Long Term** – looking at long term solutions without compromising the well-being of future generations
- **Integrated** – helping other public bodies to meet their goals for the overall good of residents
- **Involvement** – Involving those who have an interest in the well-being of the area and the delivery of our objectives
- **Collaboration** – working with a range of people, and sharing ideas and resources, to help deliver the outcomes
- **Prevention** – understanding the root causes of issues so we can put the right solutions in place to prevent problems arising or getting worse.

Using the above principles is the beginning of the process to develop our Well-being Objectives. We gathered a range of data and asked our communities what they thought by:

- Researching the local assessment of well-being that was conducted on behalf of the Gwent Public Services Board (PSB). Our teams conducted a thorough assessment of five community areas across the county borough using data, population statistics, consultation, and engagement. Caerphilly County Borough Council led on the development of the regional Well-being Plan for the PSB, and you can read more about the assessment in the link [Local Assessment of Well-being](#).
- Reviewing the Labour Party Manifesto, as this details the political commitment of the elected administration for the next five years and held several workshops with the Cabinet to confirm the vision.
- Consulting with our communities as part of the ongoing 'Caerphilly Conversation' to ask people 'what matters to them.' We aimed to reach as many people as possible and paid particular attention to hearing the voices of seldom heard groups. This was both an online and face to face consultation, held in libraries and community places across the county borough. You can read more about our consultation work and methods here [What Matters Conversation 2023-2024](#).
- The Gwent Public Services board has agreed to become a 'Marmot Region'. This means that we recognise that inequality exists in our communities, as identified in the Well-being Assessment and we will undertake actions to reduce inequalities in the

county borough as our contribution to the Public Services Board Well-being Plan. There are 8 Marmot Principles, and we have reviewed our objectives and steps, to see how they contribute towards those principles.

- We held workshops with our management networks to establish what outcomes services could deliver to meet the draft Well-being Objectives.
- Asked our employees what they thought and promoted an online consultation.
- Reviewed other consultations that took place in 2022.
- Asked the Caerphilly Local Delivery Group of Public Services Board partners to consider if our draft objectives supported their goals.
- Looked at data in performance reports to identify what areas to improve upon.
- Once formed, we took the draft Well-being Objectives to our elected members for their views and input. From the activities above we have drawn out five Well-being Objectives each with aspirational outcomes that we aim to deliver across 2023-2028.
- Audit Wales has reviewed the way we set our objectives (within the sustainable development duty) we will use any learning from this to evaluate our work.

The Corporate Plan journeyed through the committee process across October to December 2023 and has now been published.

Other legislative or planning works the Council has undertaken this year:

- The 2022/23 Draft Financial Accounts have been submitted to Audit Wales for the external audit review to be undertaken. Once this is completed, the audited Financial Accounts will be submitted to Council for approval in April 2024 followed by certification by the Auditor General for Wales.
- Social Partnership and Procurement Act, which requires public bodies which are in scope of the Social Partnership duty to seek greater consensus or compromise with their recognised trade unions or (where there is not recognised trade union) other representatives of their staff, when setting their well-being objectives. The Act is about working together to improve public service delivery and well-being in Wales. The Act sets out an ambitious framework to use public-sector third-party expenditure to effectively support economic growth and develop strong local communities.
- The Council is currently working with the other 9 Local Authorities within the Cardiff Capital Region (CCR) as well as the CCR staff in transitioning the CCR to the SE Wales Corporate Joint Committee which will have 3 main legal duties: economic well-being, spatial planning and regional transport planning. The SEW Corporate Joint Committee will help to formalise the region's role & impact through giving it corporate legal identity status but this new legal entity is not about competing with local services or eroding democratic legitimacy – it's about being complementary & understanding which organisations are best placed to deliver at local, regional & national levels.

Last year we said we would;	Progress Update	Status
Implement a new Corporate Plan 2023-2028 by May 2023	The Plan was developed as noted above but delayed in its publication to later in the 2023/2024 year to allow for greater alignment with new introduction of the Marmot Principles.	Good Progress
Publish a new Public Services Board Well-being Plan and Local Delivery Plan by May 2023	This is a regional PSB plan and was agreed at the board July 23.  <a href="http://gwentpsb.org">Gwent Well-being Plan - Gwent Public Services Board Gwent Public Services Board (gwentpsb.org)</a>	Completed

### New actions to enhance the Planning process for 2023/2024

New Actions	By When
We are launching a new intranet which will aid staff in accessing plans and strategies.	Oct 2023-Feb 2024
We will develop a Performance Framework and reporting for the new Corporate Plan.	May 2024

## 5.2 Financial Planning – reflecting the financial year 2022/23

Due to the extended period of austerity and increasing demand for a number of services, the financial position for Local Government has been challenging for a number of years. The Council has a strong track record of delivering savings to balance its budget, and during the period 2008/09 to 2022/23 savings in excess of £100m have been identified to address reductions in funding and inescapable cost pressures.

### 2022/23 Revenue Budget Outturn

For the 2022/23 financial year the council reported a net overall underspend against its revenue budget of £8.331m. This includes schools and the Housing Revenue Account (HRA) and is summarised in the table below:

Service Area	Underspend / (Overspend) £m
Schools	(5.947)
Education & Lifelong Learning	2.858
Social Services	0.981
Economy & Environment	(0.603)
Corporate Services	2.327
General Fund Housing	(1.128)
Private Housing	(0.233)
Miscellaneous Finance	4.317
Council Tax Surplus	0.420
Housing Revenue Account (HRA)	5.340
<b>Net Overall Underspend</b>	<b>8.331</b>

The underspend in 2022/23 was significantly lower than in recent years with net underspends of £38.517m and £37.815m being reported in 2020/21 and 2021/22 respectively. This signifies the return of a more realistic picture of financial performance that is not impacted by the significant levels of external grant funding received in recent years in response to the pandemic.

For schools, the 2022/23 outturn position was a net overspend of £5.947m and this means that school balances reduced from £17.2m to £11.3m as of 31 March 2023. At the end of the 2021/22 financial year there were no schools with a deficit balance, but as of 31 March 2023 there were five primary schools and three secondary schools carrying forward deficit balances.

There was also a significant overspend of £1.128m in General Fund Housing which relates to Homelessness and the ongoing cost pressures experienced as a direct result of temporary accommodation (Bed and Breakfast placements). This is a legacy of the pandemic where these costs were fully funded by the Welsh Government in 2020/21 and 2021/22, but the level of funding has reduced significantly in 2022/23. Growth has been built into the Council's 2023/24 budget to meet this ongoing cost pressure and it is anticipated that additional budget will also need to be identified in future years.



## Future Financial Outlook

The Council managed the financial challenges presented by the legacy of pandemic and the subsequent Cost-of-Living crisis during the 2022/23 financial year, but the position is extremely challenging moving forward. The 2023/24 budget proposals approved by Council on 23 February 2023 included total cost pressures of £55.478m. These pressures are being funded through an increase in the Welsh Government Financial Settlement of £22.152m, permanent savings of £4.972m, temporary savings of £6.862m, the one-off use of reserves totalling £15.345m, and £6.147m from a 7.9% increase in Council Tax.

Due to the unprecedented levels of inflation experienced during 2022/23 (Consumer Prices Index (CPI) peaking at 11.1%), the current economic outlook, and the range of temporary budgetary measures that were approved for the 2023/24 financial year, the Council's updated Medium-Term Financial Plan (MTFP) presented to Council alongside the 2023/24 budget proposals, showed a potential savings requirement of £48.335m for the two-year period 2024/25 to 2025/26. Following receipt of the 2024/25 Provisional Local Government Financial Settlement on 20 December 2023, the MTFP has been updated again and this now shows an anticipated savings requirement of £66.234m for the three-year period 2024/25 to 2026/27.

Given the scale of the challenge that the Council faces, a financial strategy that seeks to continuously salami slice our services and deplete our reserves is not a sustainable or an appropriate approach, especially when the demands upon our services are far higher than ever, as our communities continue to present far greater and increasingly complex needs to us. To ensure we can meet the needs of our communities, whilst operating with reduced finances, a whole Council and a whole county borough holistic approach is needed.

The Council will require new approaches to service delivery, and this is being led by the Chief Executive, Leader, Corporate Management Team, and Cabinet and is being co-ordinated through our 'Mobilising Team Caerphilly' Transformation and Placeshaping Investment Programmes. It is vital that the required changes are developed at pace and that key decisions are made early to ensure that the projected savings requirements for 2024/25 to 2026/27 can be delivered.

When delivering transformation, the Council will:

- focus on flexibility and finding different ways to deliver what our communities need, when they need it.
- engage with our communities to understand the needs of our residents and provide the right support to meet those needs as simply as possible.
- deliver channel shift across our council services moving from more expensive, face to face or telephone channels to online services where appropriate.
- explore alternative delivery models when it makes sense to do so.
- look at voluntary departure options and as colleagues move on to new opportunities or retire, carefully assess how roles can be managed going forward.
- use our reserves to help balance the budget in the short term whilst change programmes are fully developed and implemented; and
- use our reserves on an invest to save basis to fund one-off costs to deliver changes where required.

The Council's Placeshaping Capital Investment Programme is progressing well. Using Capital funding to lever further funding opportunities, many key projects are progressing, including: -

- New and enhanced school developments with integrated leisure, library, and community use.
- New build passive, energy efficient, social housing, creating new sustainable communities.
- Integrated public service hubs with health and education.
- New centre for vulnerable learners
- New enhanced tourism destination at Cwmcarn.
- A469 north major repair works
- New Caerphilly market and Caerphilly transport interchange.
- Caerphilly well-being and leisure centre
- New community hubs, providing a one-stop shop access to the Council, informed by local community needs.

One area identified from the previous Financial Corporate Review from officer feedback is that there is a training need for budget holders to understand the financial regulations, so we will be delivering this in 2024.

### Action Update from 2022-23

Last year we said we would	By when	Progress as at 22/23	Status
Strengthen the links between the emerging Corporate Plan, the Council's Medium-Term Financial Plan, and the TeamCaerphilly Transformation Programme by March 2023	March 2023	This has been delayed due to the ongoing work around developing the 'Mobilising Team Caerphilly' Transformation Programme.	Limited progress
Undertake a review of the Council Reserves Strategy March 2023	March 2023	The Council's Reserves Strategy has not yet been reviewed due to ongoing work to refresh the Council's Financial Regulations.	No progress
Seek to progress the Council's Well-being and Place Shaping Programme at pace	Ongoing	A number of key projects have been approved as outlined above.  Work is ongoing to define the pipeline of new potential projects moving forward and these will be subject to the availability of funding and individual Business Case approvals.	Reasonable progress

**New actions to enhance Financial Effectiveness for 2023/2024**

New Actions	By When
Updated Medium-Term Financial Plan aligned to the Corporate Plan and 'Mobilising Team Caerphilly' Transformation Programme to be presented to Council.	Spring 2024
Updated Financial Regulations to be presented to the Governance & Audit Committee for endorsement prior to Council approval.	April 2024
Undertake a review of the Council Reserves Strategy	April 2024
Training for budget holders is to be rolled out as part of the "Mobilising Team Caerphilly" programme	To be agreed across 2024

## 5.3 Workforce Planning – reflecting the financial year 2022/23

The Council has a workforce of just over 8,500 employees (6409.36 full-time equivalents (FTE)) including school staff, that provide 815 services to the public. Our workforce, therefore, are critical to the successful delivery of these services. During the pandemic we found ourselves redeploying our workforce to support the delivery of critical services and to introduce new services, and we are grateful for the flexibility of our employees. Like all Local Authorities, we have seen a change in recruitment since the pandemic and we are facing significant challenges recruiting to many roles across the Council.

The report to Council on 24<sup>th</sup> November 2020 entitled ‘Workforce Capacity and Associated Challenges’ outlined the national difficulties in recruitment (not just for Local Authorities) and also the Council’s challenges. Members consequently agreed funding for a specific Recruitment Team within People Services to focus on marketing and promoting the organisation to prospective candidates; making use of commercial recruitment tools to identify individuals that meet the Council’s needs and engaging potential candidates about the benefits of coming to work for Caerphilly. The Team will also promote more widely the opportunities that exist within the Council across social media and other professional channels, as well as hosting local recruitment events across the Borough on an ongoing basis and strengthen further the relationships with key partners such as Careers Wales, our schools, local colleges, and Universities to engage and encourage prospective applicants as well as developing tailored opportunities to join the Council.

Despite the recruitment challenges, HR have worked with Heads of Service to use some of the opportunities already available to the Council to support recruitment and retention. These include:

- workforce planning
- the appointment of apprentices
- consideration of run through grades
- review of contracts and hours
- introducing market supplements

Whilst there are national recruitment challenges, our employee numbers have increased slightly in comparison to 31<sup>st</sup> March 2022 as per the table below:

<b>Date</b>	<b>Employee Headcount</b>	<b>Employee Full time Equivalent (FTE)</b>
31.03.22	8348	6245.04
31.03.23	8535	6409.36

The turnover for 2021/22 and 2022/23 is provided within the table below:

	<b>2021/22</b>	<b>2022/23</b>
<b>External joiners to the Council</b>	864	1091
<b>Leavers</b>	765	898

This information does not include internal appointments.

To support the Council to be an employer of choice and also to improve the overall recruitment experience for prospective candidates, the HR team are reviewing and modernising processes, reviewing HR policies and procedures, including the introductions of policies to support agile working, and have revised the exit survey process.

We also successfully recruited 28 Apprentices in 2022/23 to services across the Council and this recruitment exercise will be repeated every 2 years, providing budget remains available.

A Workforce Planning Toolkit is being finalised and will be piloted with 3 Heads of Service prior to being rolled out across the Council. This will assist services to properly plan resources and take account of skills gaps to support future service delivery and should also provide staff with development, which hopefully will also assist recruitment and retention. The Council participated in an Audit Wales Workforce Study which recommended improvements to workforce and succession planning, monitoring and review and this toolkit will address these recommendations.

We are upgrading the HR/Payroll system and developing new modules which will assist Managers to have more control in relation to the recruitment process. This will not, however, allow Managers to bypass the agreed safe recruitment process. The induction and onboarding process for employees is also being updated and modernised. The opportunity for data provision as a result of this upgrade will undoubtedly be of benefit to managers to consider their current and future employee resource requirements.

A Workforce Development Strategy 2021–24 and an Employee Well-being Strategy 2021-24 are in place. Both have an action plan which are reported in accordance with the governance within the strategies.

It has been identified within the Council's Risk Register that Resilience and Well-being of staff is a medium risk as staff have had to respond to the impacts of the pandemic, the Programme for Government, the war in Ukraine and, more recently the Cost-of-Living crisis. Expectation continues to rise, and the Council's resources are extremely stretched at present.

We have procured a dedicated Employee Assistance Programme (EAP) designed to support employees with their mental health and well-being. HR have also developed a dedicated resource on the intranet in relation to external well-being support that staff can access. This will be further developed with support from Communications when the new digital workspace is introduced.

We also introduced a staff benefits scheme which sits alongside the longstanding salary sacrifice car and cycle to work schemes, each of which offers a benefit to employees should they wish to take advantage of them. We collated information about a wide range of resources for staff, many of whom are residents, to assist with cost-of-living increases which are detailed on dedicated web pages.

The opportunity to work part time in posts across the Council's structure, is supported by an array of family friendly policies that offer employees the opportunity to find a balance between work, leisure, family and caring responsibilities. Our Gender Pay Gap reported each March to date has confirmed that our situation is reflective of the causes of gender pay gap at a societal level. Research has shown that caring responsibilities and part time jobs continue to be shared/occupied unequally and that it is women who are predominantly drawn to part time jobs.

It is important to note that the Council's gender pay gap does not stem from paying male and female employees differently for the same or equivalent work but is the result of roles in which male and females currently work and the salaries that these roles attract.

The tables below provide a breakdown of the sex and age range of the workforce as of 31<sup>st</sup> March 2022 and 2023:

	<b>31.03.22</b>	<b>31.03.22</b>	<b>31.03.23</b>	<b>31.03.23</b>
	Headcount	Full-time equivalent	Headcount	Full-time equivalent
<b>Female</b>	6108	4373.86	6210	4485.18
<b>Male</b>	2239	1871.18	2324	1924.18
<b>Unspecified</b>	1	0	1	0

<b>Dates</b>	<b>31.03.2022</b>	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2023</b>	<b>2022</b>	<b>2023</b>
<b>Age Range</b>	<b>Female</b>	<b>Female</b>	<b>Male</b>	<b>Male</b>	<b>Council Total</b>	<b>Council Total</b>
16-22	78	131	78	119	156	250
21-30	759	771	356	383	1115	1154
31-40	1436	1500	434	430	1870	1930
41-50	1653	1624	507	512	2160	2136
51-60	1613	1610	605	608	2219	2219
61-65	407	411	190	199	597	610
65+	162	163	69	73	231	236

There is 1 unspecified in the age range 51 – 60 in both years.

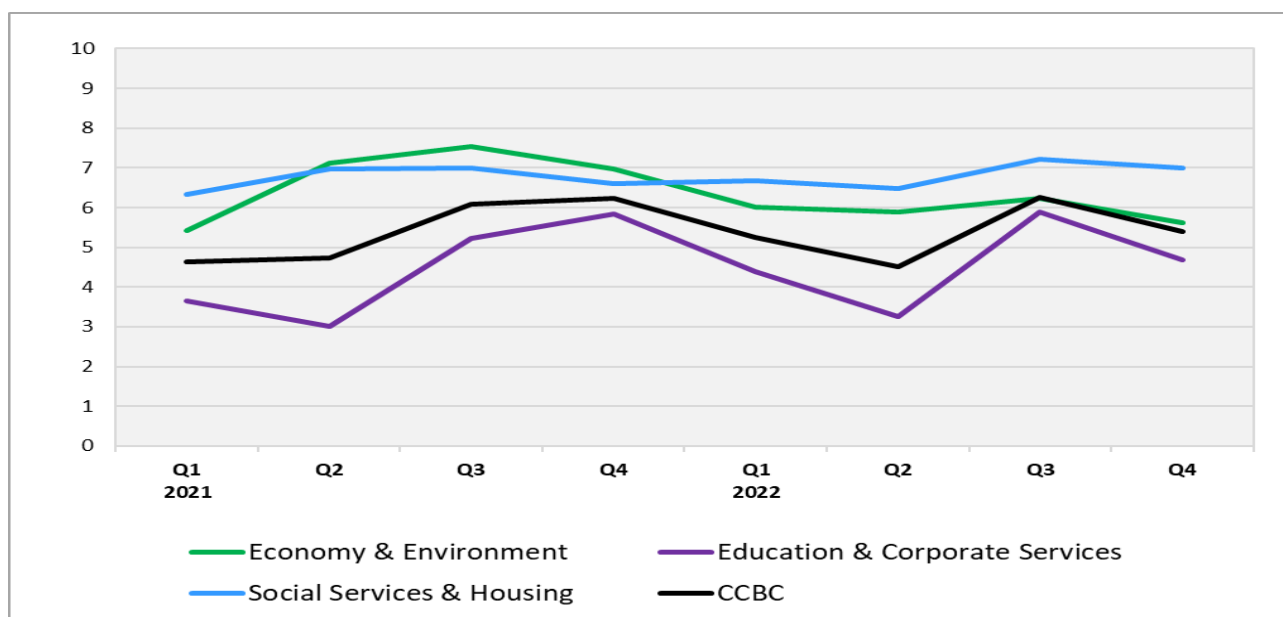
Turning to sickness absence, in 2021/22 we reported an increase in sickness absence rates to 14.12 FTE days lost per employee. This increase reflected the national picture for Welsh Local Authorities. For 2022 / 23 we reported a slight decrease in FTE days lost per employee to 13.92 and were in a minority of Welsh Local Authorities to do so.

Whilst it is pleasing that the FTE days lost per employee has reduced slightly, it is acknowledged that this absence level needs to reduce much more. High sickness absence levels can not only impact on service delivery, but also on the well-being of employees at work. It has to be understood that high numbers of our employees are dealing with serious matters in their personal lives that impact on their well-being, leading to personal stress being the number one reason for absence again in 2022/23. HR will continue to work with Managers to attempt to reduce sickness absence levels and engage nationally should any opportunities arise to support this reduction.

The percentage absence levels for the Council and each Directorate as of 31<sup>st</sup> March 2022 and 2023 are also detailed below:

<b>Directorate</b>	<b>% Absence level 2022</b>	<b>% Absence level 2023</b>
Economy & Environment	6.86	5.97
Education & Corporate Services	4.43	4.40
Schools	4.13	4.64
Social Services & Housing	6.76	6.83
<b>Council Total</b>	<b>5.43</b>	<b>5.36</b>

Graph showing trends of absence levels from Quarter 1 2021/22 to Quarter 4 2022/23



### Action Update from 2022-23

Last year we said we would	By When	Progress Update	Status
Deliver the Workforce Development Strategy 2021–24 Action Plan	2024	This strategy is agreed and in place. The action plan within the strategy is subject to monitoring by Corporate Management Team (CMT) and the Human Resources (HR) Strategy Group, Corporate & Regeneration Scrutiny and Cabinet.	Good progress
Deliver the Employee Well-being Strategy 2021–24 Action Plan	2024	The strategy is agreed and in place. The action plan is subject to monitoring via CMT, HR Strategy Group, Corporate & Regeneration Scrutiny and Cabinet.	Good progress
Review and modernise the recruitment process	Autumn 2023	Good progress has been made as noted above and we will now work to review and modernise the recruitment process more fully with the new team.	Good progress
Embed workforce planning across the organisation	Autumn 2023	Draft workforce planning toolkit has been developed which is being piloted by 3 Heads of Service. Feedback will be reviewed, and any necessary amendments reflected in the toolkit which will then be rolled out across the Council in 2023/24.	Good progress
Embed annual apprenticeship recruitment	Ongoing	We successful recruited 28 Apprentices in 2022. Recruitment campaigns to be undertaken in 2 yearly cycles.	Good progress

Last year we said we would	By When	Progress Update	Status
Embed and formalise agile working practices	Early 2023	HR policies were agreed by Cabinet Dec 2022 The post categorisation now needs to be progressed by Heads of Service with staff so that staff. HR will write to staff to confirm the categorisation.	Good progress
Review our Human Resource Policies relating to agile working	Early 2023	Agile Working Policy, Flexi Scheme & Mileage Scheme agreed by Cabinet 14.12.22. The Annual Leave Policy has an additional cost of £2.459m and was agreed by Council in February 2023 as part of the budget setting process.	Good progress

### New actions to enhance Workforce effectiveness for 2023/2024

New Actions	By When
Appoint a recruitment team	31.10.23
Develop a Recruitment Strategy	31.06.24
Review relevant HR policies	31.03.24
Undertake a staff survey in relation to agile working, caring responsibilities, and well-being	31.03.24
Introduce the new digital workspace	31.10.23
Migrate the HR / Payroll system to the cloud and develop new modules for recruitment, onboarding & induction	31.03.24
Introduce the new flexi system in line with the Agile Working Policies	30.09.23
Develop and introduce employee service data via the HR / Payroll system	31.03.24
Finalise and roll out the Workforce Planning Toolkit	31.01.24
Introduce a new learner experience and management system	31.03.24



## 5.4 Procurement and Information Technology – reflecting the financial year 2022/23

Our Procurement service continues to progress significant programmes of work supporting small and medium-term businesses (SME's). To give the reader some scope of our spend and procurement activity for the financial year of 2022/23

Title	Financial Year		
	20/21	21/22	22/23
<b>Total Spend</b> ( <i>source Spikes Cavell</i> )	<b>£264m</b>	<b>£251m</b>	<b>£271m</b>
Totals spend with Caerphilly based Suppliers	<b>£55m</b>	<b>£59m</b>	<b>£66m</b>
Total spend with 'City Deal' based Suppliers	<b>£120m</b>	<b>£124m</b>	<b>£145m</b>
Total spend with Suppliers across Wales	<b>£133m</b>	<b>£138m</b>	<b>£162m</b>

The total number of invoices we paid within 30 days was 149,596 (the quicker we pay our invoices the quicker we put cash flow back into our SME's)

To further develop our approach to increase procuring locally, we initiated a project to grow our internal analytics and search capabilities to solve problems relating to supply voids associated with our third party spend. In particular an overarching aim is to ensure that the Council are sourcing suppliers from local and surrounding areas to support our existing Supplier Directory. Using the services of a local SME Technology provider, the prototype will be available in 2023/24. This involves raising awareness and highlighting Council opportunities across numerous social media platforms whilst considering the authenticity and legitimacy of the third parties that may be identified.

Over this reporting period, the Social Value Policy adopted in 2021/22 has resulted in £1.9million of Social Value being delivered (subject to project completion and formal verification). This includes outcomes linked to employment opportunities, supply chain, education, and community initiatives. Staff within procurement continued to work with other service areas highlighting the Social Value Policy and the use of the Themes, Outcomes and Measurements (TOMs) Methodology. The Community Benefits Methodology continues to be utilised within Sustainable Communities for Learning projects (School build programme) and was incorporated within projects during financial year 2022/23 and will be reported upon project completions.

The EdTech programme continued during 2022/23 with circa £16.3 million spend going through the Council's dynamic purchasing system covering infrastructure (£1.4million), end user devices (£11.4million) and teaching learning & audio visual (£3.5million).

In 2022/23 the world emerged from the pandemic, we saw another challenge and disruptor to supply chains in the form of the Ukraine War. This compounded supply chains issues already struggling to recover from the pandemic.

The cost-of-living crisis, European War and Fuel shortages continued to challenge out third party expenditure and delivery of projects continued to attract additional costs of delivery delays due to the escalation of costs and limitations on resources, it is envisaged that these demands and cost pressures will continue into 2023/24.

Staff within Procurement are now working with a Welsh Government and WLGA Procurement Network within a Market Intelligence Expert Group (MIEG) on strategic commodities and categories. MIEG representatives consult with external bodies including the supply chain and professional agencies to collate and share market conditions and intel across five commodity and category areas, namely Construction, Energy and Utilities, Food, Fuel and ICT. This information is then disseminated across the Welsh Public Sector. EdTech which informs the MIEG also work closely with Original Equipment Manufacturers (OEMs) such as Lenovo, HP, Cisco to understand product availability and constraints, which help inform approaches with stakeholders within Welsh Government and all Councils across Wales.

Customer and Digital Services continue to work to reduce the cyber threats in an ever-challenging environment and have successfully improved our security stance during 2022/23 and this will continue into 2023/24.

During 2022/23 the Council embarked on a cloud first strategy. We are employing the latest security technologies and tools to ensure the integrity and security of our data once migrated to Cloud Services. 2023/24 will see key strategy systems completing the cloud migration.

Digital Services is simplifying and modernising its Digital infrastructure, employing new technologies to support the Authorities' drive to implement and adopt Cloud Technologies, whilst continuing the consolidation, where possible, of solutions used. We have started to migrate from analogue technologies to Digital, in readiness for the industry shutdown of analogue services by December 2024/25. This is a corporate wide project and Digital Services will manage the migration of its infrastructure, and other areas of the Council will need to manage their own specific needs.

A key objective for the digital and information teams is to ensure the organisation is viewed as a trusted source of information, to adhere to information governance laws when holding and retaining information, during 2022/23 the organisation set protocols for Information Governance within the Council.

The Digital Solutions Board has developed and matured during the past 12 months, this has challenged the business units within the Council on their digital requirements, providing governance over introducing new or updating existing digital solutions. This has worked well but will now be superseded by the Initiative Board. We will continue to raise awareness training for all staff and councillors that started in 2022/23 and will continue into 2023/24.

## Action Update from 2022-23

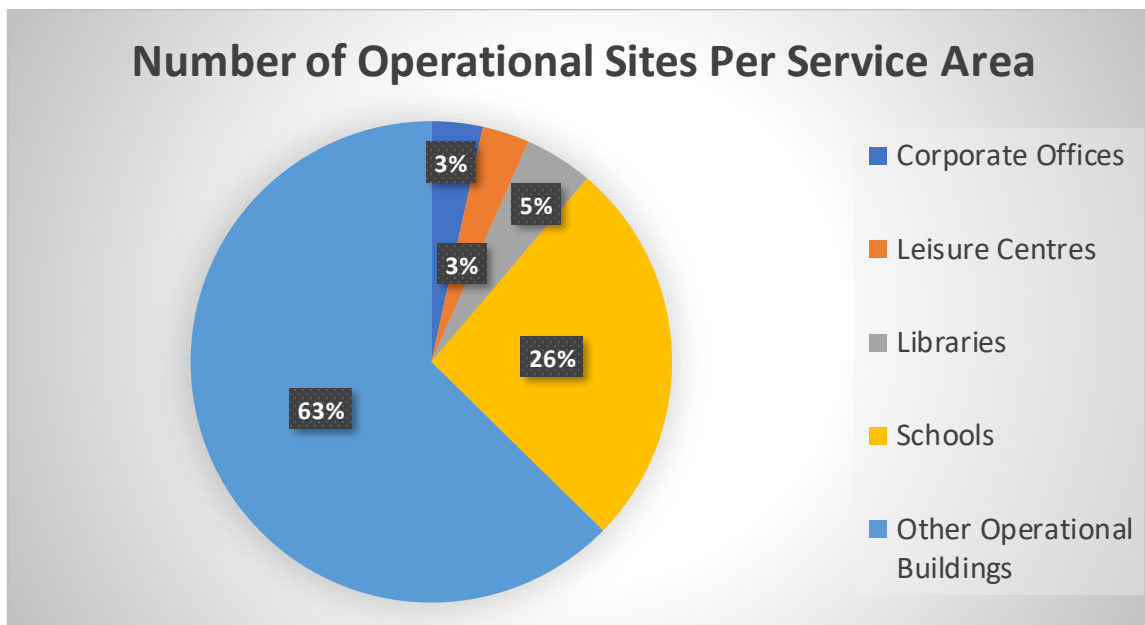
Last year we said we would	By When	Progress Update	Status
Promote our Social Value Policy, publicising and raising awareness of embedding social value across our third party spend to gain benefits for our community from our spending power and to report on the outcomes.	2023	The team continue to publicise and raise awareness of embedding social value across the Council's third party spend"	Good progress
Deploy the changes in procurement legislation as part of procurement reform agenda and the Social Partnership and Procurement Bills.	2024	Social partnership and procurement act is now law however it will not be a legal requirement until the statutory guidance is issued summer 2024. The new procurement legislation will also follow summer 2024 timescales. Until we get the guidance, we cannot say what it will mean for us at this stage. Procurement officers are supporting working groups which support the development and deployment of the legislation.	Not started yet

## New actions to enhance Procurement process effectiveness for 2023/2024

New Actions	By When
The procurement function is currently upgrading the e-procurement system which will provide opportunities for innovation and automation within the procurement process.	Spring 2024
Implementation of the UK Public Procurement Act and Social Public Procurement Partnership (Wales) Act and undertake Procurement reform in line with new legislation as and when statutory guidance comes into force.	Autumn 2024
Filling the Supplier Void – 'Live' Supplier Directory	Spring 2024
Deployment of new All Wales Food Contract	Spring 2024

## 5.5 Assets – reflecting the financial year 2022/2023

The portfolio is one of the largest public sector estates in Wales with approximately 348 operational sites (excluding Housing / HRA (Housing Revenue Account) These assets are integral to the services delivered to the residents of Caerphilly. Buildings range hugely in age, construction type and condition. and vary from highly efficient state of the art buildings like Islwyn High School to the historic Llancaiach Fawr Manor House, which dates to circa 1500.



(Other operational sites include those managed by Countryside, Early Years, Social Services, Community Centres, Infrastructure, Tourism, Bereavement Services and Sports Facilities. The data is stored per site e.g. a site such as a school or industrial park may have several buildings / blocks but is counted as 1 site)

Our objective is to have “The right buildings, in the right place, operating in the right way, facilitating the safe and effective delivery of Council Service’s”. There is a need to respond to unprecedented austerity measures whilst trying to provide sustainable, quality services to residents and visitors. It is vital that the Council's buildings are well used, operate efficiently and that the portfolio is streamlined where appropriate. The condition of the Council's buildings is regularly surveyed. The latest tranche of building condition surveys were completed circa 2019. The current condition ratings for the portfolio are summarised by service category below:

	A Good	B Satisfactory	C Operational Bad	D Bad
Corporate Offices	4.51%	86.90%	8.30%	0.28%
Libraries	7.77%	85.97%	5.51%	0.69%
Leisure Centres	9.71%	77.60%	12.22%	0.47%
Other Operational Buildings	4.49%	84.30%	9.47%	1.08%
Schools	6.99%	80.03%	12.46%	0.26%
<b>Total all buildings</b>	<b>5.99%</b>	<b>81.50%</b>	<b>11.21%</b>	<b>0.54%</b>

The ratings above are based on WG guidance using the Faithful and Gould method of calculation which includes new grades C+ and C-.

There is a maintenance programme in place with refurbishment schemes undertaken on a rolling basis. Budgets do not allow all backlog maintenance issues to be addressed, but the available asset management maintenance funding is fully utilised each year with projects selected as part of the maintenance strategy. This means that condition survey ratings and backlog maintenance costs are not always reflective of the current condition or the level of required repairs. The works undertaken help raise the quality of the estate and are managed by Property Services.

This table illustrates the estimated cost of the backlog maintenance based on the current survey information.

<b>Category</b>	<b>Priority 1 (Urgent)</b>	<b>Priority 2 (Essential)</b>	<b>Priority 3 (Desirable)</b>
Corporate Offices	£8,103	£793,826	£2,092,079
Leisure Centres	£54,648	£1,222,325	£2,654,598
Libraries	£5,057	£135,027	£337,044
Other Operational Buildings	£389,291	£6,337,519	£7,112,028
Schools	£384,934	£13,920,616	£20,688,458
<b>Total for all sites</b>	<b>£842,033</b>	<b>£22,409,313</b>	<b>£32,884,207</b>

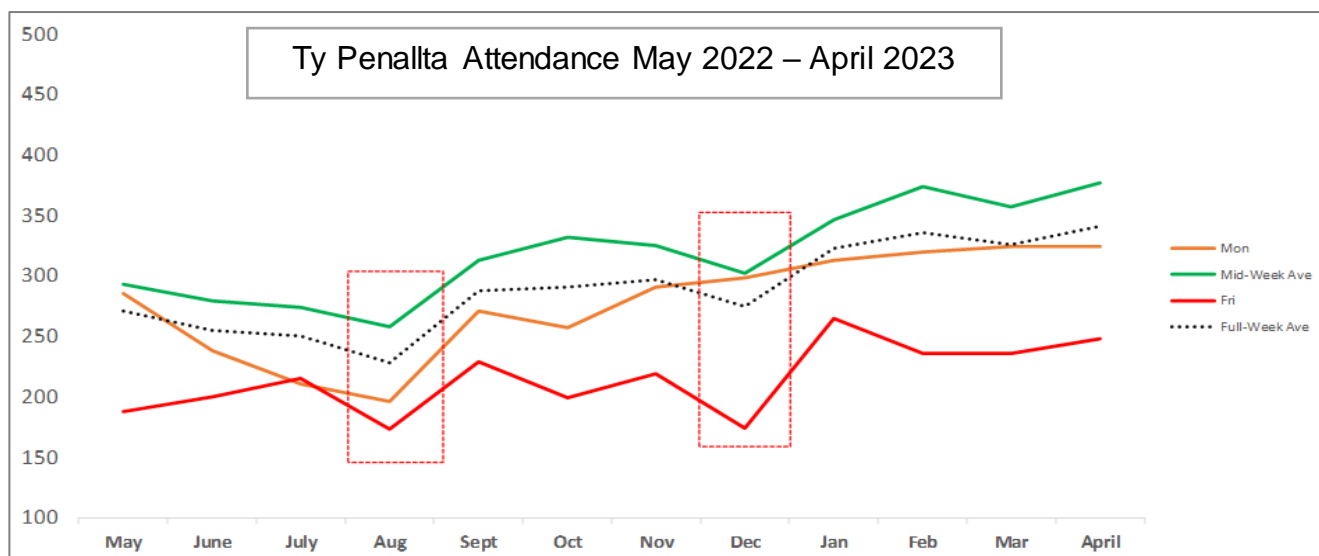
Information extracted from surveys completed in 2019.

Work has continued towards the development of a longer-term strategy with a focus on key objectives which take account of the economic environment. The council has now adopted an agile working policy and has begun the process of reducing its assets with the focus on maximising use at Ty Penallta and the Tredomen Campus.

The reconfiguration of Ty Penallta is underway which will provide more capacity to accommodate additional services, providing the opportunity to rationalise the estate elsewhere. The Tredomen campus will be invested in to create:

- Focused service areas based on a capacity of 30% desk allocation per full time employee.
- Agile working areas and desks to accommodate temporary spells of occupation and overflow from over occupied office areas.
- Hybrid meeting rooms and solutions.
- A café style working environment has been created on the ground floor in collaboration with the catering service.
- A flexible working environment encouraging more informal meetings and collaboration has been added to the first floor.

The physical redesign of the accommodation and investment in the digital infrastructure support the drive to reduce the number of assets, promote agile working and offer the flexible workspace within the main campus. Between April 2022 and April 2023 there has been a steady increase in the usage of Ty Penallta (see below).



It is anticipated that the relocation from other office buildings will now see a further increase in usage between April 2023 – 24 when more services and officers are relocated there.

To facilitate the relocation of office functions from other locations to the Tredomen Campus, building reviews have commenced with focus on understanding the requirements of the service areas occupying each building. Corporate office accommodation combines office and service delivery. Each site may include office space with also service user visits and other facilities. It is possible to relocate office use to the central location, however, it is evident that service user requirements will need to continue within localities. Work is ongoing with services to understand these requirements and identify suitable alternative venues.

Through the council’s ongoing engagement programme ‘The Caerphilly Conversation’, our communities are giving us useful insight into how they feel we should do things differently in future including using buildings for community use and with Income generation as a priority to mitigate against the need for further budgetary savings, whilst ensuring there is still easy access to services for all whether this be online, over the phone or face to face.

This work will tie in and progress with the review of community hub provision to identify viable solutions with potential to provide multiple services from a single location, further reducing the number of buildings the council requires to meet the needs of its residents.

There is also a commitment to facilitate engagement with partner organisations and consider opportunities for shared use of built assets. Exploring the opportunities for shared use and collaboration has been an ongoing key agenda item. Work will continue with the review of the community hub requirements and other opportunities for partnership work will continue to be explored via shared projects and membership of the Public Service Board.

Centralisation with increased use at Ty Penallta and rationalisation of other council assets is a key element to the development of the council’s asset management strategy. There is particular emphasis on achieving challenging financial savings over coming years and an

Agile Working Programme continues to develop these approaches with a set of defined actions:

- Focus on collecting accurate data in relation to assets and review of the property information systems to ensure we hold the correct information to assist analysis, reporting and decision making.
- Full review of processes including policies to cover the management of surplus assets, a disposal policy and an updated Community Asset Transfer approach to be part of the asset strategy.
- Consideration of opportunities to develop Community Hubs to review our face-to-face service delivery points,
- Adoption of a Corporate Landlord model to support efficiencies in management of the assets and property related expenditure.
- Next tranche of the condition surveys to commence as part of the rolling programme. This information is crucial to for decision making and to determine the programme of maintenance works.

### Action Update from 2022-23

We said last year we would	By When	Progress Update	Status
Develop a longer-term Asset Strategy and assign resources to the delivery of the strategy.	April 2023	This work has been delayed due to the financial environment and a need to re-focus, and realignment of priorities as a result of Mobilising Team Caerphilly and development of a new corporate plan.	Reasonable progress
Evaluate the benefits of partnership working for a longer-term approach to a single public estate.	December 2022	This work is ongoing, member of the Public Service Board and new 5-year period objectives to be set. Also working with Partner organisations in relation to the asset rationalisation plans and potential shared use of assets and community hub discussions.	Reasonable progress
Introduce agile working policies that support asset management and visa-versa.	December 2022	This has been completed	Completed

### New actions to enhance Assets effectiveness for 2023/2024

New Actions	By When
Finalise the draft Asset Management Strategy for approval in the beginning of 2024	Early 2024
Develop an appropriate Corporate Landlord Model	March 2024
Review the operational estate to identify opportunities for rationalisation	July 2023
Review opportunities across the estate for additional commercial opportunities	Ongoing
Review our approach to Community Asset Transfer.	March 2024

Explore more opportunities for Asset collaboration with public sector partners.	Ongoing
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## 5.6 Risk Management – reflecting the financial year 2022/23

We have an established Risk Management Process in place. Corporate Risks, which are the most significant risks facing the organisation are captured in the Corporate Performance Assessment. The risks are formally reviewed by the Corporate Management Team on a routine basis and the Corporate Performance Assessment information dashboard is reviewed by Cabinet on a six-monthly basis.

Underpinning the Corporate Risks are a set of Directorate Risks. These are identified and monitored through the Directorate Performance Assessments, which are periodically reviewed by Directorate Management Teams on a quarterly basis, and during 2022/23 were also subject to review through numerous Scrutiny Committees. The Council's Governance and Audit Committee also monitor the Corporate Risk Register, last reviewed in July 23.

This year we refreshed and revised the Corporate Risk Register (in December 2022) and took this to Governance and Audit committee in January 2023. Governance and Audit committee members suggested that the Risk Register show better links to any recommendations made by Audit Wales in their assurance work.

The Risk Register was updated to reflect that suggestion for improvement so that risks are now linked to any Audit Wales recommendations. The recommendation tracker now also links to identified risks, so both are connected. The Risk Register is now kept in Teams so it can be updated more readily as changes occur.

The Risk Strategy and Guidance was updated in 2022. The strategy was not updated this year as anticipated, as the high-level strategy and definitions of risk for example remain unchanged, however, the operational parts of risk such as the guidance (to help for services, identify, manage, and report on risks) will be updated to reflect the changes noted to the template and to reflect the above. Both are available on the Council's intranet.

This year we joined the Welsh Local Government Association 'Risk Management Network' which has been set up to support local authorities to improve their risk management activity as identified by feedback from authorities after the first Self-Assessment report. Each session includes a range of peer support followed by specialists' presenters to educate on specific topics like climate change or currently 'reinforced autoclaved aerated concrete' in buildings.

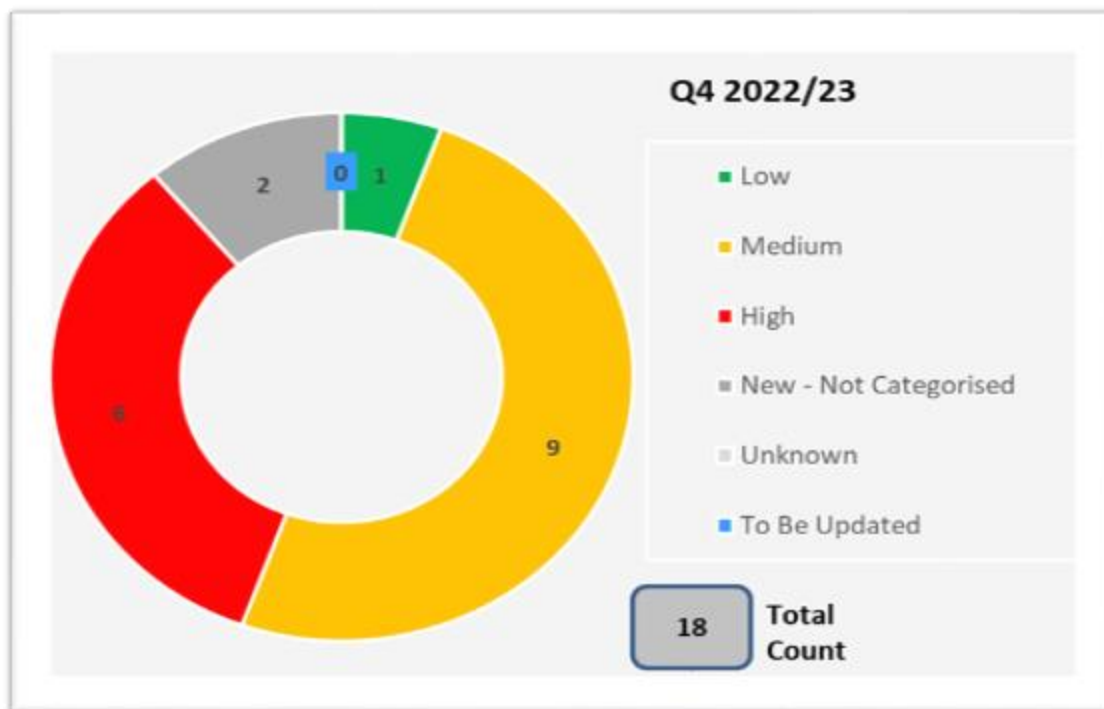
We have not delivered any specific risk management training programme this year, however CIPFA training is being delivered for good governance training to members of the Governance and Audit committee and risk will form a part of this session.

We still need to provide more training and awareness raising of the council's financial regulations, decision making process, constitution, and other areas of governance, to help ensure our employees understand how governance works, however the importance of mobilising team Caerphilly work to identify improvements and financial savings mean this has been put back a little as any changes to processes that come about from the projects may mean it is better to train on new process.



We will be looking to promote a risk-based approach as part of greater use of project management learning in the coming years.

Our Risks at year-end for 2023-2024 were rated as below.



Of the key risks throughout the year, we have been seeking to mitigate, the top ten have been,

1. The impact of the cost-of-living to our citizens.
2. The impact of the cost-of-living to our Medium-Term Finances and the organisation (such as the rise of inflation meaning rising costs to our purchasing of supplies).
3. The pressure on social care.
4. Recruitment and retention of employees and our capacity to recruit.
5. Providing a fully operational and compliant fleet of vehicles and the need for qualified staff.
6. The displacement of Ukrainian nationals as part of the Ukraine war
7. The need to meet national Waste Recycling targets through the implementation of our new Waste Strategy.
8. Impact of climate change and frequency of adverse weather events.
9. Our Housing Supply is not enough for the waiting list of 6,500 people on the housing register.
10. The impact that the pandemic has had on our learners and their educational achievement.

### Internal Audit

Our Internal Audit Section carries out programmes of audits at an operational level to ensure good probity in service areas and schools. A risk based Internal audit plan is prepared and presented to the Governance and Audit Committee annually. This plan considers the inherent risks within a system, process or establishment and other factors such as previous

findings, in order to prioritise the audit work performed. The plan is flexed if new or emerging risks are identified.

The findings or individual audits are reported to the service or location managers and escalated to a more senior level where serious weaknesses are noted. Findings and associated actions are recorded and tracked to ensure actions / improved controls are implemented within agreed timelines. Progress on implementation of agreed actions is reported to Governance and Audit Committee on a regular basis.

An annual report is produced for the Governance and Audit Committee in which the overall opinion on the internal control system is reported, and this is also included in the Annual Governance Statement.

### Action Update from 2022-23

Last year we said we would	By When	Progress	Status
Review the Corporate Risk Register and ensure the process allows for ease of connection between the directorates and high-level risks including the promotion of how to raise risks.	April 2023	The corporate risk register has been updated	Completed
Finalise and submit for adoption, the revised Risk Management Strategy and new Risk Framework following a review of the risks processes.	July 2023	The above action has been completed but the strategy has not changed. We will review this in 2024	Not started
Training Elected Members in risk management, processes, and ways to scrutinise them, to gain assurance of good governance and controls.	September – December 2023	CIPFA training has been arranged for Dec 23	Reasonable progress

### New actions to improve Risk Management effectiveness for 2023/2024

New Actions	By When
Update changes to the guidance as per the template changes. Produce flow charts to show the organisational process 'at a glance' to aid understanding of the process.	May 2024
Support risk training in project management as part of the mobilising team Caerphilly project work.	Jan 2024 - Jan 2025
To further develop a training programme for the Governance and Audit Committee including governance, risk management and finance.	Ongoing

## 5.7 Performance Management– reflecting the financial year 2022/23

The Council has a multitude of established effective performance management arrangements in place, which helps it monitor, report, and scrutinise performance across such matters as:

- progress against Council priorities and strategic objectives
- performance against key indicators
- resource management, including people, finance, and other assets
- customer insight, including complaints and compliments
- and risk management



Our Performance Framework consists of a few levels, a Corporate Performance Assessment (CPA) Dashboard, complimented by a series of Directorate Performance Assessments (DPAs) Dashboards. A 'dashboard' is a visual way of showing different data and information. There is one for each Directorate that aggregates to a high-level dashboard. These are regularly reviewed by the Directorate Management Teams, Corporate Management Teams, Scrutiny Committees and Cabinet. The monitoring flow is shown in section 4 page 5.

The spirit of the frameworks is to provide a balance of collective insight, to mix quality intelligence and quantity. Much of public sector performance can be either numerical, statistical with data or targets, or qualitative such as people's opinions from consultation or complaints. Our performance reporting is designed to integrate both these aspects to provide learning. Our reporting is based on the self-assessment process, with a focus on evaluating, what has gone well, and what has not gone so well and what can we learn.

This year CPA and each DPA was last reported to Joint Scrutiny in July 2023. To support the learning, we held a seminar earlier to explain the above reporting system with our elected members. To build on this we are looking at training that Data Cymru provides that is geared to members in how to read and understand statistics and we think this would be a good activity to research and introduce in 2024/25.

The new Corporate Plan has been developed over the last year and has a new set of Well-being Objectives (see Corporate Planning section). The Plan will go to members across November and December 2023 to approve this for the next 5 years. We will need to set up a performance reporting framework around the new Corporate Plan and set up baseline data so we can show if performance in the chosen areas is improving or not. Our draft well-being

objectives are not aligned necessarily with directorate responsibility but based on outcomes where there is a range of activities across directorates. As such this is likely to be an intensive project as we will want to set up baseline data, any comparators, identify trends reporting frequency and use a simplistic way to visually show this complexity.

In terms of the use of comparators, we use population data and ward profiling, so we can identify for example comparators on life expectancy between the county borough and other authorities, however for performance indicators, Welsh Government revoked the common data sets in 2016 as the data was available via other routes and this was duplication. They are no longer audited and are often counted in different ways. There is no requirement to report on them, although DataCymru did continue to collect them for a time, some authorities did not report on them so there is not a full set across Wales, nor can they be relied upon to provide a quality comparison. We still use the population data for providing context or identifying where we do less well in terms of setting objectives.

We have not been able to progress with automation of data with the use of power BI and data analytics in the dashboards this year as a result of a combination of financial and technical resourcing challenges. Work will be taken forward to try and unlock automation in this area over the next financial year.

### Action Update from 2022-23

Last year we said we would	By when	Progress	Status
Introduce a new Corporate Plan and embed into Performance Frameworks July 2023	Summer 2023	See planning comment on 5.1. Framework delayed until Plan completion.	Reasonable progress
Train and equip Members to engage with the Corporate Performance Assessment and challenge performance via Joint Scrutiny 2022-2023	Seminar held. Research		Good Progress
Further develop and streamline the collection, processing, analysis and reporting of data, using improved Microsoft digital platforms and tools throughout the organisation.	2022-2024	Development has been delayed.	Limited progress

### New actions to improve Performance Management effectiveness for 2023/2024

New Actions	By When
Develop performance reporting framework for each new Well-being Objective	June 2024
Develop with the Decarbonisation team the inclusion of decarbonisation data reporting within all DPA's. Build annual reports on progress against the agreed Decarbonisation Action Plan.	May 2024

New Actions	By When
Review the system for reporting the DPA's to members, and to reintroduce DPA's back to scrutiny in terms of managing volume of information	
Research further opportunities for members to take up data training	April 24-March 25
Review the purpose and plan for potential power BI and data automation.	Sept 24

## Section 6: Other Key Council Health Checks

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### 6.1 Equalities and Welsh Language

We continue to deliver against the actions set in the [Strategic Equality Plan 2020-2024](#), focussing on making services as accessible as possible and to engage more with our residents.

The Council's [Integrated Impact Assessment](#) Template is used to ensure that services understand and consider the impact any proposals have on protected characteristics, the Welsh language, the Socio-economic Duty, and the Future Generations Act. The assessment is linked to their respective committee reports so that decision-makers are informed and able to understand the impacts of any proposals when it comes to our decision-making.

Last year in our self-assessment we said that Elected Members would benefit from extra support in understanding the purpose of impact assessments and to ensure that they are adequately scrutinised as part of the decision-making process, however learning and development in this area has been delayed and we need to promote this further over 2024-2025.

We implemented our second [Five Year Welsh Language Strategy 2022-2027](#). The document sets out actions on how we will promote the Welsh language, facilitate the use of the Welsh language, and increase the number of Welsh speakers in the county borough by working in partnership. The strategy can be viewed on the website along with all supporting documentation.

The [Welsh Language Standards Annual Report 2022-2023](#) showed that we received one Welsh Language complaint during this financial year. The complaint received raised multiple issues, but reference to the Welsh language related to the complainant wishing to only receive correspondence in English. In the response to the complainant, we explained why in some instances the Council must provide bilingual communication and outlined the relevant Welsh Language Standards.

For Welsh speaking staff recorded on our HR system, there was positively a slight increase for 2022-2023 across all 3 directorates.

Directorate Breakdown 2022-23	Total Staff	Welsh Speakers	%
Economy & Environment	2149	355	16.51%
Education & Corporate Services	4851	1461	30.11%
Social Services & Caerphilly Homes	1929	330	17.10%
<b>Council Total</b>	<b>8535</b>	<b>2100</b>	<b>24.60%</b>

There were 2,100 people recorded with skills 0-5\*, 1,131 were school based staff and the remaining 1,015 are staff working within our corporate offices. The number of staff learning Welsh increased during this financial year to **61**. This coincides with us changing the way

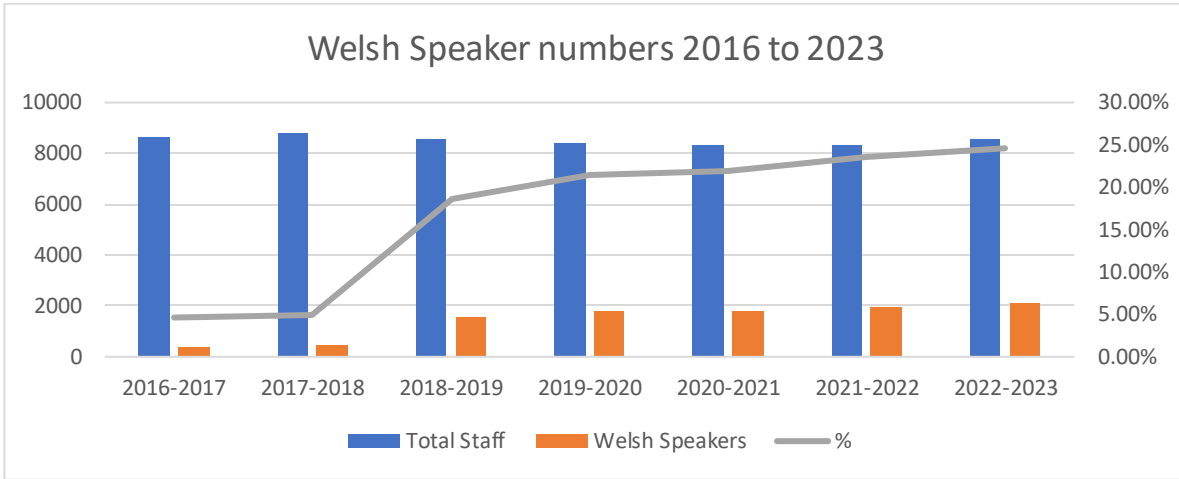
staff are offered courses and the process for registering on a course. It is now a more streamlined process which has helped reduce our administration time.

\* *The scale is based on the ALTE (Association of Language Testers in Europe)*

**Future focus for 2023-2024**

We will undertake a Welsh Language Skills Assessment in Autumn 2023 of corporate office-based staff, to map where there are existing skills and to target training to those who wish to learn Welsh or refresh their Welsh language skills. The data will also be used by recruiting managers to determine new or vacant posts as requiring to be assessed where Welsh language skills are either desirable or essential.

We have recently been working to convert the 0-5 ALTE levels (noted above) to the CEFR (Common European Framework of Reference) levels, which are what the Welsh Language Commissioner recognises. These are the levels that will be used in the WL Skills Audit in the autumn. Overall, we have had steady growth across the organisation as seen below.



In addition to the work on our Strategic Equalities Plan there is ongoing work to improve our recruitment practices to ensure that we are complying with the relevant Welsh Language Standards. A recent report commissioned by the Welsh Language Commissioner identified several areas where improvement is required, and we are currently taking steps to address the recommendations of that report.

**Accessibility**

We have a legal responsibility to ensure that our online communication both web and mobile meet the WCAG legislation, so that people with temporary or permanent disabilities can access our content and not be excluded from any information or service. We have a working group to improve ‘accessibility’ to our online content, acting as champions for accessibility around the organisation. This year we are piloting the roll-out of a tool, developed by one of our IT accessibility members to help transfer content from documents into HTML. HTML stands for Hyper Text Markup Language and is the language used for creating Web pages and describes the structure of a Web page.

This is important because putting documents on the web can make it difficult for people to access information by opening big documents especially those on mobile phones and may not have access to laptops or PC’s. Putting the content straight onto the web

means there are no documents to open or download and the information can flow. To address the skills gap to do this, the tool has been developed to allow a regular report author to take their content and put it into the tool that will transfer it into the language of the web and reduce our reliance on big documents that can be inaccessible.

## 6.2 Decarbonisation

We are committed to making Caerphilly County Borough Council a net zero carbon organisation by 2030'. A Decarbonisation Strategy and accompanying Action Plan, containing 122 actions was approved in November 2020 and a Decarbonisation Team was appointed in 2022.

Over half of the 122 actions are either complete, or at least reasonable progress has been made. Some of the corporate and cross cutting actions are behind schedule due to the gap between the approval of the Action Plan and the appointment of a dedicated Decarbonisation Team, but good progress has been made against some important actions to catch up. We now have a much better understanding of the scale of the challenge ahead, and a step change and acceleration is required for the organisation to reach the 2030 targets.

The initial tasks for the new team were to submit carbon baseline data through the Welsh Public Sector Net Zero Carbon Reporting Scheme, to assess the work done to date, and to make recommendations on the next actions required to enable the Council to achieve its target of being net zero carbon by 2030.

Following an analysis of progress, 9 recommendations have been made to enable us to meet the milestones set for 2026 in the Welsh Government route map for Decarbonisation across the Welsh public sector. These recommendations include the establishment of carbon budgets, the establishment of 4 working groups, and specific recommendations on renewable energy production, carbon offsetting and tackling supply chain emissions.

Although we submitted baseline data to Welsh Government (WG) for the reporting year 2019/20, there have been some fluctuations in the figures reported, mainly due to difficulties with obtaining accurate data and changes to reporting methodology and scope of emissions. This means that making comparisons on progress over these years compared to 2021/22 is not possible, however the reporting methodology and data is now more consistent, and it should hopefully be possible to make meaningful comparisons in future years.

For the reporting year 2022/23 Caerphilly CBC reported an emissions total of 103,308,185 kg CO<sub>2</sub>e (22,110,491 kg CO<sub>2</sub>e operational emissions plus 81,197,694 kgCO<sub>2</sub>e supply emissions). This was offset by -7,413,691 kgCO<sub>2</sub>e through our land use, giving a submitted carbon emissions figure of 95,894,494 kgCO<sub>2</sub>e (or 95,894tCO<sub>2</sub>e).

Reducing emissions from our corporate non-domestic buildings and street lighting are examples where good progress has been made. Business travel or grey fleet emissions (the emissions resulting from the miles travelled by employees, during work time, in their own vehicles) have reduced significantly, primarily due to changes in the way that we operate as the result of the pandemic.

**53** of our schools now have photo-voltaic (PV) systems installed. The Cwm lfor solar farm project, a 20MW solar farm development is progressing well with the submission of a planning application anticipated early in 2023. If we progress with an ownership stake in the



project, it will be the largest Council owned solar farm in Wales and will generate enough electricity to power around 6,000 homes.

### **Looking Forward – Proposed approach to decarbonisation**

The approach to decarbonisation across the Council will be based on the 4 pillars of reduce, produce, offset and buy as set out in the Decarbonisation Strategy which you can read more about here [Caerphilly - Caerphilly County Borough](#)

Around **20%** of our emissions are “operational” emissions such as diesel used to fuel our vehicles or gas and electricity used in our buildings or street lighting. We have direct control over our operational emissions, and these are the key emissions for us to tackle as a key priority, with becoming net zero carbon on our operational emissions a key primary target.

The largest proportion (approximately **80%**) of our emissions are identified as “supply chain” emissions resulting from the goods and services that we procure. These emissions will be much harder to reduce as they relate to the embedded carbon in the materials that we buy or the emissions of our suppliers. We must look to purchase materials with lower embedded carbon and influence our suppliers to reduce their emissions. However, it must be understood that we will still need to purchase goods and services, for example to construct new schools and to deliver social care etc so there will be considerable emissions related to this that we will not be able to eliminate.

Robust low carbon procurement policies need to ensure contracts are appraised in terms of their sustainability credentials and carbon emissions. Within the supply chain the largest emitters reported by the Council in 2021/22 were:

- Social Care; 21,331,517 kgCO<sub>2</sub>e.
- Construction; 16,857,359 kgCO<sub>2</sub>e
- Computer, electronic and optical products; 10,395,000 kgCO<sub>2</sub>e.

An analysis of data calculates the 2021/22 carbon report enabled us to identify the emissions for each service area against the reporting categories in the WG report, both operational and supply chain. This has enabled us to produce detailed carbon baseline data for each of the 16 service areas across all emissions and offsetting.

To reduce our emissions, we have a detailed understanding of where they are from, and that those responsible for the emissions are also responsible for driving the reductions. It is proposed that each service area is given a detailed breakdown of its emissions in the same format as the organisation reports to WG. Support will then be provided to enable them to fully understand their emissions.

The proposed next stage is to use the baseline data to allocate a ‘carbon budget’ for each service area, in the same way that they would have a financial budget. The objective of this exercise is to empower each service area to take ownership of their carbon emissions and to develop robust action plans to reduce those emissions.

Allocating carbon budgets, with reduction targets will present varying degrees of difficulty for each service area. The emissions from some services are less avoidable than others, and some have more opportunities to offset than others. With supply chain emissions being hard to reduce, the primary focus, initially will be on operational emissions. It is proposed that the carbon budgets are reported as part of the Directorate Performance Assessments. Progress towards the overall Net Zero target will be monitored on an ongoing basis and will be reported on as part of an Annual Decarbonisation Report to be prepared each November.

Other key metrics include the number of trees planted, the number of kWh of electricity generated from renewable sources and the percentage of employees receiving carbon literacy training will be established with targets and timescales. Following the evaluation of baseline carbon emissions by each service area, individual carbon budgets will be agreed, and these will form a key element of year-on-year targets which will be assessed, reviewed and reported on an annual basis.

The following commitments will help progress:

- Net zero carbon considerations included in all major decisions as part of the Integrated Impact Assessment process.
- All new corporate buildings and schools designed to net zero carbon standards.
- All new heating system will transition to low carbon heat with appropriate insulation upgrades where possible with fossil fuels used only as a last resort.
- A low carbon travel hierarchy to be implemented for business travel which accelerates the transition to low carbon transport.
- Aim to plant 300,000 trees where land availability allows between November 2020, and November 2030. While this target seems challenging, we are currently in the process of developing a register of trees planted. At the end of April 2023, we had planted around 80,000 trees. The 5 phases of planting at Ynys Hywel will account for 100,000 trees.

Building knowledge, understanding, and skills, including raising awareness of decarbonisation issues will be vital in mobilising employees across the Council to play their part in delivering the Decarbonisation Strategy. Both general awareness raising and bespoke training for specific roles and tasks will be required. There will also be a need to increase technical knowledge and expertise in renewable energy and carbon reduction technology and processes.

Renewable energy production is an important element of our approach. Specific schemes in development which should continue are:

- Cwm lfor – 20MW solar Farm near Caerphilly which has the potential to generate enough green energy to power around 6,000 homes.
- Hydrogen – Green hydrogen is seen as an increasingly important element of the decarbonisation programme and bids have been submitted to undertake feasibility studies to inform decisions on its generation and use.
- The installation of photovoltaic (PV) schemes in suitable locations on our estate.
- Other schemes are also being considered and developed, including wind power and green heat schemes.

Emissions which cannot be eliminated will need to be offset. There are two main ways this can be done, carbon sequestration (capturing carbon usually by planting trees or by habitat management) or by purchasing carbon units/offsetting credits. Sequestration should be the primary option. Service areas with high land ownership will need to review land assets to identify opportunities for offsetting emissions through tree planting, improved land management and carbon sink habitats.

The supply of the quantities of locally sourced native trees is likely to be an issue and therefore partnership opportunities to develop our own tree nurseries are being investigated.

## 6.3 Consultation and Engagement

Effective engagement is central to the Council's decision-making processes and is key in helping to determine how we deliver our services and best support our communities across our county borough. Caerphilly's "Consultation and Engagement Framework" sets out our approach for a common understanding to further improve engagement processes across the organisation.

[TeamCaerphilly BETTER TOGETHER Consultation and Engagement Framework 2020-2025](#)

Within the context of post-Covid recovery, the cost-of-living crisis and reduced budgets, effective engagement is more important than ever. Several actions have been put in place to support effective community engagement, strengthen relationships and work together with our communities, to design and deliver services that best meet their needs.

An example of this is the 'Caerphilly Cares' service which helps provide a central place to ensure people receive the right support, in the right place, at the right time by understanding the variety of needs an individual may face. This service focuses on early intervention, advice, support, and signposting and builds on our community resources. Its purpose is to give an 'end to end' journey for the customer, enabling people and communities to become more resilient and prevent people 'falling through the gaps. This is also another form of engagement.

This year we have adopted a new digital engagement platform that allows us to deliver online consultation and engagement in a coordinated way and can be accessed on the link below:

<https://conversation.caerphilly.gov.uk/>  
<https://trafodaeth.caerphilly.gov.uk/>

The engagement platform launched in 2022 provides the opportunity for stakeholders to engage with 'live' consultations, it also provides access feedback to all previous consultations. The website also enables each consultation to be complemented by a range of supporting documentation, videos, imagery and structured surveys where appropriate.

We continue to take a mixed method approach to engagement which helps us to ensure that those who are not digitally enabled can easily get involved if they so wish. For example, as part of the "What Matters" conversation and budget consultation process at the end of 2022/early 2023, alongside our online and hard copy questionnaire, we reintroduced our in-person resident drop-in sessions at libraries and held our first face-to-face resident "Viewpoint Panel" meeting since before the pandemic.

We are working to align and streamline our strategic engagement and consultation activities and to take a more coordinated approach in the sharing of data outcomes from these. We have appointed an "Engagement Project Officer" to provide an additional resource to the Data and Insights team. Our internal Consultation and Engagement working group has been a key tool in supporting the coordination of engagement activities through the development of an action plan and consultation calendar. The group has become a useful mechanism for sharing of good practice, removing duplication, and working together across the organisation.

In 2021/22 the Council became organisational members of the Coproduction Network for Wales, and this continues to support our commitment to working alongside our communities and partner organisations to co-design and co-deliver services.

The Community Empowerment Fund launched in direct response to resident feedback. Elected members are crucial to this process and the fund in 2022/2023 has supported 80 local community projects.

Turning to engagement with the Business Community, the Caerphilly Business Club helps support local businesses by providing a space to encourage innovation, networking, and opportunities to learn. Over the past two years we have seen its membership increase significantly as local businesses recognise the value of association with the club. The board itself brings together leaders in education, skills, enterprise, local government, and law to help provide a platform for businesses to develop strategic alliances. The club holds regular breakfast meetings choosing local hospitality venues to support our members.

In partnership with Caerphilly council, the club are launching industry specific events designed to support local businesses and increase B2B collaboration, mentoring opportunities, advice, consultation, and guidance from leaders in their specific fields of expertise. The Caerphilly Business Club hosts an Expo event and awards ceremony. The Expo gives the opportunity for local businesses, regardless of industry, the chance to showcase their products and services to the wider business community. The Caerphilly Business Club Awards celebrates the success of our businesses and help recognise the diverse and varied industries that call the borough their home.

We regularly visit and engage with many different companies around the borough providing advice and guidance from Small and Medium Enterprises (SMEs) and Start-Ups through to our large well-established businesses. This includes help with funding and grants, international trade, recruitment, marketing, and advertising as well as planning, inward investment, and relocation advice. Our team holds regular Business Support Clinics both online and in-person to encourage business engagement and support as have links to Welsh government and other local authorities. To give some context of the support (through the UK Government's UKSPF fund) we have been able to offer local businesses up to £25,000 in capital and revenue grants to improve their businesses. In the financial year 2022- 2023, grants awarded to businesses exceeded £805,000. We have also administered several Start-up Grants, of £5000, that have supported embryonic and fledgling enterprises.

In August 2022 we recruited a new Principal Town Centre Officer and later another two members joined the town centre team to support the town centres. The development of the new town centre model during this period was to ensure that our towns become sustainable to support the business community, develop resilience and have the capacity to adapt to change. The pilot has proved successful in bringing the towns centre businesses together to create a more cohesive environment.

## 6.4 Good Governance - how good is the council's governance?

Corporate governance is essentially about doing the right things in the right way. Good governance demonstrates accountability and transparency in the actions and decisions taken by a Council and affects all residents. Good corporate governance within public services requires robust systems and processes, effective leadership and high standards of behaviour, a culture based on openness and honesty and an external focus on the needs of service users and the public.

This is the first year that the Council has included a specific section on governance within its Self-Assessment. While the Self-Assessment as a whole can be considered an evaluation of the Council's governance arrangements, there were a number of additional factors not previously referenced that the Council felt should be part of this Assessment moving forward.

### Decision making

Our governance arrangements are good. The Council's Policy Framework, Code of Corporate Governance, Performance Management Framework and Constitution explain how we work, how we are accountable and how decisions are made. These documents are complemented by the Member and Officer Code of Conduct, Officer Member Protocol, Standards Committee and Internal and External Audit arrangements ensure the Council operates with integrity, ethical values and within its legal powers.

Governance arrangements are reviewed each year by the Council's Corporate Management, Senior Leadership Team, and Corporate Governance Panel to update the Annual Governance Statement (AGS). The AGS is considered and approved by the Governance and Audit Committee.

Key governance issues and consideration were identified in the Council's 2022-23 AGS, so in the past year we have made improvements including:

- Continuing to review of our Financial Regulations and Code of Corporate Governance to ensure they are improved and remain appropriate.
- Introduced a range of additional changes to our governance because of the new Local Government and Elections (Wales) Act 2021
- Carried out a significant programme of Member Induction following the Local Government Election to ensure new Members could engage effectively in the decision-making process.
- Making major changes to the Council's Governance and Audit Committee, including updating their terms of reference and recruiting additional lay members to the Committee, one of which now chairs the Committee.
- Installing the infrastructure to hold Council, Cabinet and Committee meetings virtually, recording and making them available on the Council's website for the public to access in order to make decision making more accessible and transparent.
- Continuing the implementation of an extensive training and development programme for elected Members that includes (Chairing Training? Scrutiny Training?)
- Continuing to revise and update the Council's constitution to enhance and improve decision-making arrangements across the Council.

## Involvement in decision-making

Consultation with our residents and businesses is good. The Council has an Engagement Team that ensure that the Council is able to consult on relevant decisions and policy changes in a timely and effective way. The Council employs a broad range of engagement channels and mechanisms to engage. These range from its social media channels, in person opportunities and the use of a Viewpoint Panel, but centre around a dedicated online engagement platform called the Caerphilly Conversation:

<https://conversation.caerphilly.gov.uk/>

More information on how to access our consultations can be found on our [website](#).

The Council works well with recognised Trade Unions (TU's) with clear and regular arrangements for consultation and engagement. Local and regional TU representatives meet HR officers at least monthly with other officers brought in as necessary. The relevant Cabinet members also attend TU meetings so that representatives can talk to them directly. All HR policy reviews are done with full consultation with TU's. There is a separate Joint Consultative Committee in place for schools.

TU representatives play an important role in decision making and organisational change. They contribute different ideas and perspectives and support their members at meetings which focus on the workforce impacts of any changes.

Engagement with regulators is strong and systematic. Regular Engagement meetings take place between regulators and senior officers in the Council to discuss regulators' work and the council's improvement plans. An annual Audit and Risk Assurance workshop is also held with the Council's Regulators, Cabinet and Corporate Management Team.

## What will we do to improve?

New Actions	By When
Seek to maximise the efficiency and effectiveness of decision-making by refining the Council's approach to Scrutiny, procedures for handling Notices of Motion, the number of Questions that can be asked verbally at full Council Meetings and the introduction of a Ward Protocol for Members	March 2025
Continue to improve the use of Hybrid Meeting technology in Committee Rooms outside of the Council Chamber as well as the capability to Live Stream from meetings beyond the Chamber	March 2025
Undertake bespoke training for new Members to help improve their understanding of the Constitution and its role in decision-making as well as improve meeting conduct	March 2025
Continue to enhance the Council's online engagement platform The Caerphilly Conversation.	March 2025
Monitoring the challenges facing our services (including outsourced services) as a result of rising prices, supply chain issues and staffing issues.	March 2025

## 6.5 Regulator Feedback

Each year our regulator Audit Wales, sets out their programme of work following a mutual workshop called the Assurance, Risk and Audit workshop with the leaders of the Council and other regulators from Education and Social services.

The Assurance and Risk Assessment Project is 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 and acting in accordance with the sustainable development principle.

- This determines their work programme for the year. For the year of 2022/23 the following work has been carried out.
- Financial Position – This is ongoing so there is no final output at this stage
- Use of performance information – with a focus on service user feedback and outcomes, the report is being finalised so will fall into next year's reporting.
- Setting of well-being objectives, the report is being finalised and so will fall into next year's reporting.
- Thematic Review – Unscheduled Care A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work considers what steps are being taken to provide medium to longer-term solutions. The output is still being written.
- Digital A review of councils' strategic approach to digital, and the extent to which this has been developed in accordance with the sustainable development principle, the report is due late Autumn 2023
- The Waste recycling review report has been received (July 23) and is available on the Audit Wales website. The overall high-level judgement was that "*The Council understands why its performance has declined but has been slow to address this; and whilst the Council is developing a draft strategy there remain significant risks to its successful implementation*". There were 2 recommendations for improvement that are being acted upon as part of the new draft strategy.

Audit Wales Reports can be found here; [Homepage | Audit Wales](#)

## Section 7: How to contact us

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Your views and opinions on the content of our reports and plans are important to us. We welcome your input so that we can continue to provide meaningful information that helps inform you of the service focus, ensuring that we are working on the things that are important to making a difference to you, our citizens, and our communities.

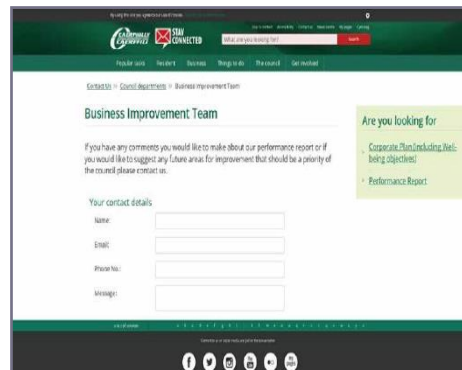
You can contact us by:

Email: [BIT@caerphilly.gov.uk](mailto:BIT@caerphilly.gov.uk) or via the Council Performance webpage and follow the instructions on screen.

Alternatively, please contact:

ROS ROBERTS  
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You can contact us via social media.



This document is also available in different languages and formats upon request.

Further information can also be found on our website: [www.caerphilly.gov.uk](http://www.caerphilly.gov.uk)





## GOVERNANCE AND AUDIT COMMITTEE – 15<sup>TH</sup> FEBRUARY 2024

**SUBJECT: UPDATE ON PSIAS SELF-ASSESSMENT**

**REPORT BY: ACTING INTERNAL AUDIT MANAGER**

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

- 1.1 To provide Members with an update on the most recent self-assessment undertaken in respect of the requirements of the Public Sector Internal Audit Standards (PSIAS), and to update the Committee on progress made in respect of the any actions outstanding since the previous self-assessment and external review.

### **2. SUMMARY**

- 2.1 The most recent self-assessment has now been undertaken against the requirements of the Public Sector Internal Audit Standards, and this has identified that Internal Audit Services is continuing to conform with the majority of the Standards.
- 2.2 The action plan from the previous external assessment is attached as **Appendix 1** which shows the progress on completion of those actions together with any further updates on those areas.

### **3. RECOMMENDATIONS**

- 3.1 That the Committee notes the results of the latest self-assessment against the Public Sector Internal Audit Standards and progress against the action plan from the previous external assessment.

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

- 4.1 In order to comply with the requirements of the PSIAS , the Committee is provided with assurance on the operational practices in place within Internal Audit Services.

## **5. THE REPORT**

- 5.1 As previously reported to the former Audit Committee the Public Sector Internal Auditing Standards came into being in 2013. The PSIAS introduced a rigorous and detailed set of standards covering all aspects of internal audit activity.
- 5.2 As part of the quality assurance and improvement programme required under standard 1300 of the Standards, both internal and external assessments are key requirements.
- 5.3 Internal assessments must include ongoing monitoring of the performance of the internal audit activity and periodic self-assessments.
- 5.4 The previous self-assessment took place in 2018/19 and was reported to the Audit Committee together with a number of recommended actions, and an updated self-assessment was reported to the Committee in 2020.
- 5.5 The results of the current self-evaluation are shown in **Appendix 2**.
- 5.6 Preparation is now underway for the next external assessment.
- 5.7 The result of this self-assessment is that Internal Audit is complying with the majority of the requirements of the standards, with a small number of actions needed to strengthen conformance.

## **5.8 Conclusion**

- 5.8.1 Internal Audit is continuing to work within the framework of the PSIAS.

## **6. ASSUMPTIONS**

- 6.1 There are no assumptions in this report.

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

- 7.1 An Integrated Impact Assessment is not required as this report is for information purposes only.

## **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 (Wales) Act 2021**

Author: D Gronow, Acting Internal Audit Manager

Consultees: R Edmunds, Corporate Director for Education and Corporate Services  
S Harris, Head of Financial Services and Section 151 Officer

#### **APPENDICIES**

**APPENDIX 1 EXTERNAL ASSESSMENT ACTION PLAN UPDATE**

**APPENDIX 2 CCBC PSIAS SELF EVALUATION SUMMARY OF RESULTS 2023/24**

Gadewir y dudalen hon yn wag yn fwriadol

# PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1

## ATTRIBUTE STANDARDS

Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	Progress / update
<p><b>1000 Purpose, authority and responsibility</b> The purpose, authority and responsibility of the Internal Audit activity must be formally defined in an internal audit charter, consistent with the definition of internal auditing, the code of ethics and the standards. The charter must be reviewed periodically and approved by the Audit Committee.</p>	<p>Internal audit arrangements are derived from the Council's constitution and specifically the Financial Regulations. These arrangements are reinforced within the Internal Audit Charter approved and adopted by the Audit Committee in September 2014.</p>	<p>Add an explanation to the Charter that references the PSIAS use of the term Board and Senior Management and then interpret this as meaning the Audit Committee and the Section 151 (S151) Officer.</p> <p>Add additional wording into the Audit Charter to explain the notification requirement in respect of suspected fraud or irregularities. May also need to be included in Financial Regulations to reach a wider audience.</p> <p>Add wording into the Audit Charter relating to arrangements to avoid conflicts of interest arising in respect of non-audit duties</p> <p>Strengthen the Audit Charter by specifying a requirement to review the charter at an agreed interval.</p>	<p>Agreed</p> <p>Agreed. Update to clearly link the Audit Charter with the Councils Anti-fraud, bribery and corruption policy. Also to explain the notification requirement in respect of suspected fraud or irregularities.</p> <p>Agreed</p> <p>Agreed. Any updates to the Audit Charter should be clearly documented and approved by the Audit Committee.</p>	<p>The Audit Charter to be reviewed and updated. The updates are to be reported to the Audit Committee and approved.</p> <p>S151 and Internal Audit Manager 31.3.19</p> <p>The Audit Charter to be reviewed and updated. The updates are to be reported to the Audit Committee and approved. S151 and Internal Audit Manager 31.3.19</p> <p>Consider how best to record and evidence the review process.</p> <p>S151 and Internal Audit Manager 31.3.19</p>	<p>Charter has undergone further revision/update in 2023 and was approved by Governance and Audit Committee.</p> <p>Charter has undergone further revision/update in 2023 and was approved by Governance and Audit Committee.</p> <p>Financial Regulations also undergoing refresh, due to be reported to Governance and Audit Committee in 2024</p>

**PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1**

Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	Progress / update
<p align="center">Page 74</p>			<p>Update Charter to demonstrate Internal Audit's contribution to the review of the effectiveness of the control environment and link with Financial Regulations.</p> <p>The Charter should recognise the mandatory nature of the Chartered Institute of Internal Auditors definition of Internal Auditing and Code of Ethics and PSIAS.</p>	<p>The Audit Charter to be reviewed and updated to include a cross reference to Financial Regulations. The updates to be reported to the Audit Committee and approved.</p> <p>S151 and Internal Audit Manager 31.3.19 The Audit Charter to be updated to demonstrate compliance with the Standards.</p> <p>S151 and Internal Audit Manager 31.3.19</p>	

## PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1

<p><b>1100 Independence and objectivity</b> The internal audit activity must be independent and internal auditors must be objective in performing their work.</p>	<p>Appropriate structures and reporting arrangements are in place. The Internal Audit Manager has direct access to the Section 151 Officer, the Chief Executive and the Chair of the Audit Committee. Internal Audit independence is maintained, and no operational responsibilities are undertaken. Internal Audit staff comply with the Council's Code of Conduct and declare any conflicts of interest that could impinge on the work of the service. Any threats to auditor's objectivity are raised as identified and appropriate avoidance measures taken.</p>	<p>Add references to the organisational independence of the Internal Audit Service in the Annual Audit Plan and outturn report.</p> <p>Involve the Audit Committee in any proposed structural reviews of the Internal Audit Service.</p> <p>Invite feedback from the CEO in the performance appraisal of the Internal Audit Manager.</p> <p>Obtain feedback from the Chair of the Audit Committee as part of the performance appraisal of the Internal Audit Manager.</p> <p>Staff to complete a declaration confirming that they understand the independent role of Internal Audit and disclose any potential conflicts of interest.</p>	<p>Agreed</p> <p>Audit Committees are not generally involved with these processes but agree that the Committee should be consulted on any proposed structural reviews of the Internal Audit Service</p> <p>Not considered necessary. No further action proposed</p> <p>Not considered necessary. No further action proposed</p> <p>Declarations have been seen. Consideration be given to staff completing a further declaration confirming that they understand the independent role of Internal Audit and disclose any potential conflicts of interest.</p>	<p>To be included in the Audit plan and annual out turn report.</p> <p>S151 and Internal Audit Manager</p> <p>31.3.19 Audit Committee to be consulted on any future reviews or changes to the structure of the service.</p> <p>S151 and Internal Audit Manager Additional documentation to be considered.</p> <p>S151 officer</p> <p>31.3.19</p>	<p>Ongoing.</p> <p>There have not been any significant changes since the self-assessment.</p> <p>No formal document has been introduced but this is stressed to staff as part of regular team briefings and 1-2-1s.</p>
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**PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1**

Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	Progress / update
<p><b>1130 Impairment to Independence or Objectivity</b>                      Have internal auditors assessed specific operations for which they have been responsible within the previous year?</p>	<p>No this has not occurred and would not occur in future</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>More detailed explanation is required. Also detail of how the authority would deal with any internal appointments from other sections or spouses who also work for CCBC should be considered. Consider making an annual declaration, even if it states there is nothing to declare.</p>	<p>Consideration to be given to this if the situation should arise in future.</p> <p>S151 officer</p> <p>31.3.19</p>	<p>Not considered an issue but this would be addressed by the allocation of work within the team.</p>



**PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1**

Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	Progress / update
<p>Are assignments for ongoing assurance engagements and other audit responsibilities rotated periodically within the internal audit team</p>	<p>When circumstances and opportunity allows some rotation of tasks does take place however it is balanced against the knowledge and experience requirements when allocating work</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>This should be evidenced in the audit planning records.</p>	<p>The team is relatively small and allocation of audit work must be balanced against the requirements of the task and knowledge and expertise. However, consideration will be given to detailing selection of personnel within the audit assignment scoping and planning documents.</p> <p>Internal Audit Manager</p> <p>31.3.19</p>	<p>Since the previous self-evaluation and external review significant changes have taken place in the staffing and personnel within the Internal Audit Team Investment has taken place in relation to staff development. This has included internal training and members of the team are progressing in gaining qualifications in finance and accounting, and this is ongoing.</p> <p>A policy of rotation of staff between audit types has been introduced but is still under development due to the fact that most staff appointed were new to Internal audit.</p>

**PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1**

Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	Progress / update
<p><b>1200 Proficiency and due professional care</b> Engagements must be performed with proficiency and due professional care.</p>	<p>Staff are aware of the Public Sector Internal Audit Standards (PSIAS) and the Code of Ethics. Staff are appropriately allocated assignments based on knowledge, experience and personal attributes. Ongoing training and support is provided to continually develop the skills and competencies of audit staff and the current Internal Audit Team is knowledgeable and experienced. The Internal Audit Manager is professionally qualified and suitably experienced.</p>	<p>The Internal Audit Manager needs to ensure that all job descriptions are up-to-date and in the agreed corporate format.</p> <p>Performance Development Reviews (PDRs) must be undertaken for all staff on an annual basis.</p>	<p>Agreed.</p> <p>Agreed</p>	<p>Job descriptions to be reviewed and updated if necessary.</p> <p>Internal Audit Manager</p> <p>31.3.19</p> <p>PDRs to be undertaken for all staff.</p> <p>Internal Audit Manager</p> <p>30.9.19</p>	<p>Job descriptions have been reviewed following the staffing changes described above.</p> <p>Regular team briefings and 1-2-1 take place and my time process is to be restarted for 2023/24.</p>

## PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1

Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	Progress / update
<p><b>1300 Quality assurance and improvement programme</b> The Head of Audit must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.</p>	<p>Internal Audit Services undertakes a self-evaluation which feeds into the service improvement planning process. Performance measurement and benchmarking is undertaken to inform the improvement process. Individual audit assignments are monitored throughout the process with reports reviewed for quality and consistency purposes prior to being issued to clients. A post-audit evaluation process is in place to inform the annual self-evaluation.</p>	<p>The constituent parts of the quality and improvement programme should be formalised and written into the audit manual.</p> <p>Not considered an issue in the Self-Assessment</p>	<p>Agreed</p> <p>The process is not maintained but embedded into the operational processes of the service and should be formalised and written into the audit manual.</p>	<p>Audit Manual to be reviewed and updated.</p> <p>Internal Audit Manager 31.3.19</p>	<p>Since the peer assessment and previous self-assessment an Audit Management software system has been purchased and a large proportion of operational tasks are now covered by this system. Specific guidance material has been developed to cover specific tasks and processes. Therefore, the previous manual now requires significant revision and updating to reflect these.</p>

## PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1

Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	Progress / update
<p><b>1310 Requirements of the Quality Assurance and Improvement Programme (QAIP)</b> Does the QAIP include both internal and external assessments?</p>	<p>In future both processes will be run alongside the corporate self-evaluation process to ensure priorities and actions are aligned.</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>The constituent parts of the quality and improvement programme should be formalised and written into the audit manual</p>	<p>Audit Manual to be reviewed and updated.  Internal Audit Manager  31.3.19</p>	<p>Since the peer assessment and previous self-assessment an Audit Management software system has been purchased and a large proportion of operational tasks are now covered by this system. Specific guidance material has been developed to cover specific tasks and processes. Therefore, the previous manual now requires significant revision and updating to reflect these.</p>
<p><b>1310 Internal Assessments</b> Do internal assessments include ongoing monitoring of the internal audit activity, such as: Routine quality monitoring processes? Periodic assessments for evaluating conformance with the PSIAS?</p>	<p>The corporate self-evaluation and performance monitoring processes have been in place for a number of years and are well established. The requirement to conform with the PSIAS is fairly recent and informal assessments have been used to identify improvement areas.</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Processes are needed to ensure the audit review process would pick this up. This should also be evidenced within the process.</p>	<p>Consideration to be given to including this in the review process.  Internal Audit Manager  31.3.19</p>	<p>All audits are planned and conducted in conformance with PSIAS. Internal reviewing of individual audit assignments is carried out during the audit and the Audit Management system maintains a record of this in real time. Also, all reports output from the system are subject to review before issue. Some improvement/tweaking of management reporting has been identified and this may need to be addressed with the supplier.</p>

## PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1

Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	Progress / update
<p><b>1320 Reporting on the Quality Assurance and Improvement Programme</b> Has the Chief Audit Executive (CAE) reported the results of the QAIP to senior management and the board? Note that: -</p> <ul style="list-style-type: none"> <li>• the results of both external and periodic internal assessment must be communicated upon completion.</li> <li>• the results of ongoing monitoring must be communicated at least annually.</li> <li>• the results must include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS.</li> </ul>	<p>The self-assessment exercise was reported to Audit Committee in December 2016. In future results of the internal assessments will be reported in the annual outturn report. The results of the external assessment process will be reported to the Audit Committee when received by the external reviewer</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>This will be done in future as part of the normal reporting process.</p>	<p>Will be included in the next self-evaluation cycle.  Internal Audit Manager  31.3.19</p>	<p>The Annual Report contains a statement that audit work is in conformance with PSIAS. However no separate formal reporting is made to Senior Management.  Consideration may need to be given to how this is to be achieved going forward.</p>
<p>Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?</p>	<p>This has not been included in the annual outturn report to date.</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Following the internal &amp; external reviews this will be reported</p>	<p>To be considered in reporting process. Internal Audit Manager 31.3.19</p>	<p>As above.</p>

**PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1**

Requirement	Self-Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	Progress / update
<p><b>1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'</b> Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?</p>	<p>This has not been included in the annual outturn report to date.</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Following the internal &amp; external reviews this should be reported</p>	<p>To be considered in reporting process. Internal Audit Manager 31.3.19</p>	<p>Reporting does indicate that the Internal Audit service is in conformance with PSIAS.</p>
<p><b>1322 Disclosure of Non-conformance</b> Has the CAE reported any instances of non-conformance with the PSIAS to the board?</p>	<p>This has not been included in the annual outturn report to date.</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Following the internal &amp; external reviews this should be reported</p>	<p>To be considered in reporting process.  Internal Audit Manager  31.3.19</p>	<p>Consideration will need to be given if this is required. No instances of non conformance have been identified.</p>

# PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1

## PERFORMANCE STANDARDS

Requirement	Self Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	
<p><b>2000 Managing the internal audit activity.</b> The Head of Audit must effectively manage the internal audit activity to ensure it adds value to the organisation</p>	<p>The service has a good understanding of the needs and objectives of the whole organisation and understands its position in the assurance framework. It aspires to be innovative and challenging as well as being a catalyst for change. A risk based operational plan is developed in consultation with Members, Directors, Heads of Service and staff. The plan is reported to and approved by the Audit Committee prior to the start of the financial year. Processes and procedures to guide internal audit activity in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) are set out in an Audit Manual which is available to all staff.</p>	<p>The annual audit plan report needs to clearly show links to organisational objectives and priorities.</p> <p>Future audit planning work needs to include a review of the Council's assurance framework to determine what assurances can be gained from other sources.</p>	<p>Agreed Agreed. This is currently not covered in the Audit Plan.</p>	<p>To be considered in reporting process. Internal Audit Manager 31.3.19.</p>	<p>The annual plan is linked to organisational objectives and priorities. The reporting of the annual plan has evolved since the previous self-assessment to adopt some recommendations made by the external auditor in relation to detail of work planned within each quarter and further revisions are under consideration following feedback from the Governance and Audit Committee.</p> <p>The work of other providers is considered if appropriate</p>

## PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1

Requirement	Self Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	
<p><b>2010 Planning</b> Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?</p>	<p>The plan does not specifically cover this however the plan does refer to the need for flexibility in order to address emerging or new areas and to respond to changing priorities or structures etc. Audit Committee members are well aware of the impact of change on the plan. Directors and Heads of Service are consulted during the planning process to identify both national and local issues or areas needing additional assurances.</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Members need to be made aware of impact and changing priorities</p>	<p>To be considered in reporting process. Internal Audit Manager 31.3.19</p>	<p>The plan is flexed if new or emerging risks are identified. There are several reports a year on progress presented to the Governance and Audit Committee. Including half year progress on plan and progress on recommendations together with the original plan and year end out turn report.</p>
<p>Does the risk-based plan set out the:</p> <ul style="list-style-type: none"> <li>• Audit work to be carried out?</li> <li>• Respective priorities of those pieces of audit work?</li> </ul>	<p>At the planning stage there are too many variables to enable this level of detail to be included. Consultation with the client and the scoping process deals with these issues within a flexible framework.</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Consider providing greater detail around the audit work to be undertaken in order to better inform members of any changing priorities / risk profiles.</p>	<p>To be considered in reporting process.  Internal Audit Manager  31.3.19</p>	<p>The plan reported to the Governance and Audit Committee shows the detail of the audit plus planned period. While risk information is held within the Audit Management system this is not formally reported, relative risks and prioritization are taken into account when planning work or flexing the plan if needed.</p>
<p>Does the risk-based plan set out the:</p> <ul style="list-style-type: none"> <li>• Estimated resources needed for the work?</li> </ul>	<p>Audit resource input is indicated for staff management purposes</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Additional details should be supplied to the Audit Committee when variations arise.</p>	<p>To be considered in reporting process.  Internal Audit Manager  31.3.19</p>	<p>The initial forecast plan is based on an estimate of forecast resources based on staffing, known overheads and other estimates for absence etc. An estimate of required resources is then mapped to each audit assignment. Due to the</p>



## PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1

Requirement	Self Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	
					changing profile of staff over the last 3 years this is still evolving.
<b>2050 Coordination</b> Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	An assurance framework is under development which will give members a view of the whole assurance landscape.	Not considered an issue in the Self-Assessment	Future audit planning work needs to include a review of the Council's assurance framework to determine what assurances can be gained from other sources and evidence provided	The Assurance Framework was presented to the Audit Committee in December 2016 and will now be kept under review by the Corporate Governance Panel  Internal Audit Manager  Ongoing review	The Assurance Framework has not been subject to any further review since its original development.
Do the CAE meet regularly with the nominated external audit representative to consult on and coordinate their respective audit plans?	Meetings do take place with the external auditor as and when required and the external auditors do attend all meetings of the Audit Committee.	Not considered an issue in the Self-Assessment	Agreed	Meetings to be arranged as required	Meetings held with external audit as required.
<b>2060 Reporting to Senior Management and the Board</b> Does the periodic reporting also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board?	The content of the periodic reporting continues to evolve and will in future include comments on issues or themes that are of particular note in relation to issues needed or requested by the Audit Committee or senior management.	Not considered an issue in the Self-Assessment	Agreed – these tend to be generalised	To be considered in reporting process.  Internal Audit Manager  31.3.19	Fraud risks not specifically reported on although where individual findings are relevant these are reported as part of individual audits.

## PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1

Requirement	Self Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale		
Page 86	<p><b>2100 Nature of work</b> Internal audit must evaluate and contribute to the improvement of governance, risk management and control processes using a systematic and disciplined approach</p>	<p>The internal audit service is a key player in promoting risk management, governance and internal control throughout the authority and the Head of Audit is a key contributor and facilitator of the Authority's corporate governance review process. The risk based plan is developed and assignments performed in a way that allows for evaluation and improvement of governance, risk management and control processes, using a systematic and disciplined approach. Implementation of recommendations made is monitored.</p>	<p>As part of the response to the WAO report on its "review of arrangements within Caerphilly CBC to address external audit, inspection and regulation recommendations and proposals for improvement", a Panel will be established to review Directorate Risk Registers to inform the annual audit planning process.</p>	<p>Agreed</p>	<p>To be considered in the audit planning process.</p> <p>Internal Audit Manager</p> <p>31.3.19</p>	<p>Risk Management is not under the direct control of Internal Audit, although reporting is made to the Governance and Audit Committee. Risk Manager is best placed to give further detail</p>
	<p><b>2340 Engagement Supervision</b> Is appropriate evidence of supervision documented and retained for each engagement?</p>	<p>Time recording system would identify time spent against projects but would not specifically identify supervision. Piecemeal time allocations may not be recorded</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Clearer documentation of the review process and evidence of review notes would further enhance this requirement.</p>	<p>Consideration to be given to this.</p> <p>Internal Audit Manager</p> <p>31.3.19</p>	<p>This information is now formally recorded within the Audit Management System.</p>

## PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1

Requirement	Self Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	
<p><b>2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'</b> Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?</p>	<p>This does not currently feature within the body of internal audit reports.</p>	<p>Not considered an issue in the Self-Assessment</p>	<p>Internal audit reports could be amended to include a statement on conformance with the PSIAS</p>	<p>Consideration to be given to an appropriate statement to be included in the Audit report.</p> <p>Internal Audit Manager</p> <p>31.3.19</p>	<p>Statement is included in reports.</p>
<p><b>2450 Overall Opinion</b> Does the annual report incorporate the following: The annual internal audit opinion? A summary of the work that supports the opinion? A disclosure of any qualifications to the opinion? The reasons for any qualifications to the opinion? A disclosure of any impairments or restriction in scope? A comparison of work actually carried out with the work planned? A statement on conformance with the PSIAS?</p>	<p>Where relevant and appropriate these would all be included within the annual report.</p>		<p>The annual outturn report to the Audit Committee could be amended to include a statement on conformance with the PSIAS</p>	<p>Consideration to be given to an appropriate statement to be included in the report.</p> <p>Internal Audit Manager</p> <p>31.3.19</p>	<p>This is included in the year-end report. Feedback from Governance and Audit Committee is received and adopted where appropriate.</p>
<p>Does the annual report incorporate the following: The results of the QAIP? Progress against any improvement plans resulting from the QAIP? A summary of the performance of the internal audit activity against</p>	<p>This will be reported to the Audit Committee in future.</p>		<p>The summary does not include details of specific audit work undertaken in the period. Therefore, a significant reliance on the Internal Audit Manager to determine</p>	<p>Consideration to be given to how best this is to be reported.</p> <p>Internal Audit Manager</p> <p>31.3.19</p>	<p>Action plan progress to be reported to Governance and Audit Committee.</p>

**PSIAS SELF-ASSESSMENT / EXTERNAL ASSESSMENT - ACTION PLAN UPDATE Appendix 1**

Requirement	Self Assessment	Actions for Consideration	External Assessor Recommended actions	Agreed Actions/Person Responsible/Timescale	
its performance measures and targets? Any other issues that the CAE judges is relevant to the preparation of the governance statement			appropriate assurances		
<b>2500 Monitoring progress</b> Where issues have during the follow-up process, has the CAE considered revising the internal audit opinion?	The review mechanism is focussed on achieving improvement by implementation of agreed actions. If audit is not satisfied with progress on fundamental issues, it would be escalated in the first instance to the S151 Officer then Audit Committee	Not considered an issue in the Self-Assessment	Consideration should be given to revising the audit opinion post follow up which would give further assurances that improvements have been made	Consideration to be given to the option of revising the audit opinion to reflect direction of travel in respect of improvement.  Internal Audit Manager  31.3.19	All audits include a direction of travel since the previous audit where this is relevant and historical information is available.

Standard	SUMMARY OF RESULTS	GC	PC	DNC	N/A
A1	Mission of Internal Audit	✓			
B2-3	Definition of Internal Auditing	✓			
C4-13	Core Principles for the Professional Practice of Internal Auditing	✓			
D14-25	Code of Ethics	✓			
	<b>Attribute / Performance Standards</b>				
1000	Purpose, Authority and Responsibility (The sum of <i>Standards</i> 1000-1010)	✓			
1100	Independence and Objectivity	✓			
1110	Organisational Independence	✓			
1111	Direct Interaction with the Board	✓			
1112	Chief Audit Executive Roles Beyond Internal Auditing	✓			
1120	Individual Objectivity	✓			
1130	Impairments to Independence or Objectivity	✓			
1200	Proficiency and Due Professional Care				
1210	Proficiency	✓	Minor issue noted		
1220	Due Professional Care	✓			

Standard	SUMMARY OF RESULTS	GC	PC	DNC	N/A
1230	Continuing Professional Development	✓			
1300	Quality Assurance and Improvement Programme	✓			
1310	Requirements of the Quality Assurance and Improvement Programme	✓			
1311	Internal Assessments	✓	Minor issue noted		
1312	External Assessments	✓			
1320	Reporting on the Quality Assurance and Improvement Programme	✓			
1321	Use of Conforms with the International Standards for the Professional Practice of Internal Auditing	✓			
1322	Disclosure of Non-conformance	✓			
2000	Managing the Internal Audit Activity				
2010	Planning	✓			
2020	Communication and Approval	✓			
2030	Resource Management	✓			
2040	Policies and Procedures	✓			
2050	Coordination	✓			

Standard	SUMMARY OF RESULTS	GC	PC	DNC	N/A
2060	Reporting to Senior Management and the Board	✓			
2070	External service Provider and Organisational Responsibility for Internal Audit	✓			
2100	Nature of Work				
2110	Governance	✓			
2120	Risk Management	✓			
2130	Control	✓			
2200	Engagement Planning	✓			
2210	Engagement Objectives	✓			
2220	Engagement Scope	✓			
2230	Engagement Resource Allocation	✓			
2240	Engagement Work Programme	✓			
2300	Performing the Engagement				
2310	Identifying Information	✓			
2320	Analysis and Evaluation	✓			
2330	Documenting Information	✓			
2340	Engagement Supervision	✓			
2400	Communicating Results				
2410	Criteria for Communicating	✓			
2420	Quality of Communications	✓			

Standard	SUMMARY OF RESULTS	GC	PC	DNC	N/A
2421	Errors and Omissions	✓			
2430	Use of 'conducted in conformance with the International Standards for the Professional Practice of Internal Auditing'.	✓			
2431	Engagement Disclosure of Non-conformance	✓			
2440	Disseminating Results	✓			
2450	Overall Opinions	✓			
2500	Monitoring Progress	✓			
2600	Resolution of Senior Managements Acceptance of Risks	✓			
	<b>OVERALL CONCLUSION – CONFORMANCE WITH PSIAS</b>	✓			



Glossary	
<b>GC</b>	<b>Generally Conforms with PSIAS</b> - The relevant structures, policies and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformance to the others, within the section / category. General conformance does not require complete / perfect conformance, the ideal situation, successful practice, etc.
<b>PC</b>	<b>Partially Conforms with PSIAS</b> - The activity is making good-faith efforts to comply with the requirements of the individual Standard or element of the Code of Ethics, section, or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or Code of Ethics and / or achieving their objectives.
<b>DNC</b>	<b>Does Not Conform with PSIAS</b> - The activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many / all of the objectives of the individual Standard or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity's effectiveness and its potential to add value to the organisation. These may also represent significant opportunities for improvement, including actions by senior management or the board.
<b>N/A</b>	<b>Not Applicable</b> - The sections marked N/A do not apply to this assessment. Any n/a answers should be treated as generally conforming with the PSIAS.

<b>CAE</b>	<b>Chief Audit Executive (CAE)</b> - A generic title used to describe the person responsible for managing the internal audit activity. In NCC it is the Chief Internal Auditor Service.
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Action Plan for Identified Actions for strengthening conformance

Standard	Detail notes	Action to address non / partial compliance	Who is responsible for implementing the action	Timescale
1210	Internal Audit staff have basic IT Audit skills and proficiency and are aware of basic IT controls, however there is no internal expertise of a more technical nature or specific expertise. Training courses are limited.	Where a need arises more technical expertise for IT Audit would need to be sourced from an external provider.	Internal Audit manager	On going if a risk is identified.
1311	The use of an Audit management system has improved management reporting and introduced a formal recommendation tracking process. However some improvements have been identified that would enhance reporting to managers and Governance and Audit Committee.	Reporting of management information to be developed in conjunction with software provider and the requirements of management and the Governance and Audit Committee.	Internal Audit Manager	31/12/24

Gadewir y dudalen hon yn wag yn fwiadol



## **GOVERNANCE AND AUDIT COMMITTEE - 15<sup>TH</sup> FEBRUARY 2024**

**SUBJECT: UPDATE ON INTERNAL 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 Audit Report recommendations.

### **2. SUMMARY**

- 2.1 The Governance and Audit Committee has requested that regular reports are provided in relation to the work of the Internal Audit Team.
- 2.2 This report provides an update on the number of recommendations arising from Internal Audit reviews and their current status.

### **3. RECOMMENDATIONS**

- 3.1 Members note the information contained in this report

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

- 4.1 To ensure that the Governance and Audit Committee is aware of the number of Internal Audit recommendations and associated risk ratings.
- 4.2 To ensure that the Governance and Audit Committee is aware of progress made in implementing recommendations by service areas / locations in receipt of Internal Audit reports and to ensure that reported risks are being addressed appropriately and within adequate timeframes.

## 5. THE REPORT

- 5.1. 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.
- 5.2 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.
- 5.3 The Pentana MK computer system in use by the Internal Audit Team has the facility to risk rate all recommendations and to track these so that once a recommendation has been agreed and a planned implementation date set, the risk owner or service manager can be reminded to provide updates on progress that is being made to implement the agreed actions.
- 5.4 This process enables Directors and Heads of Service and ultimately the Governance and Audit Committee to assess if adequate progress is being made to manage risks and implement agreed actions, or to make further enquiries as necessary.
- 5.5 The system also allows recommendations to be attributed to “themes” such as GDPR, governance or internal control where appropriate and this can then also enable review of recommendations across different service areas and operations. Large numbers of high risk recommendations in relation to a common risk aspect across different audits would alert Internal Audit to potential areas of concern.
- 5.6 The system enables the individual auditor to risk rate recommendations in line with internal guidance procedures. As the auditor creates each finding they also detail the actions that are recommended that would mitigate or remove the risk identified.
- 5.7 Each audit goes through a process where the testing is undertaken, recommendations are created, they are then reviewed, a draft report is issued and then the final report. All findings and recommendations are agreed with the service manager together with appropriate timescales.
- 5.8 As of 31/12/2023 there were 2187 recommendations that had been raised within the Pentana MK system since the date of implementation in May 2019
- 5.9 **Table showing the status and number of recommendations.**

<b>Recommendation Status</b>	<b>Number</b>
Created – not yet reviewed	1
In draft (report reviewed not issued)	273
Draft report awaiting response	118
In progress	169
No action proposed	144
Completed	1,329
No response received assume not accepted	19
Archived	134

<b>Total</b>	<b>2,187</b>

#### 5.10 Internal Audit recommendations by risk rating and Directorate

Directorate	High	Medium	Merits Attention	No longer applicable	For information only	Total
<b>Social Services</b>	5	45	52	11	0	<b>113</b>
<b>Housing</b>	5	1	23	0	0	<b>29</b>
<b>Economy and Environment</b>	55	59	119	0	1	<b>234</b>
<b>Education</b>	174	579	535	64	3	<b>1,355</b>
<b>Corporate Services</b>	184	111	78	0	0	<b>373</b>
<b>Cross cutting</b>	5	78				<b>83</b>
<b>Total</b>	<b>428</b>	<b>873</b>	<b>807</b>	<b>75</b>	<b>4</b>	<b>2,187</b>

5.11 Recommendations are created, and once they are agreed with service managers, they are allocated to a responsible officer and a due date for completion of the agreed actions is agreed with the service manager and recorded in the system. The system records the status of each recommendation from the initial creation through to completion by the service manager or responsible officer.

5.12 It should be borne in mind that the due date is a future date although there is an expectation that the higher the risk identified the more urgent the mitigating actions are required to be implemented, so a shorter due date would be expected and therefore high risk findings should be seen to show good progress towards completion.

#### 5.13 Audit recommendation status and risk rating

The table below shows the status of the recommendations created and their risk ratings:-

Status	High	Medium	Merits attention	No longer applicable	For information	Total
Created – not yet reviewed	0	0	1	0	0	<b>1</b>
In draft (report reviewed not issued)	67	101	104	0	1	<b>273</b>
Draft report awaiting response	32	28	58	0	0	<b>118</b>
In progress	54	68	47	0	0	<b>169</b>
No action proposed	14	61	18	50	1	<b>144</b>
Completed	246	551	530	0	2	<b>1,329</b>

No response received assume not accepted	1	8	10	0	0	19
Archived	14	56	39	25		134
<b>Total</b>	<b>428</b>	<b>873</b>	<b>807</b>	<b>75</b>	<b>4</b>	<b>2,187</b>

- 5.14 Progress in completing agreed recommendations is regularly monitored by the Internal Audit Team and overdue recommendations are highlighted with manual reminders being issued. There are currently 49 overdue recommendations as shown in the table below: -

**Table showing overdue recommendations.**

Directorate	High	Medium	Merits Attention	Total
<b>Social Services</b>	0	0	0	<b>0</b>
<b>Housing</b>	0	0	0	<b>0</b>
<b>Economy and Environment</b>	2	12	0	<b>14</b>
<b>Education</b>	2	13	15	<b>30</b>
<b>Corporate Services</b>	0	5	0	<b>5</b>
<b>Total</b>	<b>4</b>	<b>30</b>	<b>15</b>	<b>49</b>

- 5.15 These relate to a small number of individual audits and progress on completion is currently being followed up with the individual service managers.

**5.16 Conclusion**

- 5.16.1 The report informs the Governance and Audit Committee of the number of Internal Audit findings, their risk ratings, recommendations issued and progress towards completion.

**6. ASSUMPTIONS**

- 6.1 There are no assumptions in this report.

**7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 An Integrated Impact Assessment is not required as this report is for information purposes only.

**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 (Wales) Act 2021

Author: D Gronow, Acting Internal Audit Manager

Consultees: R Edmunds, Corporate Director for Education and Corporate Services  
S Harris, Head of Financial Services and Section 151 Officer

Gadewir y dudalen hon yn wag yn fwriadol



## **GOVERNANCE AND AUDIT COMMITTEE - 15 FEBRUARY 2024**

**SUBJECT: REGULATOR RECOMMENDATION TRACKER PROGRESS  
UPDATE**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE  
SERVICES**

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

1.1 The purpose of this report is to update members on progress of recommendations that have been made by all regulators since the last Governance and Audit Committee update, and to advise on any new proposals that have been added since that time.

### **2. SUMMARY**

2.1 The register was last updated and presented to the Governance and Audit Committee November 2023. Since that time there have been 2 new reports received and 4 new proposals added onto the register.

2.2 We have 14 recommendations on the register, with 4 new ones added. There are 2 that are now considered to be actioned and completed. If agreed by the Governance & Audit Committee, that would leave 12 outstanding.

2.3 We have received 2 new reports since the last time an update was provided, The Waste Management Strategy and the setting of the Council's Well-being Objectives.

2.4 The above does not include the improvement 'certificates' that come before Governance and Audit committee, as these confirm compliance to our statutory duty so do not make proposals or recommendations. Nor does it include External Financial Audit outputs at this point as the Governance & Audit Committee receive updates on progress against recommendations in the next Audit Wales Audit of Accounts Report.

### **3. RECOMMENDATIONS**

3.1 We propose 2 recommendations be closed down as completed and encourage members to view the specific recommendations attached within Appendix A and judge if they agree that these are now complete. It is recommended that Governance and Audit Committee give their agreement (if appropriate) via a vote to close the proposals that are noted as 'completed' within appendix A.

#### 4. REASONS FOR THE RECOMMENDATIONS

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

#### 5. THE REPORT

- 5.1 The table below provides a summary of recommendations and the numbers outstanding from each piece of work. Whilst the numbers give some scope the focus is on the quality of the output as some recommendations can take a long time to complete whilst others are shorter actions, however the important factor is the value of the recommendations, quality of output, and the difference they make. Paragraphs 5.2 to 5.8 and appendix A expand on the pieces of work as noted below.

Name of Report	How many original proposals or recommendation outstanding	How many recommendations completed in this reporting period	How many are left to complete?
Financial Sustainability Assessment 2021	2	0	2
Springing Forward Workforce	1	0	1
Springing Forward Asset Management	3	0	3
Homelessness Report	2	2	0
Decarbonisation	2	0	2
Waste Services Review - New	2	0 New	2
Setting of Well-being Objectives – New	2	0 New	2
<b>Total</b>	<b>14</b>	<b>2</b>	<b>12</b>

##### 5.2 Financial Sustainability Assessment

One of the recommendations “The Council should develop and implement a more comprehensive MTFP” has been a long standing recommendation in its development due to changing financial climate, however this recommendation has almost come to the end of its improvement process and is part of business as usual. When the prioritised transformation projects informs the update of the Medium Term Financial Plan in spring 2024 we will look to close this recommendation. Appendix A explains the position as of January 2024.

##### 5.3 Springing Forward – Workforce

Springing Forward – Workforce. This has 1 proposal outstanding though it has moved to a greater percentage of being completed. The pilots have been completed

and the system will be rolled out after training. It is anticipated that this recommendation will be finished by the summer of 2024.

#### **5.4 Springing Forward – Asset Management**

Two of the three proposals have moved up to 75% complete and details are available in appendix A. The third proposal has begun and is part of the development of a long term strategy. We have delayed developing a long term strategy to accommodate the recent change in funding requirements and what that means for the council. The New Asset Strategy will identify required resources financial and people and has had to be adapted to accommodate the current funding environment.

We will engage with our partners through the Public Service Board moving forward and work with them on key projects. We have changed the timescale of completion to Autumn 24 as that fits in with the timeline for the community hubs work which will be the most relevant work as part of partnership working at this time.

#### **5.5 Homelessness**

Work to deliver improved partnership arrangements continues and is part of other workstreams undertaken under our Common Allocation Policy Review and our Temporary accommodation workstream. Welsh Government (WG) have produced a White Paper on Ending Homelessness and the additional statutory responsibilities this is likely to place on the service and staff structure and how we deliver prevention models will be kept under review and consideration for 24/25. All this work has now become business as usual as part of how we evolve the homelessness service to react to the changing pressures we face across the service as the cost of living crisis and the macro-economic situation changes and impacts on our communities. The Rapid Rehousing strategy and the forthcoming WG White Paper on ending Homelessness is part of our day to day work as we progress actions from the audit report over the next 5 years and the new policy is embedded. Homelessness is still on the Corporate Risk Register so will continue to be monitored

#### **5.6 Decarbonisation**

This is a long term piece of work; we have a Decarbonisation Strategy called 'Reduce, Produce, Offset and buy.' As noted in the appendix a report went to Cabinet who approved the 10 recommendations needed to achieve our carbon targets, as a result these actions are now making greater progress across 2023/2024. Setting up metrics to measure the progress of the strategy has now been actioned.

#### **5.7 Waste Services**

The new Waste Strategy is progressing through various committees and was reported to a Joint Scrutiny 15<sup>th</sup> January 2024 to update all members on the draft strategy. The actions as suggested by Audit Wales have been addressed as the strategy was approved to go out to consultation. At the time of updating the register the recommendations have been completed but we will wait till the next Governance and Audit committee reporting to recommend closure to give a fuller update.

#### **5.8 Setting of the Well-being Objectives**

Audit Wales conducted an examination of how we set our Well-being Objectives (2023-2028) within the Sustainable Development Duty. Audit Wales took a partnership approach and followed our progress, attending workshops and so forth as part of the development of the new Plan. The Report was presented to Cabinet

17<sup>th</sup> January. The overall judgement was *“The Council has applied the sustainable development principle throughout the process of setting its new well-being objectives but there is scope to strengthen monitoring arrangements”*

There are two recommendations for improvement which are on the register.

R1. Each Well-being Objective has a published section that states how the objectives will be resourced, and this will be part of ongoing review.

R2. Performance Reporting has been a standard part for all Well-being Objective reporting over many years, however due to the integrated nature of the new Well-being Objectives (they do not follow a straight line of responsibility) we are developing a refreshed performance reporting method.

### **Other Regulator work**

- 5.9 Following an initial pilot phase in spring 2022, Estyn formally restarted their school inspections. Thirty-one schools and one pupil referral unit in Caerphilly have been inspected in over the last two years across secondary and primary settings. Although many of the inspections have resulted in positive outcomes, five settings are now in follow-up categories. One secondary and one primary are in ‘special measures,’ the pupil referral unit is in ‘significant improvement’ and two primary schools are in ‘Estyn Review.’ Recommendations from all Estyn inspections are used to identify appropriate levels of support. Progress against the recommendations, for schools in a follow-up category, are tracked through the Schools Causing Concern process.
- 5.10 There are no specific recommendations from the Care Inspectorate Wales (CIW) for Social Services. CIW held their Annual Review Meeting with the Director of Social Services on 29<sup>th</sup> September 2023, and progress was noted in all Regulatory areas. There has been a transfer of Link Inspector for the Local Authority and periodic meetings with the two Heads of Service have taken place. No concerns have been raised. Thematic Assurance Checks and inspections for regulated services are continuing. Whole service inspections have been resumed during 2023.

### **Future Audit Work Programme includes:**

- 5.11 The Assurance Risk Audit, known as the ARA update, as at Quarter 3 in the 2023 programme.
- Financial position - ongoing
  - Use of performance information, with a focus on service user feedback and outcomes. A draft report has been received and it is going through factual checking and the moderation process.
  - Digital Review – A draft report received and is now going through factual checking and moderation process.
  - Counter Fraud – currently in the ‘field work’ stage (getting knowledge).
- 5.12 For clarity, Audit Wales issue Recommendations for improvement for each individual outputs. Each Report completes a management response as to whether the council accepts those recommendations and how they will address them.

## 5.13 Conclusion

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

## 6. ASSUMPTIONS

- 6.1 It is a reasonable assumption that the financial and demand challenges facing the authority will continue. Alongside this, demand levels for key services will continue to increase with changing demographics and increased expectations placed on the local authority.

## 7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 This report does not relate to the development of a policy, strategy, practice or project so no specific Integrated Impact Assessment has been undertaken on this report, however the Sustainable Development principle would be considered as part of any action planning to address proposals.

## 8. FINANCIAL IMPLICATIONS

- 8.1 There are no direct financial implications arising from this report, although Financial Sustainability is noted as one of the reviews and has proposals attached.

## 9. PERSONNEL IMPLICATIONS

- 9.1 There are no specific personnel implications directly resulting from this report although one of the proposals is in relation to workforce development.

## 10. CONSULTATIONS

- 10.1 All consultation responses received have been included in the body of this report.

## 11. STATUTORY POWER

- 11.1 The Local Government and Elections Act  
11.2 The Well-being of Future Generations (2015) Act

Author Ros Roberts, Business Improvement Manager - [roberr@caerphilly.gov.uk](mailto:roberr@caerphilly.gov.uk)

Consultees: Dave Street, Deputy Chief Executive  
Richard Edmunds, Corporate Director for Education and Corporate Services

Steve Harris, Head of Financial Services and S151 Officer  
Cllr. Eluned Stenner, Cabinet Member for Finance and Performance  
Mark. S Williams, Corporate Director for Economy and Environment  
Lynne Donovan, Head of People Services  
Ben Winstanley, Head of Land and Property Services  
Rob Tranter, Head of Legal Services and Monitoring Officer  
Nick Taylor-Williams, Head of Housing  
Kerry Denman, Housing Solutions Manager  
Gareth Jenkins, Interim Director of Social Services  
Jo Williams, Assistant Director, Adult Services  
Doctor Paul Warren, Strategic Lead for School Improvement  
Cath Forbes-Thompson, Scrutiny Manager  
Paul Cooke -Decarbonisation Manager  
Sue Richards, Interim Head of Transformation, Head of Education  
Planning and Finance  
Deborah Gronow, Internal Audit Manager

Appendices:

Appendix A      Action Plan and Response to Regulator Proposals



MASTER COPY

Action Plan & Response to Regulator Proposals

Report Reference and if related to Risk Register	Name of Report and where reported	Regulator Proposal	Action	Service Officer Responsible	When will be completed by	UPDATE -June 2023	UPDATE JANUARY 2024	Status	Percentage completed
AW Ref 2451A2021-22 Issued June 2021  Linked to Risk Register <b>CRR 02 MTFP</b> cost of living on organisation	<b>Financial Sustainability Assessment</b> Governance and Audit 12 October 2021	<b>P1</b> The Council should develop and implement a more comprehensive MTFP.	This will be progressed through the emerging 'Mobilising Team Caerphilly' transformation programme.	Stephen Harris	original date 01/03/2022 A suite of prioritised projects is in the process of being agreed for the Mobilising Team Caerphilly transformation programme and this will inform a further iteration of the MTFP in spring 2024.	The 2023/24 budget was approved by Council on the 23rd February 2023 and this included total 2023/24 cost pressures of £55.5m. These pressures are being funded through a 6.9% uplift in the Financial Settlement (£22.2m), permanent savings of £5m, temporary savings of £6.9m, the one-off use of reserves totaling £15.3m and a 7.9% increase in Council Tax (£6.1m). The £22.2m of temporary measures for 2023/24 are contributing to an overall anticipated savings requirement of £48.3m for the two-year period 2024/25 to 2025/26. Work is underway to refocus the transformation programme and to identify other savings proposals to address the financial gap. A draft delivery plan is being developed during Summer 2023 for implementation thereafter. A review of capital balances is also underway and a report on this will be presented to Members in September 2023.	The 2024/25 draft budget proposals were endorsed by Cabinet on the 17th January 2024 and these are now subject to a period of consultation prior to final budget proposals being presented to Cabinet and Council on the 27th of February 2024. Total cost pressures of £56.08m have been identified for 2024/25 and it is proposed that these will be funded through a 2.3% uplift in the Provisional Financial Settlement (£7.77m), permanent savings of £19.53m, temporary savings of £11.45m, the one-off use of reserves totaling £11.39m, and a 6.9% increase in Council Tax (£5.94m). The £22.84m of temporary measures proposed for 2024/25 will contribute to an overall anticipated further savings requirement of £46.70m for the two-year period 2025/26 to 2026/27. The Council's emerging Mobilising Team Caerphilly transformation programme will be a key element in driving forward the significant changes required to ensure that we are able to address the unprecedented financial challenges that we face. A suite of prioritised transformation projects is in the process of being developed and these will inform a further update of the MTFP in spring 2024.	In progress	60%
AW Ref 2451A2021-22 Issued June 2021  See above link to risk <b>CRR 02</b> on Risk Register	<b>Financial Sustainability Assessment</b> Governance and Audit 12 October 2021	<b>P3</b> Help address funding gap identified in the MTFP, by developing programme of financial benefits from the Transformation Programme activities. Financial benefits arising are clearly defined and communicated and reported to members.	This will be progressed through the emerging 'Mobilising Team Caerphilly' transformation programme.	Stephen Harris	Spring 2024	The 2023/24 budget was approved by Council on the 23rd February 2023 and this included total 2023/24 cost pressures of £55.5m. These pressures are being funded through a 6.9% uplift in the Financial Settlement (£22.2m), permanent savings of £5m, temporary savings of £6.9m, the one-off use of reserves totaling £15.3m and a 7.9% increase in Council Tax (£6.1m). The £22.2m of temporary measures for 2023/24 are contributing to an overall anticipated savings requirement of £48.3m for the two-year period 2024/25 to 2025/26. Work is underway to refocus the transformation programme and to identify other savings proposals to address the financial gap. A draft delivery plan is being developed during Summer 2023 for implementation thereafter. A review of capital balances is also underway and a report on this will be presented to Members in September 2023.	The Council's updated MTFP presented to Cabinet on the 17th of January 2024 alongside the 2024/25 draft budget proposals, shows a projected further savings requirement of £46.70m for the two-year period 2025/26 to 2026/27. A suite of prioritised transformation projects is in the process of being developed and these will inform a further update of the MTFP in spring 2024. These projects will be subject to business cases that will clearly define the expected financial benefits.	In progress	50%
AW Ref 3005A2022 issued July 2022  Links to mitigating actions for risk <b>CRR 15 &amp; CRR 16</b>	<b>Springing Forward - Workforce and succession plans.</b> P&R Scrutiny 23.01.23	<b>R1</b> In developing its service-level workforce plans, the Council should place the sustainable development principle at the heart of its considerations, and specifically ensure it: • builds on its experience of the COVID-19 pandemic; • takes account of longer-term trends that may affect service provision and the efficient use of workforce; • aligns with other strategic plans and outcomes; • takes account of the needs of staff, service users and partners, and • sets out SMART performance measures and appropriate monitoring and reporting arrangements.		Lynne Donovan	Moved from Spring 2023 to Spring 2024	Further meetings have been arranged with the wider management teams of these services in Summer 2023. Feedback will assist the final refinement of the toolkit which is to be rolled out across all services in Autumn 2023. Discussions are ongoing with LGA in relation to them delivering workforce planning training to Management Network. The HR Management team have already received this. A suite of reports are also being developed in the upgraded HR / Payroll system to support workforce planning.	A Workforce Planning Toolkit has been developed and pilots undertaken by 3 Heads of Service in the Autumn 2023. This will now be rolled out across other services in accordance with the priority determined by the Mobilising Team Caerphilly Workstreams. Workforce Planning Training by LGA was arranged for Leadership Team in October 2023 but had to be cancelled due to the availability of the Trainer. This has been rearranged for February 2024. A suite of information will be available via the HR/Payroll system in Spring 2023 to support Managers with their workforce planning.	In progress	70%
AW Ref 3006A2022 issued July 2022	<b>Springing Forward - Assets</b> P&R Scrutiny 8 Nov 22	<b>Develop a longer-term asset strategy R1</b> In developing its asset management strategy, the Council should ensure it: • takes account of longer-term trends that may affect service provision and the efficient use of assets; • ensures alignment with the outcomes of other relevant strategic documents, including decarbonisation and digital strategies; • sets out the Council's intended outcomes over the short, medium and longer term; • sets out SMART performance measures that provide insight to decision makers; and • revises the Service Area Management Plan criteria to include active consideration of residents' needs over the medium to longer term.	The Council is appointing a new Head of Land and Property who will have responsibility, among other things, for redeveloping and integrating the Council's Asset Management Plans and ensuring they integrate with the wider suite of strategic documents. The post holder will have the role of refreshing our approach to Asset Management as a key priority.  As part of the redevelopment of the approaches to Asset Management, we will ensure appropriate outputs and outcomes are set with targets and timescales introduced where appropriate.  We will look to include some specific recurrent questions within its next Caerphilly Conversation that will provide insight into residents' views on community assets and their use.	Mark S Williams Corporate Director Economy and Environment  Ben Winstanley Head of Land and Property  Caerphilly Conversation - Sue Richards Head of Transformation	01/04/2023  Jan 2023 Changed to Feb 24	Proposed timeline for the development of a new strategy has been developed and actions are currently being worked through focussing on delivery of a draft for CMT in September 23, AW to receive draft programme for information. Timescales remain realistic and the work is on track for the dates for the previously communicated timetable. Through the council's ongoing engagement programme 'The Caerphilly Conversation', our communities are giving us useful insight into how they feel we should do things differently in future. Some of the emergent themes to date, with specific relevance to asset management, are: - Reduce the number of buildings and fully use those maintained including for community use, generate income to mitigate against need for budgetary savings, e.g. leasing surplus buildings, sale of vacant assets. - Ensure that there is easy access to services – for all whether this be online, over the phone or face to face. Digital access to service should be available wherever possible but acknowledge that some are digitally excluded and some services have to be delivered face to face e.g. libraries and leisure centres. Use existing buildings to co-locate services e.g. libraries as "hubs" where residents can access many services in one place in the community. Improve efficiency (using technology to do so) and reduce bureaucracy and ensure sustainability of service development and provision e.g. green and efficient transport services, good cycle networks provision of electric charging points. Engagement confirmed that people wanted to maintain home working where possible reduce the number of office buildings etc	This strategy was delayed due to the financial environment and a need to re-focus, and realignment of priorities as a result of Mobilising Team Caerphilly and the development of a new corporate plan. This should now be finalised in Early 2024 and the date has been changed to reflect this.	In progress	75%
AW Ref 3086A2022 issued July 2022	<b>Springing Forward - Assets</b> P&R Scrutiny 8 Nov 22	<b>Secure Resources R2</b> Secure sufficient and skilled resources to deliver the strategic vision effectively, including to: • manage the disposal or transfer of surplus assets; • implement digital solutions; and • engage with and involve communities around their needs	The Council is developing a new approach to Recruitment and Selection designed to enhance its chances of securing and retaining critical resources We are exploring opportunities to provide additional support for critical resources through an enhanced relationship with its supply chains. The Council is implementing a cloud strategy to future proof its approach to the delivery of digital solutions through the use of Software as a Service. As well as adapting its Caerphilly Conversation to seek views on assets, this will strengthen further the involvement aspects of any disposals or changes to existing services. Strategic community involvement work is already programmed to ensure assets, particularly those linked to the Walk In Services corporate review, are developed around community need. This approach is in line with the council's Consultation and Engagement Framework, adopted in February 2020. Ongoing process of highlighting opportunities within the Community Asset Transfer scheme with community members during engagement process.	Mark S Williams Corporate Director Economy and Environment  Ben Winstanley Head of Land and Property  Caerphilly Conversation - Sue Richards Head of Transformation	Spring 2024	Suplus assets procedure to be reviewed as part of Asset Management Plan Actions. This insight above has come from and links too the councils two most recent phases of the Caerphilly Conversation, 'What matters to you?' in November/December 2022 and 'Council budget setting' in January/February 2023 can be found here: <a href="http://www.caerphilly.gov.uk/caerphillyconversation">www.caerphilly.gov.uk/caerphillyconversation</a> A link to the councils two most recent phases of the Caerphilly Conversation, 'What matters to you?' in November/December 2022 and 'Council budget setting' in January/February 2023 can be found here: <a href="http://www.caerphilly.gov.uk/caerphillyconversation">www.caerphilly.gov.uk/caerphillyconversation</a> . In addition, the council is planning for a further phase of in-depth engagement with its extensive stakeholder groups - including residents - as part of the Caerphilly Conversation in September and October. Further insight relevant to this area of work will be sought through this in-depth activity	The new timeline reflects the change in focus connected to the Corporate Landlord workstream identified as part of the Mobilising Team Caerphilly work. New procedures and governance will be reviewed as part of the Corporate asset management strategy in Spring 2024.	In progress	75%

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Action Plan & Response to Regulator Proposals

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AW Ref 3086A2022 issued July 2022	Springing Forward - Assets P&R Scrutiny 8 Nov 22	<b>Evaluate the benefits of partnership working</b> R3 Collaborate with public sector partners across Gwent to evaluate the potential benefits of developing a strategic long-term approach to a single public estate.	There are clear and obvious benefits from collaborating with other public sector bodies, previous attempts to do so across the Gwent PSB have proved challenging and are reliant on partners wanting to pursue opportunities. This recommendation, therefore, is not entirely in the Council's gift to resolve. That said, the advent of Agile working practices do clearly provide new opportunities for redundant building capacity to be used by either private or public partners, maximising the use of assets while reducing the costs.  The Council is currently formalising its approach to Agile working and in doing so is assessing its future capacity. Strengthening planning and monitoring approach with clear milestones and use of better forecasting is something that we will explore recognising that in this current economic climate the trends are only going one way. Investigating different evaluation measures of our preventative activity will be important as we move through the years of the Rapid Rehousing strategy. The Financial situation is concerning and we will be making a strong case as we are required to identify saving and essential growth will need to be fought for in the medium Term Financial Plan	Mark S Williams Corporate Director Economy and Environment  Ben Winstanley Head of Land and Property Sue Richards Head of Transformation	Autumn 2024	Meetings with public sector partners regarding the principles of accommodation sharing have commenced and a scope for a further asset mapping exercise is being developed and will be fed into the ISPB initially with further partners to be invited. Caerphilly have started to attend NHS meetings in relation to Aber Valley project and workstream, wider review will commence if Asset Collaboration funding can be obtained.	Delays in progress have been due to staff resources in Caerphilly and the implementation of Agile policy. More progress will be reported when community hubs work commences in Spring 2024 targeted to be completed in Autumn 2024.	In progress	30%
AW Ref 3219A2022 Nov 22 Links to risk CR13 Increased Homelessness and Housing Supply on Corporate Risk Register	Homelessness Report Reported to Gov & Audit 24.01.23	<b>R1</b> Strengthen its planning and monitoring for homelessness by: • better use of forecasting and benchmarking data; • setting a clear longer-term vision to meet changing needs; • developing clear milestones and targets to assess its progress; • identifying measures to evaluate the impact of its preventative activity; • ensuring the required medium to longer-term resources are reflected in its Medium Term Financial Plan	Strengthening planning and monitoring approach with clear milestones and use of better forecasting is something that we will explore recognising that in this current economic climate the trends are only going one way. Investigating different evaluation measures of our preventative activity will be important as we move through the years of the Rapid Rehousing strategy. The Financial situation is concerning and we will be making a strong case as we are required to identify saving and essential growth will need to be fought for in the medium Term Financial Plan	Nick Taylor-Williams/ Kerry Denman	2023/ 2024 in view of WG white paper proposals	Prevention pathways are being explored and configured for earlier intervention by the teams. Affordable Housing Partnership workstream set up to work with Landlords partners on move on due to pressures in emergency accommodation. Specialist Offender Officer appointed (slight delay in taking up post due to staffing levels within the team; aim to be live in post in September). Review of letters, plans and leaflets underway to improve information and communication.	Work is underway to deliver improved partnership arrangements and is being picked up by the workstreams undertaken under our Common Allocation Policy Review and our Temporary accommodation workstream. This work will now have to give consideration to the proposals outlined in the Welsh Government White Paper on Ending Homelessness and the additional statutory responsibilities that this is likely to place on the service and staff structure and further on how we deliver prevention models, therefore this will be kept under review and consideration for 24/25. All this work has now become business as usual as part of how we evolve the homelessness service to react to the changing pressures we face across the service as the cost of living crisis and the macro economic situation changes and impacts on our communities. The Rapid Rehousing strategy and the forthcoming WG White Paper on ending Homelessness is now all part of our day to day workload, therefore as we progress actions from the audit report over the next 5 years of the plan and as the new policy is embedded it is business as usual. Therefore we believe this recommendation should be closed as it is now complete.	complete	100%
AW Ref 3219A2022 Nov 22 Links to risk CR13 Increased Homelessness and Housing Supply on Corporate Risk Register	Homelessness Report Reported to Gov & Audit 24.01.23	<b>R2</b> Continue to work with its partners (internal and external) to address some key areas for improvement, • engaging partners earlier in the development of key plans, strategies and developments; • identifying opportunities to improve the completeness and timeliness of shared information; • assessing the opportunities to improve the offender pathway; • improving the dialogue with partners around what constitutes a 'reasonable offer of accommodation'.	We commit to continue work with partners to address key areas of improvement and work in partnership through the homeless service and without that approach we wouldn't deliver and make improvements. The Rapid Rehousing Transition Plan (RTTP) embodies this approach and cannot be delivered without early engagement and collaboration in developing our plans going forward. We will review ways to improving offender pathways ensuring info is agreed in a timely fashion is critical to this pathway improvement and all of our work in this area.	Nick Taylor-Williams/ Kerry Denman	2023/2024 in view of WG white paper proposals	Prevention pathways are being explored and configured for earlier intervention by the teams. Affordable Housing Partnership workstream set up to work with Landlords partners on move on due to pressures in emergency accommodation. Specialist Offender Officer appointed (slight delay in taking up post due to staffing levels within the team; aim to be live in post in September). Review of letters, plans and leaflets underway to improve information and communication.	Review of letters and associated leaflets will be on hold pending welfare reform clarification and proposals as the whole IT system for case management and statutory letters associated with in our legislative framework will change as a result of the white paper and legislative reform. All this work has now become business as usual as part of how we evolve the homelessness service to react to the changing pressures we face across the service as the cost of living crisis and the macro economic situation changes and impacts on our communities. The Rapid Rehousing strategy and the forthcoming WG White Paper on ending Homelessness is now all part of our day to day workload and therefore as we progress actions from the audit report over the next 5 years of the plan and as the new policy is embedded it is business as usual. Therefore we suggest this is closed as completed.	complete	100%
AW reference 3230A2022 Received Jan 23 Links to Risk CRR 04 Impact of Climate Change	Caerphilly Assurance and Risk Assessment Review Not reported yet, Final Version to be received from AW Feb 23	Decarbonisation R1 The Council should ensure its proposed actions to reach net zero by 2030 are: • fully costed in terms of their carbon and financial impact to enable it to prioritise actions; • fully reflected in its Medium Term Financial Plan and Capital Strategy; • integrated into Directorate Performance Assessments	Work with service areas to identify a comprehensive programme of the detailed actions required to reach our targets. Establish mechanisms to identify the costs associated with the detailed actions. Develop a programme of when key actions need to be undertaken. Work with Finance, CMT/Cabinet to ensure that the programme and estimated costs are considered for inclusion in MTFP and Capital Strategy.	Paul Cooke	Mar-26	On the 14th June 2023 Cabinet approved a report setting out 10 recommendations to enable the authority to achieve its net zero carbon targets by 2030. The recommendations include the Decarbonisation Team providing every service area with a detailed breakdown of their individual carbon baseline and agree priorities and actions, and to set individual targets and carbon budgets for 2024/25 financial year. This work will include developing individual action plans and starting to cost the actions included. Specific work is progressing to identify the work needed on specific buildings and to obtain tendered prices for this work.		In progress	20%
AW reference 3230A2022 Received Jan 23 Links to Risk CRR 04 Impact of Climate Change	Caerphilly Assurance and Risk Assessment Review Not reported yet.	Decarbonisation R2 The Council should develop a robust set of metrics to measure and report progress on its decarbonisation journey.	Identify key metrics to measure and report progress. Consult and agree metrics, collection and reporting.	Paul Cooke	Mar-24	The draft metrics have been circulated and discussions are now underway on how these will be incorporated into Directorate Performance Assessments.	The new metrics have been developed and are being incorporated into the Asset Management Plan and Directorate Performance Assessments.	In progress	50%
AW Reference 3688A2023 Date issued July 2023 for Audit year 22/23 Links to Risk Register CR19	Waste Management Review Reported to Environment and Economy Scrutiny 31 Oct 23	<b>Value for Money and Well-being measures</b> R1 The Council should set out how it will monitor and evaluate the value for money of its waste strategy once finalised and the strategy's contribution to the Council's Well-being Objectives	The Strategy will have an inclusion of a monitoring and evaluation section within the strategy to explain how progress will be monitored	Mark S Williams	Summer 2024 - See timeline in January Update	New, no previous update	Draft strategy was considered by joint scrutiny on 15/1/24 followed by cabinet on 17/1/24. public consultation for 12 weeks to commence february 2024.	In progress	75%
AW Reference 3688A2023 Date issued July 2023 for Audit year 22/23 Links to Risk Register CR19	Waste Management Review Reported to Environment and Economy Scrutiny 31 Oct 23	<b>Longer-term strategy</b> R2 The Council should develop and agree a fully costed and resourced longer term waste strategy capable of meeting both current statutory targets and in readiness for the potential increase in statutory targets in the future.	Development of draft strategy, political sign off then public consultation. Political approval and publishing of final strategy after public consultation	Mark S Williams	Summer 2024	New, no previous update	Draft strategy was considered by joint scrutiny on 15/1/24 followed by cabinet on 17/1/24. public consultation for 12 weeks to commence february 2024.	In progress	75%
AW Reference 3874A2023 Date of Issue Dec 23	Setting of Well Being Objectives Reported to Cabinet 17 Jan 2024	R1 The Council should ensure that its refreshed MTFs shows how it will resource the delivery of its new WBO over the short, medium and longer term and to reflect any potential future financial risks to deliver them.	Each Well-being Objective has a section on the resources available to deliver this. The Corporate Plan is reviewed yearly and this includes resource changes. However we will look to implement a specific method or review whether existing methods can be strengthened.	Stephen Harris	Jun-24	New, no previous update			
AW Reference 3874A2023 Date of Issue Dec 23	Setting of Well Being Objectives Reported to Cabinet 17 Jan 2024	R2. The Council should ensure its performance management arrangements provide effective monitoring, reporting and scrutiny of the progress being made on delivering its well-being objectives	1. Develop a new Performance Reporting Framework including dashboards, frequency, trend data to monitor delivery of well-being objectives. 2. Review of Well-being Objectives on yearly basis is standard practise and will include PM arrangements	Ros Roberts	May 2024	New, no previous update	Developing the necessary data, gathering and developing trends, identifying the data owners, has started and is now ongoing getting ready for the first year end reporting of the corporate plan.	Started	20%



## **GOVERNANCE AND AUDIT COMMITTEE – 15<sup>TH</sup> FEBRUARY 2024**

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

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

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### **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> September 2023 to 31<sup>st</sup> January 2024.

### **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> September 2023 to 31<sup>st</sup> January 2024.

### **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> September 2023 to 31<sup>st</sup> January 2024 one RIPA operation has been undertaken in relation to the sale of alcohol to children under the age of 18 years.

#### 5.5 **Conclusion**

The report advises members that there has been one RIPA operation undertaken for the period 1<sup>st</sup> September 2023 to 31<sup>st</sup> January 2024 in relation to the sale of alcohol to children under the age of 18 years.

### 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

For information: Robert Tranter Head of Legal Services and Monitoring Officer



## **GOVERNANCE AND AUDIT COMMITTEE – 15 FEBRUARY 2024**

**SUBJECT: OFFICERS DECLARATIONS OF GIFTS AND HOSPITALITY  
OCTOBER TO DECEMBER 2023**

**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 October to 31 December 2023 ie the third quarter of the financial year 2023/2024 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 October to 31 December 2023.

### **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 October to 31 December 2023 and the previous three quarters for comparison.

<b>Directorate</b>	<b>Oct – Dec 2023</b>	<b>July – Sept 2023</b>	<b>April – June 2023</b>	<b>Jan – March 2023</b>
<b>Chief Executive</b>	0	0	0	0
<b>Economy and Environment</b>	0	0	0	0
<b>Education and Corporate Services</b>	0	0	1	0
<b>Social Services and Housing</b>	1	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>

5.7 The table below details the number of declarations regarding Hospitality submitted by Directorate for the period 1 October to 31 December 2023 and the previous three quarters for comparison.

<b>Directorate</b>	<b>Oct – Dec 2023</b>	<b>July – Sept 2023</b>	<b>April – June 2023</b>	<b>Jan – March 2023</b>
<b>Chief Executive</b>	0	2	0	0
<b>Economy and Environment</b>	0	1	0	1
<b>Education and Corporate Services</b>	0	1	0	1
<b>Social Services and Housing</b>	0		0	0
<b>Total</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>2</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 and Corporate Services  
(edmunre@caerphilly.gov.uk)  
Robert Tranter, Head of Legal Services and Monitoring Officer  
(trantrj@caerphilly.gov.uk)  
Stephen Harris, Head of Financial Services and Section 151 Officer  
(harrisr@caerphilly.gov.uk)  
Cllr Nigel George, Cabinet Member for Corporate Services, Property, and Highways (nigelgeorge@caerphilly.gov.uk)

Appendices:  
Appendix 1 Declarations of Gifts and Hospitality 1 October to 31 December 2023



**Appendix 1**  
**Declarations of Gifts and Hospitality 1 October to 31 December 2023**

<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>
Social Services and Housing	Adult Services	Social Worker	Gift	Service user and their family. Supermarket gift voucher. Value £20.00.	Assistant Director	Accepted

Gadewir y dudalen hon yn wag yn fwiadol