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Blaenau Gwent

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

THIS IS A MEETING WHICH THE PUBLIC ARE ENTITLED TO ATTEND

12th January 2024

Dear Sir/Madam

GOVERNANCE & AUDIT COMMITTEE

A meeting of the Governance & Audit Committee will be held as a Hybrid Meeting to be held virtually via MS Teams or in The Sir Williams Firth Room, General Offices, Steelworks Road, Ebbw Vale on Wednesday, 17th January, 2024 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 - 10

To receive the decisions of the Governance & Audit Committee held on 1st December, 2023.

(Please note the decisions are submitted for points of accuracy only).

5. **ACTION SHEET** 11 - 12

To receive the Action Sheet arising from the meeting held on 1st December, 2023.

6. **FORWARD WORK PROGRAMME 2023-24** 13 - 20

To receive.

7. **AUDIT WALES – BLAENAU GWENT COUNTY BOROUGH COUNCIL ANNUAL AUDIT SUMMARY 2022** 21 - 30

To consider the report of the Head of Democratic Services, Governance and Partnerships.

8. **AUDIT WALES: CORPORATE JOINT COMMITTEES – COMMENTARY ON THEIR PROGRESS** 31 - 52

To consider the report of the Interim Chief Executive.

9. **ANNUAL GOVERNANCE STATEMENT** 53 - 86

To consider the report of the Head of Democratic Services, Governance and Partnerships.

10. **EXTERNAL QUALITY ASSESSMENT ACTION PLAN** 87 - 98

To consider the report of the Audit and Risk Manager.

11. **SRS IT AUDIT PLAN** 99 - 104

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
C. Hucker

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
1ST DECEMBER, 2023**

REPORT OF: DEMOCRATIC OFFICER

PRESENT: JOANNE ABSALOM (CHAIR)

Councillors S. Behr
K. Chaplin
W. Hodgins
C. Smith
J. Wilkins

Martin Veale

WITH: Interim Chief Executive
Chief Officer Resources
Service Manager Commercial and Business Opportunities
Audit and Risk Manager
Data Protection & Governance Officer
Professional Lead – Risk and Insurance
Service Manager – Adult Services

AND: Representing Audit Wales
Ms. Charlotte Owen

DECISIONS UNDER DELEGATED POWERS

<u>ITEM</u>	<u>SUBJECT</u>	<u>ACTION</u>
No. 1	<p><u>SIMULTANEOUS TRANSLATION</u></p> <p>It was noted that no requests had been received for the simultaneous translation service.</p>	
No. 2	<p><u>APOLOGIES</u></p> <p>Apologies for absence were received from:</p> <p>Councillor Derrick Bevan, Mrs. Cheryl Hucker, Interim Corporate Director of Social Services, Chief Officer Commercial and Customer, Head of Democratic Services, Governance & Partnerships, Head of Legal and Corporate Compliance, Professional Lead – Internal Audit, Senior Business Partner – Capital & Corporate Accounting and Deborah Woods, Mike Jones – Audit Wales.</p>	
No. 3	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>There were no declarations of interests or dispensations reported.</p>	
No. 4	<p><u>GOVERNANCE & AUDIT COMMITTEE</u></p> <p>The decisions of the Governance & Audit Committee held on 18th October, 2023 were submitted, whereupon:</p> <p><u>Item No. 11 – Public Interest Report – Assurance Review Findings</u></p> <p>It was noted that the job title detailed in the first sentence should be amended to read Head of Democratic Services, Governance & Partnerships.</p> <p>It was unanimously,</p>	

	<p>RESOLVED, subject to the foregoing correction, that the decisions be accepted as a true record of proceedings.</p>	
No. 5	<p><u>ACTION SHEET – 18TH OCTOBER, 2023</u></p> <p>The Action Sheet arising from the meeting held on 18th October, 2023 was submitted.</p> <p>It was unanimously,</p> <p>RESOLVED that the Action Sheet be noted.</p>	
No. 6	<p><u>FORWARD WORK PROGRAMME 2023/2024</u></p> <p>Consideration was given to report of the proposed Forward Work Programme 2023/2024.</p> <p>It was noted as there were no items of business scheduled to be considered at the Committee on 20th December, 2023 this meeting would be cancelled.</p> <p>It was unanimously,</p> <p>RESOLVED, subject to the foregoing, that the report be accepted and Option 1 be endorsed, namely that the Forward Work Programme be accepted.</p>	
No. 7	<p><u>GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT 2022/2023</u></p> <p>Consideration was given to the report of the Data Protection and Governance Officer.</p> <p>In reply to a question, the Data Protection and Governance Officer advised that whilst there was no formal requirement for the report to be considered by Council, in the interests of good practice, the report would be submitted to a future meeting of Council for information purposes.</p> <p>It was unanimously,</p>	

	<p>RESOLVED, subject to the foregoing, that the report be accepted and Option 1 be endorsed, namely that the information be accepted which was given as assurance that appropriate oversight and monitoring was taking place and any shortfalls had appropriate controls in place to make the necessary improvements.</p>	
<p>No. 8</p>	<p><u>AUDIT WALES – WELLBEING OBJECTIVE SETTING EXAMINATION – BLAENAU GWENT COUNTY BOROUGH COUNCIL</u></p> <p>Members considered the report of the Interim Chief Executive.</p> <p>Following a discussion, it was requested at the appropriate time, regular updates against the delivery requirements be provided to the Committee. The Committee also broadly emphasised the importance of engagement and in doing so supported that the Council embark on engagement with the public in terms of the objectives.</p> <p>It was unanimously,</p> <p>RESOLVED, subject to the foregoing, that the report be accepted and Option 1 be endorsed, namely that the Committee was assured that the Council’s Management Response, identified in Appendix 2, would appropriately respond to the Audit Wales recommendations.</p>	
<p>No. 9</p>	<p><u>ANNUAL UPDATE REPORT – USE OF POWERS UNDER THE REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000</u></p> <p>Consideration was given to the Head of Legal & Corporate Compliance.</p> <p>It was unanimously,</p> <p>RESOLVED that the report be accepted and Option 1 be endorsed, namely that the information in the report was accepted which was given as assurance that appropriate</p>	

	oversight and monitoring was taking place.	
No. 10	<p><u>INTERNAL AUDIT PROGRESS 2023/2024</u></p> <p>The report of the Professional Lead – Internal Audit was submitted for consideration.</p> <p>It was unanimously,</p> <p>RESOLVED that the report be accepted and the progress on activities for the period 1st July to 30th September, 2023 be noted.</p>	
No. 11	<p><u>CORPORATE RISK REGISTER – QUARTER 2 2023-2024</u></p> <p>Members considered the report of the Chief Officer Resources, whereupon:</p> <p>Mr. Martin Veale joined the meeting at this juncture.</p> <p><u>CRR14 – 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</u></p> <p>At the appropriate time, the Risk Owner provide an update to Committee in respect of the above risk.</p> <p>Members were advised that Absence Management was the subject of a current internal audit which was due to conclude in the near future and the findings of this audit together with progress would be presented to Committee in due course.</p> <p>It was unanimously,</p> <p>RESOLVED, subject to the foregoing, that the report be accepted and the Committee was assured that procedures were in place to monitor the management of significant risks.</p>	

No. 12	<u>DRAFT STATEMENT OF ACCOUNTS 2022/2023</u> The report of the Chief Officer Resources was submitted for consideration. It was unanimously, RESOLVED that the report be accepted and the Draft 2022/2023 Statement of Accounts be received for information, prior to consideration for approval on completion of the financial audit.	
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Blaenau Gwent County Borough Council

Action Sheet

Governance & Audit Committee

Meeting Date	Action to be Taken	By Whom	Action Taken
21 st June, 2023	<p><u>Item 9 – Annual Report of the Audit and Risk Manager 2022/2023</u></p> <p>➤ An update be provided on the three large investigations that had commenced during the year, at the appropriate juncture.</p>	Audit & Risk Manager	<p>Update to be provided at the appropriate time.</p> <p>Action: ongoing</p>
1 st December, 2023	<p><u>Item No. 7 – Governance and Audit Committee Annual Report 2022/2023</u></p> <p>➤ The report be submitted to a future meeting of Council for information purposes.</p>	Data Protection & Governance Officer	<p>Report scheduled to be submitted to the January Meeting of the Council.</p> <p>Action: complete</p>

Meeting Date	Action to be Taken	By Whom	Action Taken
1 st December, 2023	<p><u>Item No. 11 – Corporate Risk Register – Quarter 2 2023/2024</u></p> <p>➤ CRR14 – 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 - at the appropriate time, the Risk Owner to provide an update to Committee in respect of the above risk.</p>	Chief Officer Commercial and Customer	<ul style="list-style-type: none"> • Review of Sickness Absence Report to Corporate Overview and Performance Scrutiny Committee October 2023 • Detailed review of sickness hotspots reported to CLT September 2023 – areas identified to develop action plans • Internal audit of compliance with Management of Attendance policy for hotspot areas being undertaken • Report on sickness hotspots to progress to scrutiny (timeline to be determined) together with the outcome from the internal audit and identified action plans <p>Action: complete</p>

Agenda Item 6

Cabinet 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: **17th January 2024**

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

Portfolio Holder: **Leader / Cabinet 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	Cabinet	Council	Other (please state)
		06.01.24	17.01.24					

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
Meeting Date: 21st June 2023		
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

Meeting Date: 12th July 2023		
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

SPECIAL Meeting Date: 4th September 2023 MEETING CANCELLED		
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

Meeting Date: 20th September 2023		
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

Topic	Purpose	Lead Officer
Meeting Date: 18th October 2023		
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
Annual Self-Assessment of Council Performance 2022/23 To be published by 31st October each year	To present the Annual Self-Assessment of Council performance.	Sarah King
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
Information Governance	To consider the report.	Steve Berry
National Audit Wales Study – Direct Payments for Adult Social Care	To present the Local Audit Wales report.	Tanya Evans
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

Governance and Audit Forward Work Programme 2023/24

Topic	Purpose	Lead Officer
Meeting Date: 1st December 2023		
Audit Wales – Examination of the Setting of Well-being Objectives	To present the Local Audit Wales report.	Damien McCann / Sarah King
Annual Report of the Governance and Audit Committee	To present the Annual report of the Committee.	Steve Berry / Chair
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
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
Corporate Risk Register (Qtr 2)	To update Members on the Corporate Risk Register	Louise Rosser

Meeting Date: 20th December 2023 Meeting Cancelled		
Items to be identified		

Meeting Date: 17th January 2024		
BGCBC – Annual Audit Summary	To present the Audit Wales Annual Audit Summary.	Sarah King
CJCs	To present Audit Wales report on CJCs.	Gemma Wasley
Draft Annual Governance Statement 2022/23	To present the Draft Annual Governance Statement (AGS).	Gemma Wasley
External Quality Assessment Action Plan	To present the report.	Louise Rosser

Governance and Audit Forward Work Programme 2023/24

SRS IT Audit Plan	To present the report.	Rhian Hayden
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Topic	Purpose	Lead Officer
Meeting Date: 21st February 2024		
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 st March 2023.	Rhian Hayden
Final Annual Governance Statement 2022/23	To present the Final Annual Governance Statement (AGS).	Gemma Wasley
Audit of Financial Statements	To consider the report from the Council's External Auditors Wales Audit Office.	Rhian Hayden
Corporate Risk Register (Qtr 3)	To update Members on the Corporate Risk Register	Louise Rosser
Use of performance information: Service User perspective and Outcomes		Gemma Wasley
Audit Plan Progress report (Qtr 3)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser

Meeting Date: 20th March 2024		
Items to be identified		

Meeting Date: 17th April 2024		
Code of Governance	To present the revised Code of Governance for the Council.	Louise Rosser
Internal Audit Outturn 2023/24	To present the Internal Audit Outturn for 2023/24	Louise Rosser

Governance and Audit Forward Work Programme 2023/24

Topic	Purpose	Lead Officer
Dates for Items to be confirmed		
Audit Wales – Digital Strategy	To present the National and Local Audit Wales report.	Bernadette Elias
Audit Wales – Performance Data Review	To present the National and Local Audit Wales report.	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
Audit Wales 2023 Audit Plan for BGCBC	To present the Audit Wales 2023 Audit Plan.	Rhian Hayden

Governance and Audit Forward Work Programme 2023/24

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

Agenda Item 7

Committee: **Governance and Audit Committee**

Date of meeting: **17th January 2024**

Report Subject: **Audit Wales – Blaenau Gwent County Borough Council Annual Audit Summary 2022**

Portfolio Holder: **Cllr S. Thomas, Leader / Executive Member Corporate and Performance**

Report Submitted by: **Sarah King, Head of Democratic Services, Governance & Partnerships**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance and Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
		06.01.24	17.01.24					

- 1 Purpose of the Report**
The purpose of the report is to present the Audit Wales - Blaenau Gwent County Borough Council Annual Audit Summary 2022 (attached at Appendix 1).
- 2. Scope and Background**
The report published in November 2023 shows the work completed since the last Annual Audit Summary, which was issued in January 2022 and outlines the work taken forward during 2022-23.
- 3. Recommendation**
It is recommended that the Governance and Audit Committee note the Annual Audit Summary published in November 2023.

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Blaenau Gwent County Borough Council Annual Audit Summary 2022

This is our audit summary for Blaenau Gwent County Borough Council. It shows the work completed since the last Annual Audit Summary, which was issued in January 2022. Our audit summary forms part of the Auditor General for Wales' duties.



More information about these duties can be found on our [website](#).

About the Council

Some of the services the Council provides



Key facts

The Council is made up of 33 councillors who represent the following political parties:

- Labour 22
- Independent 11

The Council spent £241.817 million on providing services¹ during 2021-22².

As at 31 March 2022, the Council had £28.334 million of useable financial reserves³. This is equivalent to 11.7% of the Council's annual spending on services⁴.

¹ We define spending on services as the cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest.

² Source: 2021-22 Statement of Accounts

³ We define useable financial reserves as reserves usable for revenue costs, where the purpose is not protected by law. This is the total of the general fund, earmarked reserves and schools' balances. It excludes Housing Revenue Account reserves, capital receipts and capital grants unapplied.

⁴ Source: 2021-22 Statement of Accounts

Key facts

Blaenau Gwent has 13% of its 47 areas considered to be within the most deprived 10% of areas in Wales, this is the 6 highest of the 22 unitary councils in Wales⁵.

The population of Blaenau Gwent is projected to decrease by 1% between 2020 and 2040 from 69,600 to 69,200, including a 10% decrease in the number of children, a 6% decrease in the number of the working-age population and a 24% increase in the number of people aged 65 and over⁶.

The Auditor General's duties

We completed work during 2021-22 to meet the following duties

- **Continuous improvement**

During 2021-22, the Auditor General had to assess whether the Council had met its performance reporting requirements in relation to 2020-21.

- **Audit of Accounts**

Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.

- **Value for money**

The Auditor General examines whether the Council has put in place arrangements to get value for money for the resources it uses, and he has to be satisfied that it has done this.

- **Sustainable development principle**

Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

⁵ An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

⁶ Source: Stats Wales

What we found

Audit of Blaenau Gwent County Borough Council's 2021-22 Accounts



To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.

Each year we audit the Council's financial statements.

For 2021-22:

- the Auditor General gave a qualified true and fair opinion on the Council's financial statements on 31 October 2023.
- during our audit work, we identified that the useful economic lives of properties had not been subject to regular review as required by the accounting framework. We were unable to obtain sufficient assurance over the depreciation charged in the current or previous financial years. Consequently, there is doubt over the material accuracy of the net book value of these properties, and hence the Auditor General's opinion is qualified.
- the Council's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Council and with our knowledge of the Council.
- a number of changes were made to the Council's financial statements arising from our audit work, which were reported to the Audit Committee in our Audit of Financial Statements Report in October 2023.
- in addition to the Auditor General's responsibilities for auditing the Council's financial statements, he also has responsibility for the certification of a number of grant claims and returns. Our work to date has not identified any significant issues.
- the Auditor General has issued the certificate confirming that the audit of accounts for 2021-22 has been completed.

Assurance and risk assessment review

We reviewed the arrangements the Council has put in place to secure value for money in the use of its resources. Our work focused on the following aspects of the Council's arrangements:

- The Local Government and Elections Act (Wales) 2021
- Carbon reduction plans
- Financial position

Our findings from this work are set out in our Assurance and Risk Assessment report, available [here](#).

Springing forward review – assets and workforce

During 2021-22, we examined how councils are strengthening their ability to transform, adapt and maintain the delivery of services. Our work focused on the Council's strategic management of its assets and workforce. We found that during the pandemic the Council made significant changes to its assets and the way that its workforce operates, but further work is needed for it to understand its future asset and workforce needs and to ensure that future Council decisions are appropriately informed by Equality Impact Assessments and the sustainable development principle. The full report is available [here](#).

Corporate Safeguarding Follow-Up Review

In 2022, we undertook a follow-up review to assess the Council's progress against the outstanding recommendations and proposals for improvement in our report 'Follow-up Review of Corporate Arrangements for the Safeguarding of Children' (October 2019). We found that the pandemic delayed the Council's response to our 2019 report. Although it has taken recent action to strengthen its corporate safeguarding arrangements, the Council has not yet fully addressed our previous recommendations. The full report is available [here](#).

Shared Resource Service Follow-Up Review

We undertook a facilitative review of the shared resource service (SRS) collaboration to understand whether the collaboration is delivering effectively now and what conditions could be strengthened so it is well placed for the future. We found that SRS partners consider that the collaboration has delivered effectively during the pandemic and, to be well placed for the future, it would benefit from improved communication, more effective sharing of digital aspirations and learning, addressing its workforce challenges, and being able to demonstrate value for money. The full report is available [here](#).

Deficiencies in Blaenau Gwent County Borough Council's governance and oversight arrangements in respect of a Council-owned company, Silent Valley Waste Services Limited

The Auditor General's public interest report identified significant, long-standing deficiencies in governance and oversight arrangements in relation to the way the Council dealt with its own waste company, Silent Valley Waste Services Limited. The full report is available [here](#).

Review of the Planning Service

In 2023, we undertook a review of the Council's planning service to provide assurance and insight as to whether it is effectively and sustainably meeting its objectives and contributing towards the achievement of the Council's corporate priorities. We found that Planning Committee performance is improving, and the planning service plays a key role in enabling delivery of the Council's corporate objectives, but the service's business planning and performance reporting do not demonstrate this important contribution. The full report is available [here](#).

Well-being Objective Setting Examination

We considered to what extent the Council acted in accordance with the sustainable development principle when setting its new well-being objectives. We found that the Council can describe how it considered the sustainable development principle when setting its well-being objectives, but it could more clearly document this and the steps it will take to deliver them, as well as strengthening citizen involvement. The full report is available [here](#).

Other inspectorates

We also took into account the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response. CIW did not undertake a local authority inspection in Blaenau Gwent County Borough Council in 2022. Estyn undertook an inspection of Local Government Education Services in Blaenau Gwent in late 2022. The report is available on Estyn's website [here](#).

Local government studies

As well as local work at each council, each year we also carry out studies across the local government sector to make recommendations for improving value for money. Since the last annual improvement report, we have published the following reports:

Joint working between Emergency Services (January 2022)

This report examines whether emergency services in Wales are working more closely together to make better use of resources. Joint working across emergency services to make best use of resources is not a new concept. Emergency services have been working closely together to provide a better service to the public for many years. Innovative partnership initiatives have saved money, reduced local response times and have contributed to protecting the public. Despite this, there are growing expectations from government policy and legislation that collaboration needs to happen more deeply and quickly to ensure front line services can meet the challenges facing 21st century Wales. Overall, we concluded that blue light emergency service collaboration is slowly growing but requires a step change in activity to maximise impact and make the best use of resources.

Direct Payments (April 2022)

Direct Payments are an alternative to local-authority-arranged care or support and can help meet an individual's or a carer's need. They aim to give people more choice, greater flexibility

and more control over the support they get. Our report looked at how Direct Payments help sustain people's wellbeing and whether they are improving quality of life. We also looked at how local authorities manage and encourage take up of Direct Payments and whether these services present value for money. We found that Direct Payments are highly valued, with the people we surveyed acknowledging that they help them remain independent. But we also found that managing and supporting people to use Direct Payments varies widely resulting in service users and carers receiving different standards of service.

'Time for Change' – Poverty in Wales (November 2022)

Poverty in Wales is not a new phenomenon and tackling poverty, particularly child poverty, has been a priority for both the Welsh Government and councils in Wales. The current cost-of-living crisis means that more people are being affected and families who have been living comfortably are moving into poverty for the first time. Many of the levers that could be used to alleviate poverty are outside of Wales's control. The Welsh Government adopted a Child Poverty Strategy in 2011, but this is out of date and the target to eliminate child poverty by 2020 was dropped. Councils and partners are prioritising work on poverty, but the mix of approaches and a complicated partnership landscape mean that ambitions, focus, actions, and prioritisation vary widely. The Welsh Government makes significant revenue funding available but, due to the complexity and nature of the issues, the total level of spend is unknown, and no council knows the full extent of its spending on alleviating and tackling poverty. The short-term nature of grant programmes, overly complex administration, weaknesses in guidance and grant restrictions, and difficulties spending monies means that funding is not making the impact it could. Councils find it hard to deliver preventative work because of the sheer scale of demand from people in crisis.

'A missed Opportunity' – Social Enterprises (December 2022)

Social Enterprises sit between the public and private sectors. They apply commercial strategies to maximise improvements in financial, social and environmental well-being, often for individual groups in society, defined communities or geographical areas. Social enterprise work in every sector of the Welsh economy and in all parts of the country and are increasingly prominent in Welsh Parliament legislation. While local authorities claim they value Social Enterprises, few have mapped their activity and most authorities do not know the scale of provision within their area. Less than a third of local authorities consider themselves to have a proactive and supportive relationship with Social Enterprises and none have a dedicated strategy or policy that charts how they intend to promote and grow the sector. As a result, local authorities are missing out on the potential for Social Enterprises to help deliver services that can improve people's quality of life. Current procurement and commissioning arrangements often unintentionally discourage Social Enterprises to engage because they are overly bureaucratic. Social value – the added value that commissioning processes can deliver – does not feature as a key driver for many local authorities. Most local authorities are not delivering their responsibilities under the Social Services and Wellbeing (Wales) Act 2014 and effectively promoting Social Enterprises.

‘Together we can’ – Community resilience and self-reliance (January 2023)

At a time when there is likely to be further reductions in public spending, local authorities are showing an increasing interest in encouraging and growing community resilience; equipping people to do more for themselves and be less reliant on the state. While 19 of the 22 local authorities are prioritising community resilience, too often the work is poorly defined and the actions that underpin plans are narrowly focussed. Given the societal, financial and demographic challenges facing Wales there is a need to scale and speed up activity. Capacity, resources and skills are scarce, people are facing tougher choices and struggling to cope with the cost-of-living crisis. Communities and local authorities themselves also have different abilities and are starting from different places with their own unique challenges to overcome. We highlight positive practice and examples of how others are seeking to address the challenge of enabling people to be less reliant on local authority services and how they are supporting and enabling this transition.

Planned work for 2022-23

We also looked at the key challenges and opportunities facing the Council. These could have an effect on the Council’s ability to meet its legal obligations in relation to the sustainable development principle and the use of its resources.

Our planned work for 2022-23 includes:

- Assurance and risk assessment including a focus on:
 - Use of performance information – with a focus on service user feedback and outcomes
- Thematic review – unscheduled care. This review covers the health and local government sectors
- Thematic review – digital

The Auditor General is independent of government and was appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks, and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government and Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission, and National Health Service bodies in Wales.

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

This document is also available in Welsh.

Agenda Item 8

Cabinet 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: **17th January 2024**
Report Subject: **Audit Wales: Corporate Joint Committees – commentary on their progress**
Portfolio Holder: **Cllr Steve Thomas, Leader / Cabinet Member Corporate Overview and Performance**
Report Submitted by: **Damien McCann, Interim Chief Executive**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance and Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
		06.01.24	17.01.24					

1. **Purpose of the Report**
 - 1.1 The purpose of the report is to provide the Governance and Audit Committee with the Audit Wales Report, '*Corporate Joint Committees – commentary on their progress*' (Appendix 1).
2. **Scope and Background**
 - 2.1 Audit Wales published their report, '*Corporate Joint Committees – commentary on their progress*' in November 2023.
 - 2.2 The Audit Wales report focusses on the four Corporate Joint Committees (CJCs):
 - South-East Wales CJC
 - South-West Wales CJC
 - North Wales CJC
 - Mid Wales CJC
 - 2.3 The Audit General for Wales looked at their progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration. Initial work was undertaken in Autumn 2022 and then further work between April and June 2023 to update the findings.
 - 2.4 The report identified 5 recommendations for CJCs to implement:

Governance arrangements

R1 The four CJCs should ensure that their governance arrangements are up and running and are effectively providing the necessary checks and balances to support robust and transparent decision-making and effective scrutiny.

Strategic development planning and regional transport planning

R2 The four CJCs should ensure that they take action to further progress with these functions over the next 12 months in order to facilitate an

integrated, efficient and consistent approach to strategic planning in line with Welsh Government's aims.

Public sector duties

R3 The CJs need to ensure that they meet their public sector duties where they haven't already done so. For example, to publish child poverty action plans and biodiversity reports. But more significantly, the CJs need to ensure they actively take account of these duties in their decision-making and activities.

Partnership working and National Park Authorities

R4 Whilst South West Wales CJC has co-opted different organisations and the NPAs into its arrangements, the other CJs need to determine more fully how they can engage and work with other bodies to make the most of resources and expertise. This includes exploring how they can maximise the involvement of the NPAs beyond their statutory strategic development planning role.

Well-being of Future Generation (Wales) Act 2015

R5 North Wales and Mid Wales CJs should ensure that they progress with developing their well-being objectives in line with requirements. More broadly, the four CJs should ensure they effectively apply the sustainable development principle, so they are well placed to improve the well-being of the populations they serve and can demonstrate that they have proper value for money arrangements.

Options for Recommendation

- 3.1 Governance and Audit Committee note the content of the Audit Wales Report, '*Corporate Joint Committees – commentary on their progress*' and receive any future reports from Audit Wales on the progress of the CJs.

4. Monitoring Arrangements

- 4.1 The progress of the CJs will be monitored by Audit Wales.

Background Documents /Electronic Links

Appendix 1 – Audit Wales Report – 'Corporate Joint Committees – commentary on their progress'

Corporate Joint Committees – commentary on their progress

November 2023

This document has been prepared as part of work performed in accordance with statutory functions.

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

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

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

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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Summary report

Overall finding

- 1 Corporate Joint Committees (CJCs) are still in their infancy. I was initially concerned about their slow and varied progress, and Welsh Government's preparedness to facilitate their implementation, but there have been more positive signs of the CJCs moving forward recently.

What this report covers

- 2 I have issued letters to each of the four CJCs, which set out my views on their progress. In this report, I set out a high-level summary of my cumulative findings and my expectations of the CJCs over the next 12 to 18 months.
- 3 As the findings in this report are more general, some may be more pertinent to some CJCs than others. Hence, this report should be read in conjunction with the individual letters I issued to the four CJCs. These are available on my website [here](#).

Background

- 4 Welsh Government established four CJCs to help strengthen regional collaboration between authorities:
 - South East Wales CJC
 - South West Wales CJC
 - North Wales CJC
 - Mid Wales CJC
- 5 They came into effect in April 2021 and were given the following functions from June 2022:
 - developing transport policies
 - preparing a strategic development plan
 - economic wellbeing – anything a CJC considers is likely to promote or improve the economic wellbeing of its area

- 6 Membership of the CJsCs consists of the leaders of the councils within the specific region and the National Park Authorities (NPAs) that sit within that region.

The focus of my audit

- 7 As the CJsCs are new corporate bodies, I looked at their progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration. My team did initial work in autumn 2022 and then did some further work between April and June 2023 to update my findings.

Summary of my findings

- 8 From my initial work in autumn 2022, I was concerned that the CJsCs were making variable progress to establish themselves and I felt unable to determine with confidence if they would deliver as intended. I was concerned that they would just do the bare minimum and exist in name only. I appreciated the CJsCs were being implemented at a time when constituent bodies were facing considerable financial and demand pressures, and that they continue to do so.
- 9 Over two years on since their establishment in April 2021 and 12 months since they were given their core functions and duties in June 2022, it is clear that the CJsCs are still in their infancy. Progress of the CJsCs differ in different areas, but overall, governance arrangements are not yet all in operation and there is much work to be done to meet their strategic planning responsibilities.
- 10 Although they are building on city/growth deal arrangements, they haven't all determined how they are going to work with other partnerships and bodies to make the most of resources and expertise. This is crucial given the main rationale for the CJsCs' establishment was to strengthen regional collaboration.
- 11 As I set out in this report and my individual letters, I would have expected more progress in some areas.
- 12 My work identified some positive findings about the CJsCs' progress. All four CJsCs had put in place the building blocks for their development and to meet Welsh Government's objectives. I found examples of CJsCs exploring how they could make the most of the opportunities the new arrangements provide. For instance, as a more efficient forum for regional decision-making and to work collaboratively to tackle some significant challenges. CJsCs were also making the most of the flexibility to tailor their arrangements to fit with their regional priorities.

- 13 Equally, I found several issues, particularly during my initial work in autumn 2022, which posed risks to the CJC's development. For example, commitment to the CJC was mixed, and clarity and progress of plans at that time to deliver their functions was variable.
- 14 There was also a strong view amongst the CJC's that the Welsh Government could have been better prepared on a range of issues to ease the implementation of the CJC's. This included:
 - establishing the VAT status and financial status of the CJC's;
 - understanding the implications for the City/Growth Deals; and
 - clearer expectations of the practical delivery of the CJC's functions and public duties.
- 15 Delays in resolving these issues did affect the implementation of the CJC's.
- 16 However, since the financial status issues have now been resolved, I can see that the CJC's are moving forward, and I am more optimistic about their progress. Appetite for the CJC's is more positive and the CJC's have, or are developing their, plans and ambitions.
- 17 Unlike other joint arrangements, the CJC's are legal entities in their own right. They need to maximise the benefits this affords them if they are genuinely committed to delivering positive benefits for their regions.
- 18 I would expect to see the CJC's further advanced over the next 12 to 18 months. My audit teams will continue to monitor the CJC's progress. I would be concerned if my teams find that the CJC's have made little progress and that they have not addressed the points I raise in this report.

Recommendations

- 19 I have made five recommendations to the CJC's as set out page 14 relating to:
- governance arrangements
 - delivering their strategic planning functions,
 - meeting their public sector duties,
 - partnership working and involving the National Park Authorities
 - meeting their duties under the Well-being of Future Generations Act.
- 20 These recommendations set out where I would expect to see the CJC's' making further progress over the next 12-18 months in line with those areas raised in this report. Some of these will be more relevant to some CJC's than others so the CJC's will also need to reflect on the points raised in my individual letters. However, the main thrust of this report is that I would expect to see the CJC's further advanced more generally when I do my next assessment of the CJC's' progress.

Detailed report

Background – what is a Corporate Joint Committee

- 21 Corporate Joint Committees (CJCs) are new corporate bodies which have some similar powers and duties to councils. They can directly own assets and employ staff. They must appoint a Chief Executive, Finance Officer, and Monitoring Officer. CJCs' membership is made up of the leaders of the councils within the specific region and the National Park Authorities that sit within that region.
- 22 Four CJCs were established by regulations under the Local Government and Elections (Wales) Act 2021 to help regional collaboration between authorities:
- South East Wales CJC
 - South West Wales CJC
 - North Wales CJC
 - Mid Wales CJC
- 23 The CJCs came into effect in April 2021 and were given the following functions from June 2022:
- Developing transport policies
 - Preparing a strategic development plan
 - Economic wellbeing – anything a CJC considers is likely to promote or improve the economic wellbeing of its area.
- 24 CJCs are required to comply with a range of regulations and duties including:
- Well-being of Future Generations Act well-being duty
 - Welsh language
 - Public Sector Equality
 - Biodiversity
 - Child poverty

Why I did this review

- 25 In my programme consultation paper in March 2022, I set out that I would keep track of governance arrangements around the creation of new bodies. This included the new CJsCs where the Auditor General for Wales has a statutory role. As the CJsCs are new entities set up as a result of new legislation¹, I wanted to gain early assurance about their progress. I also wanted to identify any emerging issues that need to be addressed and provide some early feedback to help CJsCs as they continue to develop.
- 26 I did this audit in accordance with Section 41 of the Public Audit (Wales) Act 2004. This Act places a duty on the Auditor General for Wales to undertake studies designed to enable me to make recommendations for improving economy, efficiency, and effectiveness in the discharge of the functions or services of local government bodies in Wales.
- 27 I also did the audit to help fulfil my duties under section 15 of the Well-being of Future Generations (Wales) 2015 Act (WFG Act).

What I looked at – the scope of this audit

- 28 My work sought to answer the question: Are Corporate Joint Committees making good progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration? To do this, my team explored the following areas:
- understanding of the Welsh Government's aims for the CJsCs;
 - CJsCs' evolving governance arrangements;
 - CJsCs' plans to deliver the Welsh Government aims and meet their statutory obligations;
 - how the CJsCs relate to existing partnership arrangements; and
 - CJsCs' plans to meet their requirements under the WFG Act, including setting their well-being objectives.
- 29 I did not do this review to determine the validity of, or requirement for, CJsCs.
- 30 My team did the initial work during October 2022 to February 2023 and did some further work to update their findings between April to June 2023.

1 Four Corporate Joint Committees (CJsCs) were established by regulations under the Local Government and Elections (Wales) Act 2021.

Methodology

31 My findings are based on document reviews, meeting observations and interviews with the Leaders, Chief Executives and Section 151 officers of each of the four CJsCs. My team also interviewed Welsh Government officers and asked the views of the constituent members of the CJsCs as part of our routine liaison meetings. My team also met with representatives from the Welsh Local Government Association (WLGA).

What I found: CJsCs are still in their infancy. I was initially concerned about their slow and varied progress, and Welsh Government’s preparedness to facilitate their implementation, but there have been more positive signs of the CJsCs moving forward recently

Understanding of Welsh Government’s aims for the CJsCs

32 The CJsCs generally understood and acknowledged the potential benefits of the Welsh Government’s aims for the CJsCs. These benefits included the opportunity to leverage additional investments, work collaboratively to reduce carbon emissions and to increase capacity and resilience by pooling resources to tackle recruitment challenges.

33 But at the time of my initial work in autumn 2022, the level of acceptance, optimism, and engagement for CJsCs amongst CJsCs and the constituent bodies varied considerably. I saw some examples of CJsCs embracing opportunities and developing arrangements, but also scepticism from some about the need for CJsCs at all. Given the significant financial and demand pressures being faced by the constituent bodies, the CJsCs were not seen as a priority.

34 Welsh Government provided an implementation grant of £250,000 to each region to support their initial planning. However, there was a clear sense of frustration amongst the CJsCs about the preparedness of Welsh Government on a range of issues which would have facilitated the CJsCs’ progress. These included:

- clarity on the financial status of CJsCs, pertinent, for example, for borrowing and pension purposes;
- establishing VAT status to avoid incurring 20% VAT;
- understanding the implications for the City/Growth Deals which sit with the UK government; and
- clearer expectations and understanding of the practical delivery of their functions and meeting their public duties.

- 35 The CJs were frustrated that these matters had not been considered by Welsh Government at the outset and in the pace of progress to resolve them.
- 36 The phased approach to legislation and guidance was quite messy and disjointed and spanned a number of Welsh Government departments. CJs were working through, and responding to, guidance and requirements as and when they came out. CJs identified some practical challenges to meeting their requirements, which they proactively raised with Welsh Government. Welsh Government officials have acknowledged that they have some clear lessons to learn from this experience.
- 37 These issues impacted the pace at which the CJs progressed, but also served to dampen levels of appetite for the CJs, which I also found were affecting some of the CJs' progress.
- 38 Earlier in 2023, I was concerned that there was a risk that CJs would not develop effectively and simply exist in name only, raising questions about their ability to deliver their statutory functions, meet Welsh Government objectives and provide value for money.
- 39 More recently and since the financial status issues have been resolved, there seems to be a more positive attitude about the CJs. When I updated my work in the early summer, I found that the CJs were beginning to show signs of progress. Consequently, I'm more optimistic about their chances of delivering as they were intended than I was in the autumn last year. It will be important that they now continue to maintain this momentum.

Governance arrangements

- 40 CJs have established their core governance arrangements, but at the time of my updated work in early summer 2023, not all the arrangements were up and running across all the CJs. To a certain extent, this reflected the limited activities of the CJs to date.
- 41 The progress of the individual CJs in establishing their governance arrangements are reflected in the letters I have issued to each of them.
- 42 Overall, I found CJs' progress in developing and operationalising some of their governance arrangements to be mixed. They had all put in place arrangements for statutory officers, some on an interim basis. The CJs had also maximised the flexibility to tailor their arrangements and to use some constituent bodies' existing arrangements. In the rest of this section, I highlight some particular areas where I would expect to see further progress over the next 12 months.

- 43 CJCs are required to have Governance and Audit Committees (GACs), but what I found in the early summer 2023, was that not all CJC GACs had been appointed to and were meeting. South West Wales GAC had met twice.
- 44 Similarly, apart from South West Wales CJC, scrutiny arrangements had not all been agreed and implemented. The CJCs don't have to have a specific scrutiny committee themselves, but they have to co-operate, and provide assistance to, the scrutiny undertaken by constituent bodies or via a joint scrutiny committee.
- 45 The CJCs are local government bodies using public money. It is important that CJCs and the constituent bodies determine how the CJCs will be held to account. GAC and scrutiny arrangements should be providing oversight and scrutiny of the CJCs' activities and arrangements. Without this, there is a risk that the CJCs may operate in a vacuum with limited scrutiny and public transparency.
- 46 The statutory guidance on the CJC sets out the expectation that the CJC will set up specific sub-committees for its key functions. Three of the four CJCs had set up functional sub-committees in line with the guidance. However, at the time of my updated work in the early summer, only the Strategic Development Planning sub-committee for Mid Wales CJC had actually met. So, most of these sub-committees were not yet in operation and simply established on paper.
- 47 I recognise that the activities of the CJCs have been limited to date. However, I would expect to see greater progress with the CJCs' governance arrangements being put into practice to provide the necessary checks and balances in line with good governance standards over the next six to 12 months.

Clarity and progress of the CJCs' plans to deliver Welsh Government's aims and meet their statutory obligations

- 48 CJCs were at different stages of their planning. Some had clear ambitions to maximise particular opportunities for their regions. Others were beginning to clarify their plans. Taking account of the need to resolve the financial status issues, the CJCs had all taken a considered and pragmatic approach to their planning.

- 49 CJC's were confident in their abilities to meet their economic well-being duty building on the existing work and progress of the city and growth deals. When I updated my findings in the early summer, not all CJC's intended to transfer their city/growth deals to the CJC's. South East Wales CJC had had a clear ambition from the start to lift and shift the Cardiff Capital Region city deal programme into the CJC and had developed a transition plan to support this.
- 50 CJC's and city/growth deals are regional arrangements, which have similar and mutually beneficial objectives, but different funding and legal bases. So, whatever the CJC's decide, they and the city/growth deal bodies will need to determine how they can optimise resources to manage these arrangements efficiently and effectively for the benefit of their regions. Given my role is to examine how public bodies manage and spend public money, including how they achieve value in the delivery of public services, I will be keen to see how these two regional arrangements operate.
- 51 I found that the CJC's' progress with delivering their strategic development planning (SDP) and regional transport planning (RTP) functions was more limited. The budgets allocated by the CJC's to support the delivery of these two functions varied considerably between the CJC's.
- 52 Mid Wales CJC had determined its options for delivering its strategic development planning function, including staff resources to support this. North Wales CJC had agreed staffing structures to support both planning functions. But at the time of my updated work in May and June, progress in these areas was less developed with the other two CJC's.
- 53 I appreciate that there were some delays in resolving the financial status issues and that Welsh Government had not finalised the RTP guidance. However, as I emphasise in my letters to each of the CJC's, Welsh Government had engaged with the CJC's about the strategic development and transport planning functions so the CJC's should have had some understanding of expectations. For example, Welsh Government officers shared advisory notices recommending early preparation for the strategic development plans in August 2021. There was also an event to discuss CJC's' planning functions in January 2022. The strategic development planning process, in particular, is complex and lengthy and the CJC's need to get this underway.
- 54 Therefore, despite the financial status issues, I would have liked to have seen more progress with the CJC's strategic development and regional transport planning functions. I would expect to see the CJC's making further progress with these functions over the next 12 months.

55 I found that the CJsCs' had made some progress to meet their public sector duties, but this varied across the CJsCs and reflected their limited operation to date. Generally, CJsCs had agreed arrangements to meet their Welsh Language and equality duties often adopting arrangements used by one of the constituent bodies. With the exception of South East Wales CJC, the CJsCs had not published their child poverty action plans. Welsh Government's draft child poverty strategy is currently out for consultation so the CJsCs will need to ensure their plans build on and align with this. Given the CJsCs' potential reach and underlying aims, the CJsCs will need to ensure these duties are actively considered in their activities and not just done in a tokenistic way to tick a box.

Partnership working

- 56 I have commented frequently on the complex partnership landscape in Wales so was keen to see how CJsCs were exploring how they relate to and work with existing partnerships. To make the most of existing resources and to tackle challenges more collaboratively.
- 57 I found that most CJsCs were building on their city deal/growth deal arrangements in some shape or form, but aside from South West Wales CJC, the CJsCs hadn't formally determined how they can work with other bodies and partnerships, including making the most of the involvement of the National Park Authorities (NPAs). Thus, potentially missing the opportunity to coordinate activities and resources for the benefit of the region.
- 58 South West Wales CJC had looked beyond its statutory membership to help it maximise the contributions of key stakeholders in the region. It was positive to see that it had co-opted other bodies, such as universities and local health boards. It had also taken the opportunity to involve the National Park Authorities (NPAs) more fully in its arrangements, beyond the NPAs' statutory role around strategic development planning.
- 59 However, this wasn't the case with the other CJsCs, who had largely not explored how they could involve the NPAs beyond their strategic planning role. The NPAs also have requirements around economic development. Given this and their geography and reach, there is a real opportunity for the CJsCs to maximise the positive contribution that NPAs could have on the delivery of the CJsCs' well-being objectives and functions, beyond their strategic development planning role.
- 60 It will be key for the CJsCs to explore how they can engage and work with other bodies to make the most of resources and expertise. CJsCs have been set up to strengthen regional collaboration and they need to demonstrate that they can do this. I would expect to see more progress on this across all the CJsCs when I do my next piece of work on CJsCs.

Well-being of Future Generations (Wales) Act (WFG Act)

- 61 Like the other named bodies under the WFG Act², the CJsCs must set and publish well-being objectives. They must act in accordance with the sustainable development principle when setting those objectives and when taking steps to meet them. CJsCs were required to set their first well-being objectives by April 2023.
- 62 It was concerning that during my initial work in autumn 2022, some interviewees seemed quite unaware of the CJsCs' duties around the Act. But I appreciate that, at that time, the activities of the CJsCs had been very limited and that setting of well-being objectives had not been seen as a priority.
- 63 When I updated my work in May and June, I found that two of the four CJsCs (South West Wales and South East Wales) had published their well-being objectives, although only South West Wales had consulted on theirs. Mid Wales CJC had drafted theirs. North Wales CJC indicated that its well-being objectives would be influenced by the transfer of Ambition North Wales into the CJC and once it had received the final guidance on strategic development and regional transport planning from Welsh Government and appointed planning officers.
- 64 There was a general consensus amongst the CJsCs of wanting to take a proportionate approach to the Act commensurate with their role and activities. It was positive that they had been discussing their approaches with the Future Generations Commissioner's office. Nevertheless, I would expect North Wales and Mid Wales CJsCs to be progressing with setting and publishing their well-being objectives in line with legislative requirements.
- 65 More broadly, the CJsCs have a duty to act in accordance with the sustainable development principle. That framework has the potential to add value to how they plan and deliver their work. As new entities, CJsCs have the opportunity to ensure that the sustainable development principle underpins what they do and how they do it from the outset.

2 The Well-being of Future Generations Act provides for a shared purpose through seven well-being goals for Wales. These well-being goals are indivisible from each other and explain what is meant by the wellbeing of Wales. Further information about these goals is available in the [Well-Being of Future Generations \(Wales\) Act 2015 Essentials Guide](#)

- 66 As the CJs take forward their plans and start to make decisions about their regions, I would expect CJs to be able to demonstrate that they are putting the sustainable development at the heart of their activities. It would be a significant missed opportunity if they do not do this. It would also raise questions about the extent to which they have proper value for money arrangements given the five ways of working are integral to these arrangements. I will be undertaking examinations of the extent to which they have applied the sustainable development principle in future years, as required by the Act. So, I will be keen to see how the CJs have embraced this opportunity.
- 67 My team has developed some positive indicators which provide an illustrative set of characteristics of what good looks like when organisations act in accordance with the sustainable development principle. The constituent bodies will be familiar with these, and it will be useful for the CJs to draw on these as they deliver their well-being objectives.

Recommendations

68 My recommendations below set out where I would expect to see the CJsCs' making further progress over the next 12-18 months in line with those areas raised in this report. Some of these will be more relevant to some CJsCs than others so the CJsCs will also need to reflect on the points raised in my individual letters. However, the main thrust of this report is that I would expect to see the CJsCs further advanced more generally when I do my next piece of work on the CJsCs.

Recommendations

Governance arrangements

R1 The four CJsCs should ensure that their governance arrangements are up and running and are effectively providing the necessary checks and balances to support robust and transparent decision-making and effective scrutiny.

Strategic development planning and regional transport planning

R2 The four CJsCs should ensure that they take action to further progress with these functions over the next 12 months in order to facilitate an integrated, efficient and consistent approach to strategic planning in line with Welsh Government's aims.

Public sector duties

R3 The CJsCs need to ensure that they meet their public sector duties where they haven't already done so. For example, to publish child poverty action plans and bio-diversity reports. But more significantly, the CJsCs need to ensure they actively take account of these duties in their decision-making and activities.

Recommendations

Partnership working and National Park Authorities

- R4 Whilst South West Wales CJC has co-opted different organisations and the NPAs into its arrangements, the other CJsCs need to determine more fully how they can engage and work with other bodies to make the most of resources and expertise. This includes exploring how they can maximise the involvement of the NPAs beyond their statutory strategic development planning role.

Well-being of Future Generation (Wales) Act 2015

- R5 North Wales and Mid Wales CJsCs should ensure that they progress with developing their well-being objectives in line with requirements. More broadly, the four CJsCs should ensure they effectively apply the sustainable development principle, so they are well placed to improve the well-being of the populations they serve and can demonstrate that they have proper value for money arrangements.



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We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

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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: **17th January 2024**

Report Subject: **Annual Governance Statement**

Portfolio Holder: **Cllr Steve Thomas, Leader / Cabinet Member
Corporate Overview and Performance**

Report Submitted by: **Sarah King, Head of Democratic Services, Governance
and Partnerships**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance and Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	24/08/23	06.01.24	17/01/24					

1. **Purpose of the Report**
To present to the Governance and Audit Committee the draft Annual Governance Statement (AGS) for 2022/23 (attached at Appendix 1).
2. **Scope and Background**
 - 2.1 The report provides the draft AGS for 2022/23, providing an assessment of the effectiveness of the Authority's governance arrangements.
 - 2.2 Responsibility for reviewing the AGS has been delegated to the Governance and Audit Committee as 'those charged with Governance'. In line with the principles of good practice, the statement has also been reviewed by the Corporate Leadership Team (CLT), confirming that it reflects their understanding of the governance arrangements in place for Blaenau Gwent CBC during the 2022/23 financial year.
 - 2.3 The statement is collated following an evidence gathering exercise which calls upon a number of sources including:
 - Internal and external regulatory reports;
 - Annual Report of the Audit and Risk Manager; and
 - Senior Manager Assurance Statements.

3. **Options for Recommendation**

- 3.1 For the Governance and Audit Committee to:

Option 1

Approve and adopt the Draft AGS having considered and challenged the content, ensuring it is consistent with their knowledge and understanding of the wider issues affecting the Council.

Option 2

Propose amendments / alterations to the Draft AGS, having considered and challenged the content, and deeming it to be consistent with their

knowledge and understanding of the wider issues affecting the Council, subject to the proposed amendments.

Option3

Not approve the Draft AGS having considered and challenged the content, deeming it not to be consistent with their knowledge and understanding of the wider issues affecting the Council.

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

4.1 Production of an AGS assists the Authority in achieving its Corporate Plan Priority, '*An ambitious and innovative council delivering quality services at the right time and in the right place*', by providing an assessment of the governance arrangements in place for Blaenau Gwent CBC.

4.2 Production of the AGS is a statutory requirement under the Accounts and Audit Regulations (Wales) 2014 to accompany the Statement of Accounts.

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 AGS.

5.2 ***Risk including Mitigating Actions***

Options 1 and 2 are compliant with the requirements of the Accounts and Audit Regulations (Wales) 2014.

Option 3 would result in non-compliance with these regulations and could affect the opinion of the external auditor. on the Statement of Accounts and require additional regulatory work to be undertaken.

5.3 ***Legal***

There are no direct legal implications arising from the production of the AGS.

If option 3 is selected, we would not comply with legislation.

5.4 ***Human Resources***

The production of the AGS involves the investment of Senior Management time from across the Authority. The commitment is met from existing resources.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

The production of the AGS is an element of the governance framework of the Authority.

- 6.2 ***Expected outcome for the public***
The AGS sets out how the Council's governance framework has operated for the ultimate benefit of the citizens of Blaenau Gwent.
- 6.3 ***Involvement (consultation, engagement, participation)***
The AGS informs the reader of the Authority's consultation and engagement activities during 2022/23. Officers from all directorates have contributed to the production of the AGS and Members consider & confirm that the AGS reflects their understanding of the Council's position for the previous year.
- 6.4 ***Thinking for the Long term (forward planning)***
The statement provides a comparison of the governance activity for 2022/23 with the Code of Governance and identifies development activities for 2023/24 and future years.
- 6.5 ***Preventative focus***
The AGS outlines how the Authority's governance arrangements have operated in the context of risk management and internal control, identifying weaknesses and developments for the future.
- 6.6 ***Collaboration / partnership working***
The AGS acknowledges the Authority's collaborative working approach as part of the Blaenau Gwent Public Service Board and other partners
- 6.7 ***Integration (across service areas)***
Officers from all directorates have contributed to the production of the AGS and the document reflects a whole Authority perspective.
- 6.8 ***Decarbonisation and Reducing Carbon Emissions***
The production of the AGS has no direct impact on decarbonisation and reducing carbon emissions.
- 6.9 ***Integrated Impact Assessment (IIA)***
The production of the AGS does not require for the completion of an IIA.
7. **Monitoring Arrangements**
- 7.1 The AGS provides the assessment of the Authority's governance framework against the Code of Governance. Recommendations for development are made in the statement and will be actioned throughout 2023/24. Progress against these recommendations will be reported via the 2024/25 AGS.

Background Documents /Electronic Links

- Appendix A – Annual Governance Statement

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**ANNUAL
GOVERNANCE
STATEMENT
2022/23**

Annual Governance Statement 2022 – 2023

Scope of Responsibility

Blaenau Gwent County Borough Council ('the Authority') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Authority also has a general duty under the Local Government Measure (Wales) 2009 and the Local Government and Elections (Wales) Act 2021 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Authority has approved and adopted a Code of Governance, which is consistent with the principles of the CIPFA/SOLACE Framework "Delivering Good Governance in Local Government". A copy of the code is available from the Governance and Partnerships Section.

This statement explains how the Authority has complied with the code and also meets the requirements of regulation 5 of the Accounts and Audit (Wales) Regulations 2014 in relation to the publication of a statement on internal control to accompany the Statement of Accounts.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of the framework and is designed to manage risk at a reasonable level. It cannot eliminate all risk and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify the key risks of the Authority, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. These will include achievement or not of the Council's policies, aims and objectives.

The governance framework has been in place at the Authority for the year ended 31 March 2023 and up to the date of approval of the 2022/23 Annual Statement of Accounts.

The Annual Audit Summary for 2022 from Audit Wales was received in November 2023, following signoff of the Blaenau Gwent accounts 2021/22 (in October 2023). The report includes a synopsis of each review undertaken by Audit Wales over the year.

Details of the Proposals for Improvement issued by regulators during 2022/23 are available from the Corporate Performance Team, and progress against their achievement is reported within the relevant business plan and included in the Finance and Performance Report. These proposals are attached at Appendix A.

The Governance Framework

The governance framework includes the key elements of the systems and processes that comprise the Authority's governance arrangements, along with an assessment of their effectiveness. The ways in which the Authority demonstrates this are discussed below. Each core principle set out in the Authority's Code of Governance is identified, along with the self-assessment of how well it is applied and how we propose to improve in future. The review of effectiveness is informed by the work of the Senior Managers, who have responsibility for the development and maintenance of the governance environment, the Audit and Risk Manager's annual report, and by the commentary from the external auditors and other regulators.

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

How we do this:

A Governance Framework exists that sets out the standards and processes to be adopted by both Members and Officers. Codes of Conduct, detailing Member / Officer relations, are contained within the Constitution and all are required to make declarations of any interests that impact on their positions / functions. These documents are periodically reviewed and updated, and are influenced by best practice and recommendations from both internal and external regulators.

Members' declarations are retained by the Monitoring Officer and Officers' declarations are held by Service Managers. All Council meetings are conducted in accordance with the agreed democratic process and have declarations of interest as part of the agenda, with any declarations noted in the minutes and Members withdrawing or not taking part in the debate as appropriate.

A Policy Framework exists to guide both Members and Officers in fulfilment of their roles. This includes a Whistle-Blowing policy enabling Members, Officers and the public to report any concerns regarding the integrity and operations of the Authority. In addition, policies such as disciplinary or grievance procedures have been formulated for dealing with breaches to the codes.

Both Officers and Members are advised through the induction process of the standards of behaviour required by the Council throughout their term of office or employment. Continued adherence to the ethical values of the Authority is confirmed through a performance review protocol for all Officers and a Personal Development Review (PDR) / Competency Framework (CF) in place for Members. The PDR / CF is a mandatory process for senior salary holders, and non-senior salary holders are also offered the opportunity to undertake a PDR / CF.

The Authority's constitution has a published Scheme of Delegation of Functions, which is agreed and published annually. This scheme details subject areas, and identifies the bodies or individuals responsible for decision making. It sets out the terms of reference for the various committees in operation. In addition, both the Monitoring Officer and the Section 151 Officer have oversight of the decisions made by the Authority to ensure their lawfulness and financial probity.

Review of Effectiveness:

Each Committee conforms to legislative requirements including compliance with the Local Government (Wales) Measure 2009 and 2011, Social Services and Well-being (Wales) Act 2014, the Well-being of Future Generations (Wales) Act 2015 and the Local Government and Elections (Wales) Act 2021. The decision making process is documented and the Authority's Scrutiny Committees can 'call in' a decision which has been made by the Cabinet but not yet implemented. No decisions were called in during 2022/23.

Work has continued to strengthen Blaenau Gwent's Scrutiny and Democratic Committee arrangements. Following the Local Elections in May 2022 a comprehensive induction and refresher programme was put in place. The Blaenau Gwent programme is supplemented with the All Wales Academy E-Learning Modules as well as a dedicated member's online resource library. All member sessions were identified as:

- Mandatory;
- Recommended;
- Beneficial; and
- Useful.

Mandatory sessions for all members include:

- the Constitution including roles and responsibilities;
- Code of Conduct;
- Corporate Parenting / Safeguarding Responsibilities; and
- Safeguarding Online Course.

There are also mandatory sessions for members sitting on certain committees, such as:

- Town and Country Planning;
- Licensing Committee; and
- Appeals Committee.

Each member has also been provided with a laptop and mobile phone to support them to undertake their roles.

In 2022/23, no complaints against Members were taken forward for formal investigation by the Ombudsman's Office. Over the year four whistleblowing complaints were received. One by the Monitoring Officer and three by the Audit and Risk Manager, one of which was rejected as not eligible and three are ongoing investigations. One has recently been reported to CLT, one has been completed and will be taken to CLT soon and the other one has been paused due to police involvement.

In order to evidence the robust application of the Authority's Code of Conduct an Internal Audit review of the declarations of interest process was undertaken and findings escalated to departmental management teams to ensure appropriate actions were taken to address the weaknesses identified.

Recommendations for Development:

- Continued adherence to the Authority's policies and procedures which exist to guide Members and Officers to comply with the Council's expectations in terms of acting with integrity.
- In line with good practice, an annual review (as a minimum) of the Constitution and Scheme of Delegation to ensure the Authority's governance and decision making processes remain fit for purpose.

Core Principle B
Ensuring openness and comprehensive stakeholder engagement.

How we do this:

The Council is working with Town and Community Councils with regular interaction with the Clerks. Development has included a Clerks Forum and engagement plan developed for approval. Alongside this, the common agreement has been reviewed and agreed.

The Council has an Engagement Strategy 2018/22 which outlines the approach to engagement which includes: the community, stakeholders, staff, and members. This Strategy will be reviewed during 2022/23 to ensure that it captures the participation aspects of the Local Government and Elections (Wales) Act 2021. The next Strategy will incorporate both engagement and participation and is under development for approval in 2024.

The Citizen's Panel is in operation alongside various other engagement groups such as the 50+ Forum, Youth Forum & Regional Youth Forum, and Children's Grand Council. The Council also engages with the business community through channels such as the 'Business Hub', the Enterprise Board and through various town centre business forums.

To understand the engagement activity across the Council, and to map the type and level of activity being delivered across the organisation, an Engagement Calendar has been developed and is updated and shared across the organisation quarterly. The calendar requests post-event information such as the reach of engagement, result of engagement & feedback and whether an evaluation of the engagement activity was undertaken. This will also undertake a review alongside the review of the Engagement Strategy.

The following participation and engagement activities have taken place:

- Public Space Protection Order Survey
- Continuity of Learning Plan Survey
- Childcare and School Hub Survey
- Public Services Board Climate Change Survey
- Universal Free School Meals Survey
- Rights Respect Equalities Survey (x3)
- Operating Model & Agile Working Survey
- Welsh Language Promotion Strategy 2022/27 Survey & Workshop
- Council Budget 2023/24 Survey; online engagement session; in-person community hub events
- Ebbw Vale Sustainable Link Survey; in-person event
- Gwent Well-being Plan Consultation Survey
- A range of Early Years, Parents & Wider Community events and consultations
- Young People Democracy & Voting Registration Events (x4)
- Taxi Licensing Policy Survey
- School Inclusion & Improvement, Partnership Agreement Survey & Visioning Event
- Age Friendly Intergenerational Event
- Wood Environmental Permit Survey

With regards to Corporate organisational engagement, advice and guidance is provided to service areas in-line with National Principles for Public Engagement. Snap surveys have also been used across the Council to gain feedback and information. This included a survey

for OD, New Agile Working Model. Development and delivery of Active Travel Involvement Programme also took place.

Children and Young People's Participation work included supporting regular Youth Forum events, supporting members to deliver local and regional priorities; and coordination and facilitation of the Children's Grand Council.

Engagement activity was undertaken on the Council budget in 2023 and received the highest level of questionnaires received, with approx. 4,000 responses.

The 50+ Network has been established alongside community champions and the citizen voice.

The Gwent PSB has undertaken a regional wellbeing assessment. This used a wide range of qualitative and quantitative information including data, academic research, evidence, and people's views (engagement) to help understand Wellbeing across Gwent communities. This assessment formed the basis of the development of the Gwent Wellbeing Plan.

Engagement support was provided to the Gwent PSB's Well-being Plan Engagement Programme within Blaenau Gwent, including Gwent PSB summer promotional campaign (digital and in-person engagement activities) and statutory consultation phase of the Gwent Well-being Plan (digital and in-person engagement activities). Partners showcase good practice, engagement tools and learning (e.g., ABUHB - Community Choice, Community Voice Project Films; Linc Cymru – User Research toolkit; Aneurin Leisure – Corporate Engagement Plan).

The Council worked with the BG Local Well-being Partnership (local delivery group of the Gwent PSB) to deliver a second Participatory Budgeting 'Community Voice, Community Choice' programme. This resulted in £135,000 funding being awarded to 18 community groups delivering local projects chosen by community members at a public Voting Event.

The 5 PSBs in Gwent dissolved in September 2021, in favour of merging to form a regional Gwent PSB. Local Delivery Groups within each local authority were maintained in order to deliver the 2018/23 plans, and to deliver locally against regional well-being objectives going forward. Blaenau Gwent's Local Delivery Group is known as the BG Local Well-being Partnership.

The Gwent wellbeing plan was agreed by the Gwent PSB in July 2023.

In 2022, the Council agreed a new Corporate Plan 2022/27. The Council worked with the newly elected members to undertake a review of the priorities, using learning from the Council's Corporate Self-Assessment, to establish the new priorities for the next 5 years:

- Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent;
- Respond to the nature and climate crisis and enable connected communities;
- An ambitious and innovative council delivering high quality services at the right time and in the right place; and
- Empowering and supporting communities to be safe, independent and resilient.

The Council also undertook a review of its Vision and Values:

- Vision: Blaenau Gwent – a place that is fair open and welcoming to all by working with and for our communities
- Values – Respectful, inclusive, collaborative, accountable and supportive

Blaenau Gwent continues to work with a wide range of partners where partnership opportunities provide better outcomes for local residents than the Council could achieve if working on its own. We work in partnership with a variety of stakeholders including staff, residents, and businesses. Examples of collaborations and partnerships include:

- Education Achievement Service (EAS)
- Aneurin Leisure Trust (ALT)
- Gwent Archives
- Gwent Crematoria
- Shared Resource Service (SRS)
- Gwent Public Service Board (PSB)
- BG Local Well-being Partnership
- Cardiff Capital Region City Deal
- Local Nature Partnership Blaenau Gwent and Torfaen
- Tech Valleys
- Valley Task Force
- Gwent Wide Adult Safeguarding Board (GWASB)
- South East Wales Safeguarding Children Board (SEWSCB)
- Greater Gwent Health, Social Care and Well-being Partnership

The Council has an established engagement framework for staff and the Council's Trade Unions and the Consultation Framework has been reviewed and updated. The Partnership and Engagement Team has developed an overarching Council Engagement Framework and Engagement Calendar which includes engagement with staff.

A Corporate Communications Strategy has been developed and an organisational review of the communications function was undertaken in March 2022 with an agreed programme of activity established. The intention moving forward is to align the new Participation and Engagement Strategy with the Communications Strategy.

Review of Effectiveness:

To ensure relevant stakeholders are engaged throughout the Council's policy development and decision making processes, comprehensive engagement events have been held throughout the year.

The Policy, Partnership and Engagement Team have supported several engagement and participation activities and events. The Council continues to hold several key engagement and participation activities and events including the Youth Forum, Children's School Grand Council, 50+ Forum and key corporate consultations on issues such as the Council Budget.

The Council, as a statutory member of the Gwent Public Services Board, also supports wider partnership engagement activities such as the consultation on the draft Well-being Plan for Gwent and delivery of the participatory budgeting programme, 'Community Voice, Community Choice'.

The Council also continues to develop its use of social media channels such as Facebook (including BG Family Information Service, BG Youth Services and General Offices pages), X (formally Twitter), Instagram and LinkedIn.

Engagement with staff regarding the process for staff supervision has been undertaken which has led to improvements to the process in order to encourage discussion in identified areas.

Engagement arrangements with Audit Wales are in place with regular meetings with the Head of Governance and Partnerships, regular meetings with the Section 151 Officer and separate monthly meetings with the Chief Executive. Quarterly meetings are also undertaken with the Leadership.

The Authority's Education Services have regular Local Authority Link Inspector (LALI) meetings convened with Estyn in line with inspectorate requirements. The Education Directorate reports progress against the Local Government Education Services (LGES) framework to Scrutiny and Cabinet. The Authority has update meetings between the Corporate Director Education, Members and the Welsh Government officials as and when required and the Education Achievement Service (EAS) also provides updates on the school improvement agenda to the Cabinet/CLT and Scrutiny Committee.

The Social Services Directorate is subject to audit, inspection and review by the Care Inspectorate Wales (CIW). On a quarterly basis the Director of Social Services and/or Heads of Adult and Children's Services meet with CIW to discuss achievements, performance and key challenges. CIW also undertake an annual review and evaluation of the Directorate's performance.

The Regional Partnership Board (RPB) has agreed an Area Plan 2023/28 which sets out their response of the findings of the regional Population Needs Assessment, prepared to meet the requirements of the statutory guidance under section 14A of the Social Services and Well-being (Wales) Act 2014. The Plan will align to other strategic drivers such as the Gwent Public Service Board Well-being Plan, Aneurin Bevan University Health Board Integrated Medium Term Plan and supporting Integrated Service Partnership Board Plans.

Recommendations for Development:

- Supporting the implementation of the Gwent Well-being Plan.
- Supporting the implementation of the Regional Partnership Board Area Plan.
- Development of Blaenau Gwent Local Well-being Partnership Plan and priorities.
- Review of the Engagement and Participation Strategy with alignment to the Communications Strategy and continued implementation of the Council's Engagement Programme.
- Continued implementation of the Council's Corporate Plan 2022 – 2027

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

How we do this:

The Authority has reviewed its priorities, vision and values and these are set out in the Council's Corporate Plan 2022/27. The Corporate Plan acts as the Council's business plan and is directly linked to the priorities in the Gwent Well-being Plan. The Corporate Plan was approved by Council on 26th October 2022.

The priority areas identified in the Corporate Plan also act as our Well-being Objectives as part of the Well-being of Future Generations (Wales) Act.

In October 2022 Council received the first annual Self-Assessment 2021/22, developed as a requirement of the Local Government and Elections (Wales) Act 2021. In October 2023, the second self-assessment was also agreed.

The Wellbeing of Future Generations (Wales) Act 2015 established statutory Public Service Boards (PSBs) to improve the economic, social, environmental and cultural wellbeing across Wales by strengthening joint working across all public services. There is a statutory requirement for all PSBs to develop a Well-being Assessment and a Well-being Plan.

A new Gwent Public Service Board has been established, under Section 47 (1) of the Well-being of Future Generations (Wales) Act 2015. This arrangement has replaced the individual Public Service Boards in each of the five Local Authority areas of Gwent. As part of this, a Joint Public Service Board Scrutiny Committee has been established and is operated by Blaenau Gwent Council. The Blaenau Gwent Partnership Scrutiny Committee will now only consider items that relate to Blaenau Gwent as identified as part of the BG Local Well-being Partnership.

The Blaenau Gwent Well-being Plan came to an end in 2023. The Gwent PSB has undertaken a regional wellbeing assessment. This used a wide range of qualitative and quantitative information including data, academic research, evidence, and people's views (engagement) to help understand Wellbeing across Gwent communities. This assessment formed the basis of the development of the Gwent Wellbeing Plan.

The Authority has a Strategic Equality Plan 2020/24 that was subject to comprehensive engagement of people with different protected characteristics, including through the Access for all Forum and the Older Peoples Network, as well as holding a Member Equalities Task and Finish Group. As required on an annual basis, a monitoring report on the progress of the Strategic Equalities Plan was taken through the democratic process.

The Authority is committed to the principles of the Wales Procurement Policy that identifies Procurement as a strategic enabler, delivering key policy objectives to support the Council's economic, social and environmental priorities. Work has progressed significantly with regards to procurement and contract management. A new Strategic and Commercial Commissioning Board has been established as well as an Operational Officer Group. The Board has been put in place as a 'check and challenge' to all contracts over £75k, the Group reviews the contracts below this amount.

The Welsh in Education Strategic Plan (WESP) Monitoring form and delivery plan draft was shared with Welsh Government for approval. Preparation by Education Transformation and key stakeholders to complete the monitoring form is underway, significant progress has been made.

The Authority receives a capital allocation from Welsh Government that is used along with the capital receipt reserve to form a capital programme providing a range of sustainable benefits for the Authority. The funding is allocated based on alignment with corporate and national priorities.

A review of the Equality Impact Assessment process has been undertaken and approved by Cabinet. This process is now called an Integrated Impact Assessment and is for both new and existing policies and practices (when reviewed). The IIA now also includes the Socio Economic Duty and where there has been deemed to be a substantial (or likely) negative

impact the Council must report this accordingly, outlining any decisions taken with any mitigations considered/actioned.

Review of Effectiveness:

Integrated Impact Assessments are undertaken against all relevant proposals, and included within the Council's reporting template and strategic business reviews. The Annual Report to the Equality and Human Rights Commission was published and submitted within the appropriate timescales. The Report was included on the Council website in March 2023. The Council has in place a Welsh Language Promotion Strategy and on an annual basis, prepares an Annual Welsh Language Monitoring Report, which is produced in accordance with the requirements of the Welsh Language (Wales) Measure 2011.

It is a statutory responsibility for the Corporate Director of Social Services to assess the effectiveness of the delivery of Social Services and produce an Annual Report. The Annual Report contributes to and forms part of the Annual Council Reporting Framework (ACRF). The report of the Corporate Director of Social Services 2022/23 was presented to the People Scrutiny Committee in September 2023.

The Transformation Programme to support the continued development of a 'seamless system' of care, support and wellbeing in Gwent, in response to the Welsh Government's new long term plan for health and social care, 'A Healthier Wales', has seen progress across the four identified programmes with evaluation reports demonstrating both financial efficiencies and improved wellbeing outcomes for citizens have been achieved. Following on from this, the Blaenau Gwent Integrated Services Partnership Board (ISPB) has been established to act as an enabler for embedding a whole system approach that integrates health, local authority and voluntary sector services, and is facilitated by collaboration and consultation.

Compassionate Communities is also part of the Transformation Programme that aims to provide place based services to improve the well-being of people across Gwent. Work includes the development of IAA outreach across the Compassionate Communities within 11 GP practices and also at community and acute hospital sites, where initial positive outcomes have been reported. Compassionate Communities also include Community Connectors actively participating in Multi-Disciplinary Team Discussions and Hospital discharge follow up phone calls.

Strong progress continues to be made on the Council's Welsh Education Strategic Plan 2022/32 (WESP), and as part of this Plan Blaenau Gwent is to open a 210 place Welsh Medium Seedling Primary School in Tredegar to be open by September 2024. In order to support seedling provision and develop increased capacity across childcare and early years' settings, a further two Welsh Medium Childcare settings are being established, one at the Glyncoed Primary new build site and one in the new Tredegar seedling school provision.

In November 2021, the Welsh Language Commissioners Office (WLCO) opened an investigation with Blaenau Gwent County Borough Council following concerns raised during a direct verification assessment of whether the Council was compliant with the Welsh Language Standards in terms of providing a Welsh language telephone service.

In April 2022, the Council provided an initial response to the investigation, which, in turn, raised further compliance concerns with regards to promoting services, assessing the

language skills of staff, providing training opportunities, and assessing the language needs of posts. This led to the terms of reference for the investigation being widened to include a number of additional operational standards.

In September 2022, a final determination of the investigation, in accordance with Section 77 of the Welsh Language (Wales) 2011 Measure was provided to the Council. The determination outlined the steps required to reach compliance and expected delivery timeframes. It also requested the Council take forward an organisational approach (including clear accountability and governance framework) to develop an Action Plan, with a deadline 31 January 2023.

A decision was made by the Council's Leadership Team to establish an organisation wide Core Officer Group (CS092) with responsibility for preparing and implementing the Welsh Language Investigation Action Plan. This Action Plan is currently being embedded with the intention for all actions to be fully embedded by March 2024. The Action Plan is being monitored by the Core Officer Group, which is Chaired by the Head of Democratic Services, Governance & Partnerships.

Recommendations for Development:

- Implementation of the actions against the Welsh Language Compliance Investigation.
- Review of the business planning framework and priorities linked to the implementation of the Corporate Plan.
- Continue to support the collective and individual body duties under the Well-being of Future Generations Act.
- Implementation of requirements under the Local Government and Elections (Wales) Act 2021.
- To implement the new code of practice in relation to the performance and improvement framework of Social Services in Wales.

Core Principle D
Determining the interventions necessary to optimise the achievement of the intended outcomes.

How we do this:

The Authority has strengthened its Performance Management Framework to ensure a consistent approach and accountability for performance improvement. This process has been aligned to the Risk Management Framework to provide one approach for data collection and monitoring.

A Strategic Commercial and Commissioning Board, as well as an Operational Officer Group, has been established to provide oversight and scrutiny of the Council's commercial activities, primarily commissioning, procurement, investments and trading. The board provides challenge with regards to the merits of each spending proposal and contracts over £75k and ensures a consistent approach to spending in line with the objectives of the Authority. The Operational Group reviews contracts below £75k. The Board has an agreed Terms of Reference and has implemented a quarterly market intelligence report since April 2022.

The corporate reporting format has been designed to guide officers and members to consider the key implications of any proposals put forward. The report has defined areas for considering options appraisal, risk, staffing and financial impact, along with the contribution to the Sustainable Development Principles. A recent addition to the template is an integrated impact assessment section which combines the Equalities Impact Assessment with the Socio Economic Impact Duty. This assists in the process for making informed and transparent decisions and ensures the links between budget and planning are considered as well as legislative requirements.

Review of Effectiveness:

The Authority presents the Finance and Performance Report to the Corporate Overview and Performance Scrutiny Committee and Cabinet on a six monthly basis. This report highlights key messages, performance information, workforce information, financial analysis, Strategic Business Reviews progress, Audit Wales proposals for improvement and directorate and corporate risks.

Self-evaluation arrangements are in place and continue to be refined, requiring each service area to consider how its activities contributed to the achievement of its intended outcomes and support the Council to achieve its goals. The process enables us to gather and use good quality information to better understand how we are performing. Following the introduction of the Local Government and Elections (Wales) Act 2021, the Council has developed two Annual Self-Assessments which have been agreed by Council and included on the Council website.

The remit of the Strategic Commercial and Commission Board focuses on the strategic direction of the Council's commercial activities including the commissioning and procurement of the organisations third party spend.

Recommendations for Development:

- Undertake an annual Corporate Self-Assessment and consider arrangements for a Peer Panel Review as part of the Local Government and Elections (Wales) Act 2021.
- Review of the business planning process and review of business plans aligned to the new Corporate Plan.

Core Principle E
Developing the entity's capacity, including the capability of its leadership and the individuals within it.

How we do this:

Blaenau Gwent has 33 elected members who collectively make up the decision making body for the Authority. This is complemented by an officer structure of trained and experienced people.

Most policy decisions are developed by the Cabinet, which comprises the Leader and four Members with individual portfolio responsibilities. The portfolios were agreed at the Annual General Meeting (AGM) of the Council in May 2022.

In addition to Cabinet, the Authority's Committee structure also comprises three decision making Committees (1 x Planning and 2 x Licensing), four Scrutiny Committees, a Standards Committee, a Democratic Services Committee and a Governance and Audit Committee.

Members are appointed to these Committees, each of which is supported by relevant officers. Payments to Members who are in positions which attract a senior salary are in line with the determinations of the Independent Remuneration Panel for Wales.

There are four statutory posts in place namely; the Head of Paid Service, the Monitoring Officer, the Head of Democratic Services and the Section 151 Officer. These are satisfied by the appointments of the Chief Executive, the Head of Legal and Compliance, the Head of Governance and Partnerships and the Chief Officer - Resources, respectively. These post holders are charged with ensuring elected Members receive appropriate advice.

There are two further officer roles, namely, the Corporate Director of Education and the Corporate Director of Social Services who undertake statutory functions for Education and Social Services respectively. Two more officer roles are taken up by the position of Corporate Director of Regeneration and Community Services and the Chief Officer – Commercial and Customer. During 2022 there were changes to the CLT with the appointment of a new Corporate Director Regeneration and Community Services. The Authority has a clear set of strategic outcomes, supporting actions and competencies which relate to service delivery. Both Members and Officers receive appropriate training to enable them to develop / enhance the necessary skills to fulfil their roles.

A Performance Coaching Scheme exists for Officers, and a Personal Development Review Scheme (PDRs) and Competency Framework for Members. For Members the scheme ensures an appropriate level of competency and aims to identify any further training needs or continuous professional development requirements that are required for the job. Most officer posts have a detailed job description and person specification, and selection is made through a robust recruitment process to meet the specific skills and competencies of the post. Role descriptions for Members are established and include specific role descriptions for senior member roles. These are included within the Constitution.

Review of Effectiveness:

A review of various member support and development documents has been undertaken and approved by Council in March 2023. These include the Member Development Strategy 2022/27, Mentoring Framework, and a reviewed PDR / Competency framework. The PDR / Competency Framework process is mandatory for all senior salary holders and offered to all members. A review of the Petitions Protocol has also been undertaken and now includes e-Petitions which has been approved by Council and included on the Council's website.

A Corporate Leadership Team (CLT) operates within the Authority. During 2022/23 the Corporate Leadership Team underwent a number of changes with the appointment of a new Corporate Director Regeneration and Community Services. It has continued to operate with an interim Chief Executive and interim Corporate Director of Social Services throughout the year, and latterly (2023/24) an interim Corporate Director of Education has also been in place to cover periods of absence by the substantive post holder. CLT meetings are minuted and key information is disseminated to all officers through an established reporting structure.

The Council has in place a Trade Union Facilities Agreement which was reviewed and updated in 2020. The review included the granting of more temporary facilities time to the Trade Union as part of the Council's commitment to work in social partnership with them. There is also a calendar set annually for formal engagement of the Trade Unions with Directorates, Corporate Leadership Team and the Cabinet.

The Council has an Engagement Strategy 2018/22 which outlines the approach to engagement which includes: the community, stakeholders, staff and members. This Strategy will be reviewed during 2022/23 to ensure that it captures the participation aspects of the Local Government and Elections (Wales) Act 2021. The next Strategy will incorporate both engagement and participation and is under development for approval in 2024.

In house, on the job training continues and essential external training is undertaken. Managers and staff have the ability to discuss capability and capacity issues as part of the performance review process.

There have been no capability cases during the 2022/23 period.

Eleven grievance cases have been investigated across the Council during 2022/23. Eight of which have been resolved and three remain active. Two cases are collective grievances – one of which is now an Employment Tribunal claim and this has implications for 81 plus staff.

A plan to develop a Leadership development programme is underway but this will be dependent on corporate funding.

Recommendations for Development:

- Consider a review of the Leadership Development Programme.
- Implement the mentoring scheme for members.
- Embed the e-Petitions Protocol.
- Development of a new Engagement and Participation Strategy.

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

How we do this:

The Authority has in place a Risk Management Framework that includes a Risk Management Strategy and a Risk Management Handbook. The risk management arrangements are set out in the Performance Management Framework and are aligned to the corporate business planning process. These set out the risk appetite of the Council and provide a methodology to ensure the consistent assessment / prioritisation of the risks the Authority faces and any mitigating actions.

The Authority continues to produce the Finance and Performance Report which highlights progress in relation to finance, performance and risk.

The Council has an adopted corporate policy to deal with complaints. A review of monitoring complaints has been undertaken and new processes and nominated officers have been identified.

A Governance and Audit Committee operates in line with the requirements of the Local Government (Wales) Measure and the Local Government and Elections (Wales) Act 2021, receiving reports from internal and external regulators on the internal control environment, risk and governance. The Committee provides appropriate challenge and seeks assurance in line with its terms of reference that are laid in the constitution.

As a Local Authority it is vital in the work that we undertake that we collect and process personal information in order to fulfil our obligations and perform many of our day-to-day operations. In May 2018 the GDPR came into force and made significant changes to how the Authority handles personal information and placed many additional obligations on organisations. A project team was created at the time to manage the work needed to ensure the Authority was compliant with this new legislation which has since been disbanded but the work to ensure continued compliance is ongoing through the work of the Information Governance Forum (IGF) that is chaired by the Senior Information Risk Owner (SIRO) and supported by the Authority's Data Protection and Governance Officer which is a mandatory role within the legislation. GDPR legislation has since become known as UK GDPR and currently remains identical to the EU GDPR although some changes are currently proposed and out for consultation.

Whilst implementing GDPR in 2018 the Council implemented an Information Asset Owner structure in order to be compliant with the legislation and ensure that there are clear defined lines of responsibility towards information assets owned by the Council. Information Asset Registers are in place for each area of the Council and regularly reviewed to ensure that there is corporate oversight of all key information systems and to risk assess these in terms of the confidentiality, integrity and availability.

In addition to the Information Asset Registers the Council also adhered to an additional obligation under GDPR to create a Record of Processing Activities for all departments. This document provides the ability to drill down to the necessary level of detail required under GDPR to identify when the Council collects and processes personal information, why it is doing this, what legally permits it to do this.

The Council also has a suite of Information Governance and Security policies and procedures that are regularly reviewed to manage and ensure compliance with its statutory duties.

A Digital and Service Design Board has been established with a corporate programme for digital projects. A Digital Strategy has been developed and approved by Council. An ICT Roadmap and Digital Solutions process has been established which looks to create long term, sustainable and relevant ICT infrastructure throughout the Council and its services.

Review of Effectiveness:

The Authority's key governance systems continue to be risk assessed and included in the annual audit plan. One key governance system was subject to an internal audit during 2022/23, namely Information Management, the findings of this audit were reported to the Governance and Audit Committee during 2022/23. One follow-up audit on 'Notification of Terminations – Exit Interviews' concluded that, from the 7 weaknesses identified from the original audit, 5 were fully completed and 2 were partially complete. A review and update of the Anti-Bribery, Fraud and Corruption Policy is ongoing.

During 2022/23 the Council set up a group to review its governance and oversight arrangements in respect of other companies in which it has an interest to ensure the arrangements are adequate and effective. In October 2023, Council received an outline of progress to date and the future actions that will be put in place to ensure all future monitoring adheres to the report's requirements.

The Risk Management Strategy and Handbook were reviewed and adopted by Council in February 2018. The Professional Lead – Risk and Insurance advises Departmental Management Teams and CLT to facilitate challenge / discussions on directorate risks. This has resulted in a more consistent approach to risk evaluation and reporting becoming embedded across the Council.

The highest level risks faced by the Authority are recorded on the Corporate Risk Register. The main risks facing the Authority during the period were:

Risk Description	Potential Impact
Failure to deliver and sustain the changes required to ensure that vital services are prioritised within the financial constraints faced by the Council.	financial pressures and demand challenges will result in reductions to services, significant impacting their availability and quality.
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	Service continuity impacted, transformation of services cannot take place and the potential for cyber attacks
Failure to ensure adequate safeguarding arrangements are in place for vulnerable people in Blaenau Gwent	Vulnerable people at risk of harm and abuse Negative reputation for the Council
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	Unacceptable impact on the ability of the Council to deliver services effectively and financially support the cost of sickness absence.
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.	Financial penalties and possible sanctions that hinder service delivery
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.	Inability to deliver effective services/ lower quality services provided. Unplanned reduction of services provided.
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	Adverse impacts on the community Lack of service provision Not meeting statutory requirements
(a) Impact of cost of living (inflationary) increase driven by a number of crosscutting forces on our communities have created significant challenges for those already in need.	Negative impact on communities Business closures Increased demand for services resulting in increased demand on services. Impact on staff

(b) Impact of cost of living (inflationary) increases on businesses in Blaenau Gwent (c) Impact of cost of living (inflationary) increases on the Council (and staff) resulting in increased levels of service demand	
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.	Poor reputation of the Council Statutory intervention Standards of education are not improvement
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	Essential services not delivered to an acceptable standard during disruptive incidents Poor reputation for the Council
Failure to maintain appropriately skilled, adequate staffing resources will lead to an unacceptable impact on the ability of the Council to deliver services effectively	Vital services will not be protected if the Council fails to find more efficient ways of working and improvements to social, economic and environmental well-being of the areas will not be achieved

A copy of the full Corporate Risk Register can be obtained from the Risk Management and Insurance Section.

All Strategic Business Review projects are risk assessed using the Corporate Risk Management Framework. Decisions on managing those risks are agreed and monitored as part of the project management arrangements that are in place.

All Data Protection Impact Assessments are approved by the Data Protection & Governance Officer to ensure that there are effective controls in place to mitigate the risk of a Data Protection Breach. Where a Data Protection Incident is reported, the Data Protection & Governance Officer will investigate the cause and review the responsible service area controls to ensure they are effective. The Data Protection & Governance Officer, Information Governance Forum and the Council's Senior Information Risk Officer (SIRO) review the Council's information governance arrangements to ensure they are fit for purpose.

Recommendations for Development:

- To assess and demonstrate its compliance with the Local Government Measure, and the aims and objectives of the Council, the annual report of the Governance & Audit Committee will be produced summarising the year's activity and evidencing their responsibilities as part of the governance arrangements.
- Regular review of Risk Management arrangements to ensure they remain fit for purpose and are implemented consistently.
- Conclude the review of the Anti-Fraud, Anti-Corruption and Anti-Bribery Policy and update as appropriate.
- Continued inclusion of key governance systems in the internal audit plan to ensure key elements of the governance framework are prioritised and examined annually.

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

How we do this:

Decision making processes for both Officers and Members are set out in the Constitution. Boundaries are clearly defined and the Committee structure includes decision making, scrutiny and regulatory functions. A set of Financial Procedure Rules and Contract Procedure Rules have been adopted to ensure consistency, transparency and value for money in financial management and procurement. The Chief Officer Resources ensures the Authority's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016). An annual Statement of Accounts is produced and presented to Members for scrutiny. A period of public consultation is held where members of the public can inspect the accounts.

A Governance and Audit Committee is established that has the primary functions of reviewing financial reports and challenging governance arrangements. The Committee aims to seek assurance that the governance framework operating within the Authority is robust, effective and efficient. This is achieved in part through the Committee receiving this Annual Governance Statement. The role and scope of the Governance and Audit Committee are set out in the Constitution and align to the requirements of the Local Government and Elections (Wales) Act 2021.

The Internal Audit Service works on a risk based approach, to an annual audit plan, in order to assess the internal control environment of the Authority. The work of the section is prioritised in line with the Authority's objectives. The results of all audit work are reported to the Governance & Audit Committee who can, if necessary, call Officers to account where weak control is identified. Policies are maintained for Anti-Fraud, Anti-Corruption and Anti-Bribery, and Anti-Money-Laundering. Adherence to these is considered as part of the work of the Internal Audit function.

Engagement arrangements with Audit Wales are in place with regular meetings with the Head of Governance and Partnerships, regular meetings with the Section 151 Officer and separate monthly meetings with the Chief Executive. Quarterly meetings are also undertaken with the Leadership.

The Authority's Education Services have regular Local Authority Link Inspector (LALI) meetings convened with Estyn in line with inspectorate requirements. The Education Directorate reports progress against the Local Government Education Services (LGES) framework to Scrutiny and Cabinet. The Authority has update meetings between the Corporate Director Education, Members and the Welsh Government officials as and when required and the Education Achievement Service (EAS) also provides updates on the school improvement agenda to the Cabinet/CLT and Scrutiny Committee.

The Social Services Directorate is subject to audit, inspection and review by the Care Inspectorate for Wales (CIW). On a quarterly basis the Corporate Director of Social Services and Heads of Adult and Children's Services meet with CIW to discuss achievements, performance and key challenges. The Directorate is scrutinised by the People Scrutiny Committee. Regular liaison meetings are held with the Directorate, the Cabinet Member and the Chair and Vice Chair of the Scrutiny Committee.

The Social Services and Well-Being (Wales) Act 2014 places a statutory duty on all local authorities to produce an annual report on the discharge of its social services functions. The

Council's arrangements to meet their safeguarding responsibilities are scrutinised by the People Scrutiny Committee. In 2022 Audit Wales undertook a follow up review of the Council's Safeguarding Arrangements, following reviews undertaken in 2014 and 2019. In November 2022 the Council received the outcome of the report, Audit Wales found that, *'the pandemic further delayed the Council's response to the 2019 report. Although it has taken recent action to strengthen its corporate safeguarding arrangements, the Council has not yet fully addressed our previous recommendations. The Council recognises the need to strengthen corporate safeguarding arrangements beyond the Social Services and Education directorates. The Council developed an action plan to address the outstanding recommendations but, due to the pandemic, most of the planned work did not begin until early 2022'*. From this, a further two recommendations were received for implementation.

Council meetings are held open to the public and are also recorded, Notes and meeting recordings are published on the Authority's website. Since the global pandemic, arrangements for holding democratic meetings have been considered to ensure that the arrangements remain fit for purpose. As part of this, the Council introduced Microsoft Teams to support virtual meetings. Each democratic meeting is recorded and then uploaded onto the website. In future, the livestreaming of Council meetings will be put in place, with consideration of other meetings also, in order to meet the requirements of the Local Government and Elections (Wales) Act. As part of this, a Multi Locations Meeting Policy has been produced. Following closure of the Civic Centre in Ebbw Vale, the General Offices have been identified as the new democratic hub for the Council which includes a hybrid meeting system. This system is functional with Microsoft Teams and provides a hybrid meeting function to adhere to the remote meeting requirements as part of the Local Government and Election (Wales) Act.

The Council continues to fulfil its obligations under the Freedom of Information Act and provide information to requestors wherever possible in the interests of transparency. In addition, requests under GDPR legislation for access to information held on a person are also fulfilled in line with the legislation. Response rates for fulfilling the requirements here are reported regularly to CLT.

Review of Effectiveness:

The Council strives to ensure continuous improvement in the delivery of its services through its improvement planning process and the Performance Management Framework. It has strengthened these arrangements to align them with risk management and the Well-being of Future Generations (Wales) Act 2015 as well as identifying levels of accountability.

The remit of the Wider Corporate Leadership Team (WCLT) is to effectively support the CLT in its role of providing strategic direction to the organisation. It is a forum to disseminate information and communicate messages ensuring a one council approach as well as networking with colleagues and peers and providing personal development opportunities.

A performance management system, utilised by the whole Council is in place which incorporates the majority of the Councils business planning and performance arrangements, so that we have one place for information management and monitoring. The system works to avoid duplication and to provide a consistent approach across the Council. The system includes statutory monitoring as well as business plans, self-evaluations, risk, proposals for improvement from auditors, decarbonisation actions, Environment Act actions, performance indicators and sustainable development. A review of this system has been undertaken and both equalities and Welsh Language reporting is to be included as part of the system.

The Authority's assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit.

An external peer review of the Internal Audit Service was undertaken in 2022/23 and the results reported to the Governance and Audit Committee. The review found that of the 274 applicable best practice requirements (Public Sector Internal Audit Standards) Blaenau Gwent conforms with 267, 6 have partial compliance and there is one area of non compliant. An Action plan has been developed to address the areas of partial compliance whilst the Council has determined to accept the risk associated with the area of non compliance.

Internal Audit Services issued 45 audit opinions during the year.

Audit Grading	No of audits
Full Assurance	9
Reasonable Assurance	14
Limited Assurance	6
No Assurance	1
Non-graded	0

The number of audits undertaken and the proportions of grades for the period align to pre-pandemic trends. For 2022/23 there were no patterns / trends to the audit outcomes that indicated particular areas of concern and no individual findings of such significance to cause concern regarding the integrity of the Statement of Accounts. Blaenau Gwent County Borough Council's system of internal control during the financial year 2022/23 operates to a level which gives Reasonable Assurance on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. Members of WCLT continue to receive periodic reviews of Internal Audit findings to ensure appropriate corrective action is taken to maintain and / or improve internal controls.

The Authority received and processed 978 Freedom of Information requests between 1st April 2022 and 31st March 2023 which is a 13% increase on the previous year. Services responded to 88% of requests within the 20 working day requirement. This is a 5% reduction on the response rate of the previous year and work is being undertaken to analyse the reasons behind this.

Recommendations for Development:

- Managers to implement the actions identified to address weaknesses highlighted by Internal Audit. Meetings are undertaken with members of the Wider Corporate Leadership Team, in addition to responsible Officers, and timescales are set for implementation. Managers to ensure systems for which they have responsibility have robust internal controls to further improve the integrity of the Authority's processes.
- Conclude the review of the Anti-Fraud, Anti-Corruption and Anti-Bribery Policy to ensure it remains fit for purpose.
- Internal Audit continue to undergo an external peer review (every 5 years).
- Managers to implement the proposals for improvement from external auditors.

Significant Governance Issues

We have been advised on the implications of the results of the review of the effectiveness of the governance framework, and that the arrangements continue to be regarded as fit for purpose subject to the significant governance issues to be specifically addressed as outlined below:

Issue	Action	Responsible Officer
<p>The uncertainty around the current and future economic impact of:</p> <ul style="list-style-type: none"> • Cost of Living Crisis • Covid-19 • the exit from the European Union • WG future financial settlements <p>Ongoing uncertainty around the medium to long term impact of these may pose significant challenges for the Council and it will be critical for the Council to demonstrate that it has appropriate governance arrangements in place to manage its financial position.</p>	<p>Financial monitoring will continue to be undertaken and reported regularly into Scrutiny and Cabinet via the quarterly portfolio budget forecast reports.</p> <p>To ensure the Council's financial resilience the Council intends to continue with its bridging the gap programme which will identify a number of strategic business reviews. Within this framework the Authority will be looking at ways to achieve cuts / savings whilst mitigating the impact on services where possible.</p>	Chief Officer Resources
<p>The Statement of Accounts for the 2022/2023 financial year have not been completed and will not meet statutory deadlines.</p> <p>Delays experienced in finalising and completing the audit of the 2021/22 Statement of Accounts have impacted upon 2022/23.</p> <p>The implementation of a new asset register and Audit Wales review of assets highlighted that the Council has not undertaken a regular re-assessment of asset lives.</p> <p>As a consequence Audit Wales have issued a qualified opinion on the 2021/22 accounts due to the potential material misstatement of depreciation charges.</p>	<p>The Council has accepted the qualified audit opinion for 2021/22, to ensure this issue does not recur external valuers have been engaged to commence a systematic programme of asset values & lives.</p> <p>The draft outcomes of the 2023 work has now been received, reviewed and the asset records updated.</p> <p>Blaenau Gwent's draft 2022/23 Statement of Accounts will be presented to Governance & Audit Committee in November 2023 – the audit of these accounts is expected to be concluded by March 2024.</p>	Chief Officer Resources

Whilst there remain some areas that require development or further improvement, in considering the governance framework and its application as detailed in this statement, we are of the opinion that the governance arrangements in place for Blaenau Gwent County Borough Council are effective and remain fit for purpose, providing an adequate level of assurance for the Council.

(signed).....

(signed).....

Councillor Steve Thomas

Rhian Hayden

Leader of the Council

Chief Officer Resources

September 2023

September 2023

(signed).....

Damien McCann

Interim Chief Executive Officer

September 2023

Audit, regulatory and inspection work reported during 2022/23

Audit Wales Local Reports: -

Springing Forward (Local Report) (Issued November 2022)	
<i>Report findings and Recommendations for Improvement:</i>	
Ref 134	<p>During the pandemic, the Council made significant changes to its assets and the way that its workforce operates, but further work is needed for it to understand its future asset and workforce needs and to ensure that future Council decisions are appropriately informed by Equality Impact Assessments and the sustainable development principle.</p> <p>Equality impact assessments</p> <ul style="list-style-type: none"> • Ensure that all decisions are informed by a timely equality impact assessment where required. • Develop a longer-term asset strategy • In developing its new strategic asset management strategy, the Council should apply the sustainable development principle and specifically ensure that it: <ul style="list-style-type: none"> • builds on learning from its experience of the COVID-19 pandemic; • takes account of longer-term trends that may affect service provision and the efficient use of assets; • aligns with other strategic documents, including decarbonisation, commercial, workforce and digital strategies; • sets out the Council’s intended outcomes over the short, medium and longer term; • takes account of the needs of staff, service users and partners; and • sets out SMART performance measures and appropriate monitoring and reporting arrangements. <p>Further develop workforce strategy and planning</p> <p>In delivering its workforce strategy, the Council should ensure that it:</p> <ul style="list-style-type: none"> • incorporates learning from the COVID-19 pandemic; • takes a sufficiently long-term view, for example, taking into account upcoming reviews of service delivery and longer-term trends which may affect workforce planning; • provides service managers with the necessary skills and capacity to develop their workforce plans; • collates service workforce plans to understand what actions it needs to take at a corporate level to strengthen its workforce; • expands workforce information to include detail on: <ol style="list-style-type: none"> i. current skills and current and future skills gaps; ii. talent and succession planning; and

	<ul style="list-style-type: none"> iii. iii. critical posts and the risks associated with them becoming vacant; • strengthens the underlying action plans by developing SMART objectives so progress can be monitored and scrutinised; and • aligns with other strategic documents, including decarbonisation, commercial, asset management and digital strategies. <p>Engagement</p> <ul style="list-style-type: none"> • As part of the review of the new operating model, seek the views of residents on the community hubs to provide assurance around the Council’s decision and to inform the future development of hubs. • Consider how the Council might adapt its public engagement methods so it can continue to engage with the public in the event of future lockdowns or other restrictions. • Work with local businesses to monitor and understand the impact of the closure of the Civic Centre and how the Council can support those businesses whilst the site remains vacant. <p>Resources</p> <ul style="list-style-type: none"> • Identify the costs of delivering the assets and workforce strategies and incorporate these into the medium-term financial strategy. • Collaborate with public sector partners across Gwent to evaluate the potential benefits of developing a strategic long-term approach to a single public estate. • Build on existing examples of collaborative working by developing a more systematic approach to collaboration. <p>Sustainable development principle</p> <ul style="list-style-type: none"> • The Council should seek to fully embed the sustainable development principle in its decision making.
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Assurance and Risk Assessment Review (Local Report) (Issued November 2022)

Report findings and Recommendations for Improvement:

Ref 134	<p>Review focused on the following areas of the Council:</p> <ul style="list-style-type: none"> • Financial Position • Implications of the Local Government and Elections (Wales) Act 2021 • Carbon Reduction Plan <ul style="list-style-type: none"> • The Council needs to take further action to fully comply with the recommendations in our October 2019 follow up report on corporate arrangements for safeguarding of children. • The Council needs to strengthen its monitoring arrangements of third parties so it can assure itself that they comply with the Council’s safeguarding policies. It should consider whether a self-assessment tool like that recently used by Council directorates can be used with third parties to better understand compliance.
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Corporate Safeguarding Follow up (Local Report) (Issued November 2022)

Report findings and Recommendations for Improvement:

We found that the pandemic further delayed the Council's response to our 2019 report. Although it has taken recent action to strengthen its corporate safeguarding arrangements, the Council has not yet fully addressed our previous recommendations.

The Council recognises the need to strengthen corporate safeguarding arrangements beyond the Social Services and Education directorates. The Council developed an action plan to address the outstanding recommendations but, due to the pandemic, most of the planned work did not begin until early 2022. As such, it was difficult for us to assess the impact of these actions as many were still underway. For example, the safeguarding self-assessments being completed by each directorate should give the Council improved understanding and oversight and enable it to target improvement actions where needed

- The Council needs to take further action to fully comply with the recommendations in our October 2019 follow up report on corporate arrangements for safeguarding of children
- The Council needs to strengthen its monitoring arrangements of third parties so it can assure itself that they comply with the Council's safeguarding policies. It should consider whether a self-assessment tool like that recently used by Council directorates can be used with third parties to better understand compliance.

National Reports: -

Learning from Cyber Attacks (National Report) (Issued October 2022)	
Ref 140	Report Exempt By virtue of paragraph(s) 14,18 of Part 1 of Schedule 12A of the Local Government Act
Time for Change – Poverty in Wales (National Report) (Issued November 2022)	
Report findings:	
Ref 136	Overall conclusion is that the scale of the challenge and weaknesses in current work make it difficult for Welsh and local government to deliver the systemic change required to tackle and alleviate poverty
A Missed Opportunity – Social Enterprises (National Report) (Issued December 2022)	
Report findings:	
Ref 138	Our overall conclusion is that local authorities are not effectively working with Social Enterprises to maximise their impact, make better use of resources and improve services for people and communities
Together we can – Community Resilience and Self Reliance (National Report) (Issued January 2023)	
Report findings:	
Ref 140	Overall, we conclude that local authorities face a challenging and uncertain financial future but find it difficult to empower people and communities to be more self-reliant and less dependent on services.

Details of progress against these proposals can be obtained from the Governance and Partnerships Department.

Recommendation for Improvement made in the 2021/22 Annual Governance Statement	Action Undertaken during 2022/23	Further Action Required
Core Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.		
Continued adherence to the Authority’s policies and procedures which exist to guide Members and Officers to comply with the Council’s expectations in terms of acting with integrity.	A risk based audit plan was operated for 2022/23 which included examination of the Authority’s policies and procedures.	Future audit plans will continue to include a range of policy and procedure audits
To evidence robust application of the Authority’s Code of Conduct, an Internal Audit review of the declarations of interest process will be concluded	An audit of compliance with Declarations of Interest was conducted and found to be Limited Assurance.	A follow-up Audit of Declarations will be conducted to evidence whether improve has been made.
In line with good practice, an annual review (as a minimum) of the Constitution and Scheme of delegation to ensure the Authority’s governance and decision making processes remain fit for purpose	Minor amendments made to the Constitution in line with local changes.	Further local changes to be made as necessary moving forward.
Continued application of the Members Performance Development Review scheme and competency framework	The Members PDR/CF scheme has been reviewed and agreed by Council.	Undertake members PDR/CF with senior salary holders and offer to all other members during 2023.
Continued application of the Officers Performance Review Scheme.	The Officer Performance Review Scheme has been applied throughout 2022/23	
Audit plans for future years will include testing a range of policies and procedures.	The 2022/23 audit plan included a range of policy and procedure audits.	The Audit Plan for 2022/23 includes testing a range of policies and procedures
Core Principle B – Ensuring openness and comprehensive stakeholder engagement.		
Monitor progress of the Local Well-being Plan	The progress of the local Well-being plan has continued until its end in 2023. Contributed to the development of the Gwent Well-being Plan.	Establish local priorities for the BG Local Well-being Partnership.
Continued implementation of the Council’s Engagement Programme as part of the Engagement Strategy.	The engagement programme has been reviewed to consider the impacts of the pandemic. Arrangements moving	Review and development of a new Engagement and Participation Strategy.

	forward have been agreed by CLT.	
Core Principle C – Defining outcomes in terms of sustainable economic, social, and environmental benefits.		
Continued implementation and mainstreaming of the Welsh Language standards across all areas of Blaenau Gwent.	This is ongoing and updates included within the annual report.	Ongoing
Continue to support the collective and individual body duties under the Well-being of Future Generations Act.	Ongoing including work to embed the Local Government and Elections (Wales) Act 2021	Ongoing
Implement the new code of practice in relation to the performance and improvement framework of social services in Wales.	This was delayed due to the pandemic however progress has been made throughout 2020/21 and a performance return has been made to WG.	Continued implementation of the new code of practice in relation to the performance and improvement framework of Social Services in Wales
Core Principle D – Determining the interventions necessary to optimise the achievement of intended outcomes.		
Review of the self-evaluation process.	Corporate Self-Assessment undertaken and approved in 2022 aligned to the requirements of the Local Government and Elections (Wales) Act 2021.	Undertake a review of the self assessment template in readiness for future reporting. Consider arrangements for the Peer Panel Assessment
Reinstatement of business planning cycle.	The Business Planning cycle has been implemented throughout 2022/23.	Business as Usual
Core Principle E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it.		
Develop and implement a new Leadership Development Programme	This was delayed due to the pandemic.	Consider arrangements for a new Leadership Development Programme
Core Principle F – Managing risks and performance through robust internal control and strong public financial management		
Regular review of Risk Management arrangements to ensure they remain fit for purpose and are implemented consistently.	The review of the Risk Management arrangements has been delayed due to staffing changes. Members of the Governance and Audit Committee have undertaken a training session on risk management	The Risk Management Handbook and Strategy to be updated.
Conclude the review of the Anti-Fraud, Anti-Corruption and Anti-Bribery Policy and update as appropriate.	The review of the Anti-Fraud, Anti-Corruption and Anti Bribery Policy has been	Anti-Fraud, Anti-Corruption and Anti Bribery Policy is under review. This exercise

	delayed due to staffing changes.	will be concluded by March 2024.
Continued inclusion of key governance systems in the internal audit plan to ensure key elements of the governance framework are prioritised and examined annually	The risk based audit plan for 2022/23 has prioritised a number of key governance systems for audit during the year.	Business as Usual
Core Principle G – Implementing good practices in transparency, reporting, and audit, to deliver effective accountability		
Managers to implement the actions identified to address weaknesses highlighted by Internal Audit. Meetings are undertaken with the Wider Corporate Leadership Team, in addition to responsible Officers, and timescales are set for implementation. Managers to ensure systems for which they have responsibility have robust internal controls to further improve the integrity of the Authority's processes.	Internal audit reports have been subject to follow up review where they are graded Limited Assurance or No Assurance	Business as Usual
Conclude the review of the Anti-Fraud, Anti-Corruption and Anti-Bribery Policy to ensure it remains fit for purpose.	The review of the Anti-Fraud, Anti-Corruption and Anti Bribery Policy has been delayed due to staffing changes.	Anti-Fraud, Anti-Corruption and Anti Bribery Policy is under review. This exercise will be concluded by March 2024.

Agenda Item 10

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: **17th January 2024**
Report Subject: **External Quality Assessment Action Plan**
Portfolio Holder: **Cllr Steve Thomas – Leader / Executive Member for Corporate 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)
	21/12/2023	06.01.24	17/01/2024					

1. Purpose of the Report

The purpose of this report is to present to the Governance & Audit Committee the progress made against the action plan from the External Quality Assessment (EQA) of the Internal Audit Service.

2. Scope and Background

- 2.1 The Internal Audit Service work in accordance with the Public Sector Internal Audit Standards (PSIAS). The standards ensure an internal audit service that is effective, meets the needs of an organisation, adds value and assists the organisation in meeting its objectives.
- 2.2 As part of the standards, there is a requirement for the service to undergo an external assessment at least once every five years. The assessment is to be conducted by a suitably qualified, independent assessor from outside of the organisation.
- 2.3 The last EQA was conducted in 2022 with the final report and action plan being presented to this committee in January 2023. The action plan has been updated to show the current status of each of the actions identified.

3. Recommendation

- 3.1 The Governance & Audit Committee consider the action plan developed in response to the findings from the EQA, attached at Appendix A & B, and note the progress made.

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 progress made against the Internal Audit EQA action plan demonstrates the professionalism and competency of the service. In doing this it also supports the Chief Officer – Resources in satisfying 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 responsible for governance, and in compliance with the PSIAS, have a responsibility to oversee the performance of the Internal Audit function. The EQA provides an external independent view of the performance of the service, and progress made against the action plan shows the service’s commitment to ongoing improvement.
5. **Implications Against Each Option**
- 5.1 Impact on Budget (short- and long-term impact)
Completion of the EQA action plan does not have any financial implications other than officer time.
- 5.2 Risk including Mitigating Actions
Failure to address any non-compliance issues identified in the action plan is a missed opportunity to improve the service.
- 5.3 Legal
Provision of an adequate internal audit service, demonstrated in part through an External Quality Assessment, contributes to the Section 151 officer being able to fulfil her statutory duties under the Local Government Act (1972).
- 5.4 Human Resources
The EQA involves the investment of officer time. The commitment is met from existing resources.
6. **Supporting Evidence**
- 6.1 Performance Information and Data
From the 304 best practice requirements within the PSIAS, it was found that Blaenau Gwent conformed to 267 of them, a further 30 were considered not applicable, 6 had partial conformance and 1 was a non-conformance.
- 6.1.1 The action sheet attached at Appendix A shows the partial and non-conformances along extracted from the EQA report, along with the with the proposed actions to redress them. A further column has been added to show the current status / progress made against each of these actions.

- 6.1.2 Appendix B provides a further action plan for the recommendations made where Blaenau Gwent was considered to already conform with the standard but could further enhance the service. Again, a column has been added to show the current status / progress against each of these actions.
- 6.1.3 The one non-compliance identified has no further action required due to both CLT and the Committee agreeing to accept the associated risk. Of the six partial compliances identified, four have been completed, one has been partially completed and one is in progress. The nine actions identified in Appendix B that could further enhance existing compliance, include two that require no action, two that have been completed, three that have been partially completed and two that are in progress.
- 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 EQA has involved the validation of the self- assessment provided by the Audit and Risk Manager and supporting evidence. Discussions were held with audit staff and the Chair of the Governance and Audit Committee.
- 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
The Welsh Chief Auditors Group has set up a framework to facilitate peer review of self-assessments to satisfy the requirement for an EQA in line with the PSIAS. This is a reciprocal arrangement between participating authorities. The EQA action plan is developed as part of this process.
- 6.7 Integration (across service areas)
No impact for this report.
- 6.8 Decarbonisation and Reducing Carbon Emissions.
No impact for this report.
- 6.9 Integrated Impact Assessment
No impact assessment is required for this report.

7. **Monitoring Arrangements**

- 7.1 The agreed action plan will be reported to the Governance and Audit Committee periodically to evidence the progress made.

Background Documents /Electronic Links

- Appendix A – Action plan to address non and partial conformance areas.
- Appendix B – Action plan for enhancing proposals where conformance is already achieved.

Action Plan to address non / partial conformance areas

Rec No	Standard	Action to address non-compliance	BG Response	Responsible Person	Timescale	Progress
1	1130 Impairment to Independence or Objectivity Assurance engagements for functions over which the Chief Audit Executive (CAE) has responsibility must be overseen by a party outside the Internal Audit activity.	Currently, audits which are undertaken on Risk and/or Insurance, would be overseen by the Chief Officer Resources, who has overall responsibility for the Internal Audit Service, thus the officer is not outside the Internal Audit activity. Where audits are undertaken in these areas, the PSIAS require that they are overseen by a party outside the Internal Audit activity.	Blaenau Gwent are in a similar position to other local authorities where Internal Audit have responsibility for other services. It is considered appropriate to continue on the same basis and accept the risk raised.	No action required	N/a	No action required
		Action to address partial compliance	BG Response	Responsible Person	Timescale	Progress
2	1000 Purpose, Authority and Responsibility The Internal Audit Charter must define the role of Internal Audit in any fraud-related work.	The Internal Audit Charter should be updated to include a definition of Internal Audit's role in any fraud-related work.	The Internal Audit Charter will be updated accordingly and presented to the Governance and Audit Committee for review.	Audit and Risk Manager	July 2023	Completed The amended Internal Audit Charter was presented to the Governance and Audit Committee in September 2023
3	1000 Purpose, Authority and Responsibility The Internal Audit Charter must set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, requiring the CAE to be notified of all suspected or detected fraud, corruption or impropriety.	The Internal Audit Charter should be updated to set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, requiring the CAE to be notified of all suspected or detected fraud, corruption or impropriety.	The Internal Audit Charter will be updated accordingly and presented to the Governance and Audit Committee for review.	Audit and Risk Manager	July 2023	Completed The amended Internal Audit Charter was presented to the Governance and Audit Committee in September 2023
4	2010 Planning The CAE must establish risk-based plans to determine the priorities of the Internal Audit activity, consistent with the organisation's goals.	The auditing of IT is outsourced to Torfaen County Council, through a shared resource service (SRS). The CAE is not involved with the production or monitoring of this plan. The annual IT plan is produced by Torfaen and approved by the Boards of the SRS each of which has a representative from the partner authorities. For Blaenau Gwent, the Chief Officer Resources sits on the Finance and	The Torfaen - SRS IT Audit Plan for 2023/24 will be presented to the Governance and Audit Committee for review. Progress updates from the plan will be provided to the committee as and when they are received.	Audit and Risk Manager	June 2023	Completed The Torfaen-SRS IT Audit Plan, and progress to date, are presented to this Committee as part of the agenda.

		<p>Governance Board, the Chief Executive on the Strategic Board and Chief Officer Commercial on the Business and Collaboration Board.</p> <p>The annual IT plan is not presented to the Governance & Audit Committee for consideration or approval. Progress updates on the plan are also not presented to the Governance & Audit Committee.</p> <p>The IT audit plan should be considered by the CAE to ensure the priorities of the activity are determined, consistent with the organisation's goals. The Governance & Audit Committee should consider and approve the annual IT audit plan and should be provided with regular progress updates on the plan.</p>				
5	<p>2020 Communication and Approval</p> <p>The CAE must communicate the Internal Audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval.</p>	<p>The IT audit plan and progress updates should be considered by Senior Management and reviewed and approved by the Governance & Audit Committee.</p>	<p>The Torfaen - SRS IT Audit Plan for 2023/24 will be presented to the Governance and Audit Committee for review and approval. Progress updates from the plan will be provided to the committee as and when they are received.</p>	<p>Audit and Risk Manager</p>	<p>June 2023</p>	<p>Completed</p> <p>The Torfaen-SRS IT Audit Plan, and progress to date, are presented to this Committee as part of the agenda.</p>
6	<p>2050 Coordination</p> <p>The CAE should share information, coordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts.</p>	<p>There is little evidence of coordination of activities or information sharing with other internal and external providers of assurance; no assurance mapping exercise has been undertaken.</p> <p>An Assurance Mapping exercise should be undertaken to ensure proper coverage and minimise duplication of efforts.</p>	<p>Enquiries will be made with the Head of Democratic Services, Governance and Partnerships regarding a corporate assurance mapping exercise.</p>	<p>Audit and Risk Manager</p>	<p>June 2023</p>	<p>Partially Completed</p> <p>A record of all recommendations made by external regulators is maintained and monitored by Governance and Partnerships. A corporate assurance mapping exercise has not been done to date.</p>
7	<p>2120 Risk Management</p> <p>The Internal Audit activity must evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk.</p>	<p>No evidence available to demonstrate that Internal Audit has evaluated how the organisation manages fraud risk.</p> <p>A fraud risk register should be developed and maintained.</p>	<p>Fraud risk is included in the annual audit plan risk assessment. A fraud risk register will be developed as part of the ongoing development of the Fraud Strategy.</p>	<p>Audit and Risk Manager</p>	<p>March 2024</p>	<p>In progress</p> <p>The Fraud Strategy is currently being reviewed and will be presented to this Committee in March 2024.</p>

Further Action Plan – Enhancing proposals for areas where conformance is already achieved

Standard	Compliant, but enhancing recommendation proposed.	BG Response	Who is responsible for implementing the action	Timescale	Progress
1100 Independence and Objectivity The CAE must establish effective communication with, and have free and unfettered access to, the Chief Executive and the Chair of the Audit Committee.	Whilst the Internal Audit Charter does state that the CAE has unrestricted access to the Chair of the Governance & Audit Committee; it is not documented within the Charter that the CAE has unfettered access to, as well as communicate effectively with, the Chief Executive. The Internal Audit Charter should be updated to reflect this.	The Internal Audit Charter will be updated accordingly and presented to the Governance and Audit Committee for review.	Audit and Risk Manager	July 2023	Completed The amended Internal Audit Charter was presented to the Governance and Audit Committee in September 2023
1112 Chief Audit Executive Roles Beyond Internal Auditing The Board must approve and periodically review any safeguards put in place to limit impairments to independence and objectivity.	Whilst there are safeguards in place to limit impairment to independence or objectivity, with the CAE having no involvement in the auditing of Risk/Insurance sections, this has not been formally documented nor approved by the Board. The arrangements are, however, reported annually within the Annual Internal Audit Report and are included within the Audit Charter. The safeguards put in place should be periodically reviewed and approved by the Governance & Audit Committee.	The Governance and Audit Committee receive confirmation of these arrangements through both the Internal Audit Charter and the Annual Report of the Audit and Risk Manager. In addition, the approval process would be reiterated as part of any audit undertaken in this area. No additional actions are proposed.	No action required	N/a	No action required
1210 Proficiency Internal Auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organisation.	Advised that approximately half of the Internal Audit team has had fraud training in the past; however, this training is historic, with refresher training not undertaken recently. Fraud training for Internal Auditors should be considered.	The Audit and Risk Manager will source and cost suitable refresher Fraud training and put forward a proposal to the Chief Officer Resources.	Audit and Risk Manager / Chief Officer Resources	TBC	In progress Three members of the Audit Section attended a Fraud Seminar in September 2023. Further appropriate courses will be considered as they arise, subject to budget constraints.
1210 Proficiency Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work.	External IT provision is resourced from Torfaen Council as part of a Shared Resource Service Level Agreement (SLA), however, a copy of the SLA was not available. The SLA should be available to demonstrate the agreement in place.	A new Memorandum of Understanding is currently being drafted. The Chief Officer Resources will receive the completed MOU through the SRS Finance Board and present it to the Governance and Audit Committee in due course.	Chief Officer Resources	TBC	Partially Completed The Memorandum of Understanding is being updated by Torfaen CBC to incorporate all SRS partners. It is scheduled for presentation to the Strategic

					Board in December 2023. The SLA with the SRS is complete for 24/25 and has been agreed by the Strategic Board. The Annual Performance Report against the SLA was presented to Corporate Overview and Cabinet in September and October 2023 respectively.
<p>1210 Proficiency Internal auditors must have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques.</p>	<p>External IT provision is resourced from Torfaen Council as part of a shared resource Service Level Agreement (SLA), however, a copy of the SLA was not available. The SLA should be available to demonstrate the agreement in place.</p>	<p>A new Memorandum of Understanding is currently being drafted. The Chief Officer Resources will receive the completed MOU through the SRS Finance Board and present it to the Governance and Audit Committee in due course.</p>	<p>Chief Officer Resources</p>	<p>TBC</p>	<p>Partially Completed The Memorandum of Understanding is being updated by Torfaen CBC to incorporate all SRS partners. It is scheduled for presentation to the Strategic Board in December 2023. The SLA with the SRS is complete for 24/25 and has been agreed by the Strategic Board. The Annual Performance Report against the SLA was presented to Corporate Overview and Cabinet in September and October 2023 respectively.</p>
<p>1311 Internal Assessments Ongoing performance monitoring should include</p>	<p>Verbal stakeholder feedback is currently obtained. It would be prudent to consider developing the process to obtain documented stakeholder feedback.</p>	<p>This methodology has been found to be more successful than the Quality Control Questionnaires previously used by the</p>	<p>No action required</p>	<p>N/a</p>	<p>No action required</p>

obtaining stakeholder feedback.		service. It is not proposed to change this approach at present.			
2040 Policies and Procedures The CAE must establish policies and procedures to guide the internal audit activity.	No evidence that the Internal Audit Process Flowchart has been regularly reviewed. The Flowchart provided as evidence showed the most recent modification date as 14/02/2017. It would be prudent to regularly review the Flowchart and document the date of the review to demonstrate that it is up to date.	A review of the Internal Audit Process Flowchart will be undertaken to ensure it is up to date. A version control will be added to the document.	Audit and Risk Manager	March 2023	Completed The Internal Audit Process Flowchart was updated in March 2023.
2070 External Service Provider and Organisational Responsibility for Internal Auditing When an external service provider serves as the Internal Audit activity, the provider must make the organisation aware that the organisation has the responsibility for maintaining an effective internal audit activity.	External IT provision is resourced from Torfaen Council as part of a shared resource Service Level Agreement (SLA), however, a copy of the SLA was not available. The SLA should be available to demonstrate the agreement in place.	A new Memorandum of Understanding is currently being drafted. The Chief Officer Resources will receive the completed MOU through the SRS Finance Board and present it to the Governance and Audit Committee in due course.	Chief Officer Resources	TBC	Partially Completed The Memorandum of Understanding is being updated by Torfaen CBC to incorporate all SRS partners. It is scheduled for presentation to the Strategic Board in December 2023. The SLA with the SRS is complete for 24/25 and has been agreed by the Strategic Board. The Annual Performance Report against the SLA was presented to Corporate Overview and Cabinet in September and October 2023 respectively.
2120 Risk Management The Internal Audit activity must evaluate the effectiveness and contribute to the improvement of risk management processes.	The Internal Audit activity has evaluated the effectiveness of the organisation's risk management processes; however, a specific review of Risk Management has not been undertaken since 2014. At that point in time, a 'limited' assurance rating was assigned to the system and processes in place. A follow-up review was conducted in 2015, however, a more recent review has not been conducted. It would be prudent for the Internal Audit activity to evaluate the effectiveness of risk management processes on a more frequent basis.	The Risk and Insurance functions are subject to the annual risk assessment performed to generate the Internal Audit Plan. The frequency of audit will be dependent on the risks the systems pose and how they rank compared to the rest of the audit population. This will be presented to the Governance and Audit Committee as part of the Annual Audit Plan.	Audit and Risk Manager	June 2023	In progress An audit of the Risk Management arrangements for the Authority is scheduled for quarter 4.

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Agenda Item 11

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: **17th January 2024**
Report Subject: **SRS IT Audit Plan**
Portfolio Holder: **Cllr Steve Thomas – Leader / Cabinet Member for Corporate 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)
	21/12/2023	06.01.24	17/01/2024					

1. Purpose of the Report

The purpose of this report is to present to the Governance & Audit Committee the Summary of Audit Activity 2023/24 for the Shared Resource Service (SRS), along with progress to date.

2. Scope and Background

- 2.1 Blaenau Gwent CBC are a partner in the Shared Resource Service (SRS) for the provision of IT services. The partnership arrangement is laid out in a Memorandum of Understanding (MOU), which sets out the terms of the partnership, and is signed by each of the partner organisations.
- 2.2 The MOU is currently being revised with further discussion by the Strategic Board scheduled for the 19th December 2023. Once agreement is reached, the MOU will be signed by all parties.
- 2.3 The services provided by the SRS specifically to Blaenau Gwent CBC are covered by a Service Level Agreement (SLA). The SLA has been signed off by the Strategic Board which is attended by the Chief Executive Officer on behalf of the Authority. Management and monitoring of the SLA sits with the Chief Officer Commercial and Customer.
- 2.4 Torfaen CBC are the lead Authority for the SRS arrangement for the purpose of financial administration. The Internal Audit Service at Torfaen fulfil the audit role, producing an audit plan and undertaking audits of the systems in operation. The Audit and Risk Manager for Blaenau Gwent places reliance on this work when drafting her annual audit opinion.
- 2.5 The SRS Finance and Governance Board receive the IT audit plan, the progress made against the plan and the findings of each of the audits undertaken on a periodic basis throughout the year. Blaenau Gwent is represented on the Finance and Governance board by the Chief Officer Resources.

3. **Options for Recommendation**

- 3.1 The Governance & Audit Committee note the Shared Resource Service Summary of Audit Activity 23/24 provided by Torfaen CBC, containing the SRS IT plan and progress made against it (Appendix A).

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 progress made against the SRS IT Audit Plan supports the Chief Officer – Resources in satisfying her statutory duties under Section 151 of the Local Government Act (1972).

5. **Implications Against Each Option**

5.1 Impact on Budget (short- and long-term impact)

Provision of IT audit services by Torfaen CBC in respect of the SRS is included in the fees payable for the SRS partnership arrangements.

5.2 Risk including Mitigating Actions

Failure to address any non-compliance issues identified in the IT audits is a missed opportunity to improve the service.

5.3 Legal

The legal arrangements between the SRS and Blaenau Gwent CBC are covered in the MOU and SLA.

5.4 Human Resources

There are no direct Human Resource implications arising from this report.

6. **Supporting Evidence**

6.1 Performance Information and Data

The Summary of Audit Activity for 23/24 for the SRS is provided to the Finance and Governance board by Torfaen CBC. The summary is attached at Appendix A.

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)

Blaenau Gwent CBC are represented on the Strategic Board, Finance and Governance Board and the Business & Collaboration Board by the Chief Executive Officer, the Chief Officer Resources and the Chief Officer Commercial and Customer respectively.

- 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 internal control environment with the aim of minimising the risk of loss from error, fraud, or irregularities.
- 6.6 Collaboration / partnership working
The SRS IT service is a partnership arrangement between Newport CC, Torfaen CBC, Blaenau Gwent CBC, Monmouthshire CBC and Gwent Police.
- 6.7 Integration (across service areas)
No impact for this report.
- 6.8 Decarbonisation and Reducing Carbon Emissions.
No impact for this report.
- 6.9 Integrated Impact Assessment
No impact assessment is required for this report.

7. **Monitoring Arrangements**

- 7.1 The Torfaen CBC Summary of Audit Activity for the SRS will be reported to the Governance and Audit Committee periodically to evidence the progress made.

Background Documents /Electronic Links

- Appendix A – Shared Resource Service Summary of Audit Activity
23/24

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Audit Plan 2023 - 24

Internal audit plan progress overview:

STAGE	NUMBER	%AGE
NOT ISSUED (NID)	3	25.00
ISSUED (ISS)	2	16.66
FIELDWORK (FLD)	1	8.34
REPORTING (REP)	0	0.00
COMPLETED (COM)	6	50.00

CODE	NARRATIVE
P	Planned
I	Issued
C	Completed

Ref	Stage	Type	Title	Quarter		
				P	I	C
SRS – 23001	NID	SYS	Active Directory	4		
SRS – 23002	COM	FUP	Application Integration Service	2	1	1
SRS – 23003	COM	SYS	CCTV Control Centre	1	1	1
SRS – 23004	COM	FUP	Change Management	2	2	2
SRS – 23005	COM	FUP	EdTech	1	1	1
SRS – 23006	NID	FUP	Firewall	4		
SRS – 23007	NID	FUP	Identity and Access Management	4		
SRS – 23008	FLD	SPL	IT Governance	3	2	
SRS – 23009	COM	FUP	O365	1	1	1
SRS – 23010	ISS	SPL	HALO	4	3	
SRS – 23011	ISS	SYS	SolarWinds	3	3	
SRS – 23012	COM	SYS	Telephony	1	1	3

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