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**Blaenau Gwent**

Our Ref./Ein Cyf.  
Your Ref./Eich Cyf.  
Contact:/Cysylltwch â:

**THIS IS A MEETING WHICH THE PUBLIC ARE ENTITLED TO ATTEND**

15th September 2023

Dear Sir/Madam

### **GOVERNANCE & AUDIT COMMITTEE**

A meeting of the Governance & Audit Committee will be held in Hybrid Meeting to be held virtually via MS Teams or in The Sir Williams Firth Room, General Offices, Steelworks Road, Ebbw Vale on Wednesday, 20th September, 2023 at 9.30 am.

Yours faithfully

Damien McCann  
Interim Chief Executive

### **AGENDA**

### **Pages**

#### **1. SIMULTANEOUS TRANSLATION**

You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so. A simultaneous translation service will be provided if requested.

2. **APOLOGIES**  
To receive.
3. **DECLARATIONS OF INTEREST AND DISPENSATIONS**  
To receive.
4. **GOVERNANCE & AUDIT COMMITTEE** 5 - 8  
To receive the decisions of the Governance & Audit Committee held on 12<sup>th</sup> July, 2023.  
  
(Please note the decisions are submitted for points of accuracy only).
5. **ACTION SHEET** 9 - 16  
To receive the Action Sheet arising from the meeting held on 12<sup>th</sup> July, 2023.
6. **FORWARD WORK PROGRAMME 2023-24** 17 - 24  
To receive.
7. **INTERNAL AUDIT CHARTER** 25 - 38  
To consider the report of the Audit and Risk Manager.
8. **INTERNAL AUDIT PROGRESS 2023/24** 39 - 58  
To consider the report of the Professional Lead, Internal Audit.
9. **CORPORATE RISK REGISTER Q1 2023 / 2024** 59 - 88  
To consider the report of the Chief Officer Resources.

To: J. Absalom (Chair)  
Councillor S. Behr (Vice-Chair)  
Councillor D. Bevan  
Councillor K. Chaplin  
Councillor W. Hodgins  
Councillor C. Smith  
Councillor J. Wilkins  
M. Veale

All other Members (for information)  
Interim Chief Executive  
Chief Officers

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**COUNTY BOROUGH OF BLAENAU GWENT**

**REPORT TO:** **THE CHAIR AND MEMBERS OF THE GOVERNANCE & AUDIT COMMITTEE**

**SUBJECT:** **GOVERNANCE & AUDIT COMMITTEE**  
**12<sup>TH</sup> JULY, 2023**

**REPORT OF:** **DEMOCRATIC OFFICER**

**PRESENT:** JOANNE ABSALOM (CHAIR)

Councillors S. Behr  
W. Hodgins  
C. Smith

Martin Veale

**WITH:** Chief Officer Resources  
Head of Democratic Services, Governance & Partnerships  
Service Manager – Development & Estates  
Business & Regeneration Service Manager  
Professional Lead – Internal Audit  
Data Protection & Governance Officer  
Communications & Marketing Manager

**AND:** Charlotte Owen, Audit Wales  
Mike Jones, Audit Wales

**DECISIONS UNDER DELEGATED POWERS**

<b><u>ITEM</u></b>	<b><u>SUBJECT</u></b>	<b><u>ACTION</u></b>
<b>No. 1</b>	<b><u>SIMULTANEOUS TRANSLATION</u></b>  It was noted that no requests had been received for the simultaneous translation service.	
<b>No. 2</b>	<b><u>APOLOGIES</u></b>  Apologies for absence were received from:	

	<p>Councillors D. Bevan, K. Chaplin, J. Wilkins, Audit &amp; Risk Manager, Chief Officer Commercial &amp; Customer and Deborah Woods, Audit Wales.</p>	
<b>No. 3</b>	<p><b><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></b></p> <p>There were no declarations of interests or dispensations reported.</p>	
<b>No. 4</b>	<p><b><u>GOVERNANCE &amp; AUDIT COMMITTEE</u></b></p> <p>The decisions of the Governance &amp; Audit Committee held on 21<sup>st</sup> June, 2023 were submitted.</p> <p>It was unanimously,</p> <p>RESOLVED that the decisions be accepted as a true record of proceedings.</p>	
<b>No. 5</b>	<p><b><u>ACTION SHEET – 21<sup>ST</sup> JUNE, 2023</u></b></p> <p>The Action Sheet arising from the meeting held on 21<sup>st</sup> June, 2023 was submitted, whereupon:</p> <p><b><u>Item 7 – Forward Work Programme 2023/2024 - Annual Report of the Governance &amp; Audit Committee</u></b></p> <p>It was noted that this action had been completed as an item relating to the Annual Report had been included on the Forward Work Programme. However, the production of the report would be the responsibility of the principal adviser to the Committee (in liaison with the Chair) and not the Chief Officer Resources/Head of Democratic Services, Governance &amp; Partnerships as previously reported.</p>	

	<p><b><u>Item No. 11 – Civic Centre Integrated Impact Assessment (IIA) – Ebbw Vale Town Centre Visitor Footfall</u></b></p> <p>The Business &amp; Regeneration Service Manager provided a verbal update in relation to the challenges and accuracy of footfall data that had been collated for Ebbw Vale Town Centre and suggested that as a number of queries had been received from several Members regarding footfall data, that a Member Briefing be arranged to outline the methodology around footfall counters, how the data was collected and the algorithms used to quantify the data.</p> <p>RESOLVED accordingly.</p> <p>It was unanimously,</p> <p>FURTHER RESOLVED, subject to the foregoing, that the Action Sheet be noted.</p>	
<p><b>No. 6</b></p>	<p><b><u>FORWARD WORK PROGRAMME 2023/2024</u></b></p> <p>Consideration was given to report of the proposed Forward Work Programme 2023/2024.</p> <p>It was noted that the additional items discussed at the June Committee would be incorporated within the Forward Work Programme going forward.</p> <p>It was unanimously,</p> <p>RESOLVED that the report be accepted Option 1 be endorsed, namely that the Forward Work Programme be accepted.</p>	
<p><b>No. 7</b></p>	<p><b><u>AUDIT WALES: REVIEW OF THE PLANNING SERVICE – BLAENAU GWENT COUNTY BOROUGH COUNCIL</u></b></p> <p>Consideration was given to the report of the Service Manager Development &amp; Estates.</p> <p>It was unanimously,</p>	

	<p>RESOLVED that the report be accepted and Option 1 be endorsed, i.e. the Committee was assured that the Management Response responded to the identified recommendations within the Audit Wales report relating to the Review of the Planning Service.</p>	
<b>No. 8</b>	<p><b><u>STATEMENT OF ACCOUNTS 2021/2022</u></b></p> <p>Consideration was given to report of the Chief Officer Resources.</p> <p>It was unanimously,</p> <p>RESOLVED that the report be accepted and Option 2 be endorsed, namely that the Statement of Accounts be not approved at this stage and reconsidered following receipt and consideration of the Appointed Auditors Audit of Accounts Report.</p>	
<b>No. 9</b>	<p><b><u>ANNUAL GOVERNANCE STATEMENT 2021/2022</u></b></p> <p>Consideration was given to report of the Chief Officer Resources.</p> <p>It was unanimously,</p> <p>RESOLVED that the report be accepted and Option 1 be endorsed, namely that the Annual Governance Statement 2021/2022 be approved and adopted in its current state and the Annual Governance Statement 2022/2023 be received in due course.</p>	



**Blaenau Gwent County Borough Council**

**Action Sheet**

**Governance & Audit Committee**

<b>Meeting Date</b>	<b>Action to be Taken</b>	<b>By Whom</b>	<b>Action Taken</b>
21 <sup>st</sup> June, 2023	<p><b><u>Item No. 11 – Civic Centre Integrated Impact Assessment (IIA)</u></b></p> <ul style="list-style-type: none"><li>➤ Community hubs - nature of usage and how residents were interacting through these channels.</li></ul>	Chief Officer Commercial & Customer	<p>Attached are two spreadsheets, one showing the Q4 footfall seen and logged by reception in the Civic Centre up to March 2020 when it was vacated due to Covid and the other showing the footfall of the Community Hubs since opening in April 2021.</p> <p><b>Action: complete</b></p>
21 <sup>st</sup> June, 2023	<p><b><u>Item 7 – Forward Work Programme 2023/2024</u></b></p> <ul style="list-style-type: none"><li>➤ Review how Committee can be assured of progress against External and Internal Audit recommendations.</li></ul>	Head of Democratic Services, Governance & Partnerships/Audit & Risk Manager	<p>A Member briefing session is to be arranged to provide guidance to new committee members and refresher training to longstanding members on the remit and role of the committee. This item will be covered as part of this session.</p> <p><b>Action: on-going</b></p>

Meeting Date	Action to be Taken	By Whom	Action Taken
	<ul style="list-style-type: none"> <li>➤ A discussion to take place with appropriate officers regarding the provision of a report relating to Artificial Intelligence.</li> </ul>	Head of Democratic Services, Governance & Partnerships	<p>AI will be referenced within key deliverables as part of the Corporate Digital Strategy under development. A Member engagement session on the draft principles and priorities in the strategy was held on 27<sup>th</sup> July prior to it being presented through the democratic process in September and October. When Cabinet approval of the strategy is gained it can be brought to Audit and Governance committee where the AI point can be highlighted.</p> <p><b>Action: ongoing</b></p>
21 <sup>st</sup> June, 2023	<p><b><u>Item 9 – Annual Report of the Audit and Risk Manager 2022/2023</u></b></p> <ul style="list-style-type: none"> <li>➤ An update be provided on the three large investigations that had commenced during the year, at the appropriate juncture.</li> </ul>	Audit & Risk Manager	<p>Update to be provided at the appropriate time.</p> <p><b>Action: ongoing</b></p>

Meeting Date	Action to be Taken	By Whom	Action Taken
12 <sup>th</sup> July, 2023	<p><b><u>Item 5 – Action Sheet – 21<sup>st</sup> June, 2023 – Town Centre Visitor Footfall</u></b></p> <ul style="list-style-type: none"> <li>➤ A Member Briefing to be arranged to outline the methodology around footfall counters, how the data was collected and the algorithms used to quantify the data.</li> </ul>	Corporate Director of Regeneration & Community Services/Business and Regeneration Service Manager	<p>Member briefing to be arranged.</p> <p><b>Action: ongoing</b></p>

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Reception
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Month	Jan-20	Feb-20	Mar-20	Totals
Caller				
Building Control	5	13	0	18
Bus Pass	18	18	4	40
C2BG	320	280	25	625
CAB	51	43	0	94
Cemeteries	2	1	0	3
Council Tax	176	127	27	330
DBS	23	27	15	65
Dog/Food Bags	97	235	33	365
Education	78	70	0	148
Electoral Registration	7	5	0	12
Environmental Health	21	27	0	48
Estates	27	21	3	51
Fast Track	664	0	0	664
Homelessness	4	7	0	11
Housing	28	26	0	54
IT	0	69	9	78
Licencing	17	52	3	72
Mail	40	124	16	180
Miscellaneous	69	51	12	132
NNDR	0	1	1	2
Occupational Health	44	52	1	97
OD	130	96	0	226
Pass Card Issued	15	5	1	21
Planning	27	34	1	62
Recovery	21	32	0	53
Regeneration	0	6	0	6
Registrars	0	0	0	0
Social Services	32	29	0	61
Sundry Accounts	38	37	0	75
Sundry Accounts Paypoint Card	0	2	0	2
Toilet	26	65	1	92
Visitor	372	375	43	790
<b>Total</b>	<b>2352</b>	<b>1930</b>	<b>195</b>	<b>4477</b>

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2021	Ebbw Vale	Tredegar	Brynmawr	Abertillery	Cwm	Blaina	Llanhilleth	Overall
June	10	4	7	4	7	4	4	<b>40</b>
July	39	39	17	20	23	19	8	<b>165</b>
August	133	110	54	89	15	13	5	<b>419</b>
September	110	112	55	87	12	14	0	<b>390</b>
October	135	94	82	57	30	36	12	<b>446</b>
November	149	114	80	64	23	41	10	<b>481</b>
December	105	112	45	35	13	20	3	<b>333</b>
2022								
January	95	101	23	30	7	6	2	<b>264</b>
February	101	84	20	42	10	7	5	<b>269</b>
March	154	127	36	52	6	1	4	<b>380</b>
April	205	132	82	76	19	26	5	<b>545</b>
May	430	230	129	198	46	63	53	<b>1149</b>
June	186	147	87	116	23	23	17	<b>599</b>
July	205	131	76	80	21	20	19	<b>552</b>
August	158	129	77	70	7	20	5	<b>466</b>
September	178	77	53	94	12	17	7	<b>438</b>
October	161 (approx 127 unlogged)	268	85	133	23	32	15	<b>717</b>
November	159	118	77	82	14	21	6	<b>477</b>
December	95	67	49	58	20	6	3	<b>298</b>
	2647	2196	1134	1387	331	389	183	<b>8428</b>





# Agenda Item 6

*Executive Committee and Council only*

Date signed off by the Monitoring Officer: N/A

Date signed off by the Section 151 Officer: N/A

Committee: **Governance and Audit Committee**

Date of meeting: **20<sup>th</sup> September 2023**

Report Subject: **Forward Work Programme 2023-24**

Portfolio Holder: **Leader / Executive Member Corporate Overview and Performance**

Report Submitted by: **Scrutiny and Democratic Officer**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
		09.09.23	20.09.23					

1. **Purpose of the Report**
  - 1.1 To present the Forward Work Programme for 2023-24 (Appendix 1).
2. **Scope and Background**
  - 2.1 The Work Programmes are key aspects of the Council's planning and governance arrangements and support the requirements of the Constitution.
  - 2.2 The topics set out in the Forward Work Programme link to the strategic work of the Council as identified by the Council's Corporate Plan 2022-27, agreed by the Council in October 2022, corporate documents and supporting business plans.
  - 2.3 The Governance and Audit Committee Forward Work Programme is aligned to the Scrutiny Committee, Cabinet and Council Forward Work Programmes.
  - 2.4 The Work Programme is a fluid document and there is flexibility to allow for regular review between the Chair and the Committee.
3. **Options for Recommendation**
  - 3.1 **Option 1**  
To accept the Forward Work Programme.
  - 3.2 **Option 2**  
To suggest any amendments to the Forward Work Programme.

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## Governance and Audit Forward Work Programme 2023/24

Topic	Purpose	Lead Officer
<b>Meeting Date: 21<sup>st</sup> June 2023</b>		
Forward Work Programme 2023/24	To agree the FWP for 2023/24	Scrutiny and Democratic Officer
Strategic Internal Audit Plan 2023-2028	To provide Members with the five-year strategic Audit Plan for the period 2023-2028.	Louise Rosser
Annual Report of the Audit and Risk Manager	To present the opinion of the Annual Opinion of the Audit & Risk Manager	Louise Rosser
Integrated Impact Assessment on the Civic Centre	To present the Integrated Impact Assessment the Civic Centre.	Ellie Fry / Bernadette Elias

<b>Meeting Date: 12<sup>th</sup> July 2023</b>		
Audit Wales Planning Review	To present the Audit Wales report.	Steve Smith
Annual Governance Statement 2021/22	To present the Annual Governance Statement (AGS).	Gemma Wasley

Topic	Purpose	Lead Officer
<b>Meeting Date: 20<sup>th</sup> September 2023</b>		
Internal Audit Charter	To provide an updated copy of the Internal Audit Charter.	Louise Rosser
Audit Plan Progress Report (Qtr 1)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser
Corporate Risk Register (Qtr1)	To update Members on the Corporate Risk Register	Louise Rosser

## Governance and Audit Forward Work Programme 2023/24

Meeting Date: 18<sup>th</sup> October 2023

Annual Self-Assessment of Council Performance 2022/23 To be published by 31 <sup>st</sup> October each year	To present the Annual Self-Assessment of Council performance.	Sarah King
Audit Wales 2023 Audit Plan for BGCBC	To present the Audit Wales 2023 Audit Plan.	Rhian Hayden
Review of Governance and oversight arrangements of companies of which the Council has an interest	Following the audit Wales review of Silent Valley and subsequent recommendation, the following companies will be included within this report: Gwent Crematorium Gwent Archives EAS ALT	Sarah King
Annual Report of the Public Services Ombudsman for Wales 2021/22	To inform Members of the Council's performance regarding complaints to the Public Services Ombudsman for Wales.	Andrea Jones
National Audit Wales Study – Direct Payments for Adult Social Care	To present the Local Audit Wales report.	Tanya Evans
BGCBC – Annual Audit Summary	To present the Audit Wales Annual Audit Summary.	Sarah King

Meeting Date: 22<sup>nd</sup> November 2023

Audit Plan Progress Report (Qtr 2)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser
RIPA Activity	To report on authorised RIPA activity as per the Council's policy.	Andrea Jones
Complaints Report (Qtr1 & Qtr2)	To present the bi-annual report on Complaints as required by the Ombudsman	Andrea Jones
Draft Statement of Accounts 2022/23	To present for consideration the 2022/23 Draft Statement of Accounts and to consider the Authority's financial standing as at 31 March 2023.	Rhian Hayden
Draft Annual Governance Statement 2022/23	To present the draft Annual Governance Statement (AGS).	Gemma Wasley
Corporate Risk Register (Qtr 2)	To update Members on the Corporate Risk Register	Louise Rosser

## Governance and Audit Forward Work Programme 2023/24

Topic	Purpose	Lead Officer
<b>Meeting Date: 20<sup>th</sup> December 2023</b>		
Items to be identified		

<b>Meeting Date: 17<sup>th</sup> January 2024</b>		
Audit Plan Progress report (Qtr 3)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser

<b>Meeting Date: 21<sup>st</sup> February 2024</b>		
Statement of Accounts 2022/23	To present for approval the 2022/23 Statement of Accounts and to consider the Authority's financial standing as at 31 <sup>st</sup> March 2023.	Rhian Hayden
Audit of Financial Statements	To consider the report from the Council's External Auditors Wales Audit Office.	Rhian Hayden
Annual Governance Statement	To present the final Annual Governance Statement (AGS).	Gemma Wasley
Corporate Risk Register (Qtr 3)	To update Members on the Corporate Risk Register	Louise Rosser

<b>Meeting Date: 20<sup>th</sup> March 2024</b>		
Items to be identified		

<b>Meeting Date: 17<sup>th</sup> April 2024</b>		
Code of Governance	To present the revised Code of Governance for the Council.	Louise Rosser

## Governance and Audit Forward Work Programme 2023/24

Internal Audit Outturn 2023/24	To present the Internal Audit Outturn for 2023/24	Louise Rosser
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Dates for Items to be confirmed		
Statement of Accounts 2021/22	To present the 2021/22 Statement of Accounts and to consider the Authority's financial standing as at 31 March 2022.	Rhian Hayden
Audit of Financial Statements	To present the report.	Rhian Hayden
Audit Wales – Performance Data Review	To present the National and Local Audit Wales report.	Sarah King
Audit Wales – Examination of the Setting of Well-being Objectives	To present the Local Audit Wales report.	Damien McCann / Sarah King
Audit Wales – Unscheduled Care Project	To present the National Audit Wales report.	Tanya Evans / Alyson Hoskins
Risk Management Strategy and Risk Management Handbook	To present the updated Risk Management Strategy and Risk Management Handbook	Louise Rosser
Silent Valley Waste Services	To provide detail regarding the finalisation of the in-house transfer.	Rhian Hayden
Annual Report of the Governance and Audit Committee	To present the Annual report of the Committee.	Louise Rosser / Chair
Audit Wales – Well-being Objectives	To present the Audit Wales report.	Audit Wales

## Governance and Audit Forward Work Programme 2023/24

## Appendix 1

<b>Member Briefing Session</b>		
Review of progress against External and Internal Audit Recommendation	To provide an update to Members.	Various

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# Agenda Item 7

*Cabinet and Council only*

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance and Audit Committee**  
Date of meeting: **20th September 2023**  
Report Subject: **Internal Audit Charter**  
Portfolio Holder: **Cllr Steve Thomas - Leader, Cabinet Member  
Corporate Overview and Performance**  
Report Submitted by: **Louise Rosser – Audit and Risk Manager**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	06.09.23	09.09.23	20.09.23					

## 1. Purpose of the Report

- 1.1 The purpose of this report is to present the Governance and Audit Committee with the Internal Audit Charter for 2023/24 (Appendix A) for consideration and agreement.

## 2. Scope and Background

- 2.1 The Public Sector Internal Audit Standards (PSIAS) require the Authority to have an Internal Audit Charter that sets out the purpose, authority and responsibility of the service.

- 2.2 The Charter is to contain a number of elements to include:

- The mandatory nature of the definition of a number of terms.
- The responsibilities and objectives of Internal Audit.
- To require and enable the Audit and Risk Manager to deliver an annual opinion.
- To explain how Internal Audit 's resource requirements will be assessed.
- To define the role of Internal Audit in any fraud related or consultancy work.
- To explain the arrangements in place for avoiding conflicts of interest.
- The organisational independence of Internal Audit.
- The accountability, reporting lines and relationships between the Audit and Risk Manager and (i) those charged with Governance (ii) those to whom the Audit and Risk Manager may report.
- Establishing Internal Audit's right of access to all records, assets, personnel and premises, including those of partner organisations, and explanations as it considers necessary to fulfil its responsibilities.

- 2.3 The Charter must be periodically reviewed by both Corporate Leadership Team (CLT) and the Governance and Audit Committee. This is undertaken on an annual basis.

2.4 The service has undergone an External Quality Assessment since the last review of the Internal Audit Charter. A number of suggested amendments to the charter were proposed under this assessment and they have been included in the charter as part of this review. These amendments are:

- Defining Internal Audit's role in fraud work (section 2.4 Fraud, Corruption and Bribery)
- Specifying that Internal Audit should be informed of all fraud, misappropriation etc. (section 2.4 Fraud, Corruption and Bribery)
- Making reference to the Audit and Risk Managers unfettered access to the Chief Executive Officer. (section 3.1 Independence and Objectivity)

In addition, the Mission of Internal Audit and the Core Principles for the Professional Practice of Internal Auditing have been added at Annex 1 for information.

### 3. **Options for Recommendation**

3.1 The Committee consider the attached Internal Audit Charter and:

Option 1 (preferred option)

Approve the Internal Audit Charter in line with good practice and the requirements of the PSIAS.

Option 2

Suggest amendments to the Charter and then approve it

Option 3

Do not approve the revised Charter

### 4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 The Local Government Act (1972) and the Accounts and Audit Regulations (Wales) 2014 require the Council to maintain an effective Internal Audit Service in accordance with proper internal audit practices. The Authority's Internal Audit Service has adopted the PSIAS for this purpose.

### 5. **Implications Against Each Option**

#### 5.1 ***Impact on Budget (short and long term impact)***

There are no direct financial implications arising from the production of the Internal Audit Charter.

#### 5.2 ***Risk including Mitigating Actions***

Options 1 and 2 comply with the requirements of the PSIAS. Option 3, failure to review and approve the Internal Audit Charter would need to be reported in the Annual Report of the Audit and Risk Manager as a non-compliance with the PSIAS and, if deemed appropriate, included in the Annual Governance Statement. This could in turn result in increased activity by the external auditor and a resultant increase in audit fees.

- 5.3 **Legal**  
Provision of an adequate audit service contributes to the Section 151 Officer being able to fulfil her statutory duties under the Local Government Act (1972).
- 5.4 **Human Resources**  
There are no direct staffing implications arising from the revision of the Internal Audit Charter.
- 5.5 **Health and Safety**  
There are no direct health and safety implications arising from this report.
6. **Supporting Evidence**
- 6.1 **Performance Information and Data**  
The Internal Audit Charter is updated on an annual basis. The last revision was in July 2022.
- 6.2 **Expected outcome for the public**  
An effective Internal Audit Service and Governance & Audit Committee will assist with the stewardship of public money providing assurance to the communities of Blaenau Gwent on the robustness of the Authority's internal controls.
- 6.3 **Involvement (consultation, engagement, participation)**  
The Governance & Audit Committee are consulted on the compilation of the Internal Audit Charter and its annual review.
- 6.4 **Thinking for the Long term (forward planning)**  
The work of Internal Audit is intended to provide advice and guidance on the system improvements resulting in an improved control environment for the future of the Authority.
- 6.5 **Preventative focus**  
The provision of an effective Internal Audit Service, as set out in the Internal Audit Charter, demonstrates the Authority's intent to consider the adequacy of its control environment including the identification and prevention of fraud.
- 6.6 **Collaboration / partnership working**  
The work of Internal Audit includes placing reliance on audits led by other local authorities and cross departmental reviews.
- 6.7 **Integration (across service areas)**  
The work of Internal Audit is intended to provide assurance on the whole of the Authority's control environment.
- 6.8 **Decarbonisation and Reducing Carbon Emissions**  
There are no direct implications arising from the production of the Internal Audit Charter.

6.9 ***Integrated Impact Assessment (IIA)***

Not applicable.

7. **Monitoring Arrangements**

7.1 The Internal Audit Charter is reviewed on an annual basis.

**Background Documents /Electronic Links**

- Appendix A – Internal Audit Charter

# Blaenau Gwent County Borough Council



## Internal Audit Charter

### 2023-24



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## 1. Introduction

- 1.1. The Internal Audit Charter defines the purpose, authority and principal responsibilities of Blaenau Gwent County Borough Council's Internal Audit Section. The Audit & Risk Manager is responsible for reviewing the Charter and presenting it to both Corporate Leadership Team and to the Governance & Audit Committee annually for review and approval.
- 1.2. The Charter complies with the Public Sector Internal Auditing Standards (PSIAS) and is organised into the sections as follows (with the relevant standards informing these sections shown alongside).

Section:	PSIAS:
Purpose, authority and responsibilities	1000 & 1010
Independence and objectivity	1100, 1110, 1111, 1120 & 1130
Proficiency and due professional care	1200, 1210, 1220, 1230 & 2030
Quality assurance and improvement programme	1300, 1310, 1311, 1312, 1320, 1321 & 1322

- 1.3. These standards refer to the following three terms and require that they are defined for the purpose of the Audit Charter. Listed below are the terms referred to along with the officer / body that undertakes the role on behalf of Blaenau Gwent.
- *Chief Audit Executive* – The Audit & Risk Manager
  - *The Board* – Governance & Audit Committee
  - *Senior Management* – Corporate Leadership Team

## 2. Purpose, Authority and Responsibility

### 2.1. Purpose (Definition of Internal Auditing)

- 2.1.1. The Public Sector Internal Auditing Standards define Internal Audit as:

*“An independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.*

### 2.2. Objectives

- 2.2.1 The objectives of the Internal Audit Service are:

- To assist the Chief Officer Resources in discharging her statutory duties under Section 151 of the Local Government Act 1972 and subsequent legislation.

- To provide the Council and its Departments with an adequate and effective system of Internal Audit of all accounting records and control systems.
- To assist the Council in achieving its aims in relation to Corporate Governance.
- To support the Council in its search for savings and achievement of Value for Money.
- To help the Council to achieve its service goals by minimising the risks of loss from error, fraud, waste or extravagance.
- To support the work of the Governance & Audit Committee.

2.2.2. These objectives will be delivered through maintaining a high-quality Internal Audit function that meets the needs of the Council, supporting the Section 151 Officer and the Governance & Audit Committee in discharging their responsibilities and meeting the requirements of the PSIAS.

2.2.3. Internal Audit is a statutory function in the context of the Accounts and Audit Regulations (Wales) 2014, which states in respect of internal audit:

*“A relevant body (i.e., the Council) must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.”*

2.2.4. Section 151 of the Local Government Finance Act 1972 requires every local authority to designate an officer responsible for the proper administration of its financial affairs. In Blaenau Gwent Council this is the Chief Officer Resources.

### 2.3. **Scope and Authority**

2.3.1. The scope for Internal Audit is to review, appraise and report on the adequacy of the internal controls across the whole organisation’s control environment as a contribution to the proper, economic, efficient and effective use of resources. This includes delivering the objectives identified in section 2.2 of this charter by providing the Council and its departments with an adequate and effective system of Internal Audit of all accounting records and control systems.

2.3.2. In accordance with the Accounts and Audit Regulations (Wales) 2014, Internal Audit staff will have unrestricted access to all Council activities and records (including manual and computerised systems), personnel, cash, stores, other assets and premises. Internal Audit has the authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities. This is provided for in the Authority’s Financial Procedure Rules.

2.3.3. All Officers within the council are required to give complete co-operation to Internal Audit for the expected fulfilment of the audit process. Internal Audit is located within the Corporate Services Department, reporting to the Chief Officer Resources and where necessary to the Chief Executive. The portfolio holder is the Cabinet Member Corporate Overview and Performance who is also the Leader of the Council.



## 2.4 **Fraud, Corruption and Bribery**

- 2.4.1 In line with the Anti-Fraud, Corruption and Bribery Policy, Internal Audit are to be notified of all suspected or detected fraud, bribery or corruption. The Audit and Risk Manager will consider details of any suspected or known frauds and will investigate where appropriate.
- 2.4.2 The risk of loss by fraud, corruption or bribery will be considered when preparing the risk-based Internal Audit Plan.
- 2.4.3 All findings in relation to fraud, corruption and bribery will inform the annual opinion of the Audit and Risk Manager.

## 3. **Independence and Objectivity**

- 3.1. To be effective, Internal Audit must be independent and be seen to be independent. To ensure this, Internal Audit will operate within a framework that allows:
- Unrestricted / unfettered access to Senior Management, Head of Paid Service / Chief Executive Officer and the Chair of the Governance & Audit Committee
  - Reporting in its own name
  - Segregation from line operations
- 3.2. Every effort will be made to preserve objectivity by controlling the involvement of audit staff in non-audit duties in order to avoid potential conflicts of interest. Specific exceptions are however acceptable in respect of ad hoc fraud investigations, encouragement and development of improved internal control systems, and participation in service improvement projects. Specifically, appropriate arrangements have been put in place for the line management of the Risk Management and Insurance Service. Audit output relating to this service area will not be directed by the Audit & Risk Manager. Reports will be signed off by the Chief Officer Resources.
- 3.3. Internal Audit will report on a regular and routine basis to the Governance & Audit Committee. Such reports will include both operational and strategic Audit Plans and progress against them, together with the Annual Report of the Audit & Risk Manager and summaries of significant audit findings, audit activity and developing issues during the year.
- 3.4. The ultimate management of Blaenau Gwent County Borough Council rests with the full Council however the Council via its Scheme of Delegation will designate responsibility to other committees and / or individuals. The Governance & Audit Committee has been designated as the body with responsibility 'of those charged with governance' and as such will receive a number of formal reports such as the Annual Statement of Accounts and the Annual Governance Statement. Where necessary, the Audit & Risk Manager may report directly to Council, but reports may be submitted as appropriate to the Cabinet, the Governance & Audit Committee, a Scrutiny Committee, or the Corporate Leadership Team.

#### **4. Internal Audit Standards**

- 4.1. There is a statutory requirement for Internal Audit to work in accordance with defined audit practices. These are set out in the PSIAS which the Chartered Institute of Public Finance and Accountancy (CIPFA) have developed in collaboration with the Chartered Institute of Internal Auditors (CIIA). These standards have been in force since the 1<sup>st</sup> of April 2013 and were refreshed in April 2017 to incorporate the Mission of Internal Audit and Core Principles for the Professional Practice of Internal Auditing. The Mission of Internal Audit and the Core Principles for the Professional Practice of Internal Auditing are shown in Annex 1.
- 4.2. Blaenau Gwent's Internal Audit staff will:
- Comply with relevant auditing standards.
  - Comply with and promote compliance throughout the Council with all the applicable rules and policies.
  - Be expected at all times to adopt a professional, reliable, independent and innovative approach to their work.
  - It is essential that Internal Audit staff are, and are seen to be, impartial. All Internal Audit Staff are required to complete an annual declaration of interest, in line with their professional ethics. The Audit & Risk Manager is responsible for ensuring that audit staff are not assigned to operational areas or investigations that could compromise their independence.
- 4.3. Internal Audit has adopted (as a minimum) the Chartered Institute of Internal Auditors (CIIA's) Code of Ethics. Where staff have attained membership with other professional bodies such as: CIPFA, ACCA, CIIA etc. those officers must also comply with their own relevant bodies' ethical requirements.
- 4.4. Each member of the Internal Audit Section receives a copy of the Code of Ethics and signs up to an annual declaration to confirm that they will work in compliance with the Code of Ethics as well as the Council's standards and policies such as the Code of Conduct. Where potential areas of conflict may arise during the year, the auditor will also be required to disclose this. It is critical that all Auditors maintain high standards of integrity, independence, objectivity, confidentiality and competence.

#### **5. Proficiency and Due Professional Care**

- 5.1. Directors, Chief Officers, Heads of Services and Managers are responsible for ensuring that internal control arrangements are sufficient to address the risks facing their service.

- 5.2. The Audit & Risk Manager is required to manage the provision of a complete Internal Audit Service which will include reviewing the systems of internal control operating throughout the council, and will adopt a combination of system based, risk based and regularity audit.
- 5.3. In discharge of the duty, the Audit & Risk Manager will:
- Prepare an annual strategic risk-based audit plan for formal ratification by the Governance & Audit Committee.
  - The Annual Audit Plan will be flexible and may be revised to reflect changing services and risk assessments.

## **6. Resources and Proficiency**

- 6.1. The staffing structure of the Internal Audit Section will combine professional experience and specialisms, with a mix of qualifications to reflect the varied functions of the section. The Internal Audit Service is regularly reviewed to ensure it remains fit for purpose and continues to align to both professional practices and the Authority's priorities.
- 6.2. Staff resources will be kept under review by the Audit & Risk Manager and the Chief Officer Resources in line with the requirements of the current workload.
- 6.3. The Internal Audit Section will devise and support a training plan to promote the development of experience and/or professional competence for all levels of staff in accordance with the business requirements of the section.
- 6.4. The Audit & Risk Manager must hold a professional qualification (Consultative Committee of Accountancy Bodies (CCAB) or equivalent) and be suitably experienced. The Audit & Risk Manager is a Fellow of the Association of Chartered Certified Accountants (FCCA) and has 27 years audit experience.
- 6.5. Each job role within the Internal Audit Service will detail the prerequisite skills and competencies required for that role, outlining the professional proficiency and responsibilities of individual auditors.
- 6.6. Auditors are also required to maintain a record of their continual professional development (CPD) in line with both the PSIAS and their professional bodies.

## **7. Due Professional Care**

- 7.1. Internal Auditors must exercise due professional care by considering the:
- Extent of work needed to achieve the assignment objectives.
  - Relative complexity, materiality, or significance of matters to which assurance procedures are applied'

- Adequacy and effectiveness of governance, risk management and control processes.
- Probability of significant errors, fraud, or non-compliance.
- Cost of assurance in relation to potential benefits.

## **8. Quality Assurance and Improvement Programme**

8.1. To enable the Audit & Risk Manager to assess the Internal Audit Service, with regard to the conformance with PSIAS, and to aid in the annual assessment of the Internal Audit Service's efficiency and effectiveness, and to identify opportunities for improvement, a Quality Assurance and Improvement Programme must be developed.

8.2. The Quality Assurance and Improvement Programme will include both internal and external assessments in accordance with the Public Sector Internal Audit Standards.

8.3. Where there are instances of non-conformance to the PSIAS this will be reported to the Governance & Audit Committee and if required detailed within the Annual Governance Statement.

### **8.4. Internal Assessment**

8.4.1. All Auditors have access to up-to-date business processes, working instructions, the Internal Audit Charter, Council policies, the PSIAS, journals, publications, and other relevant articles. Where Auditors are members of bodies such as CIPFA, ACCA and CIIA, further guidance is available.

8.4.2. To maintain quality, audits are allocated to staff with appropriate skills, competence and experience. All levels of staff are supervised; audits are monitored for progress, assessed for quality and to allow for coaching, mentoring and training.

8.4.3. Targets are set for individual Auditors, (such as the completion of an allocated audit within a set number of days). Audit targets and performance indicators are reported to the Governance & Audit Committee in line with the committee cycle.

8.4.4. In addition, progress made against the audit plan and any emerging issues (i.e., fraud or governance risks) are reported regularly to the Governance & Audit Committee.

8.4.5. Ongoing assessments of Auditors are carried out through regular one to one meetings, feedback from clients via quality control interviews and during the annual performance appraisal.

### **8.5. External Assessment**

8.5.1 In compliance with the PSIAS, external assessments will be carried out at least once every five years, by a qualified, independent assessor or assessment team from outside the organisation.

- 8.5.2. An External Quality Assessment was undertaken during 2022/23 as a self-assessment with peer review in conjunction with a number of other Welsh local authorities. The assessment found the Internal Audit Service to conform to the PSIAS. The results of the assessment were reported to the Governance and Audit Committee in January 2023.

## **Annex 1**

### **The Mission of Internal Audit**

*'To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'.*

### **The Core Principles for the Professional Practice of Internal Auditing**

1. Demonstrates integrity.
2. Demonstrates competence and due professional care.
3. Is objective and free from undue influence (independent).
4. Aligns with the strategies, objectives, and risks of the organisation.
5. Is appropriately positioned and adequately resourced.
6. Demonstrates quality and continuous improvement.
7. Communicates effectively.
8. Provides risk-based assurance.
9. Is insightful, proactive, and future-focused.
10. Promotes organisational improvement.

# Agenda Item 8

*Cabinet and Council only*

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance & Audit Committee**  
Date of meeting: **20<sup>th</sup> September 2023**  
Report Subject: **Internal Audit Progress 2023/24**  
Portfolio Holder: **Cllr Steve Thomas – Leader / Cabinet Member for Corporate Overview and Performance**  
Report Submitted by: **Andrea Owen Professional Lead - Internal Audit**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance & Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
virtual	06/09/2023	09.09.23	20/09/2023					

1. **Purpose of the Report**
  - 1.1 The purpose of this report is to update the Governance & Audit Committee on the progress against the Internal Audit Plan for the period 1<sup>st</sup> April 2023 to 30<sup>th</sup> June 2023.
2. **Scope and Background**
  - 2.1 The report highlights the work undertaken by the Internal Audit Service and complies with the Public Sector Internal Audit Standards (PSIAS).
  - 2.2 The Internal Audit Plan has been compiled based upon Risk Assessments whereby each potential audit area is scored using a risk matrix. The scoring matrix uses a set of criteria relating to the audit risks, the Authority's objectives and the views of Senior Managers.
  - 2.3 The audit work allocated to staff for the period April to June 2023 is based on the outcomes of the Risk Assessment exercise. This approach allows flexibility in the audit plan and can accommodate an individual auditor's experience and skill set when allocating audits.
3. **Recommendation**
  - 3.1 The Governance & Audit Committee consider the report and findings within the attached Appendices, notes the progress on activities for the period 1<sup>st</sup> April to 30<sup>th</sup> June 2023, providing appropriate challenge where relevant.
4. **Evidence of how this topic support the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**
  - 4.1 In line with the Corporate Plan Priority of an ambitious and innovative council delivering quality services at the right time and in the right place, presentation of the Internal Audit progress report demonstrates the breadth and depth of the audit coverage of the Council's systems and internal controls. In doing this it also enables the Chief Officer – Resources to satisfy her statutory duties under Section 151 of the Local Government Act (1972) in providing an effective Internal Audit Service.

4.2 The Governance & Audit Committee, in their role as those charged with governance, and in compliance with the PSIAS, have a responsibility to oversee the performance of the Internal Audit function including receiving a summary of the work upon which the Audit and Risk Manager will base her annual audit opinion.

## 5. **Implications Against Each Option**

### 5.1 Impact on Budget

There are no direct financial implications resulting from this report.

### 5.2 Risk including Mitigating Actions

The report demonstrates the breadth and depth of audit coverage to provide assurance that key areas of concern and areas deemed to have the highest risk priority are being examined during the financial year. Failure to cover sufficient audit areas exposes the Authority to the risk that weaknesses within specific systems in the Authority's internal control environment are not being identified, resulting in increased financial or reputational damage. This is mitigated by regular review of progress and reprioritisation as appropriate.

### 5.3 Legal

Provision of an adequate audit service, demonstrated in part through the production of a suitable audit plan, contributes to the Section 151 officer being able to fulfil her statutory duties under the Local Government Act (1972).

### 5.4 Human Resources

The section currently has a complement of six full time posts. This includes two posts that have been subject to appointments within the last 12 months.

5.4.1 The section's sickness for the period 1<sup>st</sup> April to 30<sup>th</sup> June 2023 is an average of 0.83 days per person against a directorate target of 7 days per person.

### 5.5 Health and Safety

There are no direct health and safety implications arising from this report.

## 6. **Supporting Evidence**

### 6.1 Performance Information and Data

Activities during the period 1<sup>st</sup> April to 30<sup>th</sup> June 2023 are set out in Appendix A attached. The format shows a summary of findings from audit reports produced in the period, including a formal audit opinion where appropriate. Where individual audits are graded as Limited Assurance, or No Assurance an Internal Audit report is presented at Appendix B1-4.

6.1.1 Performance data for the Section for the period to 30<sup>th</sup> June 2023 is presented at Appendix C. The grading's issued during the period and percentage coverage for each department is shown at Appendix D and E.



- 6.1.2 All local performance indicators are being achieved with the exception of the percentage of audit plan completed. The Internal Audit Service completed 17.29% of the audit plan against a target of 18.25%.
- 6.2 Expected outcome for the public  
An effective Internal Audit Service and Governance & Audit Committee will assist with the stewardship of public money providing assurance to the communities of Blaenau Gwent on the robustness of the Authority's internal controls.
- 6.3 Involvement (consultation, engagement, participation)  
Prior engagement has been undertaken with Heads of Services when determining the risk assessments for the audit plan.
- 6.4 Thinking for the Long term (forward planning)  
The work of Internal Audit is intended to provide advice and guidance on system improvements resulting in an improved control environment for the future of the Authority.
- 6.5 Preventative focus  
Internal Audit provides a cost effective and professional Audit review of the Authority's internal control environment with the aim of minimising the risk of loss from error, fraud, or irregularities.
- 6.6 Collaboration / partnership working  
There are no collaboration / partnership working arrangements arising from this report.
- 6.7 Integration (across service areas)  
The audit plan is developed with a view to providing assurance on the whole of the Authority's control environment. Audit assignments are conducted for a range of activities across all directorates in order for the Audit and Risk Manager to provide an annual audit opinion that an adequate internal audit service has been provided.
- 6.8 Decarbonisation and Reducing Carbon Emissions.  
No impact for this report.
- 6.9 Integrated Impact Assessment  
Not applicable.
7. **Monitoring Arrangements**
- 7.1 Internal Audit reports are presented to the Governance & Audit Committee as part of the progress report. Where audit assignments have been graded as Limited Assurance or No Assurance, the Internal Audit Report will be provided as appendices for Members' consideration.
- 7.2 Performance data for the Section is periodically presented to members as part of the ongoing progress reports.

- 7.3 The levels of audit coverage and the grading's of individual audits will inform the annual opinion of the Audit and Risk Manager and supports the Governance & Audit Committee in fulfilling its assurance role to the citizens of Blaenau Gwent.

**Background Documents /Electronic Links**

- Appendix A - Audit activities for the period April to June 2023.
- Appendix B1- 4 - Internal Audit Reports.
- Appendix C - Performance Indicators 2023/24.
- Appendix D - Grading's issued for the period April to June 2023.
- Appendix E - Percentage coverage for each department.

Directorate	Service Area	Audit Area	Audit Scope	Grading	Progress / Comments
Commercial	Customer Services	Winter Support Fund C/fwd	To determine the effectiveness of the internal controls operating in respect of the Winter Support Fund.	Full Assurance	Final report issued, one weakness was identified classified as Low Risk. The Manager has agreed an appropriate action to mitigate the weakness identified.
	Workforce Management	Exit Interview Follow Up C/fwd	Follow up review to determine the action taken on the weaknesses made as a result of the audit.	Not Applicable	A review commenced in January 2023 to ensure the 7 weaknesses agreed as a result of the audit had been implemented. 5 weaknesses had been fully implemented and 2 had been partly implemented during the review.
	Legal and Corporate Compliance	Information Management C/fwd	To determine the effectiveness of the internal controls operating in respect of Information Management.	Reasonable Assurance	Final report issued, 6 weaknesses were identified of which 4 were classified as Medium Risk and 2 were classified as Low Risk. The Manager has agreed an appropriate action plan to mitigate all the weaknesses identified.
	Procurement	Purchase Card Scheme C/fwd	To determine the effectiveness of the internal controls operating within the Purchase Card Scheme.	Limited Assurance	Final report issued, 13 weaknesses were identified of which 12 were classified as High Risk and 1 was Low Risk. The Manager has agreed an appropriate action plan to mitigate all weaknesses identified. The Final report is attached at Appendix B2
Education	Education Transformation	School Systems	Internal Audit review of the Control Risk Self Assessment (CRSA) programme issued to all schools.	Not yet determined	A review commenced in April 2023. Audit testing is ongoing.
	Education Transformation	Out of County Education Placements	To determine the effectiveness of the internal controls operating in respect of Out of County Education Placements.	Not yet determined	A review commenced in June 2023. Audit testing ongoing.
	Education Transformation	Youth Support Grant (Annual Audit)	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Not yet determined	A review commenced in May 2023. Draft report being prepared.
Governance and Partnerships	Partnership and Policy	Decarbonisation C/fwd	To determine the effectiveness of the internal controls operating in respect of the Decarbonisation Policy and processes.	Reasonable Assurance	Final report issued, 5 weaknesses were identified of which 1 was classified as High Risk, 2 were Medium Risk and 2 were Low Risk. The Manager has agreed an appropriate action plan to mitigate all the weaknesses identified.
Environment	Regeneration and Community Services	Temporary Accommodation C/fwd	To determine the effectiveness of the internal controls operating within Temporary Accommodation.	Limited Assurance	Final report issued, five weaknesses were identified of which 3 were classified as High Risk and 2 were Medium Risk. The Manager has agreed an appropriate action plan to mitigate all weaknesses identified. The Final report is attached at Appendix B1
	Regeneration and Community Services	Housing Options C/fwd	To determine the effectiveness of the internal controls operating within Housing Options.	Full Assurance	Final report issued, one weakness was identified classified as Medium Risk. The Manager has agreed an appropriate action plan to mitigate the weakness identified.
	Regeneration and Community Services	School Catering C/fwd	To determine the effectiveness of the internal controls operating in respect of School Catering.	Limited Assurance	Final report issued, 20 weaknesses were identified of which 12 were classified as High Risk, 7 were Medium Risk and 1 was Low Risk. The Manager has agreed an appropriate action plan to mitigate all weaknesses identified. The Final report is attached at Appendix B4
	Regeneration and Community Services	Universal Free School Meals C/fwd	To determine the effectiveness of the internal controls operating in respect of the Universal Free School Meals scheme.	Reasonable Assurance	Final report issued, 2 weaknesses were identified of which both were classified as Medium Risk. The Manager has agreed an appropriate action plan to mitigate all the weaknesses identified.
	Regeneration and Community Services	Enable Grant	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Not yet determined	A review commenced in June 2023. Audit testing is ongoing.
	Regeneration and Community Services	Homelessness - No One Left Out Grant	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Not yet determined	A review commenced in May 2023. Audit testing is ongoing.
	Regeneration and Community Services	Shared Prosperity Fund	To determine the effectiveness of the internal controls operating in respect of the Service Level Agreement for the Shared Prosperity Fund.	Not yet determined	A review commenced in June 2023. Audit testing ongoing.
	Regeneration and Community Services	Disabled Facility Grants (DFG's) C/fwd	To determine the effectiveness of the internal controls operating in respect of Disabled Facility Grants.	Full Assurance	Final report issued, 1 weakness was identified classified as Medium Risk. The Manager has agreed an appropriate action plan to mitigate the weakness identified.
Resources	Financial Services	Education Improvement Grant (RCSIG)	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Not yet determined	A review commenced in May 2023. Audit testing ongoing.
	Financial Services	Pupil Development Grant	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Not yet determined	A review commenced in May 2023. Audit testing ongoing.
	Financial Services	Petty Cash C/fwd	To determine the effectiveness of the internal controls operating in respect of Petty Cash Accounts.	Not yet determined	Draft report issued June 2023. A meeting has been arranged to agree an action plan.
	Financial Services	Leasing C/fwd	To determine the effectiveness of the internal controls operating in respect of Leasing Arrangements.	Reasonable Assurance	Final report issued, five weaknesses were identified of which 3 were classified as High Risk and 2 were Medium Risk. The Manager has agreed an appropriate action plan to mitigate all weaknesses identified.
	Revenue Services	Social Services Debtors	To determine the effectiveness of the internal controls operating in respect of Social Services Debtors.	Not yet determined	A review commenced in May 2023. Audit testing ongoing.
	Revenue Services	Cost of Living Grant C/fwd	To determine the effectiveness of the internal controls operating in respect of the Cost of Living Grant.	Full Assurance	Final report issued, no weaknesses were identified.
Social Services	Adult Services - Development & Commissioning	Supporting People Grant (RDC Post)	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Not yet determined	A review commenced in May 2023. Audit testing ongoing.
	Adult Services - Development & Commissioning	Supporting People Grant New Combined	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Not yet determined	A review commenced in May 2023. Audit testing ongoing.
	Adult Services - Development & Commissioning	Domiciliary Care	To determine the effectiveness of the internal controls operating in respect of Internal Domiciliary Care.	Not yet determined	A review commenced in June 2023. Audit testing ongoing.
	Adult Services - Provider Services	Cwrt Mytton C/fwd	To determine the effectiveness of the internal controls operating in Cwrt Mytton.	Reasonable Assurance	Final report issued, 5 weaknesses were identified of which 2 were classified as High Risk and 3 were classified as Medium Risk. The Manager has agreed an appropriate action plan to mitigate all the weaknesses identified.
	Families First and Placement	Childrens' External Placements/Fostering C/fwd	To determine the effectiveness of the internal controls operating in respect of Childrens External Residential Placements.	Limited Assurance	Final report issued, 7 weaknesses were identified of which 5 were classified as High Risk and 2 were Medium Risk. The Manager has agreed an appropriate action plan to mitigate all weaknesses identified. The Final report is attached at Appendix B3

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## **INTERNAL AUDIT REPORT - TEMPORARY ACCOMMODATION 2022/23**

### **1 INTRODUCTION**

- 1.1 This audit was carried out in line with the Internal Audit Plan 2022/23, and in full consultation with operational staff and management.
- 1.2 The scope of the audit is to determine the effectiveness of the internal control procedures within the Temporary Accommodation process, to ensure compliance with statutory requirements and departmental (internal) policies and procedures.
- 1.3 The audit involved confirming the current system with relevant staff and conducting 'walk through tests' where applicable, to ensure compliance.

### **2 AUDIT FINDINGS**

- 2.1 Five weaknesses were identified, of these three was classified as High Risk and the remaining two were classified as a Medium Risk.
- 2.2 The areas involving the High Risk weakness were:
  - Multiple Temporary Accommodation Bed and Breakfast invoices were paid twice, due to being paid via ePurchasing and Cheque Request Forms.
  - **Agreed Action** - Ongoing recovery of Outstanding duplicate payments.
  - Bed and Breakfast invoices not recorded against department working documents.  
**Agreed Action** – Review systems to ensure fit for purpose and ensure invoices are saved in case files.
  - VAT rates were incorrect and were not in line with VAT rates stipulated by UK Government.  
**Agreed Action** – Staff to check invoices and correct VAT rate has been applied.
- 2.3 The areas involving the Medium Risk weakness were:
  - Departmental working documents - records were not clear, consistent, and complete.  
**Agreed Action** – Review systems and procedures.
  - Inconsistencies were found between the records kept on the Abrisas System compared to the working documents in the department.  
**Agreed Action** – Review systems and procedures.

### **3 CONCLUSION**

- 3.1 The Audit Report is produced on an exception basis; consequently, the only points made are where weaknesses have been identified. The samples chosen would not be able to cover every transaction or eventuality; therefore reliance is placed in part on the information and explanations provided by the appropriate officers.

### **4 INTERNAL CONTROL STANDARD GRADING**

- 4.1 In accordance with the standard gradings, the systems examined indicate that the internal controls within the processing of Temporary Accommodation identified a number of control weaknesses. The grading is therefore assessed as '**Limited Assurance**'.

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## **INTERNAL AUDIT REPORT**

### **PURCHASE CARD SCHEME 2022/23**

#### **1 INTRODUCTION**

- 1.1 This audit was carried out in line with the Internal Audit Plan 2022/23, and in full consultation with operational staff and management.
- 1.2 The scope of the audit was to determine the effectiveness of the internal control procedures within the Purchase Card Scheme process, to ensure compliance with statutory requirements and departmental (internal) policies and procedures.
- 1.3 The audit was conducted by the Senior Auditor and took the form of a series of detailed tests and checks, together with discussions with operational staff and managers.

#### **2 AUDIT FINDINGS**

- 2.1 Thirteen weaknesses were identified, of these twelve were classified as High Risk and the remaining one was classified as a Low Risk.
- 2.2 The areas involving the High Risk weakness were:
  - One Purchase Card User Instruction form had not been signed  
**Agreed Action** – Card User Instruction Forms to be signed before the card is issued.
  - Access Request Forms not signed by the appropriate line manager  
**Agreed Action** – Access Request forms will be signed by an approved Senior Officer and not the intended Card Holder.
  - Card Holders/Authorisers not on the Authorised Signatory list  
**Agreed Action** – To ensure Card Holders/Authorisers are cross referenced to the Authorised Signatory list.
  - Card Holder spend limits not reconciled with the Authorised Signatory list.  
**Agreed Action** – To ensure Card Holders/Authorisers spend limits are cross referenced to the Authorised Signatory list.
  - Purchases not authorised prior to the termination of employment, reoccurring expenditure after employment has terminated due to payment methods such as direct debit. No formal procedure for card holders leaving the Authority. A card holder who had left the Authority not featuring on current or cancelled card reports.  
**Agreed Action** – Update guidance on policy and procedure. Verify periodical reports for leavers from Organisational Development. Corporate response to reiterate the importance of cancelling cards when employment has ceased.
  - Card Holder with administration access  
**Agreed Action** – Periodical Exception Reports will be run by Senior Management, to ensure security of employees with dual responsibility.
  - Purchase Cards not signed for on receipt.  
**Agreed Action** – System to revert to pre Covid card collection and signature.
  - Physical security of the Pin Numbers and Purchase Card not maintained.  
**Agreed Action** – Corporate response to ensure Purchase Card security is maintained.
  - Requisitions not raised by departments, purchase details not input to the Civica Purchasing system, unable to verify delivery address.

**Agreed Action** – Corporate response to ensure the Purchase Card process is adhered to, user guidance to be updated to reflect the new ways of working and delivery options.

- Unreconciled purchases to the Barclaycard bank transactions.

**Agreed Action** – Corporate response to ensure the Purchase Card process is followed and transactions are reconciled promptly.

- Purchases taking over thirty days to authorise

**Agreed Action** – Corporate response to ensure the Purchase Card process is followed

- The yearend reconciliation does not recognise transactions that remain unauthorised.

**Agreed Action** – To ensure that yearend adjustments have been actioned in respect of historical purchases.

2.3 The areas involving the Low Risk weakness were:

- All agreement forms to be retained.

**Agreed Action** – All applications are held centrally. A copy of the missing application will be requested from the bank.

### **3 CONCLUSION**

3.1 The Audit Report is produced on an exception basis; consequently, the only points made are where weaknesses have been identified. The samples chosen would not be able to cover every transaction or eventuality; therefore, reliance is placed in part on the information and explanations provided by the appropriate officers.

### **4 INTERNAL CONTROL STANDARD GRADING**

4.1 In accordance with the standard gradings, the systems examined indicate that the internal controls within the Purchase Card Scheme process have identified a number of control weaknesses that require actions to be implemented. The grading is therefore assessed as '**Limited Assurance**'.



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## **INTERNAL AUDIT REPORT**

### **EXTERNAL FOSTERING AUDIT 2022/23**

#### **1 INTRODUCTION**

- 1.1 This audit was carried out in line with the Internal Audit Plan 2022/23, and in full consultation with operational staff and management.
- 1.2 The scope of the audit was to determine the effectiveness of the internal control procedures within the External Fostering process, to ensure compliance with statutory requirements and departmental (internal) policies and procedures.
- 1.3 The audit was conducted by the Senior Auditor and took the form of a series of detailed tests and checks, together with discussions with operational staff and managers.

#### **2 AUDIT FINDINGS**

- 2.1 Seven weaknesses were identified, of these five were classified as High Risk and the remaining two were classified as a Medium Risk.
- 2.2 The areas involving the High Risk weakness were:
  - Placement Request forms not signed by Service Managers, forms not relating to current placements and authorising of forms taking an average of 25 days.  
**Agreed Action** – Changes to Internal Policy and reiterate that different placements require a new Placement Request.
  - Independent Fostering Agency (IFA) Forms not completed and authorised.  
**Agreed Action** - Changes will be made to the Internal Policy and staff to be made aware.
  - Children's Commissioning Support Resource not updated to identify a placement match.  
**Agreed Action** – Six monthly reconciliation with the Children's Commissioning Consortium, updated guidance on exemptions to updates.
  - Matching Meetings held retrospectively, meeting records not completed and authorised.  
**Agreed Action** – Policy updated to highlight that Matching Meetings are to be held when reasonably possible.
  - Complex Need Care Panels held retrospectively and not including members of other local authority when a child is placed out of the area.  
**Agreed Action** – Review of the Complex Needs Panel procedure and terms of reference
- 2.3 The areas involving the Medium Risk weakness were:
  - Incomplete forms, Change in Circumstance forms not corresponding. Delays in notification to the Finance Team.  
**Agreed Action** – Streamline the process, ongoing work with the Business Support Team and Performance Team. Additional training to be provided to practitioners regarding Change of Circumstance forms. Team Managers will take more of an active role in quality and audit management of forms.
  - Details on the Notification of Internal/External Placement not matching the contract.  
**Agreed Action** – Formalising permanent arrangements for a Contract Monitoring Officer post in the Placement Team and the role will include

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responsibilities regarding notification of internal/external placements in line with the individual contract.

### **3 CONCLUSION**

- 3.1 The Audit Report is produced on an exception basis; consequently, the only points made are where weaknesses have been identified. The samples chosen would not be able to cover every transaction or eventuality; therefore, reliance is placed in part on the information and explanations provided by the appropriate officers.

### **4 INTERNAL CONTROL STANDARD GRADING**

- 4.1 In accordance with the standard gradings, the systems examined indicate that the internal controls within the External Fostering process have identified a number of control weaknesses that require actions to be implemented. The grading is therefore assessed as '**Limited Assurance**'.

## **INTERNAL AUDIT REPORT - SYSTEMS AUDIT SCHOOL CATERING**

### **1 INTRODUCTION**

- 1.1 This audit was carried out in line with the Internal Audit Plan 2022/23, and in full consultation with operational staff and management.
- 1.2 The scope of the audit was to determine the effectiveness of the internal control procedures within the School Catering process, to ensure compliance with statutory requirements and departmental (internal) policies and procedures.
- 1.3 The audit was conducted by the Senior Auditor and took the form of a series of detailed tests and checks, together with discussions with operational staff and managers.

### **2 AUDIT FINDINGS**

- 2.1 Twenty weaknesses were identified, of these twelve were classified as High Risk, seven classified as Medium Risk and the remaining one was classified as Low Risk.
- 2.2 The areas involving the High Risk weakness were:
  - Financial Instructions required updating and signed by all catering staff. .  
**Agreed Action** – Updated Financial Instructions to be issued to all Catering staff, to review and sign.
  - Service Level Agreements (SLA) not returned by the specified deadline.  
**Agreed Action** – To ensure the SLAs are returned by the specified deadline in future.
  - Postholder commencing employment prior to receipt of a Disclosure and Barring Service (DBS).  
**Agreed Action** – To ensure DBS is received prior to commencement of post although it was noted that staff were supervised until receipt of the DBS.
  - Staff training records including certificates were not all current or held locally where staff work.  
**Agreed Action** – To ensure staff training records are held locally and remain current.
  - Income retained in the safe and not banked in full.  
**Agreed Action** – Staff to be reminded of the process to ensure income is banked in full.
  - The Miscellaneous Income slip had not been signed by two members of staff  
**Agreed Action** – Staff to be reminded of the process to ensure compliance with the Financial Procedure Rules.
  - Income banked did not reconcile to supporting documentation recorded  
**Agreed Action** – Staff to be reminded of the process to ensure compliance with the Financial Procedure Rules.
  - The Paying in book had a missing paying in slip.  
**Agreed Action** – Staff to be reminded of the process to ensure compliance with the Financial Procedure Rules and that void paying in slips should be marked and retained in the book.
  - The Till function registered charges against pupils that were entitled to free school meals and in some instances not recognising pupils' fingerprint. The Adjustments made to rectify this were not fully documented.  
**Agreed Action** – Staff will be reminded that any adjustments made will be fully documented.

- Safe code was not periodically changed.  
**Agreed Action** – Safe codes are to be periodically changed
- All purchase orders must contain sufficient information, be signed, and issued to the supplier. Invoices should be dealt with promptly when being processed on the Civica Financial System.  
**Agreed Action** – Staff to be reminded of the process to ensure compliance with Financial Procedure Rules.
- A delivery of an order had been left outside the school canteen unattended.  
**Agreed Action** – Staff to be reminded of the process for receiving stock.

2.3 The areas involving the Medium Risk weakness were:

- Service buyback forms not signed.  
**Agreed Action** – Property Service Manager to liaise with the Education Department for responses.
- Staff Inductions not received promptly.  
**Agreed Action** – Training to be delivered regarding new kitchen staff enrolment.
- Paying in slip number not recoded on the primary Cash Record.  
**Agreed Action** – Training to be delivered to ensure compliance with Financial Procedure Rules.
- Miscellaneous slips not detailing the split between staff and pupil meals.  
**Agreed Action** – Training to be delivered to ensure compliance with Financial Procedure Rules.
- Income recorded on the Authority's financial ledger is not reconciled, income for two schools had been miscoded by Resource Department.  
**Agreed Action** – Training to be delivered to ensure compliance with Financial Procedure Rules.
- No restricted area to reconcile cash.  
**Agreed Action** – Canteen shutters to be closed when reconciling cash.
- Delays in the recharge of the Service Level Agreement.  
**Agreed Action** – To confirm with the Accountancy Department that the recharge has been actioned.

2.4 The areas involving the Low Risk weakness were:

- Duplication of work recording computerised reports to paper.  
**Agreed Action** – Review of the current process with a view to change to avoid duplication.

### **3 CONCLUSION**

3.1 The Audit Report is produced on an exception basis; consequently, the only points made are where weaknesses have been identified. The samples chosen would not be able to cover every transaction or eventuality; therefore, reliance is placed in part on the information and explanations provided by the appropriate officers.

### **4 INTERNAL CONTROL STANDARD GRADING**

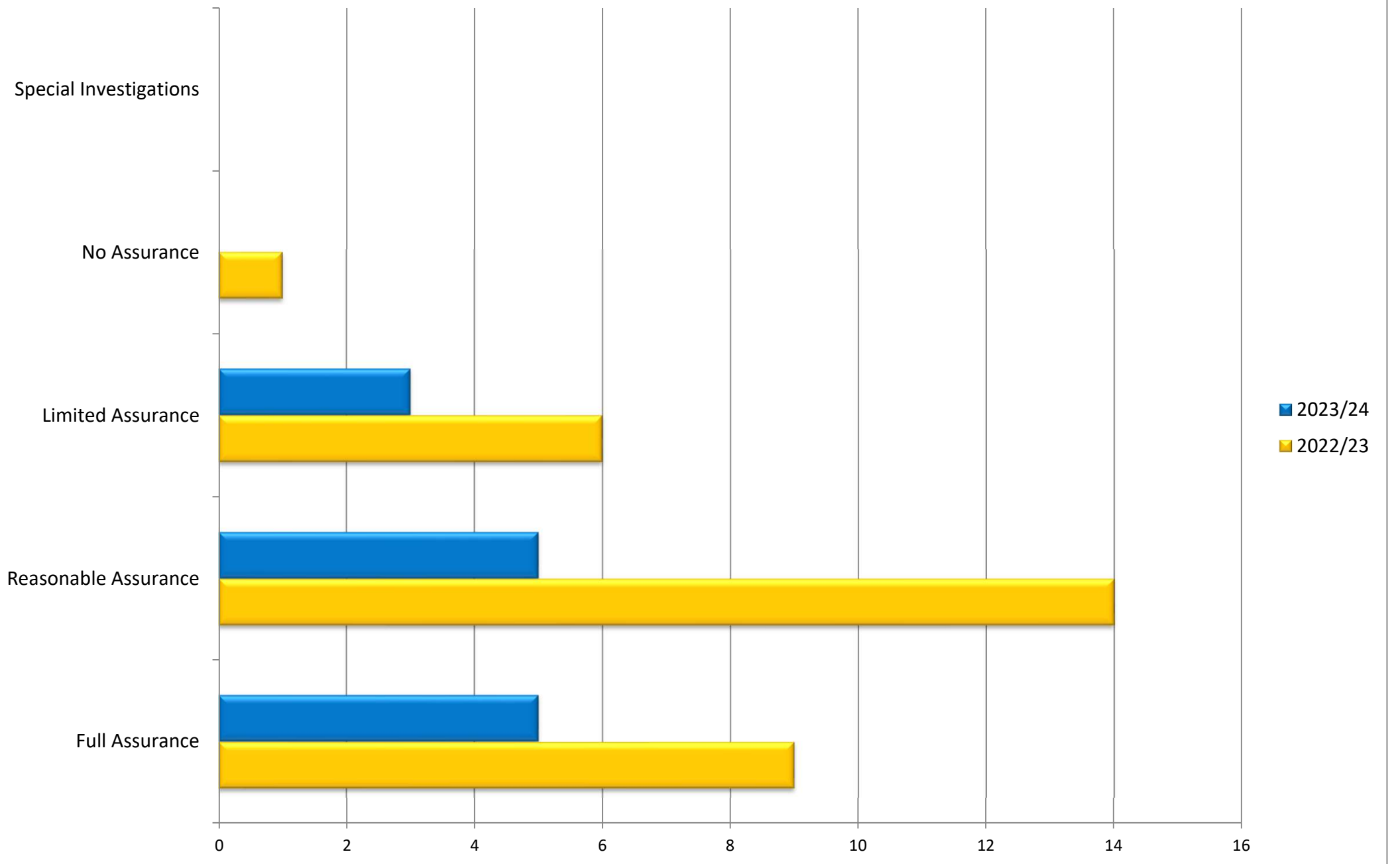
4.1 In accordance with the standard gradings, the systems examined indicate that the internal controls within the School Catering process have identified a number of control weaknesses that require actions to be implemented. The grading is therefore assessed as '**Limited Assurance**'.

INTERNAL AUDIT SECTIONPERFORMANCE INDICATORS 2023/24

	Performance Indicator	2021/22 Target	2021/22 Actual	2022/23 Target	2022/23 Actual	2023/24 Target	2023/24 Actual	RAG Rating
Local PI	Audit Plan Completion %	70%	70.74%	73%	69.45%	73% 18.25%	17.29%	Amber
Local PI	% of Agreed Actions for Weaknesses Identified	90%	100%	90%	100%	90%	100%	Green
Local PI	% of Agreed Actions completed after 6 months	80%	90%	80%	100%	80%	100%	Green
Local PI	% of Audit Clients at least "satisfied" with the service	95%	100%	95%	100%	95%	100%	Green
Local PI	Average number of days taken to issue Final Reports	5 days	5.17 days	5 days	4.38 days	5 days	2 days	Green
Local PI	% of Audits completed within time allocated	75%	90%	75%	90%	75%	80%	Green
Local PI	% of Performance Reviews undertaken within previous 12 months	100%	100%	100%	100%	100%	100%	Green
Local PI	Average number of sick days per person (cumulative average)	8 days	0.83 days	7 days	0 days	7 days	0.83 days	Green

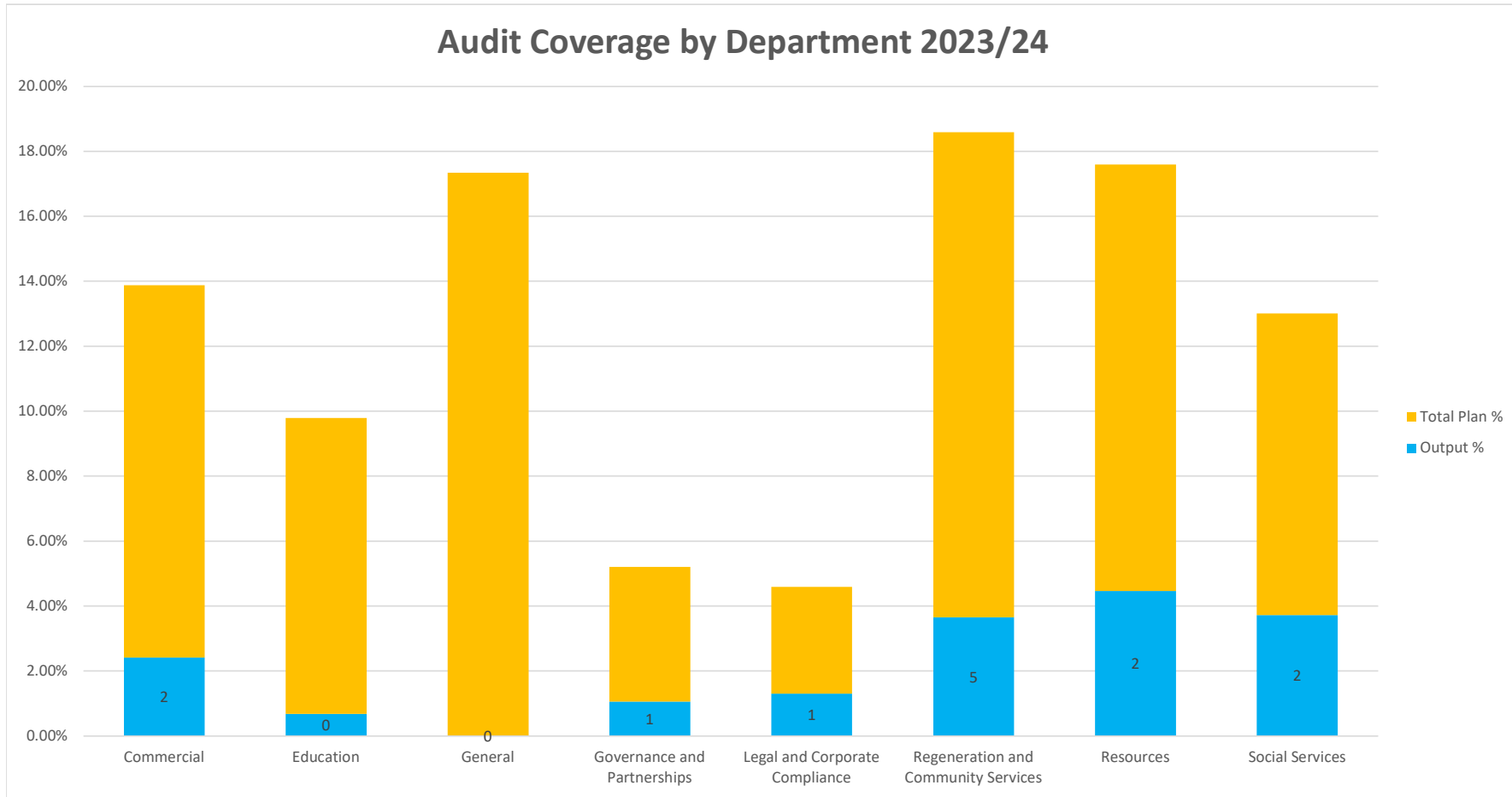
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# Audit Gradings 2022/23 & 2023/24



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Department	Total Department %	Output %	Completed Audit Areas
Commercial	13.88%	2.42%	2
Education	9.79%	0.68%	0
General	17.35%	0.00%	0
Governance and Partnerships	5.20%	1.05%	1
Legal and Corporate Compliance	4.58%	1.30%	1
Regeneration and Community Services	18.59%	3.66%	5
Resources	17.60%	4.46%	2
Social Services	13.01%	3.72%	2
<b>Total</b>	<b>100.00%</b>	<b>17.29%</b>	<b>13</b>

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# Agenda Item 9

*Cabinet and Council only*

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance and Audit Committee**  
Date of meeting: **20<sup>th</sup> September 2023**  
Report Subject: **Corporate Risk Register Q1 2023 / 2024**  
Portfolio Holder: **Cllr S Thomas – Leader of the Council and Cabinet Member Corporate Overview and Performance**  
Report Submitted by: **Rhian Hayden – Chief Officer Resources**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	06.09.23	09.09.23	20.09.23					

## 1. Purpose of the Report

1.1 The Corporate Risk Register (CRR) is presented to Governance and Audit Committee including progress updates in respect of Quarter 1 2023/2024.

1.2 The Governance and Audit Committee's Terms of Reference sets out their responsibility:

- Provide independent assurance of the adequacy of the risk management framework and the associated control environment;
- Consider the effectiveness of the Council's risk management arrangements and the control environment;

## 2. Scope and Background

2.1 The Corporate Risk Register is updated by risk updaters and risk owners and reviewed by Corporate Leadership Team on a quarterly basis.

2.2 The CRR is now presented at Appendix A. Appendix B contains scoring guidance from the Risk Management Handbook for information.

## 3. Options for Recommendation

3.1 Governance and Audit Committee considers the information in the attached Corporate Risk Register and makes any appropriate recommendations or comments in order for the committee to gain assurance that the Council has appropriate arrangements in place to manage risk.

## 4. Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan

4.1 Effective Risk Management allows the Authority to deliver services in pursuance of its obligations.

## 5. **Implications Against Each Option**

### 5.1 ***Impact on Budget (short and long term impact)***

5.1.1 There are no direct financial implications although it is widely recognised that effective risk management is an essential ingredient in achieving service improvement, efficiency and value for money.

### 5.2 ***Risk including Mitigating Actions***

5.2.1 Failure to ensure robust risk management arrangements are in place will result in the weakening of internal controls.

5.2.2 Failure to identify the Council's significant risks could result in a myriad of potential consequences including failure to maximise the chances of objectives being achieved, financial loss and reputational damage.

### 5.3 ***Legal***

5.3.1 There are no direct legal implications arising from this report.

### 5.4 ***Human Resources***

There are no direct staffing implications arising from this report but individual roles and responsibilities are identified in the Risk Management Strategy.

### 5.5 ***Health and Safety***

There are no direct health and safety implications arising from this report.

## 6. **Supporting Evidence**

### 6.1 ***Performance Information and Data***

Actions identified to manage risks should be included in the relevant business plans and this will be expedited by the Professional Lead for Risk and Insurance and the Corporate Performance Officer.

### 6.2 ***Expected outcome for the public***

6.2.1 Failure to identify the Council's significant risks could result in a myriad of potential consequences including failure to maximise the chances of objectives being achieved and financial loss which will inevitably affect how the Council provides services to the communities of Blaenau Gwent.

### 6.3 ***Involvement (consultation, engagement, participation)***

6.3.1 Not applicable for this report.

### 6.4 ***Thinking for the Long term (forward planning)***

6.4.1 Identification & mitigation of risks ensures the Council can deliver its corporate priorities.

### 6.5 ***Preventative focus***

6.5.1 Identification & mitigation of risks ensures the Council can deliver its corporate priorities.

### 6.6 ***Collaboration / partnership working***

6.6.1 Not applicable for this report.

6.7 ***Integration (across service areas)***

6.7.1 Not applicable for this report.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

6.8.1 Not applicable for this report.

6.9 ***Integrated Impact Assessment***

6.9.1 Not applicable for this report.

7. **Monitoring Arrangements**

7.1 The Corporate Risk Register is reviewed and updated by CLT on a quarterly basis but more frequently if required and is part of the Joint Report which is reported to Scrutiny.

7.2 The Corporate Risk Register will be presented to Governance and Audit Committee on a quarterly basis.

**Background Documents /Electronic Links**

- *Appendix A*
- *Appendix B*

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**Risk Reference CRR1**

**Risk Description: Failure to deliver and sustain the changes required to ensure that vital services are prioritised within the financial constraints faced by the Council.**

**Risk Owner: Corporate Leadership Team / Interim Chief Executive**

**Portfolio holder: Councillor Steve Thomas**

**Risk Updater: Chief Officer Resources / Chief Officer Customer and Commercial**

Triggers	Consequences	Likelihood	Impact	Status	Current Controls	Likelihood	Impact	Status	Proposed further controls to mitigate / reduce risk	Target Score	L x I = Score	
<ul style="list-style-type: none"> <li>• Council priorities are unclear and unrealistic / Budgets not aligned with corporate priorities</li> <li>• Failure to put the customer at the centre of changes</li> <li>• Risk that the preventative agenda does not deliver</li> <li>• Risk that savings identified as part of business as usual and efficiencies have not been robustly reviewed for achievability and will not deliver as planned</li> <li>• Governance arrangements for achievement of priorities and delivery of significant projects are not robust.</li> <li>• Lack of ownership and accountability of the need for change</li> <li>• Council unable to overcome the challenges to become more commercially minded i.e. Inability to make the cultural shift</li> <li>• The ICT platforms (desktop, software, network, servers etc.) will not be able to support the technologies required by the corporate change programme and deliver effective service to the council.</li> <li>• Transformation and commercial projects require significant capital investment</li> <li>• Failure to obtain political support for proposed changes.</li> <li>• Failure to develop the skills and capacity required to manage significant change at a time of increased demand.</li> <li>• Failure to maximise existing assets / Lack of understanding of how changes to service delivery will impact on long-term asset needs. /Failure to develop a long-term asset strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to meet the requirements of the Wellbeing of Future Generations Act.</li> <li>• Vital services will not be protected if the Council fails to find more efficient ways of working</li> <li>• Reputational impact if services do not meet increasing customer expectations and Council is unable to deliver on its aspirations</li> <li>• Services not delivered efficiently or effectively and fail to deliver joined up services to the public</li> <li>• Failure to respond to the key financial and organisational challenges that dominate the medium term planning horizon of the Council.</li> <li>• Improvements to social economic and environmental wellbeing of the areas not achieved.</li> <li>• Failure to meet statutory obligations</li> <li>• Risk of Judicial Review in respect of new models of service delivery.</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>• Corporate Plan 2022 - 2027 sets out the Councils vision, values and priorities for the next 5years. The plan is intended to clarify the future direction of the Council, mobilise the resources and planning of services and activities to ensure all are being directed to deliver against the agreed priorities. Corporate Plan incorporates the Wellbeing - Objectives</li> <li>• Medium Term Financial Strategy reviewed and updated on an annual basis to reflect known and emerging pressures and ensure alignment with the Corporate Plan. The latest MTFS was considered and agreed by Council in December 22</li> <li>• Community engagement underpins budget reduction decisions</li> <li>• Investment in the preventative agenda Early intervention and Prevention Strategy</li> <li>• Programme of Business Reviews (Bridging the Gap) supports Budget setting and in previous years (2019 -2023) enabled the Council to invest in services where there were pressures thereby sustaining service delivery</li> <li>• The Council has a Corporate Leadership Team in place with a focus on the need to invest in prevention, change and sustaining priority services</li> <li>• Council actively pursuing partnership opportunities to sustain service delivery and manage service pressures.</li> <li>• Commercial Team and Strategy which will identify income generation and service transformation opportunities to reduce costs, improve efficiency and release resources for investment into priority areas;</li> <li>•Strategic Commercial Commissioning Board</li> <li>•Commercial Strategy</li> <li>•Corporate Digital and ICT Programme</li> <li>•Development of the Business and Commercial Network (BaCON)</li> <li>•Investment Strategy</li> <li>• New operating model to improve further efficiency of the organisation.</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>•Strengthened performance management to ensure accountability at senior manager level for the delivery of change and efficiency.</li> </ul>	1	4	Medium

**Progress Update as at Quarter 1 (April – June) 2023**

Work is processing to further embed the Council's commercial and business ambitions. The focus this quarter has been around an externally facilitated session held to support the development of business cases of pipeline projects which has helped further develop internal knowledge and skills. A Wider CLT session on the MTFS has been held and being more commercially minded will form a key part in supporting the MTFS planning and delivery. A member briefing session is confirmed for September and content for the session being developed, this will lead into a review of the current commercial strategy. We will need to progress these quickly to start generating income for the Council as these will take 12-18 months feed in time.

The Council's 2023/24 revenue budget was agreed in February 2023 and included a draw from reserves of £4.3m. At that time the Medium Term Financial Strategy (MTFS) was indicating a budget gap in excess of £20m between 2024/25 and 2027/28 it is expected that the next iteration of the MTFS will see an increase in the budget gap driven by higher than forecast pay awards, the continuing high levels of inflation and demand for services as a result of the cost-of-living crisis.

Business Cases will need to be developed (for consideration by Council) for all proposals to reduce costs / generate income and balance the Council's budget in future years. To support Service Managers in the development of these business cases an externally facilitated session has been held which has helped develop internal knowledge and skills. To achieve the required efficiencies, major transformation to services across the Council is likely to be required which are likely to impact on service levels.



**Risk Reference: CRR2**  
**Risk Description: Failure to ensure that the Councils ICT arrangements provide assurance in terms of operational functionality and data security and enable the required digital transformational change.**  
**Risk Owner: Corporate Leadership Team / Chief Officer Customer and Commercial**  
**Portfolio holder : Councillor Steve Thomas**  
**Risk Updater: Digital Board / Information Security Officer (SRS)**

Triggers	Consequences	Current Controls			Proposed further controls to mitigate / reduce risk			Target Score L X I= Score				
		Likelihood	Impact	Status	Likelihood	Impact	Status	L	I=			
<ul style="list-style-type: none"> <li>• Failure of IT software provider</li> <li>• Lack of investment in IT systems / obsolete equipment</li> <li>• Failure of the SRS to provide service</li> <li>• Lack of specialist support</li> <li>• Cyber security breach</li> <li>• Expansion of the SRS as more partners could affect resilience</li> <li>• Failure to maximise technology and digital innovation through a user centred service design</li> <li>• Global Supply chain shortages</li> <li>• Recruitment &amp; retention difficulties for IT specialists</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Potential security breach</li> <li>• Service provision affected</li> <li>• Does not meet the needs of evolving council services</li> <li>• Loss of critical / sensitive data</li> <li>• Inability to meet deadlines in business as usual and projects aimed at producing savings through technology use.</li> <li>•</li> <li>•</li> <li>•</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>• Market leading national software providers.</li> <li>• Maintenance contracts &amp; agreements in place covering IT infrastructure.</li> <li>• Investment undertaken to improve the Council's resilience e.g. core system upgrade. ICT budget- security of the infrastructure and security is prioritised, when any ICT spending is required</li> <li>• Shared information security team in place (providing advice and threat assessments to partners (collaboration with Torfaen, Monmouthshire and Gwent Police) Working with the SRS Information Security team partners are provided with assurance on IT security and cyber resilience.</li> <li>• Servers are now located at the Vantage Data Centre providing an increased level of resilience.</li> <li>• Corporate Digital Programme Developed</li> <li>• SLA with SRS in place approved at Strategic Board annually.</li> <li>• Monthly meetings between SRS and officers to review the programme progress.</li> <li>• Service Design and Digital Leadership board</li> <li>• Monitoring of SRS budget</li> <li>• SRS report for Scrutiny developed</li> <li>• SRS Risk Register</li> <li>• Investment framework</li> <li>• Digital Champion network and Community of practice</li> <li>• Development of Office 365</li> <li>• SOC / SIEM</li> </ul>	2	4	High	<ul style="list-style-type: none"> <li>• It is anticipated that a more in-depth review of the SLA for 2024/25 onwards will be undertaken with partners in due course</li> <li>• Programme of work to be developed as set out by Digital Board</li> <li>• Follow up on Digital Maturity Assessment</li> <li>• Financial Modelling exercise to be completed</li> <li>• Digital Strategy to be developed</li> <li>• Annual Updates to Governance and Audit Committee as part of the ongoing partnership with SRS.</li> </ul>	1	4	Medium

**QUARTERLY PROGRESS UPDATES**  
**Progress Update as at Quarter 1 (April – June) 2023**

- During 2022 Audit Wales provided Councils with its findings from a national study re Cyber Resilience. They have since reverted to the Council (August) for details of the controls the Council has in place (I.e network monitoring, risk registers SOC / SIEM) and have advised that they were very reassured by what the Council has in place.
- Audit Wales published their paper in 2021 “Cyber resilience in the public sector” and a 2022 paper “learning from cyber-attacks” the Chief Information Security Officer has tracked all the recommendations included in these papers and has advised that all are in place.
- An annual “Cyber Resiliency” paper is produced by the Chief Information Security Officer to advise the SIRO on the controls in place to protect BGCB from Cyber-attack. This paper includes all of the audits, compliancy reviews, scanning and monitoring being undertaken. Last report was produced in April 2023 to coincide with year end.
- In June 2023 the Vodafone SOC / SIEM went live. The network is now being actively monitored internally and externally and all alerts are acted upon. Monthly Information Security review meetings continue. SIEM continually monitors events such as hacking, malware and other cyberthreats.

- PSN (Public Services Network) which is accredited by the Cabinet Office was achieved in April 2023. The PSN is a UK government network which helps public sector organisations work together, reduce duplication and share resources. In order to be added to the PSN a company must apply to the Cabinet Office annually, providing a CoCo (Code of Connection) completed questionnaire surrounding their network, supply an ITHC (IT Health Check) penetration test, supply a network diagram and provide a remediation plan for any issues identified within the ITHC.
- Engagement on the proposed priorities in the digital strategy has been undertaken with CLT and through a dedicated Member session. The strategy is being finalised and will be presented to scrutiny in September. Work on the programme to maximise current systems that have been invested continues.

Risk Reference CRR4

Risk Description: Safeguarding - Failure to ensure adequate safeguarding arrangements are in place for vulnerable people in Blaenau Gwent

Risk Owner - Corporate Leadership Team / Interim Director of Social Services

Portfolio holder: Councillor Hayden Trollope

Risk Updater: Interim Director of Social Services / Director of Education / Strategic Safeguarding Leads Group

Triggers	Consequences	Likelihood	Impact	Status	Current Controls	Likelihood	Impact	Status	Proposed further controls to mitigate / reduce risk	Target Score		
										L x I = Score		
<ul style="list-style-type: none"> <li>• If there is inadequate assessments and monitoring</li> <li>• If there is a lack of documentation</li> <li>• If there are increasing referrals for services</li> <li>• If there is a lack of appropriate guidance and training</li> <li>• If there is poor communication between all parties (internal / external)</li> <li>• If there is a high turnover of staff and difficulties in recruiting and retaining staff.</li> <li>*If there are increased levels of sickness in key areas.</li> <li>• Failure to recognise that all staff have a duty to report abuse, harm or neglect.</li> <li>• Lack of appropriate guidance and training on safeguarding</li> </ul>	<ul style="list-style-type: none"> <li>• Potential significant harm / loss of life</li> <li>• Long term reputational damage and confidence in the Council undermined</li> <li>• Increase in complaints / Potential litigation / prosecution</li> <li>• External intervention</li> <li>• Increased pressure on budgets</li> <li>• Low staff morale</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>• Joint Social Services and Education Scrutiny established</li> <li>• Education Designated Lead and Deputy Officer nominated</li> <li>• Education Safeguarding Officer established and in post</li> <li>• Gwent Adult Safeguarding Board</li> <li>• SE Wales Safeguarding Children’s Board</li> <li>• Safeguarding is a standing item on CMT agenda</li> <li>• Lead Executive Member has been identified for having responsibility for safeguarding</li> <li>• Senior leadership have received Level 1 training.</li> <li>• Programme of training for schools underway.</li> <li>• Corporate leads established for each directorate who have been requested to identify staff for Level 1 training (3 dates have already been set)</li> <li>• Safeguarding in Education matrix regularly updated</li> <li>• Use of MyConcern software in schools will be used to gather data, monitor positive cases and create consistency across the school estate. The roll-out project team is fully established.</li> </ul>	2	4	High	<ul style="list-style-type: none"> <li>• Business Plans will further embed risk assessment tools</li> <li>• Embedding of quality assurance processes in adult services safeguarding</li> <li>*Safeguarding Training programme to be implemented in Quarter 2</li> <li>•Safeguarding Reports into Scrutiny will be on a corporate basis / will include all directorates.</li> <li>•Safeguarding to be included in self-assessment.</li> </ul>	1	4	Maximum

### **Progress Update as at Quarter 1 (April – June) 2023**

The risk was reviewed by the Corporate Safeguarding Leads Group who have provided a corporate update. The Corporate Safeguarding Performance Report which contains corporate safeguarding activity as well as specific information in relation to Social Services and Education will be reported to People Scrutiny Committee in Quarter 2. This will include safeguarding performance information for Q4.

The Strategic Corporate Safeguarding Leads Group continued to meet and monitor safeguarding training compliance on a quarterly basis. A snapshot as at 20<sup>th</sup> June 2023 reported the statistics below. It was agreed that all directorates would be required to check their lists for accuracy and compliance as there continues to be discrepancy in the reporting from service areas and the reporting figures. An update on compliance with the training requirements will be shared at the next meeting in Quarter 2. Going forward the group will also be monitoring compliance for Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) training.

<b>Directorate</b>	<b>No of Staff</b>	<b>No Completed</b>	<b>% Completed</b>
Corporate Services	322	225	70%
Education (excluding schools)	67	58	87%
Schools	1,258	256	20%
Regeneration & Community Services	638	338	53%
Social Services	576	196	34%
<b>OVERALL TOTAL</b>	<b>2,861</b>	<b>1,073</b>	<b>38%</b>

The Safeguarding in Education Manager continues to make good progress in implementing the various QA processes for the current academic year and is now finalising the end of year position statement for education services with the Strategic Safeguarding in Education Manager through the completion of the corporate return and annual Local Government Education Services (LGES) self-evaluation process. DLT have received the required Fades that appropriately capture the areas for improvement and as such the improvement activities are being progressed. SSSPB continues to support the development of key pieces of work across LGES but it is too early to assess the impact of this work. Good progress continues to be made in the implementation of My Concern and the User Group are trialling the use of bullying and RPI returns with a view to rolling this approach to other schools during the autumn term. As part of this work a review of the RPI and Respectful relationship policy is ongoing, one school still has not accessed My Concern training and this matter has been escalated within the Directorate.

There has been a reduction in the social work vacancies across Social Services which is positive, however the workforce is still very inexperienced. That said measures are in place to provide appropriate levels of support and supervision.

There is concern that the current round of budget savings may result in reductions in staff which could impact on this risk . We will keep this under careful review.

Children Services have received their verbal feedback from Care Inspectorate Wales following the child protection rapid review site visit in May. The regulators were satisfied that children are receiving the right help at the right time and as with any visits there were some recommendations made however overall, they were satisfied with the management of child protection concerns.

It is recommended that this risk is reduced to Medium. Primarily this is based on Social Services having the staffing capacity to under take the responses to safeguarding referrals. Capacity has increased due to successful recruitment to social wok posts in both Children's and Adult services and a substantial reduction in the vacancy rate in the child care teams.

**Risk Reference CRR 14**

**Risk Description: Failure to improve staff attendance rates within the Council will lead to an unacceptable impact on the ability of the Council to deliver services effectively and financially**

**Risk Owner: Corporate Leadership Team / Chief Officer Customer and Commercial**

**Portfolio holder: Councillor Steve Thomas**

**Risk Updater: Head of Organisational Development**

Ref No.	Description of Risk	Triggers	Consequences	Current Controls			Proposed further controls to mitigate / reduce risk			Target Score L x I = Score				
				Likelihood	Impact	Status	Likelihood	Impact	Status					
CRR 14	Support the cost of sickness absence.	<ul style="list-style-type: none"> <li>Downsizing the workforce to meet necessary savings</li> <li>Alternative service delivery models</li> <li>Financial planning inhibits strategic workforce planning</li> <li>Service specifications not amended in line with cuts to services adding pressure to the workforce. Uncertainty of future arrangements</li> <li>Lack of managerial action in applying the attendance management policy</li> <li>Ongoing impact of Covid and long covid on sickness absence</li> </ul>	<ul style="list-style-type: none"> <li>Not having the capacity and capability to deliver services</li> <li>Failure to deliver priorities</li> <li>Direct Impact on service delivery</li> <li>Increased sickness / absence</li> <li>Risk of not meeting statutory or legislative requirements in relation to specific workforce requirement e.g. social care.</li> <li>Breakdown in employer relations and representation at tribunal cases.</li> <li>Increased demand on support services e.g. OD</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>An Attendance Management Policy</li> <li>Occupational Health Service</li> <li>Employee Assistance Programme</li> <li>Strategic focus on wellbeing to include Wellbeing Wednesday Bulletin and Mental Health Training.</li> <li>Dying to Work Charter</li> <li>Training/briefing sessions for managers</li> <li>A policy and toolkit for managing stress</li> <li>An extensive range of flexible working arrangements</li> <li>Regular discussion and learning nationally and regionally</li> <li>Managers recognising good attendance and supporting wellbeing</li> <li>Sickness absence targets set by the Corporate Leadership Team</li> <li>Development of iTrent to provide sickness absence data to manager's in real time and access to a dashboard of sickness absence data.</li> <li>Performance data provided to the Corporate Leadership Team, Heads of Service and Elected Members on a quarterly basis.</li> <li>Sickness performance on Directorate Management Teams, team meetings and an objective for managers as part of annual performance coaching.</li> <li>Health, Safety and Welfare Corporate Group.</li> <li>Workforce engagement (regular 1 – 2 – 1's / performance coaching/ team meetings, weekly managing director newsletter, dedicated engagement and consultation framework with TU's) Bi annual staff surveys, engagement and communication</li> <li>Workforce Strategy 2021 – 2026 was agreed by Council July 2021</li> <li>Agile Working policy agreed by Council March 2021</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li><b>Management of sickness absence :-</b></li> <li>Quarterly directorate reviews of top 20 cases</li> <li>OD review of long-term sickness – monthly</li> <li>Recognition of good attendance through one to one and team meetings.</li> <li>Communication with the workforce on impact of sickness and support available for employees.</li> <li><b>Strategies to address the impact of Covid and sickness absence:-</b></li> <li>Workforce plan for each directorate</li> <li>review of agile working commencing September 2022</li> <li>staff engagement through a staff survey and workshops</li> <li><b>Understanding the data :-</b></li> <li>Setting Performance targets</li> <li>Workforce profiles to plan and lead service performance.</li> <li>Review of the Attendance Management Policy</li> </ul>	2	4	High

**Progress Update as at Quarter 1 (April – June) 2023**

- The sickness absence statistics 2022/23 have been reported into CLT. Sickness absence remained high at 15.45 days per FTE employee, exceeding the target set of 10 days. When comparing the outturn for 2022/23 with the previous year there had been a decrease of 1.29 days from 16.74 days. CLT to ensure that the performance data and factors affecting absence levels were discussed with their DMT's and cascaded to all Managers within their Services. Emphasis to be placed on the importance of timely and accurate recording within iTrent, and policy compliance.
- Ongoing management of sickness absence by managers supported by OD.
- Quarterly review of top 20 long term cases and hotspots.
- Ongoing Wellbeing Wednesday's supporting physical and mental wellbeing.
- The annual review and report to be presented to Scrutiny in October 23 and more detailed work will be undertaken on the hotspots including an audit of compliance by internal audit
- The outturn figures for 2023/24 Quarter 1 are showing an improving picture when compared to the previous year. The outturn figure is 2.74 days per FTE employee compared to 3.97 days a decrease of 1.23 days.
- Service Targets 2023/24 have been set within Directorates and CLT agreed the Council target of 10 days
- The sickness absence statistics for 2023/24 quarter 1 have been reported into CLT

**Risk Reference CRR 19**

**Risk Description: If the Council does not manage its information assets in accordance with requirements set down within legislation then it may be faced with financial penalties and possible sanctions that hinder service delivery.**

**Risk Owner: Corporate Leadership Team / Chief Officer Resources**

**Portfolio holder: Councillor Steve Thomas**

**Risk Updater: Information and Governance Officer**

Triggers	Consequences	Likelihood	Impact	Status	Current Controls	Likelihood	Impact	Status	Proposed further controls to mitigate / reduce risk	Target Score	L x I = Score	
<ul style="list-style-type: none"> <li>• Human error</li> <li>• Lack of staff knowledge of requirements of the Act due to lack of awareness and training</li> <li>• Inexperienced staff / staff turnover</li> <li>• Rogue employee</li> <li>• Lack of supervision of less experienced staff.</li> <li>• IT failure (e.g. virus)</li> <li>• Inadequate data sharing and data security arrangements.</li> <li>• Cyber Attack</li> <li>• Changes to legislation</li> </ul>	<ul style="list-style-type: none"> <li>• Reputational risk</li> <li>• Fines for breach and financial loss from compensation claims</li> <li>• Loss of service due to time taken to recover information</li> <li>• Enforcement action</li> <li>• Considerable Risks and potential Detrimental effects for the Data Subjects (Individuals concerned)</li> <li>• Safeguarding issues (The service users are often vulnerable individuals so there could be safeguarding issues)</li> <li>• Information theft or misuse</li> <li>• Financial fraud.</li> <li>• A malicious attack on ICT could result in a loss of confidence from those transacting with the Council</li> <li>• Legal, asset, system, operational and financial implications</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>• Data Protection Officer advises on Data Protection compliance and provides specific advice to officers when required.</li> <li>• The Shared Information Security service will provide assurance on IT security and review current systems to advise on the appropriate level of technical security required.</li> <li>• SIRO is responsible for the organisation's overall information risk policy and risk assessment processes and ensuring they are implemented consistently.</li> <li>• Information Governance Forum (organised by the SIRO) has key Officers from across the Authority to review our current Information management arrangements and drive forward improvements to our existing arrangements. Chaired by the SIRO now meet quarterly to ensure a comprehensive information governance framework is in place and operating effectively throughout BGCBC</li> <li>• Officer formally appointed in the statutory role of data protection officer</li> <li>• Training is provided to staff through e-learning, Teams channels and face to face sessions on an ongoing basis.</li> <li>• Adequate Information Security arrangements, technical security etc.</li> <li>• IAO's (Information Asset Owners) formally recognised who will:                             <ul style="list-style-type: none"> <li>- Understand and address risks to the information they own</li> <li>- Provide assurance to the SIRO on the security and use of these Assets</li> <li>- Ensure their team and those interacting with info assets understand information security and are confident in their handling of information</li> <li>- Establishment of information asset register</li> </ul> </li> <li>• A GDPR page is available on the intranet, providing additional guidance for staff</li> <li>• In place                             <ul style="list-style-type: none"> <li>i) a SOC / SIEM solution to monitor the Council's network providing an enhanced level of protection against Cyber threats</li> <li>ii) Ransomware impact reduction product to reduce the impact of an attack when it does happen</li> </ul> </li> </ul>	2	4	High	<ul style="list-style-type: none"> <li>• Further training for Information Asset Owners and Operational Asset Leads</li> <li>• GDPR training refresh programme.</li> <li>• Development of web pages and intranet to reduce incoming queries and request</li> <li>*Review of all Information Governance Policies and promote awareness</li> <li>*Briefing session to Members to raise awareness</li> </ul>	2	4	High

**Progress Update as at Quarter 1 (April – June) 2023**

No significant changes to the risk occurred during this period with progress being made on many of the controls.

Following the news that the eLearning pilot originally planned is no longer feasible an alternative solution has now presented itself and we are promised will be demoed shortly. However, in the meantime the department have been progressing with using the All Wales Academy solution to prevent complacency and many managers have now received requests to remind their staff to complete/refresh their mandatory training. Any that have not yet received this will do so in the coming weeks/months.

Reviews of the Data Protection and Freedom of Information Policies were conducted during this time and confirmed by the Information Governance Forum, progressing for CLT approval in July 2023.

For Quarter 1 there were 5 Data Breaches recorded (2 in Environment and Regen, 2 in Social Services and 1 in Corporate Services). This is a vast improvement on the performance for the same quarter in 2022 where 17 breaches were recorded but should not mean that we are complacent as breaches in Quarter 2 in 2023 have currently demonstrated. Of the 5 recorded breaches in Quarter 1 none met the threshold to report to the ICO.

Updates on Cyber security included in risk reference CRR2.



**Risk Reference CRR 21**

**Risk Description: The Financial resilience of the Council could be at risk if the Council does not ensure that financial planning and management decisions support long term stability and sustainability.**

**Risk Owner: Corporate Leadership Team / Chief Officer Resources**

**Portfolio holder: Councillor Steve Thomas**

**Risk Updater: Chief Officer Resources**

Triggers	Consequences	Likelihood	Impact	Status	Current Controls	Likelihood	Impact	Status	Proposed further controls to mitigate / reduce risk	Target Score	
										L x I = Score	
<ul style="list-style-type: none"> <li>● Sustained funding reductions</li> <li>● Cost of Living effect on increases and associate reduction in Council income from Council Tax / Rates</li> <li>● Increased third party spend due to increase in supply cost of labour / energy prices /</li> <li>● Increased demand and cost for services</li> <li>● Inability to effectively manage budgets in order to achieve balanced budgets within year</li> <li>● Financial planning arrangements not long term in its perspective or aligned to corporate priorities.</li> <li>● Medium Term Financial Strategy is not robust or flexible enough to adapt to change.</li> <li>● Medium Term Financial Strategy is not aligned with other key strategies</li> <li>● Inability to deliver intended savings</li> <li>● Lack of capacity within Finance Teams</li> <li>● Lack of Member engagement and scrutiny of savings plans. Lack of political support for business cases</li> <li>● Not receiving an audit opinion on accounts</li> <li>● Failure to become more commercially minded</li> <li>● Potential impact of equal pay claims – representations on equal pay and one case as part of employment tribunal system</li> </ul>	<ul style="list-style-type: none"> <li>● Inability to deliver effective services or provision of lower quality services to residents and businesses of the Borough.</li> <li>● Unplanned reduction in services provided</li> <li>● Lack of improvement in key areas</li> <li>● Failure to achieve corporate priorities</li> <li>● Depletion of reserves</li> <li>● Potential impact on ability to borrow and be awarded grants</li> <li>● Significant reputational risk from intervention</li> </ul>	3	4	critical	<ul style="list-style-type: none"> <li>● Budgets firmly aligned with Council priorities</li> <li>● Service prioritisation and planning</li> <li>● Medium Term Financial Strategy regularly reviewed and updated to reflect known and emerging pressures and ensure alignment with the Corporate Plan. agreed in December 2022 (currently undergoing review)</li> <li>● Impact of new and existing burdens / budget pressures being continually assessed</li> <li>● Risks associated with potential budget reductions evaluated prior to implementation</li> <li>● Budget monitoring refined and forecasting included within financial monitoring reports.</li> <li>● Council have an agreed target level (minimum) of general reserve (4%) and reserves regularly reviewed by the Chief Officer – Resources and relevant officers. General and Earmarked Reserves are also scrutinised by Corporate Leadership Team, members of Scrutiny Committees and the Cabinet as part of the Council’s financial reporting framework.</li> <li>● Financial monitoring arrangements include quarterly briefings for (scrutiny) and consideration of forecasts by the Cabinet.</li> <li>● MTFs proposes a contribution to reserves on an annual basis</li> <li>● Multi skilled teams involved in development / assessment of business cases.</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>● Delivery &amp; further development of the Bridging the Gap Programme</li> <li>● Development and consideration of business cases</li> <li>● Budget cuts / additional income generation to balance Council budget (likely to result in reduction / stopping some services)</li> </ul>	2   4	High

**Progress Update as at Quarter 1 (April – June) 2023**

**Quarter 1 Progress Update (April – June 2023)**

Risk score has moved to Critical from High in Quarter 1 2023 2024.

Significant pay and price increases, driven by high inflation and a tight labour market, is likely to continue to be experienced in the medium term. Similar impacts are being experienced by both the UK and Wales Governments' which will have a consequential effect on the funding from WG that the Council can expect to receive, these issues are putting pressure on the Council's budget. Whilst inflation remains high (currently 10%) the indication from WG is that the revenue support grant for 2024/25 will be an average of 3.1% across Wales, well below the rate of inflation (and current pay awards).

The Council is budgeting to utilise in excess of £4m for 2023/24 and is forecasting increasing and additional cost pressures for 2024/25 and beyond. Initial forecasts suggest the Council's budget gap is in excess of £20m over the next 5years with £9m predicted for 2024/25. Utilising reserves to fund pressures in year is simply delaying the full impact of the challenges to future years.

There is a high risk that the agreed Bridging the Gap proposals will not achieve the target savings as inflation continues to outstrip assumptions and the Council continues to be faced with higher costs than anticipated. Current Bridging the Gap proposals for 2024 / 2025 total £2.27 million, significantly below the values that will be required, and additional proposals are anticipated.

In order to set a balanced budget for 2024/25 and future years, Business Cases will need to be developed (for consideration by Council) for additional proposals to reduce costs / generate income and balance the Council's budget. To achieve the required efficiencies, major transformation to services across the Council is likely to be required which will impact on service levels.

Risk Reference CRR 22

Risk Description: Failure to deliver the Council's priorities within the agreed annual budget resulting in the increased use of emergency finance measures and the drawdown of reserves.

Risk Owner: Corporate Leadership Team / Chief Officer Resources

Portfolio holder: Councillor Steve Thomas

Risk Updater: Chief Officer Resources

Triggers	Consequences	Likelihood	Impact	Status	Current Controls			Proposed further controls to mitigate / reduce risk	Target Score L X I= Score			
					Likelihood	Impact	Status		L	X	I	
<ul style="list-style-type: none"> <li>• Council priorities are unclear and unrealistic</li> <li>• Cost of Living effect on increases and associate reduction in Council income from Council Tax / Rates</li> <li>• Increased third party spend due to increase in supply cost of labour / energy prices /</li> <li>• Increased demand and cost for services in</li> <li>• Significant challenge arising from increased demand and cost of services</li> <li>• Budgets not aligned with corporate priorities</li> <li>• Risk that savings identified as part of business as usual and efficiencies have not been robustly reviewed for achievability and will not deliver as planned</li> <li>• Priorities of political administration may have an impact on budget decisions</li> <li>• Customer participation not as expected. e.g. recycling / waste</li> <li>• Unexpected financial challenges or additional obligations arising.</li> <li>• Monitoring failure / lack of financial information / budgetary control information.</li> <li>• Failure of projects under the preventative agenda.</li> </ul>	<ul style="list-style-type: none"> <li>• Requirement to implement emergency measures to reduce spending during the financial year thus adversely impacting on ability to meet corporate plan objectives</li> <li>• Increasing adverse effects on the community of Blaenau Gwent that rely on the services being delivered.</li> <li>• Requirement to draw from general reserves at the year end</li> <li>• Risk of failing to meet statutory obligations</li> <li>• Risk that financial constraints and budget proposals result in unintended consequences such as increased instances of non-compliance and financial impropriety</li> <li>• Unplanned cutbacks in staffing and potential for increased sickness absence in the workforce due to increasing workload</li> <li>• Impact on capital programme and 21<sup>st</sup> Century Schools Programme</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>• Budgets firmly aligned with Council priorities</li> <li>• Service prioritisation and planning</li> <li>• The Medium Term Financial Strategy is regularly reviewed and updated to reflect known and emerging pressures and ensure alignment with the Corporate Plan.</li> <li>• Impact of new and existing burdens / budget pressures being continually assessed</li> <li>• Risks associated with potential budget reductions evaluated prior to implementation</li> <li>• Budget monitoring refined and forecasting embedded into financial monitoring reports. Financial monitoring arrangements include quarterly scrutiny by members of Joint (Budget) Scrutiny Committee and consideration of forecasts by the Cabinet (and Cost Pressure sub group)</li> <li>• Public engagement events held annually to ascertain public opinion on savings proposals.</li> <li>• Council have an agreed target level of general reserve (4%) and reserves regularly reviewed by the Chief Officer</li> <li>• Resources and relevant officers. General and Earmarked Reserves are also scrutinised on a quarterly basis by Corporate Leadership Team, members of Scrutiny Committee and the Cabinet.</li> <li>• Use of the Market Intelligence gathered from the Strategic Commercial Commission Board (SCCB) to support the councils budget setting process for 23/24 and beyond</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>• Implement relevant opportunities for savings and service improvement to address current and emerging cost pressures and underperformance (Strategic review, internal service reviews)</li> <li>• Bridging the Gap Programme</li> </ul>	1	4	Medium

**Progress Update as at Quarter 1 (April – June) 2023**

The risk remains critical.

The forecast Outturn at Quarter 1 is a favourable variance against approved budget £0.20m, this increases to £0.97m when additional reserves are applied to fund unbudgeted expenditure. Forecast use of reserves required to balance the agreed budget is therefore forecast to be £3.1 m compared to the £4m agreed by Council. The overall favourable variance is due to a number of underspending budget areas in Corporate Services.

We are however already seeing in year cost pressures across all portfolios as well as additional spend funded by an unplanned draw from reserves. Inflationary pressures are eroding budgets and there is a high risk that the currently agreed Bridging the Gap projects will not achieve the target savings as inflation continues to outstrip assumptions. (Original inflationary assumptions include 5% for pay and 8% CPI) with pay increases averaging at a minimum of 6.4% and CPI currently 10%.

Revenue and Capital Quarter 1 Forecast to be presented to Members in September 2023, this will include details of adverse and favourable variances over £50,000. Action plans have been developed for forecast adverse variances over £50,000.

The in year financial position will continue to be monitored closely and further corrective action will be considered if the situation deteriorates.

**Risk Reference CRR 30 (a)**

**Risk Description: Impact of cost of living (inflationary) increase driven by a number of crosscutting forces on our communities and staff have created significant challenges for those already in need.**

**Risk Owner: Corporate Leadership Team / Interim Director of Social Services**

**Portfolio holder: Councillor Hayden Trollope**

**Risk Updater: Cost of Living Crisis Operational Working Group**

Triggers	Consequences	Likelihood	Impact	Status	Current Controls	Likelihood	Impact	Status	Proposed further controls to mitigate / reduce risk	Target Score		
										L	I	S
<ul style="list-style-type: none"> <li>Increased costs of household energy bills, food and fuel and stagnation in wages.</li> <li>Volatility in the energy market as a result of the war in Ukraine</li> <li>Shortages and delays as a result of exiting the EU</li> <li>Legacy of COVID disruption to supply chains</li> <li></li> </ul>	<ul style="list-style-type: none"> <li>Increased Debt</li> <li>Reduction in Household income</li> <li>Negative impact on health and wellbeing of communities.</li> <li>Increased homelessness</li> <li></li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>Cross cutting cost of living crisis operational group set up which is seeking to address challenges across the community and staff.</li> <li></li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>Development of Action Plan for 2023 / 2024</li> <li></li> </ul>			

**QUARTERLY PROGRESS UPDATES**

**CLT review notes 30.03.23**

CRR30 (a) - Recommended New Risk – CRR 30 (a, b and c) Cost of Living. Agreed to the new risk and to Critical and status Critical. CLT decision – Accepted to the CRR.

**Quarter 1 Progress Update as at (April - June) 2023**

The cost-of-living crisis has created a scenario where the cost of everyday essentials such as energy and food is rising over and above average incomes. As an authority we recognise that we do not control all the necessary levers to mitigate against the full impact of this crisis however we recognise the need to focus on the steps we can take to alleviate the effects of the crisis. The Cost of Living Crisis Operation Group has continued to meet and a new action plan has been developed which will be shared with the cross party Member led working Group in Quarter 2 (September). The previous action plan concentrated on the distribution of grants which were previously available, but with the reduction in the funding available, the focus is now shifting to a longer term plan around self-sustainability. The Council provided support at a large local employers premises that announced its closure in Quarter 1, providing information and assistance to employees.

**Risk Reference** CRR 30 (b)  
**Risk Description:** Impact of cost of living (inflationary) increases on businesses in Blaenau Gwent.  
**Risk Owner:** Corporate Leadership Team / Corporate Director of Regeneration and Community Services  
**Portfolio holder:** Councillor Hayden Trollope or Councillor John Morgan  
**Risk Updater:** Cost of Living Crisis Operational Working Group

Triggers	Consequences	Likelihood	Impact	Status	Current Controls	Likelihood	Impact	Status	Proposed further controls to mitigate / reduce risk	Target Score	
										L x I =	Score
<ul style="list-style-type: none"> <li>War in the Ukraine</li> <li>Negative impact of the exit from the EU</li> <li>Post pandemic</li> <li>Reliance on grant funding to develop and deliver key regeneration projects / programmes.</li> <li>Outside EU and new laws/charges</li> </ul>	<ul style="list-style-type: none"> <li>Business closure due to energy costs, inflation, and Cost of living implications.</li> <li>new EU import duty on goods and raw materials affecting overall production costs for business (automotive hard hit)</li> <li>new export procedures still posing exporting issues for goods to EU – potential to slow or stop productivity, can result in job losses</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>Regular emails on business development to local businesses.</li> <li>Businesses advised on grant eligibility</li> <li>working closely with partners on sending out information and guidance where possible.</li> <li>Working with Chamber Wales that has export documentation service for SMEs</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>Economic Stimulus measures to be introduced.</li> <li></li> <li></li> </ul>		

**Quarter 1 Progress Update as at (April - June) 2023**

The Economic Development Team are working with key business partners and Welsh Government. Team will introduce economic development stimulus measure i.e. business grant scheme. It's envisaged the initiatives will be funded via the Shared Prosperity Fund.

Key objectives:

- Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Promoting networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

<b>Risk Reference CRR 25</b> <b>Risk Description: The 2 schools in an Estyn category and currently in receipt of Council Intervention fail to make appropriate progress against the Statutory Warning Notice to Improve and their Post Inspection Action Plans.</b> <b>Risk Owner: Corporate Leadership Team / Director of Education</b> <b>Portfolio holder: Councillor Sue Edmunds</b> <b>Risk Updater: Director of Education / Education DMT</b>												
Triggers	Consequences	Likelihood	Impact	Status	Current Controls	Likelihood	Impact	Status	Proposed further controls to mitigate / reduce risk	Target Score		
										L x I =	Score	
<ul style="list-style-type: none"> <li>There is insufficient progress through each Post Inspection Action Plan (PIAP) as recognised by the Local Authority and ESTYN.</li> <li>The priorities for leadership within the school are deflected to other external factors which in turn impact upon their ability to focus upon school and regulators priorities.</li> <li>Failure to improve standards</li> <li>Governing Body does not provide effective support and challenge on relevant school priorities and hence hinder the progression of key actions and processes in order to improve the school and as set out in each PIAP.</li> </ul>	<ul style="list-style-type: none"> <li>The implementation of further statutory interventions available under provisions set out in the school Standards and Organisation Act Wales 2013 i.e. implementation of additional grounds</li> <li>Not being removed from the statutory follow up categories within appropriate timescales.</li> <li>Failure to improve standards in key identified areas</li> <li>Failure to meet the requirements of the national reform agenda and improve learner outcomes and wellbeing appropriately</li> <li>Failure to secure good performance in line with new national performance indicators i.e. for 2019 and beyond</li> <li>Failure to address the requirement as set out in the current Statutory warning notices to improve</li> </ul>	3	3	High	<ul style="list-style-type: none"> <li>Schools Causing Concern meetings (formerly Intervention panel meetings in train) that are now held on a monthly basis</li> <li>Bespoke support from the EAS and relevant Council wide services provided to school leadership and governing body</li> <li>Improvement Conference</li> <li>Statutory Warning Notice in place and being monitored.</li> <li>ESTYN monitoring visits</li> <li>Safer Schools approach used at the River Centre.</li> <li>Statement of action progress meetings in place</li> <li>Weekly River Centre Post Inspection Action Plan (PIAP) meetings with Local Authority partners to support with and monitor progress against the PIAP.</li> </ul>	3	3	High	<ul style="list-style-type: none"> <li>Further use of provision as set in the School Standards and Organisation Act Wales 2013 as deemed appropriate and based on evidence.</li> <li>Local Authority/Educational Achievement Service (EAS) Review</li> <li>Review of Statutory Warning Notice's</li> <li>Statement of action progress meetings established</li> <li>*Brynmawr Foundation School is part of the Welsh Government initiative for Schools in Special Measures.</li> <li>* River Centre is part of the Welsh Government initiative for Schools in Special Measures.</li> <li>Works undertaken on the school building to address health and safety concerns and further works proposed for next quarter.</li> </ul>	2	3	Medium

### **Progress Update as at Quarter 1 (April – June) 2023**

Brynmawr Foundation School - The school has continued to make progress around the revised Statutory Warning Notice that was issued to the school on 8th March and the Team Around the School (TAS) approach is beginning to have positive impact upon the pace of change. This has been recognised in the recent Estyn monitoring visit. The Education Directorate continues to work with the Education Achievement Service (EAS) and the school in relation to the pace of progress in improving teaching and learning and the school is more autonomous in leading their own improvement agenda, with Cardiff High School tailoring their support to reflect this. Agreed that the Statutory Warning Notice will be reviewed at the end of the current academic year.

River Centre – A member briefing has been held to provide an overview of the setting and its improvement journey. There continues to be a focus on developments of teaching and learning of skills in the Post Inspection Action Plan. Staffing in the setting continues to stabilise and continuity of leadership in the setting has been secured until Easter 2024. An Estyn monitoring visit has provided further baseline evidence to progress actions against which includes the development of accountability for staff and, as such Leaders are modelling expected behaviours to staff to support this. The Education Achievement Service (EAS) has reviewed the package of support which is specific to the schools needs and encompasses the recent Estyn feedback.

In response to the final report from the Estyn regarding Local Government Education Services (LGES) Inspection which identified 3 recommendations for improvement, the business plan for the Education Directorate has been revised to encompass the three Estyn recommendations. The revised business planning priorities are set out below, with appropriate actions now included within the business plans to address the shortcomings identified by Estyn.

- Ensure effective corporate leadership of Education Services
- Maximise learning, skills and wellbeing for children, young people and the community in Blaenau Gwent
- Ensure effective self-evaluation, strategic planning and performance management
- Ensure effective governance and delivery of commissioned services
- Maximise partnership working to meet community need



Risk Reference CRR 5

Risk Description: There is a risk that the Council's Business Continuity processes are not robust enough to enable the provision of critical services in an emergency.

Risk Owner: Corporate Leadership Team / Head of Democratic Services, Governance and Partnerships.

Portfolio holder: Councillor Steve Thomas

Risk Updater: Civil Contingencies Manager

Triggers	Consequences	Likelihood	Impact	Status	Current Controls	Likelihood	Impact	Status	Proposed further controls to mitigate / reduce risk	Target Score		
										L	I	Score
<ul style="list-style-type: none"> <li>Disruption due to pandemic influenza / human infectious disease.</li> <li>Council resources are extremely stretched due to difficulties in recruitment / retention of staff.</li> <li>High levels of sickness</li> <li>Power cuts (local / regional / national)</li> <li>Adverse Weather</li> <li>Loss of / failure of ICT</li> </ul>	<ul style="list-style-type: none"> <li>Critical services not provided to an acceptable standard during disruptive incidents</li> <li>Impact on the community and reputation of the Council</li> <li>Loss of organisational resilience</li> <li>Inability to continue or recover urgent (critical) services following an incident / loss / disruption affecting the delivery of services</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>Alternative working arrangements will continue to manage pressures</li> <li>Service provision prioritised and Critical services sustained</li> <li>Planned work/projects reprioritised</li> <li>Action taken to ensure support in place to promote staff well-being including flexibility on taking annual leave and ensuring officers do take leave</li> <li>* Corporate Plan reviewed and agreed to ensure focus on priorities taking into account the learning from the pandemic</li> <li>New Working Arrangements implemented including Community Hubs (June 2021), Democratic Hub (September 2021) and Agile Working Policy (September 2021 onwards).</li> <li>Move of servers from the Civic Centre to Vantage Data Centre to provide resilience.</li> </ul>	2	4	High	<ul style="list-style-type: none"> <li>Review the Corporate Business Continuity plan (2023), along with the associated policy, business impact assessments and service plan template.</li> <li>Service area BC plans and arrangements to be reviewed.</li> <li>Consider resilience of BGCB buildings</li> <li>Review of business impact assessments</li> </ul>	1	4	Medium

**QUARTERLY PROGRESS UPDATES**

**Progress Update as at Quarter 1 (April – June) 2023**

The review of business impact assessments is underway but is at a very early stage and staff capacity is hindering the quality assurance process.

**Risk Reference** CRR 28  
**Risk Description:** Failure to maintain appropriately skilled, adequate staffing resources will lead to an unacceptable impact on the ability of the Council to deliver services effectively.  
**Risk Owner:** Corporate Leadership Team / Chief Officer Customer and Commercial  
**Portfolio holder:** Councillor Steve Thomas  
**Risk Updater:** Head of Organisational Development

Triggers	Consequences	Likelihood	Impact	Status	Current Controls	Likelihood	Impact	Status	Proposed further controls to mitigate / reduce risk	Target Score		
										L x I = Score		
<ul style="list-style-type: none"> <li>Failure to recruit / retain sufficient permanent staff to a significant number of posts due to significant market challenges experienced nationwide (post leaving the EU and Post COVID 19)</li> <li>Competition from other employers and the private sector where there is more flexibility in respect of salary and terms and conditions.</li> <li>Fixed term contracts rather than permanent are not attractive.</li> <li>Downsizing the workforce to meet necessary savings</li> <li>Alternative service delivery models</li> <li>Large numbers of workforce over the age of 55 years of age meaning that staff with significant knowledge and experience could leave.</li> <li>Service specifications not amended in line with cuts to services adding pressure to the workforce.</li> <li>Impact of sickness absence on workforce</li> <li>Post pandemic staff priorities</li> <li>Reliance on key staff for response to key issues / incidents.</li> </ul>	<ul style="list-style-type: none"> <li>Not having the capacity and capability to deliver services</li> <li>Failure to deliver priorities and direct impact on service delivery</li> <li>Increased sickness / absence</li> <li>Risk of not meeting statutory or legislative requirements in relation to specific workforce requirement e.g., social care.</li> <li>Over reliance on agency staff</li> <li>Inability of Council to provide support in response to emergencies (e.g., support provided during the pandemic and cost of living crisis).</li> </ul>	3	4	Critical	<ul style="list-style-type: none"> <li>Workforce Strategy 21-26</li> <li>Directorate Workforce Plans</li> <li>Annual workforce profiles containing recruitment and retention data to support workforce planning.</li> <li>Commitment to paying the real living wage</li> <li>Good terms and conditions and pension provisions.</li> <li>Flexible working</li> <li>Agile working</li> <li>Grow our own – Apprenticeships</li> <li>Career paths for staff to develop and progress</li> <li>Focus on health and wellbeing</li> <li>Occupational Health Service and Employee Assistance Programme</li> <li>Recruitment and Market Supplement Policy</li> <li>Competency framework and performance coaching</li> <li>Recruitment and retention review presented to CLT</li> <li>Development opportunities for staff</li> <li>Career Promotion Officer to focus on recruiting and retaining in key areas in social services</li> <li>Use of recruitment days / events to target and support potential candidates through the process</li> <li>Social Worker Development Strategy</li> <li>Jobs Bulletin re-introduced</li> </ul>	3	3	High	<ul style="list-style-type: none"> <li>Marketing of the Council as an Employer of Choice. Effective use of social media / linked-in for recruitment and targeted campaigns including use of video case studies.</li> <li>Modernisation of recruitment content on website</li> <li>Development of recruitment and onboarding within ITrent</li> <li>Directorates to implement and review workforce plans</li> <li>Review of the Recruitment Policy</li> <li>Inclusion of leavers data in the annual workforce profiles for directorates</li> <li>Effective management of sickness absence</li> <li>Recruitment and retention data to be presented to CLT</li> <li>Maximisation of any regional campaigns particularly in Social Services</li> </ul>	2	2	Medium

**Progress Update as at Quarter 1 (April – June) 2023**

- Annual workforce profiles developed and to be presented to CLT
- Workforce plans developed to be reviewed Autumn 23
- WLGA development sessions on workforce planning for OD and CLT. Further sessions to be considered for Wider CLT
- Development of Recruitment and Onboarding in ITRENT commenced with initial scoping and research.
- Ongoing management of sickness absence – quarter 1 2023/24 is an improving picture in comparison to the previous year
- Recruitment Policy review finalised to be progressed though approval processes
- Plans developed for the recruitment of the Chief Executive - September – October 23
- Senior Leadership interim arrangements in place for Education, Social Services and Regeneration and Community Services - temporary arrangements at senior leadership level are adding to this risk

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IMPACT OF RISK				
Impact / Outcome One or a combination of the following	Low (minor)	Medium (moderate)	High (Significant)	Critical (Major)
Financial / Business– Budget Impact	Low financial loss or overspend of less than. £50,000  Unless the loss or overspend can be offset within service budgets.	Financial loss or overspend of £50,000 - £250,000  Unless the loss or overspend can be offset within service budgets.	Financial loss or overspend of £250,000 - £1,000,000  Re - alignment of Corporate Budget	Financial loss or overspend of over £1,000,000.  Re - alignment of Corporate Budget
Effect on service delivery  Or  Effect on service provision (refer to the Business Impact Analysis in the Business Plan)	Minor / brief disruption to operations requiring action / minor delay.  Handled within the normal day to day routines  Less than 20 day loss of service to non- urgent (P7) service area.	Moderate disruption / for a short period. Services do not fully meet needs.  Service action will be required.  Less than 24 hour partial loss of service (s) with P1 or P2 Activities  Less than 5 day significant loss of services (s) with P3 or P4 activities  Less than 10 day significant loss of service (s) with P5 or P6 activities	Significant disruption. Key targets missed, service compromised.  Management action required to overcome medium term difficulties.  More than 24 hour significant loss of service(s) with P1 or P2 activities  More than 5 day significant loss of service(s) with P3 or P4 activities  More than 10 day significant loss of service(s) with P5 or P6 activities	Major disruption / Cessation of core activities, service is severely degraded.  CLT action required.  More than 24 hour total loss of service(s) with P1 or P2 activities  More than 5 day total loss of service(s) with P3 or P4 activities  More than 10 day total loss of service with P5 or P6 activities
Implications for achievements of key targets / objectives	Impact on the delivery of, or failure to achieve, one or more Service Area Priorities / Service Area Strategic Objectives.	Impact on the delivery of, or failure to achieve, one or more Directorate Priorities / Directorate Strategic Objectives.	Impact on the delivery of one or more Corporate Priorities / Corporate Strategic Objectives or Corporate Collaborations.	Failure to deliver one or more Corporate Priorities / Corporate Strategic Objectives or Corporate Collaborations.
Effect on stakeholders / community	Some minor / short term effect on stakeholders' welfare / wellbeing / financial stability.	Moderate / short terms effect on stakeholders' welfare / wellbeing/ financial stability.	Significant / medium term effects on stakeholders' welfare / wellbeing / financial stability.	Major / long terms effect on stakeholders' welfare / wellbeing / financial stability.  May face life threatening consequences



## Stage 3 – Evaluate/Assess Risks (continued)

IMPACT OF RISK				
Impact / Outcome One or a combination of the following	Low (minor)	Medium (moderate)	High (Significant)	Critical (Major)
<p>Health and Safety and Human Welfare.</p> <p>(Impact can be on staff or the public)</p>	<p>Minor injury no injuries beyond 'first aid' level.</p> <p>Minor impact on staff morale / stress levels</p>	<p>Moderate Injuries requiring medical treatment</p> <p>Potentially some workdays lost</p>	<p>Serious injuries or stressful experience requiring long term medical treatment.</p> <p>Multiple workdays lost. Incident reportable to HSE i.e. serious injury / over 7 days lost from work.</p>	<p>Fatality(ies)</p> <p>Life threatening or multiple serious injuries or prolonged workplace stress.</p>
<p>Legal, Statutory Compliance and Reputation</p>	<p>Breaches of local procedures / standards</p> <p>Increase in complaints minimal reputational damage; little public interest; unlikely to have impact on corporate image.</p>	<p>Breaches of regulations / standards</p> <p>High potential for complaints; local press coverage; litigation possible</p> <p>(e.g. complaint to Ombudsman)</p> <p>Short term reduction in public confidence Some unfavourable media coverage leading to short term reduction in public confidence</p>	<p>Breaches of law punishable by fines.</p> <p>Adverse national publicity;</p> <p>Long term reduction in public confidence</p> <p>Scrutiny required by external agencies, (e.g. Audit Commission) Fines of between £250,000 to £1,000,000</p>	<p>Possible criminal or high profile civil action against the Council, Members or Officers. Intense national media attention.</p> <p>Public enquiry / intervention by external regulators.</p> <p>Requires resignation of Officers and Members</p> <p>Total loss of public confidence Fines of over £1,000,000</p>
<p>Implications for the Environment</p>	<p>Incident with no lasting / short term detrimental effect on the environment or the community. E.g. noise, fumes, dust</p>	<p>Medium term public health / environmental incident. Local discharge of pollutant or source of community annoyance requiring remedial action</p>	<p>Long term major public health / environmental incident</p>	<p>Extensive detrimental long term impact.</p>
<p>Impact on Key Partnership / Major Project</p>	<p>Minimal effect on partnership / project</p>	<p>Adverse effect on partnering arrangements / Major project</p> <p>Moderate impact on stress levels, morale and performance on teams rather than by individual case (i.e. not isolated)</p>	<p>Significant impact on partnership or most of expected benefits fail Significant impact on delivery of major project.</p> <p>Significant impact on morale and performance.</p>	<p>Complete failure / breakdown of partnership / major project</p> <p>Major / Severe impact on morale and service performance.</p>

Assigning the best estimate of likelihood can be a simple or complex task. For example detailed historical records of flooding can help assess the likelihood of future flooding. On the other hand, where little or no previous data exists, it will be necessary to assign likelihood - for example, the likelihood that a contractor might become bankrupt.

As we are trying to predict and describe future events, we recognise that there is a degree of uncertainty in our assessments – they involve judgement as well as measurement, and the precise value will not be known exactly in advance. A knowledge of external or internal factors which could affect the likelihood will also need to be considered.

If a risk has occurred in a similar operating environment then this should be used to inform the likelihood assessment. E.g. if a particular risk has occurred in another Council.

To assist, the guidance below has been developed. Likelihood of occurrence has been given in two formats the most suitable of which can be used. Sometimes neither will apply and the assessment of likelihood will be based on the judgement of the person evaluating the risk.

<b>LIKELIHOOD OF RISK</b>			
<b>Factor</b>	<b>Score</b>	<b>Description</b>	<b>Likelihood of occurrence</b>
Low (unlikely)	1	Very unlikely to occur; only in exceptional circumstances.	<ul style="list-style-type: none"> <li>• Has not happened in the past 5 years or more (either in BGCBC or in a similar operating environment)</li> <li>• Not expected to happen in the next 5 years or more</li> <li>• Less than 25% probability of occurring</li> </ul>
Medium (possible)	2	Unlikely to occur but could transpire at some point.	<ul style="list-style-type: none"> <li>• Has happened in the past 2 – 5 years (either in BGCBC or in a similar operating environment)</li> <li>• Expected to happen in the next 2-5 years</li> <li>• 25% to 50% probability of occurring</li> </ul>
High (likely)	3	Almost certain to occur.	<ul style="list-style-type: none"> <li>• More than 50% probability of occurring.</li> <li>• Has happened in the past year (either in BGCBC or in a similar operating environment)</li> <li>• Expected to happen in the next year.</li> </ul>

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