



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Project Brief – Delivering good governance: **Caerphilly County Borough Council**

Audit year: 2019-20

Date issued: January 2020

Document reference: 1697A2020-21



This document has been prepared for the internal use of Caerphilly County Borough Council as part of work performed/to be performed in accordance with statutory functions.

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, the Wales Audit Office and, where applicable, the appointed auditor are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at info.officer@audit.wales.

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

This document was developed by Gareth Jones and Huw Lloyd Jones.

Contents

Project brief

Background	4
Focus and Purpose of the review	5
Legislative basis for the review	5
Main review question	5
Method	5
Output	6
Timetable	6
Fieldwork schedule	6
Document request	7
Wales Audit Office contacts	8

Appendices

Appendix 1 – Fair Processing Notice	9
-------------------------------------	---

Project brief

Background

- 1 The Council's revised Code of Corporate Governance¹ is consistent with the CIPFA and SOLACE guidance and the Council sets out that its arrangements comprise:

'the framework of the policies, systems, procedures and structures that together determine and control the way in which a Council manages its business, determines its strategies and objectives and sets about delivering its services to meet those objectives.'
- 2 The Council's revised Code sets out that:

'the fundamental function of good governance is to ensure that it achieves its (the Council's) intended outcomes while acting in the public interest at all times. In doing so the Council has identified the following seven principles:

Acting in the public interest requires:

 1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
 2. Ensuring openness and comprehensive stakeholder engagement.

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

 3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
 4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
 5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
 6. Managing risks and performance through robust internal control and strong public financial management.
 7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- 3 Given the Council's ambition to transform at pace, as outlined in its Team Caerphilly, Stronger Together strategy, the Council recognises that strong corporate governance is crucial in order that good decisions are taken consistently across the Council. The Council has therefore decided to undertake a self-assessment of its governance arrangements in order to ensure that its procedures and policies are fit for purpose to support the transformation agenda. The Council has engaged an experienced consultant to challenge its self-assessment from an independent, external perspective.

¹ Caerphilly County Borough Council (2019) Code of Corporate Governance

- 4 We set out in our Annual Audit Letter in October 2019 that we would undertake a review of the Council's governance. In conducting our review, we will consider the content and robustness of the Council's self-assessment and the views of the external expert, as well as drawing, where relevant, on previous audit findings.

Focus and Purpose of the review

- 5 Our review will comprise two phases. The focus and purpose of Phase 1 of our review is to consider whether the Council is improving its governance arrangements so that they support its transformation agenda. Subject to the outcome of Phase 1, our work during Phase 2 will monitor, support and challenge the Council in implementing some of the agreed improvement priorities identified through its self-assessment.

Legislative basis for the review

- 6 This project is being undertaken to help discharge the Auditor General's duties under section 18 of the Local Government (Wales) Measure 2009 and section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act). It may also inform a study for improving value for money under section 41 of the 2004 Act, and/or an examination undertaken by the Auditor General under section 15 of the Wellbeing of Future Generations Act (Wales) 2015.

Main review question

Exhibit 1: main review question

The table below sets out the main question we will seek to answer in undertaking this review.

- | |
|--|
| <ul style="list-style-type: none">• Is the Council improving its governance arrangements so that they support its transformation agenda? |
|--|

Method

- 7 We will take a phased approach to undertaking this review. During the **first phase** we will review the Council's self-assessment, take evidence from the external expert commissioned by the Council, and consider that alongside key Council documents and our existing audit knowledge. We will then hold an initial workshop with the Corporate Governance Panel to explore the key findings of the self-assessment alongside our previous audit findings. In doing so, we will scope a **second phase** that identifies key actions and any other areas that may require

further monitoring, support or challenge. This iterative approach is designed to support the Council in real time and to seek assurance that the focus and pace of improvement is appropriate.

Output

- 8 We will consider appropriate outputs from the review as we work through its phases and discuss these with the Council.

Timetable

Exhibit 2: timetable

The table below sets out a proposed timetable for the review.

Proposed timetable	
Project brief issued	January 2020
Phase 1 - Review of Council's self-assessment, Document review, & observations & initial workshop	February - March 2020
Phase 2 – identify actions and areas for more assessment, support or challenge	March 2020
Further support and challenge, conclusion and other output(s)	April 2020 – June 2020

Fieldwork schedule

Observations

Exhibit 3: the table below sets out the Committees and working groups that we may observe during this review

Observations
During the review, we may observe ongoing public meetings of the Cabinet, Audit Committee, Scrutiny Committees and Full Council. We may also attend other internal meetings such as meetings of the Corporate Governance Panel, the Team Caerphilly Programme Board and the Caerphilly Programme Co-ordination Group.

Fieldwork

Exhibit 4: the table below sets out potential interviewees for this review

The outcome of our phase 1 work is likely to determine the scope of our interview schedule. However, the table below indicates the most likely interviewees.

Interviewees
<ul style="list-style-type: none">All members of Corporate Management Team
<ul style="list-style-type: none">Members of the Corporate Governance PanelSection 151 Officer, Head of Corporate Finance & Interim Head of Business Improvement ServicesHead of Legal Services and Monitoring OfficerHead of Customer and Digital ServicesCabinet Member for Finance, Performance and GovernanceInternal Audit ManagerChair of Audit Committee
<ul style="list-style-type: none">Workshop with Corporate Governance Panel (see paragraph 7)
Focus groups with <ul style="list-style-type: none">CabinetStaff who are authors of reports to Scrutiny and/ or CabinetChairs of ScrutinyElected members

Document request

The Council's self-assessment will largely determine which, if any, other documents we need. In conducting its self-assessment, it would be helpful if the Council referenced as appropriate any other documents supporting its judgements. We will discuss any further document requests following receipt of the Council's self-assessment.

Exhibit 5: the table below sets our initial document request

Document title
<ul style="list-style-type: none">Corporate Governance self-assessment and supporting evidence

Wales Audit Office contacts

Exhibit 6: Wales Audit Office contacts

The table below sets out the Wales Audit Office team that will be working on this review at the Council.

Name	Contact details
Engagement Director	Huw Rees Mobile: 07799 581886 Huw.Rees@audit.wales
Audit Manager	Huw Lloyd Jones Mobile 07813 822017 Huw.LloydJones@audit.wales
Audit Lead	Gareth Jones Mobile: 07970 737433 Gareth.Jones@audit.wales
Senior Auditor	Allison Rees Mobile: 07580 823820 Allison.rees@audit.wales
Other auditors	To be confirmed

Appendix 1

Fair Processing Notice

This privacy notice tells you about the potential collection of your personal information by the Auditor General for Wales (and by the Wales Audit Office on his behalf).

Who we are and what we do

The Auditor General's work includes examining how public bodies manage and spend public money.

The relevant laws

We process your personal data (including special category personal data) in accordance with data protection legislation, including the Data Protection Act 2018 (DPA) and the General Data Protection Regulation (GDPR).

This project is being undertaken to help discharge the Auditor General's examination duties under section 18 of the Local Government (Wales) Measure 2009 and section 17 of the Public Audit (Wales) Act 2004. It may also inform work undertaken under section 15 of the Well-being of Future Generations Act (Wales) 2015 and/ or a study for improving value for money under section 41 of the 2004 Act.

Under section 52 of the Public Audit (Wales) Act 2004, the Auditor General has a statutory right to information, assistance and explanation from any persons whom he thinks holds information that relates to a local government body. This right to information applies to information held by local government officers and we are obliged to set out that it is a criminal offence, punishable by a fine, for a person to fail to provide information required under section 52.

What we will do with your information

We are collecting information to undertake an examination to help inform the Auditor General's conclusions in relation to his statutory duties, as outlined above.

We are asking for information and opinions about the Council's Corporate Governance arrangements. Some of this information may be information about identifiable individuals, which would make it personal information, even though the purpose of our work is not in itself to collect information about identifiable individuals.

The Auditor General and the review team from the Wales Audit Office will have access to the information you provide. We may share some information with senior staff of the Council and our report may include some information as outlined below.

The information that we share and publish will be anonymous and will be about the themes and trends that we identify. We will keep the information collected, including your personal data, for a period of 7 years (and 25 years in the case of any published report).

Your rights

Under data protection law you have the right to request a copy of the current personal information held about you and a right to raise an objection to data processing that causes unwarranted and substantial damage and distress.

If you wish to discuss any objections or concerns, or obtain a copy of the current personal information held about you, please write to: The Information Officer, Wales Audit Office, 24 Cathedral Road, Cardiff, CF11 9LJ or email infoofficer@audit.wales

The Information Commissioner's Office

If you are require further information in relation to your rights under data protection law or are dissatisfied with how we are handling your personal data you may contact the Information Commissioner at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF or email casework@ico.gsi.gov.uk or telephone 01625 545745.

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru