



GOVERNANCE AND AUDIT COMMITTEE

2.00 PM - TUESDAY, 27 SEPTEMBER 2022

**MULTI-LOCATION MEETING – COUNCIL CHAMBER PORT TALBOT
AND MICROSOFT TEAMS**

**ALL MOBILE TELEPHONES TO BE SWITCHED TO SILENT FOR THE
DURATION OF THE MEETING**

Webcasting/Hybrid Meetings:

**This meeting may be filmed for live or subsequent broadcast via the
Council's Internet Site. By participating you are consenting to be
filmed and the possible use of those images and sound recordings
for webcasting and/or training purposes.**

PART 1

1. Appointment of Chairperson
2. Appointment of Vice Chairperson
3. Chairpersons Announcements
4. Declarations of Interest
5. Audit Wales - Final Assurance and Risk Assessment Progress Update Letter (*Pages 5 - 10*)
6. Audit Wales - Audit Plan 2022-2023 (*Pages 11 - 28*)
7. Audit Wales - Work Programme and Timetable (*Pages 29 - 46*)
8. Statement of Accounts (*Pages 47 - 208*)
9. Internal Audit - Annual Report 2021-2022 (*Pages 209 - 220*)

10. Internal Audit - Strategy and Risk Based Plan for 2022-2023
(Pages 221 - 244)
11. Internal Audit - Update Report (Pages 245 - 270)
12. Urgent Items
Any urgent items at the discretion of the Chairman pursuant to Section 100B(4)(b) of the Local Government Act 1972.
13. Forward Work Programme (Pages 271 - 276)
14. Access to Meetings
That pursuant to Section 100A(4) and (5) of the Local Government Act 1972, the public be excluded for the following items of business which involved the likely disclosure of exempt information as defined in Paragraph 12 and 15 of Part 4 of Schedule 12A of the above Act.

PART 2

15. Internal Audit - Special Investigations (Pages 277 - 280)

K.Jones
Chief Executive

Civic Centre
Port Talbot

Wednesday, 21 September 2022

Committee Membership:

Chairperson: To be confirmed

Vice

Chairperson: To be confirmed

Members: Councillors A.R.Aubrey, O.S.Davies,
W.Carpenter, S.M.Penry, A.J.Richards,
P.D.Richards, P.Rogers and M.Spooner

Voting Lay

Member: J.Jenkins, M.Owen, H.Griffiths a/ac A.Bagley

This page is intentionally left blank

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

27th SEPTEMBER 2022

JOINT REPORT OF CHIEF FINANCE OFFICER – H JONES HEAD OF PEOPLE AND ORGANISATIONAL DEVELOPMENT – S REES

Matter for Information

Wards Affected – All wards

Report Title - Audit Wales – Assurance and Risk Assessment Progress Update

Purpose of the Report

The purpose of this report is to provide the Committee with a progress update from Audit Wales on the Council's arrangements for responding to the requirements of the Local Government and Elections (Wales) Act 2021.

This work was undertaken as part of Audit Wales 2021-2022 Assurance and Risk Assessment (ARA) project to help discharge the Auditor General's duties under the Act.

Financial Impact

There are no financial impacts in respect of this item.

Integrated Impact Assessment

There is no requirement for an integrated impact assessment in respect of this item.

Valleys Communities Impacts

There are no impacts in respect of this item.

Workforce impacts

There are no workforce impacts in respect of this item.

Legal Impacts

There are no legal impacts in respect of this item.

Risk Management

There are no risk management issues in respect of this item.

Consultation

There is no requirement under the Constitution for external consultation on this item.

Recommendation

It is recommended that:

Members note the progress set out in the attached update from Audit Wales on the Council's arrangements for responding to the requirements of the Local Government and Elections (Wales) Act 2021.

Appendix

- Audit Wales – Assurance & Risk Assessment Progress Update

Background Papers

None

Officer Contact

For further information on this report item, please contact:

Mr Huw Jones, Chief Finance Officer

E-mail: h.jones@npt.gov.uk

Mrs Caryn Furlow-Harris, Strategic Manager – Policy & Executive Support

E-mail: c.furlow@npt.gov.uk

Karen Jones
Chief Executive
Neath Port Talbot Council
Civic Centre
Port Talbot
SA13 1PJ

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Reference: 3074A2022

Date issued: July 2022

Dear Karen

Assurance and Risk Assessment Progress Update

Following on from our meeting with the Corporate Management Team earlier this year we said that we would more formally feedback on some specific aspects of our assurance and risk assessment work that we have undertaken. This letter provides a progress update on the Council's arrangements for responding to the requirements of the Local Government and Elections (Wales) Act 2021.

This work was undertaken as part of our 2021-22 Assurance and Risk Assessment (ARA) project to help discharge the Auditor General's duties¹.

We recognise that the Council's response to the Local Government and Elections (Wales) Act 2021 is ongoing. This feedback provides a point in time assurance and risk progress update on the Council's arrangements in this area.

¹ These duties include under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act). It may also inform a study for improving value for money under section 41 of the 2004 Act, and/or an examination undertaken by the Auditor General under section 15 of the Well-being of Future Generations (Wales) Act 2015.

Arrangements for responding to the Local Government and Elections (Wales) Act 2021

What we did

We undertook our assessment of the Council's progress in responding to key requirements in the Local Government and Elections and (Wales) Act 2021 between March and April 2022. The evidence was gathered through interviews and document reviews and also drew on relevant findings from our other ongoing and recent work at the Council. Our work looked at the arrangements the Council is putting in place in responding to the Local Government and Elections and (Wales) Act 2021. The work was not an assessment of the effectiveness of these arrangements.

What we found

- **Arrangements for Self-Assessment and Panel Assessments**

The Council undertook some work in early 2021 to start to develop the approach to its self-assessment arrangements. However, this was paused to enable key staff to focus on the development of the Council's new Corporate Plan. Now that the Corporate Plan has been published the Council is working with the Welsh Local Government Association (WLGA) to help design its approach to self-assessment and determine how best to engage Members in the process.

Whilst the overall self-assessment approach is still being finalised, as part of its business planning approach the Council has developed a Service Recovery Plan Template and Guidance which includes a section on undertaking the self-assessment. The Council proposes that this process will provide some of the primary evidence that will enable it to discharge its self-assessment responsibility under the Act. The approach is underpinned by several key aims, including:

- to be the key planning tool for the service that will underpin planning and performance arrangements at service level;
- to enable services to provide an honest, objective and transparent evaluation of performance and demonstrate self-awareness from evidenced-based analysis;
- to help services have a deeper understanding of their service to make better decisions, inform planning and manage risks;

- to help inform self-evaluation at its corporate level (which is now required by law); and
- to help communicate service performance to stakeholders.

It is the Council's intention to combine the outputs from the self-assessment work and the annual report of progress on the Council's well-being objectives into one report, which it intends to publish in September/October 2022.

The Council has told us that the decisions for the self-assessment arrangements and timing for the associated statutory Panel Assessment will be taken by the new administration after the May 2022 elections. However, the current thinking is that this panel is likely to take place midterm of the new administration.

- **Arrangement for the Consultation Duty and Participation Strategy**

The Council is still developing how it proposes to discharge its consultation duty on its self-assessment. However, in the development of its new Corporate Plan the Council has undertaken extensive engagement and consultation with citizens, and other stakeholders. The Council has told us that any consultation on the self-assessment will build on this existing engagement and consultation work.

The Council is currently drafting its Participation Strategy and has told us that it is keen to ensure there is a Council-wide approach to the development of the Strategy and that it meets the requirements contained within the Local Government and Elections Act Guidance.

- **Arrangements for the changes to Governance and Audit Committees**

The required changes to the Council's new Governance and Audit Committees (G&AC) composition and new Terms of Reference were agreed at its Annual General Meeting in March 2021. The G&AC will be comprised of 12 members, of which there will be three new lay members and one existing lay member. The formal appointment of three new lay members took place in February 2022.

The Council had planned to undertake some initial induction training for the new lay members in March 2022 with further training for all Members to be undertaken by the WLGA in June 2022.

- **Arrangements for establishing Corporate Joint Committees (CJC)**

The South West Wales CJC (SWWCJC) was established on 13 January 2022 in conjunction with the other statutory partners, City and County of Swansea Council,

Carmarthenshire County Council, Brecon Beacons and Pembrokeshire Coast National Park Authorities. Key statutory decisions were taken at this meeting, such as appointment to the governance structure, agreeing the constitution and other statutory requirements such as those around scrutiny and overview. The approval of the Draft Budget was taken at a later meeting on 25 January 2022.

The SWWCJC has been organised around a sub-committee structure for the key areas of responsibility. However, a decision was taken not to integrate other regional economic development programmes, such as the City Deal, into the CJC at this point in time to avoid any potential disruption to the delivery of the City Deal.

The Council also expressed some concern over the current lack of clarity around the agreed legal status of the CJs across Wales. With this posing a risk that monies that may potentially flow through the CJC could be subject to VAT and Corporation Tax. The Council is working with the WLGA to seek a solution to this.

- **Use of the General Power of Competence (GPoC)**

The Council has told us that it has no immediate plans to use this power. However, this position may change once they have received the proposed Welsh Government GPoC guidance, which should provide more information on how the power might be used. However, the Council has reported that there has been interest from Community and Town Councils on the potential for them to use this power.

This letter forms part of the feedback on our Assurance and Risk Assessment work. We will also be reporting in due course on three further subject areas: recovery planning, carbon reduction and an update on financial sustainability. It is intended that the work on these three areas will be reported in Summer 2022.

I would like to take this opportunity to thank you and your officers for the ongoing support you provide to enable us to carry out our work. We look forward to continuing to work positively with you going forward.

Yours sincerely,

Non Jenkins
Audit Manager



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

27th September 2022

Report of the Chief Accountant Technical & Governance (Head of Internal Audit) - Diane Mulligan

Matters for Information

Wards Affected:

All Wards

Audit Wales – 2022 Audit Plan Neath Port Talbot Council

1. Purpose of the Report

The purpose of this report is to provide details of the work which Audit Wales intends to undertake during 2022-23. The report also contains details of the fees which will be charged. The report will be presented by Audit Wales.

2. Executive Summary

The Audit Wales 2022 Audit Plan, attached as appendix 1 to this report, sets out the work Audit Wales plan to undertake to discharge their statutory responsibilities as the Council's external auditor and to fulfil their obligations under the Code of Audit Practice.

3. Summary of work planned to be undertaken

- Financial Audit - Audit of Financial Statement
- Performance Audit – Assurance & Risk Assessment
- Performance Audit – Thematic Review – unscheduled care

- Performance Audit – Thematic Review – to be confirmed
- Performance Audit – Local Project – to be confirmed
- Certification of grant claims and returns

4. Financial implications

The proposed fees have been accounted for in the Council's budget.

5. Integrated Impact Assessment

There is no requirement to undertake an integrated impact assessment as this report is for information purposes.

6. Valley Communities Impacts

No implications.

7. Workforce Impacts

No implications

8. Legal Impacts

The Council is required to appoint an external auditor and have appointed Audit Wales to fulfil this obligation.

9. Risk Management Impacts

The findings of Audit Wales are a key input into the Council's corporate governance arrangements and the areas identified for improvement work inform the Annual Governance Statement and associated improvement plans.

10. Consultation

There is no requirement for external consultation on this item.

11. Recommendation

For members to note the work Audit Wales plan to undertake during 2022-2023.

12. Appendices

Appendix 1 – Audit Wales - 2022 Audit Plan Neath Port Talbot Council

Officer Contact:

Diane Mulligan
Chief Accountant Technical & Governance/Head of Internal Audit
d.mulligan@npt.gov.uk
01639 763603

Anne-Marie O'Donnell
Audit Manager
am.odonnell@npt.gov.uk
01639 763628

This page is intentionally left blank

2022 Audit Plan – Neath Port Talbot Council

Date issued: April 2022

Document reference: 2911A2022

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

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions. Audit Wales is not a legal entity and itself does not have any functions.

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

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, Audit Wales and, where applicable, the auditor acting on behalf of the Auditor General are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

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

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

Contents

2022 Audit Plan	
About this document	4
My duties	4
Impact of COVID-19	5
Audit of financial statements	5
Performance audit	7
Certification of grant claims and returns	9
Statutory audit functions	9
Fee, audit team and timetable	10

2022 Audit Plan

About this document

- 1 This document sets out the work I plan to undertake during 2022 to discharge my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

My duties

- 2 I complete work each year to meet the following duties.

Audit of financial statements

- 3 Each year I audit Neath Port Talbot Council's (the Council's) financial statements to make sure that public money is being properly accounted for.

Value for money

- 4 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.

Sustainable development principle

- 5 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 they are doing this.

Impact of COVID-19

- 6 The COVID-19 pandemic has had an unprecedented impact on the United Kingdom and the work of public sector organisations.
- 7 While Wales is currently at Coronavirus Alert Level 0, Audit Wales will continue to monitor the position and will discuss the implications of any changes in the position with your officers.

Audit of financial statements

- 8 It is my responsibility to issue a certificate and report on the financial statements. This includes:
 - an opinion on the on the 'truth and fairness' of the Council's financial statements for the financial year ended 31 March 2022; and
 - an assessment as to whether the Council's Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with the financial statements and with my knowledge of the Council.
- 9 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);
 - the independent examination of the Welsh Church Act Trust Fund;
 - the independent examination of Margam Crematorium Joint Committee; and
 - the certification of a number of grant claims and returns as agreed with the funding bodies.
- 10 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 will be reported to the Governance and Audit Committee prior to completion of the audit.
- 11 Any misstatements below a trivial level (set at 5% of materiality) I judge as not requiring consideration by those charged with governance and therefore will not report them.
- 12 There have been no limitations imposed on me in planning the scope of this audit.
- 13 I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#), along with further information about my work.

Audit of financial statements risks

14 The following table sets out the risks I have identified for the audit of the Council.

Exhibit 1: financial statement audit risks

This table summarises the key financial statement audit risks identified at the planning stage of the audit.

Audit risk	Proposed audit response
Significant risks	
<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 240.31-33].</p>	<p>We 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 biases; and • evaluate the rationale for any significant transactions outside the normal course of business.
Other audit risks	
<p>The COVID-19 pandemic has had a significant impact on the risks of material misstatement and the shape and approach to my audit. The Welsh Government has made available various funding streams to the Council. In some cases, these monies provide financial support to the Council itself. In other cases, the funds have been administered by the Council, making payments to third parties on behalf of the Welsh Government. Payments have been made available through a number of different schemes over the course of 2021-22 and the amounts involved are material to the accounts. There is a risk of incorrect accounting treatment for COVID-19 funding ie principal or agency arrangements.</p>	<p>We will review the funding streams received from the Welsh Government and confirm the appropriate accounting treatment with the Council.</p>

Audit risk	Proposed audit response
<p>Asset valuations</p> <p>Accounting for Property, Plant and Equipment continues to be one of the most challenging areas of the accounts. In light of the COVID restrictions that were in place during 2021-22 and uncertainties over market values for assets since the start of the pandemic, there is a risk that the carrying value of assets reported in the accounts may be materially different to the current value of assets as at 31 March 2022. This may be the case where assets have been valued on a rolling basis and not as at the financial year-end.</p>	<p>We will review the Council's asset valuation programme to establish when individual groups of assets were valued and seek to confirm that valuations carried out earlier than as at 31 March 2022 are not materially different to the current value of assets as at the year-end.</p>

Performance audit

- 15 In addition to my Audit of Financial Statements I also carry out a programme of performance audit work to discharge my duties as Auditor General as set out in paragraphs four and five in relation to value for money and sustainable development.
- 16 In response to the pandemic, I adopted a flexible approach to my performance audit work both in terms of topic coverage and methodology. This enabled me to respond to the fast-moving external environment and provide more real-time feedback in a range of formats.
- 17 For 2022-23, I intend to continue this approach to help enable my work to be responsive and timely, and where possible to share learning more quickly. As part of this approach, I anticipate that a significant proportion of my local performance audit programme will continue to be delivered through the Assurance and Risk Assessment Project, that will be ongoing throughout the year.
- 18 Given the high degree of commonality in the risks facing councils I also intend to deliver a number of thematic projects examining risks common to all councils.
- 19 During 2020-21, I consulted public bodies and other stakeholders on how I will approach my duties in respect of the Well-being of Future Generations (Wales) Act 2015 from 2020-2025.
- 20 In March 2021, I wrote to the public bodies designated under the Act setting out my intentions, which include a). carrying out specific examinations of how public bodies have set their well-being objectives and b). integrating my sustainable development principle examinations of steps to meet well-being objectives with my national and local audit programmes.

- 21 My auditors are liaising with the Council to agree the most appropriate time to examine the setting of well-being objectives.
- 22 The examination of steps to meet well-being objectives will be conducted as part of work set out in this audit plan and successive audit plans, leading up to my statutory report under the Act in 2025.
- 23 For 2022-23 my performance audit work at the Council is set out below.

Exhibit 2: performance audit programme 2022-23

This table summarises the performance audit programme for 2022-23

Performance audit programme	Brief description
Assurance and Risk Assessment	<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>At the Council the project is likely to focus in particular on:</p> <ul style="list-style-type: none"> • financial position; • capital programme management; • governance; • use of performance information – with a focus on service user feedback and outcomes; and • setting of well-being objectives if applicable
Thematic review – unscheduled care	<p>We intend to undertake a cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.</p>

Performance audit programme	Brief description
Thematic review (to be confirmed)	To be confirmed following the consultation referred to in paragraph 24 below.
Local Project (to be confirmed)	To be confirmed following further discussions with the Council.

- 24 In March 2022, I published a consultation inviting views to inform our future audit work programme for 2022-23 and beyond. It considers topics that may be taken forward through our national value for money examinations and studies and/or through local audit work across multiple NHS, central government and local government bodies. As we develop and deliver our future work programme, we will be putting into practice key themes in our new five-year strategy, namely:
- the delivery of a strategic, dynamic, and high-quality audit programme; supported by
 - a targeted and impactful approach to communicating and influencing.
- 25 The possible areas of focus for future audit work that we set out in the consultation were framed in the context of three key themes from our Picture of Public Services analysis in autumn 2021, namely: a changing world; the ongoing pandemic; and transforming service delivery. We also invited views on possible areas for follow-up work.
- 26 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

- 27 I have also been requested to undertake certification work on the Council's grant claims, which I anticipate will include Housing Benefit, Teachers' Pensions, Non Domestic Rates and Social Care Workforce Development Plan returns.

Statutory audit functions

- 28 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.

29 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, audit team and timetable

30 My fees and planned timescales for completion of the audit are based on the following assumptions:

- the financial statements are provided in accordance with a timescale to be agreed taking into account the impact of COVID-19, to the quality expected and have been subject to a robust quality assurance review;
- information provided to support the financial statements is in accordance with that provided in previous years;
- appropriate facilities are provided to enable my audit team to deliver the audit in an efficient manner;
- all appropriate officials will be available during the audit;
- you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me; and
- Internal Audit's planned programme of work is complete and management has responded to issues that may have affected the financial statements.

31 If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee

32 As set out in our Fee Scheme 2022-23, our fee rates for 2022-23 have increased by 3.7% as a result of the need to continually invest in audit quality and in response to increasing cost pressures.

33 The estimated fee for 2022 is set out in **Exhibit 3**. This represents a 3.4% increase compared to your actual 2021 fee.

Exhibit 3: audit fee

This table sets out the proposed audit fee for 2022, by area of audit work, alongside the actual audit fee for last year.

Audit area	Proposed fee (£) ¹	Actual fee last year (£)
Audit of accounts ²	£181,454	£175,398
Performance audit work ³	£102,676	£99,310
Grant certification work ⁴	£50,200	£48,500
Other financial audit work ⁵	£1,860	£1,800
Total fee	£336,190	£325,008

34 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.

35 Further information can be found in my [Fee Scheme 2022-23](#).

Audit team

36 The main members of my team, together with their contact details, are summarised in **Exhibit 4**.

Exhibit 4: my audit team

This table lists the members of the local audit team and their contact details.

Name	Role	Contact number	E-mail address
Matthew Edwards	Engagement Director	07837 385420	matthew.edwards@audit.wales
Gillian Gillett	Audit Manager (Financial Audit)	07966 866242	gillian.gillett@audit.wales

¹ Notes: The fees shown in this document are exclusive of VAT, which is not charged to you.

² Payable November 2021 to October 2022.

³ Payable April 2022 to March 2023.

⁴ Payable as work is undertaken.

⁵ Margam Crematorium Joint Committee £1,035, Welsh Church Act Trust fund £825

Name	Role	Contact number	E-mail address
Anwen Worthy	Audit Lead (Financial Audit)	02920 320629	anwen.worthy@audit.wales
Non Jenkins	Audit Manager (Performance Audit)	02920 320500	non.jenkins@audit.wales
Justine Morgan	Audit Lead (Performance Audit)	02920 320500	justine.morgan@audit.wales

37 We can confirm that team members are all independent of you and your officers. In addition, we are not aware of any potential conflicts of interest that we need to bring to your attention.

Timetable

38 The key milestones for the work set out in this plan are shown in **Exhibit 5**.

39 The Public Audit (Wales) Act 2004 provides electors with the right to ask questions and to make objections to the Authority's accounts to the Auditor General. The rights to ask questions and make objections at audit are linked to electors' rights to inspect the accounts that are also set out in the 2004 Act.

Exhibit 5: audit timetable

Planned output	Work undertaken	Report finalised
2022 Audit Plan	January – March 2022	April 2022
Audit of Financial Statements work: <ul style="list-style-type: none"> • Audit of Financial Statements Report • Opinion on Financial Statements 	February – July 2022	July 2022 (to be confirmed) July 2022 (to be confirmed)

Planned output	Work undertaken	Report finalised
Performance audit work: <ul style="list-style-type: none"> • Assurance and Risk Assessment project • Thematic Review – unscheduled care • Thematic Review • Local project 	Timescales for individual projects will be discussed with the Council and detailed within the specific project briefings produced for each piece of work.	
Grants certification work: <ul style="list-style-type: none"> • Housing Benefit • Non-Domestic rates • Teachers’ pensions return • SCWWDP return 	September – December 2022	October – December 2022
Other financial audit work: <ul style="list-style-type: none"> • Whole of Government Accounts return • Welsh Church Acts Trust Fund independent examination • Margam Crematorium Joint Committee independent examination 	To be confirmed October 2022 July 2022 (to be confirmed)	To be confirmed December 2022 July 2022 (to be confirmed)
Annual Audit Summary	N/A	December 2022 (subject to completion of other work)



Audit Wales

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

27th SEPTEMBER 2022

JOINT REPORT OF CHIEF FINANCE OFFICER – H JONES HEAD OF PEOPLE AND ORGANISATIONAL DEVELOPMENT – S REES

Matter for Information

Wards Affected – All wards

Report Title - Audit Wales – Programme & Timetable – Quarterly Update to 30th June 2022

Purpose of the Report

The purpose of this report is to provide the Committee with an update on the work undertaken by Audit Wales up to the 30th June 2022. The update includes information on the following work undertaken by Audit Wales:

- Financial Audit Work
- Performance Audit Work
- Local Government National Studies (planned / in progress)

The update also includes progress on the planned work of:

- Estyn
- Care Inspectorate Wales (CIW)

In addition to the above, the update also lists Audit Wales National Reports and others that have been published since June 30th 2022.

Financial Impact

There are no financial impacts in respect of this item.

Integrated Impact Assessment

There is no requirement for an integrated impact assessment in respect

of this item.

Valleys Communities Impacts

There are no impacts in respect of this item.

Workforce impacts

There are no workforce impacts in respect of this item.

Legal Impacts

There are no legal impacts in respect of this item.

Risk Management

There are no risk management issues in respect of this item.

Consultation

There is no requirement under the Constitution for external consultation on this item.

Recommendation

It is recommended that:

Members note the update contained in the attached update .

Appendix

- Audit Wales – Quarter 1 Work Programme Update

Background Papers

None

Officer Contact

For further information on this report item, please contact:

Mr Huw Jones, Chief Finance Officer

E-mail: h.jones@npt.gov.uk

Mrs Caryn Furlow-Harris, Strategic Manager – Policy & Executive Support

E-mail: c.furlow@npt.gov.uk

Audit Wales Work Programme and Timetable – Neath Port Talbot Council

Quarterly Update: 30 June 2022

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in February 2022	February 2022	Complete

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2021-22 statement of accounts	To provide an opinion on the 'truth and fairness' of the Council's financial statements for the financial year ended 31 March 2022.	February to September 2022	Final audit work in progress

Description	Scope	Timetable	Status
<p>Certification of Grant returns for financial year 2021-22:</p> <ul style="list-style-type: none"> • Housing Benefit Subsidy • Non Domestic Rates • Teachers' Pension Contributions • Social Care Workforce Development Plan 	<p>Certification that nothing has come to our attention to indicate that the return is:</p> <ul style="list-style-type: none"> • Not fairly stated • Is not in accordance with the relevant terms and conditions 	<p>In line with certification deadlines.</p> <p>October to December 2022.</p>	<p>Audit to commence October 2022</p>

Performance Audit work

2021-22 Performance audit work	Scope	Timetable	Status
<p>Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations</p>	<p>We will seek to integrate the delivery of our WFG examinations of steps to deliver well-being objectives with our other audit work. We will discuss this with the council as we scope and deliver the audit projects listed in this plan.</p> <p>We will examine the extent to which the council has acted in accordance with the sustainable development principle in setting its Well-being Objectives.</p>	<p>Ongoing</p> <p>Ongoing</p>	<p>Ongoing</p> <p>Ongoing</p>
<p>Improvement reporting audit</p>	<p>Audit of discharge of duty to publish an assessment of performance.</p>	<p>December 2021</p>	<p>Complete</p>

2021-22 Performance audit work	Scope	Timetable	Status
Assurance and Risk Assessment	<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.</p> <p>At Neath Port Talbot Council the project is likely to focus on:</p> <ul style="list-style-type: none"> • Financial position • Self-assessment arrangements • Recovery planning • Implications of the Local Government and Elections (Wales) Act • Carbon reduction plans • Assessing the Council's response to its independent investigation and subsequent action plan 	Ongoing	Drafting

2021-22 Performance audit work	Scope	Timetable	Status
Springing Forward – Examining the building blocks for a sustainable future	As the world moves forward, learning from the global pandemic, this review looks at how effectively councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.	April 2022	Drafting

2022-23 Performance audit work	Scope	Timetable	Status
Assurance and Risk Assessment	<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. The project is likely to focus in particular on:</p> <ul style="list-style-type: none"> • Financial position • Capital programme management • Governance • Use of performance information – with a focus on service user feedback and outcomes • Setting of well-being objectives, if applicable 	March 2023	Ongoing

2022-23 Performance audit work	Scope	Timetable	Status
Thematic Review – Unscheduled Care	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	July – December 2022	Scoping
Thematic review – Digital	This project will be scoped over the summer with further details of the specific focus of the review to be confirmed.	To be confirmed	Scoping
Scrutiny Review	This project will be agreed with officers during the summer	To be agreed	To be agreed

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Neath Port Talbot Council
Poverty	Understanding how local authorities ensure they deliver their services to minimise or reduce poverty.	Autumn 2021 – Autumn 2022	Drawing Conclusions	Yes – interview with nominated officer at the Council
Social Enterprises	Review of how local authorities are supporting and utilising social enterprises to deliver services	Autumn 2021 – Autumn 2022	Drawing conclusions	Yes – interview with nominated officer at the Council
Building Social Resilience and Self reliance	Review of how local authorities can build greater resilience in communities	Autumn 2021 – Autumn 2022	Drawing conclusions	Yes – interview with nominated officer at the Council

Estyn

Estyn planned work 2022-23	Scope	Timetable	Status
Local Government Education Services Inspections	<p>Estyn inspected Anglesey and Swansea local government education services during the summer term. The reports will be published in August and early September. The Torfaen report was published on 18 May. Estyn will be reviewing the inspection guidance to reflect a greater emphasis on socio-economic disadvantage and inequity and to make minor tweaks in response to feedback from inspections in 2021-22</p>	<p>Inspection guidance review – July. Published on website 1 September.</p>	<p>N/A</p>
Curriculum Reform thematic review	<p>The Welsh Government have also asked Estyn to review the school improvement services in south-west Wales.</p>	<p>Evidence collecting in June/July – published in September.</p>	<p>N/A</p>

Care Inspectorate Wales (CIW)

CIW planned work 2022-23	Scope	Timetable	Status
Programme 2022-23	CIW will continue to run its pilot cyclic programme of assurance checks, improvement checks and performance evaluation inspections.	April 2022 – March 2023	In progress
Development	CIW will continue to develop its approach to inspection and review of local authorities. CIW will consult further regarding its approach.	September 2022 – December 2022	In progress
Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2021-22	Following the publication of the 2020-21 report, planning is underway for the next report publication date to be confirmed.	Publication to be confirmed	Data collecting
Annual meeting with Statutory Directors of Social Services	CIW will meet with all Directors of Social Services	December 2022 and January 2023	Planning

CIW planned work 2022-23	Scope	Timetable	Status
<p>National review of Care Planning for children and young people subject to the Public Law Outline pre-proceedings</p>	<p>Purpose of the review To provide external scrutiny, assurance and to promote improvement regarding the quality of practice in relation to the care planning for children and young people subject to the public law outline pre-proceedings. To consider the extent to which practice has progressed since the publication of both the CIW 'National Review of care planning for children and young people subject to public law outline pre proceedings' and the publication of the PLO working group report 2021 including best practice guidance.</p>	<p>September 2022</p>	<p>Planning</p>
<p>Joint Inspection Child Protection Arrangements</p>	<p>Cross-inspectorate approach. Area to be determined. We will complete a further four multi agency joint inspections. We will publish a national report in late 2023.</p>	<p>Autumn 202 – Spring 2023</p>	<p>Planning</p>
<p>Cafcass Assurance Check</p>	<p>CIW will continue to develop its approach to inspection and review of Cafcass Cymru. We will evaluate our approach and will consult on our revised approach in late 2022. Assurance check completed. Drafting letter. Due to be published August 2022</p>	<p>September – December 2022 August 2022</p>	<p>Review Drafting</p>

Audit Wales national reports and other outputs published since January 2022

Report title	Publication date and link to report
Tackling the Planned Care Backlog in Wales – and waiting times data tool	May 2022
The new Curriculum for Wales	May 2022
Unscheduled care – data tool and commentary	April 2022
Direct Payments for Adult Social Care	April 2022
Local Government Financial Sustainability data tool	February 2022
Joint Working Between Emergency Services (including data tool)	January 2022

Audit Wales national reports and other outputs (work in progress/planned)¹

Title	Anticipated publication date
NHS finances data tool update	July 2022
Welsh Community Care Information System (Update for the Public Accounts and Public Administration Committee)	July 2022
COVID response and recovery/Welsh Government grants management – third sector support (Briefing for the Public Accounts and Public Administration Committee)	July 2022
Climate change – baseline review ²	July/August 2022
Sustainable Tourism in Wales' National Parks ³	July 2022
Welsh Government setting of well-being objectives	July 2022

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. This includes maintaining some flexibility so that we can respond to developments in Welsh Government policy and areas of possible interest for the Public Accounts and Public Administration Committee.

² An initial overview report followed by a more detailed evidence paper.

³ Summary based on local audit work.

Title	Anticipated publication date
Collaborative arrangements for managing local public health resources	July 2022
Welsh Government workforce	August 2022
Orthopaedic services	August/September 2022
Equality impact assessment	August/September 2022
Quality governance in the NHS	September 2022
Flood risk management	September 2022
Cyber resilience	October 2022
Digital inclusion/Broadband infrastructure	October 2022
National Fraud Initiative (summary report)	October 2022
Welsh Government accounts commentary	To be confirmed – plans for this work have been under review
COVID-19 response and recovery – business support	To be confirmed
Affordable housing	To be confirmed

Good Practice Exchange resources

Title	Link to resource
<p>Direct Payments Provision – A webinar discussing our report on Direct Payments Provision and how they can be a key part in implementing the principles of the Social Service and Well-Being (Wales) Act 2014</p>	<p>Direct Payments Provision webinar recording</p>
<p>Responding to the Climate Emergency in Wales A webinar discussing emerging findings from our baseline review of public bodies' arrangements to respond to the Welsh Government's carbon reduction targets for 2030.</p>	<p>Responding to the Climate Emergency in Wales recording</p>
<p>Covid Perspectives: A series of recorded conversations learning how organisations have adapted to the extended period of uncertainty following the initial covid emergency.</p>	<p>Good Practice Audit Wales</p>

Recent Audit Wales Blogs

Title	Publication date
<p>Direct Payments in Wales</p>	<p>15 June 2022</p>
<p>Unscheduled Care in Wales – a system under real pressure</p>	<p>21 April 2022</p>
<p>Skills Competition Wales</p>	<p>18 February 2022</p>

Title	Publication date
<u>Cyber resilience – one year on</u>	9 February 2022
<u>Helping to tell the story through numbers</u> (Local government financial sustainability data tool)	3 February 2022
<u>Call for clearer information on climate change spending</u>	2 February 2022
<u>Actions speak louder than words</u> (Building social resilience and self-reliance in citizens and communities)	14 January 2022



NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

27th SEPTEMBER 2022

REPORT OF THE CHIEF FINANCE OFFICER

Matter for Information

Wards Affected – All wards

Closure of Accounts 2021/22

Purpose of the Report

The purpose of this report is to provide an update with regard to the Council's Statement of Accounts for 2021/22 which includes details of both the revenue and capital outturn positions.

Background

The Council's financial year ends on 31st March and following this date, the exercise starts to complete the annual outturn and the statutory statement of accounts.

The Council prepares its revenue and capital position which provides financial information reflecting the structure and operations of the Council. A draft statement of accounts is also prepared to comply with the current Accounting Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Accounts and Audit (Wales) regulations requires the responsible financial officer to sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the authority by 31 May 2022 and following this certification that published audited statement of accounts should be completed by 31 July 2022.

Welsh Government have recognised that ‘as the pandemic continues there is an ongoing impact on local authority staff and resources and authorities may therefore wish to prepare their accounts to an extended timetable’ with audited accounts completed by 30 November 2022.

Closure of Accounts 2021/22

Neath Port Talbot’s Statement of Accounts were signed and certified by the Chief Finance Officer on 30 May 2022, the Council has elected to work within the extended deadlines for completion of the Audited Statement of Accounts. The audit is almost fully complete and sign off by Audit Wales has been delayed due to an ongoing nationwide issue identified in relation to the accounting for infrastructure assets. CIPFA is currently consulting on this issue but until resolved Audit Wales are unable to issue their Audit opinion.

Some amendments have already been agreed with the Audit Wales and have been reflected in the unaudited Draft interim Statement of Accounts included in appendix 1. The most significant adjustments made to the accounts has been in the valuations of fixed assets, due to rising building costs and market pressures an exercise to revalue some assets outside of their five year revaluation cycle was required to reflect more accurate accounting valuations. This has resulted in increase in a £19.232m Property Plant and Equipment held in the balance sheet.

2021/22 Revenue and Capital Outturn Position

Included within the Statement of Accounts are the revenue and capital outturn positions for 2021/22.

In relation to the revenue budget outturn position, after adjusting for reserve transfers, the net underspend position for the Council was £670k. This £670k was transferred into the income generation reserve to support future investments in income generating initiatives.

Overall the Council’s reserve position increased during the year from £78m to £104m, this included a £5.5m increase in ring-fenced delegated schools reserves. This increase in reserves occurred in the main as a result of late funding notifications from Welsh Government which could not be spent by 31st March hence being carried forward in reserves. The original budget for 2022/23 assumes that £14m of these reserves will be spent during this financial year.

In terms of the Council's capital budget the outturn position was actual expenditure of £70.624m against a revised budget of £74.828m; this represents in financial terms 94% delivery of the programme. Any unspent funding will be carried forward into 2022/23 and associated projects delivered accordingly.

Annual Governance Statement

Members should note the Annual Governance Statement was approved by Cabinet on 29 June 2022. A copy can be found in appendix 2.

Financial Impact

All financial impacts are contained within the body of the report.

Integrated Impact Assessment

There is no requirement for an integrated impact assessment in respect of this item.

Valleys Communities Impacts

There are no impacts in respect of this item.

Workforce impacts

There are no workforce impacts in respect of this item.

Legal Impacts

There are no legal impacts in respect of this item.

Risk Management

There are no risk management issues in respect of this item.

Consultation

There is no requirement under the Constitution for external consultation on this item.

Recommendations

It is recommended that Members of the Governance and Audit Committee **note** the contents of the report.

Appendix

Appendix 1 - Interim unaudited Statement of Account 2021/22

Appendix 2 – Annual Governance Statement 2021/22

Background Papers

Outturn / Closing working papers 2021/22.

Officer Contact

For further information on this report item, please contact:

Mr Huw Jones, Chief Finance Officer

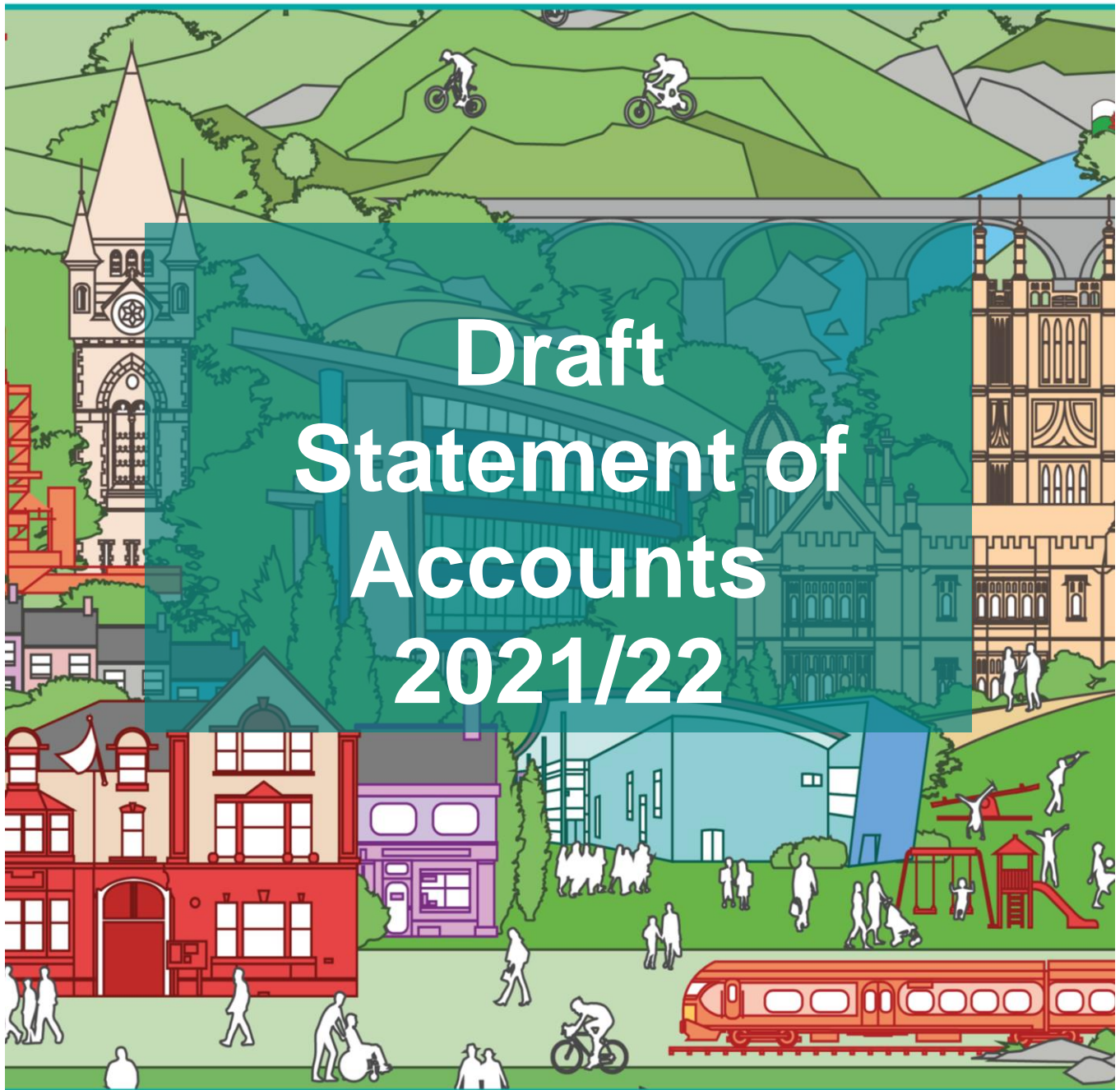
E-mail: h.jones@npt.gov.uk

Mrs Diane Mulligan, Chief Accountant – Technical & Governance

E-mail: d.mulligan@npt.gov.uk

Mrs Nicole Blakemore, Chief Accountant – Financial Planning

E-mail: n.blackmore@npt.gov.uk



Draft Statement of Accounts 2021/22

CONTENTS

Section	Page
Narrative Report	1-8
Statement of Responsibilities	9
Expenditure and Funding Analysis	10
Comprehensive Income and Expenditure Statement	11
Movement in Reserves Statement	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Accounting Statements	15-71
Auditors Report	72-75
Glossary of Terms	76-78

NARRATIVE REPORT

1. INTRODUCTION

Neath Port Talbot County Borough covers over 170 square miles. It is home to around 141,000 people living and working in more than 66,000 households in communities across the County Borough. The Council provides many different services to residents and business. We are responsible for maintaining approximately 860 Kilometres of roads, 940 Kilometres of footpaths and over 19,000 street lights within the borough.

Our Services and the Way We Work

The Council provides a number of varied services on a daily basis a number of which are shown below:

Education, Leisure & Lifelong Learning	Social Services, Health & Housing
<ul style="list-style-type: none"> • Primary, Secondary & Special Schools • School Catering • Adult Education • Youth Services • Libraries • Theatres and Leisure 	<ul style="list-style-type: none"> • Homecare • Residential Care • Supporting Children & Vulnerable Adults with Disabilities • Homelessness • Disabled Facility Grants
Environment	Corporate Services
<ul style="list-style-type: none"> • Highways Maintenance • Street Lighting • Building Control • Planning and Economic Development • Waste Management • Food Hygiene and Trading Standards • Pest Control • Cemeteries & Crematoria • Waste Collection, Recycling & Disposal 	<ul style="list-style-type: none"> • Council Tax Support & administration • Licencing • Finance and Human resources • ICT, Customer and Digital Services • Legal Services
Other Housing Services	Other Corporate Services
<ul style="list-style-type: none"> • Housing Benefit Support and Administration 	<ul style="list-style-type: none"> • Precepts, Levies and Contributions • Other Corporate Initiatives

NARRATIVE REPORT

The Council is made up of 64 locally elected councillors who represent 42 divisions of Neath Port Talbot. The constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure decision are efficient, transparent and accountable to local people. Council appoint a leader of the Council who appoints Cabinet Members, each with a responsibility for a specific portfolio of services.

The role of Cabinet is:

- to be responsible for most major decisions;
- provide leadership;
- propose the budget framework and subsequent budget.

Scrutiny Committees support the work of the Cabinet and Council by:

- Monitoring decisions of the Cabinet
- Allowing all Councillors, citizens and stakeholders to have a say in matters concerning the Council
- Producing reports and recommendations to support development of policies and decision
- Having the ability to review a decision that has been made but not yet implemented

Regulatory and other committees support delivery of Council services. Council has given Governance & Audit Committee the responsibility to review and approve the Financial Statements of the Council. The Councils Management Team is led by the Chief Executive and includes Corporate Directors and the Chief Finance officer (including the monitoring Officer and Section 151 Officer). They are responsible for:

- providing impartial advice on policy and implementing decisions of the Cabinet and Council; and
- delivery of services and performance

2. ACCOUNTING STATEMENTS

The statement of accounts is made up of a number of statements that are accompanied by explanatory notes. The following paragraphs provide an explanation of the purpose of the information included within these statements.

Statement of Responsibilities

This sets out the respective responsibilities of the Authority and the Section 151 officer for the preparation and approval of the Statement of Accounts.

Expenditure and Funding Analysis

The expenditure and funding analysis starts by showing how annual expenditure is used and funded from resources, such as government grants, council tax and business rates. It then updates this position to show those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between directorates, which reflect the Council's management structure. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the comprehensive income and expenditure statement.

NARRATIVE REPORT

Comprehensive Income and Expenditure Statement

This shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations and this may be different from the accounting cost. The taxation position is shown in the movement in reserves statement.

Movement in Reserves Statement

This shows the movement in the year on the different reserves held by the Authority, analysed into usable reserves, that is, those that can be applied to fund expenditure or reduce local taxation and other unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Authority's services, more details of which are shown in the comprehensive income and expenditure statement. These are different from the statutory amounts required to be charged to the general fund balance.

Balance Sheet

This shows a snapshot of the Authority's assets, liabilities, cash balances and reserves at the year-end date. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority.

Cash Flow Statement

This shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital borrowing to the Authority.

NARRATIVE REPORT

3. REVENUE SPENDING IN 2021/22

The Authority's budget requirement for 2021/22 was set at £316.246m Actual spending compared to the budget was as follows:

Neath Port Talbot Management Accounts	Revised Budget £000	Actual £000
Expenditure		
Directly Controlled Expenditure	269,154	268,856
Capital Financing	19,667	19,667
Levies, Contributions and Miscellaneous Funds	8,335	8,334
Council Tax Support	19,835	19,035
Contingencies and Reserves	(745)	3,733
Net expenditure	316,246	319,625
Income		
Revenue Support Grant / NNDR	(236,681)	(239,050)
Council Tax	(79,952)	(80,914)
Less Discretionary Rate Relief	387	224
Total Income/Budget Requirement	(316,246)	(319,740)
NET BUDGET (SURPLUS)/DEFICIT TO BALANCES	0	(115)
General Fund Working Balance		
Opening Working Balance 1st April		(20,036)
Movement in Working Balance		(115)
Closing Working Balance 31st March		(20,151)

4. CAPITAL SPENDING IN 2021/22

	Actual £000
Capital Investment	70,623
The expenditure was financed by:	
Government Grants and Other Contributions	(48,104)
Loans	(17,016)
Capital Receipts	(2,693)
Direct Revenue Contributions and Reserves	(2,810)
	(70,623)

The capital investment figure of £70.623 includes £69.963m incurred directly by the Council and £660k incurred on behalf of the Council by Caerphilly CBC. Caerphilly CBC are acting on behalf of all Welsh Authorities in purchasing schools ICT infrastructure as part of the Welsh Governments HWB Programme. Whilst the expenditure is being incurred by Caerphilly, for accounting purposes each Authority is required to reflect their element within their Statement of Accounts.

NARRATIVE REPORT

5. EXTERNAL DEBT

At the year end, the Authority's total external debt was £310.517m which excludes accrued interest of £2.821m that is included within debt in the balance sheet. Sources of borrowing include the Public Works Loan Board and banks for long term borrowing and other financial institutions for short term borrowing.

6. RESERVES AND BALANCES AT 31ST MARCH 2022

The Authority holds both General and Earmarked Reserves. Earmarked reserves are set aside to support specified future revenue expenditure while the General Reserve is available to support the Authority against unexpected events and emergencies. Reserves held by the authority are as follows:

	Actual £000
Earmarked Reserves to Support Revenue Expenditure	84,623
General Reserve Working Balances	20,151
Total General Reserve Balance	104,774

7. REVALUATION OF ASSETS

The net book value of assets increased during 2021/22 by £152.597m. There was a £125.961m gain relating to the revaluation of assets undertaken by the Director of Environment / Strategic Property and Valuation Manager.

The Authority's property, plant and equipment are valued on a five year rolling programme by the Director of Environment / Strategic Property and Valuation Manager in accordance with the Royal Institute of Chartered Surveyors Statements of Asset Valuation Practice.

The significant assumption applied when estimating the fair value of property, plant and equipment is that the asset will continue in its existing use. Where there is a market value for the asset, its value will be determined with reference to the market, but in instances where no market exists for an asset, depreciated replacement cost, which is the current cost of replacing an asset with the modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation, will be used as the basis of valuation.

During 2021/22, the following categories of assets were revalued:

- Schools were valued as at 1st February 2022 on a Current Value Depreciated Replacement Cost basis;
- Libraries were valued as at 1st December 2021 on a Current Value Depreciated Replacement Cost basis;
- Museums were valued as at 1st December 2021 on a Current Value Depreciated Replacement Cost basis;
- Depots, Stores & Workshops were valued as at 1st December 2021 on a Current Value Depreciated Replacement Cost and a Current Value Existing Use Valuation basis;

NARRATIVE REPORT

- Civic Office Buildings were valued as at 1st December 2021 on a Current Value Depreciated Replacement Cost and a Current Value Existing Use Valuation basis.

During 2021-22 not all assets valued under the Depreciated Replacement Cost basis have been fully revalued, only those in the current cycle were revalued in line with our accounting policy, whilst those assets not within the current cycle were only partially revalued. This partial revaluation exercise was undertaken to more accurately reflect the current economic climate and the increase in construction costs relating to these asset valuations.

Assets held for sale are valued annually and six assets with a value of £1.980m were valued at 31st March 2022.

8. INTERNATIONAL ACCOUNTING STANDARD 19 - PENSIONS

The accounts comply with the requirements of the above standard with the revenue accounts reflecting the current year cost of pension provision to employees as advised by the pension fund actuary. The balance sheet contains the actuary's assessment of the Authority's share of the pension fund liability at 31st March.

The pension fund liability disclosed in the balance sheet is the total projected deficit that exists over the expected life of the fund. This deficit changes on an annual basis dependent on the performance of investments and the actuarial assumptions that are made in terms of current pensioners, deferred pensioners and current employees.

9. SIGNIFICANT PROVISIONS

The Authority holds three significant provisions:

- An insurance provision of £2.815m to cover the likely cost of settling outstanding insurance liabilities. This is made up of a long term provision of £1.706m and a short term provision of £1.109m.
- A provision of £0.923m for housing warranties following the transfer of the Housing stock to Tai Tarian in March 2011.
- A provision of £0.148m to provide the costs of early retirements and redundancies which have been agreed by 31st March 2022, with leaving dates during 2022/23

10. GROUP ACCOUNTS

There is a requirement for local authorities to produce group accounts to recognise material financial or controlling interests in companies, voluntary organisations, public bodies, etc. An assessment was made of all such interests and this did not identify any relationship which is considered material, therefore, group accounts have not been prepared.

NARRATIVE REPORT

11. IMPACT OF CURRENT ECONOMIC CLIMATE ON THE AUTHORITY

2021/22 has been another extraordinary year due to Covid-19, and the past 24 months has had an extensive impact on communities, our local economy and the way in which the Council works.

This has provided the Council with an opportunity to reset and renew our wellbeing objectives, priorities, vision and relationships taking into account:

- What matters to local people, businesses and our staff;
- The impact that we know Covid-19 has had on our communities, our local economy and wider stakeholders;
- The lessons we have learned from our pandemic reasons and from elsewhere; and
- Other anticipated changes in our external environment (e.g. climate change, digital disruption, financial settlements and government policy).

The draft Corporate plan for 2022-2027 sets out how we will approach recovery in the short, medium and longer term and has been informed by many residents, employees, elected members, community organisations, business and other partners. A considerable amount of evidence has also been used to understand how things have changed as a result of the pandemic including wider influences, like climate change, digital disruption and government policy. All of this information has been brought together to reset and renew the Council's wellbeing objectives, priorities, vision, values and relationships. These priorities have been reflected in the 2022/23 revenue and capital budgets.

The Council continues to operate in an environment where further savings, cuts and income generation proposals are required to set its annual budget. It involves stakeholders as part of its consultation process to help to identify the savings required.

In setting the budget, Members consider the requirement of delivering its statutory services, as well as those other services that the public and users have come to expect. The challenge is to set a budget at activity levels that are sustainable and equitable. Members also have to consider the demand for services and changes to these services in light of the impact on:

- Service users
- Employees
- Legislation including the Equality Act 2010 and Wellbeing of Future Generations (Wales) Act 2015 considerations
- Income generation
- Council tax level

NARRATIVE REPORT

The Council has set a budget of £338.015m for 2022/23. This includes increased funding from the Welsh Government of 8.8% and the use of £2.8m from specific reserves to underpin the budget and support Covid recovery initiatives together with a zero increase in council tax. It is critical that as we recover from Covid-19 that we receive confirmation of multi-year funding to enable us to set medium term financial plans for the Council. The Welsh Government has provided indicative funding announcements for the next three financial years. During 2022 a Medium Term Financial Plan will be developed which will be the means through which the revenue and capital resources likely to be available will be aligned with the longer term actions set out in the Strategic Change and priorities of the new administration from May 2022.

During 2021/22 the Council was reimbursed by the Welsh Government Hardship Fund £15.471m for increased costs and loss of income. The Council also administered schemes on behalf of the Welsh Government to pay grants to businesses and individual recipients totalling £12.414m. The total amount of financial support from the WG and Health received by the Council in 2021/22 to fund our activities and support our communities and businesses total £32.982m. Further details can be found in note 38.

12. CHANGE IN ACCOUNTING POLICIES

Changes in accounting policies are made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance.

13. FURTHER INFORMATION

Further information relating to the accounts can be obtained from the Chief Finance Officer, Neath Port Talbot County Borough Council, Civic Centre, Port Talbot, SA13 1PJ.

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Finance Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the statement of accounts.

CHIEF FINANCE OFFICER RESPONSIBILITIES

The Chief Finance Officer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practice as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the local authority Code.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- ensured that the accounts show a true and fair view of the financial position of the Authority as at the date of preparation and of its expenditure and income for the year ended 31st March 2022.

Chief Finance Officer

To be re-signed following Audit Completion

EXPENDITURE AND FUNDING ANALYSIS

2020/21			2021/22			
Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
107,581	18,125	125,706	Education, Leisure & Lifelong Learning	113,731	(13,798)	99,933
78,609	5,458	84,067	Social Services, Health & Housing	78,041	8,084	86,125
38,488	25,189	63,677	Environment	41,039	18,945	59,984
18,582	1,956	20,538	Corporate Services	19,009	3,698	22,707
(239)	131	(108)	Other Housing Services	(100)	145	45
24,925	(9,772)	15,153	Other Central Services	25,411	(9,730)	15,681
267,946	41,087	309,033	Net cost of services	277,131	7,344	284,475
(287,905)	(36,284)	(324,189)	Other Income & Expenditure	(302,853)	(36,942)	(339,795)
(19,959)	4,803	(15,156)	Surplus or Deficit	(25,722)	(29,598)	(55,320)
59,093			Opening General Fund Balance	79,052		
19,959			In year movement Surplus / (Deficit)	25,722		
79,052			Closing General Fund Balance	104,774		

Further information in relation to the adjustments column in the expenditure and funding analysis can be found in note 4.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2020/21			Note	2021/22		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
174,783	(49,077)	125,706	Education, Leisure & Lifelong Learning	160,292	(60,359)	99,933
129,181	(45,114)	84,067	Social Services, Health & Housing	142,832	(56,707)	86,125
89,815	(26,138)	63,677	Environment	89,778	(29,794)	59,984
28,244	(7,706)	20,538	Corporate Services	25,751	(3,044)	22,707
43,830	(43,938)	(108)	Other Housing Services	41,495	(41,450)	45
24,966	(9,813)	15,153	Other Central Services	23,483	(7,802)	15,681
490,819	(181,786)	309,033	Cost of Services	483,631	(199,156)	284,475
22,645	-	22,645	Other Operating Expenditure	8 24,200	-	24,200
21,567	(251)	21,316	Financing & Investment Income & Expenditure	9 22,336	(167)	22,169
-	(368,150)	(368,150)	Taxation and Non-specific Grant Income	10 -	(386,164)	(386,164)
535,031	(550,187)	(15,156)	(Surplus) or Deficit on Provision of Services	530,167	(585,487)	(55,320)
		1,787	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	20		(86,017)
		62,800	Actuarial (Gains)/Losses on Pension Assets/Liabilities	20		(165,493)
		64,587	Other Comprehensive (Income) & Expenditure			(251,510)
		49,431	Total Comprehensive (Income) & Expenditure			(306,830)

MOVEMENTS IN RESERVES STATEMENT

	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000
Balance at 31st March 2020	59,093	8,076	11,629	78,798	(129,172)	(50,374)
2020/21						
Movement in reserves during 2020/21						
Total Comprehensive Income and Expenditure	15,156	-	-	15,156	(64,587)	(49,431)
Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 6)	4,803	807	2,805	8,415	(8,415)	-
Increase/(Decrease) in Year	19,959	807	2,805	23,571	(73,002)	(49,431)
Balance at 31st March 2021	79,052	8,883	14,434	102,369	(202,174)	(99,805)
Movement in reserves during 2021/22						
Total Comprehensive Income and Expenditure	55,320	-	-	55,320	251,510	306,830
Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 6)	(29,598)	(181)	6,423	(23,356)	23,356	-
Increase/(Decrease) in Year	25,722	(181)	6,423	31,964	274,866	306,830
Balance at 31st March 2022	104,774	8,702	20,857	134,333	72,692	207,025

BALANCE SHEET

31st Mar 2021 £000		Note	31st Mar 2022 £000
722,199	Property, Plant and Equipment	11	874,796
1,183	Heritage Assets		1,183
86	Long Term Investments	12	5,086
1,018	Long Term Debtors	12	828
724,486	Long Term Assets		881,893
52,524	Short Term Investments	12	68,347
3,980	Assets Held for Sale	16	1,980
663	Inventories		805
61,903	Short Term Debtors	13	82,331
3,811	Cash and Cash Equivalents	15	4,338
122,881	Current Assets		157,801
(13,568)	Short Term Borrowing	12	(31,046)
(41,371)	Short Term Creditors	17	(49,648)
(1,112)	Grants Receipts in Advance - Capital		0
(1,667)	Short Term Provisions	18	(1,257)
(57,718)	Current Liabilities		(81,951)
(16,256)	Long Term Creditors	12	(16,027)
(290,834)	Long Term Borrowing	12	(282,292)
(578,403)	Other Long Term Liabilities	35	(449,770)
(3,961)	Long Term Provisions	18	(2,629)
(889,454)	Long Term liabilities		(750,718)
(99,805)	Net assets		207,025
(102,369)	Usable Reserves	19	(134,333)
202,174	Unusable Reserves	20	(72,692)
99,805	Total Reserves		(207,025)

CASH FLOW STATEMENT

2020/21 £000		Note	2021/22 £000
15,156	Net Surplus or (Deficit) on the Provision of Services		55,320
43,264	Adjustments to Net Surplus or Deficit on the Provision of Services for Non-Cash Movements	21a	21,078
(45,845)	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	21b	(50,132)
12,575	Net Cash Flows from Operating Activities	*	26,266
(5,807)	Investing Activities	22	(34,644)
(6,260)	Financing Activities	23	8,905
508	Net Increase or Decrease in Cash and Cash Equivalents		527
3,303	Cash and Cash Equivalents at the Beginning of the Reporting Period		3,811
3,811	Cash and Cash Equivalents at the End of the Reporting Period	15	4,338

* The cash flows for operating activities include the following items:

2020/21 £000		2021/22 £000
(267)	Interest Received	(145)
10,415	Interest Paid	10,243

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

i. General Principles

The statement of accounts summarises the Council's financial transactions for 2021/22 and its position at 31st March 2022. The Council is required to prepare an annual statement of accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended by The Accounts and Audit (Wales) (Amendment) Regulations 2018), in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, supported by International Financial Reporting Standards (IFRS).

The accounts are prepared on a going concern basis.

ii. Recognition of Income and Expenditure

Activity is accounted for in the year that it takes place, not when cash payments are made or received. In particular:

- revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the balance sheet.
- services received (including employees services) are recorded as expenditure when the services are received, rather than when payments are made.
- interest receivable on investments and payable on borrowing is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Government grants and third party contributions are recognised when there is reasonable assurance that the Council will comply with any conditions attached to the payments, and that grant monies and contributions will be received. Where conditions attached to grants and contributions remain outstanding, monies received to date are carried forward in the balance sheet as creditors (receipts in advance) until the conditions have been satisfied.
- where revenue and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where debts are not considered collectable, the balance is reduced by a provision for doubtful debts.

iii. Changes in accounting policies and prior period adjustments

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively, unless stated otherwise, by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

NOTES TO THE ACCOUNTS

iv. **Property, Plant and Equipment**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis subject to a de-minimus limit of £10,000, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains, but does not add to an asset's potential to deliver future economic benefits or service potential, such as repairs and maintenance, is charged as an expense when it is incurred.

Assets are initially measured at cost, comprising of the purchase price and any costs attributable to bringing the asset to an operational condition. The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, that is estimated at highest and best use from a market participant's perspective. Where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are carried in the balance sheet using the following measurement basis:

Asset type	Measurement basis	Revaluation year	Depreciation basis (straight line unless not finite usable life)
Other operational land and buildings	Existing use value or depreciated replacement cost if no market based evidence.	Rolling programme across five years	Land n/a Buildings 3 to 40 years
Vehicles, Plant, Furniture and Equipment	Existing use value or depreciated historical cost if of low value or short life.	n/a	5 to 20 years
Infrastructure assets	Depreciated historical cost	n/a	40 years
Community assets	Depreciated historical cost	2024/25	5 to 40 years
Surplus assets	Fair value	2025/26	5 to 40 years
Assets under construction	Depreciated historical cost	n/a	n/a
Assets held for sale	Revalued immediately before reclassification	Annually	n/a
School assets	Depreciated replacement cost (modern equivalent asset)	2021/22	Land n/a Buildings usually 50 years, though varied for agreed closures
Service Concession	Existing use value or depreciated replacement cost if no market based evidence.	2022/23	Land n/a Buildings 3 to 40 years

NOTES TO THE ACCOUNTS

Revaluations

The Council's internal valuer undertake this exercise in accordance with the professional standards of the Royal Institution of Chartered Surveyors. Assets included in the balance sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years. The Council must balance the requirement to include asset values at their fair or current value each year end with the costs involved in providing valuations. To ensure the information is materially correct, the Council valuer undertake an annual review to identify any significant impairments or change in the usage of assets.

The revaluation reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the capital adjustment account.

Impairment and Downward Revaluation

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired in value because of a change in service potential or significant and permanent changes to the market value.

- Where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the revaluation reserve, the carrying amount of the asset is written down against the relevant service lines in the comprehensive income and expenditure statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines in the comprehensive income and expenditure statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the balance sheet is written off to the other operating expenditure line in the CIES against any receipts arising from the disposal as a gain or loss on disposal. If more than £10,000 is received at disposal, this is treated as a capital receipt and kept in a reserve that can only be used for capital purposes.

Componentisation

Where a single asset may have a number of different components, each having a different useful life, three factors are taken into account to determine whether a separate valuation of components is to be recognised in the accounts in order to provide an accurate figure for depreciation. These factors are:

- materiality with regards to the Council's financial statements. Componentisation will only be considered for individual non land assets that have a net book value of more than £2.5m or 0.5% of total net book value.
- significance of component. For individual assets meeting the above threshold, where services within a building, such as boilers, heating, lighting, ventilation, etc., are a material component of the cost of that asset, i.e. greater than 30%, then those services will be valued separately on a component basis.
- difference in rate or method of depreciation compared to the overall asset. Only those elements that normally depreciate at a significantly different rate from the non-land element as a whole, or that require a different method of depreciation will be identified for componentisation.

NOTES TO THE ACCOUNTS

Assets that do not meet the test above can be disregarded for componentisation on the basis that any adjustment to depreciation charges would not result in a material misstatements in the accounts.

v. **Charges to Revenue for Non-Current Assets**

Services are charged the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the revaluation reserve against which the losses can be written off.

vi. **Financial Instruments**

These are recognised in the balance sheet when the Council becomes a party to the contractual provisions and are initially measured at fair value.

Financial liabilities are carried at their amortised cost. For most of the Council's borrowing, it means that the amount presented in the balance sheet is the outstanding principal repayable, plus accrued interest. Annual interest, which is the amount payable for the year according to the loan agreement, is charged to the financing and investment income and expenditure line within the comprehensive income and expenditure statement. The Council has spread the cost of historical premiums and discounts arising from debt rescheduling over the term of the replacement loan. The reconciliation of amounts charged to the comprehensive income and expenditure statement to the net charge required against the general fund balance is managed by a transfer to or from the financial instruments adjustment account in the movement in reserves statement.

Financial assets are classified to reflect the business model for holding the financial assets and their cash flow characteristics and are held at fair value. The Council's investments at 31st March 2022 had no impairment allowance included for these financial assets, as the risk is immaterial. The Council's debtor position, excluding council tax, is included within the financial assets statement. These debts have been reviewed and although there is no significant financing component, funds are set aside for any potential impairment based on a collective assessment of the value and age of the outstanding debt.

vii. **Heritage Assets**

Heritage assets are defined as assets that have historical, artistic, scientific, technological, geographical or environmental qualities, which are held and maintained principally for their contribution to knowledge and culture.

The Council holds heritage assets on the balance sheet in relation to works of art. Assets are included when an insurance valuation has been undertaken and the valuation for the individual asset is £5,000 or more. In the absence of historic cost, the insurable sum is deemed as an appropriate and relevant method of valuation, with the last valuation undertaken by Sotheby's in 2014. These items are considered to have indeterminate lives and a high residual value, consequently the Council does not consider it appropriate to charge depreciation.

NOTES TO THE ACCOUNTS

viii. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

The Council holds one finance lease, as a lessee, for other land and buildings, which is recognised on the balance sheet. This is matched by a liability for the obligation to pay the lessor.

Where the Council grants an operating lease as a lessor for property or land, the asset is retained in the balance sheet and rental income is credited to the comprehensive income and expenditure statement.

ix. Service Concessions

These are agreements for services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. The Council is deemed to control the services provided under the contract and as ownership of the assets will pass to them at the end of the contract period, the Council carries the assets on its balance sheet as part of property, plant and equipment.

Further details of service concession costs and liabilities can be found in note 32.

x. Revenue Expenditure Funded from Capital Under Statute

Legislation requires defined items of revenue expenditure charged to services within the comprehensive income and expenditure statement to be treated as capital expenditure. This is transferred from the general fund balance via the movement in reserves statement to the capital adjustment account and is included in the capital expenditure and financing disclosure at note 31.

xi. Cash and Cash Equivalents

Cash includes cash in hand, overnight deposits and bank overdrafts. Cash equivalents can be quickly converted to known amounts of cash with low risk of change in value. Cash equivalents held as part of treasury management operations are included as short term investments.

xii. Employee Benefits

Short term employee benefits such as wages and salaries, paid annual leave, sick leave and expenses are paid on a monthly basis and reflected as expenditure on an accruals basis in the relevant service line in the comprehensive income and expenditure statement.

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis to the comprehensive income and expenditure statement.

NOTES TO THE ACCOUNTS

xiii. Retirement Benefits

The Council participates in two formal pension schemes, the Local Government Pensions Scheme, which is administered by the City and County of Swansea Pension Fund and the Teachers' Pension Scheme, administered by the Teachers Pension Agency. Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Council.

The nature of the teachers' scheme prevents the Council's individual share of the pension liability from being separately identified. The scheme is therefore accounted for as if it were a defined contribution scheme.

The Local Government Pension Scheme is accounted for as a defined benefits scheme as follows:

- i. The assets attributable to the Council are measured at fair value at the balance sheet date, after deducting accrued expenses. The attributable liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities of the fund discounted to their present value. Net pension assets are recognised only to the extent that the Council is able to recover a surplus, either through reduced contributions in the future or through refunds from the scheme. Unpaid contributions to the schemes are recorded as creditors due within one year.
- ii. For pension charges, the change in defined benefit asset or liability is analysed and charged to the comprehensive income and expenditure statement as follows:
 - Current service cost, past service cost and gains / losses on curtailments and settlements are included within Cost of Services;
 - Net interest on the net defined benefit liability is included within financing and investment income and expenditure; and
 - Actuarial gains / losses are incorporated within other comprehensive income and expenditure.

Further details for pensions can be found in notes 34 and 35.

xiv. Interest in Companies and Other Entities

The Council holds no material value interests in companies and other entities that have the nature of subsidiaries, associates and jointly controlled entities and therefore there is no requirement to prepare group accounts. Transactions for the Council's companies are included within the Council's own single entity accounts.

xv. Inventories

Inventories are included in the balance sheet at average purchase price or latest purchase price, which is a departure from normal practice which values stock at the lower of cost or net realisable value. The effect of this departure is not material.

xvi. Overhead and Support Costs

The costs of overheads and support services are charged to services in accordance with the Council's arrangements for accountability and financial performance.

xvii. Provisions, Contingent Liabilities and Contingent Assets

Provisions are based on the Council's obligations arising from a past event, the probability that a transfer of economic benefit will take place and when a reliable

NOTES TO THE ACCOUNTS

estimate can be made of the value of the obligation. They are charged to the appropriate service revenue account in the year the obligation becomes known and are reviewed at each balance sheet date.

Contingent liabilities and assets are included where an event has taken place that gives a possible obligation or asset arising from past events, which will only materialise if certain events not wholly within the control of the Council take place. They are not recognised in the balance sheet, but disclosed in a note to the accounts when material.

xviii. Reserves

Usable reserves are set aside for future policy purposes or contingencies.

Unusable reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement and employee benefits and do not represent usable resources for the Council.

xix. Schools

Schools assets, liabilities, reserves, transactions and cash flows are included in the Council's financial statements, which complies with the accounting Code.

xx. Value Added Tax (VAT)

VAT payable is excluded from spend except when it cannot be recovered from HMRC. VAT receivable is excluded from income.

2. ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

The Code of Practice requires that the Council disclose information relating to the anticipated impact of any accounting change required by a new standard that has been issued but not yet adopted by the Code. This requirement applies to the adoption of the following new or amended standards.

IFRS 16 Leases was due to be implemented during 2020/21 however CIPFA/LASAAC have agreed to further defer the implementation until the 2024/25 financial year, this aligns with the governments Financial Reporting Advisory Board proposals, however the Code will allow for the adoption before this date.

The 2022/23 Code introduces changes arising from the accounting guidance in relation to:

- Annual improvements to IFRS Standards 2018-2020. The annual IFRS improvement programme notes 4 changed standards.
 - IFRS1 – amendment relates to foreign operations of acquired subsidiaries transiting to IFRS
 - IAS 37 – provides clarification on the intention of the standard
 - IFRS16 (Leases) – removal of an example not referenced in the Code
 - IAS41 (agriculture) one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.
- Property, Plant and Equipment IAS 16 – amendments to proceeds before intended use

NOTES TO THE ACCOUNTS

None of the matters covered in the annual improvements and IFRS amendments are expected to materially affect this Council.

The Code requires implementation after 1st April 2022, there is therefore no impact on the 2021/22 statement of accounts.

3. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The statement of accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's balance sheet at 31st March 2022, for which there is a significant risk of material adjustment in the forthcoming financial year, are as follows:

Provisions – Insurance Claims

The Council has a provision of £2.815m as at 31st March 2022 to meet the potential cost of insurance liabilities. The number and value of potential claims includes actuarial assumptions particularly in respect of the most recent financial years, as these are immature in terms of insurance experience. Any significant change in assumptions and/or number and value of claims could significantly alter the value of the provision. The Council holds insurance reserves to mitigate any risk.

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries was engaged to provide the Council with expert advice and assumptions and the various costings and disclosures necessary to comply with the code of practice. If any of the assumptions change as a result of actual experience then the net liability of the Council would increase or decrease as a result.

NOTES TO THE ACCOUNTS

4. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

These adjustments are made to present the Council's accounts on an accounting and funding basis in accordance with generally accepted accounting practices. Further details in relation to these adjustments can be found in the "Adjustments between accounting basis and funding basis under regulations" note 6 below.

	2021/22			
	Adjustments for Capital Purposes	Net Charge for Pensions	Other Differences	Total Adjustments
	£000	£000	£000	£000
Education, Leisure & Lifelong Learning	(22,771)	8,471	502	(13,798)
Social Services, Health & Housing	2,512	6,948	(1,375)	8,085
Environment	14,178	5,614	(848)	18,944
Corporate Services	917	3,273	(492)	3,698
Other Housing Services	-	-	145	145
Other Central Services	(10,354)	744	(120)	(9,730)
Net cost of Services	(15,518)	25,050	(2,188)	7,344
Other Income & Expenditure	(48,954)	11,810	202	(36,942)
Difference Between General Fund and CIES Surplus/Deficit	(64,472)	36,860	(1,986)	(29,598)

	2020/21			
	Adjustments for Capital Purposes	Net Charge for Pensions	Other Differences	Total Adjustments
	£000	£000	£000	£000
Education, Leisure & Lifelong Learning	15,719	3,109	(703)	18,125
Social Services, Health & Housing	1,887	2,596	975	5,458
Environment	22,444	2,126	619	25,189
Corporate Services	160	1,326	470	1,956
Other Housing Services	-	-	131	131
Other Central Services	(9,966)	93	101	(9,772)
Net cost of Services	30,244	9,250	1,593	41,087
Other Income & Expenditure	(47,282)	11,050	(52)	(36,284)
Difference Between General Fund and CIES Surplus/Deficit	(17,038)	20,300	1,541	4,803

NOTES TO THE ACCOUNTS

5. EXPENDITURE AND INCOME ANALYSED BY NATURE

The following table discloses the nature of expenses and income, analysing the comprehensive income and expenditure on a subjective basis. These figures include the expenditure and income for all schools, which follows the reporting requirements stipulated by the Code of Practice.

2020/21 £000		2021/22 £000
	Expenditure	
219,078	Employee Benefits	245,723
239,969	Other Service Expenses	251,927
31,720	Depreciation, Amortisation and Impairment	(13,817)
21,619	Interest Payable	22,134
23,274	Precepts and Levies	24,368
(629)	Gain on the Disposal of Assets	(168)
535,031	Total Expenditure	530,167
	Income	
(52,309)	Fees, Charges and Other Service Income	(64,546)
(251)	Interest and Investment Income	(167)
(139,795)	Income from Council Tax, National Non Domestic Rates	(145,661)
(357,832)	Government Grants and Contributions	(375,113)
(550,187)	Total Income	(585,487)
(15,156)	(Surplus) / Deficit for Year	(55,320)

The total income for fees, charges and other service income identified in the table above is collected from the following service segments, which reflect the Council's management structure:

2020/21 £000		2021/22 £000
	Income	
(5,484)	Education, Leisure & Lifelong Learning	(10,335)
(24,519)	Social Services, Health & Housing	(28,028)
(14,273)	Environment	(17,120)
(2,000)	Corporate Services	(2,152)
(6,033)	Other Central Services	(6,911)
(52,309)	Fees, Charges and Other Service Income	(64,546)

NOTES TO THE ACCOUNTS

6. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The general fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the general fund balance, which is not necessarily in accordance with proper accounting practice. The general fund balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment at the end of the financial year.

Capital Receipts Reserve

The capital receipts reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

Capital Grants Unapplied

The capital grants unapplied account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

NOTES TO THE ACCOUNTS

	Usable reserves			
	General fund balance	Capital receipts reserve	Capital grants unapplied	Movement in unusable reserves
2021/22	£000	£000	£000	£000
Adjustments primarily involving the capital adjustment account				
<i>Reversal of items debited or credited to the comprehensive income and expenditure statement:</i>				
Charges for depreciation and impairment of non current assets	26,128	-	-	(26,128)
Revaluation (gains) / losses on property, plant and equipment	(39,945)	-	-	39,945
Capital grants and contributions applied	(47,620)	-	-	47,620
Revenue expenditure funded from capital under statute	17,515	-	-	(17,515)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the comprehensive income and expenditure statement	2,344	-	-	(2,344)
<i>Insertion of items not debited or credited to the comprehensive income and expenditure statement:</i>				
Statutory provision for the financing of capital investment	(10,498)	-	-	10,498
Capital expenditure charged against the general fund	(2,810)	-	-	2,810
Adjustments primarily involving the capital grants unapplied account:				
Capital grants and contributions unapplied credited to the comprehensive income and expenditure statement	(6,907)	-	6,907	0
Application of grants to capital financing transferred to the capital adjustment account	-	-	(484)	484
Adjustments primarily involving the capital receipts reserve:				
Transfer of cash sale proceeds credited as part of the (gain) / loss on disposal to the comprehensive income and expenditure statement	(2,512)	2,512	-	0
Use of the capital receipts reserve to finance new capital expenditure	-	(2,693)	-	2,693
Transfer from deferred capital receipts reserve upon receipt of cash	-	-	-	0
Adjustments primarily involving the deferred capital receipts reserve:				
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the comprehensive income and expenditure statement	-	-	-	0
Adjustment primarily involving the financial instruments adjustment account:				
Amount by which finance costs charged to the comprehensive income and expenditure statement are different from finance costs chargeable in the year in accordance with statutory requirements	(168)	-	-	168
Adjustments primarily involving the pensions reserve:				
Reversal of items relating to retirement benefits debited or credited to the comprehensive income and expenditure account	68,660	-	-	(68,660)
Employer's pension contributions and direct payments to pensioners payable in the year	(31,800)	-	-	31,800
Adjustments primarily involving the accumulated absences account:				
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,985)	-	-	1,985
Total adjustments	(29,598)	(181)	6,423	23,356

NOTES TO THE ACCOUNTS

	Usable reserves			
	General fund balance	Capital receipts reserve	Capital grants unapplied	Movement in unusable reserves
2020/21	£000	£000	£000	£000
Adjustments primarily involving the capital adjustment account				
<i>Reversal of items debited or credited to the comprehensive income and expenditure statement:</i>				
Charges for depreciation and impairment of non current assets	25,603	-	-	(25,603)
Revaluation losses on property, plant and equipment	6,117	-	-	(6,117)
Capital grants and contributions applied	(44,117)	-	-	44,117
Revenue expenditure funded from capital under statute	12,503	-	-	(12,503)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the comprehensive income and expenditure statement	1,087	-	-	(1,087)
<i>Insertion of items not debited or credited to the comprehensive income and expenditure statement:</i>				
Statutory provision for the financing of capital investment	(10,102)	-	-	10,102
Capital expenditure charged against the general fund	(1,245)	-	-	1,245
Adjustments primarily involving the capital grants unapplied account:				
Capital grants and contributions unapplied credited to the comprehensive income and expenditure statement	(4,992)	-	4,992	0
Application of grants to capital financing transferred to the capital adjustment account	-	-	(2,187)	2,187
Adjustments primarily involving the capital receipts reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the comprehensive income and expenditure statement	(1,728)	1,728	-	0
Use of the capital receipts reserve to finance new capital expenditure	-	(936)	-	936
Transfer from deferred capital receipts reserve upon receipt of cash	12	-	-	(12)
Adjustments primarily involving the deferred capital receipts reserve:				
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the comprehensive income and expenditure statement	-	15	-	(15)
Adjustment primarily involving the financial instruments adjustment account:				
Amount by which finance costs charged to the comprehensive income and expenditure statement are different from finance costs chargeable in the year in accordance with statutory requirements	(176)	-	-	176
Adjustments primarily involving the pensions reserve:				
Reversal of items relating to retirement benefits debited or credited to the comprehensive income and expenditure account	50,690	-	-	(50,690)
Employer's pension contributions and direct payments to pensioners payable in the year	(30,390)	-	-	30,390
Adjustments primarily involving the accumulated absences account:				
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1,541	-	-	(1,541)
Total adjustments	4,803	807	2,805	(8,415)

NOTES TO THE ACCOUNTS

7. MOVEMENT IN RESERVES

This note sets out the amounts set aside from the general fund into reserves to provide financing for future expenditure plans.

	Balance at 1st Apr 2020 £000	Movement in 2020/21 £000	Balance at 31st Mar 2021 £000	Movement in 2021/22 £000	Balance at 31st Mar 2022 £000
EDUCATION, LEISURE & LIFELONG LEARNING					
DELEGATED SCHOOLS CASH - Under Local Government Management of Schools, schools are able to carry forward surpluses and deficits. These reserves are ring fenced for each individual school.	634	(7,849)	(7,215)	(5,405)	(12,620)
ER/VR SCHEME FOR PRIMARY SCHOOLS - This is set aside for Teachers and Staff that have agreements approved to take early retirement or voluntary redundancy during the following year.	(8)	2	(6)	(2)	(8)
REPAIR & MAINTENANCE - This includes funding to meet the cost of repairs and maintenance in schools.	(160)	(1)	(161)	-	(161)
MARGAM DISCOVERY CENTRE, BUILDING MAINTENANCE - To build up a renewal fund that can be used to help fund large building maintenance recharges in the future.	(48)	-	(48)	(12)	(60)
EQUALISATION ACCOUNT EDUCATION - smooth timing of expenditure.	(1,373)	(520)	(1,893)	(516)	(2,409)
HOME TO SCHOOL TRANSPORT - This reserve was created to manage the variation between academic and financial years in respect of a £6.5m Home to School Transport Budget.	(111)	-	(111)	(180)	(291)
ADDITIONAL LEARNING NEEDS - This reserve is to support the implementation of the Additional Learning Needs reforms.	-	-	0	(1,051)	(1,051)
Total Education Leisure & Lifelong Learning	(1,066)	(8,368)	(9,434)	(7,166)	(16,600)
SOCIAL SERVICES, HEALTH & HOUSING					
HOMECARE ECM EQUIPMENT - Equipment reserve to replace mobile phones.	(73)	(14)	(87)	(10)	(97)
COMMUNITY CARE TRANSFORMATION - To fund support and expertise needed to drive forward change required to achieve savings put forward in the FFP.	(108)	(348)	(456)	(3,751)	(4,207)
SOCIAL SERVICES EQUALISATION - To meet high cost cases - must make placements.	(940)	(1,060)	(2,000)	(3,700)	(5,700)
HILLSIDE GENERAL RESERVE - The depreciation charge recovered through fees is set aside for capital renewal.	(274)	(157)	(431)	(150)	(581)
YOUTH OFFENDING SERVICE - To meet the costs of providing Therapeutic Remand placements for young offenders, and also to meet the costs of YOT Managers Cymru and South Wales YOT Training.	(153)	(15)	(168)	-	(168)
ADOPTION SERVICE - To fund the additional contribution to the regional adoption service if NPT adoption placements are higher than expected.	(100)	(400)	(500)	-	(500)

NOTES TO THE ACCOUNTS

	Balance at 1st Apr 2020 £000	Movement in 2020/21 £000	Balance at 31st Mar 2021 £000	Movement in 2021/22 £000	Balance at 31st Mar 2022 £000
Total Social Services, Health and Housing					
Continued					
CHILDREN RESIDENTIAL PLACEMENTS - To fund the cost of delays in young people stepping down or a surge in unexpected placements.	-	(275)	(275)	-	(275)
SSHH IT RENEWALS FUND - To replace IT equipment, systems and telephony when required.	-	(700)	(700)	(1,200)	(1,900)
Total Social Services, Health and Housing	(1,648)	(2,969)	(4,617)	(8,811)	(13,428)
ENVIRONMENT					
TRANSPORT - To fund a cost effective transport and plant renewal programme to meet service requirements.	(152)	-	(152)	(130)	(282)
ASSET RECOVER INCENTIVE SCHEME - To smooth timing of expenditure over a four year period.	(126)	-	(126)	-	(126)
LOCAL DEVELOPMENT PLAN - Statutory obligation to develop a local development plan by all unitary authorities in Wales in line with WG guidance.	(181)	(109)	(290)	(75)	(365)
PARKING IMPROVEMENT - Car park maintenance and up keep.	-	-	0	(190)	(190)
WINTER MAINTENANCE - To aid in event of severe flooding / gritting.	(754)	10	(744)	140	(604)
MARKET REFURBISHMENT - To fund future repairs at Neath Market.	(228)	-	(228)	(25)	(253)
BAGLAN BAY INNOVATION CENTRE, DILAPIDATION RESERVE - Funding from WG for outstanding maintenance works including future essential repairs & upgrades.	(78)	-	(78)	(100)	(178)
RENEWABLE ENERGY - Feeding tariff income to fund future schemes.	(11)	(5)	(16)	(2)	(18)
ENVIRONMENTAL HEALTH, HOUSING					
EQUALISATION - to smooth timing of expenditure for inspections delayed due to COVID.	(137)	-	(137)	7	(130)
NPT WORKWAYS - Funding from WEFO ring fenced for scheme.	(159)	(93)	(252)	(38)	(290)
ENVIRONMENT EQUALISATION - To fund one off pressures across the Directorate.	(715)	(48)	(763)	(302)	(1,065)
METAL BOX - to smooth the cost of maintenance expenditure until building has been fully leased.	-	(356)	(356)	(574)	(930)
AIR QUALITY MONITORING - to fund the purchase of future air quality equipment.	-	(85)	(85)	85	0
OPERATING ACCOUNT EQUALISATION - smooth timing of expenditure.	(36)	-	(36)	-	(36)
VEHICLE TRACKING - To provide funds for the vehicle tracking initiative.	(92)	-	(92)	-	(92)
VEHICLE RENEWALS - To fund a cost effective transport & plant programme to meet service requirements and enhancements.	(1,906)	(416)	(2,322)	(9)	(2,331)
Total Environment	(4,575)	(1,102)	(5,677)	(1,213)	(6,890)

NOTES TO THE ACCOUNTS

	Balance at 1st Apr 2020 £000	Movement in 2020/21 £000	Balance at 31st Mar 2021 £000	Movement in 2021/22 £000	Balance at 31st Mar 2022 £000
FINANCE & CORPORATE SERVICES					
ELECTIONS EQUALISATION FUND - To meet cost of 4 year cycle of elections.	(240)	(95)	(335)	(15)	(350)
HEALTH & SAFETY / OCCUPATIONAL HEALTH - Equalisation of spend.	(41)	-	(41)	-	(41)
DEVELOPMENT FUND FOR MODERNISATION - Funding for Members IT renewals, training and development.	(115)	(53)	(168)	92	(76)
IT RENEWALS FUND - To spread the cost of major investment in the Council's IT.	(843)	(90)	(933)	(300)	(1,233)
CORPORATE EQUALISATION - This reserve will fund one off pressures arising across the directorate.	(535)	(62)	(597)	433	(164)
BUILDING CAPACITY - This relates to developing capacity in relation to transformational projects across the Council.	(197)	-	(197)	42	(155)
VOLUNTARY ORGANISATIONS - This reserve is to be used towards Voluntary Organisation payments.	(13)	(21)	(34)	(53)	(87)
Total Finance and Corporate Services	(1,984)	(321)	(2,305)	199	(2,106)
COUNCIL RESERVES					
INSURANCE - This reserve is generated from insurance settlements and surpluses from claims handling arrangements. It will be used to fund future insurance related projects and claims.	(6,651)	652	(5,999)	(2,277)	(8,276)
SWANSEA BAY CITY DEAL - To cover future expenditure as part of the five year plan.	(113)	-	(113)	(221)	(334)
INCOME GENERATION - This reserve is to support income generation ideas.	(654)	(466)	(1,120)	(593)	(1,713)
MEMBERS COMMUNITY FUND - The reserve is set up to enable members to invest in activities and projects that improve outcomes within their local wards.	(391)	(271)	(662)	148	(514)
COMMUNITY RESILIENCE FUND - To support the development of community activity and volunteering opportunities.	(2,000)	-	(2,000)	250	(1,750)
HOUSING WARRANTIES - This reserve has been set aside in recognition of the warranties to potential liabilities following the transfer of Housing Services.	(220)	-	(220)	-	(220)
HARDSHIP RELIEF SCHEME - To develop a range of measures to support the cost of living crisis.	-	-	0	(2,000)	(2,000)
SERVICE RESILIENCE - To meet short term service staffing issues.	-	-	0	(2,000)	(2,000)
GENERAL REVENUE RESERVE - To fund future capital expenditure.	(683)	-	(683)	-	(683)
PANTTEG LANDSLIP - The reserve is set up to fund ongoing costs.	(500)	-	(500)	-	(500)
WASTE - To provide funding to ensure that an efficient and economical waste service can be provided.	(393)	-	(393)	(505)	(898)
LAWDC CCONTINGENCY - This is held for aftercare obligations at the Giants Grave site, which might arise if the Council's wholly owned company (NPT Waste Management Ltd) has insufficient resources.	(1,012)	(1)	(1,013)	198	(815)

NOTES TO THE ACCOUNTS

	Balance at 1st Apr 2020 £000	Movement in 2020/21 £000	Balance at 31st Mar 2021 £000	Movement in 2021/22 £000	Balance at 31st Mar 2022 £000
COUNCIL RESERVES Continued					
DARE - to cover the cost of ongoing Capital & Revenue de-carbonisation Schemes.	-	(2,000)	(2,000)	-	(2,000)
DIGITAL TRANSFORMATION - To support the Council's Digital Transformation Programme.	-	(1,170)	(1,170)	-	(1,170)
SCHOOLS IT EQUALISATION (HWB) - This reserve is to fund schools IT costs.	(250)	(150)	(400)	(200)	(600)
CORPORATE CONTINGENCY - To fund unforeseen future pressures in delivering the forward financial plan.	(2,269)	(2,472)	(4,741)	174	(4,567)
RING FENCED HOMECARE FUNDING - To support driving test and electric vehicle provision for Home care workers.	-	-	0	(450)	(450)
TREASURY MANAGEMENT EQUALISATION - This reserve will be used to equalise the impact of fluctuations in Treasury Management returns and fund future borrowing decisions, including the financing of the Swansea Bay City Deal.	(7,639)	(1,263)	(8,902)	308	(8,594)
Organisational Development Reserve - to support the organisational development programme.	(4,536)	129	(4,407)	137	(4,270)
DISCRETIONARY FUND - Funds set aside to support Welsh Government discretionary cost of living support scheme .	-	-	0	(1,402)	(1,402)
ACCOMMODATION STRATEGY - This reserve will be used to support the Authority's Accommodation Strategy and other property costs.	(2,274)	-	(2,274)	-	(2,274)
Total Council Reserves	(29,585)	(7,012)	(36,597)	(8,433)	(45,030)
JOINT COMMITTEE					
WORKWAYS, REGIONAL RESERVE - Funding from WEFO ring fenced for scheme.	(93)	(62)	(155)	(14)	(169)
ENVIRONMENT LEGACY (SWTRA) - Financial assistance to help ensure contract success.	(60)	-	(60)	-	(60)
SUBSTANCE MISUSE AREA PLANNING BOARD	(41)	6	(35)	-	(35)
LOCAL SAFEGUARDING CHILDREN'S BOARD - Transfer of partner's surplus contributions to fund future safeguarding work across Western Bay.	(92)	(16)	(108)	(5)	(113)
INTERMEDIATE CARE POOLED FUND - Transfer of partner's surplus contributions, to safeguard against future deficits or to fund additional capacity.	(28)	-	(28)	(164)	(192)
Total Joint Committee Reserves	(314)	(72)	(386)	(183)	(569)
Total Revenue Earmarked Reserves	(39,172)	(19,844)	(59,016)	(25,607)	(84,623)
GENERAL RESERVE WORKING BALANCES - Revenue reserve to fund non-specific future expenditure.	(19,921)	(115)	(20,036)	(115)	(20,151)
Total Revenue Earmarked Reserves	(59,093)	(19,959)	(79,052)	(25,722)	(104,774)

NOTES TO THE ACCOUNTS

8. OTHER OPERATING EXPENDITURE

2020/21 £000		2021/22 £000
2,267	Community Council Precepts	2,331
21,007	Precepts and Levies (Police and Fire)	22,037
(629)	(Gains)/Losses on the Disposal of Non Current Assets	(168)
22,645	Total	24,200

9. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2020/21 £000		2021/22 £000
10,569	Interest Payable and Similar Charges	10,324
11,050	Pension Interest Cost and Expected Return on Pension Assets	11,810
(52)	Changes in Impairment Loss Allowance	202
(251)	Interest Receivable and Similar Income	(167)
21,316	Total	22,169

10. TAXATION AND NON SPECIFIC GRANT

2020/21 £000		2021/22 £000
(94,855)	Council Tax Income	(98,103)
(44,940)	Non Domestic Rates	(47,558)
(181,702)	Non Ring Fenced Government Grants	(191,718)
(46,653)	Capital Grants and Contributions	(48,785)
(368,150)	Total	(386,164)

NOTES TO THE ACCOUNTS

11. PROPERTY, PLANT AND EQUIPMENT

2021/22	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total PPE	Service Concession in PPE
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000
At 1st April 2021	432,307	27,295	416,057	647	13,759	41,475	931,540	18,563
Additions	10,976	3,707	8,762	4	-	40,527	63,976	-
Revaluation Increases/(Decreases) Recognised in the Revaluation Reserve	52,632	-	-	-	1,239	-	53,871	-
Revaluation Increases/(Decreases) Recognised in the Surplus/Deficit on the Provision of Services	26,961	-	-	4	(257)	-	26,708	-
Derecognition - Disposals	(149)	(1,130)	-	-	(182)	-	(1,461)	-
Derecognition - Other	(10,836)	(1,532)	(29)	(4)	-	-	(12,401)	-
Assets Reclassified (to)/from Held for Sale	-	-	-	-	-	-	0	-
Change in Asset Classification	27,919	-	-	-	(2,077)	(25,842)	0	-
At 31st March 2022	539,810	28,340	424,790	651	12,482	56,160	1,062,233	18,563
Accumulated Depreciation and Impairment								
At 1st April 2021	(58,814)	(15,157)	(135,343)	-	(23)	(4)	(209,341)	(2,741)
Depreciation Charge	(12,324)	(3,405)	(10,330)	-	(69)	-	(26,128)	(852)
Depreciation Written Out to the Revaluation Reserve	32,141	-	-	-	4	-	32,145	-
Depreciation Written Out to the Surplus/Deficit on the Provision of Services	13,218	-	-	-	19	-	13,237	-
Derecognition - Disposals	-	1,118	-	-	-	-	1,118	-
Derecognition - Other	-	1,532	-	-	-	-	1,532	-
Change in Asset Classification	18	-	-	-	(18)	-	0	-
At 31st March 2022	(25,761)	(15,912)	(145,673)	0	(87)	(4)	(187,437)	(3,593)
Net Book Value								
At 31st March 2022	514,049	12,428	279,117	651	12,395	56,156	874,796	14,970
At 31st March 2021	373,493	12,138	280,714	647	13,736	41,471	722,199	15,822

Service Concessions - These are agreements for services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. The Council is deemed to control the services provided under the contract and as ownership of the assets will pass to them at the end of the contract period, the Council carries the assets on its balance sheet as part of property, plant and equipment.

Further details of service concession costs and liabilities can be found in note 32.

NOTES TO THE ACCOUNTS

2020/21	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total PPE	Service Concession in PPE
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000
At 1st April 2020	437,357	33,339	407,023	647	13,915	13,187	905,468	18,563
Additions	8,176	2,920	10,063	1	-	34,492	55,652	-
Revaluation Increases/(Decreases) Recognised in the Revaluation Reserve	(1,057)	-	-	-	(1,428)	-	(2,485)	-
Revaluation Increases/(Decreases) Recognised in the Surplus/Deficit on the Provision of Services	(5,353)	(2,336)	-	-	(1,136)	-	(8,825)	-
Derecognition - Disposals	(288)	(1,538)	-	-	(702)	-	(2,528)	-
Derecognition - Other	(10,742)	(5,090)	(1,209)	(1)	-	-	(17,042)	-
Assets Reclassified (to)/from Held for Sale	-	-	-	-	1,300	-	1,300	-
Change in Asset Classification	4,214	-	180	-	1,810	(6,204)	0	-
At 31st March 2021	432,307	27,295	416,057	647	13,759	41,475	931,540	18,563
Accumulated Depreciation and Impairment								
At 1st April 2020	(50,673)	(20,290)	(125,223)	-	(136)	(4)	(196,326)	(1,889)
Depreciation Charge	(12,306)	(3,083)	(10,120)	-	(94)	-	(25,603)	(852)
Depreciation Written Out to the Revaluation Reserve	580	-	-	-	119	-	699	-
Depreciation Written Out to the Surplus/Deficit on the Provision of Services	923	1,644	-	-	138	-	2,705	-
Derecognition - Disposals	22	1,482	-	-	24	-	1,528	-
Derecognition - Other	2,566	5,090	-	-	-	-	7,656	-
Change in Asset Classification	74	-	-	-	(74)	-	0	-
At 31st March 2021	(58,814)	(15,157)	(135,343)	0	(23)	(4)	(209,341)	(2,741)
Net Book Value								
At 31st March 2021	373,493	12,138	280,714	647	13,736	41,471	722,199	15,822
At 31st March 2020	386,684	13,049	281,800	647	13,779	13,183	709,142	16,674

Depreciation

The following useful lives have been used in the calculation of depreciation:

Land	Depreciation not applicable
Buildings	At least 20 years
Vehicles, plant, furniture and equipment	3 - 20 years
Infrastructure	40 years

Effects of Changes in Estimates

During 2021/22, there have been no material changes made to the accounting estimates for property, plant and equipment.

NOTES TO THE ACCOUNTS

Revaluations

The Council carries out a rolling programme that ensures that all property, plant and equipment required to be measured at fair value is revalued at least every five years. All valuations are carried out internally. Valuations of land and buildings is carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment is based on historic cost.

During 2021-22 not all assets valued under the Depreciated Replacement Cost basis have been fully revalued, only those in the current cycle were revalued in line with our accounting policy, whilst those assets not within the current cycle were only partially revalued. This partial revaluation exercise was undertaken to more accurately reflect the current economic climate and the increase in construction costs relating to these asset valuations.

12. FINANCIAL INSTRUMENTS

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at principal plus accrued interest. Accrued interest is included within the current values above as it is effectively payable or receivable within one year.

The debtors position differs from that reported in the balance sheet as the debts relating to council taxation do not meet the definition of a financial instrument.

Categories of Financial Instruments

The following categories of financial instrument are carried in the balance sheet:

2021/22	Long term (Non-current)		Short term (Current)	
	Investments	Debtors	Investments	Debtors
	31st Mar 2022 £000	31st Mar 2022 £000	31st Mar 2022 £000	31st Mar 2022 £000
Amortised Cost	5,086	828	68,347	79,705
Total Financial Assets	5,086	828	68,347	79,705

2021/22	Long term (Non-current)		Short term (Current)	
	Borrowings	Creditors	Borrowings	Creditors
	31st Mar 2022 £000	31st Mar 2022 £000	31st Mar 2022 £000	31st Mar 2022 £000
Amortised Cost	(282,292)	(16,027)	(31,046)	(49,648)
Total Financial Liabilities	(282,292)	(16,027)	(31,046)	(49,648)

NOTES TO THE ACCOUNTS

2020/21 Financial Assets	Long term (Non-current)		Short term (Current)	
	Investments	Debtors	Investments	Debtors
	31st Mar 2021 £000	31st Mar 2021 £000	31st Mar 2021 £000	31st Mar 2021 £000
Amortised Cost	86	1,018	52,524	59,226
Total Financial Assets	86	1,018	52,524	59,226

Financial Liabilities	Long term (Non-current)		Short term (Current)	
	Borrowings	Creditors	Borrowings	Creditors
	31st Mar 2021 £000	31st Mar 2021 £000	31st Mar 2021 £000	31st Mar 2021 £000
Amortised Cost	(290,834)	(16,256)	(13,568)	(41,371)
Total Financial Liabilities	(290,834)	(16,256)	(13,568)	(41,371)

Income, Expenses, Gains and Losses

31st Mar 2021 £000	Surplus or Deficit on the Provision of Services	31st Mar 2022 £000
10,569	Financial Liabilities Measured at Amortised Cost	10,324
10,569	Total Net Gains/Losses	10,324
(251)	Interest Expense	(167)

Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried on the balance sheet at amortised cost. The fair value of the loans and receivables and financial liabilities is determined by calculating the net present value (NPV) of future cash flows, which provides an estimate of the value of payments in the future as at 31st March 2022, using the following assumptions:

- For loans from the PWLB and other loans payable, borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- For loans receivable prevailing benchmark market rates have been used to provide the fair value.
- No early repayment or impairment is recognised.
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

NOTES TO THE ACCOUNTS

The discount rate used in the NPV calculation is equal to the current rate in relation to the same instrument from a comparable lender and is the rate applicable in the market as at 31st March 2022, for an instrument with the same duration. Where it is difficult to obtain the rate for an instrument with identical features in an active market then the prevailing rate of a similar instrument with a published market rate has been used as the discount factor.

The values calculated are as follows:

31st Mar 2021			31st Mar 2022	
Carrying Amount £000	Fair Value £000		Carrying Amount £000	Fair Value £000
(232,598)	(280,556)	PWLB Debt	(241,597)	(263,802)
(67,443)	(105,122)	Non-PWLB Debt	(67,346)	(94,591)
(1,572)	(1,572)	Non-PWLB Debt Temporary	(1,574)	(1,574)
(301,613)	(387,250)	Total Debt	(310,517)	(359,967)
(16,256)	(16,256)	Long Term Creditors	(16,027)	(16,027)

31st March 2022 – Debt

The fair value of the liabilities is higher than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest payable is higher than the prevailing rates available for similar loans in the market at the balance sheet date. This shows a notional future loss, based on economic conditions at 31st March 2022, arising from a commitment to pay interest to lenders above market rates.

Fair value of assets:

31st Mar 2021			31st Mar 2022	
Carrying Amount £000	Fair Value £000		Carrying Amount £000	Fair Value £000
52,500	52,500	Loans and Receivables	73,300	73,175
1,018	1,018	Long Term Debtors	828	828

13. DEBTORS

31st Mar 2021 £000		31st Mar 2022 £000
44,093	Central Government Bodies	55,959
1,785	Other Local Authorities	3,987
3,483	NHS Bodies	4,767
13,446	Other Entities and Individuals	17,825
4,158	Payments in Advance	5,043
(5,062)	Less Provision for Impairment Loss	(5,250)
61,903	Total	82,331

NOTES TO THE ACCOUNTS

14. DEBTORS FOR LOCAL TAXATION

Included within the total debtors figure above are debts relating to the collection of local taxation, as adjusted for those that are unlikely to be collected.

31st Mar 2021 £000		31st Mar 2022 £000
1,763	Less than One Year	1,644
2,236	More than One Year	2,290
(1,322)	Less provision for Impairment Loss	(1,308)
2,677	Total	2,626

15. CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents is made up of the following elements:

31st Mar 2021 £000		31st Mar 2022 £000
96	Cash Held by the Authority	116
3,715	Bank Current Accounts	4,222
3,811	Total	4,338

16. ASSETS HELD FOR SALE

2020/21 Current Assets £000		2021/22 Current Assets £000
5,368	Balance Outstanding at Start of Year	3,980
	<i>Assets Newly Classified as Held For Sale:</i>	
1,800	Property, Plant and Equipment	-
	<i>Assets Declassified as Held For Sale:</i>	
(3,100)	Property, Plant and Equipment	-
(88)	Assets Sold	(2,000)
3,980	Balance Outstanding at Year End	1,980

NOTES TO THE ACCOUNTS

17. CREDITORS

31st Mar 2021 £000		31st Mar 2022 £000
(7,350)	Central Government Bodies	(7,263)
(7,539)	Other Local Authorities	(8,262)
(621)	NHS Bodies	(833)
(22,957)	Other Entities and Individuals	(28,108)
(2,904)	Receipts in Advance	(5,182)
(41,371)	Total	(49,648)

18. PROVISIONS

Long Term Provisions

	Injury and Damage Compensation Claims £000	Other Provisions- Housing Warranty £000	Total £000
Balance at 1st April 2020	(2,370)	(923)	(3,293)
Net Transfer (To)/ From	8	-	8
Net Transfer (To)	(676)	-	(676)
Balance at 31st March 2021	(3,038)	(923)	(3,961)
Net Transfer To/ From	1,332	-	1,332
Net Transfer (To)	-	-	-
Balance at 31st March 2022	(1,706)	(923)	(2,629)

Short Term Provisions

	Injury and Damage Compensation Claims £000	Other Provisions - Redundancy £000	Total £000
Balance at 1st April 2020	(1,218)	(325)	(1,543)
Net Transfer From	-	325	325
Net Transfer (To)	(382)	(67)	(449)
Balance at 31st March 2021	(1,600)	(67)	(1,667)
Net Transfer From	491	67	558
Net Transfer (To)	-	(148)	(148)
Balance at 31st March 2022	(1,109)	(148)	(1,257)

Long and Short Term - Injury and Damage Compensation Claims

This provision covers the estimated cost of settling all the outstanding insurance claims of the Council that existed at 31st March 2022.

Long Term - Other Provisions – Housing Warranties

This long term provision has been set aside in recognition of the warranties and commitments relating to potential liabilities following the transfer of housing services in 2010/11. The provision reflects the costs likely to be incurred in future years.

NOTES TO THE ACCOUNTS

Short Term - Other Provisions – Redundancy

The Council undertook an exercise to seek volunteers for voluntary redundancy as part of the Council's savings strategy and in line with the Council's desire to avoid compulsory redundancy as far as is possible. Many of those who finished left the Council before the 31st March. However, there were some agreements to leave after this date and accounting regulations require the Council to account for the costs in the year that the agreement was made. A charge has been made to this year's individual revenue accounts, for the cost of these leaving during next year, with this provision being set up to meet the costs when the individuals actually leave.

19. USABLE RESERVES

Movements in the Council's usable reserves are detailed in the movement in reserves statement and summarised below:

31st Mar 2021 £000		31st Mar 2022 £000
(79,052)	Earmarked and General Reserve Working Balance	(104,774)
(14,434)	Unapplied Grants	(20,857)
(8,883)	Usable Capital Receipts	(8,702)
(102,369)	Total	(134,333)

20. UNUSABLE RESERVES

31st Mar 2021 £000		31st Mar 2022 £000
(93,285)	Revaluation Reserve	(175,058)
(290,643)	Capital Adjustment Account	(352,950)
1,489	Financial Instruments Adjustment Account	1,321
578,403	Pensions Reserve	449,770
(3)	Deferred Capital Receipts Reserve	(3)
6,213	Accumulated Absences Account	4,228
202,174	Total	(72,692)

Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost,
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1st April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the capital adjustment account.

NOTES TO THE ACCOUNTS

2020/21		Revaluation Reserve	2021/22	
£000	£000		£000	£000
(7,365)	(91,441)	Balance at 1st April Historic cost adjustment between Revaluation Reserve and Capital Adjustment Account	-	(93,285)
(924) 2,711	(98,806)	Revised Balance at 1st April Upward Revaluation of Assets Downward Revaluation of Assets and Impairment Losses Not Charged to the Surplus/Deficit on the Provision of Services	(92,139) 6,122	(93,285)
3,590	1,787	Downward Revaluation of Assets and Impairment Losses Not Charged to the Surplus/Deficit on the Provision of Services Difference Between Fair Value Depreciation and Historical Cost Depreciation	3,601	(86,017)
144		Accumulated Gains on Assets Sold or Scrapped	643	
	3,734	Amount Written Off to the Capital Adjustment Account		4,244
	(93,285)	Accumulated Gains on Assets Sold		(175,058)

Capital Adjustment Account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the comprehensive income and expenditure statement (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account also contains revaluation gains accumulated on property, plant and equipment before 1st April 2007, the date that the revaluation reserve was created to hold such gains. Note 6 provides details of the source of all the transactions posted to the account, apart from those involving the revaluation reserve.

NOTES TO THE ACCOUNTS

2020/21		Capital Adjustment Account	2021/22	
£000	£000		£000	£000
	(281,012)	Balance at 1st April		(290,643)
7,365		Historic cost adjustment between Revaluation Reserve and Capital	-	
	(273,647)	Revised Balance at 1st April		(290,643)
		Reversal of Items Relating to Capital Expenditure Debited or Credited to the CIES:		
25,603		Charges for Depreciation and Impairment of Non Current Assets	26,128	
6,117		Revaluation (Gains) / Losses on Property, Plant and Equipment	(39,945)	
12,503		Revenue Expenditure Funded from Capital Under Statute	17,515	
1,087		Non Current Assets Written Off on Disposal or Sale as Part of the Gain/Loss on Disposal to the Comprehensive Income and Expenditure Statement	2,344	
	45,310			6,042
	(3,734)	Adjusting Amounts Written Out of the Revaluation Reserve		(4,244)
	(232,071)	Net Written out Amount of the Cost of Non Current Assets Consumed in the Year		(288,845)
		Capital Financing Applied in the Year:		
(936)		Use of the Capital Receipts Reserve to Finance New Capital Expenditure	(2,693)	
(46,304)		Application of Grants to Capital Financing from the Capital Grants Unapplied	(48,104)	
(10,102)		Statutory Provision for the Financing of Capital Investment Charged Against the General Fund	(10,498)	
(1,245)		Capital Expenditure Charged Against the General Fund	(2,810)	
	(58,587)			(64,105)
15		Deferred Sale Proceed to Comprehensive Income and Expenditure Account	-	
	15			0
	(290,643)			(352,950)

NOTES TO THE ACCOUNTS

Financial Instruments Adjustment Account

The financial instruments adjustment account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the account to release premiums and discounts paid which were received on the early redemption of loans. Over time, the premiums are posted back to the general fund balance in accordance with statutory arrangements for spreading the effect on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result the balance of the premiums at 31st March 2022 will be charged to the general fund until 2055.

2020/21		Financial Instruments Adjustment Account	2021/22	
£000	£000		£000	£000
(176)	1,665	Balance at 1st April	(168)	1,489
	(176)	Proportion of Premiums Incurred in Previous Financial Years to be Charged Against the General Fund Balance in Accordance with Statutory Requirements		(168)
	1,489	Balance at 31st March		1,321

Pensions Reserve

The pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the comprehensive income and expenditure statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2020/21 £000	Pension Reserve	2021/22 £000
495,303	Balance at 1st April	578,403
62,800	Actuarial (Gains) or Losses on Pensions Assets and Liabilities	(165,493)
50,690	Reversal of Items Relating to Retirement Benefits Debited or Credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	68,660
(30,390)	Employer's Pensions Contributions and Direct Payments to Pensioners Payable in the Year	(31,800)
578,403	Balance at 31st March	449,770

NOTES TO THE ACCOUNTS

Deferred Capital Receipts Reserve

The deferred capital receipts reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the capital receipts reserve.

2020/21 £000	Deferred Capital Receipts Reserve	2021/22 £000
(15)	Balance at 1st April	(3)
12	Transfer to the Capital Receipts Reserve Upon Receipt of Cash	-
(3)	Balance at 31st March	(3)

Accumulated Absences Account

The accumulated absences account absorbs the differences that would otherwise arise on the general fund balance from accruing for compensated absences earned but not taken in the year, that is, annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the general fund balance is neutralised by transfers to or from the account.

2020/21		Accumulated Absences Account	2021/22	
£000	£000		£000	£000
(4,672)	4,672	Balance at 1st April		6,213
		Settlement or Cancellation of Accrual made at the end of the Preceding Year	(6,213)	
6,213		Amounts Accrued at the end of the Current Year	4,228	
	1,541	Amount by which Officer Remuneration Charged to the CIES on an Accruals Basis is Different from Remuneration Chargeable in the Year in Accordance with Statutory Requirements		(1,985)
	6,213	Balance at 31st March		4,228

NOTES TO THE ACCOUNTS

21. CASH FLOW STATEMENT – OPERATING ACTIVITIES

- a. Adjustments to net surplus or deficit on the provision of services for non-cash movements

2020/21 £000		2021/22 £000
25,603	Depreciation and Impairment on Non Current Assets	26,128
6,117	Revaluation (Gains) / Losses on Property, Plant and Equipment	(39,945)
244	(Increase)/Decrease in Long Term Debtors	190
(20,414)	(Increase)/Decrease in Short Term Debtors	(20,428)
(12)	(Increase)/Decrease in Inventories	(142)
(677)	Increase/(Decrease) in Short Term Creditors	8,277
(8)	Increase/(Decrease) in Long Term Creditors	(229)
124	Increase/(Decrease) in Short Term Provisions	(410)
668	Increase/(Decrease) in Long Term Provisions	(1,332)
959	Increase/(Decrease) in Grants Receipts in Advance	(1,112)
1,087	Amounts of Non Current Assets Written Off on Disposal or Sale as Part of the Gain/Loss on Disposal to the CIES	2,344
20,300	Increase/ (Decrease) in Pension Liability	36,860
-	Impairments Charged to the CIES	-
(41)	Finance Lease Interest	(40)
9,386	Adjustment for Non Enhancing Spend Included in PPE Additions	10,868
(72)	Other Non-Cash Items Charged to Net Surplus/Deficit on the Provision of Services	49
43,264		21,078

- b. Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities

2020/21 £000		2021/22 £000
(1,728)	Proceeds from the Sale of Property, Plant and Equipment	(2,512)
(44,117)	Other Receipts from Investing Activities	(47,620)
(45,845)		(50,132)

22. CASH FLOW STATEMENT – INVESTING ACTIVITIES

2020/21 £000		2021/22 £000
(55,652)	Purchase of Property, Plant and Equipment	(63,976)
(576,600)	Purchase of Short Term and Long Term Investments	(1,123,000)
1,728	Proceeds from the Sale of Property, Plant and Equipment	2,512
580,600	Proceeds from Short Term and Long Term Investments	1,102,200
44,117	Other Receipts from Investing Activities	47,620
(5,807)	Net Cash Flows From Investing Activities	(34,644)

NOTES TO THE ACCOUNTS

23. CASH FLOW STATEMENT – FINANCING ACTIVITIES

2020/21 £000		2021/22 £000
2,946	Cash Receipts of Short and Long Term Borrowing	10,014
(9,206)	Repayments of Short and Long Term Borrowing	(1,109)
(6,260)	Net Cash Flows from Financing Activities	8,905

The financing activities relate to non-cash changes. The financing cash flows can be further split between short and long term borrowing as follows:

	Long Term £000	Short Term £000	Total £000
Cash Receipts	10,000	14	10,014
Repayments	-	(1,109)	(1,109)
Net Cash Flows from Financing Activities	10,000	(1,095)	8,905

24. AGENCY SERVICES

South Wales Trunk Road Agency

The Council performs agency work on trunk roads in South and West Wales on behalf of the Welsh Government who fully reimburse the related expenditure. The financial activity relating to this contract is not included in the comprehensive income and expenditure statement.

COVID 19 Agency Arrangements

During 2021-22 the Council have been acting on behalf of the Welsh government as an agent with regard to various COVID19 related grants. Expenditure for which has been fully reimbursed. These include business grants, hardship funding and social care recognition schemes. The financial activity relating to this contract is not included in the comprehensive income and expenditure statement. Further details can be found in note 38.

25. POOLED BUDGETS

Community Equipment Store – Health, Neath Port Talbot Council and the City and Country of Swansea

Neath Port Talbot Council is party to a pooled arrangement with the Swansea Bay University Health Board and the City and County of Swansea Council. This arrangement is led by the City and County of Swansea.

The agreement for this pool is that the host partner shall retain operational responsibility for any costs, expenses or liabilities in excess of the pooled fund at any time during its existence, other than where these have been incurred with the express agreement of the partners. Where this agreement has been made, the partners are jointly responsible in the proportions of their respective contributions to the pool.

NOTES TO THE ACCOUNTS

2020/21			2021/22	
£000	£000		£000	£000
(1,773)		Funding Provided to the Pooled Budget:		
(700)		Grant	(356)	
(394)		City and County of Swansea	(635)	
(1,406)		Neath and Port Talbot Council	(357)	
		The Health Board	(1,308)	
	(4,273)	In Year Contributions		(2,656)
	(4,273)	Total Income		(2,656)
	2,937	Expenditure Met from the Pooled Budget:		3,102
	(1,336)	Net (Surplus)/Deficit Arising on the Pooled Budget During the Year		446
	0	Authority Share of the Net (Surplus) / Deficit Arising on the Pooled Budget		0

Intermediate Care – Neath Port Talbot Council and Health

Neath Port Talbot Council is host to a pooled arrangement with the Health Board, which covers arrangements to plan and arrange provision of adult and older people's services.

The arrangement for this pool is that the partners shall be jointly responsible, in accordance with the funding agreement for any costs, claims, expenses or liabilities incurred in accordance with the terms of the pool agreement. Also, any underspend will be put into a ring-fenced reserve or distributed to partners as agreed by the partnership board.

2020/21			2021/22	
£000	£000		£000	£000
(2,654)		Funding Provided to the Pooled Budget:		
(2,457)		Neath and Port Talbot Council	(2,480)	
		The Health Board	(2,995)	
	(5,111)	Total Income		(5,475)
	5,108	Expenditure Met from the Pooled Budget:		5,311
	(3)	Net (Surplus)/Deficit Arising on the Pooled Budget During the Year		(164)
	(3)	Authority Share of the Net (Surplus) / Deficit Arising on the Pooled Budget		(164)

26. MEMBERS REMUNERATION

The Council paid the following amounts to members of the Council during the year, including on-costs for national insurance and pensions.

2020/21		2021/22
£000		£000
1,352	Basic and Senior Salaries	1,371
-	Expenses	-
1,352	Total	1,371

NOTES TO THE ACCOUNTS

27. OFFICERS REMUNERATION

The Council is required to provide details on a range of remuneration issues, such as the median remuneration for all employees compared to the Chief Executive, the amounts earned by senior officers, salary costs greater than £60,000 and the cost and number of any exit packages. As the effect of including voluntary aided schools is not material, the information prepared for the remuneration notes includes the staff employed at the voluntary aided faith schools in the area, which are:

- Alderman Davies Church in Wales Primary
- Bryncoch Church in Wales Primary
- St Therese's Catholic Primary
- St Joseph's Catholic Primary, Infants and Junior schools
- St Joseph's Comprehensive.

The Accounts and Audit Regulations (Wales) 2014 introduced the requirement for the statement of accounts to disclose the organisations pay multiple. This is the ratio of the highest paid employee, the Chief Executive and the median earnings across the organisation. In 2021/22 this ratio is 5.56 times the median remuneration of the organisation which is £24,920.

The remuneration paid to the Council's senior employees is as follows:

			Salary, Fees and Allowances £	Expenses Allowances £	Employers Pension Contribution £	Total £
Chief Executive Steven J Phillips	2020/21	*	£109,802	-	£22,290	£132,092
Chief Executive Karen Jones	2020/21	*	£32,849	-	£6,668	£39,517
	2021/22		£137,623	-	£23,281	£160,904
Director of Education, Leisure & Lifelong Learning	2020/21		£133,439	-	£26,703	£160,142
	2021/22		£111,485	-	£22,631	£134,116
Director of Environment	2020/21		£110,236	-	£22,378	£132,614
	2021/22		£114,759	-	£23,296	£138,055
Director of Social Services, Health & Housing	2020/21		£115,755	-	£21,540	£137,295
	2021/22		£120,959	-	£24,555	£145,514
Director of Finance and Corporate Services	2020/21		£118,447	-	-	£118,447
	2021/22		£70,131	-	-	£70,131
Chief Finance Officer	2021/22		£38,404	-	£7,796	£46,200
Head of Finance	2020/21		£79,928	-	£16,225	£96,153
	2021/22		£47,736	-	£9,690	£57,426
Assistant Chief Executive & Digital Officer	2020/21		£70,392	-	£14,290	£84,682
Chief Digital Officer	2021/22		£64,451	-	£13,084	£77,535
Head of People & Organisational Development	2020/21		£83,735	-	£16,995	£100,730
	2021/22		£84,339	-	£17,121	£101,460
Head of Legal Services	2020/21		£79,928	-	£16,225	£96,153
	2021/22		£83,060	-	£16,861	£99,921

NOTES TO THE ACCOUNTS

The Employers pension contribution of 20.3% (20.3% in 2020/21) excludes any deficit contribution to the Fund and represents the normal contribution required for the year. No contribution cost is included when an officer has left the employers pension scheme.

The Chief Executive post was filled by appointment on 1st January 2021 after the retirement of the former Chief Executive. There are two lines showing for the Chief Executive in 2020/21 to show the pay of the *retiring Chief Executive, followed by the figures of the **current Chief Executive.

Only 10 months pension contribution has been included in 2021/22 for the Chief Executive as she opted out of the pension scheme on 31st January 2022.

The figures do not include any remuneration for the Chief Executive in her role as returning officer. The amount paid to the Chief Executive in 2021/22 was £8,794 which is based on rates defined by the respective election bodies and reimbursed £82 for election expenses.

The Director of Education retired on 31st March 2021, included in the remuneration for 2020/21 is an amount for unused holiday pay.

The Assistant Chief Executive & Digital Officer Post was deleted on 7th January 2021 after a restructure of the Senior Management Team which included the Head of People & Organisational Development and the Head of Legal Services now reporting directly to the Chief Executive. The Chief Digital Officer Post was created as part of the restructure and was filled on 28th June 2021.

The Director of Finance and Corporate Services retired on 31st October 2021. This post has been deleted from the structure along with the Head of Finance and replaced by the Chief Finance Officer post.

The number of other staff employed by the Council, including head teachers, receiving more than £60,000 remuneration for the year, excluding employer's pension contributions, is listed below, in bands of £5,000. The number being included has increased due to more Teachers in receipt of remuneration greater than £60,000 after the 2021/22 pay awards were received.

Number of Employees 2020/21				Number of Employees 2021/22
42	£60,000	-	£64,999	58
28	£65,000	-	£69,999	24
12	£70,000	-	£74,999	19
7	£75,000	-	£79,999	6
10	£80,000	-	£84,999	5
4	£85,000	-	£89,999	5
2	£90,000	-	£94,999	6
1	£100,000	-	£104,999	-
-	£105,000	-	£109,999	1
1	£110,000	-	£114,999	1
107				125

NOTES TO THE ACCOUNTS

As a result of a voluntary redundancy scheme in 2021/22, one employee received remuneration above £60,000. This individual was paid the following amount:

Number of Employees 2020/21			Number of Employees 2021/22
1	£65,000	-	£69,999
1			1

The Council continues to minimise compulsory redundancy as far as is possible by using alternatives such as voluntary redundancy and redeployment to alternative employment. Those who left under either voluntary or compulsory redundancy received redundancy payments in line with the Council's scheme and where eligible, accessed their pensions.

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

Exit Package cost band	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21 £000	2021/22 £000
£0 - £20,000	7	9	21	13	28	22	242	168
£20,001 - £40,000	-	-	11	3	11	3	374	85
£40,001 - £60,000	-	-	3	1	3	1	162	50
£60,001 - £100,000	-	-	2	3	2	3	123	202
Total	7	9	37	20	44	29	901	505

28. EXTERNAL AUDIT COSTS

The Council has incurred the following costs in relation to the audit of the statement of accounts, certification of grant claims and statutory inspections provided by the Council's external auditors:

2020/21 £000		2021/22 £000
175	Fees Payable to Audit Wales for External Audit Services Carried Out by the Appointed Auditor for the Year	181
99	Fees Payable to Audit Wales for Statutory Work Carried Out Under the Local Government Measure	103
49	Fees Payable to Audit Wales for the Certification of Grant Claims and Returns for the Year	50
323	Total	334

NOTES TO THE ACCOUNTS

29. GRANT INCOME

The Council credited the following grants and contributions to the comprehensive income and expenditure statement:

2020/21 £000	Grant Income	2021/22 £000
	Credited to Taxation and Non Specific Grant Income	
181,702	Revenue Support Grant	191,718
8,512	Regeneration and Town Centre Redevelopments	16,613
24,722	21st Century Schools	17,109
907	Local Transport Fund	290
215	Safe Routes / Accident Reduction Measures	998
1,153	Active Travel	797
753	Additional Infrastructure Funding	1,054
1,213	Flood Prevention Grants	243
-	Additional General Capital Grant	3,510
11	Flying Start	126
589	Childcare Offer Capital Grant	951
2,202	Additional Schools Funding	-
-	Hillside	480
744	HWB - Education Technology Grant	660
1,018	Drainage	1,740
1,295	Waste Transfer Station Grant	-
3,319	Other Capital Grants	4,214
228,355	Total Grants Credited to Taxation and Non Specific Grant Income	240,503
	Credited to Services	
1,797	Post 16	2,250
459	Youth	576
2,875	Childcare Offer	2,514
3,815	Children & Communities	5,363
6,149	Regional Consortia School Improvement Grant (RCSIG)	8,453
2,063	LA Education Grant	8,164
6,035	Pupil Deprivation Grant	6,275
377	Rural Development Plan	466
202	Minority Ethnic, Gypsy Traveller Grant	-
2,542	Covid Schools Funding	-
3,258	Other Education Grants	2,931
2,400	Concessionary Bus Fares	2,583
116	Bus Services Grant	9
33	Road Safety Grant	156
249	Other Highways Grants	148
1,001	Social Care Workforce Development	1,059
233	Youth Justice Board	241
3,515	Substance Misuse	2,970

NOTES TO THE ACCOUNTS

2020/21 £000	Grant Income continued	2021/22 £000
	Credited to Services continued	
3,803	Flying Start	3,918
134	Syrian Vulnerable Person Resettlement	18
1,992	Sustainable Social Services	2,486
109	Other Social Services Grants	2,697
-	Social Services Recovery Fund	3,264
-	Social Care Pressures	2,486
673	Housing Benefit Admin	662
42,238	Mandatory Rent Allowances	40,167
1,547	General Capital Grant for Housing Expenditure	1,797
295	Housing Energy Efficiency Grant	435
4,938	Supporting People	6,466
4	Culture & Heritage	106
217	Recreation & Sport	654
481	Community Purposes	-
9	Single Environment Grant	-
2,624	Workways	3,588
753	Sustainable Waste	994
-	Discretionary Fund	1,402
4,392	Other Services Grants	3,841
13,074	COVID19 - LA Hardship Fund	6,789
-	COVID19 - Other	360
9,589	COVID19 - Loss of Income	3,547
2,570	COVID19 - Social Services voids	2,068
1,884	COVID19 - Social Services rate increase	1,894
604	COVID19 - Council Tax Reduction Scheme	-
-	COVID19 - Grants to business	488
46	COVID19 - Sickness Reimbursement Scheme	-
80	COVID19 - Care Home Testing	325
137	COVID19 - Care Home Visiting Pods	-
165	COVID19 - Skewen Flood	-
129,477	Total Grants Credited to Services	134,610
357,832	Total Grant Income	375,113

NOTES TO THE ACCOUNTS

30. RELATED PARTIES

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government

Central government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties, such as council tax bills and housing benefits. Grants and contributions received from government departments are set out in the note to the expenditure and funding analysis in note 5. Grant receipts are shown in note 29.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total paid to members in 2021/22, including on-costs, is shown in note 26.

Under the code of conduct incorporated in the Council's Constitution, members are required to record in the register of members interests any financial and other personal interests, together with any gift, hospitality, material interest or advantage. The register is open to inspection by the public and is available on an individual member basis on the Council Website.

Members of the Council serve on numerous outside bodies some of which either receive funding from the Council or issue levies and precepts to be paid by the Council. These payments are made with proper consideration of declarations of interest and relevant members do not take part in any discussion or decision relating to the grants.

Officers

The Head of Legal Services is an unpaid shareholder representative on behalf of the Council with Neath Port Talbot Waste Management Ltd. The role does not involve any decision making on the day to day running of the Company.

The Head of Legal Services is the Monitoring Officer for South West Wales Corporate Joint Committee, the Council is reimbursed by the CJC for costs.

NOTES TO THE ACCOUNTS

Entities Significantly Influenced by the Council

Swansea Bay City Deal

The Swansea Bay City Deal is a £1.3bn investment in 9 major projects across the Swansea Bay City Region – which is made up of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

The Swansea Bay City Deal is being led by the four regional local authorities through a Joint Committee Agreement, together with non-voting partners - Swansea Bay and Hywel Dda University Health Boards, Swansea University, the University of Wales Trinity Saint David.

Within the Joint Committee Agreement there is acknowledgment that all partners will contribute £50,000 per annum to support the central and administrative functions of the programme, as well as 1.5% “Top Slice” being applied to programme/project City Deal grant awards.

Neath Port Talbot County Borough Council’s partnership contribution is fully paid up to 31st March 2022. As at the 31st March 2022, no City Deal grant funding was awarded to Neath Port Talbot County Borough Council, due to programme/project business cases being still in development.

Under the agreement of the Joint Committee (JC – 9th July 2020) costs in respect of the provision of support services by Local Authorities to the Swansea Bay City Deal were included within the Joint Committee budget allowing for the recharge of those functions by Authorities. As such expenditure was recharged during the financial year by City and County of Swansea for Legal and democratic services in respect of the Joint Committee, Carmarthenshire County Council for the Accountable Body function’ Pembrokeshire County Council for the provision of Internal Audit services and Neath Port Talbot CBC for Democratic Services in respect of the Joint Scrutiny Committee.

As agreed by the Joint Committee (JC-11th June 2020) interest accumulated on Swansea Bay City Deal cash balances will be distributed to Authorities on a programme/project basis aligned to their allocated grant.

2020/21 £000		2021/22 £000
	<u>Income</u>	
(21)	Democratic Services Recharge	(21)
-	- Interest Apportionment (derived from SBCD cash balances)	(18)
-	- SBCD Grant Award	-
(21)		(39)
	<u>Expenditure</u>	
50	Partnership Contribution	50
29	Total Balance of Related Parties	11

NOTES TO THE ACCOUNTS

Waste

The Council owns a waste management company (Neath Port Talbot Waste Management Company Ltd). The waste management company has a 100% shareholding in the operating company for the materials recycling plant (Neath Port Talbot Recycling Ltd), which stopped trading on 30th September 2019. Both companies are due to be dissolved during 2022/23.

The Council provides the provision of waste management services of residual waste for Bridgend County Borough Council for which the Council received income of £3.3m in 2021/22 (£3.3m 2020/21).

Celtic Leisure

The Council has a contract with Celtic Leisure (a company limited by guarantee) to manage its indoor leisure activities and the Gwyn Hall. Following negotiations with the Council the Trustees have agreed to surrender the contract prior to the Trust commencing liquidation procedures. The Council has agreed to provide the Trust with funding to meet its obligations until the date of the completion of the contract and in respect of the planned liquidation.

A decision was taken by Cabinet on 1st February 2022 to insource indoor leisure activities and arrangements will continue to develop in that regard. The indemnity agreement that the Council has with Celtic Leisure remains in place until the insourcing is complete.

The Council pays Celtic Leisure an annual management fee to run the service (excluding the structural maintenance of buildings) which for 2021/22 was £1.558m (£1.461m in 2020/21). During 2021/22 the Council also paid a COVID loss of income Grant to Celtic Leisure of £1.058 (£1.475 in 2020/21). There was £238,000 (£44,000 in 2020/21) outstanding balance owed by Celtic Leisure to the Council on 31st March 2022.

South West Wales Corporate Joint Committee

The Corporate Joint Committee (CJC) is required by the Local Government and Elections (Wales) Act 2021. The Committee includes Carmarthenshire Council, City and County of Swansea, Pembrokeshire Council and the Brecon Beacons and Pembrokeshire National Park Authorities. It is tasked to prepare transport and strategic development plans for the regions. The CJC can also exercise economic well-being powers. The Council is committing a sum by way of a levy and will be reimbursed for Officer's time. The Council received a contribution of £62,500 in 2021-22.

NOTES TO THE ACCOUNTS

31. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

2020/21 £000		2021/22 £000
55,652	Capital Investment	63,976
3,117	Property, Plant and Equipment	6,647
	Revenue Expenditure Funded from Capital Under Statute	
58,769		70,623
	Sources of Finance	
(936)	Capital Receipts	(2,693)
(46,304)	Government Grants and Other Contributions: Sums Set Aside from Revenue	(48,104)
(1,245)	Direct Revenue Contributions and Reserves	(2,810)
(10,284)	Loans	(17,016)
(58,769)		(70,623)

As at 31st March 2022, the Authority has entered into a number of contracts for the construction of Property, Plant and Equipment. The budgeted cost of these commitments for 2022/23 and future years are shown in the table below.

The major commitments are:

Major Capital Commitments	2022/23 £000	Future £000	Total £000
Replacement Comprehensive School at Cefn Saeson	507	-	507
Replacement Primary at Abbey	552	-	552
New Build Block Ysgol Gymraeg Ystalyfera Bro Dur (North Campus)	175	-	175
Harbourside Infrastructure	14	-	14
Plaza Redevelopment	293	-	293
Neath Town Centre Redevelopment	2,674	-	2,674
Crymlyn Burrows Transfer Station Site Improvements	5,580	231	5,811
The Technology Centre	309	-	309
	10,104	231	10,335

Where Capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

NOTES TO THE ACCOUNTS

2020/21 £000		2021/22 £000
(342,873)	Opening Capital Financing Requirement	(343,055)
(4,489)	Increase in Underlying Need to Borrow (Supported by Government Financial Assistance)	(4,433)
(5,795)	Increase in Underlying Need to Borrow (Unsupported by Government Financial Assistance)	(12,583)
10,102	Minimum Revenue Provision and Prudential Borrowing	10,498
(343,055)	Closing Capital Financing Requirement	(349,573)

32. SERVICE CONCESSION

On 1st April 2012, the Council entered into a service concession arrangement with Tai Gwalia CYF to take over and operate the Council's long term care and short term respite care homes. As part of this arrangement, the Council transferred its existing care homes to Tai Gwalia CYF who have constructed two new residential care homes, Plas Bryn Rhosyn in Neath and Llys Y Seren in Port Talbot, on land owned by the Council. This arrangement is in place until 2037.

The agreement included the construction of two residential care homes with a commitment that the Council will purchase a guaranteed number of beds for the duration of the contract. The contract includes a series of events which could trigger termination of the contract. At the end of the contract the assets transfer into the ownership of the Council for no additional charge. The Council carries the non-current assets used under the contract on the balance sheet as service concession assets.

The following table shows the payments to be made under the service concession:

	Payment for Services £000	Reimburse Capital Expenditure £000	Interest £000	Total £000
Payable:				
Within 1 year	4,300	102	151	4,553
Within 2 to 5 years	17,199	474	535	18,208
Within 6 to 10 years	16,022	780	482	17,284
Within 11 to 15 years	16,022	1,056	206	17,284
Total	53,543	2,412	1,374	57,329

The future service liability for reimbursing capital expenditure is:

2020/21 £000		2021/22 £000
2,597	Balance Outstanding at 1st April	2,507
(90)	Payments During the Year	(95)
2,507	Balance outstanding at 31st March	2,412

NOTES TO THE ACCOUNTS

33. LEASES

Council as Lessee

Finance Leases

The Council has one finance lease recognised in its balance sheet.

31st Mar 2021 £000		31st Mar 2022 £000
3,158	Other Land and Buildings - Asset Value	3,462

The Council is committed to making minimum payments under these leases comprising settlement of the long term liability for the interest in the property acquired by the Council and finance costs that will be payable by the Council in future years, while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

31st Mar 2021 £000		31st Mar 2022 £000
	Finance Lease Liabilities	
11	Current	12
843	Non Current	831
795	Finance Lease Costs Payable in Future Years	754
1,649	Minimum Lease Payments	1,597

These minimum lease payments will be payable over the following periods:

Minimum Lease Payments	Finance Lease Liabilities		Minimum Lease Payments	Finance Lease Liabilities
31st Mar 2021 £000	31st Mar 2021 £000		31st Mar 2022 £000	31st Mar 2022 £000
52	11	Not Later than One Year	52	12
206	51	Between 1 and 5 Years	206	54
1,391	792	Later than 5 Years	1,339	777
1,649	854		1,597	843

Council as Lessor

Operating Lease

The Council currently leases out property under operating lease agreements ranging from indoor market units to shops, clubs, land, etc.

The lease income received in 2021/22 was £1.224m and in 2020/21 was £1.204m.

The leases are short term by nature and future income streams will be affected by external factors, most noticeably economic conditions and therefore cannot be estimated with certainty.

NOTES TO THE ACCOUNTS

34. PENSION SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this statement of accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2021/22 the Council paid £12m (£11.4m in 2020/21) to Teachers' Pensions in respect of teachers' retirement benefits, based on a 23.68% which has been the effective rate from 1st September 2019.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a discretionary basis within the defined benefit detailed in note 35.

35. DEFINED BENEFIT PENSION SCHEMES

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The Council participates in two post-employment schemes:

- the Local Government Pension Scheme, administered locally by the City and County of Swansea. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions' liabilities with investment assets. Benefits earned up to 31st March 2014 were linked to final salary, with benefits after this date based on a career average revalued earnings scheme.
- arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there is no investment assets built up to meet these pensions' liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The City and County of Swansea Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the City and County of Swansea Council. Policy is determined in accordance with the pension fund regulations.

NOTES TO THE ACCOUNTS

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme, such as large-scale withdrawals, changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the general fund the amounts required by statute.

Discretionary Post-Retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the general fund via the movement in reserves statement.

The following transactions have been made in the comprehensive income and expenditure statement and the general fund balance via the movement in reserves statement during the year.

McCloud

During 2019, the Supreme Court rejected the Government's request to appeal against a judgement relating to "McCloud/Sargeant" a judge and a fire fighter who represented their pension scheme members in claiming unlawful discrimination. This concerned the transitional protections given to older scheme members as part of pension reforms introduced in 2014/15, which have been judged age discriminatory.

The net pension liability reported in the accounts includes a potential liability related to the McCloud judgement. The pension fund actuary, Aon Hewitt, has based the estimate on the major provisions of the remedy.

Guaranteed Minimum Pension (GMP) Equalisation

GMP is a portion of the pension that was accrued by individuals who were contracted out of the State Second Pension between 6th April 1978 and 6th April 1997.

In October 2020 a second ruling in the Lloyds bank case clarified that compensation would be required to members who transferred benefits out since May 1990. The Government has not yet acknowledged a liability in public service schemes nor indicated an approach to rectify this so no allowance has been made for a potential liability arising from this ruling.

Impact of Covid-19

There has been a change to the post-retirement mortality assumption at this accounting date to allow for the effect of Covid-19 on the future development of mortality rates. This has had a positive effect on the balance sheet position equivalent to around 1% of the defined benefit obligation.

NOTES TO THE ACCOUNTS

Local Government Pension Scheme	Discretionary Benefits Arrangements		Local Government Pension Scheme	Discretionary Benefits Arrangements
2020/21			2021/22	
£m	£m		£m	£m
		Comprehensive Income and Expenditure Statement (CIES)		
		Cost of Services:		
39.15	-	Current Service Cost	56.55	-
0.49	-	Past Service Costs	0.30	-
-	-	(Gain)/Loss from Settlements	-	-
		Financing and Investment Income and Expenditure		
10.35	0.70	Net Interest Expense	11.14	0.67
49.99	0.70	Total Post-Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	67.99	0.67
		Other Post-Employed Benefit Charged to the CIES		
		Remeasurement of the Net Defined Benefit Liability		
(163.88)	-	Return on Plan Assets (excluding the amount included in the net interest expense)	(77.64)	-
-	-	Actuarial Gains and Losses Arising on Changes in Demographic Assumptions	(13.31)	(0.47)
234.78	2.55	Actuarial Gains and Losses Arising on Changes in Financial Assumptions	(90.16)	(0.72)
(11.52)	0.87	Actuarial Gains and Losses due to Liability Experience	16.69	0.12
59.38	3.42	Total Amount Recognised in Other Comprehensive Income	(164.42)	(1.07)
109.37	4.12	Total Post Employment Benefit Charged to the CIES	(96.43)	(0.40)
		Movement in Reserves Statement		
(109.37)	(4.12)	Reversal of Net Charges Made to the Surplus or Deficit for the Provision of Services for Post Employment Benefits in Accordance with the Code	96.43	0.40
		Actual Amount Charged Against the General Fund Balance for Pensions in the Year		
27.94	-	Employers' Contributions Payable to Scheme	29.33	-
-	2.45	Retirement Benefit Payable to Pensioners	-	2.47

NOTES TO THE ACCOUNTS

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the balance sheet arising from the Council's obligation in respect of its defined benefits plan is as follows:

Local Government Pension Scheme	Discretionary Benefits Arrangement		Local Government Pension Scheme	Discretionary Benefits Arrangement
2020/21 £m	2020/21 £m		2021/22 £m	2021/22 £m
(1,355.71)	(33.35)	Present Value of the Defined Benefit Obligation	(1,330.69)	(30.48)
810.66		Fair Value of Plan Assets	911.40	
(545.05)	(33.35)	Total	(419.29)	(30.48)

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation).

Funded Liabilities: Local Government Pension	Unfunded Liabilities: Discretionary Benefits		Funded Liabilities: Local Government Pension	Unfunded Liabilities: Discretionary Benefits
2020/21 £m	2020/21 £m		2021/22 £m	2021/22 £m
(1,090.77)	(31.68)	Opening Balance at 1st April	(1,355.71)	(33.35)
(39.15)	-	Current Service Cost	(56.55)	-
(24.84)	(0.70)	Interest cost	(28.23)	(0.67)
(6.49)	-	Contributions from Scheme	(6.87)	-
-	-	Remeasurement Gains and (Losses):		
	-	Actuarial Gains/Losses Arising from Changes in Demographic Assumptions	13.31	0.47
(234.78)	(2.55)	Actuarial Gains/Losses Arising from Changes in Financial Assumptions	90.16	0.72
11.52	(0.87)	Actuarial Gains and Losses Due to Liability Experience	(16.69)	(0.12)
(0.49)	-	Past Service Cost	(0.30)	-
29.29	2.45	Benefits Paid	30.19	2.47
(1,355.71)	(33.35)	Liabilities Extinguished on	(1,330.69)	(30.48)

NOTES TO THE ACCOUNTS

Reconciliation of the Movements in the Fair Value of the Scheme (Plan) Assets.

2020/21 £m		2021/22 £m
627.15	Opening Fair Value of Scheme Assets	810.66
14.49	Interest Income on assets	17.09
163.88	Remeasurement Gains/(Losses): The Return on Plan Assets, Excluding the Amount Included in the Net Interest Expense	77.64
27.94	Contributions by the Employer	29.33
6.49	Contributions from Employees into the Scheme	6.87
(29.29)	Benefits Paid	(30.19)
810.66	Closing Fair Value of Scheme Assets	911.40

Local Government Pension Scheme Assets for Neath Port Talbot

The following table shows an analysis of the scheme assets, several of the private market funds are estimated as actual figures are not available at time of publishing.

Fair Value of Scheme Assets				Fair Value of Scheme Assets		
2020/21				2021/22		
UK £000	Overseas £000	Total £000		UK £000	Overseas £000	Total £000
		12,582	Cash and Cash Equivalents		9,909	
			Pooled Investments Vehicles			
			Managed funds:			
			Unquoted			
	- 586,052	586,052	Equity		647,205 647,205	
9,762	13,530	23,292	Property	11,657	13,822 25,479	
6,757	-	6,757	Property Unit Trust	8,580	-	
26,151	45,741	71,892	Fixed Interest	29,979	45,261 75,240	
11,201	-	11,201	Index-Linked	11,750	-	
	- 18,730	18,730	Hedge Fund	-	18,944 18,944	
	- 41,168	41,168	Private Equity	-	62,712 62,712	
	- 23,620	23,620	Infrastructure	-	26,974 26,974	
	- 11,783	11,783	Private Debt	-	17,482 17,482	
	-	0	Residential Housing	-	5,607 5,607	
	-	0	Timberland & Farmland	-	41 41	
	- 822	822	Derivatives	-	508 508	
	- 1,350	1,350	Cash Funds	-	-	
12	-	12	Cash Dividends Due	94	-	
53,883	742,796	796,679	Net Current Assets	62,060	838,556 900,616	
		1,405	Total Assets		875	
		810,666			911,400	

In January 2019, the three segregated equity funds were transitioned to the Wales Pension Partnership Global Opportunities Fund as a pooled Equity Investment Vehicle. The Scheme no longer has any segregated global equity mandates.

NOTES TO THE ACCOUNTS

The following investments represented more than 5% of the Fund's net assets:

Neath Port Talbot Share			Neath Port Talbot Share	
2020/21			2021/22	
Value of Net Assets £000	Proportion of Net %		Value of Net Assets £000	Proportion of Net %
188,741	23.3	Blackrock ACS Low Carbon Tracker Fund	218,662	24.0
-	-	Harbour Vest - Private Equity Fund	47,492	5.2
381,264	47.0	WPP Global Opportunities Fund	413,730	45.4

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been assessed by AON Hewitt, an independent firm of actuaries, estimates for the City and County of Swansea Pension Fund being based on the latest full valuation of the scheme as at 31st March 2020.

The significant assumptions used by the actuary have been:

Local Government Pension Scheme	Discretionary Benefit Arrangements		Local Government Pension Scheme	Discretionary Benefit Arrangements
2020/21			2021/22	
		Mortality Assumptions:		
		Longevity at 65 for Current		
22.3	22.3	Men	22.1	22.1
24.3	24.3	Women	24.2	24.2
		Longevity at 65 for Future		
23.3	-	Men	23.2	-
25.8	-	Women	25.7	-
		Rate of Inflation:		
2.7%	2.7%	CPI	3.0%	3.0%
4.2%	-	Rate of Increase in Salaries	4.5%	-
2.7%	2.7%	Rate of Increase in Pensions	3.0%	3.0%
2.1%	2.1%	Rate for Discounting Scheme	2.7%	2.7%

NOTES TO THE ACCOUNTS

Sensitivity Analysis

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31st March 2022 and the projected service cost for the year ending 31st March 2023 is set out below:

Discount Rate Assumption

Adjustment to Discount Rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£m's)	1,304.08	1,358.63
% Change in Present Value of Total Obligation	-2.0%	2.1%
Projected Service Cost (£m's)	51.50	55.18
Approximate % Change in Projected Service Cost	-3.4%	3.5%

Rate of General Increase in Salaries

Adjustment to Salary Increase Rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£m's)	1,334.68	1,326.70
% Change in Present Value of Total Obligation	0.30%	-0.30%
Projected Service Cost (£m's)	53.31	53.31
Approximate % Change in Projected Service Cost	0.0%	0.0%

Rate of Increase to Pensions in Payment and Deferred and Rate of Revaluation of Pension Accounts Assumption

Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£m's)	1,353.31	1,308.07
% Change in Present Value of Total Obligation	1.7%	-1.7%
Projected Service Cost (£m's)	55.18	51.50
Approximate % Change in Projected Service Cost	3.5%	-3.4%

Post Retirement Mortality Assumption

Adjustment to mortality age rating assumption	-1 year	+1 year
Present Value of Total Obligation (£m's)	1,377.26	1,284.12
% Change in Present Value of Total Obligation	3.5%	-3.5%
Projected Service Cost (£m's)	55.44	51.18
Approximate % Change in Projected Service Cost	4.0%	-4.0%

Asset Liability Matching Strategy

The City and County of Swansea Pension Fund has not formally adopted any asset liability matching strategies within its current statement of investment principles. The Pension Fund is an open defined benefit LGPS fund which is open to new membership. Noting the positive cash flow of the Fund at this present time, the Fund has adopted a medium/long term investment horizon in its allocation to growth assets, however, the need to meet on-going liabilities, is addressed by the allocation to cash distributing assets in the form of bonds, property and infrastructure.

NOTES TO THE ACCOUNTS

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The City and County of Swansea Pension Fund has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over 22 years from 1st April 2017, funding levels are monitored to achieve this. Cash flows used in the valuation were estimated based on the 2019 actuarial valuation data provided.

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31st March 2023 is £30.45m. Expected payments to beneficiaries of the discretionary benefits schemes in the year to 31st March 2023 are £0.92m for the LGPS Scheme and £1.63m for Teachers.

36. DISCLOSURE OF NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Key Risks

The Council's activities expose it to a variety of financial risks. The key risks are:

- Credit risk The possibility that other parties might fail to pay amounts due to the Council
- Liquidity risk The possibility that the Council might not have funds available to meet its commitments to make payments
- Market risk The possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks. Risk management is carried out by a central treasury team, under policies approved by Council in the treasury management strategy, annual investment strategy, capital strategy and minimum revenue policy report. The full report can be accessed on the Council's web site.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the annual investment strategy, which is available on the Council website.

The key areas of the investment strategy in relation to minimum criteria for investment counterparties and investment limits are included within the Council Annual Investment Strategy.

The Council's maximum exposure to credit risk in relation to its investments in individual banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. A minimal risk of irrecoverability applies to all of the Council's deposits and by adopting stringent investment criteria this risk continues to be minimised.

NOTES TO THE ACCOUNTS

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

The Council does not allow credit for its trade debtors. The following analysis shows the age profile of the due amounts:

31st Mar 2021 £000		31st Mar 2022 £000
3,085	Current - Up to One Month	3,081
1,069	One to Three Months	535
484	Three to Six months	1,072
534	Six Months to One Year	504
1,212	More than One Year	1,551
6,384	Total	6,743

Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money and the Public Works Loan Board. There is no significant risk that it will be unable to raise finances to meet its commitments under financial instruments.

Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters.

The maturity analysis of financial liabilities (excluding interest) is as follows:

31st Mar 2021 £000		31st Mar 2022 £000
(2,572)	Less than 1 Year	(28,225)
(26,651)	Between 1 and 2 Years	(7,144)
(13,556)	Between 2 and 5 Years	(8,490)
(2,175)	Between 5 and 10 Years	(14,861)
(256,659)	More than 10 Years	(251,797)
(301,613)	Total	(310,517)

NOTES TO THE ACCOUNTS

Market Risk

Interest Rate Risk – the Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the surplus or deficit on the provision of services will rise;
- Borrowings at fixed rates – the fair value of the liabilities borrowing will fall ;
- Investments at variable rates – the interest income credited to the surplus or deficit on the provision of services will rise
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the provision of services or other comprehensive income and expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the general fund balance.

The Council has a number of strategies for managing interest rate risk. The annual treasury management strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. This strategy is used to set a treasury indicator which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor the market and interest rate forecasts during the year and adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect at 31st March would be:

	31st Mar 2022 £000
Increase/Decrease in Interest Received and Credited to the CIES	440
Increase/Decrease in External Interest Payable and Debited to the CIES	3,041

Price Risk – The Council does not invest in equity shares or marketable bonds.

NOTES TO THE ACCOUNTS

37. LOCAL TAXATION

Council Tax

Council tax is the current form of local taxation for domestic properties. All domestic properties are placed into one of nine valuation bands according to their open market value at 1st April 2003. The average amount of council tax for a property in Band D in 2021/22 was £1,996. This was calculated by dividing the amount of council tax required by Neath Port Talbot Council, each community council, and the South Wales Police Authority by the council tax base of 48,163 (which is the number of properties we collect council tax from, adjusted by discounts etc., and converted to the equivalent number of band d properties). The amounts for properties in other bands are calculated by multiplying the band d figure by the relevant multiplier in the table below:

Band	A	B	C	D	E	F	G	H	I	Total
Multiplier	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	
No. of Chargeable Dwellings	13,132	26,442	11,335	7,096	4,344	1,371	511	93	17	64,341

Significant Precepts or Demands

An element of the council tax bill relates to funding which is paid over to other organisations. The main demands and precepts were:

Town or Community Councils	2021/22 £000
Blaengwrach	49
Blaenhonddan	230
Briton Ferry	165
Cilybebyll	100
Clyne and Melincourt	24
Coedffranc	410
Crynant	53
Cwmllynfell	41
Dyffryn Clydach	51
Glynneath	211
Gwaencaeaurwen	106
Neath	400
Onllwyn	24
Pelenna	40
Pontardawe	196
Resolven	58
Seven Sisters	50
Tonna	44
Ystalyfera	79
	2,331
Other Levies and Demands	
Police and Crime Commission for South Wales	13,858
Fire Authority	8,179
	22,037

NOTES TO THE ACCOUNTS

Business Rates

Non domestic rates are calculated by multiplying a property's rateable value by the rating multiplier (or rate in the pound). Rateable values are determined by the Valuation Office Agency and the multiplier is set by the Welsh Government. The multiplier for 2021/22 was 53.5p (2020/21 53.5p). The Council is responsible for collecting rates due from businesses in its area but pays the proceeds into the NNDR pool administered by the Welsh Government. The Welsh Government redistributes the sums payable back to local authorities on the basis of a fixed amount per head of population.

In 2021/22, the total non-domestic rateable value at the year-end was £103.551m (2020/21 £103.935m).

38. COVID 19

2021/22 has been another extraordinary year due to Covid-19, and the past 24 months has had an extensive impact on communities, our local economy and the way in which the Council works. During 2021/22 The Welsh Government and Health have provided financial support to the Council to fund our activities and support our communities and businesses totalling £32.982m.

The council were also responsible for receiving and distributing Personal Protective Equipment (PPE) to both internal and external care providers. This PPE was provided nil of charge to the council by the Welsh Government / health services. The majority of this PPE was distributed to outside care providers with only an immaterial amount being utilised by the council. Due to the immaterial nature of the costs these have not been included in accounts.

The following table shows that the Council was reimbursed £15.471m by the Welsh Government and £5.097m from other local public bodies to cover increased service costs and also loss of income.

2021/22	Expenditure	Income	Income Other Public Bodies
	£000	£000	£000
Reimbursement of Additional Expenditure incurred	6,277	(11,436)	0
Reimbursement- Loss of Income	0	(3,547)	0
Business Grant Administration	0	(488)	0
Track Trace Protect (TTP)	5,097	0	(5,097)
	11,374	(15,471)	(5,097)

The Council also administered schemes on behalf of the Welsh Government as an Agency service to pay grants to businesses and individual recipients totalling £12.414m.

NOTES TO THE ACCOUNTS

2021/22	Expenditure	Income
	£000	£000
Business Restrictions Grant	2,005	(2,005)
Discretionary Grant	110	(110)
Freelance Grants	22	(22)
Social Care Recognition Scheme	5,074	(5,074)
Social Care Sick Pay Scheme	293	(293)
Self Isolation Grant	2,761	(2,761)
Winter Fuel Grant	2,149	(2,149)
	12,414	(12,414)

39. ANNUAL GOVERNANCE STATEMENT

The Council is required by statute to provide an Annual Governance Statement that covers all significant corporate systems, processing and controls, spanning the whole range of its activities. It is signed by the Council's Leader and Chief Executive and approved by Cabinet.

The Independent Auditor's Report of the Auditor General for Wales to the Members of Neath Port Talbot County Borough Council

Report on the audit of the financial statements to be inserted upon completion of Audit

The Independent Auditor's Report of the Auditor General for Wales to the Members of Neath Port Talbot County Borough Council

The Independent Auditor's Report of the Auditor General for Wales to the Members of Neath Port Talbot County Borough Council

The Independent Auditor's Report of the Auditor General for Wales to the Members of Neath Port Talbot County Borough Council

GLOSSARY OF TERMS

This glossary of terms has been prepared on the basis that a basic knowledge of accountancy terms is held. It provides a description of specialist terms relating to local government finance.

Audit Wales	Previously Wales Audit Office (WAO) - A body that independently examines the activities of the Council.
Accumulated absences	The Code of Practice requires an adjustment for accumulated absences which gives a monetary value to the cost of holidays accrued by staff but not taken at the end of the financial year. The net effect of this adjustment is reversed from the accounts.
Actuary	An actuary is someone who works with complex mathematical models to predict the likelihood of future years. Their skills are used to work out insurance and pension fund valuations, taking into account relevant factors such as trends in insurance claims and life expectancy.
Cash flow statement	This statement summarises the movements in cash during the year for both revenue activities and capital activities.
CIPFA/LASAAC	CIPFA/LASAAC is the body that sets the Code of Practice on Local Authority Accounting in the United Kingdom.
Comprehensive income and expenditure statement	This accounts records day to day spending and income on items such as salaries and wages, the running costs of services and the financing of capital expenditure. It shows the accounting cost in the year, in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.
Componentisation	Accounting standards require that assets are split into separate components where there are significant differences in the life of elements of the assets which would have a significant effect on the depreciation costs.
Contingent asset	This is a possible asset that arises from past events but whose existence will only be confirmed after an uncertain future.
Contingent liability	This is a possible obligation that may arise from past events and whose existence will be confirmed by the occurrence of uncertain future events.
Expenditure and funding analysis	This analysis is designed to provide a more direct link between the Council's budgeted spend and the figures reported under generally accepted accounting practices. It provides a link between management information and the figures included in the Comprehensive Income and Expenditure Statement.
Fair value	This is the estimated value of an asset or liability at the balance sheet date. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

GLOSSARY OF TERMS

Financial instruments	This relates to any contract which gives rise to a financial asset in one organisation and a financial liability or equity instrument of another. A collective name for investments, trade debtors and borrowings.
General fund balance	This represents the cumulative retained surpluses on the Council's revenue budget. It includes reserves the Council has earmarked to fund its plans as well as a cushion against unexpected events or emergencies. The level of the balance is considered as part of the annual budget process each year.
Impairment	This happens when fixed asset or investment values change significantly due to changes in circumstances. It can occur if there is a significant change in a fixed asset's market value or significant physical damage such as fire. The cost of impairment is charged to the revenue account in the year it occurs.
Minimum revenue provision (MRP)	A minimum annual charge that has to be made to the revenue accounts to systematically reduce the principal element of loans which have been raised and used to pay for capital schemes.
Movement in reserves statement	This statement shows the movement in the year on the different reserves held by the Council, analysed between the usable reserves which can be applied to fund expenditure or reduce local taxation and other reserves and the unusable reserves which cannot be utilised in this way.
National non domestic rates (NNDR)	Also known as the Business Rate, it is the charge occupiers of business premises pay which is collected by this Council and paid to the Welsh Government for reallocation. The charge is based on the rateable value of the business premises.
Pension reserve	The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits (pensions) and for funding benefits in accordance with statutory provisions.
Pooled budgets	These are budgets which are joined up across differing organisations with similar objectives and used to ensure improvements through coordinating expenditure.
Precepts	Precepts are levied on the Council by non-billing organisations such as the police and community councils to enable them to cover their costs in the performance of their services or duties.
Provision	This is an amount set aside in the accounts for a past event which is likely or certain to result in a financial cost some time in the future, though the exact amount and date may be uncertain.

GLOSSARY OF TERMS

Public Works Loans Board (PWLB)	This is a Government Agency which provides longer term loans to local authorities.
Related party transactions	These are disclosed to highlight any relationships that may exist between the Council and third parties who may materially affect or influence the way the Council or third parties are able to operate.
Reserves	These are sums set aside to meet future expenditure. This Council splits the total reserve to show those earmarked to fund specific expenditure and those held to fund non-specific future expenditure in the general reserve.
Revaluation reserve	This reserve is used to record gains in fixed asset values as a result of formal revaluations of the Council's fixed assets.
Revenue expenditure funded from capital under statute	This represents revenue expenditure which the Council is allowed to apply to Capital under statutory provisions. It does not result in fixed assets controlled by the Council.
Revenue Support Grant/NNDR	This is general government grant in support of local council services which is paid by the Welsh Government. The distribution of this grant tries to take account of the differing needs in each Council.
Service concession	A service concession arrangement arises when a Council grants a contract to a supplier who provides or maintains capital assets on the Council's behalf, which revert to the Council's ownership at the end of the contract. The grantor regulates the services the operator must provide using the assets and also controls any significant residual interest in the assets at the end of the term of the arrangement.
The Code of Practice	The Code of Practice incorporates guidance in line with IFRS, IPSAS and UK GAAP accounting standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'present fairly' the financial position of the Council.

Note: values throughout these accounts are presented rounded to whole values as shown throughout the accounts. Totals in supporting tables and notes may not appear to cast, cross-cast, or exactly match to the core statements or other tables due to rounding differences.

Neath Port Talbot Council Annual Governance Statement 2021/2022



Contents

Introduction.....	3
The Framework.....	4
Putting the Principles into Practice.....	5
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	5
Principle B: Ensuring openness and comprehensive stakeholder engagement	21
Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits	32
Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes	37
Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it	41
Principle F: Managing risks and performance through robust internal control and strong public financial management	49
Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability	54
Review of Effectiveness	58
Table 1 – Governance Improvement Action Plan - 2021/2022 into 2022/2023	60
Table 2 – Governance Improvement Action Plan - 2022/2023	72

Page 32

Introduction

The Council has adopted the 2016 Delivering Good Governance in Local Government: Framework (the Framework), developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). To comply with the Framework, the Council must publish an Annual Governance Statement (AGS), which explains the processes and procedures in place to enable the Council to carry out its functions effectively. The governance framework comprises the systems, processes, cultures and values by which the Council is directed and controlled, and through which we engage with and lead the local community. The framework brings together an underlying set of legal requirements, good practice and management processes.

In preparing the AGS, the Council conducted a self-assessment on the effectiveness of its system of internal control in place for the year ending 31st March 2022 to ensure that:

- its business is conducted in accordance with all relevant laws and regulations;
- public money is safeguarded and properly accounted for;
- there is sound and inclusive decision making;
- resources are used economically, efficiently and effectively; and
- there is clear accountability for the use of those resources to achieve agreed priorities which benefit local people and communities.

This assessment contributes to the self-assessment the Council will be undertaking to meet the requirements of the Local Government & Elections (Wales) Act 2021.

“Corporate governance is about making sure that the Council is run properly. It is about ensuring the Council does the right things, at the right time and in the right way.”

The Council’s system of internal control are designed to manage risk to a reasonable level. The Council cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The Framework

The Framework comprises two core principles and five supporting principles as illustrated in the diagram.

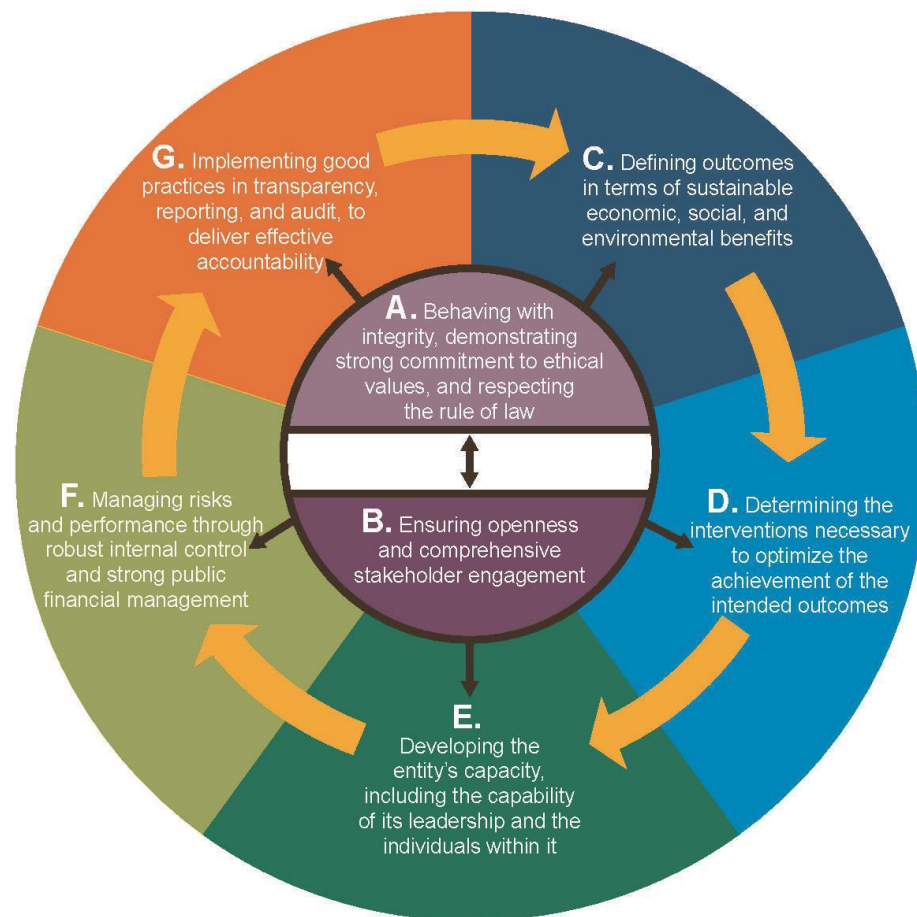
Principles A and B run through principles C to G but good governance is dynamic, and the Council as a whole is committed to improving governance on a continuing basis through a process of evaluation and review.

The next section: Putting the Principles into Practice,

illustrates examples of how the Council demonstrates compliance to meet these seven principles and the assurances taken during the year on the effectiveness of our governance arrangements.

Any governance improvement areas identified from undertaking the self-assessment have been included in an action plan set out in **Table 2** on page 72. The Corporate Governance Group, will oversee the action plan and progress will be reported to Corporate Directors Group, Cabinet and Governance & Audit Committee throughout the financial year.

Progress made on improvement work identified during 2020/2021 is contained in **Table 1** on page 60.



Putting the Principles into Practice

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action	
Page 135	1.1 Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	1.1.1 Employee Code of Conduct	In November 2020 an Internal Audit review was published of the compliance with the need to make the necessary declarations re interests, gifts and hospitality accepted/rejected. The recommendations made were taken into account and the Code was updated in January 2021.	None identified
	1.1.2 Member Code of Conduct	<p>Monitored by the Standards Committee and Corporate Governance Group.</p> <p>On signing their Declaration of Acceptance of Office, Members are required to give an undertaking to abide by the Members' Code of Conduct.</p> <p>Code of Conduct training took place on the 8th April 2021 relating to the member code of conduct, social media issues, gifts and hospitality and officer/member protocols. Further training took place in Autumn 2021 on officer/member relationships and will be undertaken biannually thereafter to enhance member's compliance with the Members Code of Conduct.</p> <p>Further training was developed to be embedded in the Member Induction process</p>	None identified	

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 136</p>		<p>for May 2022 onwards to ensure members are aware of the responsibility to act ethically and with integrity throughout the year, with advice provided on a variety of matters throughout year on interests and predetermination matters.</p> <p>The Local Government and Elections (Wales) Act 2021 will provide an additional duty on group leaders to ensure members within their political group also comply with the Members Code of Conduct and ongoing support will be provided on this function via the Standards Committee.</p>	
	<p>1.1.3 Members: An induction programme for Members was published on the Council website in 2017.</p>	<p>The induction programme forms part of the Authority’s Strategy and Charter for Member Development and is structured for both new and returning members. The aim is to provide a supportive and structured development framework to enable Members perform their duties. Members elected through by-elections receive a tailored induction.</p> <p>A review of the programme took place during 2021 in readiness for the Member Induction following the Local Government Elections in May 2022.</p>	<p>None identified</p>

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 137</p>	<p>1.1.4 Staff: an Induction Checklist, (which contains information about the expected standards of behaviour) must be signed by managers and their employees.</p>	<p>The corporate Induction Checklist is emailed to recruiting managers in advance of when a new starter is due to commence employment and is signed by both manager and employee.</p> <p>In 2022, the HR team and Learning, Training and Development Team will progress with the implementation of the iTrent HR / Payroll Database in Phase 2 of the Project. In phase 2, employee self-serve will mean the development of resources such as the 'onboarding' module, which will replace the Induction Checklist and facilitate more effective recording of induction arrangements and therefore provide much greater assurance.</p>	<p>None identified</p>
	<p>1.1.5 Performance Appraisal Process</p>	<p>In 2022, the Learning, Training & Development Team will continue with progress in relation to the implementation of the iTrent HR / Payroll Database in Phase 2 of the Project, launching the Development module, which will facilitate more effective recording of the appraisal process and provide greater assurance. We will be able to report against the number of appraisals carried out to conclusion.</p>	<p>None identified</p>

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>1.2 Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</p> <p style="text-align: center;">Page 138</p>	<p>1.2.1 A recently updated vision and set of values have been published in the Council's Corporate Plan 2022-2027</p>	<p>The Vision and Values are incorporated into recruitment processes (written into job descriptions and person specifications of senior posts in the organisation).</p>	<p>None identified</p>
	<p>1.2.2 The vision and priorities for staff are contained within the Workforce Plan 2018-2022</p>	<p>A review of the Workforce Plan was carried out in December 2019 to review the actions taken to date and ensure future actions remain fit for purpose moving forward. A framework Future of Work strategy has been developed with the support of the Corporate Recovery Board. Additional resources are currently being recruited to support the development and implementation of this strategy early in 2022/2023, to replace the current Workforce Plan.</p> <p>Audit Wales have supported the Council to learn workforce planning lessons from the Covid-19 pandemic, and to strengthen workforce planning arrangements as we move into recovery and developing the Council's workforce into the future, embracing opportunities linked to new ways of providing services and working. Feedback from Audit Wales was largely positive with constructive suggestions for</p>	<p>None identified</p>

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
		improvement, particularly in relation to succession planning.	
	See also 1.1.2 Member Code of Conduct - The Standards Framework for Members (Section 1, Ethical framework)	As 1.1.2	
<p>1.3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">139</p>	<p>1.3.1 Integrated Impact Assessment (IIA)</p> <p>The tool assesses the impact of proposed initiatives (e.g. policy, service, procedures, strategies, projects etc.) relating to key legislation (i.e. equality, sustainable development, the Welsh language etc.). It is applied to decisions relating to the initiative and to consider whether the initiative will have a positive, negative or neutral impact on the community.</p>	<p>Three separate reviews of the IIA process have been undertaken to determine how well the IIA tool is embedded into the decision making process, its effectiveness and the quality of the IIAs. Two of the reviews were completed by March 2022 (Internal Audit / external consultant) with the last (Audit Wales) due to be completed by July 2022.</p> <p>The recommendations from the reviews undertaken will be implemented to further improve the embedding of the IIA process into decision making.</p> <p>Training to address the recommendations will be part of the New Member Induction Programme following the Local Government Elections in May 2022) for Members. Training will also be arranged for officers.</p>	None identified

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 140	1.3.2 Declarations of Interest	These are made by Members at the beginning of Committee meetings and recorded in the meeting minutes.	None identified
	1.3.3 The Standards Committee	<p>The Committee meet on a quarterly basis (or more frequently where referrals from the Ombudsman are considered).</p> <p>Reports are regularly presented to the Standards Committee and any recommendations arising.</p> <p>The Committee also has delegated authority to discharge a number of functions. The Local Government and Elections (Wales) Act 2021 will provide an additional duty on group leaders to ensure members within their political group also comply with the Members Code of Conduct and ongoing support will be provided on this function via the Standards Committee.</p> <p>An annual report of the Standards Committee will also be presented to full Council highlighting the work of the Standards Committee.</p>	None identified

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>Page 141</p>	<p>1.3.4 Member and Officer Relations Protocol</p>	<p>A protocol is in place as part of the Council's Constitution and Employee Code of Conduct.</p> <p>A review of the Protocol was undertaken in Autumn 2021 as part of the wider review of the Council's Constitution and subsequently a slightly revised version was taken to Full Council in Autumn 2021 for approval. Copies of which have been distributed to officers.</p> <p>Further training took place in Autumn 2021 on officer/member relationships and will be undertaken biannually thereafter to enhance member's compliance with the Members Code of Conduct. Detailed training on the protocol will be embedded in training from May 2022 onwards.</p> <p>The protocol is monitored by the Standards Committee</p>	<p>None identified</p>
<p>1.4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<p>1.4.1 The Anti-fraud, Corruption and Malpractice Strategy</p>	<p>An updated Fraud Strategy has been prepared by the Internal Audit team (March 2022). This will be the subject of review internally before being presented to Members after the May 2022 election.</p>	<p>None identified</p>

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
	1.4.2 Member Interests are shown by individual Members on the Council website.	Declarations of Interest for Members is a standing item on all meeting agendas and recorded in minutes of meetings.	None identified
	1.4.3 Staff Interests	An up-to-date register is held by each Director and is subject to Internal Audit review annually.	None identified
	1.4.4 Members: The Constitution	The Council’s Monitoring Officer is required, by law, to keep a Register of all notifications made by Members. The Register is open to public inspection during normal office hours.	None identified
	1.4.5 Staff Gifts & Hospitality	An up-to-date register is held by each Director and is subject to Internal Audit review annually.	None identified
	1.4.6 Whistleblowing Policy	Policy approved by Personnel Committee in August 2015 and reviewed in January 2020.	None identified
	1.4.7 Corporate Comments, Compliments and Complaints Policy	The Corporate Comments, Compliments and Complaints Policy was revised in March 2021 to meet the requirements set out in the Public Service Ombudsman for Wales Model Complaints Policy. The Local Government & Elections Wales Act 2021 sets out the following functions for the Governance & Audit Committee (from 1 st April 2021):	None identified

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
		<p>‘to review and assess the authority’s ability to handle complaints effectively’ and ‘to make reports and recommendations in relation to the authority’s ability to handle complaints effectively’.</p> <p>A report to meet the above requirement was presented to the Committee on 18th February 2022</p>	
Page 143	1.4.8 Social Services Compliments and Complaints	The latest Social Services Compliments and Complaints Annual Report 2020/2021 was prepared and reported to Social Care, Health & Wellbeing Cabinet on 21 st October 2021. No systemic issues were identified.	None identified
Page 143	1.4.9 Corporate Comments, Compliments and Complaints and responses	The latest Corporate Comments, Compliments and Complaints Annual Report 2020/2021 was reported to Cabinet on 15 th December 2021. No systemic issues were identified. During 2021/2022 quarterly complaints and compliments data has been reported to relevant Cabinet Boards on a quarterly basis.	None identified
Page 143	See also 1.4.4 Members: The Constitution , Part 5, Section 3 ‘Personal Interests’ addresses this.	Member’s interests are published on the NPT Council website for each meeting throughout the year.	None identified

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
	See also 1.1.1 Officers: Employee Code of Conduct (Section 9, 2017).	<p>The Council’s Contract Procedure Rules, Employee Code of Conduct and the Public Contract Regulations (2015) require officers and members not to have any involvement in a tender process where they have a potential conflict of interest.</p> <p>They should have no role whatsoever which should negate the need for any declarations of interest to be made.</p>	None identified
2.1 Seeking to establish, monitor and maintain the organisation’s ethical standards and performance	2.1.1. The Corporate Procurement Team	<p>This is acknowledged by the team when undertaking tender work for other sections when developing and evaluating procurement process.</p> <p>The team also monitor and evaluate compliance looking at what approach sections adopt.</p> <p>The Ethical Employment Code of Practice and Modern Slavery Statement issued to all sections sets out processes that should be valued.</p>	A2.1.1: Corporate Procurement to monitor and evaluate compliance looking at what approach sections adopt. Head of Legal & Democratic Services to report annually to the Corporate Governance Group.

Page 14

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>2.2 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation</p>	<p>2.2.1 Member training</p> <p>See also 1.1.2 Member Code of Conduct)</p> <p>See also 1.3.3 Standards Committee – special dispensation to vote</p>	<p>Through the year, Members receive training on the Code of Conduct (& refresher training).</p> <p>Annual reports are presented to Standards Committee.</p> <p>Members Declaration of Acceptance of Office – undertaken given to abide by the Members’ Code of Conduct.</p> <p>Leading in the Welsh Public Service Behaviours Framework.</p>	<p>None identified</p>
<p>2.3 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</p>	<p>2.3.1 Recruitment and Selection Policy 2018</p>	<p>Recruitment arrangements have been reviewed in line with the implementation of a new online Recruitment service (as part of the iTrent HR / Payroll system). This presents opportunities to introduce evidence based equality and diversity practices into our recruitment process which will be taken forward under Phase 2 implementation. This will also be considered as part of the review of our Recruitment Policy, a key action for the Recruitment Taskforce by March 2023.</p> <p>Training is provided to recruiting managers and courses in relation to Recruitment and</p>	<p>None identified</p>

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 146		Selection and Safe Recruitment and other Employment Policies and Procedures to be delivered in 2022/2023.	
	2.3.2 Pay Policy Statement	The 2022/2023 review has taken place and the revised Pay Policy Statement was presented to Council on 16 th March 2022.	None identified
	2.3.3 Contract Procedure Rules	Training is available to staff and advice booklets are provided. Ongoing support is provided to sections in complying with procurement rules and processes. A dedicated section of the Council's intranet has provided standard documents and processes for officers to follow.	None identified
2.4 Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	2.4.1 Ethical Employment in Supply Chain Policy 2019	Policy introduced in 2019 and annual reports brought to Cabinet and Cabinet Scrutiny setting out how the Council complies with the arrangements set out in the policy.	None identified
	2.4.2 We continue to participate in a number of partnerships. Governance arrangements are in place for each for partnership which:	Given the importance of collaboration to this Council, in early 2020 (pre Covid-19) each scrutiny committee was due to review existing collaborations to make sure they were all on a strong footing and productive to enable the Council's Cabinet to be confident that those arrangements are	None identified

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>Page 147</p>	<ul style="list-style-type: none"> • Clarify the roles of members both individually and collectively in relation to the partnership and to the Council; • Clearly set out the legal status of the partnership; and • Make clear the extent to which representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions. 	<p>working in the best interest of citizens and also, that there is clear and effective democratic oversight of those arrangements. The focus of this work was reviewed in 2021/2022 as part of the Council’s recovery, reset and renew work.</p> <p>To ensure that a copy of all partnership agreements are logged centrally with the Head of Legal & Democratic Services. This work is ongoing and has proved complex whilst officers have been required to work from home. As colleagues return to the office, further work will be undertaken to fully gather this list (given it requires access to the Council’s Archives in Port Talbot Civic Centre). The work is due to be completed in Spring 2022.</p>	
<p>3.1 Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</p>	<p>3.1.1 Cabinet and Committee Reports contain a section entitled “Legal Impacts” so that legal obligations are placed at the forefront of decision making. See also 1.4.4 The Constitution</p>	<p>Safe and Legal Decision Making Training is available for relevant officers and is provided on an annual basis by the Head of Legal and Democratic Services to Council officers.</p> <p>Democratic Services Officers and Legal Services monitor reports to ensure legal compliance.</p>	<p>None identified</p>

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>3.2 Creating the conditions to ensure that statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 148</p>	<p>3.2.1 Financial management arrangements</p>	<p>We have a range of policies and procedures (such as financial regulations, financial procedures, contract standing orders, accounting instructions and officer delegations) that conform to the governance requirements of the CIPFA Statement of the Role of the Chief Financial Officer in Local Government (2010).</p>	<p>A3.2.1: To complete the review of Accounting Instructions</p>
	<p>3.2.2 Democratic Services - support function.</p>	<p>The Head of Democratic Services presents an annual report to Democratic Services Committee and Council, outlining the resource requirements to enable the Council, Cabinet and Committee to receive high level support and discharge of its democratic functions. The Chair of the Democratic Services Committee presents an Annual Report of the Democratic Services Committee to full Council updating Members on the work that has been undertaken by the Committee during the previous civic year.</p>	<p>None identified</p>
	<p>See also 1.4.4 The Council's Constitution sets out the different responsibilities of Members and Officers. Clear job descriptions for all staff, which highlight</p>	<p>The Monitoring Officer oversees the Council's Constitution and ensures it is kept up to date. A review of the Constitution has taken place throughout 2021 and annual reports will be produced to the Democratic Services Committee on any updates required to the</p>	<p>None identified</p>

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
	their roles and responsibilities.	Constitution and to seek Members views on constitutional provisions	
3.3 Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	3.3.1 Cabinet and Committee Reports contain a section entitled “Legal Impacts” so that legal obligations are placed at the forefront of decision making.	<p>Legal Enterprise Case Management Software providing audit trails of legal advice given and time spent providing legal advice on all matters.</p> <p>Transaction documentation and hard copies of Legal Advice provided are stored by the Council.</p> <p>Legal training provided to officers on regular basis to ensure they are up to date with recent legal developments and powers available.</p>	None identified
3.4 Dealing with breaches of legal and regulatory provisions effectively	3.4.1 Data Protection Breaches Panel review cases.	Head of Legal & Democratic Services reports annually to the Corporate Governance Group to give an assurance that the current system for dealing with data protection breaches is fit for purpose. The authority retains a breach register and 3 referrals were made to the Information Commissioner’s Office who directed that no further action was necessary on the part of the Council.	None identified

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
	<p>3.4.2 Internal Audit Special Investigations / Disciplinary Cases</p> <p>See also 3.3.1 Cabinet and Committee Reports</p>	<p>The Council requires that all officers who carry out disciplinary investigations have undertaken the ACAS Investigation Officers training. In addition, Heads of Service who are the decision makers in disciplinary investigations must have attended the ACAS Decision Maker training.</p>	<p>None identified</p>
<p>3.5 Ensuring corruption and misuse of power are dealt with effectively</p>	<p>See 1.4.1 Anti-fraud, Corruption and Malpractice Policy</p> <p>See 1.4.6 Whistle Blowing Policy</p>	<p>Cases are monitored by the Public Services Ombudsman for Wales and the Council's Standards Committee in relation to members conduct. During the period 1st April 2021 to 31st March 2022, the Monitoring Officer was notified of a total of 2 complaints made against County Borough Councillors alleging a breach of the Code of Conduct. Both were dismissed by the Public Service Ombudsman for Wales as not being appropriate for investigation.</p> <p>For the civic year: 1st April 2021 to 31st March 2022, the Standards Committee received 0 referrals from the Public Service Ombudsman for Wales stemming from the previous civic year (2020/2021) relating to the Code of Conduct of Town and Community Councils only.</p>	<p>None identified</p>

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
4.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness Page 151	4.1.1 The Council produces a number of annual reports throughout the year to give assurances about our governance arrangements.	The reports are available to the public and the Corporate Governance Group oversee any risks identified to governance arrangements, arising from these annual reports. 1. Corporate Plan Annual Report 2. Strategic Equalities Plan Annual Report 3. PSB Well-being Plan Annual Report 4. Welsh Language Standards Annual Report 5. Welsh Language Promotion Strategy 6. Internal Audit Report 2020/2021 7. Complaints, Compliments and Comments Annual Report 8. Ombudsman Annual Report 9. The Pay Policy Statement is published annually in line with the Localism Act 2011 and to ensure transparency in the Council's pay arrangements.	None identified
	4.1.2 FOI Policy / FOI Publication Scheme	Published in March 2014. As a result of the Covid-19 pandemic there has been a delay during 2021/2022 in undertaking a review of the Scheme. It is	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 152		<p>planned to conclude the review early 2022/2023 with a report to Cabinet for approval in Autumn 2022.</p> <p>The revised version of the Publication Scheme will then be considered as part of a review on the Constitution to ensure it is fully up to date.</p>	
	4.1.3 The Council's strategic purpose, vision and values are set out in the Corporate Plan 2022-2027	Set out in the Council's Corporate Plan 2022/2027. The emerging Future of Work Strategy will embed the Council's vision, values and priorities in everything we do.	
	4.1.4 Council Meeting Cycle	The Council agrees its meeting cycle at its Annual Meeting and this is published on the Council's website. Meetings are supported with forward work programmes detailing items for the next 3 meetings.	None identified
	<p>4.1.5 Corporate Communications and Community Relations Strategy 2018-2020</p> <p>This includes new 'Brand' guidelines to create consistency and increase visibility and</p>	<p>The review of the 2018/2020 Strategy has been delayed due to the pandemic. Work is now underway to align the revised Strategy with the Council's Corporate Plan 2022/2027 and will be completed in early 2022/2023.</p> <p>We have improved the accessibility of information to better engage all stakeholders in the Council's work, with the intention that there will be a continuous flow of information</p>	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
	understanding about what the Council does.	about how the Council is delivering on its well-being objectives and to keep stakeholders up-to-date. Council Website (www.npt.gov.uk) performance is monitored using Google analytics to see how our website is being used. We also carry out an annual website survey to measure our effectiveness and ensure the website is performing as expected.	
4.2 Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case the justification for the reasoning for keeping a decision confidential should be provided	4.2.1 Executive and non-executive and regulatory report guidance and report template	The guidance was developed and circulated to reporting officers in May 2019. As and when changes arise the guidance is updated and circulated to report authors/officers. Report templates ensure the relevant information and advice is presented to substantiate recommendations.	None identified
	4.2.2 Safe and Legal Decision Making	Training is available for relevant officers.	None identified
4.3 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and	4.3.1 Modern.gov system See also 1.3.1 Integrated Impact Assessment (IIA)	All publically accessible reports are published on the Council website via Modern.gov system showing the decisions taken at each meeting.	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
consequences of those decisions are clear.			
4.4 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action Page 154	4.4.1 Neath Port Talbot Consultation and Engagement Strategy 2018/2020	<p>The review of the 2018/2020 Strategy has been delayed due to the pandemic. Work is now underway to align the revised Strategy with the Council's Corporate Plan 2022/2027 and will be completed in early 2022/2023.</p> <p>The Council uses Snap Survey software for corporate consultations for both internal and external stakeholders.</p> <p>The Planning Policy Service use Objective consultation software for the Local Development Plan.</p> <p>These arrangements are regularly reviewed to ensure they are effective and value for money when reviewing budget for the forthcoming financial year.</p>	None identified
	4.4.2 Community of Practice	<p>First launched in September 2019, to improve the way we consult and involve our communities and partner agencies in the work we do from the outset. The aim being to get early feedback that helps shape proposals before the Council goes out to wider public consultation. The Community of Practice undertook a key role during 2021/2022 in supporting the Lets Talk</p>	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 15		campaign which informed the priorities contained in the Council's Corporate Plan 2022-2027.	
	4.4.3 Citizens Panel	The NPT Citizens Panel was launched in January 2020 enabling residents to express their views and opinions about the Council's work and feel that their voices are listened to. This will strengthen the Council's approach to consultation and engagement and also help us to meet our obligations under the Wellbeing of Future Generations (Wales) Act 2015 and Local Government & Elections (Wales) Act 2021.	None identified
4.5 Effectively engaging to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	4.5.1 Corporate Communications and Community Relations Strategy 2018-2020 4.5.2 Consultation and Engagement Strategy 2018-2020	See 4.1.5 and 4.4.1 above	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 156	4.5.3 Key Stakeholder List	We have a list of key stakeholders that we engage with on major policies and plans. These include: Youth Council; Black Minority Ethnic Community Association; and consultee database for the Local Development Plan.	None identified
	4.5.4 Youth Mayor	First established in September 2019 and elected by the young people of the borough. The role involves representing the voice of all children and young people across the borough at a number of pre-determined civic duties.	None identified
	4.5.5 Partnership working with our trade unions and teaching associations	This is a major feature of the Council's culture in relation to workforce engagement. It involves elected Members, managers, employees and trade unions developing and implementing a way of working based on mutual respect and trust, shared objectives and joint ownership of problem solving.	None identified
4.6 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	4.6.1 Third Sector Partnerships	The Council has a long and productive relationship with Third Sector organisations and awards grant funding to organisations so they can support our communities in a wide range of ways. The Council recognises and values the contribution the organisations make to help us deliver on some of our services (e.g. supporting the wellbeing of local people and communities). The Partnership	4.6.1 To review the Partnership Agreement (Compact) between the Council and the Voluntary Sector

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 157		Agreement (Compact) between the Council and the Voluntary Sector in Neath Port Talbot formally recognises the contribution of voluntary work to local people and communities. It provides a framework for further developing the many years of partnership working in the county borough in pursuit of our shared interest to build strong communities where everyone has an equal chance to lead a fulfilled life. It sets out the responsibilities and expectations on both the Council and the Voluntary Sector in working together.	
	4.6.2 Voluntary Sector Liaison Forum	The Voluntary Sector Liaison Forum meets on a quarterly basis and is regularly consulted on key Council policies e.g. budget and Corporate Plan.	None identified
	4.6.3 County Borough Council / Community Councils Liaison Forum	The Council meets with the Town and Community Councils throughout the year to discuss a wide number of issues. Meetings were held throughout 2021/2022 to discuss issues of concern to the Town and Community Councils and also to update them on the Council's approach to recovery. Ongoing training was also provided to Town and Community Councils by the Monitoring Officer on the Member's Code of Conduct.	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
	4.6.4 Informal partnerships	There are a number of informal partnerships in place, e.g. Equality and Community Cohesion Group which is made up of both officers from across the Council and representatives of external organisations.	None identified
	4.6.5 Public Services Board (PSB)	PSB members work together to deliver the objectives set out in the PSB Well-being Plan and monitor progress on delivery of work.	None identified
4.7 Ensuring that partnerships are based on: <ul style="list-style-type: none"> • Trust • A shared commitment to change • A culture that promotes and accepts challenge among partners; and • that the added value of partnership working is explicit 	See 2.4.2 and 4.5.4	<p>The Council plays an active role in collaborative arrangements to ensure the best return for our citizens and other stakeholders.</p> <p>These arrangements are reviewed regularly to ensure they meet required needs of the Council and where they do not reports are brought to members highlighting various risks and concerns for the decisions to be made on future actions.</p>	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
	4.7.1 Staff Council (Consists of: LGS Green Book Negotiating Forum, LSPG (Schools trade union partnership forum), Service Joint Consultative Groups, and the Corporate Health & Safety Trade Union forum).	All of these groups meet regularly. These meetings are an opportunity for two-way information sharing, consultation and where necessary, negotiation. As part of our approach to partnership working, trade unions have representation in other forums; so for example, trade unions sit as an integral part of the Heads of Service Workforce Planning Group.	None identified
4.8 Engaging stakeholders effectively, including individual citizens and service users - establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes	See 1.3.1 Integrated Impact Assessment (IIA)	The IIA assesses the need for consultation with stakeholders to consider whether 'initiatives' (e.g. policy, service, procedures, strategies, projects etc.) will have a positive, negative or neutral impact on the community.	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
4.9 Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement	See 4.5.1 Corporate Communications and Community Relations Strategy 2018/2020	Clear strategies are in place to ensure members and officers communicate effectively in relation to community engagement. See 1.1.1 Employee Code of Conduct See 1.1.2 Member Code of Conduct - monitored by the Standards Committee See 4.1.5 See 4.5.1	None identified
4.10 Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	See section 4.4 and 4.5		
4.11 Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account	See section 4.5		
4.12 Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	4.12.1 Council has a number of duties through the following legislation to ensure inclusivity of feedback from all stakeholder groups: <ul style="list-style-type: none"> Equality Act 2010 	See 1.3.1	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
	<ul style="list-style-type: none"> • Welsh Language Standards (No.1) Regulations 2015, • Well-being of Future Generations (Wales) Act 2015 • Local Government & Elections (Wales) Act 2021 • Environment (Wales) Act 2016) 		
4. Taking account of the interests of future generations of tax payers and service users	4.13.1 Well-being of Future Generations (Wales) Act 2015.	The Corporate Plan 2022-2027 sets out the council's revised purpose, vision, values and wellbeing objectives and shows how the council contributes to the economic, social, environmental and cultural wellbeing of Neath Port Talbot and to the seven national wellbeing goals contained in the Wellbeing of Future Generations (Wales) Act 2015. The priorities under each wellbeing objective in the short and medium term demonstrate how the Council intends to maximise its contribution to the seven wellbeing goals set by Welsh Government.	None identified
	4.13.2 The Council's four Well-being Objectives and statement are published in	Audit Wales has issued certificates confirming that the council has discharged its duties under relevant legislation for both the Council's our Corporate Plan and our Annual Report .	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
	the Corporate Plan 2022-2027		

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvements / action
5.1 Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	See 4.1.4 - The Council's Corporate Plan. The Council's vision is set out in the Corporate Plan	The Council's revised vision is set out in the recently published Corporate Plan 2022-2027.	None identified
	5.1.1 Corporate Performance and Risk Management system (CPMS)	CPMS enables the integration of the Council's strategic planning, business planning, performance management and risk management arrangements.	5.1.1 To develop a revised Corporate Performance Management Framework

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvements / action
<p>Page 163</p>		<p>During 2021/22 work began to incorporate the findings (opportunities for improvement) from the Audit Wales review of our performance, risk and business planning arrangements (undertaken in 2020/2021) into the corporate review of the Council's corporate planning, financial planning, risk management and performance management arrangements.</p> <p><u>Service Recovery Plans (SRPs)</u> Whilst requirements of the Local Government and Elections Act (Wales) 2021 require self-assessment to be undertaken at corporate level, the council has developed a new Service Recovery Plan process (effective from April 2022) for accountable managers to help services recover from the pandemic. The new process has the principles of self-assessment at its core and will help embed self-assessment across the organisation. At operational level, SRPs will integrate planning, performance, risk and budget management.</p>	
<p>5.2 Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be</p>	<p>5.2.1 Commissioning</p>	<p>The Council delivers or commissions an enormous range of services and functions that affect the day to day life of everyone who lives in the county borough.</p>	<p>None identified</p>

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvements / action
immediately or over the course of a year or longer		Service user questionnaires are undertaken as part of contract monitoring; contracts require processes to be in place to ensure providers actively engage with service users, informing service and feedback on proposed changes. Contract Monitoring Officers review practice, including interviewing service users.	
5.3 Delivering defined outcomes on a sustainable basis within the resources that will be available Page 164	See section 4.1	We examine the progress made in achieving our well-being objectives set out in the Corporate Plan, including the key performance indicators. On an annual basis progress is summarised in our Annual Report which includes data on key areas of performance.	None identified
5.4 Identifying and managing risks to the achievement of outcomes	5.4.1 Corporate Risk Management Policy	The risks arising from the pandemic were managed via the establishment of a Corporate Incident Management Team chaired by the Council's Chief Executive. The Council's current Risk Management Policy is under review and will be reported to Members following the May 2022 elections.	5.4.1 To review the Council's Risk Management Policy
	5.4.2 Senior Information Risk Owner (SIRO)	In January 2021 the Chief Finance Officer and Corporate Services took over the role of SIRO, which was subsequently passed to	None identified

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvements / action
<p>5.5 Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available</p>	<p>The priorities set out in the Corporate Plan 2022-2027 were informed by an extensive engagement exercise "Let's Talk". This was undertaken in two phases between July 2021 and January 2022.</p> <p>See also 1.3.1 Integrated Impact Assessment (IIA)</p>	<p>the newly appointed Chief Digital Officer in July 2021.</p> <p>The SIRO reports directly to the Corporate Directors Group and Corporate Governance Group on information security matters.</p> <p>The SIRO is accountable for information risk throughout the Authority and ensures that information risks are treated as a priority across all service areas.</p>	
<p>5.6 Sustainable economic, social and environmental benefits - considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision</p>	<p>See 4.13.1 The Council's strategic vision and priorities (set out in the Corporate Plan 2022-2027)</p>		
<p>5.7 Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints</p>	<p>5.7.1 Welsh Government Procurement Policy</p>	<p>Complying with the policy, by ensuring that contracts over the value of £1,000,000 include community benefits clauses and contracts split into "Lots" or smaller arrangements – allowing smaller organisations to bid for elements of contracts if they are unable to bid for larger packages.</p>	<p>None identified</p>

Page 35

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvements / action
	See also 2.4.1 Ethical Employment in Supply Chain Policy 2019	The Council has made a commitment to actively examine where it sources its goods and services from to ensure those arrangements are ethical.	
5.8 Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social, and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	See section 5.7 / 4.3 / 4.4		
5.9 Ensuring fair access to services	5.9 Strategic Equality Plan (SEP)	The Council's equality objectives were revised and published as part of the SEP 2020-2024 in October 2020. Actions to meet the equality objectives address the impact of the outbreak of COVID-19 on our communities as well as issues raised by the Black Lives Matter movement. The actions are to be reviewed during 2022-2023 to ensure they remain fit for purpose and aligned to the Council's revised Corporate Plan 2022-2027	None identified

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
6.1 Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided	See 1.4.4 The Council's Constitution sets out the different responsibilities of Members and Officers. Clear job descriptions for all staff highlight roles and responsibilities.	The Monitoring Officer oversees the Council's Constitution and ensure it is kept up to date.	None identified
		The Report Guidance for both Executive and Non-Executive reports requires report authors to describe all options that have been considered, not just any preferred option.	
6.2 Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	<u>See sections 4.4.4.5 / 4.10 / 4.11 / 4.12</u>		
6.3 Planning Interventions - establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	See 5.1.1	See 5.1.1	None identified
6.4 Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	See also section 6.2		

Page 37

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
6.5 Considering and monitoring risks facing each partner when working collaboratively including shared risks	See 2.4.2 See 5.4.1 Risk Management Policy		
6.6 Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	See 4.13.1 Corporate Plan 2022-2027		
6.7 Establishing appropriate local performance indicators (as well as relevant statutory or other national performance indicators) as part of the planning process in order to identify how the performance of services and projects is to be measured	See 5.1.1 Corporate Performance and Risk Management System (CPMS)	<p>There is a clear structure in place for delivering the priorities set out in the Corporate Plan, which includes a basket of key performance indicators.</p> <p>At the service level, Service Recovery Plans require the inclusion of key service recovery key performance indicators that are linked to service priorities and outcomes and improvements and changes that the service wants to achieve. Key business as usual service performance indicators can be included as well. Officers are encouraged to include qualitative measures of success (inspection/reviews or feedback results/what the aim is/what you want to achieve/ what does good look like?) as well as KPIs.</p> <p>On a quarterly basis Cabinet and relevant Cabinet Boards, receive a report on progress</p>	None identified

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
		being made in relation to the well-being objectives and priorities.	
6.8 Ensuring capacity exists to generate the information required to review service quality regularly	See also 5.1.1 Corporate Performance and Risk Management System (CPMS)	The system generates a number of performance reports to support the above quarterly reporting cycle.	None identified
6.9 Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan	6.9.1 Budget setting process	On 1 st March 2022, Council approved the 2022/2023 budget following stakeholder consultation. No new savings proposals were made and a balanced budget was set.	6.9 Development of a medium term financial strategy during the Spring of 2022.
6.10 Informing medium and long-term planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	See above 6.9.1 Budget setting process		
6.11 Optimising achievement of intended outcomes - ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	See above 6.9.1 Budget setting process		

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
6.12 Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	See above 6.9.1 Budget setting process		
6.13 Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	See A6.9.1		
6.14 Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community....over and above the direct purchasing of goods, services and outcomes"	See 2.4.1 Ethical Employment in Supply Chain Policy 2019		

Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
<p>7.1 Developing the entity’s capacity - reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 171</p>	<p>See 1.2.2 The purpose, vision and values of the council are contained within the Corporate Plan 2022 – 2027, along with key objectives and priority actions for the next twelve months. The Workforce Plan 2018 – 2022 will be replaced by a Workforce Strategy 2022 – 2027 building on the Future of Work framework strategy developed under the Corporate Recover Board.</p>	<p>The Workforce Strategy will seek to identify the key challenges and priorities for our employees over the next 5 year period, as set out in the Corporate Plan objectives and priorities, Medium Term Financial Plan, Digital Strategy and the Risk Register.</p> <p>An action plan will be developed alongside this to address these challenges, and to ensure that the Council has the right number of people, with the right skills and attitudes, in the right place, at the right time, and in order to deliver its services and functions.</p>	<p>None identified</p>
<p>7.2 Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority’s resources are allocated so that outcomes are achieved effectively and efficiently</p>	<p>7.2.1 There are a number of examples of research and benchmarking exercises undertaken across the Council:</p>	<ul style="list-style-type: none"> • The Corporate Policy Team work collaboratively with a number of other Welsh Councils in relation to our corporate performance management system to share best practice. • Public Accountability Measures (PAMs) – National data set - Due to the COVID-19 pandemic the 2019/20 and 2021/22 PAM data set was not published by Data Cymru. Data Cymru have recently put arrangements in place so that local authorities can share and benchmark their PAM performance for 	<p>None identified</p>

Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
<p>Page 172</p>		<p>both 2019/20 and 2020/21 and NPT signed up to this process. However, not all authorities will be providing data, not all PAMs will have data or full data due to the pandemic. Officers are currently working with Data Cymru and other local authorities on developing performance related data in the form of the self-assessment performance dataset.</p> <ul style="list-style-type: none"> • A number of services benchmark via APSE (Association for Public Service Excellence). • The Council’s Electoral Services officers participate in the Association of Electoral Administrators network to benchmark electoral administration. • Participation by Officers and Members in networks facilitated by the WLGA to benchmark and research out best practice across Democratic Services functions in other Councils • Some service areas benchmark data with other services from other local authorities which also includes using benchmarking data available on the Welsh Government STATS Wales website. 	

Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 13</p>		<ul style="list-style-type: none"> From April 2022, where benchmarking data is available, all services will be required to use benchmarking to inform their self-assessment of performance when they complete their Service Recovery Plans (SRPs). All services through self-assessment will also have to demonstrate if they are achieving their intended outcomes and delivering value for money. The SRP process will help services reflect on and challenge what they do to help them continuously improve. 	
<p>7.3 Recognising the benefits of partnerships and collaborative working where added value can be achieved</p>	<p>See 2.4.2 / section 4.6 and 4.7</p>		
<p>7.4 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</p>	<p>7.4.1 Social Care Workforce Development Partnership (SCWDP)</p> <p>See also section 7.1 Workforce Plan 2018-2022</p>	<p>The broad aim of the SCWDP is to improve the quality and management of social services provision through a planned approach to training and to increase the proportion of staff across the whole social care sector with the qualifications, skills and knowledge they need for the work they do and to achieve this through Social Care Development Partnerships led by local authorities.</p>	<p>None identified</p>

Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
7.5 Developing the capability of the entity’s leadership and other individuals - developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	See 1.4.4 The Council’s Constitution (different responsibilities of Members and Officers / clear job descriptions for all staff).		
7.6 Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	7.6.1 List of officer delegation	<p>The Constitution requires the Head of Legal & Democratic Services to keep a list of all officer delegations made in accordance with the Constitution.</p> <p>The work to review all proposals and to keep a central electronic list of delegations is ongoing. Work with individual Directorates to gather evidence of delegations is continuing with the aim of a report to Corporate Governance Group on methods of record keeping in Spring/Summer 2022.</p>	None identified
7.7 Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by	7.7.1 Cross party panel	The panel which is made up elected Members (and chaired by the Leader) undertakes the Chief Executive’s appraisal and agrees the objectives for year ahead and personal learning.	None identified
	See 1.4.4 The Council’s Constitution sets out the different responsibilities of	The Monitoring Officer oversees the Council’s Constitution and ensures it is kept up to date.	None identified

Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
members and each provides a check and a balance for each other’s authority	Members and Officers. Clear job descriptions for all staff highlight roles and responsibilities.		
<p>7.8 Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal policy demands as well as economic, political and environmental changes and risks by:</p> <ul style="list-style-type: none"> • Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged • Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis • Ensuring personal, organisation and system-wide development through shared learning, including lessons 	7.8.1 Member support and development.	<p>Each year a schedule of Member Seminars is delivered over the Civic year. Some topics are standard items such as: Committee Procedures, Code of Conduct, Council Budget and Corporate Safeguarding. However, as the year evolves new topics are added. There was a full programme of Seminars scheduled for 2021/2022 however this was disrupted due to the Covid-19 pandemic.</p> <p>The following are examples of seminars that were held during 2021/2022:</p> <ul style="list-style-type: none"> • Corporate Safeguarding • Invest in NPT • Draft Corporate Recovery Plan • Budget • Replacement LDP • Allergens in Food • Swansea Bay University Health Board • Service Pressures • Recovery Planning • Officer/Member Relationships • South Wales Trunk Road 	None identified

Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
<p>learnt from both internal and external governance weaknesses</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 176</p>		<ul style="list-style-type: none"> • 20mph speed limit • Destination Marketing • Recover, Reset and Renew – Let’s Talk • Biodiversity • Partnership and Community Cohesion • Trading Standards • Learning and Teaching in Wales <p>Members are also encouraged to participate in the Annual Development Review (ADR) Process, and the Annual Survey of Members which highlights development and training needs.</p>	
	7.8.2 Reviewing individual member performance	This is done on a regular basis taking account of their attendance and considering any training or development needs.	None identified
	7.8.3 Officer support and development	The training available for officers is reviewed and updated on an ongoing basis to ensure they can fulfil their roles and responsibilities.	None identified
	7.8.4 Reviewing individual officer performance	See below	None identified

Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
	See also 1.1.3 An induction programme for Members / 1.1.4 Staff: the Induction Checklist, (which contains information about the expected standards of) / 1.1.5 Performance Appraisal Process 1.2.2 The vision and priorities for staff		
7.9 Ensuring that there are structures in place to encourage public participation	See section 4.5		
7.10 Taking steps to consider the leadership’s own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	7.10.1 External regulator inspections	<p>In September 2021, the Council invited an LGA Recovery & Renewal Panel to hold facilitated workshops with senior officers and a cross party representation of Members (Coronavirus Member Panel) to help the Council take stock of and reflect upon the period since the pandemic first impacted and to look at the challenges that lie ahead as the Council was setting out its plans for recovery.</p> <p>Both Estyn and CIW have a programme of inspections based on their annual performance evaluation.</p> <p>The Local Government & Elections (Wales) Act 2021 contains a requirement for Peer reviews to be undertaken once every electoral (ordinary) cycle.</p>	None identified
7.11 Holding staff to account through regular performance reviews which take account of training or development needs	See 1.1.5 Performance Appraisal Process	The majority of employees within the Council have regular 1:1s or supervision sessions with their manager to address their	None identified

Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 178</p>		<p>performance and to discuss training and development needs.</p> <p>In 2022, the Learning, Training & Development Team will continue with progress in relation to the implementation of the iTrent HR / Payroll Database in Phase 2 of the Project, launching the Development module, which will facilitate more effective recording of the appraisal process and provide greater assurance. We will be able to report against the number of appraisals carried out to conclusion.</p>	
<p>7.12 Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing</p>	<p>See 1.2.2 Workforce Plan 2018-2022</p>	<p>The Council has signed the Time to Change Wales Employer Pledge. We have in place an action plan which contains initiatives to support employees across the Council with mental ill health. Progress on the action plan is reported annually to Personnel Committee.</p> <p>A wide range of tools and resources have been developed to support our employees during Covid-19. We have developed different ways of communicating with and reaching out to our employees, and we are developing a training plan to support managers managing virtually and remotely, which require different skill sets and include</p>	<p>None identified</p>

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
		<p>an emphasis on supporting the health and well-being of remote workers.</p> <p>As part of the Future of Work Strategy we have set out an intention to develop a Wellbeing Strategy.</p>	

Principle F: Managing risks and performance through robust internal control and strong public financial management			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
8.1 Managing risk - recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making			
8.2 Implementing robust and integrated risk management arrangements and ensuring that they are working effectively			
8.3 Ensuring that responsibilities for managing individual risks are clearly allocated			
		See 5.4.1 / 5.4.2 and section 6.5	

Principle F: Managing risks and performance through robust internal control and strong public financial management			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
8.4 Managing Performance - monitoring service delivery effectively including planning, specification, execution and independent post-implementation review	8.4.1 Corporate Performance Management Framework See also 5.1.1 Corporate Performance and Risk Management system (CPMS)	We have a range of performance indicators that enable the Council to measure performance of services. To support the delivery of the framework, there is a corporate performance management team as well as directorate performance management teams.	None identified
8.5 Making decisions based on relevant, clear, objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	See also 1.4.4 The Council's Constitution The Constitution sets out how the Council operates and the process for policy and decision-making. Within this framework all the decisions are taken by Council, Cabinet or Cabinet Boards. The decisions are presented in a comprehensive written format in a standard template. The Cabinet Scrutiny Committee considers any decisions directly before the Cabinet meets. This is referred to as contemporaneous scrutiny. A record of decision-making and supporting materials are published (publically accessible reports only) on the Council's website via Modern.gov.		
8.6 Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made, thereby enhancing the organisation's performance and that of any organisation for which it is responsible	8.6.1 Scrutiny Committees	The role and responsibility for scrutiny has been established and is clear. Annual forward work programme sessions are arranged to identify items for the committees to focus on in the new civic year. Throughout the year scrutiny Members also undertake specific training to enhance their skills (e.g. Chair and Vice Chair training).	None identified

Principle F: Managing risks and performance through robust internal control and strong public financial management			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
8.7 Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	See 4.1.4 Council Meeting Cycle	The cycle of meetings sets out a calendar of dates for submitting, publishing and distributing timely performance reports.	
8.8 Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements)	8.8.1 Financial standards, guidance and regulations	The Chief Finance Officer is responsible for ensuring there are proper arrangements in place for the administration of the financial affairs of the Council. Corporate Directors are responsible for the financial management of their respective services and are supported by regular financial management information, which includes monthly financial monitoring reports.	None identified
8.9 Robust internal control - aligning the risk management strategy and policies on internal control with achieving objectives	See also 5.4.1 Corporate Risk Management Policy		
8.10 Evaluating and monitoring risk management and internal control on a regular basis	See 5.4.1 Corporate Risk Management Policy		
8.11 Ensuring effective counter fraud and anti-corruption arrangements are in place	See 1.4.1 The Anti-fraud, Corruption and Malpractice Strategy		
8.12 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	8.12.1 Annual Governance Statement	The Annual Governance Statement reports on the extent of the Council's compliance with its principles and practices of good governance, including how the Council has monitored the	None identified

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
	See also 9.9.1 Internal audit service	effectiveness of its governance arrangements in the year. The Annual Governance Statement is reviewed every year and updated to reflect the improvement work undertaken during the year.	
8.13 Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and that its recommendations are listened to and acted upon	Governance and Audit Committee (Terms of reference, Membership and Training)	<p>Governance and Audit committee complies with best practice (Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013))</p> <p>Three new external Lay Members have been appointed to the Committee and will take up their roles at the first meeting following the May 2022 elections.</p>	A8.13: New responsibilities for the renamed Governance and Audit Committee to be adopted during 2022/2023
8.14 Managing Data - ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	8.14.1: Data management framework and procedures / data protection officer / policies and procedures	The Head of Legal & Democratic Services is the Council's Data Protection Officer (DPO) and has responsibility for ensuring compliance with the Data Protection Act 2018. The DPO will report directly to the Corporate Directors Group on information security matters.	A8.14.1: A review of Data Processing, Data Protection and Data Sharing work to be undertaken by the Information Governance team.

Principle F: Managing risks and performance through robust internal control and strong public financial management			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
8.15 Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	See 8.14.1		
8.16 Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	See 9.9.1 Internal audit service		
8.17 Strong public financial management - ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance	See 3.2.1	The CIPFA Financial Management Code 2019 (FM Code) was introduced during 2020/2021, to improve the financial resilience of organisations by embedding enhanced standards of financial management. Compliance with the code was not mandatory during 2020/2021 but became mandatory for 2021/2022.	The Council will assess its financial position during 2021/2022 in line with the requirements of the CIPFA Financial Management Code.
8.18 Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	See 3.2.1		

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
9.1 Implementing good practice in transparency - writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	See 4.3.1 Modern.gov system		
9.2 Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	See 4.1.1 The Council produces a number of annual reports throughout the year to give assurances to our governance arrangements.		
9.3 Implementing good practices in reporting - reporting at least annually on performance, value for money and the stewardship of its resources			
9.4 Ensuring members and senior management own the results	See 1.4.4 The Constitution		
9.5 Ensuring robust arrangements for assessing the extent to which the principles contained in the framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good	9.5 Corporate Governance Group	The Corporate Governance Group ensure that the governance arrangements of the Council are robust and fit for purpose. The Group oversee any risks identified to governance arrangements and meet on a regular basis and have terms of reference to fulfil their role.	A9.5.1: Work to deliver governance awareness training across the Council is ongoing and will continue to ensure appropriate training takes place with Council

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
governance (annual governance statement)			officers. Training continued throughout 2021/2022.
9.6 Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	See 8.12.1 Annual Governance Statement		
9.7 Ensuring the performance information that accompanies the financial statement is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations	See 8.12.1 Annual Governance Statement		
9.8 Assurance and effective accountability - ensuring that recommendations for corrective action made by external audit are acted upon	9.8 External audit / regulatory reports		
9.9 Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	9.9.1 Internal audit service	<p>The annual Internal Audit Plan was approved by the Governance & Audit Committee in April 2021.</p> <p>Due to sickness experienced within the team and a vacancy coupled with absences of staff across the council it was necessary to revise the original audit plan and as such a revised Internal Audit Plan was approved by the Governance & Audit Committee in November 2021.</p>	None identified

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>Page 186</p>		<p>At the meeting in November 2021 the Governance & Audit Committee approved the revised Internal Audit Charter to reflect the changes in relation to the Head of Internal Audit.</p> <p>The Governance & Audit Committee received quarterly updates of progress against the Internal Audit Plan and details of any factors affecting achievement of the plan.</p> <p>Members were provided with the assurance rating of each completed audit.</p> <p>All recommendations made by auditors were accepted by the service managers and implementation will be confirmed during the post audit review process.</p> <p>Compliance with CIPFA’s Statement on the Role of the Head of internal Audit (2010).</p> <p>Compliance with Public Sector Internal Audit Standards.</p>	

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

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
9.10 Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	See 9.8		
9.11 Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	See 8.12.1 Annual Governance Statement		
9.12 Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	See 2.4.2 Governance arrangements are in place for each partnership we are involved in.		

187

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Chief Officers and the Internal Audit Service who have responsibility for the development and maintenance of the governance environment and also by comments made by the external auditors and other review agencies and inspectorates. A Corporate Governance Group, reporting to the Corporate Directors Group ensures that improvement work is scheduled, resourced and monitored. The Council uses a number of ways to review and assess the effectiveness of its governance arrangements, the table below highlights the different mechanisms during 2021/2022:

Constitution Review & Monitoring (2021/2022)	Internal Audit Service (2021/2022)	Governance Audit Committee (2021/2022)	Standards Committee (2021/2022)	External Auditors (2021/2022)
<p>Wend undertook a review of the Constitution to look at ways to modernise arrangements.</p> <p>An updated Constitution was taken to Council for adoption in September 2021 and subsequently approved to reflect the work of the review undertaken. This has now been published on the Council's Website.</p> <p>Formal reports by s151 or Monitoring Officer – no reports were issued by the s151 or Monitoring Officer in 2021/22.</p>	<p>The focus of Internal Audit work in 2021/2022 was on auditing areas considered to be a higher risk due to remote working due to the pandemic and the subsequent changes in control processes. This is in order to provide an opinion on the internal control, risk management and governance arrangements of the Council.</p> <p>The Head of Internal Audit's opinion is that the Council's internal control environment and systems</p>	<p>In 2021/2022 the Governance and Audit Committee:</p> <ul style="list-style-type: none"> • Approved the Council's Statement of Accounts including the Annual Governance Statement. • Approved the Council's Internal Audit Plan in April 2021 and a revised plan in November 2021 • Monitored Internal Audit performance against the plan. • Monitored External Audit Performance and received update 	<p>Members Code of Conduct. An annual report for 2020/2021 was presented to the Standards Committee and the Standards Committee has continued to meet through 2021/2022 to date, focussing specifically on dispensation reports and to consider national reviews undertaken by Welsh Government in respect of the standards regime throughout Wales and future proposed changes.</p>	<p>In the Audit Wales – Annual Audit Summary 2021 – which detailed the work completed since the Council's last Annual Improvement Report the Auditor General provided an unqualified true and fair opinion on the Council's financial statements on 30th July 2021, in line with the statutory deadline. The Auditor General also certified that the Council has met its legal duties for improvement planning and reporting, and believes that it is likely to meet the requirements of the Local Government (Wales)</p>

Constitution Review & Monitoring (2021/2022)	Internal Audit Service (2021/2022)	Governance Audit Committee (2021/2022)	Standards Committee (2021/2022)	External Auditors (2021/2022)
	<p>of internal control in the areas audited are satisfactory; and that despite the limited scope of work reasonable assurance can be given that there have been no major weaknesses noted in relation to the internal control systems operating within the Authority.</p>	<p>reports from Audit Wales.</p> <ul style="list-style-type: none"> The Committee received Treasury Management Progress Reports in order to fulfill their obligations in relation to the Scrutiny of Treasury Management activity. 		<p>Measure 2009 during 2020/2021.</p>

Governance Improvement Areas

Table 1 – Governance Improvement Action Plan - 2021/2022 into 2022/2023

Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		
A1 Page 190	<p>Reassess governance arrangements as part of recovery planning and the associated governance improvement priorities.</p> <p>Progress - Governance is one of the core activities that will underpin the implementation of the Council's Corporate Plan 2022-2027. The Corporate Governance Group ensures the Council's governance arrangements remain robust and transparent but fit for purpose to enable the delivery of the priorities set out in the Plan and facilitate any cultural change required in the way the Council works.</p>	Corporate Governance Group
A1i	<p>Democratic arrangements - continuous review of arrangements being undertaken to evolve democratic arrangements when meetings will be held remotely/hybrid.</p> <p>Progress - This work is ongoing. Cabinet and Democratic Services Committee approved the purchase of equipment to facilitate hybrid meetings and work is ongoing to implement the same. Reports have been presented to Full Council for the implementation of public speaking at Council meetings from January 2022 and petition schemes from Spring 2022. Work is underway to prepare a Public Participation Scheme in respect of democratic arrangements, which is a requirement of the Local Government and Elections (Wales) Act 2021. The Statutory Guidance remains in consultation phase and we await the final version from Welsh Government before adopting our own Scheme. It is aimed that a final Participation Scheme will be subject to public consultation in Autumn 2022.</p>	Head of Legal & Democratic Services
A1ii	<p>Health, safety and welfare - ensuring risk assessments and associated control measures are robust across the Council to protect the workforce, those who need to use our services and functions and to uphold confidence in the Council's response to the ongoing situation.</p>	Head of Human & Organisational Development

Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		
Page 191	<p>Progress - The Health and Safety Team have worked with frontline teams and trade union health and safety representatives to develop safe systems of work throughout the pandemic and continue to do so as we move into recovery. This included for example specific arrangements within Waste, amending the number of employees who could travel in a vehicle at any time, along with other control measures. Health and Safety Officers continue to work with Waste Teams as they have returned to a more normal service provision, adapting control measures to the changing nature of the pandemic risk. The Learning, Training and Development team supported the safe systems of work by providing appropriate Health and Safety training to newly appointed and redeployees to frontline teams, and for example spent several weeks supporting the 'Safe and Well' service's Food Distribution Hub.</p> <p>The Health and Safety Team and Facilities Management Team have worked jointly with the recognised trade unions to develop a Covid risk assessment based on The Quays setting out a number of identified risks and control measures designed to keep people as safe as possible during the pandemic. Accountable Managers have been issued with guidance on how to complete workplace specific risk assessments in addition to this, but using the Civic Centre risk assessment as a template. The Marketing and Communications Team issued short video guides for employees to show them what to expect on returning to the office, and this accompanied the 'Return to Workplaces' guidance which sets out what accountable managers need to do in order to arrange the safe return of employees to the workplace. This guidance has been kept under review as the WG guidance has changed during the course of the pandemic and as we move into 'Level 0', and adapted according to the changing circumstances.</p> <p>Homeworking Guidance was developed to keep our employees working at home safe and this included an online risk assessment which provides a report directly to each employee's accountable manager and enables them to understand if any measures, including the provision of equipment or furniture, is necessary to keep the employee safe.</p>	

Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		
	As we begin the progression into a Hybrid Framework, observing health and safety measures continues to be a key message to managers and employees.	
A1iii Page 192	<p>Equalities and other impacts - ensuring there is scrutiny of the extent to which the changes implemented and planned discharge the Council’s legal obligations.</p> <p>(Ensuring democratic oversight of the wider impact on the community arising from the crisis and how this may vary between geographies and between people who share protected characteristics).</p> <p>Progress - This work is ongoing. Cabinet and Democratic Services Committee approved the purchase of equipment to facilitate hybrid meetings and work is ongoing to implement the same. Reports have been presented to Full Council for the implementation of public speaking at Council meetings from January 2022 and petition schemes from Spring 2022. Work is underway to prepare a Public Participation Scheme in respect of democratic arrangements, which is a requirement of the Local Government and Elections (Wales) Act 2021. The Statutory Guidance remains in consultation phase and we await the final version from Welsh Government before adopting our own Scheme. It is aimed that a final Participation Scheme will be subject to public consultation in Autumn 2022. Scrutiny Committees continue to meet on a frequent basis to ensure that there is suitable oversight of the Council’s statutory obligations.</p>	Head of Legal & Democratic Services / Strategic Manager – Policy & Executive Support
A1iv	<p>Finance – understanding the one-off and recurring costs associated with the pandemic and its future impact on the Council’s financial health.</p> <p>Progress - Established processes are in place to deal with claims from the Welsh Government Hardship Fund for current Covid related costs. Understanding the longer term structural impacts of the pandemic will be part of the development of the Medium Term Financial Strategy (MTFS).</p>	Chief Finance Officer

Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		
Av	<p>Digital and Cyber Security - ensuring there is an assessment of the impact of current service delivery and innovation on Information Risk and suitable measures in place to manage the risks.</p> <p>Progress - The NPT Cyber Security strategy was approved by Members at full cabinet on the 12 January 2022.</p> <p>The strategy sets out the Council’s approach to protecting our digital services from unauthorised access, harm or misuse, which will ensure the services we provide are secure and our residents, businesses and stakeholders can safely interact with us.</p> <p>To support the implementation of the strategy, Cyber Playbooks have been developed which deal with a range of cyber incidents including phishing, malware and data loss.</p> <p>There is ongoing training and development for officers which has included the Socitm Breach Workshop attended, training sessions with staff to ensure they are cyber aware and ‘Bob’s Phishing exercise’ is underway to improve staff awareness of Phishing.</p> <p>Officers actively participate in a number of Cyber groups including the Wales WARP group and participate in NCSC briefings and workshops.</p> <p>Officers regularly arrange vulnerability testing of council systems with any remediation action scheduled and acted on. We ensure any new applications conform to security standards.</p>	Chief Digital Officer
Avi	<p>Business Continuity – a review of business continuity planning to identify lessons learned for both the ongoing situation and for future incidents. (Assurance that emergency response can be mobilised quickly to any rise of infection across the county borough or to local clusters/outbreaks).</p> <p>Progress - The Emergency Planning Team carried out an incident debrief in the summer of 2020 to review the Council’s response to the first wave of the pandemic. It included</p>	Head of Human & Organisational Development

Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		
Page 194	<p>recommendations and a plan of action which was provided to Corporate Director Group for their consideration.</p> <p>The Strategic Officer rota was established in 2020, with every Corporate Director and Head of Service participating in 24/7 'on call' arrangements to ensure that the Emergency Planning Team have named senior officer support in the event of a major incident. Online training has been provided and every officer participating in the rota has been provided with hard copy guidance. Officers are given the opportunity to participate in 'exercises', which is a safe way to gain experience of participating in an incident response.</p> <p>Additional funding has been made available to enable the establishment of 2 PROTECT Officers and in February 2022 successful appointment were made to these posts. This will support the development of actions in line with the UK's Counter Terrorism Strategy.</p>	
A1vii	<p>Capacity and capability – review the Council's workforce planning priorities to ensure they continue to be aligned with the organisation's priorities given the challenges and opportunities associated with moving through the "Recovery Process".</p> <p>Progress - The workforce priorities to support corporate recovery were developed, discussed and reported to the council's Corporate Recovery Board. This has led to the development of a framework 'Future of Work' strategy, and funding has been made available to recruit resources to develop and deliver this strategy.</p> <p>Audit Wales worked with the Head of Human & Org Development in the summer of 2021 to review workforce planning arrangements in the council, both pre pandemic and during the pandemic to see what lessons could be learnt. Wales Audit said:</p> <p>"The Council's reactive workforce planning during the pandemic worked well, with strong focuses on maintaining essential services and ensuring employee wellbeing".</p>	Head of Human & Organisational Development

Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		
Page 195	<p>Wales Audit have particularly praised the Succession Planning Toolkit as a means of facilitating service level workforce planning. This was launched just before the pandemic in 2020 and as a result the operational use of the toolkit has so far been limited. Plans are in place in 2022 to support every Head of Service to develop a succession plan for their service which can then inform the development of corporate strategies to support these plans.</p> <p>Additional funding has been made available to support winter pressures identified in winter 2022, as well as to increase capacity as we progress into recovery. Additional resource to support recruitment capacity in the HR Team has led to the creation of a Recruitment Taskforce, working with service managers to establish what recruitment strategies are needed to recruit and retain employees within their services, developing a wide range of actions working with key partners such as DWP, Employability services, Swansea University, Neath College, Trinity St David's University, etc.</p>	
A10.1	<p>Undertake a review in 2021/2022 to ensure the revised Integrated Impact Assessment (IIA) tool is embedded into practice by Autumn 2021.</p> <p>Progress - Three separate reviews of the IIA process have been undertaken to determine how well the IIA tool is embedded into the decision making process, its effectiveness and the quality of the IIAs. Two of the reviews were completed by March 2022 (Internal Audit / external consultant) with the last (Audit Wales) due to be completed by July 2022.</p> <p>The recommendations from the reviews undertaken will be implemented to further improve the embedding of the IIA process into decision making.</p> <p>Training to address the recommendations will be part of the New Member Induction Programme following the Local Government Elections in May 2022) for Members. Training will also be arranged for officers in early autumn.</p>	Strategic Manager Policy & Executive Support

Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		
A1.4.1	<p>Review of Anti-fraud, Corruption and Malpractice Strategy to be completed and reported to Members during 2021/2022.</p> <p>Progress - The review is nearing completion and a revised policy will be presented to Members for approval in the Autumn.</p>	Chief Finance Officer
A2.1.1	<p>Report annually to the Corporate Governance Group on corporate procurement and compliance.</p> <p>Progress - A report will be presented to Corporate Governance Group in Autumn 2022 highlighting compliance. In the interim, a report was undertaken by the Council's Internal Audit section on the procurement work during the Covid-19 pandemic with a high assurance of compliance being identified.</p>	Head of Legal & Democratic Services
A2.1.1	<p>Ethical awareness Officer training was provided in March 2021 on ensuring safe and legal decision making. Further sessions and ethical awareness matters are planned for 2021/2022.</p> <p>Progress - Training Sessions have taken place through 2021/2022 focussing on decision making and governance related issues to ensure officers are aware of the appropriate steps that must be taken in decision making. In addition, training for Chief Officers, Accountable Managers and Members has taken place with an external provider to consider the relationship between officers and members and the appropriateness of compliance with Member/Officer protocols.</p> <p>Training was also provided to Cabinet Members on the importance of the member and officer protocol. Code of Conduct training for elected members also took place in Spring 2021. Members Dispensations were sought at the Standards Committee by individual members throughout 2021/2022</p>	Head of Legal & Democratic Services

Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		
A2.3.1	<p>Courses in relation to Recruitment and Selection and Safe Recruitment and other Employment Policies and Procedures to be delivered in 2021/2022.</p> <p>Progress - Five Recruitment & Selection courses were delivered during 2020/2021 with 43 attendees. No courses of this nature were delivered in 2021/2022 due to covid-19. However, training courses on HR policies and procedures will be planned and included in the Corporate Training programme for 2022/2023.</p> <p>Informal Sessions were delivered by HR on the Hybrid Working Framework to Accountable Managers to help them implement Hybrid Working within their services and 6 courses on 'Managing and Motivating Teams' took place with 53 managers attending.</p>	Head of Human & Organisational Development
A2.3.2	<p>To ensure that a copy of all partnership agreements are logged centrally with the Head of Legal & Democratic Services.</p> <p>Progress - This work is ongoing.</p>	Head of Legal & Democratic Services
A3.2.1	<p>To put in place an agreed procedure where Financial Regulations and Accounting instructions are reviewed to ensure they remain relevant and proportionate. A review of Accounting Instructions is currently underway.</p> <p>Progress - Work is ongoing with the first, highest priority, accounting instruction having been reviewed and re-issued.</p>	Chief Finance Officer

Principle B: Ensuring openness and comprehensive stakeholder engagement		
Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
A4.1.2	<p>To undertake a review of FOI Publication Scheme throughout 2021/2022 with a report to Cabinet for approval. An amended version of the Publication Scheme will then be considered as part of a review on the Constitution to ensure it is fully up to date.</p> <p>Progress - This review is presently ongoing with the aim that a report will be presented to members in the Autumn 2022.</p>	Head of Legal & Democratic Services
A4.1.5	<p>To undertake review of the Corporate Communications and Community Relations Strategy 2018-2020</p> <p>Progress - This has been delayed to align the review with the publication of the Council's Corporate Plan 2022-2027 and we will be timetabling a review of this with members.</p>	Strategic Manager Policy & Executive Support
A4.1.1	<p>To undertake review of the Consultation and Engagement Strategy 2018-2020</p> <p>Progress - This has been delayed to align the review with the publication of the Council's Corporate Plan 2022-2027 and we will be timetabling a review of this with members.</p>	Strategic Manager Policy & Executive Support
A4.7	<p>Mapping exercise of partnership arrangements to be undertaken (as part of recovery planning) to capture the lessons learned including the identification of those partnerships that were effective during the emergency response and the de-prioritisation of those that were not.</p> <p>Progress – Key partners have been identified in the Council's recently published Corporate Plan who will continue to contribute / support the Council in achieving its priorities.</p>	Strategic Manager Policy & Executive Support
A4.13.1	<p>Where relevant incorporate proposals for improvements from external regulators audit work into the Council's 2021/2023 corporate planning arrangements.</p> <p>Progress - The Council's Corporate Plan 2021/2023 was presented to Council on 26th May 2021.</p> <p>See comment in A5.1.1 below.</p>	Strategic Manager Policy & Executive Support

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits		
Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
A5.1.1	<p>We will incorporate the findings from the Audit Wales review of our performance, risk and business planning arrangements into the corporate review of the Council's corporate planning, financial planning and performance management arrangements (to be undertaken early 2021/2022 – as part of recovery planning).</p> <p>Progress - The findings from the above review were considered as part of the development of the Service Recovery Plan arrangements and are being considered as part of the development of the Councils corporate self-assessment framework (in readiness for implementation during 2022/2023).</p>	Strategic Manager Policy & Executive Support

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes		
Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
A6.9.1	<p>Additional work on the forward financial plan covering the period April 2022 – March 2025 will be undertaken.</p> <p>Progress - The budget for 2022/2023 was agreed by Cabinet and Council on 28th February 2022 and 1st March 2022 respectively. Work is ongoing on the development of a Medium Term Financial Strategy.</p>	Chief Finance Officer

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it		
Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
A7.6.1	<p>To undertake a review of all proposals and keep a central electronic list of delegations.</p> <p>Progress - This work is ongoing and officers have been requested to update the Head of Legal and Democratic Services on any times delegations have been made to officers that have been made in accordance with Constitutional provisions. A version of the current list of delegations is available from the Head of Legal and Democratic Services.</p>	Head of Legal & Democratic Services

Principle F: Managing risks and performance through robust internal control and strong public financial management		
Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
A8.13:	<p>New responsibilities for the renamed Governance and Audit Committee to be developed during 2021/2022.</p> <p>Progress - The remit of the Governance and Audit Committee was changed in March 2021 to comply with the provisions of the Local Government and Elections (Wales) Act 2021. Lay Members to the Governance and Audit Committee have now been recruited and approved by Full Council in February 2022.</p>	Chief Finance Officer / Head of Legal Services & Democratic Services
A8.14.1	<p>Review of Data Processing, Data Protection and Data Sharing to be undertaken by the Information Governance team. (As a result of the Covid-19 pandemic there was a delay in commencing this area of work but work began in Spring 2021 and will continue throughout 2021/2022).</p> <p>Progress - This work is ongoing.</p>	Chief Digital Officer / Head of Legal & Democratic Services
A8.17	<p>The Council will assess its financial position during 2021/2022 in line with the requirements of the CIPFA Financial Management Code.</p> <p>CIPFA issued a new code The FREM which sets out the standards of financial management for local Authorities. Adoption of the Code commenced in April 2021. Appendix A of this report provides a self-assessment which has been approved by Corporate Directors Group – it gives assurance that the financial management of the Authority are being met.</p>	Chief Finance Officer

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability		
Ref (action)	Improvement Action to be undertaken during 2021/2022 into 2022/2023	Responsible Officer
A9.5.1	<p>Work to deliver governance awareness training across the Council is ongoing and will continue to ensure appropriate training takes place with Council officers. Training has been provided in Spring 2021 and will continue throughout 2021 and 2022.</p> <p>Progress - Training Sessions have taken place through 2021/2022 focussing on decision making and governance related issues to ensure officers are aware of the appropriate steps that must be taken in decision making. In addition, training for Chief Officers, Accountable Managers and Members has taken place with an external provider to consider the relationship between officers and members and the appropriateness of compliance with Member/Officer protocols. Further sessions will continue to take place through 2022/2023.</p>	Head of Legal & Democratic Services / Strategic Manager Policy & Executive Support

Table 2 – Governance Improvement Action Plan - 2022/2023

Ref (action)	Improvement Action to be undertaken during 2022/2023	Responsible Officer
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law		
A3.2.1	Complete the review of Accounting Instructions.	Chief Finance Officer
Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits		
A5.5.1	Develop and implement a revised Corporate Performance Management Framework that meets the new duties under the Local Government & Elections (Wales) Act 2021	Strategic Manager Policy & Executive Support
Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes		
A5.4.1	Complete the review of the Council’s Risk Management Policy and ensure the Council’s Risk Register is updated regularly.	Chief Finance Officer / Strategic Manager Policy & Executive Support
A6.9	Develop a Medium Term Financial Strategy.	Chief Finance Officer

Page 20

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

A9.5.1	Work to deliver governance awareness training across the Council is ongoing and will continue to ensure appropriate training takes place with Council officers.	Head of Legal & Democratic Services
--------	---	-------------------------------------

Signed:

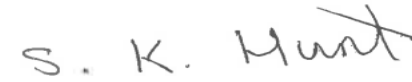


Chief Executive: Karen Jones

Date: 5th July 2022

Page 203

Signed:



Leader of the Council: Cllr Steve Hunt

Date: 5th July 2022

Financial Management Code of Self-Assessment

Section 1: The Responsibilities of the Chief Finance Officer and the Leadership Team

Standard Reference	Financial Management	Rating (Red / Amber / Green)
A	The Leadership Team is able to demonstrate that the services provided by the authority provide value for money.	<p>The Auditor General examines whether the Council has put in place arrangements to get value for money for the resources it uses, and has to be satisfied that it has done this. The 2021 Annual Audit Summary issued by Audit Wales identified no issues in relation Value for money.</p> <p>RAG Rating = Green</p>
B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.	<p>We comply with the requirements of the code.</p> <p>The Chief Finance Officer (CFO) is a CIPFA qualified accountant with over 20 years of local government experience. Reports directly to Chief Executive Officer and sits on the Leadership Team, influencing material decisions and ensuring financial implications are provided in all reports. The CFO is responsible for maintaining and resourcing an effective Internal Audit service and leads on risk management.</p> <p>RAG Rating = Green</p>

Section 2: Governance and Financial Management Style

Standard Reference	Financial Management	Rating (Red / Amber / Green)
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	<p>The Council adopts the Nolan principles as can be evidenced in the Annual Governance Statement (AGS) The AGS was signed off by Audit Wales as part of the accounts audit process.</p> <p>RAG Rating = Green</p>
D	The authority applies CIPFA/ SOLACE Delivering Good Governance in Local Government: Framework 2016.	<p>The Governance & audit committee reviews the adequacy of Governance arrangements of the authority, approving the AGS, receiving risk management updates. An independent review of governance arrangements was commissioned during 2021/22 and reported to the Governance and Audit Committee/</p> <p>RAG Rating = Green</p>
E	The financial management style of the authority supports financial sustainability.	<p>Audit Wales Annual Audit Summary for 2021 concluded that the Council is well placed to maintain its financial sustainability and plans to strengthen some areas of financial management.</p> <p>The Authority has a healthy level of usable reserves and is projected to be 5.3% of the net revenue budget for 2021/22 and does not plan to use its general reserve to fund its medium-term financial deficit.</p> <p>RAG Rating = Green</p>

Section 3: Long to Medium-Term Financial Management

Standard Reference	Financial Management	Rating (Red / Amber / Green)
F	The authority has carried out a credible and transparent financial resilience assessment.	<p>The budget setting for 2021/22 includes a statement relating to the robustness of the estimates used in calculating the budget requirement and indicates the budget process has been prepared in conjunction with officers. It also identifies the risk areas that will be actively managed during the financial year.</p> <p>RAG Rating =</p>
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	<p>In 2019-20 the Council primarily concentrated on annual budgeting, and did not have a published Medium Term financial plan. During 2020-21 the Council has not made any changes to its approach to develop a medium-term financial plan, as prioritisation was given to the response to the COVID pandemic. Plans are currently underway to develop the forward financial plan and identify sustainable efficiency savings with a view to developing a medium term financial plan linked to the corporate objectives.</p> <p>RAG Rating = Amber</p>
H	The authority complies with the Prudential Code for Capital Finance in Local Authorities	<p>The Authority complies will all elements of the Prudential Code.</p> <p>RAG Rating = Green</p>
I	The authority has a rolling multi-year financial plan with sustainable service plans	<p>During 2020-21 the Council has not made any changes to its approach to develop a medium-term financial plan, as prioritisation was given to the response to the COVID pandemic. Service recovery plans are being developed</p> <p>RAG Rating = Amber</p>

Section 4: The Annual Budget

Standard Reference	Financial Management	Rating (Red / Amber / Green)
J	The authority complies with its statutory obligations in respect of the budget setting process	The Council complies with its statutory obligations in respect of the budget setting process as set out in the Local Government Finance Act (1992). A legal and balanced budget set by the Council by the statutory deadline 11 March and assurance has been provided regarding the robustness of estimates and adequacy or reserve levels. The Council is aware of the circumstances under which a S114 notice should be issue. RAG Rating = Green
K	The budget report includes a statement by the chief finance officer on the robustness of the estimates on the adequacy of the proposed financial reserves.	The budget setting report comments upon the robustness of the estimates included therein and a balanced affordable budget has been set. The reserves are reported within the budget setting process and monitored throughout the financial year. Currently the authority reserves are projected to be 5.3% of its net revenue budget, thereby remaining at a reasonable level. RAG Rating = Green

Section 5: Stakeholder Engagement and Business Plans

Standard Reference	Financial Management	Rating (Red / Amber / Green)
L	The authority has engaged with key stakeholders where appropriate in developing its long term financial strategy, medium term financial plan and annual budget.	Key stakeholders are consulted on key projects for example stakeholder views were sought when developing the corporate plan. Member workshops are run at budget setting. Cabinet approved the consultation process with stakeholders on the draft budget. Consultation responses are reported to Council. RAG Rating = Green
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	The Authority does not have a documented methodology for options appraisals. Criteria have been developed and approved for agreeing Capital Projects. Further work is underway to develop a business case process. RAG Rating = Amber

Section 6: Monitoring Financial Performance

Standard Reference	Financial Management	Rating (Red / Amber / Green)
N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	Monthly reports are considered by budget holders. Significant issues identified are reported to Senior Management Team. Quarterly Finance reports are presented to Cabinet. Treasury management reports are taken to Cabinet on a quarterly basis RAG Rating = Green
O	The leadership team monitors the elements of its balance sheet that pose a significant to its financial sustainability.	The balance sheet is monitored by the CFO. RAG Rating = Green

Section 7: External Financial Reporting

Standard Reference	Financial Management	Rating (Red / Amber / Green)
P 208	The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the Code Practice in Local Authority Accounting in the United Kingdom.	The CFO's responsibilities are set out in the "Statement of responsibilities" within the Statement of accounts. This clearly sets out that the CFO is responsible for the preparation of the Councils Statement of Accounts in accordance with proper practices as set out by the Code of Practice on Local Authority Accounting in the United Kingdom. The annual audit letter confirms that the statement of accounts have been prepared on time and in accordance with the code of practice. RAG Rating = Green
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.	The outturn figures are reported to Corporate Directors Group and included in the narrative report of the Statement of Accounts. RAG Rating = Green



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

GOVERNANCE AND AUDIT COMMITTEE

27th September 2022

REPORT OF THE CHIEF ACCOUNTANT TECHNICAL & GOVERNANCE (Head of Internal Audit) – DIANE MULLIGAN

Matter for Information

Wards Affected:

All Wards

2021/22 Annual Internal Audit Report

1. Purpose of the report

The purpose of this report is to provide the committee with the Head of Internal Audit's (HIA) Annual Opinion on the internal controls, governance and risk management arrangements operating within the Council during the financial year 2021/22. It also provides details of the work undertaken by the Internal Audit Service during 2021/22 and achievement against the plan.

2. Background

2.1 The Public Sector Internal Audit Standards (The Standards) define Internal Audit as an independent, objective assurance and consulting activity designed to add value and improve an organisation's objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2.2 The Standards require the Head of Internal Audit to provide an annual internal audit assurance statement which informs the Annual

Governance Statement. The annual internal audit opinion must reflect the overall adequacy and effectiveness of the internal controls, governance and risk management arrangements operating within the Council; provide a summary of the audit work undertaken; draw attention to any issues which have impacted the assurance provided; provide a summary of the service's performance and comment on the service's conformance with The Standards.

- 2.3 During 2021/22 the vast majority of audit work was delivered remotely with staff predominantly working from home during the year. Remote auditing is not without its challenges however both the team and auditees have adapted well to this way of working.
- 2.4 Due to an unprecedented level of sickness, a total of 155 days were lost, which coupled with 130 days being lost to vacancies the Internal Audit Plan was revised and the revised plan agreed by Committee in November 2021. The revised plan did however provide coverage of the high risk areas and covered all directorates.

3. Assurance Statement

- 3.1 In accordance with The Standards the HIA is required to provide a statement of assurance on the systems of internal control, governance and risk management arrangements operating within the Authority.
- 3.2 Following the work carried out by Internal Audit via the risk based audit plan approved by Governance & Audit Committee; the assurance ratings applied to individual audit assignments and reported to Governance & Audit Committee; the acceptance and implementation of internal audit recommendations by management; the overall coverage of internal audit work and considering other sources of assurance provided by external agencies. The HIA's opinion is that **reasonable assurance** can be given that there have been no major weaknesses noted in the relation to the internal control systems, governance arrangements and risk management processes operating within the Council.

- 3.3 No significant cross directorate control issues have been identified which would impact on the Council's overall control environment and any weaknesses identified were service specific.
- 3.4 However, it should be noted that in relation to risk management the current Risk Management Policy was not fully adhered to. Following the establishment of a Corporate Incident Management Team chaired by the Chief Executive during 2020/21 to manage risk during the pandemic this team continued to meet during 2021/22 and risks continued to be monitored and managed via this group. The Strategic Risk Register was updated as and when required.

The current Risk Management Policy is in the process of being updated and work needs to be undertaken to ensure that risk management is fully embedded throughout the Council. The introduction of individual Service Recovery Plans completed by every Accountable Manager, which detail service risks and are signed off by the relevant head of service and cabinet member, will aid the embedding of the management of risk in all service areas.

- 3.5 It must be stressed that in providing this annual audit opinion that assurance can never be absolute, the most that the HIA can provide to this committee is reasonable assurance that there are no major weaknesses in the internal control systems examined during the year.

Taking into account the assurance ratings applied following individual audit assignments undertaken; the acceptance and implementation by management of all recommendations made; the work undertaken by internal audit which did not result in a formal report being undertaken; assurance provided by other parties; and lack of findings in respect of work undertaken during the review of National Fraud Initiative matches. The HIA's opinion is that **reasonable assurance** can be provided that the internal controls, governance and risk management arrangements operating during 2021/22 were satisfactory.

4. Internal Audit Performance

- 4.1 Appendix 1 provides a comparison of the work undertaken against the work planned.

- 4.2 A summary is provided below:
90% of high risk audits were undertaken.
65% of the plan was achieved (n.b. 90 of the total days sickness occurred after the revised plan was approved).
100% of the recommendations made were accepted.
No issues were identified during post audit reviews of recommendations not being implement.
A total of 42 formal audit reports were issued.
Only 1 audit resulted in a limited assurance rating.
No audits undertaken resulted in no assurance being provided.
- 4.3 In addition to the formal audits undertaken, which resulted in a report being issued, the team provided advice and guidance on an ongoing basis to staff across the Council; attended working parties and provided advice on new systems being implemented.

5. Conformance with The Standards

- 5.1 The Standards which became effective on 1st April 2013 introduced a requirement that each internal audit service be externally reviewed every 5 years. The first review of this Council's internal audit service was finalised in March 2018 and concluded that the service generally conforms to The Standards, there is no higher rating. The next review is scheduled to be undertaken in the early part of 2023.
- 5.2 The standards mandate that each service must maintain a Quality Assurance & Improvement Programme which is intended to aid the raising of standards within the service. The current QAIP is attached as appendix 2
- 5.3 The organisational independence of the service remains unchanged. Both the HIA and the Audit Manager are 3rd tier officers who have unrestricted access to the Chair of this committee, the Chief Executive and all Chief Officers. The day to day management of the service is undertaken by the Audit Manager and the HIA has no input into the content of any audits undertaken in areas also managed by her.

5.4 On an annual basis all members of the team make an annual declaration in relation to land or property within the county borough in which they have an interest; any personal relationships with other Council employees or members; any outside business interests and any gifts or hospitality accepted or declined. Additionally they sign a declaration acknowledging that they have received a copy of The Standards Code of Ethics and agree to conform to its principles.

6. Financial Impacts

No implications.

7. Integrated Impact Assessment

There is no requirement to undertake an Integrated Impact Assessment as this report is for monitoring/information purposes.

8. Valley Community Impacts

No implications.

9. Work Force Impacts

No implications.

10. Legal Impacts

No implications.

11. Risk Management Impacts

The work of Internal Audit is key in relation to ensuring compliance with internal controls and good governance. This work forms part of the Council's overall risk management arrangements.

12. Consultation

There is no requirement for external consultation on this item.

13. Recommendation

Having due regard to the Integrated Impact Assessment it is recommended that members note the information contained within this report.

14. Appendices

Appendix 1 – Internal Audit Plan Year End Position

Appendix 2 – Quality Assurance & Improvement Programme

Officer Contacts

Diane Mulligan, Chief Accountant Technical & Governance/HIA

d.mulligan@npt.gov.uk telephone 01639 763603

Anne-Marie O'Donnell, Audit Manager

am.odonnell@npt.gov.uk tel. 01639 763628

Appendix 1 – Audit Plan Year End Position

Audit Plan Item	Risk Rating	Year End Position
Primary Schools	Medium	2 full school audits completed
Procurement Card Transactions – Primary Schools	Medium	Audit completed
Statutory Policies – Primary Schools	Medium	Audit completed
Driver Declarations – Primary Schools	Medium	Audit completed
Secondary Schools	High	Rolled forward to 22/23. No audits completed due to Covid pressures within schools.
DBS – School based staff	High	Audit completed
Schools Unofficial Funds	High	Audit completed
Schools Data Protection Registration	Medium	Audit completed
Statutory Policies – Secondary Schools	Medium	Audit not progressed due to sickness and recommencing of full school audits.
Driver Declarations – Secondary Schools	Medium	Audit not progressed due to the very limited number of journeys undertaken.
Education Library Resource Centre	Medium	Audit completed
Covid Hardship Fund Grants	High	2 audits completed and the Fraud Officer provided ongoing support to the team administering the grants.
Integrated Impacts Assessments	Medium	Audit Completed

Margam Crematorium	Medium	Audit completed
GDPR/Data Security	Medium	Audit completed and report issued in 22/23
Stores – Stocktake Assistance	High	All work undertaken
Environment Grants	Medium	Not completed due to sickness
Fuel Usage and Control	High	Work started but not completed due to long term sickness of the auditor, who is still on sick leave.
Drainage	Medium	Not completed due to long term sickness of the accountable manager for the service
Pest Control	Medium	Audit completed
Business Support Loans and Grants	Medium	1 grant audited
Crymlyn Burrows Transfer Station	High	Work started but not completed due to long term sickness of the auditor who is still on sick leave.
Final Accounts	High	All required work completed
Council Tax	Low	Audit completed
NNDR	Low	Control Risk Self- Assessment undertaken.
Bank Reconciliation	High	Audit completed
Housing Benefits	Low	Audit completed
Governance Review – Follow Up work	High	All required work undertaken
Creditor Payments	Low	All required work undertaken
Creditors FIS Checks	High	All required daily and monthly checks undertaken

Treasury Management	Medium	Audit completed
3rd Sector Grants	Medium	Rolled forward to 22/23 due to sickness
Hillside Secure Unit	Medium	Audit completed
Social Services Grant Certification	Medium	3 grants certified
Children's & Adult Services	High	Audit completed
Monitoring of External Providers	Medium	Rolled forward to 22/23 due to sickness with service and internal audit
Trem Y Mor Complex Needs Service	Medium	Rolled forward to 22/23 due to sickness
Covid Recovery	High	Work was undertaken throughout the year
Corporate Debt Recovery – Breathing Space Legislation	High	Audit completed
DBS Compliance – Non Schools	High	Audit completed
Mobile Phones – usage & controls	Medium	Audit completed
Special Investigations	N/A	
Advice & Guidance	N/A	Advice was provided throughout the year by the team
Officer Declarations	Medium	Audit completed
Procurement	High	Rolled forward to 22/23 due to sickness
Fraud	High	5 reports issued

Money Laundering	High	Audit completed
Use of Agency Workers	M	Audit completed
Banking Administrator	N/A	All required work was undertaken
Attendance at Working Parties	N/A	Various working parties were attended throughout the year
Servicing Governance & Audit Committee	N/A	All committees were attended and required reports produced.
Vision Impaired West Glamorgan	Low	Audit completed
SWTRA	N/A	No work requested this year
FOI Requests	N/A	All requests were replied to within the required timescales
Staff Association/Lottery	N/A	Year end audit completed
Procurement during initial working from home period	High	Audit completed

Quality Assurance & Improvement Programme (QAIP)

The QAIP should be based on the following to ensure compliance with the standards:

- Work undertaken by auditors is supervised and reviewed.
- An internal review of the quality of work undertaken and compliance with The Standards should be undertaken annually.
- External quality reviews should be undertaken at least every 5 years by an independent qualified person to assess the quality of the work undertaken and compliance with the Standards.

Internal Assessment

The following processes are in place to assess the quality of work and inform any potential training needs:

- Internal audit work programmes are devised by the Audit Manager or the Senior Auditor and loaded onto our internal audit management system. Each audit clearly states the audit objectives, risks, expected controls and audit testing to be undertaken. This approach is only varied by agreement with the Audit Manager.
- Every audit is reviewed by the Audit Manager or Senior Auditor and any review points added to the system for the auditor to respond to before the draft report is reviewed.
- All draft reports are reviewed by the Audit Manager before they are issued.
- The HIA undertakes periodic dip sampling of audits undertaken.
- All audits are allocated to staff based on their experience and skill set.
- A client satisfaction survey is issued to the accountable manager of the service audited following the audit. These are returned under confidential cover to the Chief Finance Officer before being shared with the Audit Manager. Any issues identified from the questionnaires are dealt with by the Audit Manager.
- A number of KPIs are maintained all of which are recorded via the audit management system and collated by the Senior Auditor.
- Regular 1:1 are held between all staff and the Audit Manager where workloads, training needs and any identified issues are discussed.
- Staff regularly undertake training and have all completed all mandatory NPT training courses.
- During 21/22 as a team we attended a training course on auditing ethics.

- 3 members of the team are currently studying for the Institute of Internal Auditors Certified Internal Auditor qualification.
- On a quarterly basis progress against the plan is reported to the Governance & Audit Committee.
- It is intended that going forward the HIA will complete an annual assessment using the guidance contained within CIPFAs Local Government Application Note. Due to the changeover in responsibilities in November 2021 this was not undertaken for 21/22.

External Assessment

An external assessment of compliance with the Standards must be undertaken at least every 5 years and can be either an internal self-assessment which is subject to external evaluation or a full external quality assessment.

The external assessment in NPT was undertaken in January and February 2018 and reported to the then Audit Committee on 5th April 2018. The preferred method was an internal self-assessment independently reviewed. This was facilitated via the Welsh Chief Auditors Group and our review was undertaken by Blaenau Gwent County Borough Council and NPT facilitated the review of Monmouthshire Council.

The next review is due to be undertaken in early 2023 and will be undertaken via the same method this time by Conwy County Borough Council and NPT will undertake the review of Caerphilly County Borough Council in December 2022.

The findings of the review will be reported in full to the Governance Audit Committee when it is finalised.



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

GOVERNANCE & AUDIT COMMITTEE

27th September 2022

REPORT OF THE CHIEF ACCOUNTANT TECHNICAL & GOVERNANCE (Head of Internal Audit) – DIANE MULLIGAN

**MATTERS FOR DECISION
WARDS AFFECTED – ALL**

INTERNAL AUDIT STRATEGY & RISK BASED PLAN FOR 2022-2023

1. Purpose of Report

1.1 The purpose of this report is to provide members with details of the draft Internal Audit Strategy and Risk Based Plan for the period 1st April 2022 to 31st March 2023 and the current Internal Charter and to seek their approval of each of the documents.

2. Background

2.1 The Public Sector Internal Audit Standards (The Standards) mandate that the Head of Internal Audit (HIA) formulates a risk based internal audit plan annually which supports the organisation's objectives and details the priorities of the internal audit service. The plan must also link to a high level audit strategy, attached as appendix 1 to this report, which provides detail of how the internal audit service will be delivered.

2.2 This year's draft plan, attached as appendix 2 to this report, was developed in conjunction with the Audit Manager. The Audit Manager met with all of the Senior Management Teams, consisting of Corporate Directors and Heads of Services to discuss their priorities and risk areas.

2.3 When compiling the draft internal audit plan the following was taken into account:

- The Corporate Risk Register
- Corporate priorities as detailed within the Corporate Plan 2022-2027
- Requests following meetings with the Senior Management Teams
- Audits carried forward from 2021/22
- Fundamental financial systems
- Grant claims
- Audit knowledge of council services and new developments
- Audits subject to Service Level Agreements

2.4 The Standards require that the risk based plan provides sufficient coverage across all of the Council's activities to enable the HIA to provide an annual opinion on the control environment operating within the Council.

2.5 Audits will continue to be undertaken via a combination of remote and face to face meetings.

2.6 As members are aware the plan needs to be flexible to allow for unexpected items during the year that require audit input. In line with the terms of reference of this committee quarterly reports will be provided which will detail progress against the plan and seek members' approval of any changes to items contained within the plan.

3. Financial Impacts

No implications

4. Integrated Impact Assessment

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No1) Regulations, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.

The first stage assessment, attached as appendix 4 has indicated that a more in depth assessment is not required.

5. Workforce Impacts

No implications

6. Risk Management Impacts

The Audit Strategy and Audit Plan and the proposed audits contained therein form a fundamental part of the risk management and governance processes of the Council.

7. Valley Communities Impacts

No implications

8. Legal Impacts

No implications

9. Consultation

There is no requirement under the Constitution for external consultation on this item.

10. Recommendations

It is recommended that members approve the draft Internal Audit Strategy as set out in appendix 1.

It is recommended that members approve the draft Internal Audit Plan as detailed in appendix 2.

It is recommended that members approve the updated Internal Audit Charter as detailed in appendix 3.

11. Reason for Proposed Decision

To ensure compliance with the terms of reference of the Governance and Audit Committee and the Public Sector Internal Audit Standards.

12. Implementation of Decision

The decision is proposed for implementation after the three day call in period.

13. Appendices

Appendix 1 – Draft Internal Audit Strategy for 2022-23

Appendix 2 – Draft Internal Audit Plan for 2022-23

Appendix 3 – Internal Audit Charter

Appendix 4 – Integrated Impact Assessment

Officer Contact

Diane Mulligan – Chief Accountant Technical & Governance (HIA)

Tel. 01639 763606 – email d.mulligan@npt.gov.uk

Anne-Marie O'Donnell – Audit Manager

Tel. 01639 763628 – email am.odonnell@npt.gov.uk



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

Chief Executive's Directorate

Draft Internal Audit Strategy 2022-2023

1. INTRODUCTION

- 1.1 Internal Audit independently and objectively provides assurance to the Council and senior management on the adequacy and effectiveness of the internal control, governance and risk management processes operating across the Council.
- 1.2 The Council is a diverse organisation and provides a wide and varied number of services to the residents of the County Borough Area and operates numerous systems which require internal controls. Each and every system can potentially be audited however it is not practical nor realistic to aim to audit each system every year. Therefore audits undertaken are based on a cyclical basis and/or prioritised based on the risk their failure poses to the achievement of the Council's aims.
- 1.3 Within this Council the Internal Audit Service is provided in-house via a team of 8.3 full time equivalent staff excluding the HIA.

2. DEFINITION OF INTERNAL AUDIT

- 2.1 The Public Sector Internal Audit Standards (The Standards) define Internal Audit as "an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."
- 2.2 The main purpose of Internal Audit is to provide assurance to members and chief officers on the adequacy of the internal control, governance and risk management processes operating with the Council.

- 2.3 Internal audit also offers consultancy services by way of advice to staff, attendance at working and task and finish groups, providing advice on internal controls when new IT systems are being developed and by undertaking special investigations in relation to allegations of theft, mal-practice or fraud.

3. REQUIREMENT FOR INTERNAL AUDIT

- 3.1 The Accounts & Audit (Wales) Regulations 2014 regulation 5 states “The relevant body must ensure that there is a sound system of internal control which facilitates the effective exercise of that body’s functions and which includes (a) arrangements for the management of risk and (b) adequate and effective financial management. Regulation 7 states “a relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its systems of internal control”
- 3.2 The Accounts and Audit Regulations are supplemented by this Council’s Financial Regulations No 3.4.5 and Financial Procedures Nos. 4.9.8 and 4.9.9 which clearly define Chief Officers’ responsibilities in respect of Internal Audit rights of access.
- 3.3 Section 151 of the Local Government Act 1972 requires that “every local authority shall make arrangements for the proper administration of their financial affairs and shall ensure that one their officers has responsibility for the administration of those affairs”.
- 3.4 The responsible financial officer in the Council is the Chief Finance Officer. One of the more important ways in which he exercises his statutory responsibilities is through the work of the Internal Audit Service and this committee.
- 3.5 It is a requirement of the Standards that each internal audit service has an Internal Audit Charter. The Standards state “The purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of ethics and Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.” The current Audit Charter is attached to this report as appendix 3 for members’ approval.

4. AUDIT PLAN DEVELOPMENT

- 4.1 The draft audit plan has been developed after consideration of the risks faced by the Council and the views of Chief Officers as to where audit resources would provide most value. In line with The Standards this plan makes best use of audit resources and will enable the service to provide assurance to members and officers on the control environment operating across the Council.
- 4.2 Whilst the majority of the plan was compiled using a risk based approach it does contain audits which are subject to Service Level Agreements. In addition to these audits there are also audits within the plan which are undertaken annually to provide assurance to the Section 151 Officer. These audits are of the fundamental financial systems operating within the Council.
- 4.3 The plan must be flexible and may need to be adapted to meet emerging risks or to reflect changes in available resources.
- 4.4 Quarterly updates of achievement against the plan will be provided to this committee and approval sought for any amendments to the plan.
- 4.5 Appendix 2 provides details of the audits planned for 2022-23.

5. INTERNAL AUDIT RESOURCES

- 5.1 The Internal Audit Service consists of 8.3 full time equivalent staff excluding the HIA.
- 5.2 The productive available audit days for 2022-23, having taking into account allowance for annual leave, sickness, vacancy, general training, study days for professional qualification attainment and allowance for supervision, management and planning, is 1,243 days.

6. AUDIT PLAN DELIVERY

- 6.1 The Standards state that all Internal Audit Staff should be suitably qualified, trained and experienced. To comply with The Standards the HIA must be a qualified CCAB accountant or hold the CMIIA qualification.

- 6.2 All audits are assigned to staff based on their skill set, experience and qualifications.
- 6.3 Audit objectives are agreed with relevant manager prior to commencement of fieldwork.
- 6.4 Following completion of the fieldwork a draft report is issued and discussed with management to seek agreement for the recommendations made. Only when the draft report is agreed is the final report issued. All final reports are copied to the Chief Executive, the relevant Corporate Director and Head of Service and Audit Wales. In the case of school audits the Chair of Governors is also provided with a copy of the final report.
- 6.5 The final report will contain the assurance rating applied following the audit.
- 6.6 This committee is provided with details of all audit reports issued, together with the risk rating applied and a summary of the key findings.

7. POST AUDIT REVIEWS

- 7.1 Following each audit a post audit review is undertaken. During this review testing is undertaken to confirm implementation of agreed recommendations.
- 7.2 Details of post audit reviews are reported to this committee.



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

DRAFT INTERNAL AUDIT PLAN 2022-23

DIRECTORATE	AUDIT AREA	PLANNED NUMBER OF DAYS	RISK RATING
Chief Executives			
Chief Executive - Karen Jones	Members ICT equipment	10	Medium
	Ethics - Members	15	Medium
Chief Finance Officer-Huw Jones	Payroll	30	High
	Council Tax	5	Low
	Housing Benefits	20	High
	Creditors	5	Medium
	National Non-Domestic Rates	5	Medium
	Debtors	15	Medium
	Creditors (Monthly checks)	12	Medium
	Court Deputy Service	20	Medium
	Third Sector Grants	15	Medium

Head of Legal & Democratic Services - Craig Griffiths	Registrars Procurement GDPR & Data Security*	15 30 20	Medium High High
Head of HR & Organisational Development-Sheenagh Rees *jointly with Chief Digital Officer	Compliance with Safe Recruitment Policy	20	Medium
Education Leisure & Lifelong Learning Corporate Director-Andrew Thomas	Leisure Insourcing PDG Access & Glamorgan Education Trust Grants	15 10	High Medium
Head of Educational Development- Chris Millis	Primary Schools Comprehensive Schools Pupil Deprivation Grant - compliance Music Service	120 35 20 10	Medium High High Low
Head of Support Services & Transformation-Rhiannon Crowhurst	Bursar & Primary Support Officer Service	20	Medium

Head of Early Years Inclusion & Participation-Hayley Lervy	School Based Counselling Service	20	Medium
Environment Corporate Director-Nicola Pearce			
Head of Streetcare-Michael Roberts	Flood Risk Stores	20 5	High High
Head of South Wales Trunk Road Agency (SWTRA)- Richard Jones	Partners' use of vehicles	20	High
Head of Property & Regeneration-Simon Brennan	City Deal Projects Authorised Persons (Buildings)	15 5	High Medium
Social Services Health & Housing Corporate Director-Andrew Jarrett			
Head of Adult Services-Angela Thomas	External Provision of Care Day Centres Direct Payments	25 40 15	High Medium Medium
Head of Children & Young People Services-Keri Warren	Follow up on use of respite care Progress on actions identified in Audit Wales review of Safeguarding Pendarvis Contact Centre	10 5 10	Medium Medium Medium

All areas	Hillside Secure Children's Home	15	Medium
	Harm outside the family	10	Medium
	Grants	5	Medium
	Emergency Payments	20	High
Cross Directorate	Fraud & National Fraud Initiative	240	High
	Officers Declarations	15	Medium
	Special Investigations & Whistleblowing	115	High
	WFH Control of equipment	20	Medium
	Advice & Guidance Requests	90	Not applicable
	Attendance at working parties & task and finish groups	10	Not applicable
Other commitments	Staff association lottery	10	Not applicable
	Vision Impaired West Glamorgan	10	Not applicable
	FOI requests	5	Not applicable
Contingency		21	
		Total number of days 1,243	



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

INTERNAL AUDIT CHARTER 2022-23

INTRODUCTION

The purpose of this charter is to define what Internal Audit is and explain its purpose, authority and responsibility.

For the purposes of internal audit activity the following terms are defined as follows:

“board” - the Governance & Audit Committee

“senior management” - Chief Executive, Corporate Directors and Heads of Service

PURPOSE, SCOPE & AUTHORITY

Purpose

The Public Sector Internal Audit Standards (The Standards), last updated and revised in April 2017, define Internal Audit as:

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

Scope

This Council’s Financial Regulations 4.9.8 state that it is the responsibility of the Chief Finance Officer to ensure that internal auditors have the authority to:

- Access Authority premises at reasonable times
- Access assets, records, documents, correspondence and control systems
- Receive any information and explanation considered necessary concerning any matter under consideration;

- Require any employee of the Authority to account for cash, stores or any other Authority asset under their control
- Access records belonging to third parties, such as contractors, when required
- Directly access the Head of Paid Service, the Executive and Governance & Audit Committee
- To ensure that effective procedures are in place to investigate promptly any fraud, irregularity or malpractice.

Authority

The authority for an internal audit function for local authorities is implied by Section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit (Wales) Regulations 2014 Part 3 Regulation 5-Responsibility for Internal Control & Financial Management states “(1) the relevant body must ensure that there is a sound system of internal control which facilitates the effective exercise of that body’s functions which includes (a) arrangements for the management of risk; and (b) adequate and effective financial management” Regulation 7, more specifically requires that “(1) a relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control. (2) any officer or member of that body must, if the body requires (a) make available such documents of the body which relate to its accounting and other records necessary for the purpose of the audit; and (b) supply the body with such information and explanation as that body considers necessary for that purpose (3) “A larger relevant body must, at least once in each year, conduct a review of the effectiveness of its internal audit.”

OBJECTIVES

Internal Audit’s main objectives are to:

- Provide a quality, independent and objective audit service that effectively meets the Council’s needs, adds value, improves operations and helps protect public resources
- Provide assurance to management that the Council’s operations are being conducted in accordance with external regulations, legislation, internal policies and procedures

- Provide advice and support to management to enable an effective control environment to be maintained
- Promote an anti-fraud, anti-bribery and anti-corruption culture within the Council to aid the prevention and detection of fraud
- Investigate allegations of fraud, bribery and corruption

ROLES & RESPONSIBILITIES

Role of Internal Audit

To meet Internal Audit objectives, Internal Auditors are responsible for:
Reviewing and assessing the soundness, adequacy and reliability of financial and non-financial management

Reviewing and assessing the effectiveness of internal controls and making recommendations for improvement, where appropriate

Reviewing and assessing procedures to check that the Council's assets and interests are adequately protected and risks are identified and effectively managed

Checking for compliance with legislation, Council policies and procedures

Promoting and assisting the Council in the effective use of resources

Undertaking independent investigations into allegations of fraud and irregularities in accordance with Council policies and procedures and relevant legislation.

Provision of the Internal Audit Function

The Internal Audit Function is provided "in house" and consists of the Audit Manager, 1 Senior Auditor, 6 Auditors, 1 Fraud Officer (9 people 8.3 FTE).

The role of Head of Internal Audit is undertaken by the Chief Accountant Technical & Governance.

In her role as Chief Accountant the Head of Internal Audit (HIA) also has responsibility the accountancy team responsible for producing the annual statement of account and all bank related matters, the insurance team. To maintain her independence in relation to the audit of other functions she has responsibility for she will have no involvement in the scope, timing, or staffing of these audits other than to receive the final report in line with normal reporting arrangements.

Management Structure

Internal Audit is part of the Chief Executive Directorate. However to ensure independence the HIA and the Audit Manager has unfettered access to the Chief Executive (Head of Paid Service) and or the chair of the Governance & Audit Committee should a situation warrant it.

Head of Internal Audit Responsibilities

In managerial terms to the Chief Finance Officer

Presenting the internal audit charter to the Governance & Audit Committee for approval.

Presenting and obtaining approval of the annual plan (produced in conjunction with the Audit Manager) from the Governance & Audit Committee.

Reporting quarterly to the Governance & Audit Committee on the work undertaken by the service. Reports to the Governance & Audit Committee will be authored by the Audit Manager and signed off by the HIA.

Reporting to Governance & Audit Committee on any serious weaknesses found in the internal control systems and any instances where recommendations have not been acted upon

Audit Manager's Responsibilities

In managerial terms to the Chief Finance Officer

To manage and lead the Internal Audit Team

To produce reports for Governance & Audit Committee for sign off by the HIA.

For the performance of the Internal Audit Service

To lead on Whistleblowing investigations and investigations in relation to fraud, theft & malpractice.

CODE OF ETHICS

The Internal Audit Service operates in accordance with the mandatory Public Sector Internal Audit Standards (PSIAS) 2013 updated in 2017 by ensuring that all internal auditors conform to the Code of Ethics principles of integrity, objectivity, confidentiality and competency.

Internal Audit Staff are required to complete a declaration of interests on an annual basis and are aware of the need to make known any changes which may affect their declaration as and when the changes occur.

Each member of the Internal Audit Section receives a copy of the Code of Ethics and signs up to an annual declaration to confirm that they will work in compliance with the Code of Ethics as well as the Councils standards and policies such as the Code of Conduct. Where potential areas of conflict may arise during the year, the auditor will also be required to disclose this. It is critical that all Auditors maintain high standards of integrity, independence, objectivity, confidentiality and competence.

SERVICE STANDARDS

What you can expect from us:

- All internal audit work will comply with the mandatory Public Sector Internal Audit Standards.
- Internal Auditors will, at all times, exercise due professional care, act with integrity and take a professional, reliable, independent and innovative approach to their work.
- It is essential that Auditors are impartial so that when an audit opinion is given it is unbiased and based on the facts available. Should a situation arise where impartiality could be questioned then another Auditor will be assigned to undertake the audit.
- Where an Auditor was previously employed in a service area subject to audit then the Audit Manager will ensure that the Auditor concerned is not assigned audits in that area until at least 2 years have elapsed.

ANNUAL INTERNAL AUDIT PLAN

An annual audit plan is produced using a risk based methodology. During the planning process all Heads of Service are contacted and asked if there are any areas they wish to be included in the plan. The plan is then approved by the Audit & Governance Committee.

The plan is flexible and includes a contingency to allow for a change in priorities, emerging risks, specific service requests and ad hoc projects. An allowance is also included every year to allow for any special investigations i.e. allegations of fraud, theft of malpractice to be investigated.

In addition to the work carried out in line with the annual audit plan the Audit Manager and Senior Auditor also act as administrators for the Authority's online banking system. This is not deemed by either the Chief

Finance Officer in his role as Section 151 Officer, the Head of Internal Audit or the Audit Manager to impair independence or provide any conflict of interest as the duties undertaken on the system are of a “housekeeping” nature and no transactions are undertaken.

REPORTING

Audit Reports

- Give an opinion of the service as at the time of the audit
- Provide an assurance rating of the service audited
- Detail the work carried out and subsequent recommendations together with management responses where applicable.

Reporting Standards

Upon completion of the audit a draft report is issued to the service manager for agreement of findings and recommendations made. In accordance with professional standards a post audit review is carried out after an agreed period to ensure that agreed recommendations have been implemented.

Any agreed recommendations not implemented within a reasonable timescale will be reported to Governance & Audit Committee.

Internal Audit works to the reporting quality standards of:

Draft report issued within 5 days of field work being completed

Final report issued within 2 working days of draft report being agreed

QUALITY ASSURANCE

Internal Review

An internal self-assessment of the effectiveness of internal audit will be undertaken by the HIA annually.

Audits are fully reviewed by senior internal audit staff upon completion of field work, in addition to this all draft reports are reviewed by the Audit Manager prior to issue.

The HIA also monitors/reviews a sample of internal audit work programmes, working papers and reports to provide reasonable assurance that the work conforms to the relevant professional standards.

External Review

It is also a requirement of The Standards that all internal audit services are subject to a fully independent review every 5 years by a qualified independent assessor from outside the Authority. The next review is due to be undertaken during January 2023.

RELATIONSHIPS

Internal Auditors will treat all staff with respect, courtesy and professionalism at all times. Any confidential or sensitive issues raised with or reported to Internal Audit staff will be dealt with in an appropriate manner. Where issues are likely to cause embarrassment to or adversely affect the reputation of the Authority these will be raised with senior management promptly and dealt with as a priority.

Internal Auditors will ensure that they explain fully the purpose of the audit and the various stages the audit will follow. Internal Audit will agree with service managers the timing and scope of the audit prior to its commencement.

The normal course of communication with Councillors will be via the Governance & Audit Committee which meets 4 times per year. The HIA and the Audit Manager have access to the Chair of Governance & Audit Committee outside of the normal meetings should this be required in the event of a serious issue coming to light.

Internal audit will liaise with the Authority's external auditors in order to build a co-operative and professional working relationship, eliminate duplication of effort and ensure appropriate sharing of information.

FRAUD & IRREGULARITIES

Internal audit is responsible for investigating and reporting on all instances of suspected fraud, malpractice and theft whether reported directly to them or via the Authority's Whistleblowing Policy.

The Authority also participates in the National Fraud Initiative data matching exercise and Internal Audit investigate a range of the matches and co-ordinates the response to those best dealt with by the service areas.

Updated: August 2022

Integrated Impact Assessment - First Stage**1. Details of the initiative**

Initiative description and summary: Approval sought for the Internal Audit Strategy & Plan for 2022-23
Service Area: Internal Audit
Directorate: Chief Executives

2. Does the initiative affect:

	Yes	No
Service users		X
Staff	X	
Wider community		X
Internal administrative process only	X	

3. Does the initiative impact on people because of their:

	Yes	No	None/ Negligible	Don't Know	Impact H/M/L	Reasons for your decision (including evidence)/How might it impact?
Age		X				The matters reported relate to internal governance
Disability		X				The matters reported relate to internal governance
Gender Reassignment		X				The matters reported relate to internal governance

Marriage/Civil Partnership		X				The matters reported relate to internal governance
Pregnancy/Maternity		X				The matters reported relate to internal governance
Race		X				The matters reported relate to internal governance
Religion/Belief		X				The matters reported relate to internal governance
Sex		X				The matters reported relate to internal governance
Sexual orientation		X				The matters reported relate to internal governance

4. Does the initiative impact on:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence used) / How might it impact?
People's opportunities to use the Welsh language		X				The matters reported relate to internal governance
Treating the Welsh language no less favourably than English		X				The matters reported relate to internal governance

5. Does the initiative impact on biodiversity:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence) / How might it impact?
To maintain and enhance biodiversity		X				The matters reported relate to internal governance
To promote the resilience of ecosystems, i.e. supporting protection of the wider environment, such as air quality, flood alleviation, etc.		X				The matters reported relate to internal governance

6. Does the initiative embrace the sustainable development principle (5 ways of working):



	Yes	No	Details
Long term - how the initiative supports the long term well-being of people		X	The matters reported relate to internal governance
Integration - how the initiative impacts upon our wellbeing objectives		X	The matters reported relate to internal governance
Involvement - how people have been involved in developing the initiative		X	The matters reported relate to internal governance

Collaboration - how we have worked with other services/organisations to find shared sustainable solutions		X	The matters reported relate to internal governance
Prevention - how the initiative will prevent problems occurring or getting worse		X	The matters reported relate to internal governance

7. Declaration - based on above assessment (tick as appropriate):

A full impact assessment (second stage) is not required	X
Reasons for this conclusion	
The changes proposed relate to internal governance arrangements and work undertaken by the internal audit team.	

A full impact assessment (second stage) is required	
Reasons for this conclusion	

	Name	Position	Signature	Date
Completed by	Anne-Marie O'Donnell	Audit Manager		25.08.2022
Signed off by	Huw Jones	Chief Finance Officer		25th August 2022



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

27th September 2022

Report of the Chief Accountant Technical & Governance (Head of Internal Audit) – Diane Mulligan

Matters for Information

Wards Affected: All Wards

Internal Audit Update Report

1. Purpose of the Report

The purpose of this report is to provide details of the internal audit work undertaken since the last Governance & Audit Committee meeting in February 2022.

2. Executive Summary

Since the last committee meeting in February 2022 the team has been impacted by a considerable number of days lost to sickness. This sickness absence when coupled with absences across the Authority has impacted on the work which had been planned to be undertaken. In addition to the days lost to sickness there is also a vacancy within the team.

Appendix 1 of this report details the formal audit reports issued.

Appendix 2 of this report gives details of progress against the plan for 22-23

3. Background

One of the terms of reference of this Committee is to 'monitor internal (and) external audit performance'. In order to comply with this requirement to monitor the in-house service, an update is given below outlining internal audit work undertaken since the Governance & Audit Committee meeting held on 18th February 2022.

In addition, information is provided for members on the current position regarding staffing issues within the team.

4. Staffing Issues

Since the last committee meeting there have been a total of 178 (as at 31st August 2022) days lost to sickness and 2 members of the team are currently on sick leave. In addition to sickness within the team we have also been impacted by staff absences across the Authority which has impacted on the length of time taken to complete audits.

As has previously been reported to this committee an assistant auditor post has been vacant for some time. Due to historic issues with not only recruiting to this grade but also in retaining staff once appointed a review of the staffing structure has been undertaken. Following the review the assistant auditor post was deleted and an auditor post was created. This vacancy is in the process of being filled.

On a positive note 1 member of staff has completed parts 1 & 2 of the Institute of Internal Auditors' Certified Internal Auditor qualification and is scheduled to sit the final exam early in the new year. One other member of staff who is studying for the same qualification has successfully completed part 1 and due to sit the part 2 examination in early October.

5. Audit Work Undertaken

Since the last committee meeting a total of 29 formal reports have been issued, as at 31st August 2022, in line with normal reporting processes. Two

of the audits resulted in a limited assurance rating and the responses received from the Heads of Service are attached as appendix 3.

Final Reports Issued 21-22

Mobile Phones & Home Telephone Allowances
Review & Monitoring of Part 6 Care & Support Plans
Breathing Space Legislation Compliance
Integrated Impact Assessments
Glyncorrwg Primary School
Crynallt Primary School
Treasury Management
2 Special Investigation Reports

Final Reports Issued 22-23

Bryncoch Church in Wales Primary School
Coedffranc Primary School
Ysgol Cwm Brombil
Coed Hirwaun Primary School
Data transfer from old Selima Payroll/HR system to new I-trent Payroll/HR system
Croeserw Primary School
Pen Afan Primary School
Blaenbaglan Primary School
Maesmarchog Primary School
Awel Y Mor Primary School
Pest Control Service
Rhos Primary School
Catwg Primary School
Pupil Deprivation Access Grant
National Fraud Initiative – Council Tax Reduction Scheme to Payroll Systems
Abbey Primary School
Cwmnedd Primary School
GDPR/Data Security
National Fraud Initiative – Small Business Grants
Glamorgan Further Education Trust Fund

In addition to the audits undertaken staff have continued to provide advice and guidance when requested and attended working parties.

6. Financial Impacts

No implications.

7. Integrated Impact Assessment

There is no requirement to undertake an Integrated Impact Assessment as this report is for monitoring/information purposes.

8. Valley Communities Impacts

No implications.

9. Workforce Impacts

No implications.

10. Legal Impacts

No implications.

11. Risk Management Impacts

The work of Internal Audit is key in relation to ensuring compliance with internal controls. This work forms part of the Council's overall risk management arrangements.

12. Consultation

There is no requirement for external consultation on this item.

13. Recommendation

That members note the content of the reports and appendices

14. Appendices

Appendix 1 – Audit Reports Issued.

Appendix 2 – Audit Plan Monitoring.

Appendix 3 – Head of Service Responses in relation to reports issued with a limited assurance rating.

Officer Contact:

Diane Mulligan

Chief Accountant Technical & Governance/Head of Internal Audit

d.mulligan@npt.gov.uk

01639 763603

Anne-Marie O'Donnell

Audit Manager

am.odonnell@npt.gov.uk

01639 763628

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
<p>21-22</p> <p>R34</p>	<p>Mobile Phones & Home Telephone Allowances</p> <p>Chief Digital Officer</p>	<p>There is a clear up to date policy in place in relation to both mobile phones and home telephone allowances. It was evident from the information gathered and work undertaken that accountable managers do not always follow the policy when a member of staff changes post or leaves the Authority’s employment. This has resulted in inaccurate information being held on the EE billing system and the unknown location of devices that are no longer in use.</p> <p>A number of mobile phones were found to be inactive, however, the IT Business Services Team are in the process of identifying devices that are no longer required. This will ensure that at the start of the new contract the information held is as accurate as possible.</p> <p>The new contract payable through one bill is expected to rectify issues identified in relation to mobile phone bill monitoring and individual excess usage of data and call.</p> <p>Testing identified 9 members of staff who were receiving a home telephone allowance, which was no longer appropriate for the role they were undertaking, these have now been cancelled.</p>	<p>Limited assurance</p> <p>Appendix 3 details the response from the Chief Digital Officer</p>

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R35	Review & Monitoring of Part 6 Care & Support Plans Head of Children & Young People Services	<p>It is evident that the Independent Reviewing Officers (IRO's) monitor cases on a continuing basis and ensure that the care and support plans remain in the child or young person's best interests. The IROs have appropriately challenged any possible concerns to prevent drift in the child's care plan and it has been ensured that where possible, the child or young person's views have been sought and acted upon.</p> <p>Testing revealed that for the most part the IRO's are complying with the Practice Standards, however it was identified that IRO's do not record all relevant information on the child or young person's case record within the Authority's Social Services System. Senior Management must decide what is required to be documented on the child or young person's record and a policy created to enforce this.</p> <p>The Authority follows a protocol which details how significant concerns raised by the IRO regarding a child/young person's care plan will be dealt with. The current protocol is dated 2017 and must be reviewed to ensure it is in line with the current standards. Since the start of the Covid-19 pandemic all reviews have been held remotely. The more recent use of technology has enabled children and young people to</p>	Reasonable Assurance

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		<p>contribute to the review process by the method of communication they are most comfortable with.</p> <p>A Looked After Children booklet is currently in the process of being created, however, a completion date has not been confirmed. Once approved, the booklet will be distributed to children and young people at the point of accommodation.</p>	
R36	Breathing Space Legislation Compliance Chief Finance Officer	Testing undertaken confirmed that there are robust processes in place to ensure the Authority is complying with current Breathing Space Legislation. In all testing the legislation had been fully complied with.	Substantial Assurance
R37	Integrated Impact Assessments Chief Executive	<p>Overall, good controls were found to be in place in relation to the completion of IIAs. However, the level of detail provided varied in the IIAs sampled.</p> <p>Testing has identified that completing officers would benefit from refresher training being provided. Furthermore, completed IIAs are not subject to any form of quality control review.</p> <p>Guidance in relation to the completion of IIAs is available to all staff via the intranet. However, these are in need of updating to ensure they reflect the most up to date version of the assessment forms.</p>	Reasonable Assurance

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R38	Glyncorrwg Primary School Head of Education Development	Good controls were found to be in place in relation to Salaries and Wages; Travel & Subsistence; Procurement of Goods & Services; Purchasing/Procurement Card; Cash Collection; Access/Use of IT Equipment and Health & Safety. Minor enhancements are required in relation to Unofficial Funds. The school were found to be complying in full with current DBS guidelines in respect of the employees tested.	Substantial Assurance
R39	Special Investigation	See private report for details.	
R40	Crynallt Primary School	Good controls were found to be in place in relation to Salaries and Wages; Travel & Subsistence; Purchasing/Procurement Card; Cash Collection; Access/Use of IT Equipment and Corporate Governance. Four employees were selected for testing to ensure that a DBS (Disclosure and Barring Services) was obtained prior to the commencement of their duties. The school were found to be complying in full with current DBS guidelines in respect of these employees. It was found that a DBS disclosure was not in place for 2 current governors at the school. The DBS process had been started but not completed nor followed up.	Reasonable Assurance

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R41	Special Investigation	See private report for details	
R42	Treasury Management Chief Finance Officer	Robust controls are in place for Treasury Management and there is a comprehensive Treasury Management Strategy in place. Testing did not reveal any areas of concern.	Reasonable Assurance
22-23 R1	Bryncoch Church in Wales Primary School Head of Education Development	Good controls were found to be in place in relation to Safe Recruitment; Salaries and Wages; Travel & Subsistence; Purchasing/Procurement Card; Cash Collection; Access/Use of IT Equipment and Corporate Governance. A minor enhancement is required in relation to Unofficial Funds. The school was found to be complying in full with current DBS guidelines in respect of employees tested. A DBS disclosure was in place for all current governors at the school.	Substantial Assurance
R2	Coedffranc Primary School	Good controls were found to be in place in relation to all areas tested other than Purchasing/Procurement Cards.	Substantial Assurance

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
	Head of Education Development	The school was found to be complying in full with current DBS guidelines in respect of the employees tested. All governors at the school have a DBS disclosure in place.	
R3	Ysgol Cwm Brombil Head of Education Development	Very good controls were found to be in place in relation the vast majority of administrative processes within the school. Minor enhancements are required to the controls in place with regard to the administration of the School Fund and the school minibuses. All the employees selected had a DBS in place prior to the commencement of their duties. All governors were found to have a DBS in place.	Substantial Assurance
R4	Coed Hirwaun Primary School Head of Education Development	Good controls were found to be in place in relation to all areas tested other than Procurement of Goods and Services where minor issues were identified. The school was found to be complying in full with current DBS guidelines in respect of the employees tested. All of the current governors at the school have a DBS disclosure in place.	Substantial Assurance
R5	Data Transfer from the Selima Payroll/HR System	Testing undertaken confirmed that the data has been accurately transferred from the previous Selima HR/Payroll System to the new iTrent HR/Payroll System. Although some	Substantial Assurance

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
	to the New i-Trent Payroll/HR System Chief Finance Officer & Head of HR & Occupational Development	discrepancies were identified, these were as a result of admin errors or errors which had already been identified resulting in processes being put in place to address them.	
R6	Croeserw Primary School Head of Education Development	Good controls were found to be in place in relation to all areas tested. The school was found to be complying in full with current DBS guidelines in respect of the employees tested. A DBS disclosure was in place for all current governors at the school.	Substantial Assurance
R7	Pen Afan Primary School Head of Education Development	Good controls were found to be in place in relation to all areas tested other than the school minibus. The school was found to be complying in full with current DBS guidance in relation to the staff tested. A DBS disclosure was in place for all current governors at the school.	Substantial Assurance
R8	Blaenbaglan Primary School Head of Education Development	Good controls were found to be in place in relation to all areas tested. The school was found to be complying with current DBS guidance in relation to the staff tested, all had the required DBS disclosure	Substantial Assurance

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		<p>or portability form/risk assessment in place prior to commencing duties.</p> <p>All current governors at the school have a DBS disclosure in place.</p>	
R9	<p>Maesmarchog Community Primary School</p> <p>Head of Education Development</p>	<p>Good controls were found to be in place in relation to Safe Recruitment, Travel & Subsistence; Cash Collections; Access/Use of IT Equipment; Unofficial Funds and Corporate Governance. Enhancements are required in some of the areas audited.</p> <p>The school was found to be complying in full with current DBS guidance and for the staff tested and the appropriate portability/risk assessment form was completed prior to staff commencing duties.</p> <p>All current governors at the school have a DBS disclosure in place.</p>	Reasonable Assurance
R10	<p>Awel Y Mor Primary School</p> <p>Head of Education Development</p>	<p>Good controls were found to be in place in relation to all areas tested other than where minor issues were identified in relation to Procurement Cards.</p> <p>The school was found to be complying in full with current DBS guidelines in respect of the employees tested.</p> <p>All of the current governors at the school have a DBS disclosure in place.</p>	Substantial Assurance
R11	<p>Pest Control Service</p> <p>Head of Planning & Public Protection</p>	<p>The Pest Control Service has undergone numerous changes in leadership, the most recent being in September 2021 when the</p>	Limited Assurance

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		<p>delegated responsibility for the service was transferred to the Head Planning and Public Protection.</p> <p>Issues were identified relating to the lack of guidance documents; accessibility of the service to the general public; advertising of the service; updating of the Flare system used to record details in relation to contractual visits to commercial premises; a lack of official contracts produced in consultation with the Authority’s Legal Section alongside an agreed schedule of fees for such services; adequate insurance cover in relation to non-statutory services; stock records and time recording.</p> <p>Satisfactory controls were found to be in place in relation to, budget monitoring; income; the purchase of goods and services; the use of Authority fleet vehicles; risk assessments; staff training; authorisation of overtime; waste management and the handling and storage of hazardous substances.</p>	<p>Appendix 3 details the response from the Head of Planning & Public Protection</p>
R12	Rhos Primary School Head of Education Development	<p>Good controls were found to be in place in relation to all areas tested.</p> <p>No new employees have commenced duties at the school in the last 12 months therefore no DBS testing was undertaken. A remote audit of DBS compliance within schools was undertaken in the last 12 months and no issues were identified therefore no further testing was undertaken.</p>	<p>Substantial Assurance</p>

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		A list of governors at the school was obtained. It was found that in one instance the school had submitted a new DBS request and are awaiting the notification.	
R13	Catwg Primary School Head of Education Development	Good controls were found to be in place in relation to all areas tested other than the School Unofficial Fund. The school was found to be complying in full with current DBS guidance for the staff tested. A DBS disclosure was in place for all current governors at the school.	Substantial Assurance
R14	Pupil Deprivation Access Grant Director of Education, Leisure & Lifelong Learning	It is clear that good processes are in place in relation to all aspects of the administration of the PDG Access Grant. Staff administering the grant are knowledgeable and experienced. No recommendations were made.	Substantial Assurance
R15	National Fraud Initiative – Council Tax Reduction Scheme to Payroll Systems Chief Finance Officer	This audit related to matches produced by the NFI which related to Council Tax Reduction Scheme claimants who were employed by NPT, a neighbouring Authority or other public sector organisation. A total of 156 matches were investigated and 3 of those resulted in a reduction or cancellation of benefit. One applicant had their full benefit entitlement cancelled as a change of circumstance had not been reported, this resulted in a saving to	Reasonable Assurance

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		<p>this Authority in the region of £5,000 per annum. Another claimant had their single person discount cancelled from the date that it was identified that the second adult had moved into the property and in the final case the benefit was cancelled as it was discovered that the claimant was no longer resident at the property, there was no financial saving in this case.</p>	
R16	<p>Abbey Primary School Head of Education Development</p>	<p>Good controls were found to be in place in relation to all areas tested. The school was found to be complying in full with current DBS guidance and the appropriate DBS portability form was completed when required for the staff tested. It was found that a DBS disclosure was in place for all current governors at the school.</p>	Substantial Assurance
R17	<p>Cwmnedd Primary School Head of Education Development</p>	<p>Good controls were found to be in place in relation to Budgetary Controls; Safe Recruitment; Salary & Wages; Travel & Subsistence; Purchasing/Procurement Card; Cash Collection and Unofficial Funds. Enhancements are required in relation to the procurement of goods and services; the school mini bus and the recording of fire alarm testing. The school was found to be complying in full with current DBS guidance for the staff tested.</p>	Reasonable Assurance

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		All current governors had the appropriate DBS disclosure in place.	
R18	GDPR/Data Security Head of Legal & Democratic Service and the Chief Digital Officer	<p>The Authority has appointed the Head of Legal Services as the Data Protection Officer (DPO).</p> <p>The Authority has a Data Protection Policy and a Guidance Note in place dated 2018. The documents are currently being reviewed to ensure they are accurate and up to date.</p> <p>The Authority’s privacy statements include the relevant information in line with guidance.</p> <p>Testing identified a lack of evidence to confirm that required staff have completed the relevant GDPR training.</p> <p>Enhancements are required in relation to data held within the Authority’s Archive.</p> <p>The Authority has an appropriate reporting facility in place for any suspected data breaches. All reported incidents are recorded on a breach register that is held by the Information Governance Team. If necessary, reports are taken to the Authority's Breach Panel where a decision is made on whether the ICO are required to be informed.</p> <p>There are clear and up to date policies in place detailing the processes to be followed by staff in the event of a possible data</p>	Reasonable Assurance

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		<p>breach. Testing did not raise any issues in relation to data breach reporting.</p> <p>The Authority deliver training that includes information on incident reporting along with guidance on how to minimise the likelihood of data breaches occurring. Specific guidance notes are also available on the Authority's Intranet that give clear instructions on how to share and receive data safely.</p>	
R19	National Fraud Initiative – Small Business Grant Duplicate Payments Chief Finance Officer	<p>This audit addressed the matches produced relating to business owners who had applied for and been awarded more than one small business grant from the Authority. A total of 529 matches were investigated. Only 2 issues were identified. In 1 case a business owner had been paid £4,000 twice as the result of an admin error. In the other case the business owner had fraudulently claimed £15,000 to which they were not entitled as they had made the claim after they had vacated the premises. The business is now in liquidation. The team administering the grants could not have been aware of this as they were not advised of the vacation until some considerable time after the grant had been paid. Recommendations have been made in respect of reclaiming the monies overpaid.</p>	Reasonable Assurance

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R20	Glamorgan Further Education Trust Fund Independent Examination Chief Finance Officer	The examination brought to light no issues which gave reasonable cause to believe that in any material respect the requirements to keep accounting records in accordance with the Charities Act 2011 and to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act were not met. Or to which, in the Auditor’s opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.	Substantial Assurance

Risk Categories

Substantial Assurance - testing found good controls to be operating.

Reasonable Assurance - testing found some controls which need enhancing which will be achieved by implementing the agreed recommendations.

Limited Assurance - testing revealed a number of areas where enhancement to existing controls is required. The Head of Service to provide a written response to the Governance & Audit Committee on actions taken to address the issues raised during the audit.

Appendix 1 – Published Reports

No Assurance - testing revealed areas of significant concern, the Head of Service and or Accountable Manager will attend the next Governance & Audit Committee to provide members with an update on actions taken to address the issues raised during the audit.

Appendix 2 – Audit Plan Monitoring at 31st August 2022

Audit Plan Item	Risk Rating	Position as at 31 st August 2022
Members ICT Equipment	M	Audit in progress
Ethics – Member	M	
Payroll	H	
Housing Benefits	H	
Creditors	M	
National Non-Domestic Rates	M	
Debtors	M	
Creditors (monthly checks)	M	Being undertaken monthly
Court Deputy Service	M	
Third Sector Grants	M	Audit in progress
Registrars	M	Audit in planning stage
Procurement	H	
GDPR/Data Security	M	Audit complete
Compliance with Safe Recruitment Policy	M	
Leisure Insourcing	H	Steering group meetings being attended
Pupil Deprivation Access Grant	M	Audit Complete

Appendix 2 – Audit Plan Monitoring at 31st August 2022

Glamorgan Further Education Trust	M	Audit complete
Primary Schools	M	12 schools audited
Comprehensive Schools	M	1 school audited
Education Support Officers	M	
Music Service	M	
Bursar & Primary Support Officer Service	M	Audit in planning stage
School Based Counselling Service	M	
Food Risk	H	
Stores	H	
SWTRA – Partners use of vehicles	H	
City Deal Projects	H	Audit in planning stage
Authorised Persons (Buildings)	M	
External Provision of Care	H	
Day Centres	M	1 audit in progress and 1 audit planned to commence in October
Direct Payments	M	Audit in progress

Appendix 2 – Audit Plan Monitoring at 31st August 2022

Follow up on use of respite care	M	
Audit Wales review of Safeguarding – progress on recommendations made	M	Audit in planning stage
Pendarvis Contact Centre	M	
Hillside Secure Children’s Home	M	
Home Outside the Family	M	
Grants	M	1 grant audited
Emergency Payments	H	Audit in planning stage
Officer Declarations	M	Audit in progress
WFH control of equipment	M	
Fraud & National Fraud Initiative	H	Work ongoing
Special Investigations & Whistleblowing	H	1 in progress
Vision Impaired West Glamorgan	Not Applicable	

Appendix 2 – Audit Plan Monitoring at 31st August 2022

Staff Association Lottery	Not applicable	Year-end accounts audited
FOI requests	Not applicable	All received have been answered
Advice	Not applicable	Ongoing
Attendance at working parties & task and finish groups	Not applicable	Ongoing

To: Governance & Audit Committee

Subject: Internal Audit Report No 34 – Mobile Phones & Home Telephone Allowances

While Digital Services have strategic responsibility for the authority mobile phone contract and arrange for devices to be assigned to users following requests from accountable managers, once issued operational management responsibility passes to the respective accountable manager.

Digital services are able to provide reports on devices that are allocated to each cost centre and usage reports on individual devices are also readily available. Despite these reports being available they are rarely requested by accountable managers.

As stated within the report executive summary, the implementation of the new mobile phone contract is expected to address the issues identified in relation to bill monitoring and excess usage.

All recommendations made within the report are accepted, with recommendation 1 and 2 already complete, and recommendation 3 in progress, when implemented this will address the control failings identified.

Internal Audit copied the report to all heads of service and asked that they cascade the contents to their accountable managers to make them aware of the issues raised and their responsibilities in respect of mobile phones assigned to their staff

Chris Owen
Chief Digital Officer

Dear Chair,

Governance & Audit Committee
Pest Control Service – Response to Internal Audit Report Number 11

Firstly, I wish to confirm that having reviewed the content of the above mentioned Audit Report, I accept the recommendations set out therein and since receipt have been working alongside the Environmental Health & Trading Standards Manager and General Environmental Health Team Leader to prepare and put in place a plan to address the recommendations.

Members of the Committee should note that the 'Pest Control and Dog Warden Service' has only relatively recently been incorporated into the Planning and Public Protection Service. Having previously been part of the structure in Streetcare, a 'management transfer' was implemented on 1st September 2021 and the service now sits within the General Environmental Health team – at the point of transfer, the team comprised three full time staff namely x2 'Pest and Dog Control Officers' and x1 'Operational Support Officer'.

Subsequently, in February 2022 Cabinet considered a paper that reviewed options for service provision along with fees for the service. As a consequence, a reduction of fees was agreed (i.e. from £123 to £40 for 3 treatment visits for domestic rats and mice), along with the consequential need to provide additional resilience for the team in the form of supervisory and technical support thereby ensuring sufficient resource exists to deliver service priorities and targets.

In implementing the above, changes to the structure have now been agreed, with the intention to now finalise the necessary recruitment to the newly established posts, namely a 'Senior Pest & Dog Control Enforcement Officer' and 'Pest Control Officer'.

While progress has already been made in addressing some of the recommendations, it is anticipated that all recommendations will be addressed by the end of the financial year.

Mr Ceri Morris
Head of Planning and Public Protection

GOVERNANCE AND AUDIT COMMITTEE

FORWARD WORK PROGRAMME

2022 - 2023

Governance and Audit Committee (10am unless otherwise stated)

Meeting Date 2022	Agenda Item	Type	Contact Officer
27 th July (2pm)	Training for Members		

Meeting Date 2022	Agenda Item	Type	Contact Officer
27 th September (2pm) Page 272	Register of Regulators Reports & Recommendations	Information	Caryn Furlow-Harris
	Statement of Accounts	Information	Diane Mulligan
	Internal Audit - Strategy and Risk Based Plan for 2022-2023	Decision	Diane Mulligan/Anne-Marie O'Donnell
	Internal Audit – Annual Report 2021/22	Information	Diane Mulligan/Anne-Marie O'Donnell
	Internal Audit – Update Report	Information	Diane Mulligan/Anne-Marie O'Donnell
	Private Item – Special Investigations (if there are any to report)	Information	Diane Mulligan/Anne-Marie O'Donnell
	Audit Wales – Audit Plan 22-23	Information	Diane Mulligan/Anne-Marie O'Donnell

	Audit Wales – Work Programme and Timetable	Information	Caryn Furlow-Harris
	Audit Wales - Final Assurance and Risk Assessment Progress Update Letter	Information	Karen Jones

Meeting Date 2023	Agenda Item	Type	Contact Officer
12th January	Internal Audit Progress Report	Information	Diane Mulligan/Anne-Marie O'Donnell
	Private Item – Special Investigations (if there are any to report)	Information	Diane Mulligan/Anne-Marie O'Donnell

Page 274

Meeting Date 2023	Agenda Item	Type	Contact Officer
17th March	Internal Audit Progress Report	Information	Diane Mulligan/Anne-Marie O'Donnell
	Private Item - Special Investigations (if there are any to report)	Information	Diane Mulligan/Anne-Marie O'Donnell

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank