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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

16th February 2024

Dear Sir/Madam

GOVERNANCE & AUDIT COMMITTEE

A meeting of the Governance & Audit Committee will be held via Hybrid Meeting to be held virtually via MS Teams or in The Sir Williams Firth Room, General Offices, Steelworks Road, Ebbw Vale on Wednesday, 21st February, 2024 at 2.00 pm.

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 17th January, 2024.

(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 17th January, 2024.

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

To receive.

7. **CORPORATE RISK REGISTER QUARTER 3 2023 / 2024** 21 - 62

To consider the report of the Chief Officer Resources.

8. **INTERNAL AUDIT PROGRESS 2023/24** 63 - 74

To consider the report of the Professional Lead - Internal Audit.

9. **FOOD STANDARDS AGENCY AUDIT OF LOCAL AUTHORITY SERVICE DELIVERY PLANNING PROCESSES AND ARRANGEMENTS** 75 - 100

To consider the report of the Service Manager Public Protection.

10. **RESPONSE TO AUDIT WALES ENQUIRY TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT** 101 - 138

To consider the report of the Audit and Risk Manager.

11. **BLAENAU GWENT COUNTY BOROUGH COUNCIL –** 139 - 162
DETAILED AUDIT PLAN 2023

To consider report from Audit Wales.

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
17TH JANUARY, 2024**

REPORT OF: **DEMOCRATIC & COMMITTEE SUPPORT OFFICER**

PRESENT: MS JOANNE ABSALOM (CHAIR)

Councillors S. Behr (Vice-Chair)

C. Smith

J. Wilkins

Mr M. Veale

Ms C. Hucker

WITH: Interim Chief Executive
Chief Officer Resources
Chief Officer Commercial & Customer
Head of Democratic Services, Governance & Partnerships
Audit & Risk Manager
Professional Lead – Internal Audit
Service Manager - Customer Experience and Transformation
Data Protection & Governance Officer
Corporate Communications - Marketing & Customer
Access Manager

AND: **Audit Wales Representatives**

Mike Jones

Deborah Woods

ALSO: **SRS Representatives**

Chief Operating Officer

Deputy Chief Operating Officer

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 & WELCOME</u></p> <p>Apologies for absence were received from Councillors D. Bevan, W. Hodgins and K. Chaplin.</p> <p>The Chair welcomed Cheryl Hucker, Lay Member to her first meeting of the Governance & Audit Committee.</p>	
No. 3	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>There were no declarations of interest and dispensations reported.</p>	
No. 4	<p><u>GOVERNANCE & AUDIT COMMITTEE</u></p> <p>The decisions of the Governance & Audit Committee held on 1st December, 2023 were submitted.</p> <p>It was unanimously</p> <p>RESOLVED that the decisions be accepted as a true record of proceedings.</p>	
No. 5	<p><u>ACTION SHEET – 1st DECEMBER, 2023</u></p> <p>The Action Sheet arising from the meeting held on 1st December, 2023 was submitted, whereupon;-</p> <p><u>Item 9 – Annual Report of the Audit and Risk Manager 2022/2023</u></p> <p>A Member requested an update in relation to the ongoing investigations. The Audit & Risk Manager responded that she would seek clarification from the Legal Section regarding constraints and report back appropriately to the Committee in</p>	

	<p>due course.</p> <p>It was unanimously</p> <p>RESOLVED that the Action sheet be noted.</p>	
No. 6	<p><u>FORWARD WORK PROGRAMME 2023-24</u></p> <p>Consideration was given to report of the Scrutiny and Democratic Officer.</p> <p>It was proposed that the Statement of Accounts 2022/23, Audit of Financial Statements and the Final Annual Governance Statement 2022/23 be presented to a future meeting of the Committee (March if possible) and the items for February's Committee be reviewed.</p> <p>It was unanimously,</p> <p>RESOLVED, subject to the foregoing, that the report be accepted and the Forward Work Programme for the Governance and Audit Committee be accepted.</p>	
No. 7	<p><u>AUDIT WALES – BLAENAU GWENT COUNTY BOROUGH COUNCIL ANNUAL AUDIT SUMMARY 2022</u></p> <p>Consideration was given to report of the Head of Democratic Services, Governance & Partnerships.</p> <p>It was unanimously</p> <p>RESOLVED that the report be accepted and the Annual Audit Summary published in November 2023 be noted.</p>	
No. 8	<p><u>AUDIT WALES: CORPORATE JOINT COMMITTEES – COMMENTARY ON THEIR PROGRESS</u></p> <p>Consideration was given to the report of the Interim Chief Executive.</p> <p>RESOLVED that the report be accepted and the content of the Audit Wales Report, 'Corporate Joint Committees –</p>	

	<p>commentary on their progress' be noted and the Governance & Audit Committee receive any future reports from Audit Wales on the progress of the CJs.</p>	
No. 9	<p><u>ANNUAL GOVERNANCE STATEMENT</u></p> <p>Consideration was given to the report of the Head of Democratic Services, Governance and Partnerships.</p> <p>The Head of Democratic Services, Governance and Partnerships reported a typing error on page 81 and confirmed this would be corrected and responded to points raised by Members for clarification and amendment in the final Governance Statement.</p> <p>It was unanimously;</p> <p>RESOLVED, subject to the foregoing, that the report be accepted and Option 2 be endorsed, namely that the Committee considered and challenged the content, and deemed it to be consistent with their knowledge and understanding of the wider issues affecting the Council, subject to the proposed amendments.</p>	
No. 10	<p><u>EXTERNAL QUALITY ASSESSMENT ACTION PLAN</u></p> <p>Consideration was given to the report of the Audit and Risk Manager.</p> <p>It was unanimously;</p> <p>RESOLVED that the report be accepted and the Governance & Audit Committee considered the action plan developed in response to the findings from the EQA, attached at Appendix A & B, and noted the progress made.</p>	
No. 11	<p><u>SRS IT AUDIT PLAN</u></p> <p>Consideration was given to the report of the Chief Officer Resources.</p> <p>It was unanimously;</p>	

RESOLVED that the report be accepted and 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) be noted.	
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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	Update to be provided at the appropriate time. Action: ongoing

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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: **21st February 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)
		13.02.24	21.02.24					

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		
Corporate Risk Register (Qtr 3)	To update Members on the Corporate Risk Register	Louise Rosser
Audit Plan Progress report (Qtr 3)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser
Food Standards Agency Audit of Local Authority Service delivery planning processes and arrangements	To inform Members of the outcome of the recent audit.	Dave Thompson
Response to Audit Wales Enquiry to those charged with Governance and Management	To inform Members of the three responses to the Audit Wales enquiries.	Louise Rosser
BGCBC – Detailed Audit Plan 2023	To present the Audit Wales report.	Rhian Hayden

Meeting Date: 20th March 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
Audit of Financial Statements	To consider the report from the Council's External Auditors Wales Audit Office.	Rhian Hayden
Final Annual Governance Statement 2022/23	To present the Final Annual Governance Statement (AGS).	Gemma Wasley
Fraud Strategy	To present the strategy.	Louise Rosser

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

Audit Wales – National Study on Brownfields Site	To present the Audit Wales report.	Steve Smith
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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 2024 Audit Plan for BGCBC	To present the Audit Wales 2024 Audit Plan.	Rhian Hayden
Audit Wales - Use of performance information: Service User perspective and Outcomes	To present the report.	Gemma Wasley

Member Briefing Session

Review of progress against External and Internal Audit Recommendation	To provide an update to Members.	Various
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Agenda Item 7

Cabinet and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance and Audit Committee**
Date of meeting: **21st February 2023**
Report Subject: **Corporate Risk Register Quarter 3 2023 / 2024**
Portfolio Holder: **Cllr S Thomas – Leader of the Council and Cabinet Member Corporate Overview and Performance**
Report Submitted by: **Rhian Hayden – Chief Officer Resources**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	08.02.24	12.02.24	21.02.24					

1. Purpose of the Report

- 1.1 To invite the Governance and Audit Committee to undertake their assurance role by noting the progress made in the management and monitoring of the Council's most significant risks at the end of Quarter 3 (October to December 2023).

2. Scope and Background

- 2.1 Risk management is the systematic process of understanding, evaluating and addressing risks to maximise the chances of objectives being achieved and ensuring organisations, individuals and communities are sustainable. It is a key component of the Council's overall governance arrangements.
- 2.2 Essentially, effective risk management requires an informed understanding of relevant risks, an assessment of their relative priority and a rigorous approach to monitoring and controlling them.
- 2.3 The Council's Risk Management Strategy and Risk Management Handbook details the Council's approach to risk management and its appetite for managing risk.
- 2.4 The Corporate Risk Register (CRR) allows the Council to focus on managing and mitigating the most significant corporate risks that could impact on the council and / or community.
- 2.5 The Corporate Risk Register is updated by risk updaters and risk owners and reviewed by Corporate Leadership Team on a quarterly basis. The last review at CLT took place on 8th February and considered the progress as at the end of Quarter 3 (October to December 2023). The last review by Governance and Audit Committee took place on 1st December 2023.
- 2.6 The Governance and Audit Committee's Terms of Reference sets out their responsibility:

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

2.7 The CRR is now presented at Appendix A. This will provide members of the committee with an overview of the current strategic risks facing the Council and is intended to provide assurance that the Council is adequately managing its significant risks. Appendix B contains corporate risk register definitions and guidance for information.

2.8 At the end of Quarter 3, there were 10 risks on the Corporate Risk Register. This is a reduction from Quarter 2 due to the removal of CRR30a and CRR30b which relate to the cost of living crisis. Corporate Leadership Team's assessment is that this is an issue which the Council is responding to rather than a risk.

2.9 The Council continues to respond to the cost-of-living crisis. An action plan for winter 2023 / 2024 is in place and the high-level actions within the plan centre on support for residents (Housing / Food / general support and Communication / Engagement with the public / staff). The action plan is updated and monitored by the Cost-of-Living Operational Group who meet on monthly basis.

2.10 Any impacts noted in the risk entry which might result in a specific significant risk e.g. increased homelessness, will be monitored via the appropriate Directorate Risk Register and escalated to the Corporate Risk Register in line with the Council's risk management framework.

A summary of the Corporate Risk Register as at Quarter 3 is presented below.

Risk reference and description	Residual Risk Score at the end of Q2	Residual Risk Score at the end of Q3
CRR1: Failure to deliver and sustain the changes required to ensure that vital services are prioritised within the financial constraints faced by the Council.	Critical	Critical
CRR2: 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.	High	High
Risk reference and description	Residual Risk Score	Residual Risk Score

	at the end of Q2	at the end of Q3
CRR4: Safeguarding - Failure to ensure adequate safeguarding arrangements are in place for vulnerable people in Blaenau Gwent.	High	High
CRR5: 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.	High	High
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.	Critical	Critical
CRR19: 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.	High	High
CRR21: 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.	Critical	Critical
CRR22: 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.	Critical	High
CRR25: The school in an Estyn category and currently in receipt of Council Intervention fails to make appropriate progress against the Statutory Warning Notice to Improve and Post Inspection Action Plan.	High	High
CRR28: Failure to maintain appropriately skilled, adequate staffing resources will lead to an unacceptable impact on the ability of the Council to deliver services effectively.	High	High
CRR30 a: Impact of cost of living (inflationary) increase driven by a number of crosscutting forces on our communities and staff have	Critical	Will no longer appear on

created significant challenges for those already in need.		the CRR from Q3
CRR30 b: Impact of cost of living (inflationary) increases on businesses in Blaenau Gwent.	Critical	Will no longer appear on the CRR from Q3

3. **Recommendation**

- 3.1 The Governance and Audit Committee is asked to consider the contents of this report to provide assurance that procedures are in place to monitor the management of significant risks.

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

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

5. **Implications Against Each Option**

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

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

5.2 ***Risk including Mitigating Actions***

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

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

5.3 ***Legal***

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

5.4 ***Human Resources***

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

- 5.5 **Health and Safety**
There are no direct health and safety implications arising from this report.
6. **Supporting Evidence**
- 6.1 ***Performance Information and Data***
Actions identified to manage risks should be included in the relevant business plans and this will be expedited by the Professional Lead for Risk and Insurance and the Corporate Performance Officer.
- 6.2 ***Expected outcome for the public***
- 6.2.1 Failure to identify the Council's significant risks could result in a myriad of potential consequences including failure to maximise the chances of objectives being achieved and financial loss which will inevitably affect how the Council provides services to the communities of Blaenau Gwent
- 6.3 ***Involvement (consultation, engagement, participation)***
- 6.3.1 Not applicable for this report
- 6.4 ***Thinking for the Long term (forward planning)***
- 6.4.1 Identification & mitigation of risks ensures the Council can deliver its corporate priorities
- 6.5 ***Preventative focus***
- 6.5.1 Identification & mitigation of risks ensures the Council can deliver its corporate priorities.
- 6.6 ***Collaboration / partnership working***
- 6.6.1 Not applicable for this report
- 6.7 ***Integration (across service areas)***
- 6.7.1 Not applicable for this report
- 6.8 ***Decarbonisation and Reducing Carbon Emissions***
- 6.8.1 Not applicable for this report
- 6.9 ***Integrated Impact Assessment***
- 6.9.1 Not applicable for this report
7. **Monitoring Arrangements**
- 7.1 The Corporate Risk Register is reviewed and updated by CLT on a quarterly basis but more frequently if required and is part of the Joint Report which is reported to Scrutiny.
- 7.2 The Corporate Risk Register will be presented to Governance and Audit Committee on a quarterly basis.

Background Documents /Electronic Links

- *Appendix A*
- *Appendix B*

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Risk Reference CRR1

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

Risk Owner: Corporate Leadership Team / Interim Chief Executive

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

Portfolio holder: Councillor Steve Thomas

Direction of travel

Increasing risk



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



Quarter 3 Progress October – December 2023


The Medium-Term Financial Strategy has been developed and shared with all Members through briefing sessions, but it is highlighting a budget gap in excess of £34m between 2024/25 to 2028/29 which is being driven by higher than forecast pay awards, the continuing high levels of inflation and demand for services as a result of the cost-of-living crisis.

Welsh Government’s draft budget announcement prior to Christmas has confirmed the difficult financial position the Council finds itself in and the enormity of the task to make the necessary cuts over the coming months and years ahead, therefore the overall risk score remains critical. The further controls of All Members briefing sessions on budget spend and pressures; Corporate Business Planning workshops and the creation of a larger cohort of managers in Wider Corporate Leadership Team have now been embedded into practice. We are going to undertake a fundamental review of our Performance Management framework will be undertaken to ensure we are collecting the right information which shows both the areas of strength and areas to improve on over the next 3-6 months.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Strengthened performance management to ensure accountability at senior manager level for the delivery of change and efficiency.	CLT	To Be Completed by June 2024	<p>Several proposals have been introduced during quarter 2 to increase senior management accountability and to provide wider support and assistance to build and develop consistent business cases. Workshops have been ongoing between Wider CLT and performance colleagues to ensure greater accountability and strengthen performance management.</p> <p>A fundamental review of our Performance Management framework will be undertaken to ensure we are collecting the right information which shows both the areas of strength and areas to improve on over the next 3-6 months.</p>	On track
Looking at collaboration opportunities with neighbouring authorities.	CLT	Different timescales and priorities need addressed - 6-9 months	Directors and Heads of Service continue to discuss opportunities with neighbouring authorities of working together to deliver shared services.	Ongoing but encountering some issues (that can be addressed)
Programme of Business Reviews (Bridging the Gap) supports Budget setting and in previous years (2019 - 2023) enabled the Council to invest in services where there were pressures thereby sustaining service delivery.	CLT	Proposals due April 2024 onwards	<p>Draft business cases proposing cuts to services, cost savings, budget reductions and income generation have been developed, the financial impact of these range from £6m to £10m. If all proposals are agreed, at the lower end of estimated achievement this will result in the Council having to utilise reserves, for the second consecutive year, to balance the budget for 2024/25. Continued depletion of the Council’s reserve will impact on its long-term financial resilience.</p> <p>Initial consideration of the proposals have been undertaken by Members during Q3 and public consultation will take place during January / February 2024. The Council will make its final 2024/25 budget decisions on 27 February 2024, however no significant proposals have as yet been identified for 2025/26 onwards.</p>	ongoing with issues that need further intervention

Direction of Travel from previous quarter	Forecasted direction of travel	
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		<p>Our ability to be able to deliver statutory services within the current financial envelope has been difficult given the continuation of high inflation and energy costs. Coupled by Welsh Government confirmation around the future funding is creating a downward trend and increasing our risks as we move through the year and into the next financial year. Based on the draft budget announcement from Welsh Government it is recommended that the score remains at critical.</p> <p>Work continues on targets to reduce overall risk / the forecasted direction of travel is a worsening position. Although we are maintaining our delivery of services and continue to be on track overall, we are seeing the impacts of future funding settlements put greater pressure on the authority to find greater cuts in delivering its statutory functions.</p>

<p>Risk Reference CRR 2</p> <p>Risk Description: Failure to ensure that the Councils ICT arrangements provide assurance in terms of operational functionality and data security and enable the required digital transformational change.</p> <p>Risk Owner: Corporate Leadership Team / Chief Officer Customer and Commercial Risk Updater: Digital Board / Information Security Officer (SRS)</p> <p>Portfolio holder: Councillor Steve Thomas</p>	<p>Direction of Travel</p> <p>No change </p>
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Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status		L x I =	Score	
<ul style="list-style-type: none"> • Failure of IT software provider • Lack of investment in IT systems / obsolete equipment • Failure of the SRS to provide service • Lack of specialist support • Cyber security breach • Expansion of the SRS as more partners could affect resilience • Failure to maximise technology and digital innovation through a user centred service design • Global Supply chain shortages • Recruitment & retention difficulties for IT specialists • Replacement of the WCCIS system by January 2026. 	<ul style="list-style-type: none"> • Potential security breach • Service provision affected • Does not meet the needs of evolving council services • Loss of critical / sensitive data • Inability to meet deadlines in business as usual and projects aimed at producing savings through technology use. 	3	4	Critical	<ul style="list-style-type: none"> • Market leading national software providers. • Maintenance contracts & agreements in place covering IT infrastructure. • Investment undertaken to improve the Council's resilience e.g. core system upgrade. ICT budget- security of the infrastructure and security is prioritised, when any ICT spending is required • Shared information security team in place (providing advice and threat assessments to partners (collaboration with Torfaen, Monmouthshire, and Gwent Police) Working with the SRS Information Security team partners are provided with assurance on IT security and cyber resilience. • Servers are now located at the Vantage Data Centre providing an increased level of resilience. • Corporate Digital Programme Developed • SLA with SRS in place approved at Strategic Board annually. • Monthly meetings between SRS and officers to review the programme progress. • Service Design and Digital Leadership board • Monitoring of SRS budget • SRS report for Scrutiny developed • SRS Risk Register • Investment framework • Digital Champion network and Community of practice • Development of Office 365 • SOC / SIEM • Digital Maturity Assessment has been undertaken and supported the development of the Digital Strategy 	2	4	High	<ul style="list-style-type: none"> • SLA for 2024/ 25 is due to presented to Strategic Group in April 2024 for sign off to be agreed amongst all SRS partners • Corporate Digital Programme of work has been developed which is supported by SRS and links to the Digital Strategy for the Local Authority. . • Maximising use of key corporate systems that have been invested in to include reduction of other systems which duplicate functions. • Adoption of Digital Strategy across the Local Authority • Further controls in respect of WCCIS replacement <ul style="list-style-type: none"> - Attendance and involvement at all national meetings regarding WCCIS and replacement system. - Regular engagement with the regional team - Advocating as a region with Gwent Local Authorities on a position statement and options appraisal - WLGA working on behalf of Local Authorities - Once agreed, work alongside WG, DHCW and the National team on a new best of breed model. 	1	4	Medium


Quarter 3 Progress Update (October - December 2023)

In November 2023, the Vantage data centre was audited by the Chief Information Security Officer (CISO) to ensure their Disaster Recovery and Business Continuity arrangements were fit for purpose. In November 2023 the CISO also tested the backups of VEEAM and DRUVA and found them to be satisfactorily working. The Vodafone SOC/SIEM alerts continue to be monitored by BGs dedicated security team and the SRS security team. A Disaster Recovery test of Vantage is being planned for March 2024. The SRS Risk Register continues to be reviewed by SRS Senior Leadership Team and Chief Information Security Officers monthly. The BGCBC Information security risk register continues to be reviewed monthly by the Senior Information Risk Owner, SRS and CISO. The Blaenau Gwent dedicated security team continue to run monthly scans across the BG network to highlight/identify any threats prior to them being exposed. All systems are reviewed on an ongoing basis to understand supporting requirements and create a plan to mitigate any upcoming obsolete systems/out of support systems – this is also reviewed in ISLB (attended by SRS, BGCBC, Torfaen CBCB, Monmouthshire CC, and Gwent Police).

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
SLA for 2024/ 25 is due to presented to Strategic Group in April 2024 for sign off to be agreed amongst all SRS partners	Digital Team	Q1 onwards	This is on track and due to be completed in April 2024 link into Strategic Group – SRS 5-year plan recently presented to Strategic Group attendees	On track
Corporate Digital Programme of work has been developed which is supported by SRS and links to the Digital Strategy for the Local Authority.	Digital Team	Q4 update	Programme of work to include maximisation of use of MCS – CRM system across the LA and full use of Microsoft platform to support 3 rd party spend review. This will also support any BTG projects put forward with digital aspirations. Programme update to CLT planned for quarter 4	On Track
Maximising use of key corporate systems that have been invested in to include reduction of other systems which duplicate functions.	L Roberts	Deadlines assigned to each project.	<p>This is an ongoing process. BTG Telephony project is on track for implementation in Q4 a , report will be submitted to CLT for consideration of moving to Teams Telephony. This will support reduction in lines across the LA and potential savings being identified in future years. Review of telephony is required to support resilience across the Local Authority.</p> <p>Maximising key corporate systems supports services to potentially turn other systems off, i.e. full use of Microsoft platforms – with roadmap pushed out across the LA (example of database use – supporting the removal of INCHECK CEPR – need full support from all Service Managers to support this – feeds back into Programme of work producing potential savings – captured within financial modelling ongoing updates provided to CLT within Corporate Digital programme (next update to CLT Feb 2024) and also contained within relevant project updates (i.e. telephony / EDRM)</p>	On track
Further controls in respect of WCCIS replacement <ul style="list-style-type: none"> - Attendance and involvement at all national meetings regarding WCCIS and replacement system. 	G Wasley / N Harper	This is a national issue, and we are working towards the	There is concern owing to the timing of the work, the current CareDirector system is out of support in January 2026, and we will need to be on a new system by the closing months of 2025. There is also a risk of transferring all of the current data onto a new system.	Ongoing but encountering some issues (that can be addressed)

<ul style="list-style-type: none"> - Regular engagement with the regional team - Advocating as a region with Gwent Local Authorities on a position statement and options appraisal - WLGA working on behalf of Local Authorities - Once agreed, work alongside WG, DHCW and the National team on a new best of breed model. 		January 2026 deadline.	Full costs of implementation and annual running costs of the replacement system are not known, however indicative costs suggest that they will be significantly higher than current annual costs. Welsh Government funding is not yet guaranteed, nor is its potential value and subsequent allocation process known. Clarity on the funding will likely not be known until Q1 2024/25. Letter to be sent written by Blaenau Gwent Council on behalf of all Gwent Local Authorities to Digital Health and Care Wales in January 2024 setting out concerns and requesting clarity on proposals.	
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Direction of Travel from previous quarter	Forecasted direction of travel	
		There is no change to the direction of travel in this quarter. The potential impact of the replacement of the WCCIS system could affect the forecasted direction of travel.



Risk Reference CRR4 Risk Description: Safeguarding - Failure to ensure adequate safeguarding arrangements are in place for vulnerable people in Blaenau Gwent Risk Owner - Corporate Leadership Team / Interim Director of Social Services Portfolio holder: Councillor Hayden Trollope Risk Updater: Interim Director of Social Services / Director of Education / Strategic Safeguarding Leads Group							Direction of Travel No change 					
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status		L x I =	Score	
<ul style="list-style-type: none"> • If there is inadequate assessments and monitoring • If there is a lack of documentation • If there are increasing referrals for services • If there is a lack of appropriate guidance and training • If there is poor communication between all parties (internal / external) • If there is a high turnover of staff and difficulties in recruiting and retaining staff. *If there are increased levels of sickness in key areas. • Failure to recognise that all staff have a duty to report abuse, harm or neglect. • Lack of appropriate guidance and training on safeguarding • Failure to progress the corporate safeguarding action plan via the corporate safeguarding leads group 	<ul style="list-style-type: none"> • Potential significant harm / loss of life • Long term reputational damage and confidence in the Council undermined • Increase in complaints / Potential litigation / prosecution • External intervention • Increased pressure on budgets • Low staff morale 	3	4	Critical	<ul style="list-style-type: none"> • Joint Social Services and Education Scrutiny established (PEOPLE scrutiny committee) • Education Designated Lead and Deputy Officer nominated • Education Safeguarding Officer established and in post • Gwent Adult Safeguarding Board • SE Wales Safeguarding Children’s Board • Safeguarding is a standing item on CMT agenda • Lead Executive Member has been identified for having responsibility for safeguarding • Senior leadership have received Level 1 safeguarding training. • Annual safeguarding training is in place which all schools are up to date with. Training is updated on an annual basis to ensure it reflects any emerging safeguarding concerns. • Corporate safeguarding leads established • Safeguarding in Education matrix regularly updated • MyConcern safeguarding software is being used by schools. An annual health check of how the software is being used is in place and the findings of the audit are used to provide bespoke training for each school. A MyConcern working group meets termly to look at how the software can be used more effectively to record safeguarding concerns. An annual audit of school’s usage of MyConcern has identified that more schools are using MyConcern appropriately to record safeguarding incidents, but there is inconsistency across schools. • A corporate safeguarding leads group has been established to drive forward the safeguarding agenda and action the recommendations made by the BG Wales Audit Office report 	2	4	High	<ul style="list-style-type: none"> • All directorate risk registers to include safeguarding and include actions required to ensure safeguarding arrangements are in place • Safeguarding Reports into PEOPLE Scrutiny contain corporate safeguarding information from all directorates. Plus and update from the corporate safeguarding leads group • Safeguarding training data to be reviewed by each Directorate to ensure all staff are undertaking this • Regularly review the councils volunteering register to ensure DBS checks are up to date • Ensure the audit Wales BG safeguarding report recommendations continue to be reviewed and met • Each Directorate to undertake a safeguarding self-assessment 	1	4	Medium


Quarter 3 Progress Update (October - December 2023)

Update from Corporate Safeguarding Leads Group

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
All directorate risk registers to include safeguarding and include actions required to ensure safeguarding arrangements are in place.	CLT		All Directorate Risk Registers now include a risk on Safeguarding	Complete
Safeguarding Reports into PEOPLE Scrutiny contain corporate safeguarding information from all directorates.	Corporate Safeguarding Leads Group	Review of content of Corporate Safeguarding report to be undertaken in Quarter 4.	<p>The Corporate Safeguarding Performance Report which contains corporate safeguarding activity as well as specific information in relation to Social Services and Education is due to be presented at January's People's Scrutiny meeting.</p> <p>A review of Corporate Safeguarding is due to be undertaken within Quarter 4 which will seek to review the data and narrative content of the report provided to People's Scrutiny.</p>	On track
Safeguarding training data to be reviewed by each Directorate to ensure all staff are undertaking this	Corporate Safeguarding Leads Group	Recommendations for improvements in collation of accurate safeguarding training data to be developed by the end of Quarter 4.	<p>The Corporate Safeguarding Leads Group are looking at the collation and accuracy of training data and reviewing the control measures to ensure its accuracy due to ongoing reporting concerns. Raising awareness for managers via DLT's to ensure staff are completing training in line with the Corporate Safeguarding Training Framework – e.g., Tier 1, Tier 2 and Tier 3.</p> <p>The planned review of corporate safeguarding within Quarter 4 will seek to consider more effective measures to track training compliance and instigate actions for non-compliance.</p> <p>The review of Corporate Safeguarding will also seek to update the Corporate Safeguarding Training Framework to align with National Safeguarding Training Standards and Framework which were launched in November 2023.</p> <p>It is noted that the absence of an electronic Learning Management System is a particular barrier to having an accessible and effective system to monitor training compliance across the council.</p>	Ongoing but encountering some issues (that can be addressed)
Regularly review the councils volunteering register to ensure DBS checks are up to date	Corporate Safeguarding Leads Group	Awaiting outcome of internal audit related to safeguarding volunteers to consider any good	The volunteering register has been updated across the council and all DBS checks are up to date. The volunteer register will be disseminated to all directorates on a bi-annual basis to be updated and the register will be reviewed by the Corporate Safeguarding Leads Group.	On track

		practice and learning recommendations	<p>The Internal Audit Team are undertaking an audit related to Safeguarding Volunteers which seeks to determine the effectiveness of the internal control procedures for safeguarding arrangements of appointment of volunteers at schools, to ensure compliance with statutory requirements and departmental (internal) policies and procedures.</p> <p>The outcome of this audit will be considered by the Corporate Safeguarding Leads Group to consider any learning which may be relevant to the management of all volunteers across the council.</p>	
Ensure the audit Wales BG safeguarding report recommendations continue to be reviewed and met	Corporate Safeguarding Leads Group	The Corporate Safeguarding review scheduled to take place during Quarter 4 will be further considering the progress made against the Audit Wales recommendations	<p>The corporate safeguarding leads group continue to lead this work and reporting on progress will be contained in the bi-annual scrutiny report.</p> <p>The Corporate Safeguarding review scheduled to take place during Quarter 4 will be further considering the progress made against the Audit Wales recommendations and will consider additional actions to ensure recommendations are met fully. It is identified that a Corporate Safeguarding forward work plan will be beneficial to support in focusing the work of the CSLG and providing a clear overview of progress against agreed recommendations/actions not only from Audit Wales but the learning captured from safeguarding related internal audits and self assessments.</p>	On track
Each Directorate to undertake a safeguarding self-assessment	Corporate Safeguarding Leads Group	2023 self-assessments completed. To be repeated in 2024.	Safeguarding self-assessments were completed in line with the agreed return date of 30 th September 2023. The Children’s Safeguarding Team have analysed the returns and will be presenting the key themes and trends from the self-assessments at January’s Corporate Safeguarding Leads meeting. The learning from the self assessments will be central to the corporate safeguarding review and the development of a forward work plan for 24/25.	On track

Direction of Travel from previous quarter	Forecasted direction of travel	
		There is no change in the risk score from the last quarter



Risk Reference CRR 5 Risk Description: There is a risk that the Council’s Business Continuity processes are not robust enough to enable the provision of critical services in an emergency. Risk Owner: Corporate Leadership Team / Head of Democratic Services, Governance and Partnerships. Portfolio holder: Councillor Steve Thomas Risk Updater: Civil Contingencies Manager	Direction of Travel No change 
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Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status		L	x I =	Score
<ul style="list-style-type: none"> •Disruption due to pandemic influenza / human infectious disease. • Council resources are extremely stretched due to difficulties in recruitment / retention of staff. • High levels of sickness •Power cuts (local / regional / national) •Adverse Weather • Loss of / failure of ICT 	<ul style="list-style-type: none"> •Critical services not provided to an acceptable standard during disruptive incidents •Impact on the community and reputation of the Council •Loss of organisational resilience •Inability to continue or recover urgent (critical) services following an incident / loss / disruption affecting the delivery of services 	3	4	Critical	<ul style="list-style-type: none"> • Alternative working arrangements will continue to manage pressures where necessary • Service provision prioritised and Critical services sustained • Planned work/projects reprioritised where necessary • Action taken to ensure support in place to promote staff well-being including flexibility on taking annual leave and ensuring officers do take leave * Corporate Plan reviewed and agreed to ensure focus on priorities taking into account the learning from the pandemic • New Working Arrangements implemented including Community Hubs (June 2021), Democratic Hub (September 2021) and Agile Working Policy (September 2021 onwards). • Move of servers from the Civic Centre to Vantage Data Centre to provide resilience. • Work underway with all services areas to review Business Impact Assessments. • Service business continuity plan template revised. • Work underway to review Service business continuity plans throughout the Council. 	2	4	High	<ul style="list-style-type: none"> • Review the Corporate Business Continuity plan once all critical services are identified through the business impact assessment process • Service area BC plans and arrangements to be assessed once completed by the services areas •Review of business impact assessments • Consider resilience of BGCBC buildings • Review the ICT disaster recover priorities in line with the business impact assessment priorities. 	1	4	Medium

Quarter 3 Progress Update (October – December 2023)

Update provided in the progress against further controls.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Review the Corporate Business Continuity plan (2023), along with the associated policy, business impact assessments(BIAs) and service plan template.	DG	September 2024	Policy and service plan template has been reviewed. Work is underway with service areas in reviewing their BIAs and service plans. The Corporate Plan will be reviewed once all BIAs have been completed by services areas.	On track – due to additional staffing capacity a substantial amount of work is underway.
Service area BC plans and arrangements to be reviewed.	DG	July 2024	Work is underway with services areas in reviewing their service business continuity plans and arrangements.	Amber – potential to change to green for the update next quarter as there is additional staffing capacity in Civil Contingencies until 30/6/24 to support with this work.
Review of business impact assessments	DG	April 2024	A review of all BIAs is underway with services areas. 14 have been updated so far. Additional staffing capacity has supported this work.	On track
Consider resilience of BGCBC buildings			Some consideration around resilience to power outage underway. There are no BGCBC buildings with generator back up power at present. Identified through a power outage exercise. With Corporate Landlord.	Amber Ongoing but encountering some issues (that can be addressed)
Review the ICT disaster recover priorities in line with the business impact assessment priorities.	DG	April 2024	<p>The review of priorities to recover ICT following a disruption to commence February 2024.</p> <p>In November 2023, the Vantage data centre was audited by the Chief Information Security Officer (CISO) to ensure their Disaster Recovery and Business Continuity arrangements were fit for purpose. In November 2023 the CISO also tested the backups of VEEAM and DRUVA and found them to be satisfactorily working. A Disaster Recovery test of Vantage is being planned for March 2024.</p>	On track



Direction of Travel from previous quarter	Forecasted direction of travel	
		This still remains as overall Amber in terms of status of further controls, however with additional staffing capacity there has been movement in some elements from 'further controls' into 'current controls'.

Risk Reference CRR 14 Risk Description: Failure to improve staff attendance rates within the Council will lead to an unacceptable impact on the ability of the Council to deliver services effectively and financially. Risk Owner: Corporate Leadership Team / Chief Officer Customer and Commercial Portfolio holder: Councillor Steve Thomas Risk Updater: Head of Organisational Development						Direction of Travel No change 						
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score L x I = Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status				
<ul style="list-style-type: none"> Downsizing the workforce to meet necessary savings Alternative service delivery models Financial planning inhibits strategic workforce planning Service specifications not amended in line with cuts to services adding pressure to the workforce. Uncertainty of future arrangements Lack of managerial action in applying the attendance management policy Ongoing impact of Covid and long covid on sickness absence 	<ul style="list-style-type: none"> Not having the capacity and capability to deliver services Failure to deliver priorities Direct Impact on service delivery Increased sickness / absence Risk of not meeting statutory or legislative requirements in relation to specific workforce requirement e.g. social care. Breakdown in employer relations and representation at tribunal cases. Increased demand on support services e.g. OD 	3	4	Critical	<ul style="list-style-type: none"> An Attendance Management Policy Occupational Health Service Employee Assistance Programme Strategic focus on wellbeing to include Wellbeing Wednesday Bulletin and Mental Health Training. Dying to Work Charter Training/briefing sessions for managers A policy and toolkit for managing stress An extensive range of flexible working arrangements Regular discussion and learning nationally and regionally Managers recognising good attendance and supporting wellbeing Sickness absence targets set by the Corporate Leadership Team Development of iTrent to provide sickness absence data to manager's in real time and access to a dashboard of sickness absence data. Performance data provided to the Corporate Leadership Team, Heads of Service and Elected Members on a quarterly basis. Sickness performance on Directorate Management Teams, team meetings and an objective for managers as part of annual performance coaching. Health, Safety and Welfare Corporate Group. Workforce engagement (regular 1 – 2 – 1's / performance coaching/ team meetings, weekly managing director newsletter, dedicated engagement and consultation framework with TU's) Bi annual staff surveys, engagement and communication Workforce Strategy 2021 – 2026 was agreed by Council July 2021 Agile Working policy agreed by Council March 2021 Workforce plans in place for each directorate Corporate, Service and Schools workforce profiles published for 2023/4 	3	4	Critical	<ul style="list-style-type: none"> Strategies to address the impact of sickness absence:- Quarterly directorate reviews of top 20 cases Monthly review of long-term sickness Review of the Attendance Management Policy Review of agile working commencing September 2022 CLT requested actions plans to be developed by Services to address sickness hotspots An internal audit of policy compliance of the 2022/23 'hotspots' . Report on sickness hotspots to progress to scrutiny (timeline to be determined) together with the outcome from the internal audit and identified action plans. 	2	4	High


Quarter 3 Progress October – December 2023

- Sickness levels remain high the outturn for Quarter 3 is 8.34 days per full time equivalent employee which is above the target set of 7.50 days. The trend over the year is an improving picture for the Council with the three quarters to December 2023 all having a reduction in sickness levels in comparison to the previous year. Quarter 3 has had a reduction of 3.56 days from 11.9 days the previous year.
- There is continued support for managers with sickness absence management
- Annual review and report presented to Corporate and Performance Scrutiny Committee 12.10.23 and Cabinet 29.11.23
- The working patterns automated in ITrent has had an impact in ensuring statistics are more accurate particularly in services where there are high numbers of part-time employees
- A detailed review of 'hotspots' for 22/23 has been completed and presented to CLT
- An Internal Audit of compliance of 'hotspots' for 22/23 is being undertaken by internal audit.
- Report on sickness hotspots to progress to scrutiny (on receipt of audit report) together with the outcome from the internal audit and identified action plans.

Updates Against Further Controls Action Title	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Strategies to address the impact of sickness absence: -				
Quarterly directorate reviews of top 20 cases / Monthly review of long-term sickness	Heads of Service / Managers in conjunction with OD	Ongoing	Regular reviews of the long-term cases are undertaken and ongoing Continued OD support is provided to managers on the management of sickness absence.	On track /Ongoing
Review of the Attendance Management Policy	OD Manager (HR)	February 24	Current policy fit for purpose, review to be finalised	On track
Review of agile working commencing September 2022	Head of OD	December 23	Review concluded - Member Briefing held 28 th July 2023 Report on the conclusion of the review / policy approval to go to Scrutiny March 24	On track
Hotspot analysis	Internal Audit	November 23	An internal audit of policy compliance of the 5 'hotspots' is being undertaken. CLT have requested further information to be included.	Ongoing but encountering some issues (that can be addressed)
Hotspot analysis	CLT OD Manager / Internal Audit	TBA - On receipt of Audit Report	- CLT requested actions plans to be developed by Services to address sickness hotspots - Report on sickness hotspots to progress to scrutiny together with the outcome from the internal audit and identified action plans.	Ongoing but encountering some Issues (that can be addressed)

Direction of Travel from previous quarter	Forecasted direction of travel	
		<p>It is recommended that the risk scores remain unchanged, and focus remains on reducing the impact of sickness absence in terms of costs to the Council and workforce capacity. This is suggested for the following reasons:</p> <p>Whilst sickness levels are reducing the Council had the highest level of sickness in Welsh Local Government in 2022/23 based on the available data</p> <ul style="list-style-type: none"> • The need for financial savings and efficiencies on capacity given the significant financial challenges facing Local Government over the next 3-5 years as well as the continuing cost of sickness absence • The first three quarters are showing a reduction of 3.56 days in comparison to the previous year however sickness remains high and above target for the year. If the Council continues with the same trend over the final quarter then it will be appropriate to revisit the scores at that time.

Risk Reference CRR 19
Risk Description: If the Council does not manage its information assets in accordance with requirements set down within legislation, then it may be faced with financial penalties and possible sanctions that hinder service delivery.
Risk Owner: Corporate Leadership Team / Chief Officer Resources Risk Updater: Information and Governance Officer
Portfolio holder: Councillor Steve Thomas

Direction of Travel
 No change 



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

Quarter 3 Progress October – December 2023


During the quarter the Council experienced a total of 8 data breaches (3 Social Services, 3 Regen & Environment, 2 Corporate Services) which is slightly less than the same quarter of the previous year when 11 breaches were recorded. No patterns have been identified with the breaches recorded which would warrant amending practices and it is recommended that the risk score remain that same.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Further training for Information Asset Owners and Operational Asset Leads	Steve Berry DPO/ Rhian Hayden SIRO	Q2 2024/2025	<p>New eLearning solution is hoped to provide the solution for training for IAOs and avoid significant costs of external training. In the meantime, a review is to be undertaken of Information Asset Owners in the authority to ensure the right people are trained when this becomes available.</p> <p>New eLearning solution is intended to be the solution to provide training to Information Asset Owners. The current eLearning solution does not have the course available to deliver this. The new eLearning solution is expected to be available for pilot purposes in Q1 2024 2025 so delivery of the training is likely to be Q2 2024 2025 at earliest.</p> <p>In the meantime work will continue to ensure the review of Information Asset Owners is up to date.</p>	ongoing but encountering some issues (that can be addressed)
GDPR training refresh programme	Steve Berry DPO/ Rhian Hayden SIRO	Q2 2024/2025	<p>Progress has been made on the new eLearning pilot and demos have been provided with some discussions taking place on the contracts, data sharing agreements etc on a national basis for the piloting authorities. It is anticipated that this will be available for use in 2024 as a pilot. It is hoped the new eLearning solution (Thingi) will make vast improvements and enable the team to track and monitor GDPR training, send reminders, inform line managers etc.</p> <p>In the meantime, training continues via the existing eLearning solution All Wales Academy eLearning continues to be used to ensure training is available and delivered but this lacks the monitoring, controls and flexibility that the new system promises to offer. The team continues to promote the training however to ensure our obligations are met for training staff. Reminders are being sent manually and training conducted as part of inductions. Where identified face to face or directed training is undertaken where teams identify a need.</p>	ongoing but encountering some issues (that can be addressed)

Development of web pages and intranet to reduce incoming queries and request	Steve Berry DPO/ Rhian Hayden SIRO	Q3 2024/2025	<p>A new "Schools GDPR Toolkit" intranet page has been developed for use by schools to provide templates, forms and guidance on how they should handle their Information Governance at the school.</p> <p>Now that this has been rolled out the intention is to widen this and improve the current corporate GDPR pages and resources. However, this is not a small piece of work in order to meet the needs of all the varied departments and staffing levels have not permitted the time. There are also considerations to be made on whether this is best suited to the current intranet or whether a Sharepoint solution would be a better fit.</p>	ongoing but encountering some issues (that can be addressed)
Security awareness and training programme	Information Security Officer / Rhian Hayden	Q3 2024 / 2025	<p>In October 2023, a Data protection and Cyber Awareness week was conducted. Two sessions were held as planned based on 'retention' and 'general Q&A'. During the course of this week the top UK data breaches were shared with BGCBC employees. A one-pager was also provided during this week on passwords, MFA, phishing and keeping your software up to date.</p> <p>In December 2023 a Cyber Tabletop Exercise was held with all business continuity managers to test our cyber resilience and effectiveness of the cyber incident response plan and BC plans.</p> <p>January 2024 – week commencing 29th Jan is National Data Protection Awareness week – during this week, we will be providing all BG staff with two pages detailing – what is DP? What is Cyber?</p>	On track
PCIDSS (Payment card industry data security standard) is being worked towards	Information Security Officer / Rhian Hayden	Q3 2024 / 2025	<p>PCIDSS (Payment card industry data security standard) accreditation is being worked towards and this is almost achieved.</p> <p>Training for all staff who take card payments is being arranged for Feb 2024.</p> <p>We continue to align to the 12-PCIDSS requirements, and have undertaken a gap analysis on the PCIDSS V4 controls which are scheduled to go live March 2025.</p>	On track

Direction of Travel from previous quarter	Forecasted direction of travel	
		No change in risk score. No significant changes to the risk occurred during this period with progress being made on many of the controls.

Risk Reference CRR 21
Risk Description: The Financial resilience of the Council could be at risk if the Council does not ensure that financial planning and management decisions support long term stability and sustainability.
Risk Owner: Corporate Leadership Team / Chief Officer Resources
Portfolio holder: Councillor Steve Thomas
Risk Updater: Chief Officer Resources

Direction of travel
 No Change 

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



Quarter 3 Progress October – December 2023

The Welsh Government (WG) announced its provisional local government settlement in December 2023 and was able to maintain the average 3.1% uplift to Aggregate External Funding announced during 2022. As a result of consequential funding from UK government in February 2024 WG announced an additional £25m to local government which increased the average uplift to 3.3%. Blaenau Gwent’s core increase for 2024/25 will be below the average at 2.8%, although this will see Blaenau Gwent’s funding from WG increase by £3.9m this is not keeping pace with the increasing costs of delivering services (inflation, energy, pay and increasing demand in some areas). The latest Medium Term Financial Strategy is estimating a £33m budget gap over the next 5 years with £8.5m needing to be identified to set a balanced budget. Unfortunately, unlike recent years WG have not provided any indication of likely settlement increases for future years, this makes the assessment of future budget gaps more difficult.

Draft business cases proposing cuts to services, cost savings, budget reductions and income generation have been developed, the financial impact of these range from £6m to £10m. If all proposals are agreed, at the lower end of estimated achievement this will result in the Council having to utilise reserves, for the second consecutive year, to balance the budget for 2024/25. Continued depletion of the Council’s reserve will impact on its long term financial resilience.

Initial consideration of the proposals have been undertaken by Members during Q3 and public consultation is taking place during January / February 2024. The Council will make its final 2024/25 budget decisions on 27 February 2024, however no significant proposals have as yet been identified for 2025/26 onwards. It is recommended that the score remains critical.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Delivery & further development of the Bridging the Gap Programme. This will include the development and consideration of new business cases relating to commercial opportunities, service changes and budget cuts / additional income generation to balance Council budget.	CLT	2024 Proposals – 02/24 Future years – ongoing	The review of the MTFS identified increased budget gaps of approximately £33m over the next 5 years, with £8.5m needed to balance the budget in 2024/25. During Q3 Members gave initial consideration to the draft business cases, the financial impact of these range from £6m to £10m for 2024/25. If agreed these will go some way to contributing to the budget gap for next year however limited progress has been made on identifying proposals for 2025/26 onwards. Public engagement on proposals with the public is taking place in January / February 2024.	ongoing with issues that need further intervention

Direction of Travel from previous quarter	Forecasted direction of travel	
		<p>There are increasing concerns surrounding the financial sustainability of Welsh local authorities. The Welsh Local Government estimate a budget gap of between £330m £480m in 2024/25 which will have serious impacts on local service delivery. The Welsh Government has described its budgetary position as ‘the most difficult financial situation since the dawn of devolution’.</p> <p>Whilst the Council has made some progress in identifying proposals to bridge the budget gap for 2024/25, limited progress has been made in identifying proposals that will have a positive financial impact in future years. This combined with the Council’s reliance on Welsh Government funding and the overall national picture it is recommended that the score remains at critical.</p>

Risk Reference CRR 22 Risk Description: Failure to deliver the Council's priorities within the agreed annual budget resulting in the increased use of emergency finance measures and the drawdown of reserves. Risk Owner: Corporate Leadership Team / Chief Officer Resources Portfolio holder: Councillor Steve Thomas Risk Updater: Chief Officer Resources							Direction of Travel Decreased risk 					
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score L X I= Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status				
<ul style="list-style-type: none"> • Council priorities are unclear and unrealistic • Cost of Living effect on increases and associate reduction in Council income from Council Tax / Rates • Increased third party spend due to increase in supply cost of labour / energy prices / • Increased demand and cost for services in • Significant challenge arising from increased demand and cost of services • Budgets not aligned with corporate priorities • Risk that savings identified as part of business as usual and efficiencies have not been robustly reviewed for achievability and will not deliver as planned • Priorities of political administration may have an impact on budget decisions • Customer participation not as expected. e.g. recycling / waste • Unexpected financial challenges or additional obligations arising. • Monitoring failure / lack of financial information / budgetary control information. • Failure of projects under the preventative agenda. 	<ul style="list-style-type: none"> • Requirement to implement emergency measures to reduce spending during the financial year thus adversely impacting on ability to meet corporate plan objectives • Increasing adverse effects on the community of Blaenau Gwent that rely on the services being delivered. • Requirement to draw from general reserves at the year end • Risk of failing to meet statutory obligations • Risk that financial constraints and budget proposals result in unintended consequences such as increased instances of non-compliance and financial impropriety • Unplanned cutbacks in staffing and potential for increased sickness absence in the workforce due to increasing workload • Impact on capital programme and 21st Century Schools Programme 	3	4	Critical	<ul style="list-style-type: none"> • Budgets firmly aligned with Council priorities • Service prioritisation and planning • The Medium Term Financial Strategy is regularly reviewed and updated to reflect known and emerging pressures and ensure alignment with the Corporate Plan. • Impact of new and existing burdens / budget pressures being continually assessed • Risks associated with potential budget reductions evaluated prior to implementation • Budget monitoring refined and forecasting embedded into financial monitoring reports. Financial monitoring arrangements include quarterly scrutiny by members of Joint (Budget) Scrutiny Committee and consideration of forecasts by the Cabinet (and Cost Pressure subgroup) • Public engagement events held annually to ascertain public opinion on savings proposals. • Council have an agreed target level of general reserve (4%) and reserves regularly reviewed by the Chief Officer – Resources and relevant officers. General and Earmarked Reserves are also scrutinised on a quarterly basis by Corporate Leadership Team, members of Scrutiny Committee and the Cabinet. • Use of the Market Intelligence gathered from the Strategic Commercial Commission Board (SCCB) to support the council's budget setting process for 23/24 and beyond 	2	4	High	<ul style="list-style-type: none"> • Implement relevant opportunities for savings and service improvement to address current and emerging cost pressures and underperformance (Strategic review, internal service reviews) • Bridging the Gap Programme 	1	4	Medium



Quarter 3 Progress October – December 2023


The quarter 3 forecast outturn position for 2023/24 remains positive compared to agreed budget (both capital and revenue). Capital budgets are expected to be on target at the year end whilst the forecast against revenue budget show an improving picture compared to Q2. Cost pressures identified during the year continue however high vacancies in some areas combined with improving inflation rates and additional grant income is offsetting some of these pressures overall resulting in a lower use of reserves than anticipated.

Current indications suggest an improving position in year therefore it is proposed that the risk is downgraded to High.

To note for 2024/25, a number of favourable / underspending budgets which are contributing to the positive picture in 2023/24 are proposed to be reduced as part of proposals to achieve a balanced budget for next year and could impact negatively upon this risk during the year.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Implement relevant opportunities for savings and service improvement to address current and emerging cost pressures and underperformance (Strategic review, internal service reviews)	CLT / Service Managers	03/24	Existing & emerging in year cost pressures are being managed within the Council's overall revenue budget during 2023/24. Where overspends cannot be offset by compensatory savings within individual budgets then either cross portfolio budget virements are being actioned or Action Plans to address the pressures have been developed to mitigate the risk.	On track
Bridging the Gap Programme 2023 2024	CLT / Service Managers	03/24	In setting its budget for 2023/24 the Council agreed proposals of £3m. Whilst good progress is being made against delivering some of these proposals others have / are experiencing difficulty and are not delivering as expected. Currently the Council is on track to deliver £2.2 million of the £3 million savings proposed. Where possible alternative savings are being identified or the pressures are being absorbed within underspending budgets.	ongoing but encountering some issues (that can be addressed)



Direction of Travel from previous quarter	Forecasted direction of travel	
		<p>The overall forecast outturn across all Portfolios as of 31 December 2023, is a favourable variance £1.6m after utilising £2.3m from reserves. Whilst there is a significant use of reserves forecast this is an improving position compared to previous quarters . At the end of Q2 when the forecast was a favourable variance of £1.6m (Q1 £0.97m) including a forecast use of reserves of £3.5m (Q1 £4m).</p> <p>Given the improving position for 2024/24 it is proposed the risk reduced to high. There is a possibility that it will again increase to critical during 2024/25.</p>


Risk Reference CRR 25 Risk Description: The school in an Estyn category and currently in receipt of Council Intervention fails to make appropriate progress against the Statutory Warning Notice to Improve and Post Inspection Action Plan. Risk Owner: Corporate Leadership Team / Director of Education Risk Updater: Director of Education / Education DMT Portfolio holder: Councillor Sue Edmunds							Direction of Travel No change 					
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status		L x I = Score		
<ul style="list-style-type: none"> • There is insufficient progress through each Post Inspection Action Plan (PIAP) as recognised by the Local Authority and ESTYN. • The priorities for leadership within the school are deflected to other external factors which in turn impact upon their ability to focus upon school and regulators priorities. • Failure to improve standards • Governing Body does not provide effective support and challenge on relevant school priorities and hence hinder the progression of key actions and processes in order to improve the school and as set out in each PIAP. 	<ul style="list-style-type: none"> • The implementation of further statutory interventions available under provisions set out in the school Standards and Organisation Act Wales 2013 i.e. implementation of additional grounds • Not being removed from the statutory follow up categories within appropriate timescales. • Failure to improve standards in key identified areas • Failure to meet the requirements of the national reform agenda and improve learner outcomes and wellbeing appropriately • Failure to secure good performance in line with new national performance indicators i.e. for 2019 and beyond • Failure to address the requirement as set out in the current Statutory warning notices to improve 	3	3	High	<ul style="list-style-type: none"> • Team Around the School meetings that are now held on a half-termly basis • Bespoke support from the EAS and relevant Council wide services provided to school leadership and governing body • Improvement Conference • ESTYN monitoring visits • Works undertaken on the school building to address health and safety concerns. 	3	3	High	<ul style="list-style-type: none"> • Further use of provision as set in the School Standards and Organisation Act Wales 2013 as deemed appropriate and based on evidence. • LA/EAS Review • Review of SWN's 	2	3	Medium

Quarter 3 Progress October – December 2023

Following 2 Estyn review visits which identified positive progress against the recommendations and higher than anticipated key stage 4 results in August 2023 the Statutory Warning Notice was reviewed in Sept 2023 and has been lifted. Progress against the further controls has been evidenced by the Estyn visits and an EAS review in Summer as well as the Key stage 4 results. Following a re-visit by Estyn BFS was removed from a statutory category in December 2023. To mitigate any risk of the school not continuing to progress, the school has agreed to continue to be a Team Around the School which means there will be termly multi-agency meetings where the school can continue to access support as appropriate.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Further use of provision as set in the School Standards and Organisation Act Wales 2013 as deemed appropriate and based on evidence. LA/EAS Review	Interim Corporate Director of Education	By end of the Spring term 2024 Review of current progress against PIAP to be undertaken by LA and EAS Summer 2024	<p>River Centre Leadership has been strengthened with a secondment to the Head of the Secondary Phase. The Local Authority has taken over transport to school arrangements enabling the school to concentrate on behaviour and curriculum development. Further work is being undertaken on the outdoor area of the school site and there has been further recruitment to teachers and teaching assistants.</p> <p>There was an Estyn re-visit in Q3. Estyn recognised that there had been progress against some of the Estyn recommendations, and in particularly around health and safety, policies and procedures, the learning environment on the secondary site and some provision for the learners. However, Estyn raised concerns around stability of staff due to an ongoing temporary leadership structure and high levels of staff absence.</p> <p>The school has continued to engage with the Team Around the School process. There remains a high level of support from the LA and the EAS. The School Improvement Partner has been changed to someone who was the SIP previously, this is a positive change as the SIP is a headteacher in a special school so has significant experience.</p>	On track

Direction of Travel from previous quarter	Forecasted direction of travel	
		In respect of the River Centre there is confidence that the next ESTYN inspection will show progress against the PIAP. However, it is recognised that the Estyn inspection identified a number of recommendations and that significant improvements need to be made in the school in a number of areas. The risk remains high and I would suggest it has escalated in particular around increased instability in leadership and high levels of staff sickness.

Risk Reference CRR 28 Risk Description: Failure to maintain appropriately skilled, adequate staffing resources will lead to an unacceptable impact on the ability of the Council to deliver services effectively. Risk Owner: Corporate Leadership Team / Chief Officer Customer and Commercial Portfolio holder: Councillor Steve Thomas Risk Updater: Head of Organisational Development							Direction of Travel No change 					
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status		L x I = Score		
<ul style="list-style-type: none"> Failure to recruit / retain sufficient permanent staff to a significant number of posts due to significant market challenges experienced nationwide (post leaving the EU and Post COVID 19) Competition from other employers and the private sector where there is more flexibility in respect of salary and terms and conditions. Fixed term contracts rather than permanent are not attractive. Downsizing the workforce to meet necessary savings Alternative service delivery models Large numbers of workforce over the age of 55 years of age meaning that staff with significant knowledge and experience could leave. Service specifications not amended in line with cuts to services adding pressure to the workforce. Impact of sickness absence on workforce Post pandemic staff priorities Reliance on key staff for response to key issues / incidents. 	<ul style="list-style-type: none"> Not having the capacity and capability to deliver services Failure to deliver priorities and direct impact on service delivery Increased sickness / absence Risk of not meeting statutory or legislative requirements in relation to specific workforce requirement e.g., social care. Over reliance on agency staff Inability of Council to provide support in response to emergencies (e.g., support provided during the pandemic and cost of living crisis). 	3	4	C r i t i c a l	<ul style="list-style-type: none"> Workforce Strategy 21-26 Directorate Workforce Plans Annual workforce profiles containing recruitment and retention data to support workforce planning. Commitment to paying the real living wage Good terms and conditions and pension provisions. Flexible working Agile working Grow our own – Apprenticeships Career paths for staff to develop and progress Focus on health and wellbeing Occupational Health Service and Employee Assistance Programme Recruitment and Market Supplement Policy Competency framework and performance coaching Recruitment and retention review presented to CLT Development opportunities for staff Career Promotion Officer to focus on recruiting and retaining in key areas in social services Use of recruitment days / events to target and support potential candidates through the process Social Worker Development Strategy Jobs Bulletin re-introduced Inclusion of leavers data in the annual workforce profiles for directorates Workforce Plans to be reviewed as part of business planning review process. Effective management of sickness absence Maximisation of any regional campaigns particularly in Social Services Newly approved Recruitment Policy 	3	3	H i g h	<ul style="list-style-type: none"> Marketing of the Council as an Employer of Choice. Effective use of social media / linked-in for recruitment and targeted campaigns including use of video case studies. Modernisation of recruitment content on website Development of recruitment and onboarding within ITrent 	2	2	M e d i u m



Quarter 3 Progress October – December 2023

Temporary arrangements continue in place for the vacant Chief Executive post, to include backfill in Social Services, temporary leadership arrangements in place in Education Workforce plan to support the delivery of council savings to include deletion of vacant posts and statutory consultation for redundancies.

Labour turnover at 2023/24 Quarter 3 – 6.01% (Target 6.8%)

73% of vacancies advertised during 2023/24 Quarter 3 were recruited (excluding school posts appointed by the Governing Body)

Updates Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Marketing of the Council as an Employer of Choice. Effective use of social media / linked-in for recruitment and targeted campaigns including use of video case studies.	Communication Manager	Ongoing / subject to ITrent development timescales - The work to improve the website and standard brand templates will commence in January 2024.	<ul style="list-style-type: none"> • Post in place in Social Services to support with promoting careers in care and improving advertisements for roles in Care; • New standard branded job advert templates have been produced for social media and will be rolled out from April 2024. • The recruitment section of the corporate website has been reviewed and improvements to the content have been made. This includes reducing the number of pages, simpler language, links to job vacancies and including relevant case studies and making the page easier to find using search engines. 	On track
Modernisation of recruitment content on website	OD Manager (HR)	Ongoing / subject to ITrent development timescales likely commencement February 2024	<ul style="list-style-type: none"> • Initial work completed to modernise the content on the website further discussion on marketing and website to be held with the Communications and Marketing Team • Linked to the development of the recruitment module in ITrent and work to enhance the application processes 	On track
Development of recruitment and onboarding within ITrent	OD Manager	Tbc in conjunction with Midland HR following initial scoping exercise - likely commencement February 2024	<ul style="list-style-type: none"> • Report to CLT to agree development plan for ITrent 2023/24 • 2 Scoping sessions held with OD staff to plan development of the recruitment module in ITrent • Linked with another local authority to learn from their experience, • Scoping session held with Midland and scoping document developed. Timeline and detailed plan to be developed 	On Track
Review of the Recruitment Policy	OD Manager	December 23	<ul style="list-style-type: none"> • Recruitment Policy presented to Corporate Overview and Performance Scrutiny Committee 18 January and Council for approval 25 January 2024. 	Complete

Direction of Travel from previous quarter	Forecasted direction of travel		
		<p>No change in direction of travel since the last quarter however the forecasted direction of travel is a worsening position in line with the financial savings plans and potential downsizing of the workforce and the impact on capacity</p>	

Risk Reference CRR 30 (a)

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

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

Portfolio holder: Councillor Hayden Trollope

Risk Updater: Cost of Living Crisis Operational Working Group

Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk
		Likelihood	Impact	Status		Likelihood	Impact	Status	
<ul style="list-style-type: none"> Increased costs of household energy bills, food and fuel and stagnation in wages. Volatility in the energy market as a result of the war in Ukraine Shortages and delays as a result of exiting the EU Legacy of COVID disruption to supply chains 	<ul style="list-style-type: none"> Increased Debt Reduction in Household income Negative impact on health and wellbeing of communities. Increased homelessness 	3	4	Critical	<ul style="list-style-type: none"> Cost of living crisis operational group set up which is seeking to address challenges across the community and staff. Cross Party Working Group in place to monitor Links in place with key organisations (Wellbeing Partnership in place) Warm HUBS in place during the colder months Communication campaigns running to provide information to residents about support available Discretionary grants Employability Group in place Food Poverty Action Plan 	3	4	Critical	<ul style="list-style-type: none"> Development of Action Plan for 2023 / 2024

Quarter 3 Progress October – December 2023

This risk will no longer appear on the Corporate Risk Register from Quarter 3 onwards. CLT assessment is that this is an issue which the Council is responding to rather than a risk.

Any impacts which might result in a specific significant risk e.g. increased homelessness will be monitored via the appropriate Directorate Risk Register and escalated to the Corporate Risk Register in line with the Council's risk management framework.

The Council continues to respond to the cost-of-living crisis. An action plan for winter 2023 / 2024 is in place and the high-level actions within the plan centre on support for residents (Housing / Food / general support and Communication / Engagement with the public / staff. The action plan is updated and monitored by the Cost-of-Living Operational Group who meet on monthly basis.

Risk Reference CRR 30 (b)

Risk Description: Impact of cost of living (inflationary) increases on businesses in Blaenau Gwent.

Risk Owner: Corporate Leadership Team / Corporate Director of Regeneration and Community Services Risk Updater: Cost of Living Crisis Operational Working Group

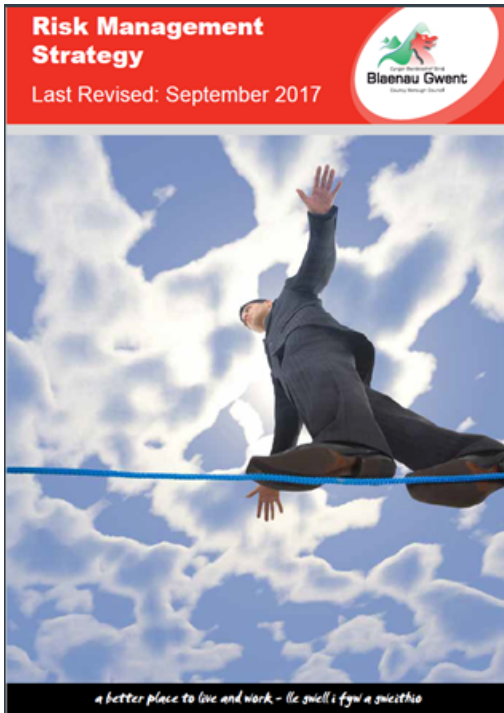
Portfolio holder: Councillor Hayden Trollope or Councillor John Morgan

Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk
		Likelihood	Impact	Status		Likelihood	Impact	Status	
<ul style="list-style-type: none"> • War in the Ukraine • Negative impact of the exit from the EU • Post pandemic • Reliance on grant funding to develop and deliver key regeneration projects / programmes. • Outside EU and new laws/charges 	<ul style="list-style-type: none"> • Business closure due to energy costs, inflation, and Cost of living implications. • new EU import duty on goods and raw materials affecting overall production costs for business (automotive hard hit) • new export procedures still posing exporting issues for goods to EU – potential to slow or stop productivity, can result in job losses 	3	4	Critical	<ul style="list-style-type: none"> • Cost of living crisis operational group set up which is seeking to address challenges across the community • Action plan in place for 2023 2024 • Cross Party Working Group in place • Employability Group in place • Regular emails on business development to local businesses. In addition to this business engagement meetings with key business based in BG. • Priority for team business start-ups, local businesses with growth and business retention issues. We continue to seek new inward investment projects i.e. business relocation projects to create further employment opportunities • Working closely with partners on sending out information and guidance where possible. • Working with key partners, Business Wales, Dev Banc, Chamber Wales that has export documentation service for SMEs • Shared Prosperity Funding. Businesses advised on grant eligibility with the new Business Development Grant Scheme. 	3	4	Critical	<ul style="list-style-type: none"> • Economic Stimulus measures to be introduced. • Kick Start plus grant for businesses wishing to grow within three years of business trading.

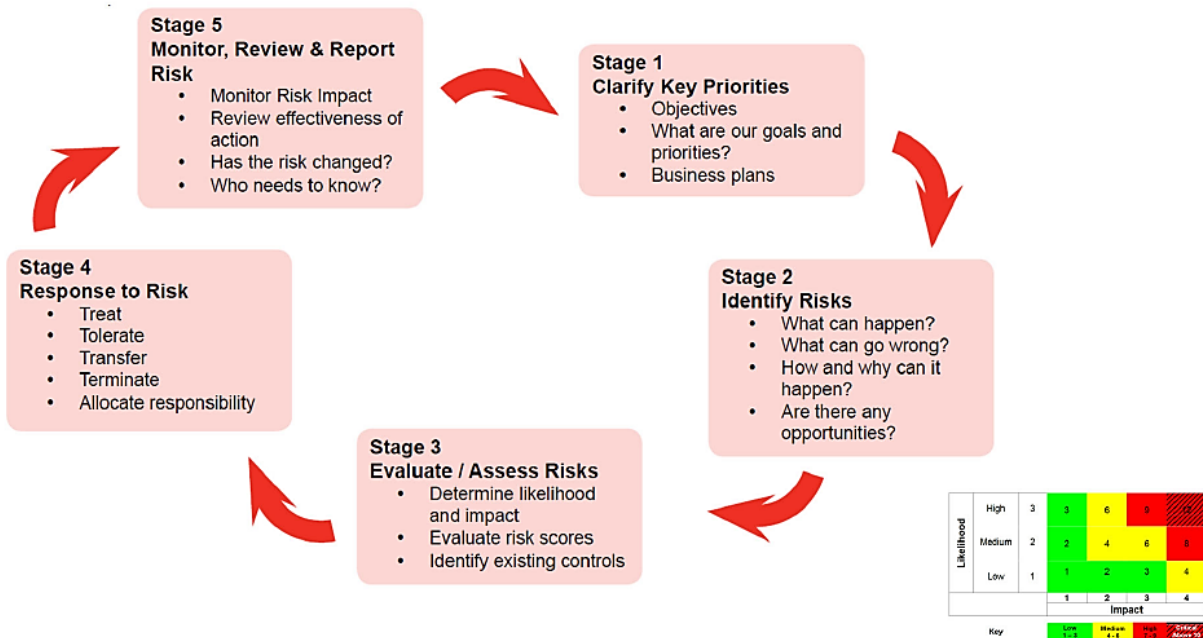
Quarter 3 Progress October – December 2023

This risk will no longer appear on the Corporate Risk Register from Quarter 3 onwards. The assessment is that this is an issue which the Council is responding to rather than a risk. The Council continues to respond to the cost-of-living crisis and support businesses and any impacts which might result in a specific significant risk will be monitored via the appropriate Directorate Risk Register and escalated to the Corporate Risk Register in line with the Council’s risk management framework.

Corporate Risk Report Definitions and Guidance



The Risk Management Process



Likelihood	High	3	3	6	9	12
	Medium	2	2	4	6	8
	Low	1	1	2	3	4
			Impact			
			1	2	3	4
Key			Low 1-2	Medium 3-4	High 5-6	Critical 7-12

Blaenau Gwent has adopted a 3 by 4 matrix approach (below) where the likelihood will be rated with a score between 1 to 3 and the impact between 1 and 4. A risk score is calculated by multiplying the likelihood and the impact together. This will be the inherent risk score (without any controls in place).

The black line indicates the “risk appetite” as agreed by Corporate Leadership Team (CLT). Risks that fall to the left of the black line are within agreed appetite and require less managing. Risks that fall to the right are outside the appetite and therefore need to be escalated for consideration to the Corporate Risk Register and managed more actively.

Risk Matrix - Blaenau Gwent Council's risk matrix.






<u>Inherent risk score (before controls) and Residual risk score (after controls)</u>	
Risks will be scored twice, once without any controls in place which will be the inherent risk score and once taking into account the control measures which will determine the residual risk score.	
Risk Score	Definition
Inherent Risk Score	The assessment of the risk score before controls have been applied.
Residual Risk Score	The assessment of the risk score after controls have been applied.
Target Risk Score	The level to which we anticipate we can manage the risk down to.




The process of scoring risk is subjective, and everyone will have a different perception of a particular risk. To help in this process and to introduce a common baseline so that individual risks (financial and non-financial) can be compared on a like by like basis across the Authority, formal quantification guidance has been introduced.





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

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

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

Direction of travel from	Definition
	Increasing Risk – the assessment of the risk is that it has worsened since the last quarter update.
	No change – The assessment of the risk is that there have been no significant changes in the level of risk since the last quarter update.
	Decreased risk – The assessment of the risk is that there has been an improvement since the last quarter update.

Forecasted Direction of travel	Definition
	Increasing Risk – It is anticipated that the level of risk will worsen by the next quarter update.
	No change – It is anticipated that there will be no significant changes in the level of risk by the quarter update
	Decreased risk – It is anticipated that risk is that it will improve by the next quarter update.

BRAG rating	Definition
	Completed
	On track
	Ongoing but encountering some issues
	Ongoing with issues that need further intervention

Agenda Item 8

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: **21st February 2024**
Report Subject: **Internal Audit Progress 2023/24**
Portfolio Holder: **Cllr Steve Thomas – Leader / Cabinet Member for Corporate Overview and Performance**
Report Submitted by: **Andrea Owen Professional Lead - Internal Audit**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance & Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
virtual	8/02/2024	12.02.24	21/02/2024					

1. Purpose of the Report

- 1.1 The purpose of this report is to update the Governance & Audit Committee on the progress against the Internal Audit Plan for the period 1st October to 31st December 2023.

2. Scope and Background

- 2.1 The report highlights the work undertaken by the Internal Audit Service and complies with the Public Sector Internal Audit Standards (PSIAS).
- 2.2 The Internal Audit Plan has been compiled based upon Risk Assessments whereby each potential audit area is scored using a risk matrix. The scoring matrix uses a set of criteria relating to the audit risks, the Authority's objectives and the views of Senior Managers.
- 2.3 The audit work allocated to staff for the period October to December 2023 is based on the outcomes of the Risk Assessment exercise. This approach allows flexibility in the audit plan and can accommodate an individual auditor's experience and skill set when allocating audits.

3. Options for Recommendation

- 3.1 The Governance & Audit Committee consider the report and findings within the attached Appendices, notes the progress on activities for the period 1st October to 31st December 2023, providing appropriate challenge where relevant.

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

- 4.1 In line with the Corporate Plan Priority of an ambitious and innovative council delivering quality services at the right time and in the right place, presentation of the Internal Audit progress report demonstrates the breadth and depth of the audit coverage of the Council's systems and internal controls. In doing this it also enables the Chief Officer – Resources to satisfy her statutory duties under Section 151 of the Local Government Act (1972) in providing an effective Internal Audit Service.

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

5. **Implications Against Each Option**

5.1 Impact on Budget

There are no direct financial implications resulting from this report.

5.2 Risk including Mitigating Actions

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

5.3 Legal

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

5.4 Human Resources

Internal Audit has a complement of six full time posts. During the period the section experienced some staff sickness absences. From January 2024, the Audit Apprentice position will be vacant.

5.4.1 The section's sickness for the period 1st April to 31st December 2023 is an average of 5.17 days per person against an annual directorate target of 7 days per person.

5.5 Health and Safety

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

6. **Supporting Evidence**

6.1 Performance Information and Data

Activities during the period 1st October to 31st December 2023 are set out in Appendix A attached. The format shows a summary of findings from audit reports produced in the period, including a formal audit opinion where appropriate. Where individual audits are graded as Limited Assurance, or No Assurance the Internal Audit report will be presented for Members' consideration.

6.1.1 Performance data for the Section for the period to 31st December 2023 is presented at Appendix B. The grading's issued during the period and percentage coverage for each department is shown at Appendix C and D.

6.1.2 The Internal Audit plan completed is 52.53% against a target of 54.75%. All other local performance indicators are being achieved.

6.2 Expected outcome for the public

An effective Internal Audit Service and Governance & Audit Committee will assist with the stewardship of public money providing assurance to the communities of Blaenau Gwent on the robustness of the Authority's internal controls.

6.3 Involvement (consultation, engagement, participation)

Prior engagement has been undertaken with Heads of Services when determining the risk assessments for the audit plan.

6.4 Thinking for the Long term (forward planning)

The work of Internal Audit is intended to provide advice and guidance on system improvements resulting in an improved control environment for the future of the Authority.

6.5 Preventative focus

Internal Audit provides a cost effective and professional Audit review of the Authority's internal control environment with the aim of minimising the risk of loss from error, fraud, or irregularities.

6.6 Collaboration / partnership working

There are no collaboration / partnership working arrangements arising from this report.

6.7 Integration (across service areas)

The audit plan is developed with a view to providing assurance on the whole of the Authority's control environment. Audit assignments are conducted for a range of activities across all directorates in order for the Audit and Risk Manager to provide an annual audit opinion that an adequate internal audit service has been provided.

6.8 Decarbonisation and Reducing Carbon Emissions.

No impact for this report.

6.9 Integrated Impact Assessment

Not applicable.

7. **Monitoring Arrangements**

7.1 Internal Audit reports are presented to the Governance & Audit Committee as part of the progress report. Where audit assignments have been graded as Limited Assurance or No Assurance, the Internal Audit Report will be provided as appendices for Members' consideration.

7.2 Performance data for the Section is periodically presented to members as part of the ongoing progress reports.

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

Background Documents /Electronic Links

- Appendix A - Audit activities for the period October to December 2023.
- Appendix B - Performance Indicators 2023/24.
- Appendix C - Grading's issued for the period April to December 2023.
- Appendix D - Percentage coverage for each department.

Directorate	Service Area	Audit Area	Audit Scope	Grading	Progress / Comments
Commercial	Workforce Management	Absence Management	To determine the effectiveness of the internal controls operating in respect of Absence Management.	Not yet determined	A review commenced in August 2023. Draft report being reviewed.
	Procurement	Contract Safeguarding	To determine the effectiveness of the internal controls operating for contracts in respect of Safeguarding.	Not yet determined	A review commenced in September 2023. Draft report being prepared.
		Contracts - Under 75K	To determine the effectiveness of the internal controls and ensure compliance with Contract Procedure Rules for contracts under 75K.	Not yet determined	A review commenced in September 2023. Audit testing ongoing.
		Contracts - Agency	To determine the effectiveness of the internal controls operating for contracts in respect of Agency staff	Not yet determined	A review commenced in August 2023. Audit testing ongoing.
Education	Education Transformation	Control Risk Self Assessment Schools	Internal Audit review of the Control Risk Self Assessment (CRSA) programme issued to all schools.	Not yet determined	A review commenced in April 2023. Draft report being reviewed.
		Establishment Audit - St Iltyds Primary School	To determine the effectiveness of the internal controls operating at St Iltyds Primary School.	Not yet determined	A review commenced in December 2023. Audit planning is ongoing.
		School system - Safeguarding Volunteers	The scope of the audit is to determine the effectiveness of the internal controls for safeguarding in respect of volunteers at schools	Not yet determined	A review commenced in October 2023. Audit testing ongoing.
	Inclusion Services	Out of county placements education	To determine the effectiveness of the internal controls operating in respect of Out of County Education Placements.	Limited Assurance (Provisional)	Draft report issued in December 2023. A meeting has been arranged to agree an action plan.
Resources	Financial Services	Creditors - Central Control Risk Self Assessment (CRSA)	To determine the effectiveness of the internal controls operating in with regards to the Creditors System. A Control Risk Self Assessment (CRSA) methodology has been used for this audit.	Reasonable Assurance	Final report issued, 2 weaknesses were identified of which 1 was classified as High Risk and 1 was Medium Risk. The Manager has agreed an appropriate action to mitigate all weaknesses identified.
		Silent Valley Leasing	A review to determine the leasing arrangements have been novated over to Blaenau Gwent	Reasonable Assurance (Provisional)	Draft report issued in September 2023. A meeting has been arranged to agree an action plan.
		Bedwelty House and Park - Charity Accounts	Independent audit review to provide an annual return for the charity as prescribed by the Charity Commission.	Not yet determined	A review commenced in December 2023. Audit planning ongoing.
		Ebbw Vale Recreation Ground - Charity Accounts	Independent audit review to provide an annual return for the charity as prescribed by the Charity Commission.	Not yet determined	A review commenced in December 2023. Audit planning ongoing.
		Petty Cash C/fwd	To determine the effectiveness of the internal controls operating in respect of Petty Cash Accounts.	Limited Assurance (Provisional)	Draft report issued June 2023. A meeting has been arranged to agree the action sheet. Additional testing conducted prior to issuing the final report.
	Revenue Services	Social Services Debtors	To determine the effectiveness of the internal controls operating in respect of Social Services Debtors.	Not yet determined	A review commenced in May 2023. Draft report being reviewed.
		Council Tax Control Risk Self Assessment (CRSA)	To determine the effectiveness of the internal controls operating in with regards to the Council Tax System. A Control Risk Self Assessment (CRSA) methodology has been used for this audit.	Not yet determined	A review commenced in November 2023. Audit testing ongoing.
Social Services	Provider Services	Domiciliary Care	To determine the effectiveness of the internal controls operating in respect of Internal Domiciliary Care.	Reasonable Assurance	Final report issued, 6 weaknesses were identified of which 2 were classified as High Risk, 1 was Medium Risk and 3 were Low Risk. The Manager has agreed an appropriate action to mitigate all weaknesses identified.
	Adult Services - Development & Commissioning	Community Meals Service	To determine the effectiveness of the internal controls operating in respect of Community Meals.	Not yet determined	A review commenced in August 2023. Audit testing ongoing.
	Childrens Services	Provider Safeguarding	To determine the effectiveness of the internal controls operating in respect of Provider Safeguarding.	Not yet determined	A review commenced in December 2023. Audit planning ongoing.
Environment	Property	Asbestos Management	To determine the effectiveness of the internal controls operating in respect of Asbestos Management.	Not yet determined	A review commenced in July 2023. Audit testing ongoing.
	Regeneration - Thriving Communities	Shared Prosperity Fund	To determine the effectiveness of the internal controls operating in respect of the Service Level Agreement for the Shared Prosperity Fund.	Not yet determined	A review commenced in June 2023. Draft report being reviewed.
	Regeneration - Development Control	Planning Policy	To determine the effectiveness of the internal controls operating in respect of the Planning Policy.	Not yet determined	A review commenced in December 2023. Audit planning ongoing.
Governance and Partnerships	Partnership and Policy	Community Safety	To determine the effectiveness of the internal controls operating in respect of Community Safety, with particular emphasis on Domestic Homicide review (DHR)	Reasonable Assurance (Provisional)	Draft report issued in November 2023. A meeting has been arranged to agree an action plan.
Legal Services	Corporate Services & Registration	Elections	The scope of the audit is to determine the effectiveness of the internal controls for the conduct of local elections in line with legislation and guidance provided by the Electoral Commission.	Not yet determined	A review commenced in December 2023. Audit planning ongoing.

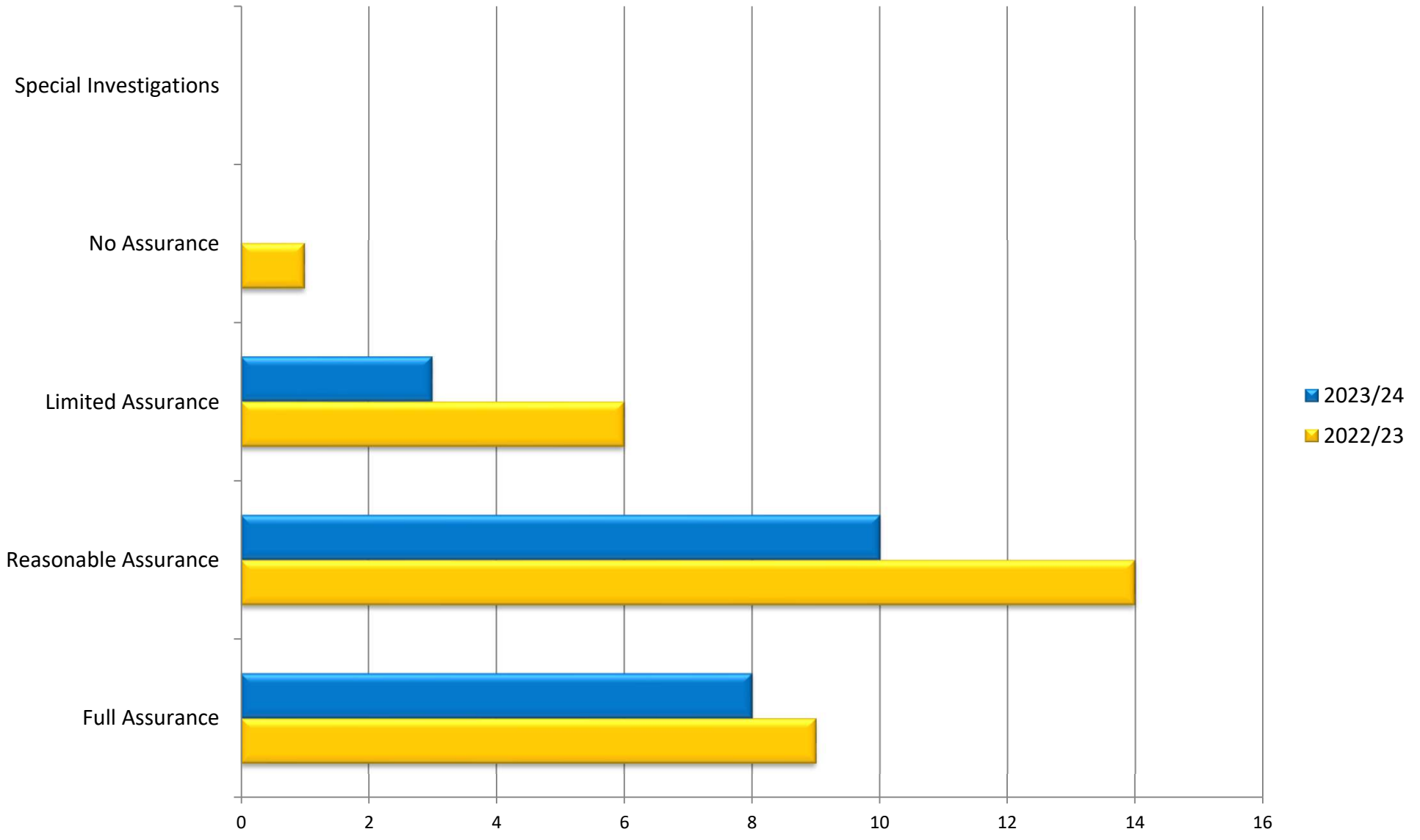
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INTERNAL AUDIT SECTIONPERFORMANCE INDICATORS 2023/24

	Performance Indicator	2021/22 Target	2021/22 Actual	2022/23 Target	2022/23 Actual	2023/24 Target	2023/24 Actual	RAG Rating
Local PI	Audit Plan Completion %	70%	70.74%	73%	69.45%	73% 54.75%	52.53%	Amber
Local PI	% of Agreed Actions for Weaknesses Identified	90%	100%	90%	100%	90%	100%	Green
Local PI	% of Agreed Actions completed after 6 months	80%	90%	80%	100%	80%	100%	Green
Local PI	% of Audit Clients at least "satisfied" with the service	95%	100%	95%	100%	95%	100%	Green
Local PI	Average number of days taken to issue Final Reports	5 days	5.17 days	5 days	4.38 days	5 days	4.52 days	Green
Local PI	% of Audits completed within time allocated	75%	90%	75%	90%	75%	78%	Green
Local PI	% of Performance Reviews undertaken within previous 12 months	100%	100%	100%	100%	100%	100%	Green
Local PI	Average number of sick days per person (cumulative average)	8 days	0.83 days	7 days	0 days	7 days	5.17 days	Green

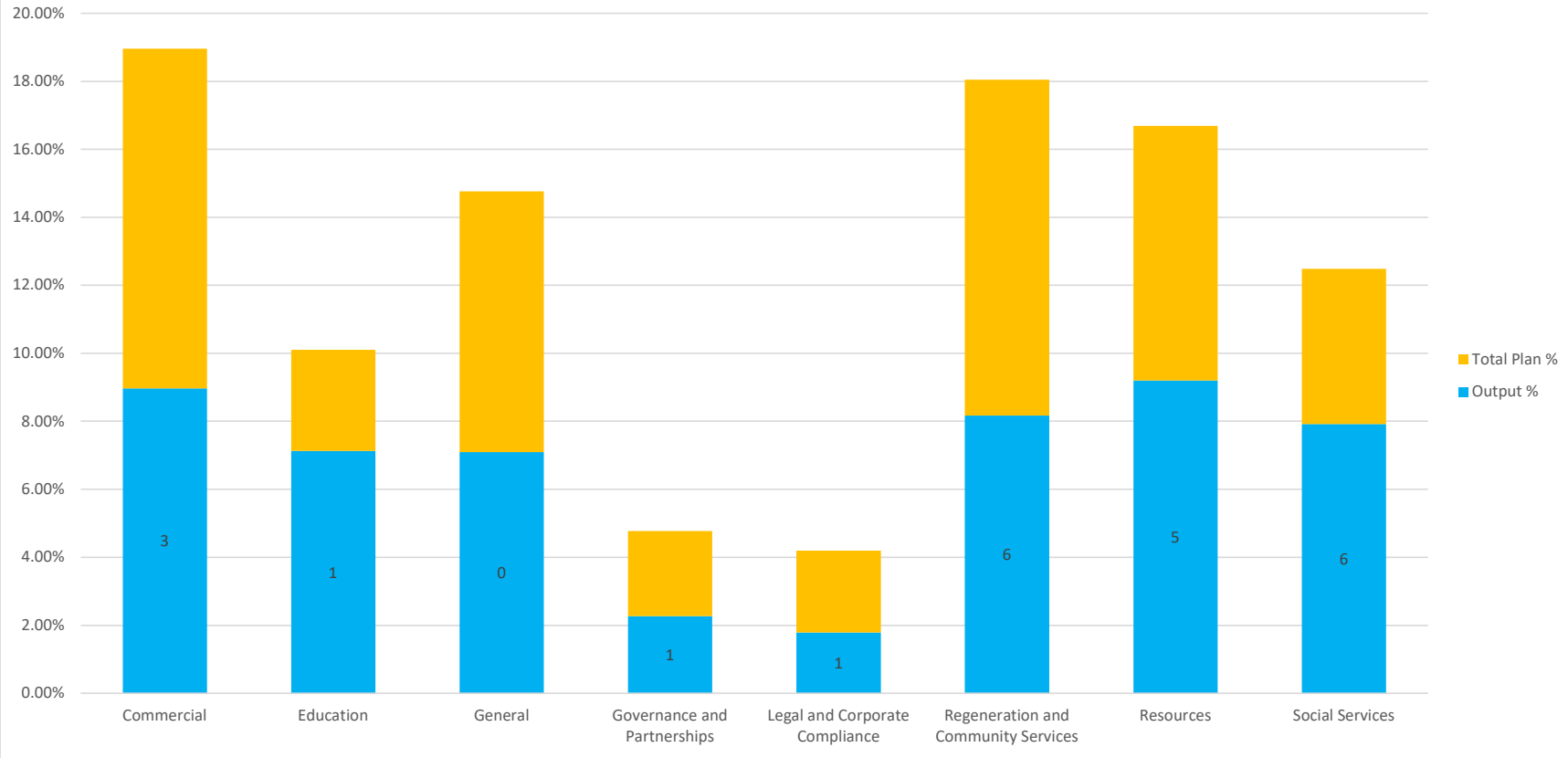
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Audit Gradings 2022/23 & 2023/24



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Audit Coverage by Department 2023/24



Department	Total Department %	Output %	Completed Audit Areas
Commercial	18.96%	8.97%	3
Education	10.10%	7.12%	1
General	14.76%	7.09%	0
Governance and Partnerships	4.77%	2.27%	1
Legal and Corporate Compliance	4.20%	1.79%	1
Regeneration and Community Services	18.05%	8.17%	6
Resources	16.69%	9.19%	5
Social Services	12.49%	7.92%	6
Total	100.00%	52.53%	23
*21 completed Audits and 2 Follow-Up Audits			

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Agenda Item 9

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: **21st February 2024**
Report Subject: **Food Standards Agency Audit of Local Authority Service delivery planning processes and arrangements**
Portfolio Holder: **Cllr Helen Cunningham, Deputy Leader / Cabinet Member Environment**
Report Submitted by: **David Thompson, Service Manager Public Protection**

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)
6.2.24	8.2.24	12.02.24	21.02.24					

1. Purpose of the Report

1.1 The purpose of the report is to provide the Governance and Audit Committee with outcome of the Food Standards Agency (FSA) audit of Local Authority Food Safety & Standards Regulatory Service delivery planning processes and arrangements.

2. Scope and Background

2.1 The Council was audited by the Food Standards Agency during September 2023. The audit covered Service delivery planning processes and arrangements relating to Authority's Food Safety and Standards services. It also covered a check on open audit actions from 2 previous audits dating back to the previous full audit in 2014 and 2017/18. (These checks had been delayed due to the covid pandemic.)

2.2 The Food Standards Agency letter (Appendix 1) details the outcome of the audit visit. In Summary, the FSA's view was that the Authority has provided a service plan that broadly meets the requirements of the service planning guidance issued by the FSA. A small number of improvements were required to bring the process fully up to the required standard and verbal feedback was provided to officers and these were actioned at the time of the Audit.

2.3 Members are reminded that Environmental Health and Trading Standards Services were severely impacted during the pandemic emergency with almost all the establishment Food Hygiene and Standards Officers being deployed for lengthy periods to deal with Covid advice and support and the enforcement of temporary regulations as they related to high-risk settings and businesses. As such, programmed inspections of food businesses and other work was put on hold until the emergency abated. The purpose of the FSA Audit was to assess the service delivery and planning processes as they related to catch up and recovery work post pandemic, against the FSA Food Law Code of Practice.

2.5 Food Hygiene – the FSA Audit concluded that *“The food hygiene service has recovered significantly from the pandemic demonstrating progress towards*

re-alignment with the intervention frequencies contained within the Food Law Code of Practice (the Code). The service plan highlighted that officer resources were slightly lower than required (0.32 Full Time Equivalent (FTE)), however, there is a plan in place to address the backlog of outstanding premises interventions. These findings indicate that the authority is making good progress on recovery and is taking a risk-based approach.”

- 2.6 Food Standards – The FSA Audit concluded that *“The food standards service has also recovered significantly from the pandemic to make progress in re-aligning with the Code. The service plan highlighted the lack of officer resources with a deficit of 2.75 FTE. There is also a plan in place to address resources from within and tackle the backlog of overdue and unrated establishments. The food standards service is making good progress despite resource difficulties and is also taking a risk-based approach.”*
- 2.7 In the letter, the FSA’s assessment of the overall assurance level for these services was “moderate”, as outlined in Appendix 2 (Annex 1 to their letter) i.e. *“The system for delivering official controls requires some improvement to fully demonstrate effective implementation of planned arrangements suitable to achieve the objectives of legal requirements and guidance”.*
- 2.8 Previous Audit Actions: The FSA found that *“The actions taken to address the 24 food hygiene and food standards recommendations, detailed in the authority’s full audit action plan from 2014 were assessed along with the findings from the Food Hygiene Rating Scheme (FHRS) audit of 2017/18. Auditors were able to verify conformance with 23 recommendations from the full audit and all of the actions from the FHRS audit, in which there were two. Auditors were also able to confirm that the authority had made progress towards addressing the remaining recommendation but the action that had been taken was not sufficient to verify full conformance.”*
- 2.9 The action plan attached at Appendix 3 details the findings relating to the open audit actions. A response to the outstanding action is outlined in the *Management response* (Appendix 4).

Options for Recommendation

3.1 Option 1

Governance and Audit Committee is assured that the Council’s Management Response, identified in Appendix 4, will appropriately respond to the Food Standards Agency recommendations.

3.2 Option 2

Provide comment on the Food Standards Agency letter and Council’s Management Response, to address the recommendations for Officers to implement in order to provide continuous improvement.

4. Monitoring Arrangements

- 4.1 The recommendations from Food Standards Agency will be included within the business plan and updated on a quarterly basis.

Information will be reported within the Community Services and Regeneration Directorate report to Places Scrutiny Committee and Cabinet.

Background Documents /Electronic Links

Appendix 1 – Food Standards Agency Letter

Appendix 2 – Assessment of assurance for Blaenau Gwent Food Hygiene Service Planning and Delivery (September 2023)

Appendix 3 – Action Plan for Blaenau Gwent County Borough Council

Appendix 4 – Council’s Management Response

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21st November 2023

Mr Damien McCann,
Chief Executive,
Blaenau Gwent County Borough Council,
The General Offices,
Steelworks Road,
Ebbw Vale,
Gwent,
NP23 6DN.

SENT BY EMAIL

Food Standards Agency audit of local authority service delivery planning processes and arrangements and relevant open audit actions – 27th - 28th September 2023

Dear Mr McCann,

I refer to the recent audit visit undertaken by the Food Standards Agency (FSA) to assess your authority's food service delivery planning processes and arrangements and review relevant open audit actions from previous audits.

I would like to thank you and your officers for your time and assistance in enabling us to complete the audit visit. Detailed feedback of our findings was provided to the service manager, team managers and lead officers and a summary of the overall findings was delivered during and at the conclusion of the visit.

Service planning and delivery

The local authority has provided a service plan that broadly meets the requirements of the service planning guidance issued by the FSA. A small number of improvements are required to bring the process fully up to the required standard and verbal feedback has been provided to officers.

The food hygiene service has recovered significantly from the pandemic demonstrating progress towards re-alignment with the intervention frequencies contained within the Food Law Code of Practice (the Code). The service plan highlighted that officer resources were slightly lower than required (0.32 Full Time Equivalent (FTE)), however, there is a plan in place to address the backlog of outstanding premises interventions. These findings indicate that the authority is making good progress on recovery and is taking a risk-based approach.

The food standards service has also recovered significantly from the pandemic to make progress in re-aligning with the Code. The service plan highlighted the lack of officer resources with a deficit of 2.75 FTE. There is also a plan in place to address resources from within and tackle the backlog of overdue and unrated establishments. The food standards service is making good progress despite resource difficulties and is also taking a risk-based approach.

Overall assessments of the assurance of the authority's food hygiene and food standards service planning and delivery have been attached at Annex 1.

The level of assurance is dependent upon the continued and successful delivery of both services' plans to address the existing intervention backlogs. If those plans are not delivered, the level of actual assurance would be reduced. It is imperative that the authority continues to manage, monitor and support the recovery of both services in accordance with the risk-based plans provided to ensure recovery to the standard prescribed in law and under the Code.

Relevant open audit actions

The actions taken to address the 24 food hygiene and food standards recommendations, detailed in the authority's full audit action plan from 2014 were assessed along with the findings from the Food Hygiene Rating Scheme (FHRS) audit of 2017/18. Auditors were able to verify conformance with 23 recommendations from the full audit and all of the actions from the FHRS audit, in which there were two. Auditors

were also able to confirm that the authority had made progress towards addressing the remaining recommendation but the action that had been taken was not sufficient to verify full conformance. Please note that it is necessary for the authority to ensure action is taken to address the outstanding recommendation. Please find attached at Annex 2, an updated action plan which confirms the findings relating to open audit actions.

The authority is reminded that not all recommendations are of equal significance, for example, recommendations relating to resourcing, management of intervention programmes and internal monitoring carry a higher level of significance. Also, not all recommendations are equal in relation to the quantity of the requirements that are required in order to complete them. For example, one recommendation may comprise of a dozen or more individual parts. It is noted that the number of recommendations raised is not always representative of overall achievement. It is important that the root cause of any issue is identified and that corrective and preventative action is carried out. The importance of internal monitoring is key to maintaining improved standards.

Next steps

This letter and the document attached at annex 1 will not be published but the updated action plan attached at annex 2 will be published on the FSA's Website. It is, however, expected that the report letter be brought to the attention of relevant Members.

Further follow-up to check progress in addressing the previous outstanding recommendation will take place in due course.

In order for us to continually improve, we would be grateful if you could complete the attached audit feedback questionnaire. We would welcome any comments you and your officers may have on the conduct of this audit.

In the meantime, if you wish to discuss the contents of this letter, please feel free to contact me on Tel: 07870 362491 E-mail: wales.audit@food.gov.uk

Yours sincerely




Craig Sewell
Senior Audit Manager
Regulatory Audit & Assurance Team

Enc: Annex 1: Assessment of assurance
Annex 2: Updated Action Plan

Cc: Ellie Fry, Corporate Director Regeneration & Community Services
David Thompson, Public Protection Service Manager,
Lisa Griffin, Team Manager Commercial Services (Food Hygiene)
Steve Osborne, Team Manager Trading Standards (Food Standards)

Assessment of assurance for Blaenau Gwent Food Hygiene Service Planning and Delivery (September 2023)

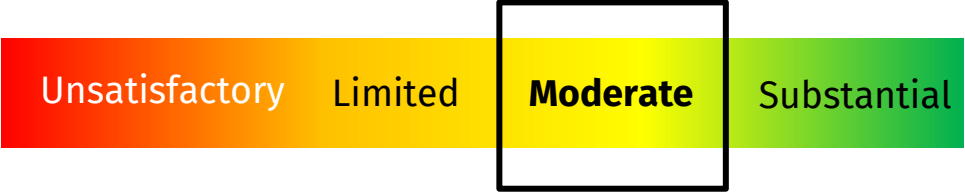
Assessment of Assurance:	
	<p>Moderate Assurance: The system for delivering official controls requires some improvement to fully demonstrate effective implementation of planned arrangements suitable to achieve the objectives of legal requirements and guidance.</p>

Audit Opinion

The opinion above is based upon four categories of audit assurance that is applied in relation to each audit report.

Audit Opinion – Assessment Of Assurance	
Assurance	Definition
Substantial	The system for delivering official controls demonstrate effective implementation of planned arrangements suitable to achieve the objectives of legal requirements and guidance.
Moderate	The system for delivering official controls requires some improvement to fully demonstrate effective implementation of planned arrangements suitable to achieve the objectives of legal requirements and guidance.
Limited	The system for delivering official controls requires significant improvement to fully demonstrate effective implementation of planned arrangements suitable to achieve the objectives of legal requirements and guidance.
Unsatisfactory	The system for delivering official controls requires substantial improvement to fully demonstrate effective implementation of planned arrangements suitable to achieve the objectives of legal requirements and guidance.

Assessment of assurance for Blaenau Gwent Food Standards Service Planning and Delivery (September 2023)

Assessment of Assurance:	
	<p>Moderate Assurance: The system for delivering official controls requires some improvement to fully demonstrate effective implementation of planned arrangements suitable to achieve the objectives of legal requirements and guidance.</p>

Audit Opinion

The opinion above is based upon four categories of audit assurance that is applied in relation to each audit report.

Audit Opinion – Assessment Of Assurance	
Assurance	Definition
Substantial	The system for delivering official controls demonstrate effective implementation of planned arrangements suitable to achieve the objectives of legal requirements and guidance.
Moderate	The system for delivering official controls requires some improvement to fully demonstrate effective implementation of planned arrangements suitable to achieve the objectives of legal requirements and guidance.
Limited	The system for delivering official controls requires significant improvement to fully demonstrate effective implementation of planned arrangements suitable to achieve the objectives of legal requirements and guidance.
Unsatisfactory	The system for delivering official controls requires substantial improvement to fully demonstrate effective implementation of planned arrangements suitable to achieve the objectives of legal requirements and guidance.

Annex 2

Action Plan for Blaenau Gwent County Borough Council (Excluding Feed Service*)

Audit Date: 18 - 22 August 2014

Follow-Up Visit Date: 27th- 28th September 2023

(*) Actions arising from the audit in relation to animal feedingstuffs have not been included. A new regional feed delivery model was introduced in Wales from April 2015.

Status Key

Blue	Completed
Green	Good Progress
Amber	Limited Progress
Red	No Progress

To address (Recommendation including standard paragraph)	Status	Planned improvements	Progress to date	Outstanding
3.18 (i) Ensure that future Food Law Enforcement Service Plans are developed in accordance with the Service Planning Guidance in the Framework Agreement. In particular, an estimate of the full range of service demands should be provided together with an analysis of the resources required against those available. Plans to address any shortfalls identified and detailed costs should be included. [The Standard – 3.1]	Blue	The Food Law Service Delivery Plan for 2017/18 will be produced in accordance with the Service Planning Guidance going forward and will address the specific areas and comments identified for improvement in the Audit report regarding service resource and demand.		Completed
Any variance in meeting the Service Plan should be addressed by the authority in its subsequent Service Plan. [The Standard - 3.3]	Blue			Completed

To address (Recommendation including standard paragraph)	Status	Planned improvements	Progress to date	Outstanding
4.7 (i) Ensure all documented policies and procedures are reviewed at regular intervals and whenever there are changes to legislation or centrally issued guidance. [The Standard – 4.1]	Blue	Food Hygiene / Food Standards: The annual review of the policies / procedures relevant to the food law service has been built in as a rolling action within the Food Law Service Delivery Plan. Policies/procedures will be updated between the annual reviews where necessary. As a result of the collaboration between Blaenau Gwent and Torfaen County Borough Council's Public Protection Service a review of all policies / procedures is planned for 2017/18 to produce a single combined version of each document wherever reasonably practicable.		Completed
5.12 (i) Review, amend and implement its scheme of delegation and authorisation procedures to ensure that officers are appropriately authorised under all the relevant statutes in accordance with the scheme, and that authorisations are based on an assessment of competence in accordance with the relevant Codes of Practice and centrally issued guidance. [The Standard – 5.1]	Blue	The scheme of delegation through the Council's constitutional provisions was amended in August 2016. The power to authorise all individual officers now rests with the Director of Environment and Regeneration. As each new authorisation is put to the Director for approval going forward the competency assessment to inform the level of authorisation will be provided alongside the request for authorisation.		Completed

To address (Recommendation including standard paragraph)	Status	Planned improvements	Progress to date	Outstanding
5.12 (iii) Review and where necessary amend officer authorisations to ensure the level of authorisation is specified and consistent with their qualifications, training, experience and the relevant Code of Practice. [The Standard – 5.3]	Blue	Food Hygiene / Food Standards: Officer authorisations and the process of authorisation have been revised in order to take account of the issues identified during the audit. The review has included the requirement to provide the competency assessment with the authorisation request for any future authorisations.		Completed
7.20 (i) Carry out interventions/inspections in accordance with the Food Law Code of Practice and centrally issued guidance, and the authority's policies and procedures. [The Standard – 7.2]	Blue	Food Hygiene: It is noted that of 10 food hygiene related premises selected for audit only 1 was identified by the auditors as potentially requiring an alternative score in respect of confidence in management / control procedures. All officers have participated in food hygiene rating scheme consistency training since the audit and scoring was found to be consistent between officers during the exercise. Scoring consistency will continue to be assessed through internal monitoring arrangements and during any interactive consistency training exercises. With regards to the arrangements for red flagging additional guidance was developed in conjunction with the FSA regarding the process of red		Completed

		flagging and this guidance has been disseminated to all officers (the same issue is also addressed in respect of point 7.2(iii) below).		
To address (Recommendation including standard paragraph)	Status	Planned improvements	Progress to date	Outstanding
7.20 (ii) Assess the compliance of establishments in its area to the legally prescribed standards and take appropriate action on any non-compliance found, in accordance with the authority's Enforcement Policy. [The Standard -7.3]	Blue	Food Hygiene: Officers received a post audit de-brief highlighting the key issues identified during the audit. It is the intention to repeat this exercise using the learning from both the Blaenau Gwent and Torfaen audit's as a refresher training exercise for staff in both Councils. Ongoing compliance with the requirements will be assessed through internal monitoring.		Completed
7.20 (iii) Amend its documented procedures to set-out its approach to partial inspections and further develop the arrangements for red-flagging. [The Standard – 7.4]	Blue	Food Hygiene: Partial inspections are no longer permitted and compliance with this is assessed through internal monitoring. Additional guidance was developed in conjunction with the FSA regarding the recording of CCP's and the process of red flagging and this guidance has been disseminated to all officers.		

To address (Recommendation including standard paragraph)	Status	Planned improvements	Progress to date	Outstanding
Food Hygiene Rating Scheme audit actions relating to procedures	Blue			Completed
7.20 (iv) Ensure that observations made in the course of an inspection are recorded in a timely manner to prevent loss of relevant information. [The Standard – 7.5]	Blue	Food Hygiene: Officers received a post audit de-brief highlighting the key issues identified during the audit which included the need to record issue of compliance as well as non-compliance. It is the intention to repeat this exercise using the learning from both the Blaenau Gwent and Torfaen audit's as a refresher training exercise for staff in both Councils. Ongoing compliance with the requirements will be assessed through internal monitoring.		Completed
7.35 (i) Carry out food standards inspections of new businesses in accordance with the Food Law Code of Practice and centrally issued guidance. [The Standard -7.2]	Blue	Food Standards: The Authority operates a risk based inspection programme which identifies inspection frequencies for premises that is in compliance with the Food Law Code of Practice, every effort is and will continue to be made to ensure that programmed interventions are delivered in accordance with this . All new businesses are being visited before a risk rating is applied.		Completed

To address (Recommendation including standard paragraph)	Status	Planned improvements	Progress to date	Outstanding
7.35 (ii) Assess the compliance of establishments in its area to legally prescribed standards; and take appropriate action on any non-compliance found, in accordance with the authority's Enforcement Policy. [The Standard -7.3]	Blue	Officers received a post audit debrief highlighting the key issues raised during the audit which included ensuring that the post inspection forms or other records captured sufficient data to justify the risk applied to the business and that appropriate action is taken on non-compliances. It is the intention to repeat this exercise using the learning from both the Blaenau Gwent and Torfaen audit's as a refresher training exercise for staff in both Councils. Ongoing compliance with the requirements will be assessed through internal monitoring.		Completed
7.35 (iii) Ensure observations made in the course of an inspection are recorded in a timely manner to prevent loss of relevant information. [The Standard – 7.5]	Blue	Officers received a post audit debrief highlighting the key issues raised during the audit which included ensuring observations made during an inspection are recorded in a timely manner. It is the intention to repeat this exercise using the learning from both the Blaenau Gwent and Torfaen audit's as a refresher training exercise for staff in both Councils. Ongoing compliance with the requirements will be assessed through internal monitoring.		Completed

To address (Recommendation including standard paragraph)	Status	Planned improvements	Progress to date	Outstanding
8.9 (i) Ensure the target response times specified in complaint procedures are met and that the outcome of food standards complaint investigations is communicated to complainants. [The Standard – 8.2]	Blue	Officers received a post audit de-brief highlighting the key issues identified during the audit which included the need to ensure adherence to the internal food standards complaints procedure and of the need to document communications to complainants. It is the intention to repeat this exercise using the learning from both the Blaenau Gwent and Torfaen audit's as a refresher training exercise for staff in both Councils. Ongoing compliance with the requirements will be assessed through internal monitoring.		Completed
12.10 (i) Amend its sampling policy to include details of its approach to formal sampling of food and set-up food standards sampling programmes that accord with the appropriate Codes of Practice and relevant guidance. [The Standard – 12.4]	Blue	<p>Food Hygiene / Food Standards: The 2017/18 Food Law Service Delivery Plan and future plans will include a statement in respect of the Council's approach to formal sampling.</p> <p>Food Standards: A sampling programme for food standards was in existence at the time of the audit. A sampling programme has been produced for each subsequent financial year.</p>		Completed

To address (Recommendation including standard paragraph)	Status	Planned improvements	Progress to date	Outstanding
12.10 (ii) Review, amend and fully implement its Food Sampling procedures in accordance the Codes of Practice and centrally issued guidance. [The Standard – 12.5]	Blue	As a result of the collaboration between Blaenau Gwent and Torfaen County Borough Council’s Public Protection Service a review of all policies / procedures is planned for 2017/18 to produce a single combined version of each document wherever reasonably practicable. This review will include a revision of the food hygiene procedure relating to sampling and will address any areas of improvement identified during the audit.		Completed
13.9 (i) Ensure that its procedure for the investigation of food related infectious disease notifications is fully implemented in all cases. [The Standard -13.2]	Blue	Food Hygiene: A new procedure had been developed prior to the audit as a result of the Council’s own identification of improvements needed to the method of ensuring timely allocation of cases to officers and the standardisation of the minimum requirements in terms of case contact. The cases identified in the audit where improvement was required pre-dated the implementation of this revised procedure. The revised procedure continues to be implemented.		Completed

To address (Recommendation including standard paragraph)	Status	Planned improvements	Progress to date	Outstanding
15.10 (i) Set-up, maintain and implement a documented Enforcement Policy, in accordance with the relevant Codes of Practice and other official guidance, and ensure that the policy is appropriately approved. The Enforcement Policy or an accurate summary should be readily available to the public and food businesses in its area. [The Standard – 15.1]	Green	A documented enforcement policy was in place for Environmental Health (including food hygiene) and had been appropriately approved by Executive, a point which was demonstrated at the time of the audit. Whilst there was an enforcement policy in place for Trading Standards (including Food Standards) which had been formally adopted it had been recognised that it had been sometime since this policy had been reviewed and during September 2013 when the two services came together under Public Protection it was agreed that food standards would informally adopt the Environmental Health policy. As a result of the collaboration with Torfaen County Borough Council the enforcement policy has been reviewed with a view to bringing in a single enforcement policy, the draft of which has been submitted through the Corporate Management Team and is now going through the process of formal approval. The new enforcement policy will include criteria for the use of all enforcement options and the arrangements	Policy approved and publicly available and amended to include criteria for some enforcement actions, references to LA operated premises and Primary Authority scheme.	Amend the policy to include criteria for the use of formal notices.

		for ensuring compliance in establishments where the authority is the food business operator.		
To address (Recommendation including standard paragraph)	Status	Planned improvements	Progress to date	Outstanding
15.10 (ii) Set-up, maintain and implement documented procedures for all available enforcement actions in accordance with the relevant Codes of Practice and centrally issued guidance. [The Standard – 15.2]	Blue	Food Hygiene / Food Standards: As a result of the collaboration between Blaenau Gwent and Torfaen County Borough Council’s Public Protection Service a review of all policies / procedures is planned for 2017/18 to produce a single combined version of each document, this will include procedures relating to enforcement action.		Completed
15.10 (iii) Ensure that it is able to demonstrate that Simple Cautions relating to food standards offences are administered in accordance with the Food Law Code of Practice and official guidance. [The Standard – 15.3]	Blue	Officers received a post audit de-brief highlighting the key issues identified during the audit which included the need to ensure simple cautions are recorded correctly. Ongoing compliance with the requirements will be assessed through internal monitoring.		Completed
15.10 (iv) Ensure that it is able to demonstrate that decisions on enforcement actions in respect of food standards offences are made following consideration of its Enforcement Policy. [The Standard – 15.4]	Blue	Officers received a post audit de-brief highlighting the key issues identified during the audit which included the need to complete a checklist which demonstrates that the internal enforcement policy had been considered. Ongoing compliance with		Completed

		the requirements will be assessed through internal monitoring.		
To address (Recommendation including standard paragraph)	Status	Planned improvements	Progress to date	Outstanding
Food Hygiene Rating Scheme audit actions relating to report letters & safeguards	Blue			Completed.
16.9 (i) Ensure that Food Standards Inspection Report forms provided to businesses following interventions / inspections contain all of the information required by the Food Law Code of Practice. [The Standard -16.1]	Blue	Officers received a post audit debrief highlighting the key issues raised during the audit which included ensuring that the post inspection forms left with the business were completed in full. Ongoing compliance with the requirements will be assessed through internal monitoring.		Completed
19.11 (i) Fully implement its documented internal monitoring procedure for food hygiene. [The Standard – 19.1]	Blue	Food Hygiene: There has been a further revision to the internal monitoring procedure and work continues to implement this in full. The Authority is involved in the ongoing development of an internal monitoring toolkit with the FSA and Food Safety Expert Panel and the internal monitoring arrangements will be further reviewed as a result of this work. As part of the collaborative working arrangements a single internal monitoring procedure will be		Completed

		produced between Blaenau Gwent and Torfaen.		
To address (Recommendation including standard paragraph)	Status	Planned improvements	Progress to date	Outstanding
19.11 (ii) Further develop, maintain and implement its documented internal monitoring procedure for food standards so as to enable it to verify its conformance with the Standard, relevant legislation, Codes of Practice, centrally issued guidance and its own documented policies and procedures. [The Standard – 19.1 and 19.2]	Blue	Food Standards: The internal monitoring procedure commenced full implementation post audit and internal monitoring activities are ongoing. It has been recognised that internal monitoring covered interventions and complaints but sampling actions were not fully covered. This will be addressed when a single procedure is produced following the collaboration between Blaenau Gwent and Torfaen County Borough Council Public Protection Services.		Completed
19.11 (iii) Ensure internal monitoring records are kept for at least 2 years.	Blue	Food Hygiene / Food Standards: Records of internal monitoring activities are now being kept for a minimum period of 2 years.		Completed

Summary

Total recommendations	26
Completed	25
Good progress	1
Limited progress	0
No action	0

Total outstanding	1
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Appendix 4 - Organisational response – FSA Audit 2023

Ref	Recommendation	Organisational response <small>Please set out here relevant commentary on the planned actions in response to the recommendations</small>	Completion date <small>Please set out by when the planned actions will be complete</small>	Responsible officer (title)
<p>Annex 2 – ref 15.10 (2014 Audit)</p> <p>Page 99</p> <p>(2023 revisit)</p> <p>(2023 revist)</p>	<p><i>Open Action</i></p> <p><i>“15.10 (i) Set-up, maintain and implement a documented Enforcement Policy, in accordance with the relevant Codes of Practice and other official guidance, and ensure that the policy is appropriately approved. The Enforcement Policy or an accurate summary should be readily available to the public and food businesses in its area. [The Standard – 15.1]”</i></p> <p><i>2023 FSA Finding: “Policy approved and publicly available and amended to include criteria for some enforcement actions, references to LA operated premises and Primary Authority scheme.</i></p> <p><i>“Recommended Action- Amend the policy to include criteria for use of formal notices”</i></p>	<p>A Public Protection and Environmental Enforcement Policy was approved at full Council November 2022 (item 31), This policy covered all of Public Protection and Env Enforcement including food hygiene and standards regulation and included general criteria for taking a graduated approach to formal enforcement action, including the service of Enforcement Notices, as outlined in paragraph 5.1.2 of the Policy. Specific guidance relating to food regulation enforcement (that meets the relevant requirements of the Food Law Code of Practice in principle) is contained in relevant departmental operational procedures. These were reviewed and deemed to be satisfactory by FSA Auditors.</p> <p>The recommended action by the FSA, specific to food enforcement, will be considered at the next policy review (along with other non-food changes that may be necessary due to, e.g, legislative changes) and this will now be brought forward into the departmental work programme for 2024/25. In the meantime, Officers will review policies adopted in other LAs relating to this matter and consider how to incorporate any further changes relating to food regulations</p>	<p>End October 2024</p>	<p>D Thompson</p>

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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: **21st February 2024**
Report Subject: **Response to Audit Wales Enquiry to those charged with Governance and Management**
Portfolio Holder: **Cllr Steve Thomas – Leader / Cabinet Member for Corporate Overview and Performance**
Report Submitted by: **Louise Rosser – Audit and Risk Manager**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance & Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	08/02/2024	12.02.24	21/02/2024					

1. Purpose of the Report

The purpose of this report is to inform the Governance & Audit Committee of the three responses to the Audit Wales enquiries (see Appendix A), including the proposed response on behalf of the Committee as provided by the Chair.

2. Scope and Background

- 2.1 A letter of enquiry is received on an annual basis from Audit Wales which seeks the Councils documented consideration and understanding of the management and governance arrangements in place for the Authority.
- 2.2 In previous years the letter has sought two responses, one from management and one from those charged with governance. For the 2022-23 financial statements Audit Wales have issued three letters. One to the Chief Officer Resources – providing the Management response, one to the Chair of the Governance and Audit Committee – providing the response of those charged with governance and one to the Audit and Risk Manager – providing the Internal Audit response.
- 2.3 The report informs members of the responses to the Audit Wales letter and seeks commentary from the Committee in respect of the proposed answers provided on their behalf by the Committee Chair.
- 2.4 All three responses were presented to CLT on 08/02/24, who confirmed their agreement with the Management response provided on their behalf by the Chief Officer Resources.

3. **Options for Recommendation**

3.1 Options for consideration are:

Option 1

The Committee endorse the attached responses to the Audit Wales queries and confirm that the response on behalf of those charged with governance accurately reflects their views.

Option 2

The Committee endorses the attached responses to the Audit Wales queries subject to any amendments proposed to the response made on their behalf.

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

- 4.1 This report supports the Authority in achieving its Corporate Plan Priority of an ambitious and innovative council delivering quality services at the right time and in the right place through demonstrating that adequate measures are in place for the prevention and detection of fraud, by protecting the Authority's assets.

5. **Implications Against Each Option**

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

There are no direct financial implications arising from this report.

5.2 Risk including Mitigating Actions

Options 1 and 2 would satisfy the requirements of the external regulator.

5.3 Legal

There are no direct legal implications arising from production of this report.

5.4 Human Resources

There are no direct staffing implications arising from the production of this report.

6. **Supporting Evidence**

6.1 Performance Information and Data

The letter and accompanying questionnaires are attached at Appendix A.

6.2 Expected outcome for the public

Not applicable

6.3 Involvement (consultation, engagement, participation)

Not applicable

- 6.4 Thinking for the Long term (forward planning)
Not applicable
- 6.5 Preventative focus
Not applicable
- 6.6 Collaboration / partnership working
Not applicable
- 6.7 Integration (across service areas)
Not applicable
- 6.8 Decarbonisation and Reducing Carbon Emissions.
Not applicable
- 6.9 Integrated Impact Assessment
Not applicable

7. **Monitoring Arrangements**

- 7.1 Instances of fraud or misappropriation will continue to be reported to Management and the Governance and Audit Committee as part of the Audit Progress Report throughout the financial year.

Background Documents /Electronic Links

- Appendix A – Audit enquiries to those charged with governance and management.

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Louise Rosser
Audit and Risk Manager, Blaenau Gwent County Borough Council
Anvil Court
Church Street
Abertillery
Gwent
NP13 1DB

Reference: BGCBC/IA 2022-23

Date issued: 3 January 2024

Dear Louise,

Audit enquiries to Internal Audit.

This letter formally seeks Internal audit's documented consideration and understanding on a number of governance areas that impact on our audit of the financial statements.

The information you provide will inform our understanding of the Council and its business processes and support our work in providing an audit opinion on your 2022-23 financial statements.

I would be grateful if the attached table for 2022-23 could be formally considered and communicated to us by 23 February 2024. In the meantime, if you have queries, please contact Mike Jones at mike.jones@audit.wales

Yours sincerely

Mike Jones

Audit Manager

Audit enquiries to those charges with governance and management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Enquiries of internal audit – in relation to fraud	
Question	2022-23 Response
1. Do you have knowledge of any actual, suspected or alleged fraud affecting the entity?	There are three investigations being undertaken. Audit Wales have been briefed on this work and reports will be presented to the Governance and Audit Committee as appropriate when the work is concluded.
2. What are your views on the risks of fraud in the entity?	<p>The Council has well established processes integral to the financial reporting and risk management frameworks of the Council. Controls are built into systems and processes to reduce the risk of fraud.</p> <p>Internal Audit produce a risk-based audit plan on an annual basis. Audit areas are scored and ranked using a risk matrix that includes the risk of fraud. The adequacy of the internal controls in place are tested annually through completion of this plan.</p> <p>An overview of any fraudulent activity is given in the Audit and Risk Managers Annual Report. For 2022/23 the Audit and Risk Manager was able to give a ‘reasonable assurance’ opinion on the adequacy of the control environment.</p>

Enquiries of internal audit – in relation to fraud	
Question	2022-23 Response
3. What is your process for identifying and responding to the risks of fraud?	<p>All audits test the internal controls within a system and assess their adequacy. Any reports of known or suspected fraud are followed up by Internal Audit where possible. A fraud hotline is in place for reporting concerns direct to Internal Audit. (This line has been temporarily unavailable)</p> <p>A reporting protocol exists whereby the Audit and Risk Manager attends Departmental Management Teams meetings on a quarterly basis to discuss audits undertaken in the service area.</p>
4. What procedures have been performed, if any, by internal audit during the year to detect fraud?	As above. Audit reports are issued to managers within the service area of the audit. Reports are also reported to CLT and the Governance and Audit Committee.
5. Has management satisfactorily responded to any findings resulting from those procedures?	An action plan is produced for each audit undertaken that requires a responsible officer to identify how a control weakness will be addressed. Follow up audits identify if actions are not taken in a timely manner, and concerns can be escalated to CLT and to the Governance and Audit Committee as necessary.

Enquiries of internal audit – in relation to fraud

Question	2022-23 Response
6. For service organisations, have any frauds been reported to the user entity?	N/A

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Rhian Hayden
Chief Officer - Resources
Blaenau Gwent County Borough Council
Anvil Court
Church Street
Abertillery
Gwent
NP13 1DB

Reference: BGCBC/MGT 2022-23

Date issued: 3 January 2024

Dear Rhian,

Blaenau Gwent County Borough Council 2022-23 financial statements: Audit enquiries to management

The Auditor General's Statement of Responsibilities sets out that he is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. It also sets out the respective responsibilities of auditors, management and those charged with governance.

This letter formally seeks documented consideration and understanding on a number of governance areas that impact on our audit of your financial statements. These considerations are relevant to both the management of Blaenau Gwent Council and 'those charged with governance' (the Full Council).

I have set out below the areas of governance on which I am seeking your views:

1. Matters in relation to financial reporting
2. Matters in relation to fraud

Audit enquiries to management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

3. Matters in relation to laws and regulations
4. Matters in relation to related parties
5. Matters in relation to control environment, IT systems, risk and governance

The information you provide will inform our understanding of the Council and its business processes and support our work in providing an audit opinion on your 2022-23 financial statements.

I would be grateful if you could update the attached table in [Appendix 1](#) for 2022-23.

The completed [Appendix 1](#) should be formally considered and communicated to us on behalf of both management and those charged with governance by 23 February 2024. In the meantime, if you have queries, please contact me on mike.jones@audit.wales.

Yours sincerely,

Mike Jones

Audit Manager

Audit enquiries to management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Appendix 1

Enquiries of management - in relation to financial reporting

Question	2022-23 Response
1. Are there any accounting framework changes affecting the current year financial statements of the Council? Where there are changes, what actions have been taken in response to these changes?	There were no significant changes to the accounting framework for 2022/23.
2. What are your general views on the risk assessment process relating to financial reporting for the Council?	<p>The Council has well established processes integral to the financial reporting and risk management frameworks of the Council.</p> <p>Internal controls operate to reasonable assurance, ensuring the ongoing integrity of financial information and preventing fraud.</p> <p>Financial reports are developed by experienced finance staff and undergo quality assurance checks by senior qualified officers utilising professional judgement throughout.</p>

Enquiries of management - in relation to financial reporting

Question	2022-23 Response
	<p>Financial reports are reviewed by departmental and corporate leadership teams prior to consideration and challenge by Corporate Overview and Performance Scrutiny Committee, the Governance and Audit Committee, Cabinet and Council (as appropriate).</p> <p>Identified risks are assessed to determine the potential impact and where possible mitigating actions to address high risk areas are put in place. Risks will also be escalated if required.</p> <p>The Authority has an Internal Audit Service who undertake a risk-based audit plan which incorporates audits to test the assurance levels of the frameworks in place.</p>

Enquiries of management - in relation to financial reporting

Question	2022-23 Response
<p>3. Have you considered the appropriateness of the accounting policies adopted by the organisation in preparation of the Council's financial statements?</p> <p>Have there been any events or transactions that may cause you to change or adopt new accounting policies?</p> <p>How do you ensure the compliance and completeness of narrative on critical accounting policies and judgements?</p>	<p>The Authority's accounts are produced in line with the Accounting Code of Practice and relevant legislation.</p> <p>No</p> <p>The Authority employs suitably qualified and experienced accountants. A Cipfa checklist is used to support the production of the Statement of Accounts.</p>
<p>4. Are you aware of significant transactions that are outside the normal activities of the Council?</p>	<p>There were no significant transactions outside of normal activities for 2022/23.</p>
<p>5. Are you aware of any transactions, events or changes in circumstances that would cause impairments of non-current assets?</p>	<p>No</p>

Enquiries of management - in relation to financial reporting

Question	2022-23 Response
<p>6. Are you aware of any transactions, events and conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement?</p> <p>Where the financial statements include amounts based on significant estimates, how have the accounting estimates been made, what is the nature of the data used, and the degree of estimation uncertainty inherent in the estimate?</p> <p>Have there been any changes in accounting policies adopted in relation to significant estimates?</p>	<p>There is disclosure in the accounts for any transactions etc that require significant accounting estimates. These would be reported to CLT as part of the sign off process for the Statement of Accounts.</p> <p>The Authority instructs relevant experts in relation to significant estimates e.g. Savills for asset valuation, Hymans Robertson for pension assets and liabilities. Detailed reports are provided with the impact of changes to estimates on the accounts.</p> <p>No changes to policies have occurred.</p>
<p>7. Have you used any experts in the preparation of the accounts?</p>	<p>Yes, see 6 above</p>

Enquiries of management - in relation to financial reporting

Question	2022-23 Response
<p>8. Have there been any issues that may impact the preparation of the accounts identified so far?</p>	<p>The 2022/23 accounts have been delayed as a result of the previous year's accounts being delayed whilst asset valuers were engaged.</p> <p>The 2022/23 accounts have been presented in draft to the Governance and Audit Committee.</p>
<p>9. Has the management team carried out an assessment of the going concern basis for preparing the financial statements? What was the outcome of that assessment?</p> <p>Do you have knowledge of events or conditions beyond the period of the going concern assessment that may cast significant doubt on the Council's ability to continue as a going concern?</p>	<p>We have prepared our accounts on the going concern basis that can only be discontinued for local authorities under statutory prescription (in compliance with Section 3.4.2.23 of the Accounting Code of Practice).</p> <p>No</p>

Enquiries of management - in relation to financial reporting

Question	2022-23 Response
10. How do you ensure the compliance and completeness of narrative on critical accounting policies and judgements?	The Authority employs suitably qualified and experienced accountants. A Cipfa checklist is used to support the production of the Statement of Accounts.
11. Are there any issues around the use of service organisations or common functions, including uncorrected misstatements from service organisations?	No
12. Please provide information on the use of financial instruments, including derivatives.	The Authority has no derivatives. Financial instruments are disclosed in the accounts in the financial instruments section, in line with the code of practice.
13. Please provide information on the status of contingencies from the prior year.	For 2021/22 contingencies were disclosed for the following: Tai Calon - this has not changed for 2022/23

Enquiries of management - in relation to financial reporting

Question	2022-23 Response
	<p>Aneurin leisure trust (admittance to pension scheme) - this has not changed for 2022/23</p> <p>Arwen cultural trust (admittance to pension scheme) – This has ended for 2022/23.</p> <p>Potential liabilities for Municipal Mutual Insurance - this has not changed for 2022/23</p> <p>Potential for Part 1 compensation claims - this has not changed for 2022/23</p> <p>Deed of priority for site in Brynmawr (Wells Fargo) – this has not changed for 2022/23</p> <p>Contingent liability for potential claims (Social Services) – this has not changed for 2023</p>

Enquiries of management - in relation to financial reporting

Question	2022-23 Response
14. Are you aware of any guarantee contracts?	Yes, in relation to admittance of Aneurin Leisure Trust to the pensions scheme
15. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements of the Council?	See 13 above Some contingency built in to reserves for potential Social Services claims.

Enquiries of management- in relation to fraud

Question	2022-23 response
16. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud? What is the nature, extent and frequency of management's assessment?	No frauds have been highlighted that would result in material mis-statement to the financial statements.
17. Do you have knowledge of any actual, suspected or alleged fraud affecting the Council?	Yes, investigations are ongoing the outcome of which will be reported to Corporate Leadership Team and the Governance and Audit Committee when appropriate.
18. What is management's process for identifying and responding to the risks of fraud, including any specific risks of fraud that management has identified or that have been brought to its attention?	The Authority has a Fraud Policy and a Whistle blowing Policy that set out the appropriate actions to take in relation to fraud.
19. What classes of transactions, account balances and disclosures have you identified as most at risk of fraud?	Risk of fraud is considered when developing the risk based annual audit plan. The risk of fraud and misappropriation is considered when assessing the internal control environment. Appropriate checks and balances are put in

Enquiries of management- in relation to fraud	
Question	2022-23 response
	place to minimise the risks. Cash based transactions are considered to be high risk, however these are decreasing in both value and frequency as processes change.
20. Are you aware of any whistle-blowing or complaints by potential whistle blowers? If so, what has been your response?	There have been 2 whistleblowing complaints received during 2022/23. They have been considered in line with the Authority's Whistleblowing Policy.
21. What is management's communication, if any, to those charged with governance regarding their processes for identifying and responding to risks of fraud?	Progress reports are presented to the Governance and Audit Committee on a quarterly basis. These reports will highlight any work being undertaken in relation to fraud. Individual investigation reports are presented to committee as appropriate.
22. What is management's communication, if any, to employees regarding their views on business practices and ethical behaviour?	All employees are required to adhere to the Authority's Code of Conduct. Training is provided as required / appropriate.

Enquiries of management- in relation to fraud

Question	2022-23 response
23. For service organisations, have you reported any fraud to the user entity?	N/A

Enquiries of management- in relation to laws and regulations

Question	2022-23 response
24. Are you aware of any laws, other statutory and regulatory requirements that could affect the financial statements of the Council?	<p>The Authority's accounts are produced in line with the Accounting Code of Practice and relevant legislation.</p> <p>Accountants keep abreast of changing issues through their membership to professional bodies and peer networks.</p>

Enquiries of management- in relation to laws and regulations

Question	2022-23 response
25. What are the policies and procedures in place to identify applicable legal and regulatory requirements to ensure compliance?	Accountants keep abreast of changing issues through their membership to professional bodies, attendance on training courses and peer networks.
26. What policies and procedures are in place for identifying, evaluating and accounting for litigation claims and assessments?	Accountants meet regularly with service areas to discuss any known or potential liabilities. These are fed into the accounts where appropriate.
27. Have there been any changes to laws and regulations that directly impact the entity this year?	No
28. Are you aware of any instances of non-compliance with laws or regulations? Are you on notice of any such possible instances of non-compliance?	None known.
29. Have there been any examinations or inquiries performed by licensing, tax or other authorities/regulators?	Routine examinations and inquiries are undertaken by Audit Wales, Estyn and CIW.

Enquiries of management- in relation to laws and regulations

Question	2022-23 response
30. Has there been any significant communications with regulators?	Regular engagement is undertaken with regulators e.g. quarterly meetings are held with Audit Wales. In addition, an Assurance and Risk Assessment Joint Inspectorate Workshop is held annually to identify areas of concern.
31. For service organisations (if applicable), have you reported any non-compliance with laws and regulations?	N/A

Enquiries of management- in relation to related parties

Question	2022-23 response
<p>32. Have there been any changes to related parties from the prior year? If so, what is the identity of the related parties and the nature of those relationships?</p>	<p>The following related parties have been considered: Silent Valley Waste Services – no change Education Achievement Service – no change City Deal – no change Elected Members –The local government elections in May 2022 saw a number of changes to elected members this resulted in a change to related parties. These changes are detailed below:</p> <p>Councillors who stood down or did not get re-elected: Garth Collier, Joanne Collins, Martin Cook, Nigel Daniels, Gareth L Davies, Phil Edwards, Lyn Elias, Denzil Hancock, Keith Hayden, Stewart Healy, Mark Holland, John Mason, Hedley McCarthy, Clive Meredith, Jonathan Millard, Mandy Moore, Greg Paulsen, Keith Pritchard, Keri Rowson, Tim Sharrem, Bob Summers, Brian Thomas, Bernard Willis.</p> <p>New Councillors: Carl Bainton, Sonia Behr, Keith Chaplin, Helen Cunningham, Sue Edmunds, Jules Gardner, George Humphreys, Ross Leadbeater, Ellen Jones, Jen Morgan,</p>

Enquiries of management- in relation to related parties	
Question	2022-23 response
	Diane Rowberry, Chris Smith, Jaqueline Thomas, Dean Woods.
33. What transactions have been entered into with related parties during the period? What is the purpose of these transactions?	All transactions are disclosed in the Statement of Accounts under related parties.
34. What controls are in place to identify, account for and disclose related parties?	The Authority employs suitably qualified and experienced accountants. A Cipfa checklist is used to support the production of the Statement of Accounts. Accountancy also write out to Elected Members requesting any relevant information.
35. What controls are in place to authorise and approve significant transactions and arrangements: <ul style="list-style-type: none"> • with related parties, and • outside the normal course of business? 	Robust controls are set for all transactions. There are no specific additional / alternative controls for any transactions outside of the normal course of business.

Enquiries of management- in relation to control environment, IT systems, risk and governance

Question	2022-23 response
36. What are your views on the entity's control environment? How would you assess the process for reviewing the effectiveness of internal control?	The Audit and Risk Manager provides an annual opinion on the Authority's control environment. This is reported to CLT and the Governance and Audit Committee.
37. Have there been any changes to significant IT systems or applications in the period?	No
38. How do you communicate with those charged with governance regarding business risks including fraud?	Reports are provided to the Governance and Audit Committee. Meetings can also be called with Members as appropriate.

Appendix 2 - Background information

Matters in relation to fraud

International Standard for Auditing (UK) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements. This standard has been revised for 2022-23 audits.

The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance', which for Blaenau Gwent County Borough Council is the Audit Committee. Management, with the oversight of those charged with governance, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- The intentional misappropriation of assets (cash, property, etc); or
- The intentional manipulation or misstatement of the financial statements.

We also need to understand how those charged with governance exercises oversight of management's processes. We are also required to make enquiries of both management and those charged with governance as to their knowledge of any actual, suspected or alleged fraud, management's process for identifying and responding to the risks and the internal controls established to mitigate them.

Audit enquiries to management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors' responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, is responsible for ensuring that the Council's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures we are required to make enquiries of management and those charged with governance as to whether **the Council is in** compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Matters in relation to related parties

International Standard for Auditing (UK) 550 covers auditors' responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Audit enquiries to management. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

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Joanne Absalom
Chair of the Governance and Audit Committee
Blaenau Gwent County Borough Council
Anvil Court
Church Street
Abertillery
Gwent
NP13 1DB

Reference: BGCBC/TCWG 2022-23

Date issued: 3 January 2024

Dear Joanne,

Blaenau Gwent County Borough Council 2022-23 financial statements: Audit enquiries to those charged with governance

The Auditor General's Statement of Responsibilities sets out that he is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. It also sets out the respective responsibilities of auditors, management and those charged with governance.

This letter formally seeks documented consideration and understanding on a number of governance areas that impact on our audit of your financial statements. These considerations are relevant to both the management of Blaenau Gwent County Borough Council and 'those charged with governance' (the Governance and Audit Committee).

I have set out below the areas of governance on which I am seeking your views:

1. Matters in relation to fraud
2. Matters in relation to laws and regulations

Audit enquiries to those charges with governance. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

The information you provide will inform our understanding of the Council and its business processes and support our work in providing an audit opinion on your 2022-23 financial statements.

I would be grateful if you could update the attached table in [Appendix 1](#) for 2022-23.

The completed [Appendix 1](#) should be formally considered and communicated to us on behalf of both management and those charged with governance by 23 February 2024. In the meantime, if you have queries, please contact me on mike.jones@audit.wales.

Yours sincerely,

Mike Jones

Audit Manager

Audit enquiries to those charged with governance. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Appendix 1 – Enquiries of those charged with governance

Enquiries to those charged with governance	
Question	2022-23 response
1. Do you have any knowledge of actual, suspected or alleged fraud affecting the Council?	There are a number of ongoing investigations. The Committee are kept abreast of progress through the quarterly Audit Plan Progress Report and will receive full reports on each investigation at the appropriate time.
2. What is your assessment of the risk of fraud within the Council?	Risk of fraud is considered when compiling the risk-based audit plan which prioritises systems for auditing. The Council has a fraud policy that requires all known and suspected fraud / misappropriation to be reported to Internal Audit. The policy will be considered by the Committee when it is reviewed. Reports to Committees are signed off by the Chief Officer Resources (S151) and Monitoring Officer.
3. How does the Audit Committee exercise oversight of: <ul style="list-style-type: none"> management's processes for identifying and responding to the risk of fraud in the Council, and the controls that management has established to mitigate these risks? 	As above. The Committee are able to provide challenge to reports put before them and can call officers to the meeting to give account of any actions / issues as they see fit.

Enquiries to those charged with governance	
Question	2022-23 response
4. Are you aware of any non-compliance with laws and regulations that may be expected to have a fundamental effect on the operations of the Council?	The Committee has not been made aware of any non-compliances.
5. What is the allocation of responsibilities between those charged with governance and management?	Management is responsible for the strategic and operational aspects of the Authority. The Committee have oversight of these arrangements in undertaking an assurance role. Managements roles and responsibilities are set out in the constitution and individual job descriptions. The Committee has a Terms of Reference setting out its role and remit.
6. Are there any matters which those charged with governance consider require particular attention during the audit?	None identified. The Committee is aware of its ability to refer matters to Audit Wales if it sees fit to do so.

Appendix 2 - Background information

Matters in relation to fraud

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The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance', which for Blaenau Gwent County Borough Council is the Audit Committee. Management, with the oversight of those charged with governance, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- The intentional misappropriation of assets (cash, property, etc); or
- The intentional manipulation or misstatement of the financial statements.

We also need to understand how those charged with governance exercises oversight of management's processes. We are also required to make enquiries of both management and those charged with governance as to their knowledge of any actual, suspected or alleged fraud, management's process for identifying and responding to the risks and the internal controls established to mitigate them.

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Matters in relation to related parties

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The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Audit enquiries to those charged with governance. Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

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Blaenau Gwent County Borough Council – Detailed Audit Plan 2023

Audit year: 2022-23

Date issued: February 2024

Document reference: 4044A2024

This document is a draft version pending further discussions with the audited and inspected body. Information may not yet have been fully verified and should not be widely distributed.



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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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.

About Audit Wales

Our aims and ambitions

Assure



the people of Wales that public money is well managed

Explain



how public money is being used to meet people's needs

Inspire



and empower the Welsh public sector to improve



Fully exploit our unique perspective, expertise and depth of insight



Strengthen our position as an authoritative, trusted and independent voice



Increase our visibility, influence and relevance



Be a model organisation for the public sector in Wales and beyond

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Introduction

I have now largely completed my planning work.

This Detailed Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2023.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.



Adrian Crompton

Auditor General for
Wales

My audit responsibilities

I complete work each year to meet the following duties:

- I audit Blaenau Gwent County Borough Council (the Council's) and Blaenau Gwent County Borough Council Group (the Group's) financial statements to make sure that public money is being properly accounted for.
- The Council has to put in place arrangements to get value for money for the resources it uses, and I have to be satisfied that it has done this.
- The Council needs to comply with the sustainable development principle when setting and taking steps to meet its well-being objectives. The Auditor General must assess the extent to which it is doing this.

Audit of financial statements

I am required to issue a certificate and report on your financial statements which includes an opinion on their 'truth and fairness' and an assessment as to whether the Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with your financial statements and my knowledge of the Council.

In addition to my responsibilities for auditing the Council's financial statements, I also have responsibility for:

- certifying a return to the Welsh Government which provides information about the Council to support preparation of Whole of Government Accounts;
- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary); and
- the certification of a number of grant claims and returns as agreed with the funding bodies.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

There have been no limitations imposed on me in planning the scope of this audit.

Performance audit work

I carry out a programme of performance audit work to discharge my duties¹ as Auditor General in relation to value for money and sustainable development.

My local performance audit programme will continue to be delivered through a combination of an Assurance and Risk Assessment Project, bespoke local projects and thematic projects examining risks common to all councils.

The majority of my performance audit work is conducted using INTOSAI auditing standards. The International Organisation of Supreme Audit Institutions is a global umbrella organisation for the performance audit community. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

¹ When we undertake audit work under our statutory powers and duties we may collect information from public bodies that contains some personal data. Our general audit fair processing notice, explains what we do with personal data, and how you can contact our Data Protection Officer.

Your audit at a glance



My financial statements audit will concentrate on your risks and other areas of focus

My audit planning has identified the following risks:

Significant financial statement risk

- Management override of controls

Other areas of audit focus

- Valuation of land and buildings
- Preparation of the group accounts
- Pension fund accounting (IAS19); and
- Related party disclosures and senior officer remuneration



My performance audit will include:

- Assurance and Risk Assessment
- Thematic reviews: financial sustainability of local government; commissioning arrangements
- Local Report – performance management arrangements



Materiality

Materiality	£3 million
Reporting threshold	£151K



Group

We will also perform an audit of the Blaenau Gwent County Borough Council Group which consolidates the accounts of Silent Valley Waste Services Ltd.

Financial statements' materiality



Materiality £3 million

My aim is to identify and correct material misstatements, that is, those that might otherwise cause the user of the accounts into being misled.

Materiality for the audit of the Council's financial statements is calculated using:

- 2022-23 gross expenditure of £303 million
- Materiality percentage of 1%

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality).



Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts and we have set a lower materiality level for these:

- Senior officer remuneration £1,000
- Related party disclosures: transactions related to officers/elected members £10,000

Significant financial statements' risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

Exhibit 1: significant financial statement risks

Significant risk	Our planned response
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for bias; • evaluate the rationale for any significant transactions outside the normal course of business.
<p>We qualified the 2021-22 accounts as we identified that the useful economic lives of properties had not been subject to regular review, as required by the accounting framework. We were therefore unable to obtain sufficient assurance over the depreciation charged in 2021-22 and in previous years; and consequently, there was doubt regarding the material accuracy of the net book value of the properties.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • assess the work undertaken by the valuer in terms of re-assessing the useful economic lives. • review how adjustments have been made to the 2021-22 closing balances for relevant property; and • review the material accuracy of net book value of properties.

Other areas of focus

I set out other identified risks of material misstatement which, whilst not determined to be significant risks as above, I would like to bring to your attention.

Exhibit 2: other areas of focus

Audit risk	Our planned response
<p>Valuation of land and buildings</p> <p>The value of land and buildings reflected in the balance sheet and notes to the accounts represent material estimates. Land and buildings are required to be held on a valuation basis which is dependent on the nature and use of the assets. This estimate is subject to a high degree of subjectivity depending on the specialist and management assumptions adopted and changes in these can result in material changes to valuations.</p>	<p>The audit team will:</p> <ul style="list-style-type: none">• review the information provided to the valuer to assess for completeness;• evaluate the competence, capabilities and objectivity of the professional valuer;• test a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable, and the revaluations have been correctly reflected in the financial statements;• evaluate the assumptions made by management as to why it considers that land and buildings not revalued in 2022/23 are not materially misstated; and• test the reconciliation between the financial ledger and the asset register.
<p>Valuation of pension fund net liability</p> <p>The Local Government Pension scheme (LGPS) pension fund liability as reflected in the financial statements represents a material estimate. The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation</p>	<p>The audit team will:</p> <ul style="list-style-type: none">• evaluate the instructions issued by management to their management experts (the actuary) for this estimate and the scope of the actuary's work;• assess the competence, capabilities and objectivity of the actuary who carried out the valuations;• assess the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability;

- test the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary; and
- assess the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditor's expert) and undertaking any additional procedures required.

Related Parties and Senior Officer Remuneration

I judge some of the disclosures in the financial statements, such as related parties and the remuneration of senior officers and councillors, to be material by nature, with a far lower level of materiality. These disclosures are therefore inherently prone to material misstatement.

I will enhance my examination of all areas that I determine to be material by nature, to ensure that they are complete and accurate

Preparation of the group accounts:

The group accounts are prepared using Silent Valley Waste Services Ltd. accounts. For 2022-23 the Silent Valley Waste Services Ltd. accounts have been prepared for a 15-month period to 30 June 2023, and during the period 1 April 2023 to 30 June 2023 the company's activities have transferred to the Council. With this non-coterminous year-end and the transfer of the activities, there is a risk that the group accounts are not materially accurate.

My audit team will review the consolidation exercise to ensure it has been undertaken accurately.

Quality of the draft accounts

During our planning work, we were unable to map the trial balance to the statement of accounts. This is a fundamental procedure which underpins the accounts production.

In addition, we were unable to evidence support for the expenditure analysis in Note 7.2 of the accounts.

Finance officers are currently attempting to reconcile the trial balance to the statement of accounts which we will review once completed. Finance officers are also in the process of providing us with evidence supporting the expenditure analysis in Note 7.2. Again, we will review this once completed.

Financial statements' audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

Exhibit 3: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2023 Detailed Audit Plan	December 2023 - January 2024	February 2024
Audit of financial statements work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on the Financial Statements	December 2023 - March 2024	March / April 2024
Grants certification work	November 2023 – March 2024	March 2024

Planned performance audit work

I set out below details of my performance audit work and key dates for delivery of planned outputs.

Exhibit 4: key dates for delivery of planned outputs

<p>Assurance and risk assessment</p>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p>	<p>August 2023 – March 2024</p>
<p>Thematic review – financial sustainability of local government</p>	<p>A review of councils’ financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.</p>	<p>March – June 2024</p>
<p>Thematic review – commissioning arrangements</p>	<p>A review focusing on how councils’ arrangements for commissioning services apply value for money considerations and the sustainable development principle.</p>	<p>March – December 2024</p>
<p>Local review – performance management</p>	<p>A review of the Council’s performance management arrangements.</p>	<p>To be confirmed</p>

We will provide updates on the performance audit programme through our regular updates to the Governance and Audit Committee.

Certification of grant claims and returns, and statutory audit functions

Certification of grant claims and returns

I have also been requested to undertake certification work on Council's grant claims, which I anticipate will include Housing Benefits, Teachers Pension, NDR, money transfers and Social Care Wales Workforce Development Programme (SCWDP).

Statutory audit functions

In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I have made no allowance in the fee table below. If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee and audit team

In January 2023 I published the [fee scheme](#) for the 2023-24 year as approved by the Senedd Finance Committee. My fee rates for 2023-24 have increased by 4.8% for inflationary pressures. In addition, my financial audit fee has a further increase of 10.2% for the impact of the revised auditing standard ISA 315 on my financial audit approach. More details of the revised auditing standard and what it means for the audit I undertake is set out in **Appendix 1**.

I estimate your total audit fee will be £341,422 (excluding grant work).

Exhibit 5: audit fee

This table sets out the proposed audit fee estimate for 2023, by area of audit work, alongside both the estimated and actual audit fee for last year.

Audit area	Proposed fee (£) ²	Actual fee last year (£)	Estimated fee last year (£)
Audit of accounts ³	227,878	245,684	198,184
Performance audit work ⁴	113,544	108,136	108,136
Total (exc grants)	341,422	353,820	306,320
Grant certification work	40-50k	48,835	40-50k

Please note that an additional fee of £47,500 was charged in respect of the 2021-22 audit of accounts due to the additional work undertaken.

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Council.

Our financial audit fee is based on the following assumptions:

- The agreed audit deliverables sets out the expected working paper requirements to support the financial statements and includes timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

² Notes: The fees shown in this document are exclusive of VAT, which is not charged to you.

³ Payable November 2022 to October 2023.

⁴ Payable April 2023 to March 2024.

The main members of my team, together with their contact details, are summarised in **Exhibit 6**.

Exhibit 6: my local audit team

Name	Role	E-mail address
Anthony Veale	Engagement Director	Anthony.veale@audit.wales
Mike Jones	Audit Manager (Financial Audit)	Mike.jones@audit.wales
Colin Davies	Audit Manager (Performance Audit)	Colin.davies@audit.wales
Deborah Woods	Audit Lead (Financial Audit)	Deborah.woods@audit.wales
Charlotte Owen	Audit Lead (Performance Audit)	Charlotte.owen@audit.wales

I can confirm that my team members are all independent of the Council and your officers.

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD* and our Chair, acts as a link to our

Board on audit quality. For more information see our [Audit Quality Report 2022](#).



Our People

The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

Arrangements for achieving audit quality

The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.



- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

Independent assurance

The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.



- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

* QAD is the quality monitoring arm of ICAEW.

- External monitoring

Appendix 1

The key changes to ISA315 and the potential impact on your organisation

Key change	Potential impact on your organisation
More detailed and extensive risk identification and assessment procedures	<p>Your finance team and others in your organisation may receive a greater number of enquiries from our audit teams at the planning stage of the audit. Requests for information may include:</p> <ul style="list-style-type: none">• information on your organisation’s business model and how it integrates the use of information technology (IT);• information about your organisation’s risk assessment process and how your organisation monitors the system of internal control;• more detailed information on how transactions are initiated, recorded, processed, and reported. This may include access to supporting documentation such as policy and procedure manuals; and• more detailed discussions with your organisation to support the audit team’s assessment of inherent risk.
Obtaining an enhanced understanding of your organisation’s environment, particularly in relation to IT	<p>Your organisation may receive more enquiries to assist the audit team in understanding the IT environment. This may include information on:</p> <ul style="list-style-type: none">• IT applications relevant to financial reporting;• the supporting IT infrastructure (e.g. the network, databases);• IT processes (e.g. managing program changes, IT operations); and• the IT personnel involved in the IT processes. <p>Audit teams may need to test the general IT controls and this may require obtaining more detailed audit evidence on the operation of IT controls within your organisation.</p> <p>On some audits, our audit teams may involve IT audit specialists to assist with their work. Our IT auditors may need to engage with members of your IT team who have not previously been involved in the audit process.</p>

Key change	Potential impact on your organisation
<p>Enhanced requirements relating to exercising professional scepticism</p>	<p>Our audit teams may make additional inquiries if they identify information which appears to contradict what they have already learned in the audit.</p>
<p>Risk assessments are scalable depending on the nature and complexity of the audited body</p>	<p>The audit team's expectations regarding the formality of your organisation's policies, procedures, processes, and systems will depend on the complexity of your organisation.</p>
<p>Audit teams may make greater use of technology in the performance of their audit</p>	<p>Our audit teams may make use of automated tools and techniques such as data analytics when performing their audit. Our teams may request different information or information in a different format from previous audits so that they can perform their audit procedures.</p>

Through our Good Practice work we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire. Our newsletter provides you with regular updates on our public service audit work, good practice and events, which can be tailored to your preferences. For more information about our Good Practice work click [here](#). Sign up to our newsletter [here](#).



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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.