



PWYLLGOR LLYWODRAETHU AC ARCHWILIO

10.00 AM - DYDD IAU, 12 IONAWR 2023

**CYFARFOD AML-LEOLIAD - SIAMBR Y CYNGOR PORT, TALBOT A
MICROSOFT TEAMS**

**RHAID GOSOD POB FFÔN SYMUDOL AR Y MODD DISTAW AR
GYFER PARHAD Y CYFARFOD**

Gweddarlledu/Cyfarfodydd Hybrid:

Gellir ffilmio'r cyfarfod hwn i'w ddarlledu'n fyw neu'n ddiweddarach drwy wefan y cyngor. Drwy gymryd rhan, rydych yn cytuno i gael eich ffilmio ac i'r delweddau a'r recordiadau sain hynny gael eu defnyddio at ddibenion gweddarlledu a/neu hyfforddiant o bosib.

Rhan 1

1. Cyhoeddiad y Cadeirydd
2. Datganiadau o fuddiannau
3. Cofnodion y Cyfarfod Blaenorol (*Tudalennau 5 - 18*)
4. Rhaglen Waith ac Amserlen Archwilio Cymru (Diweddariad Chwarterol) (*Tudalennau 19 - 40*)
5. Archwilio Cymru - Adroddiad Archwilio Cyfrifon 2021/22 (*Tudalennau 41 - 78*)
6. Datganiad o Gyfrifon 2021/22 (*Tudalennau 79 - 246*)
7. Adroddiad Cynnydd Archwilio Mewnol (*Tudalennau 247 - 266*)
8. Monitro Rheolaeth y Trysorlys 2022/23 (*Tudalennau 267 - 274*)
9. Cofrestr o Adroddiadau ac Argymhellion Rheolyddion (*Tudalennau*

275 - 288)

10. Eitemau brys
Unrhyw eitemau brys yn ol disgrisiwn y Cadeirydd yn unol ag Adran 100B (4) (b) o Ddeddf Llywodraeth Leol 1972.
11. Blaenraglen Waith (*Tudalennau 289 - 292*)
12. Mynediad i gyfarfodydd
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.

Rhan 2

13. Archwilio Mewnol - Ymchwiliadau Arbennig (*Tudalennau 293 - 296*)

K.Jones
Prif Weithredwr

Canolfan Ddinesig
Port Talbot

Dydd Gwener, 6 Ionawr 2023

Aelodaeth y Pwyllgor:

Cadeirydd: J.Jenkins

Is-gadeirydd: A.Bagley

Aelodau: Councillors A.R.Aubrey, O.S.Davies,
W.Carpenter, A.J.Richards, P.D.Richards,
P.Rogers, R.Mizen a/ac M.Spooner

**Mae pleidleisio
aelod lleyg:** H.Griffiths a/ac M.Owen

Mae'r dudalen hon yn fwriadol wag

PWYLLGOR LLYWODRAETHU AC ARCHWILIO

(CYFARFOD AML-LEOLIAD - SIAMBR Y CYNGOR PORT, TALBOT A MICROSOFT TEAMS)

Aelodau sy'n Bresennol:

Dydd Mawrth, 27 Medi 2022

Cadeirydd: J.Jenkins

Is-gadeirydd: A.Bagley

Cynghorwyr: A.R.Aubrey, O.S.Davies, W.Carpenter,
A.J.Richards, P.D.Richards, P.Rogers a/ac
M.Spooner

**Swyddogion sy'n
Bresennol:** C.Griffiths, H.Jones, A.O'Donnell, C.Furlow-
Harris a/ac C.Plowman

**Cynrychioli Swyddfa
Archwillio Cymru:** G.Gillett, A.Worthy a/ac N.Jenkins

**Aelod Lleyg sy'n
Pleidleisio:** M.Owen a/ac H.Griffiths

Arsylwyr: R.Mizen

1. **PENODI CADEIRYDD**

PENDERFYNWYD: Penodi'r Aelod Lleyg, Joanna
Jenkins, yn Gadeirydd y
Pwyllgor.

2. **PENODI DIRPRWY GADEIRYDD**

PENDERFYNWYD: Penodi'r Aelod Lleyg, Andrew
Bagley, yn Is-gadeirydd y
Pwyllgor.

3. **CYHOEDDIAD Y CADEIRYDD**

Croesawodd y Cadeirydd bawb i'r cyfarfod.

4. **DATGANIADAU O FUDDIANNAU**

Derbyniwyd y Datganiad o Fuddiannau canlynol yn ystod y drafodaeth am yr eitem agenda berthnasol:

Y Cynghorydd Marcia Spooner Parthed Eitem Agenda 11 – Adroddiad Diweddarau Archwilio Mewnol, gan ei bod yn llywodraethwr ysgol yn Ysgol Gynradd Rhos a grybwyllwyd yng nghyd-destun yr adroddiad.

5. **ARCHWILIO CYMRU - LLYTHYR YN RHOI'R DIWEDDARAF AR GYNNYDD SICRWYDD A'R ASESIAD RISG TERFYNOL**

Rhodddwyd diweddariad cynnydd i'r Pwyllgor gan Archwilio Cymru ar drefniadau'r cyngor ar gyfer ymateb i ofynion Deddf Llywodraeth Leol ac Etholiadau (Cymru) 2021. Eglurwyd bod y gwaith wedi'i wneud yn gynharach eleni, ac roedd y canfyddiadau o'r darn hwnnw o waith wedi'u cynnwys fel atodiad i'r adroddiad a ddsbarthwyd.

Esboniwyd bod Deddf Llywodraeth Leol ac Etholiadau (Cymru) 2021 wedi dod â newid sylweddol o ran y gofynion llywodraethu a pherfformiad. Hysbyswyd yr Aelodau fod y cyngor wedi bod yn gwneud cynnydd da dros y flwyddyn ddiwethaf, yn enwedig o gofio bod y cyngor yn dal i ymateb i'r pandemig.

Tynnodd Swyddogion sylw at y pwyntiau canlynol o ran cynnydd:

- Roedd yr holl wasanaethau wedi datblygu eu cynlluniau adfer gwasanaethau eu hunain, gan nodi'u blaenoriaethau ar gyfer y flwyddyn sydd i ddod; roedd dros 80 o gynlluniau adfer gwasanaethau ar waith.
- Gwnaed cynnydd wrth ddatblygu hunanasesiad corfforaethol cyntaf y cyngor; roedd hyn yn ofyniad newydd o dan y Ddeddf. Ychwanegwyd y bydd yr Aelodau'n cael gweld hwn mewn cyfarfod yn y dyfodol, gan mai rôl y Pwyllgor Llywodraethu ac Archwilio oedd adolygu hunanasesiad drafft y cyngor.

- Roedd cynnydd yn cael ei wneud wrth ddatblygu Strategaeth Cyfranogiad y cyngor.

Eglurodd Archwilio Cymru eu bod wedi cyflawni'r gwaith esbonio hwn ar draws yr holl gynghorau yng Nghymru, fel rhan o'u hasesiad sicrwydd a risg parhaus; roeddent yn falch o glywed y diweddariadau gan Swyddogion, a byddent yn gwirio gyda chynghorau i ddeall sut yr oeddent yn symud ymlaen gyda'r gwaith hwn dros y flwyddyn nesaf.

O ran y Strategaeth Cyfranogiad, nododd Archwilio Cymru, o ystyried y diddordeb yr oedd cynghorau eraill wedi'i ddangos wrth ddysgu o arfer da gan gynghorau eraill, y byddent yn mynd â'r diddordeb hwn yn ôl i Archwilio Cymru i weld a fyddai modd hwyluso'r dysgu hwn a sut byddai modd gwneud hynny.

PENDERFYNWYD:

Nodi'r adroddiad.

6. ARCHWILIO CYMRU - CYNLLUN ARCHWILIO 2022/2023

Cyflwynodd Archwilio Cymru eu Cynllun Archwilio a oedd yn cynnwys manylion y gwaith yr oeddent yn bwriadu'i wneud yn ystod 2022/23; er mwyn cyflawni'u cyfrifoldebau statudol, hysbysir y cyngor pryd y bydd y gwaith yn cael ei wneud, faint y bydd yn ei gostio a phwy fydd yn ymgymryd â'r gwaith.

Nodwyd y cyfrifoldebau a'r datganiadau ariannol ym mharagraff wyth o'r cynllun a ddosbarthwyd. Amlinellwyd y canlynol o Gynllun Archwilio Cymru ar gyfer Cyngor Castell-nedd Port Talbot:

- Roedd yn rhaid i Archwilio Cymru roi barn ar wirionedd a thegwch datganiadau ariannol y cyngor; ac asesu a oedd yr adroddiad naratif a'r datganiad llywodraethu blynyddol, a luniwyd yn unol â chanllawiau, yn gyson â'r cyfrifon a gwybodaeth Archwilio Cymru am y cyngor.
- Wrth archwilio'r cyfrifon, mabwysiadodd Archwilio Cymru gysyniad o fateroldeb wrth gyflawni'u gwaith; edrychon nhw ar gamddatganiadau a allai arwain at gamarwain y sawl sy'n darllen y cyfrifon.
- Adroddodd Archwilio Cymru lefel yr hyn a farnwyd ganddynt yn gamddatganiadau, sy'n berthnasol i'r cyngor, yn eu datganiadau ariannol. Nodwyd bod hyn tua £5.5 miliwn.

- Roedd yr ymagwedd archwilio'n seiliedig ar asesiad Archwilio Cymru o beryglon camddatganiadau perthnasol; yng ngham cynllunio'r archwiliad, roeddent wedi nodi tair risg a grynhowyd yn Arddangosyn Un yn y cynllun a ddosbarthwyd. Soniwyd bod yr elfen hon hefyd yn nodi'r gwaith roedd Archwilio Cymru yn bwriadu'i wneud i fynd i'r afael â'r risgiau hynny.

Cafwyd trafodaeth mewn perthynas â'r gwaith archwilio perfformiad a wnaed; gellid dod o hyd i fanylion y gwaith hwn ar dudalen 21 o'r adroddiad a ddosbarthwyd. Eglurwyd bod archwiliad perfformiad yn seiliedig ar y pum ffordd o weithio, ynghyd â'r tair E, Economi, Effeithlonrwydd ac Effeithiolrwydd; Roedd hi'n ddyletswydd ar Archwilio Cymru i seilio'u gwaith o gwmpas y meysydd allweddol hyn.

Hysbyswyd y Pwyllgor fod Archwilio Cymru wedi mabwysiadu ymagwedd hyblyg ar draws eu harchwiliadau perfformiad gyda chynghorau ledled Cymru yn ystod y pandemig; roeddent wedi sicrhau eu bod yn ymgynghori â chynghorau, fel maent yn ei wneud bob blwyddyn, yn ogystal â llywio'u gwaith yn y dyfodol.

Nodwyd bod Archwilio Cymru wedi cynnal gweithdai blynyddol gyda chynghorau er mwyn trafod syniadau cychwynnol o ran y risgiau a nodwyd, a'r hyn yr oedd cynghorau'n gweithio arno ar hyn o bryd o ran y risgiau hynny; yn dilyn hyn, lluniodd Archwilio Cymru raglen o waith archwilio a oedd yn cwmpasu elfennau lleol, rhanbarthol a chenedlaethol. Soniwyd bod y cynllun yn nodi'r tair lefel o waith ar gyfer Cyngor Castell-nedd Port Talbot, gyda phwyslais arbennig ar y gwaith perfformiad lleol, y gellid dod o hyd i fanylion yn eu cylch yn Arddangosyn Dau o'r cynllun a ddosbarthwyd.

Tynnodd Archwilio Cymru sylw at raglen archwilio perfformiad Castell-nedd Port Talbot ar gyfer 2022/2023. Yr elfen gyntaf a nodwyd yn y tabl oedd sicrwydd ac asesiad risg; rhestrwyd y meysydd a nodwyd i'r cyngor ganolbwyntio arnynt fel sefyllfa ariannol, rheoli rhaglenni cyfalaf, llywodraethu, y defnydd o wybodaeth am berfformiad gan ganolbwyntio ar adborth a chanlyniadau defnyddwyr gwasanaeth, a gosod amcanion lles.

Cadarnhawyd bod Archwilio Cymru wedi dechrau eu hadolygiad thematig o ofal annisgwyl; roedd briff y prosiect ar gael, ac roedd tîm Archwilio Cymru a oedd yn gyfrifol am iechyd a llywodraeth leol yn gweithio ar hyn.

Roedd yr Aelodau'n ymwybodol y cytunwyd bod adolygiad thematig arall yn cael ei gynnal ar draws holl gynghorau Cymru ar gyfer

2022/23; Y llynedd (2021/22) roedd yr adolygiad yn seiliedig ar reoli'r gweithlu a rheoli asedau, ac eleni cadarnhawyd y byddai'r adolygiad yn seiliedig ar waith digidol. Dywedwyd y bydd yr adolygiad yn canolbwyntio ar gasglu gwybodaeth am sut roedd cynghorau wedi dysgu ac wedi bod yn arloesol drwy gydol y pandemig; roedd yn rhaid i bob cyngor ddarllen yr hyn yr oeddent yn bwriadu'i wneud cyn y pandemig, ac fe allai'r pandemig fod wedi bod yn gatalydd i wneud gwelliannau i'r ffordd y mae cynghorau'n gweithio. Nodwyd bod gwasanaethau digidol wedi dod yn ddatrysiad ar gyfer y dyfodol i wasanaethau cyhoeddus, felly roedd yn thema bwysig i'w hystyried.

Nodwyd bod prosiect lleol y cyngor wedi'i gymeradwyo; bydd Archwilio Cymru yn edrych ar effeithiolrwydd craffu yng Nghyngor Castell-nedd Port Talbot. Hysbyswyd yr Aelodau y byddai Archwilio Cymru yn trafod hyn ymhellach yn y flwyddyn newydd, i benderfynu sut roedd y gwaith yn cael ei ddatblygu; roedd cyfleoedd hefyd i Archwilio Cymru hysbysu'r cyngor o'r arferion gorau a dysgu gan gynghorau eraill.

I gloi'r adroddiad, tynnwyd sylw at y ffaith bod y ffi archwilio amcangyfrifedig ar gyfer 2022 wedi'i nodi yn Arddangosyn Tri o'r cynllun a ddsbarthwyd; Roedd Arddangosyn Pedwar yn nodi prif aelodau'r tîm archwilio, ac roedd yr amserlen arfaethedig yn Arddangosyn Pump yn manylu ar yr amserlen ar gyfer pryd y gallai'r cyngor ddisgwyl i Archwilio Cymru gwblhau a rhoi adroddiad am y gwaith.

PENDERFYNWYD:

Nodi'r adroddiad.

7. ARCHWILIO CYMRU - RHAGLEN WAITH AC AMSERLEN

Hysbyswyd yr Aelodau o'r gwaith a wnaed gan Archwilio Cymru hyd at 30 Mehefin 2022.

Eglurwyd bod Archwilio Cymru wedi bod yn rhannu eu rhaglen waith a diweddariadau i amserlenni gyda'r cyngor bob chwarter; roedd y ddogfen yn grynoded o'r gwaith a wnaed gan reolyddion ac arolygiaethau allanol. Nodwyd bod diweddariadau'r rhaglen waith a'r amserlen yn cynnwys dolenni gwefannau i'r adroddiadau perthnasol er mwyn i'r Pwyllgor ganfod a darllen gwybodaeth ynghylch darnau o waith terfynol yn hawdd.

Tynnodd Archwilio Cymru sylw at y ffaith bod y gwaith ar gyfer 2021/2022 bron â'i gwblhau, ac roeddent yn bwrw ymlaen â'r rhaglen

2022/2023; roedd y ddogfen hefyd yn manylu ar yr astudiaethau cenedlaethol a gynlluniwyd neu a oedd ar y gweill, yn ogystal â'r rheini a gyhoeddwyd.

PENDERFYNWYD: Nodi'r adroddiad.

8. **DATGANIAD O GYFRIFON**

Rhodddwyd yr wybodaeth ddiweddaraf i'r Pwyllgor o ran Datganiad o Gyfrifon y cyngor ar gyfer 2021/2022.

Dywedodd Prif Swyddog Cyllid y cyngor fod yr archwiliad wedi'i gwblhau'n sylweddol, fodd bynnag nid oedd Archwilio Cymru'n gallu'i gymeradwyo ar hyn o bryd oherwydd mater cenedlaethol parhaus mewn perthynas â chyfrif am asedau isadeiledd; ar y sail y byddai'r mater yn cael ei ddatrys yn fuan, roedd Swyddogion yn gobeithio cyflwyno'r fersiwn derfynol i'r Pwyllgor ym mis Tachwedd, ynghyd ag adroddiad cysylltiedig y gofynnwyd amdano i gymeradwyo'r cyfrifon.

PENDERFYNWYD: Nodi'r adroddiad.

9. **ARCHWILIO MEWNOL - ADRODDIAD BLYNYDDOL 2021/2022**

Cyflwynodd Swyddogion Farn Flynyddol y Pennaeth Archwilio Mewnol ar y rheolaethau mewnol, trefniadau llywodraethu a phrosesau rheoli risg sy'n gweithredu o fewn y cyngor yn ystod y flwyddyn ariannol 2021/22.

Nodwyd mai prif bennawd yr adroddiad oedd y gwaith a wnaed gan yr archwiliad mewnol a'r rheolyddion allanol; yn dilyn y gwaith hwn, roedd Swyddogion mewn sefyllfa i roi sicrwydd rhesymol nad oedd gwendidau sylweddol yn yr amgylchedd rheoli cyffredinol sy'n gweithredu ar draws y cyngor. Fodd bynnag, nodwyd na chydymffurfiwyd yn llawn â'r polisi rheoli risg cyfredol yn ystod y flwyddyn ariannol flaenorol. Sicrhawyd yr Aelodau fod risgiau'n cael eu rheoli yn y ffordd arferol, a bod y problemau'n ymwneud ag adrodd am y risgiau a'u diweddarau; roedd gwaith yn mynd rhagddo ar hyn o bryd i ddiwygio'r polisi, a fydd yn cael ei gyflwyno i'r Pwyllgorau priodol maes o law.

Pwysleisiodd Swyddogion, wrth roi'r farn flynyddol, na allant roi sicrwydd llwyr ar unrhyw adeg; ni ellid profi pob system sy'n gweithredu yn yr awdurdod bob blwyddyn, felly dim ond sicrwydd rhesymol y gallai Swyddogion ei roi i'r Pwyllgor ar sail y gwaith a wnaed.

Cyfeiriwyd at Atodiad Un a gynhwyswyd yn yr adroddiad a ddsbarthwyd, a oedd yn rhoi manylion y cyflawniad yn erbyn y cynllun archwilio mewnol; fel y nodwyd yng nghorff yr adroddiad, collwyd nifer sylweddol o ddyddiau'r llynedd oherwydd salwch yn y tîm. Nodwyd bod cynllun diwygiedig wedi'i gyflwyno i gyfarfod blaenorol o'r Pwyllgor, a oedd yn dileu rhai o'r meysydd risg is, a oedd yn caniatáu i Swyddogion ganolbwyntio ar y meysydd risg uwch.

Soniwyd bod Atodiad 2 o'r adroddiad a ddsbarthwyd yn rhoi manylion cynllun sicrwydd ansawdd a gwella parhaus y Tîm Archwilio Mewnol.

Gofynnodd yr Aelodau am ragor o wybodaeth ynghylch y ffaith na chydymffurfiwyd yn llawn â'r polisi rheoli risgiau. Esboniodd y Swyddogion fod disgwyl i'r polisi gael ei adolygu bob 3 blynedd, gyda'r dyddiad adolygu wedi'i bennu ar gyfer 2021; cafodd yr adolygiad hwnnw ei ohirio ychydig, fodd bynnag roedd cynnydd da bellach yn cael ei wneud ar yr adolygiad. Nodwyd bod oedi o ran adrodd am y risgiau a'r sefyllfa ddiweddaraf wrth y Pwyllgor priodol; Nid oedd Swyddogion yn gallu cadw at yr amllder adrodd am nifer o resymau gan gynnwys newid yn y weinyddiaeth ac oedi cyn cynnal cyfarfodydd. Hysbyswyd yr Aelodau fod y cyngor wedi cryfhau'r personél a oedd yn ymdrin â'r polisi rheoli risgiau, a dylai hynny olygu gwelliant sylweddol yn y dyfodol.

Cyfeiriwyd at ddatrysiad system RhCC (Rheoli Cysylltiadau Cwsmeriaid) a oedd wedi'i drafod yn flaenorol yn sesiwn hyfforddi'r Pwyllgor Llywodraethu ac Archwilio. Gofynnwyd a oedd cynnydd wedi'i wneud wrth roi'r datrysiad digidol ar waith. Tynnodd Swyddogion sylw at y ffaith bod gwaith wedi'i wneud i symud y gofrestr risgiau strategol ar ddatrysiad sy'n seiliedig ar *Microsoft Excel*; roedd yn barod i'w weithredu, yn dilyn trafodaethau yn y Grŵp Cyfarwyddwyr Corfforaethol a chyfarfod o'r Pwyllgor Llywodraethu ac Archwilio yn y dyfodol.

Yn dilyn yr uchod, holwyd a fyddai rhai elfennau o'r system RhCC yn ddigidol, yn ogystal â'r rheini a oedd ar *Microsoft Excel*. Eglurwyd bod y risgiau gweithredol, a oedd ar lefel rheolwr atebol, wedi'u cynnwys ar y system RhCC; roedd y risgiau strategol yn cael eu cynnal ar daenlen *Excel* am y tro.

Roedd yr adroddiad a ddsbarthwyd yn manylu bod cyfanswm o 42 adroddiad archwilio ffurfiol wedi'u cyhoeddi, a dim ond un archwiliad a arweiniodd at raddfa sicrwydd gyfyngedig. Gofynnwyd a oedd hyn yn

golygu bod 41 adroddiad yn gadarnhaol. Cadarnhaodd Swyddogion y byddai'r 41 adroddiad naill ai wedi cael sicrwydd sylweddol neu raddfa sicrwydd resymol.

Gofynnwyd cwestiwn ynglŷn â sicrwydd ansawdd, a manylion yn ymwneud â'r tro diwethaf y cynhaliwyd asesiad sicrhau ansawdd ar y tîm. Cadarnhawyd mai 2018 oedd y tro diwethaf y cynhaliwyd sicrwydd ansawdd ar y tîm; roedd disgwyl iddynt gael eu hasesu'n allanol eto yn gynnar yn y flwyddyn galendr newydd. Hysbyswyd y Pwyllgor y byddai'n cael ei gynnal drwy gyfrwng adolygiad gan gymheiriaid, gyda'r awdurdodau eraill sy'n cymryd rhan yng Nghymru; Byddai gofyn i Gyngor Castell-nedd Port Talbot gynnal adolygiad ar Gyngor Bwrdeistref Sirol Caerffili, a bydd cydweithwyr yng Nghyngor Conwy yn cynnal yr adolygiad ar Gyngor Castell-nedd Port Talbot.

Yn ogystal â'r uchod, eglurodd Swyddogion fod y cyngor yn dilyn safonau archwilio mewnol y sector cyhoeddus, a'u templed asesu allanol, pan oedd adolygiad allanol yn cael ei gynnal. Nodwyd bod pob cyngor yn gyfrifol am gwblhau hunanasesiad i benderfynu a oedd y cyngor wedi cydymffurfio, cydymffurfio'n rhannol neu heb gydymffurfio; byddai'r asesiad hwn wedyn yn cael ei adolygu gan y cyngor a oedd yn cynnal yr adolygiad allanol, a byddant yn gofyn am dystiolaeth ddogfennol i gefnogi'r honiadau a wnaed yn yr hunanasesiad.

Hysbyswyd yr Aelodau fod y cyngor a oedd yn cynnal yr adolygiad wedi cynnal sgyrsiau ag amrywiaeth o bobl yn flaenorol er mwyn bwydo i mewn i'r adolygiad; gan gynnwys Cadeirydd ac Is-gadeirydd y Pwyllgor, Swyddog Adran 151 ac Archwilwyr Allanol. Cadarnhawyd y caiff adroddiad ffurfiol ei ysgrifennu a'i gyflwyno i'r Pwyllgor Llywodraethu ac Archwilio, wedi i'r adolygiad gael ei gwblhau.

PENDERFYNWYD: Nodi'r adroddiad.

10. **ARCHWILIO MEWNOL - STRATEGAETH A CHYNLLUN SY'N SEILIEDIG AR RISG AR GYFER 2022/2023**

Cyflwynwyd manylion y Strategaeth Archwilio Mewnol Ddrafft a Chynllun sy'n Seiliedig ar Risg ar gyfer y cyfnod rhwng 1 Ebrill 2022 a 31 Mawrth 2023 a'r Siarter Fewnol bresennol, i'r Pwyllgor.

Tynnodd Swyddogion sylw at y ffaith bod y Strategaeth Archwilio Mewnol Ddrafft, a gynhwyswyd yn Atodiad Un o'r adroddiad a ddosbarthwyd, yn darparu manylion am y canlynol:

- Diffiniad a diben archwilio mewnol

- Y strwythur staffio presennol
- Y gofynion cyfreithiol
- Sut y datblygwyd y cynllun
- Manylion yr adnoddau sydd ar gael
- Sut bydd y cynllun yn cael ei gyflawni

Trafodwyd y Cynllun Archwilio Mewnol Drafft, a gynhwyswyd yn Atodiad Dau o'r adroddiad a ddisbarthwyd. Dywedwyd y gofynnir i'r Pwyllgor, fel arfer, i ystyried cymeradwyo'r cynllun yn gynharach yn y flwyddyn ariannol; fodd bynnag, oherwydd yr Etholiad Llywodraeth Leol ddiweddar a'r newidiadau yn yr awdurdod, hwn oedd cyfarfod cyntaf y Pwyllgor. Nodwyd, er i'r cynllun gael ei gyflwyno i'r Pwyllgor ar ffurf ddrafft a bod angen ei gymeradwyo, y bu'n rhaid i Swyddogion ddechrau ar rai o'r eitemau sydd wedi'u cynnwys ynddo.

Cyfeiriwyd at y golofn graddio risgiau a geir yn y cynllun; pennir y raddfa risgiau gan fformiwla, gan gymryd y newidynnau canlynol i ystyriaeth:

- Maint y gweithgaredd sy'n cael ei archwilio yn seiliedig ar incwm blynyddol, gwariant neu faint y gyllideb, nifer y gweithwyr dan sylw, yr effaith bosib ar yr awdurdod os bydd rhywbeth yn mynd o'i le o fewn y gwasanaeth hwnnw, amlder trafodion, neu rymgweithiadau â defnyddwyr gwasanaeth.
- Y rheolaethau sy'n gweithredu o fewn y gwasanaeth hwnnw, gan gynnwys effaith rheolaeth a staff, sensitifrwydd trydydd parti (os oedd methiant o fewn y gwasanaeth hwnnw, a fyddai'n effeithio ar fannau eraill o fewn yr awdurdod neu'n allanol), safonau rheolaeth fewnol a'r tebygolrwydd y bydd rhywbeth yn mynd o'i le
- Canfod unrhyw broblemau gan gynnwys cyfyngiadau effeithiolrwydd yr archwiliad, parhad y gwaith archwilio a'r tro diwethaf y cynhaliwyd archwiliad, ac effeithiolrwydd unrhyw ddarparwyr sicrwydd eraill neu orchmynion blaenorol

Nodwyd bod yr wybodaeth berthnasol wedi'i rhoi mewn taenlen; byddai'r fformiwla wedyn yn pennu ffigur yn seiliedig ar yr wybodaeth a dderbyniwyd. Nodwyd y ffigurau a'u graddfeydd risgiau fel a ganlyn:

- Risg uchel - 50+
- Risg ganolig – 21 i 49
- Risg isel - hyd at 20

Tynnodd Swyddogion sylw at yr amrediad o raddfeydd risgiau a fanylwyd yn y cynllun cyfredol; a oedd yn cynnwys sylw digonol ar draws holl feysydd busnes y cyngor. Hysbyswyd yr Aelodau fod y cynllun wedi'i lunio gan gyfeirio at gofrestr risgiau'r cyngor, trafodaethau â phob un o'r Uwch-dimau Rheoli Corfforaethol, y profiad gan Swyddogion sy'n gweithio yn y Timau Archwilio, ac unrhyw beth a nodwyd ar unrhyw adroddiadau rheoleiddiol eraill.

Darparwyd trosolwg byr o'r Siarter Archwilio Mewnol i'r Pwyllgor, a gynhwyswyd yn Atodiad Tri o'r adroddiad a ddosbarthwyd. Dywedwyd mai diben y Siarter oedd dweud beth yw archwiliad mewnol, beth mae archwiliad mewnol yn ei wneud a'r hyn y gall cleientiaid ei ddisgwyl gan archwiliad mewnol; roedd yn ofynnol i safonau archwilio mewnol y sector cyhoeddus gael Siarter, adolygu'r Siarter honno ac iddi gael ei chymeradwyo gan Aelodau.

PENDERFYNWYD:

1. Cymeradwyo'r Strategaeth Archwilio Mewnol ddrafft, fel y nodir yn Atodiad 1 o'r adroddiad a ddosbarthwyd
2. Cymeradwyo'r Cynllun Archwilio Mewnol drafft, fel y nodir yn Atodiad 2 o'r adroddiad a ddosbarthwyd
3. Cymeradwyo'r Siarter Archwilio Mewnol ddiweddaedig, fel y nodir yn Atodiad 3

11. ARCHWILIO MEWNOL - ADRODDIAD DIWEDDARU

Cyflwynodd Swyddogion yr Adroddiad Diweddarau Archwilio Mewnol a oedd yn cynnwys manylion am y gwaith a wnaed ers cyfarfod diwethaf y Pwyllgor Llywodraethu ac Archwilio; roedd hwn yn adroddiad chwarterol a oedd yn hysbysu Aelodau o'r sefyllfa bresennol a'r hyn a gwblhawyd ers y cyfarfod diwethaf, gan gynnwys manylion yr archwiliadau a gynhaliwyd a'u graddfeydd sicrwydd.

Roedd un o'r prif bwyntiau a amlygwyd mewn perthynas â phroblemau staffio; ers cyfarfod diwethaf y Pwyllgor, roedd lefel uchel iawn o salwch wedi effeithio ar y tîm eto, gyda dau aelod o staff ar

salwch tymor hir. Fodd bynnag, soniwyd bod y salwch yn cael ei reoli'n unol â pholisïau a gweithdrefnau'r cyngor.

Problem staffio arall a godwyd oedd y broblem hirsefydlog o ran swyddi Archwilwyr Cynorthwyol. Nodwyd ei bod yn anodd recriwtio ar gyfer y swyddi hyn yn draddodiadol, hyd yn oed pan fyddai rhywun yn cael ei recriwtio, byddai'n gadael yn ddieithriad ar ôl blwyddyn neu ddwy i weithio yn yr adran gyfrifon neu rywle arall o fewn y cyngor; roedd hyn yn rhan o broblem ehangach o ran recriwtio mewn Timau Archwilio mewn amryw o gynghorau. Oherwydd y broblem hon, esboniodd Swyddogion eu bod wedi cynnal adolygiad o'r strwythur staffio; cytunwyd i ddileu'r swydd Archwilydd Cynorthwyol a rhoi swydd Archwilydd yn ei lle. Cadarnhawyd bod hyn wedi ei gwblhau, a bod y swydd wag yn cael ei hysbysebu ar hyn o bryd ar fwletin swyddi gwag y cyngor, gyda dyddiad cau o 6 Hydref 2022.

Hysbyswyd yr Aelodau fod un aelod o staff wedi cwblhau rhan un a dau o'i gymhwyster proffesiynol yn ddiweddar, ac roedd aelod arall o staff wedi cwblhau rhan un ac roedd disgwyl y byddai'n sefyll rhan 2 o'r arholiad ddechrau mis Hydref.

Diolchodd y Pwyllgor i'r ddau aelod o staff am sefyll eu harholiadau cymwysterau proffesiynol.

Cafwyd trafodaeth mewn perthynas â'r effaith ar adnoddau oherwydd salwch staff, yn enwedig o ran cyflwyno'r Cynllun Archwilio Mewnol. Esboniodd Swyddogion fod y ffocws ar gwblhau'r meysydd risg uchel, a bod y meysydd risg uchel na chawsant eu cwblhau'n cael eu cyflwyno yn y flwyddyn gyfredol; yna, cynhaliwyd sgysiau â'r Uwchdimau Rheoli i benderfynu a oedd angen cynnwys y meysydd nad oeddent wedi'u cynnwys o hyd, neu os oedd angen i'r tîm gyfeirio'u hadnoddau i feysydd eraill.

Dywedodd Swyddogion fod Atodiad Un o'r adroddiad a ddosbarthwyd yn darparu manylion yr adroddiadau a gyhoeddwyd, a'r graddfeydd sicrwydd a gymhwyswyd ar ddiwedd yr archwiliad. Nodwyd bod y raddfa sicrwydd wedi'i derbyn trwy gyfrifiad; o ystyried nifer yr argymhellion a wnaed yn yr adroddiad, gallai methiant i weithredu'r argymhellion o fewn chwe mis arwain at fethiant sylweddol yn y system, ac effaith methiant sylweddol yn y system. Cadarnhawyd bod yr wybodaeth hon wedyn yn cael ei nodi mewn taenlen, byddai fformiwla'n cael ei chymhwyso, a byddai un o'r categorïau canlynol yn cael ei gymhwyso i'r adroddiad:

- Categori Un, Sicrwydd Sylweddol - canfu profion y cynhaliwyd rheolaethau da ac yn gyffredinol, mân argymhellion yn unig sydd eu hangen.
- Categori Dau, Sicrwydd Rhesymol - canfu profion fod angen gwella rhywfaint ar reolaeth, a fyddai'n cael ei gyflawni trwy weithredu'r argymhellion y cytunwyd arnynt.
- Categori Tri, Sicrwydd Cyfyngedig - datgelodd profion nifer o feysydd lle'r oedd angen y gwelliannau, ac yn yr achosion hynny, byddai'n ofynnol i Bennaeth Gwasanaeth y maes hwnnw ddarparu ymateb ysgrifenedig sy'n dweud pa gamau gweithredu a gymerwyd i fynd i'r afael â'r materion a godwyd.
- Categori Pedwar, ni ellir rhoi sicrwydd - datgelodd profion feysydd sy'n peri pryder sylweddol, a bydd y Pennaeth Gwasanaeth a/neu'r Rheolwr Atebol yn mynd i gyfarfod nesaf y Pwyllgor i roi'r wybodaeth ddiweddaraf i Aelodau ar y camau gweithredu a gymerwyd, a hefyd i ateb unrhyw gwestiynau y gall fod gan yr Aelodau.

Codwyd y cwestiynau canlynol yn unol ag Atodiad Un o'r adroddiad a ddosbarthwyd:

- R40 - Ysgol Gynradd Crynallt – Nododd yr adroddiad a ddosbarthwyd y canfuwyd nad oedd datgeliad GDG ar waith ar gyfer dau lywodraethwr presennol yn yr ysgol; Gofynnodd Aelodau pam nad oedd y datgeliadau GDG ar waith. Eglurwyd bod y llywodraethwyr yn newydd a bod y broses GDG wedi'i dechrau, ond nad oedd wedi'i chwblhau ar adeg yr archwiliad.
- R1 – Ysgol Bryncoch yr Eglwys yng Nghymru – Nododd yr adroddiad a ddosbarthwyd fod angen mân welliannau mewn perthynas â Chronfeydd Answyddogol; Dywedodd yr Aelodau fod problemau wedi bod yn y gorffennol gyda monitro'r Cronfeydd Answyddogol, a gofynnwyd am ragor o wybodaeth am hyn. Cadarnhaodd Swyddogion y byddent yn cael gwybod manylion y broblem ac yn rhoi esboniad drwy e-bost i'r Pwyllgor ynglŷn â beth yn union oedd y broblem.
- R2 – Ysgol Gynradd Coedffranc – Nododd yr adroddiad a ddosbarthwyd fod rheolaethau da ar waith mewn perthynas â'r holl feysydd a brofwyd, ar wahân i Gerdyn Prynu/Caffael; Gofynnodd yr Aelodau am y rhesymau dros hyn. Cadarnhaodd Swyddogion y byddent yn cael gwybod manylion y broblem ac yn rhoi esboniad drwy e-bost i'r Pwyllgor ynglŷn â beth yn union oedd y broblem.

Cyfeiriodd Swyddogion at Atodiad Tri o'r adroddiad a ddisbarthwyd, a oedd yn cynnwys llythyr ymateb oddi wrth y Prif Swyddog Digidol, ac un arall oddi wrth y Pennaeth Cynllunio a Diogelu'r Cyhoedd; yr oedd y ddau ohonynt yn gyfrifol am y meysydd a gafodd sicrwydd cyfyngedig. Nodwyd bod y llythyrau'n rhoi gwybodaeth i'r Aelodau yn ymwneud â'r hyn yr oeddent wedi'u wneud ers iddynt dderbyn eu hadroddiad archwilio. Eglurwyd, ar gyfer yr holl archwiliadau a gynhaliwyd, y byddai adolygiad ôl-archwiliad dilynol yn cael ei gwblhau rhwng mis a chwe mis ar ôl yr archwiliad, er mwyn gwirio a gydymffurfiwyd â'r argymhellion y cytunwyd arnynt.

PENDERFYNWYD: Nodi'r adroddiad.

12. **EITEMAU BRYD**

Ni dderbyniwyd unrhyw eitemau brys.

13. **BLAENRAGLEN WAITH**

Cadarnhawyd y byddai cyfarfod arbennig o'r Pwyllgor Llywodraethu ac Archwilio yn cael ei drefnu ar gyfer 25 Tachwedd 2022, er mwyn i Aelodau ystyried adroddiadau sensitif o ran amser.

Nodwyd y Flaenraglen Waith ar gyfer y Pwyllgor Llywodraethu ac Archwilio.

14. **MYNEDIAD I GYFARFODYDD**

PENDERFYNWYD: Yn unol ag Adran 100A(4) a (5) o Ddeddf Llywodraeth Leol 1972, gwahardd y cyhoedd o'r eitemau busnes canlynol a oedd yn cynnwys datganiadau posib o wybodaeth eithriedig, fel a ddiffinnir ym Mharagraff 12, 13 ac 14 o Ran 4 Atodlen 12A y Ddeddf uchod.

15. **ARCHWILIO MEWNOL - YMCHWILIADAU ARBENNIG**

Rhoddodd Swyddogion yr wybodaeth ddiweddaraf am bob adroddiad ymchwiliad arbennig a gyhoeddwyd ers y cyfarfod diwethaf; gan gynnwys manylion yr holl ymchwiliadau arbennig cyfredol.

Gofynnodd y Pwyllgor i gael gwybod am gynnydd a chasgliadau'r ymchwiliadau arbennig a drafodwyd.

PENDERFYNWYD:

Nodi'r adroddiad.

CADEIRYDD

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

12th JANUARY 2023

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 September 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 September 2022. The update includes information on the following work undertaken by Audit Wales covering:

- Annual Audit Summary
- 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 January 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 2 Work Programme Update

Background Papers

None

Officer Contact

For further information on this report item, please contact:

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Mae'r dudalen hon yn fwriadol wag

Audit Wales Work Programme and Timetable – Neath Port Talbot Council

Quarterly Update: 30 September 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	March 2022	Complete Available here

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 November 2022	Final audit work nearing completion

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
Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations	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.	Ongoing	Ongoing
	We will examine the extent to which the council has acted in accordance with the sustainable development principle in setting its Well-being Objectives.	Ongoing	Ongoing
Improvement reporting audit	Audit of discharge of duty to publish an assessment of performance.	December 2021	Complete

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 	<p>Ongoing</p>	<p>Partly complete</p> <p><u>Published ARA progress update letter</u> summarising Implications of the Local Government and Elections (Wales) Act, and Self-Assessment.</p> <p>Drafted Carbon Reduction plans summary – awaiting Council comments</p> <p>Drafting Financial Position</p> <p>Drafting Recovery Planning</p>

2021-22 Performance audit work	Scope	Timetable	Status
Springing Forward – Examining the building blocks for a sustainable future	<p>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.</p>	<p>April 2022</p>	<p>Drafting</p>

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 2022	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.	August 2022 – February 2023	Fieldwork
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	Early 2023	Scoping

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	Clearance – publication October 2022.	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	Clearance – publication November 2022.	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	Report drafting.	Yes – interview with nominated officer at the Council
Building safety	Review of how well local authorities are delivering their responsibilities for building safety	September 2022 – August 2023	Project initiation.	Yes – interview with nominated officer at the Council and survey.

Study	Scope	Timetable	Status	Fieldwork planned at Neath Port Talbot Council
Planning for sustainable development – Brownfield regeneration	Review of how local authorities are promoting and enabling better use of vacant non-domestic dwellings and brownfield sites	October 2022 – September 2023	Project development.	Yes – interview with nominated officer at the Council and survey.
Corporate Joint Committees	Assessing CJsCs' progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration.	September 2022 – January 2023	Setting up fieldwork.	Yes – We are exploring the Council's perspective via our routine liaison meetings. Fieldwork includes interviews with the chief executive, director of finance and chair of each of the four CJsCs.

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 were published in August and early September. Estyn carried out a post-inspection improvement conference in Torfaen in September and will be monitoring Pembrokeshire local authority in early October. Estyn has updated 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
<p>Programme 2022-23</p> <p>Joint work</p>	<p>We continue to test and evaluate our revised approach – including assurance checks, improvement checks, and performance evaluation inspections (PEIs). This will result in a revised operating framework for inspection and a revised code of practice.</p> <p>We continue to work with partners, sharing information and intelligence including completing joint reviews.</p> <p>We currently are working in collaboration with HIW for a national review of the stroke pathway and CMHT inspections.</p>	<p>April 2022-March 2023</p> <p>Current</p>	<p>In progress</p> <p>In progress</p>
<p>Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2021-22</p>	<p>Following the publication of the 2020-21 report, planning is underway for the next report publication date to be confirmed.</p>	<p>Publication to be confirmed</p>	<p>Data collecting</p>
<p>Annual meeting with Statutory Directors of Social Services</p>	<p>CIW will meet with all Directors of Social Services</p>	<p>December 2022 and January 2023</p>	<p>Planning</p>

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 have published its first assurance check letter.</p> <p>We will evaluate our approach and will consult on our revised approach in late 2022. This will result in a revised operating framework for inspection and the code of practice.</p>	<p>September – December 2022</p>	<p>Planning</p>

Audit Wales national reports and other outputs published since January 2022

Report title	Publication date and link to report
Equality Impact Assessments: More than a Tick Box Exercise?	September 2022
Welsh Government – setting of well-being objectives	September 2022
Welsh Government workforce planning and management	September 2022
NHS Wales Finances Data Tool – up to March 2022	August 2022
Public Sector Readiness for Net Zero Carbon by 2030: Evidence Report	August 2022
Public Sector Readiness for Net Zero Carbon by 2030	July 2022
Sustainable Tourism in Wales’ National Parks	July 2022
Third Sector COVID-19 Response Fund – Memorandum for the Public Accounts and Public Administration Committee	July 2022
The Welsh Community Care Information System – update	July 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
Welsh Government accounts commentary 2020-21 ²	September/October 2022
Collaborative arrangements for managing local public health resources	October 2022
National Fraud Initiative (summary report)	October 2022
Cyber resilience follow-up (learning from cyber-attacks)	October 2022
Flood risk management	November 2022
Orthopaedic services	November 2022
Quality governance in the NHS	November 2022
Digital inclusion	November/December 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 To include commentary on issues raised in the Auditor General's report on the accounts concerning a payment made to the former Permanent Secretary and COVID-19 business support.

Title	Anticipated publication date
Affordable housing	To be confirmed

Good Practice Exchange resources

Title	Link to resource
<p>Tackling poverty in Wales: responding to the challenge – this shared learning event will bring people together from across public services to share ideas, learning and knowledge on how organisations can respond to the challenges caused by poverty. We will share examples of approaches being taken by organisations within Wales and across the UK.</p>	<p>Tackling Poverty: Cardiff event</p> <p>Tackling Poverty: Conwy event</p>
<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>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>Covid Perspectives: Engagement and Communications</p>

Recent Audit Wales Blogs

Title	Publication date
<u>Cost of living and putting away the bayonet</u>	21 September 2022
<u>Heat is on to tackle Climate Change</u>	18 August 2022
<u>Direct Payments in Wales</u>	15 June 2022
<u>Unscheduled Care in Wales – a system under real pressure</u>	21 April 2022
<u>Skills Competition Wales</u>	18 February 2022
<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

Mae'r dudalen hon yn fwriadol wag



NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

12th JANUARY 2023

REPORT OF THE CHIEF FINANCE OFFICER – Huw Jones

Matter for Information

Wards Affected – All wards

Closure of Accounts 2021/22

Purpose of the Report

The purpose of this report is to provide details of the main findings of the Audit of the Accounts for the 2021-22 undertaken by Audit Wales, and to provide details of their intention to issue an unqualified audit report on the accounts.

The Audit Wales – Audit of Accounts Report 2021-22 can be found in Appendix 1, this report will be presented by a member of the Audit Wales team.

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 Audit Wales report.

Appendix

Appendix 1 – Audit Wales - Audit of Accounts Report 2021-22 English

Appendix 2 – Audit Wales – Audit of Accounts Report 2021-22 Welsh

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

Audit of Accounts Report – Neath Port Talbot Council

Audit year: 2021-22

Date issued: December 2022

Document reference: 3300A2022

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

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

We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

Audit of Accounts Report

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Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2021-22 statement of accounts in this report.
- 2 We have already discussed these issues with the Chief Finance Officer and his team.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £5.3m for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
 - Senior officers' remuneration - £1,000
 - Related party transactions and balances - £133,000
- 6 We have now substantially completed this year's audit.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Impact of COVID-19 on this year's audit

- 8 The COVID-19 pandemic has had a continuing impact on how our audit has been conducted. We summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

Exhibit 1 – impact of COVID-19 on this year’s audit

Timetable	<ul style="list-style-type: none">• We received the draft accounts on 30 May 2022 as planned. This is in line with last year and with regulatory deadlines.• The Governance and Audit Committee is due to consider and approve the audited statement of accounts on 12 January 2023.• We expect your audit report to be signed on 13 January 2023.
Audit evidence	<ul style="list-style-type: none">• As in previous years, our audit of the financial statements was undertaken remotely.• Council officers effectively supported us in this by continuing to provide us with appropriate and timely information to inform our audit.• Officers were available by video-conferencing for discussions which enabled the audit team to correspond effectively with officers throughout the audit.

Proposed audit opinion

- 9 We intend to issue an unqualified audit opinion on this year’s accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**. The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards.
- 10 We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 11 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

- 12 There are no misstatement identified in the accounts which remain uncorrected.

Corrected misstatements

- 13 There were initially misstatements and disclosure errors in the draft statement of accounts which have now been corrected by management and had no impact on the Council’s reported net expenditure. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

Other significant issues arising from the audit

- 14 During the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no issues arising in these areas this year. One other matter was identified during the audit which we believe should be drawn to your attention.
- 15 In common with other local authorities, Neath Port Talbot Council has taken advantage of temporary reliefs for reduced disclosures related to infrastructure assets allowed for in the Update to the Code and Specifications for Future Codes for Infrastructure Assets and the 2022 amendments to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.
- 16 The Council has not disclosed gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean gross cost and accumulated depreciation are not measured accurately and would not faithfully represent the asset position to the users of the financial statements.
- 17 The reliefs are a temporary expedient that are intended to allow authorities to address the information deficits and prepare robust information to support the carrying value of infrastructure assets. The temporary reliefs are only applicable for financial years up to and including 2024-25.

Recommendations

- 18 Following the audit certification by the Auditor General, we will continue to work with the Council's finance team to further improve the accounts production process for 2022-23.

Appendix 1

Final Letter of Representation

Neath Port Talbot Council Letterhead

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

12 January 2023

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements of Neath Port Talbot Council for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting in the UK 2021-22; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Neath Port Talbot Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by the Governance & Audit Committee

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Governance and Audit Committee on 12 January 2023.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Chief Finance Officer

Chair of the Governance and Audit
Committee

Date: 12 January 2023

Date: 12 January 2023

Appendix 2

Proposed Audit Report

The independent auditor's report of the Auditor General for Wales to the members of Neath Port Talbot Council

Opinion on financial statements

I have audited the financial statements of Neath Port Talbot Council for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

Neath Port Talbot Council's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial position of Neath Port Talbot Council as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Neath Port Talbot Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Neath Port Talbot Council's ability to continue to adopt the going concern basis of

accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Neath Port Talbot Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 9, the responsible financial officer is responsible for the preparation of the statement of accounts which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing Neath Port Talbot Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, relating to Neath Port Talbot Council's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals; and
- obtaining an understanding of Neath Port Talbot Council's framework of authority as well as other legal and regulatory frameworks that Neath Port Talbot Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Neath Port Talbot Council.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Governance and Audit Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance, the Cabinet and the Council; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Neath Port Talbot Council's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Neath Port Talbot Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
13 January 2023

24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

Summary of Corrections Made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 3: summary of corrections made

Value of correction	Nature of correction	Reason for correction
£19,233,000	<p>Note 11 Property, Plant & Equipment</p> <p>Not all assets valued on a depreciated replacement cost basis had been revalued in the year to reflect the significant increase in build costs over the last year.</p> <p>There were corresponding adjustments to all primary statements, other notes and associated narrative disclosures.</p>	To correctly disclose the value of fixed assets in line with Code requirements.
Disclosure only	<p>Note 14 Property plant and equipment</p> <p>The movements in the net book value of infrastructure assets disclosed gross cost and accumulated depreciation.</p> <p>The disclose was amended to take advantage of the temporary reliefs in the Update to the Code and the 2022 amendments to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.</p>	To correctly disclose movements in the net book value of infrastructure assets in line with the Code update and Regulations.
£23,204	<p>Note 27 Officers' Remuneration</p> <p>Remuneration disclosed did not include payments for back pay receivable and salary sacrifice</p>	To correctly disclose the remuneration of senior officers

	deductions were not shown on a gross basis.	
£315,000	Note 31 Capital Commitments The capital commitments disclosed in relation to Neath Town Centre Redevelopment and Crymlyn Burrows Transfer Station Site Improvements excluded future commitments.	To correctly disclose future contractual commitments for capital projects.
£4,906,000	Note 38 Covid-19 Grant income disclose did not include all the Covid-19 related income received by the Council for increased service costs and loss of income	To correctly disclose Covid-19 related grant income received in the year.
There have also been a number of minor amendments and disclosure updates as a result of our work.		



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

Adroddiad ar yr Archwiliad o'r Cyfrifon – Cyngor Castell-nedd Port Talbot

Blwyddyn Archwilio: 2021-22

Dyddiad cyhoeddi: Rhagfyr 2022

Cyfeirnod dogfennau: 3300A2022

Paratowyd y ddogfen hon fel rhan o waith a gyflawnir yn unol â swyddogaethau statudol.

Os ceir cais am wybodaeth y gall y ddogfen hon fod yn berthnasol iddi, tynnir sylw at y Cod Ymarfer a gyhoeddwyd o dan adran 45 Deddf Rhyddid Gwybodaeth 2000. Mae Cod adran 45 yn nodi'r arfer o ran trin ceisiadau a ddisgwylir gan awdurdodau cyhoeddus, gan gynnwys ymgynghori â thrydydd partiön perthnasol. Mewn perthynas â'r ddogfen hon, mae Archwilydd Cyffredinol Cymru, Archwilio Cymru a, lle y bo'n berthnasol, yr archwilydd sy'n gweithredu ar ran yr Archwilydd Cyffredinol yn drydydd partiön perthnasol. Dylid anfon unrhyw ymholiadau ynglŷn â datgelu neu ailddefnyddio'r ddogfen hon at Archwilio Cymru yn swyddog.gwybodaeth@archwilio.cymru.

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 Saesneg. This document is also available in English.

Cynnwys

Rydym yn bwriadu cyhoeddi adroddiad archwilio diamod ar eich Cyfrifon. Mae rhai materion i'w hadrodd i chi cyn eu cymeradwyo.

Adroddiad ar yr Archwiliad o'r Cyfrifon

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Adroddiad ar yr Archwiliad o'r Cyfrifon

Cyflwyniad

- 1 Rydym yn crynhoi prif ganfyddiadau ein harchwiliad o'ch datganiad o gyfrifon 2021-22 yn yr adroddiad hwn.
- 2 Rydym eisoes wedi trafod y materion hyn gyda'r Uwch Swyddog Cyllid a'i dîm.
- 3 Nid yw archwilwyr byth yn gallu rhoi sicrwydd cyflawn bod cyfrifon wedi'u datgan yn gywir. Yn lle hynny, rydym yn gweithio i lefel o 'berthnasedd'. Pennir y lefel hon o berthnasedd i geisio adnabod a chywiro camddatganiadau a allai beri fel arall i'r sawl sy'n defnyddio'r cyfrifon gael ei gamarwain.
- 4 Rydym yn gosod y lefel hwn yn £5.3m ar gyfer archwiliad eleni.
- 5 Mae rhai meysydd o'r cyfrifon a allai fod o fwy o bwys i'r darlennydd ac rydym wedi gosod lefel materoliaeth is ar gyfer y rhain, fel a ganlyn:
 - Tâl uwch swyddogion - £1,000
 - Balansau a thrafodion partion cysylltiedig - £133,000
- 6 Rydym bellach wedi cwblhau'r archwiliad eleni'n sylweddol.
- 7 Yn ein barn broffesiynol ni, rydym wedi cydymffurfio â'r safonau moesegol sy'n berthnasol i'n gwaith; rydym yn annibynnol arnoch chi; ac nid yw ein gwrthrychedd wedi cael ei beryglu mewn unrhyw ffordd. Nid oes unrhyw berthnasoedd rhyngom ni a chi a allai danseilio ein gwrthrychedd a'n hannibyniaeth yn ein tyb ni.

Effaith Covid-19 ar archwiliad eleni

- 8 Mae pandemig COVID-19 wedi cael effaith barhaus ar y modd y cynhaliwyd ein harchwiliad. Rydym yn crynhoi'r prif effeithiau yn **Arddangosyn 1**. Ac eithrio lle'r ydym yn gwneud argymhellion penodol, darperir y manylion yn **Arddangosyn 1** er gwybodaeth yn unig i'ch helpu i ddeall effaith pandemig COVID-19 ar broses archwilio eleni.
- 9

Arddangos 1 – effaith COVID-19 ar yr archwiliad eleni

Amserlen	<ul style="list-style-type: none">• Fe wnaethon ni dderbyn y cyfrifon drafft ar 30 Mai 2022 yn unol â'r disgwyl. Mae hyn yn unol â'r llynedd a gyda therfynau amser rheoleiddio.• Mae disgwyl i'r Pwyllgor Llywodraethu ac Archwilio ystyried a chymeradwyo'r datganiad cyfrifon a archwilir ar 12 Ionawr 2023.• Rydym yn disgwyl i'ch adroddiad archwilio gael ei lofnodi ar 13 Ionawr 2023.
Tystiolaeth archwilio	<ul style="list-style-type: none">• Fel yn y blynyddoedd blaenorol, cynhaliwyd ein harchwiliad o'r datganiadau ariannol o bell.• Roedd swyddogion y Cyngor yn ein cefnogi yn hyn i bob pwrpas drwy barhau i ddarparu gwybodaeth briodol ac amserol i ni i lywio ein harchwiliad.• Roedd swyddogion ar gael drwy fideo-gynadledda ar gyfer trafodaethau a oedd yn galluogi'r tîm archwilio i ohebu'n effeithiol â swyddogion drwy gydol yr archwiliad.

Barn archwilio arfaethedig

- 10 Rydym yn bwriadu cyhoeddi barn archwilio diamod ar gyfrifon eleni ar ôl i chi roi Llythyr Sylwadau i ni yn seiliedig ar hynny a nodir yn **Atodiad 1**. Mae'r Llythyr Sylwadau yn cynnwys rhai cadarnhadau y mae'n ofynnol i ni eu cael gennych o dan safonau archwilio.
- 11 Rydym yn cyhoeddi barn archwilio 'amodol' lle mae gennym bryderon perthnasol ynghylch rhai agweddau ar eich cyfrifon; fel arall rydym yn cyhoeddi barn ddiamod.
- 12 Mae ein hadroddiad archwilio arfaethedig wedi'i nodi yn **Atodiad 2**.

Materion arwyddocaol sy'n codi o'r archwiliad

Camddatganiadau nas cywirwyd

- 13 Does dim cam-ddweud wedi eu nodi yn y cyfrifon sy'n parhau heb eucorio.

Camddatganiadau a gywirwyd

- 14 I ddechrau roedd yna gam-ddweud a datgelu err ors yn y datganiad drafft o gyfrifon sydd bellach wedi eu cywiro gan management ac wedi cael no effaith ar wariant net adroddwyd gan y Cyngor. Fodd bynnag, credwn y dylid tynnu'r rhain at eich sylw ac fe'u nodir gydag esboniadau yn **Atodiad 3**.

Materion arwyddocaol eraill sy'n codi o'r archwiliad

- 15 Yn ystod yr archwiliad, rydym yn ystyried nifer o faterion yn ymwneud â'r cyfrifon ac yn adrodd am unrhyw faterion arwyddocaol sy'n codi i chi. Doedd dim problemau'n codi yn yr ardaloedd yma eleni. Nodwyd one fater arall yn ystod yr archwiliad y credwn y dylid ei dynnu at eich sylw.
- 16 Yn gyffredin ag awdurdodau lleol eraill, mae Cyngor Castell-nedd Port Talbot wedi manteisio ar ryddhad dros dro ar gyfer datgeliadau llai sy'n gysylltiedig ag asedau seilwaith a ganiateir ar gyfer Diweddarau'r Cod a Manylebau ar gyfer Codau Seilwaith yn y Dyfodol a Rheoliadau 2022 i Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifeg) (Cymru) 2003.
- 17 Nid yw'r Cyngor wedi datgelu cost gros a dibrisiant cronedig ar gyfer asedau seilwaith oherwydd bod arferion adrodd hanesyddol a diffygion gwybodaeth canlyniadol yn golygu nad yw cost gros a dibrisiant sydd wedi cronni yn cael eu mesur yn gywir ac ni fyddai'n cynrychioli'r sefyllfa asedau yn ffyddlon i ddefnyddwyr y datganiadau ariannol.
- 18 Mae'r rhyddhadau yn hwylus dros dro gyda'r bwriad o ganiatáu i awdurdodau fynd i'r afael â'r diffygion gwybodaeth a pharatoi gwybodaeth gadarn i gefnogi gwerth cario asedau seilwaith. Mae'r rhyddhadau dros dro ond yn berthnasol ar gyfer blynyddoedd ariannol hyd at ac yn cynnwys 2024-25.

Argymhellion

- 19 Yn dilyn yr ardystiad archwilio gan yr Archwilydd Cyffredinol, byddwn yn parhau i weithio gyda thîm cyllid y Cyngor i wella ymhellach y broses cynhyrchu cyfrifon ar gyfer 2022-23.

Atodiad 1

Llythyr Sylwadau Terfynol

Pennaeth cyngor Castell-nedd Port Talbot

Archwilydd Cyffredinol Cymru
Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd
CF11 9LJ

12 Ionawr 2023

Sylwadau ynghylch datganiadau ariannol 2021-22

Darperir y llythyr hwn mewn cysylltiad â'ch archwiliad o ddatganiadau ariannol Cyngor Castell-nedd Port Talbot ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2022 er mwyn mynegi barn ynghylch eu gwirionedd a'u tegwch a'u paratoi priodol.

Yr wyf fi'n cadarnhau hyd eithaf fy ngwybodaeth a'm cred ar ôl gwneud yr ymholiadau a oedd yn ddigonol yn fy nhyb i y gallaf gyflwyno'r sylwadau canlynol i chi.

Sylwadau'r rheolwyr

Cyfrifoldebau

Rydym wedi cyflawni ein cyfrifoldebau o ran:

- paratoi'r datganiadau ariannol yn unol â'r gofynion deddfwriaethol a Chod Ymarfer CIPFA ar Gyfrifeg Awdurdodau Lleol yn y DU 2021-22; yn benodol mae'r datganiadau ariannol yn rhoi golwg wir a theg yn unol â hynny; a
- dylunio, gweithredu, cynnal a chadw ac adolygu rheolaeth fewnol i atal a chanfod twyll a gwall.

Gwybodaeth a ddarparwyd

Rydym wedi darparu i chi:

- Mynediad llawn at:
 - yr holl wybodaeth yr ydym yn ymwybodol ohono sy'n berthnasol i baratoi'r datganiadau ariannol megis llyfrau cyfrif a dogfennau ategol, cofnodion cyfarfodydd a materion eraill;
 - gwybodaeth ychwanegol yr ydych wedi gofyn amdanom at ddiben yr archwiliad; a

- mynediad anghyfyngedig i staff yr oeddech yn benderfynol ohonynt bod angen cael tystiolaeth archwilio.
- canlyniadau ein hasesiad o'r risg y gallai'r datganiadau ariannol gael eu cam-bwysleisio'n faterol o ganlyniad i dwyll;
- ein gwybodaeth am dwyll neu amheuaeth o dwyll yr ydym yn ymwybodol ohono ac sy'n effeithio ar Gyngor Castell-nedd Port Talbot ac yn cynnwys:
 - rheolaeth;
 - gweithwyr sydd â rolau sylweddol mewn rheolaeth fewnol; neu
 - eraill lle gallai'r twyll gael effaith faterol ar y datganiadau ariannol;
- ein gwybodaeth am unrhyw honiadau o dwyll, neu amheuaeth o dwyll, gan effeithio ar y datganiadau ariannol a gyfathrebur gan weithwyr, cyn-weithwyr, rheoleiddwyr neu eraill;
- ein gwybodaeth am yr holl achosion hysbys o ddiffyg cydymffurfio neu amheuaeth nad ydynt yn cydymffurfio â chyfreithiau a rheoliadau y dylid ystyried eu heffeithiau wrth baratoi'r datganiadau ariannol; a
- hunaniaeth yr holl bleidiau cysylltiedig a'r holl berthnasau a thrafodion cysylltiedig y pleidiau yr ydym yn ymwybodol ohonynt.

Sylwadau am y datganiadau ariannol

Mae'r holl drafodion, asedau a rhwymedigaethau wedi'u cofnodi yn y cofnodion cyfrifo ac yn cael eu hadlewyrchu yn y datganiadau ariannol.

Mae'r dulliau, y data a'r rhagdybiaethau sylweddol a ddefnyddir wrth wneud amcangyfrifon cyfrifo, a'u datgeliadau cysylltiedig yn briodol i sicrhau cydnabyddiaeth, mesur neu ddatgelu sy'n rhesymol yng nghyd-destun y fframwaith adrodd ariannol cymwys.

Mae perthnasau a thrafodion cysylltiedig â'r pleidiau wedi cael eu hystyried yn briodol a'u datgelu.

Mae'r holl ddigwyddiadau sy'n digwydd wedi hynny i'r dyddiad adrodd sy'n gofyn am addasu neu ddatgelu wedi'u haddasu ar gyfer neu ddatgelu.

Mae'r holl ymglyfreitha gwirioneddol neu bosibl hysbys ac yn honni y dylid ystyried eu heffeithiau wrth baratoi'r datganiadau ariannol wedi'u datgelu i'r archwilydd a'u cyfrif am a'u datgelu yn unol â'r fframwaith adrodd ariannol cymwys.

Mae'r datganiadau ariannol yn rhydd o gam-ddweud materol, gan gynnwys hepgoriadau. Mae effeithiau cam-ddweud heb eucorio a nodwyd yn ystod yr archwiliad yn anmaterol, yn unigol ac yn y cerrig mân, i'r datganiadau ariannol a gymerwyd yn gyffredinol.

Sylwadau gan y Pwyllgor Llywodraethu ac Archwilio

Rydym yn cydnabod bod y sylwadau a wnaed gan reolwyr, uchod, wedi cael eu trafod gyda ni.

Rydym yn cydnabod ein cyfrifoldeb dros baratoi datganiadau ariannol gwir a theg yn unol â'r fframwaith adrodd ariannol perthnasol. Cafodd y datganiadau ariannol eu cymeradwyo gan y Pwyllgor Llywodraethu ac Archwilio ar 12 Ionawr 2023.

Rydym yn cadarnhau ein bod wedi cymryd yr holl gamau y dylen ni fod wedi eu cymryd er mwyn gwneud ein hunain yn ymwybodol o unrhyw wybodaeth archwilio berthnasol ac i sefydlu ei fod wedi'i gyfleu i chi. Rydym yn cadarnhau, cyn belled ag yr ydym yn ymwybodol, nad oes gwybodaeth archwilio berthnasol yr ydych yn ymwybodol ohoni.

Wedi'i lofnodi gan:

Wedi'i lofnodi gan:

Prif Swyddog Cyllid

Cadeirydd y Pwyllgor Llywodraethu ac
Archwilio

Dyddiad: 12 Ionawr 2023

Dyddiad: 12 Ionawr 2023

Atodiad 2

Adroddiad Archwilio arfaethedig

Adroddiad archwilydd annibynnol Archwilydd Cyffredinol Cymru i aelodau Cyngor Castell-nedd Port Talbot

Barn ar y datganiadau ariannol

Rwyf wedi archwilio datganiadau ariannol Cyngor Castell-nedd Port Talbot am y flwyddyn a ddaeth i ben ar 31 Mawrth 2022 dan Ddeddf Archwilio Cyhoeddus (Cymru) 2004.

Mae datganiadau ariannol Cyngor Castell-nedd Port Talbot yn cynnwys y Dadansoddiad Gwariant a Chyllid, y Mudiad wrth Gefn Gwladol, y Datganiad Incwm a Gwariant Cynhwysfawr, y Fantolen, y Datganiad Llif Arian a'r nodiadau cysylltiedig, gan gynnwys crynodeb o bolisiau cyfrifo sylweddol.

Mae'r fframwaith adrodd ariannol sydd wedi'i gymhwyso wrth baratoi yn gyfraith berthnasol a safonau cyfrifo rhyngwladol mabwysiedig y DU fel y'i dehonglwyd ac a addaswyd gan y Cod Ymarfer ar Gyfrifeg Awdurdodau Lleol yn y Deyrnas Unedig 2021-22.

Yn fy marn i mae'r datganiadau ariannol:

- rhoi golwg wir a theg ar sefyllfa ariannol Cyngor Castell-nedd Port Talbot ag ar 31 Mawrth 2022 ac o'i incwm a'i wariant am y flwyddyn wedyn a ddaeth i ben; ac
- wedi eu paratoi'n briodol yn unol â gofynion deddfwriaethol a mabwysiadwyd yn y DU safonau cyfrifeg rhyngwladol fel y'u dehonglwyd ac a addaswyd gan y Cod Ymarfer ar Gyfrifeg Awdurdodau Lleol yn y Deyrnas Unedig 2021-22.

Sail y farn

Cynhaliais fy archwiliad yn unol â chyfraith berthnasol a Safonau Rhyngwladol ar Archwilio yn y DU (ISAs (DU)) a Nodyn Ymarfer 10 'Archwilio Datganiadau Ariannol o Endidau'r Sector Cyhoeddus yn y Deyrnas Unedig'. Mae fy nghyfrifoldebau o dan y safonau hynny yn cael eu disgrifio ymhellach yng nghyfrifoldebau'r archwilydd dros archwilio adran datganiadau ariannol fy adroddiad. Rwy'n annibynnol ar Gyngor Castell-nedd Port Talbot yn unol â'r gofynion moesegol sy'n berthnasol i'm harchwiliad o'r datganiadau ariannol yn y DU gan gynnwys Safon Foesegol y Cyngor Adrodd Ariannol, ac rwyf wedi cyflawni fy nghyfrifoldebau moesegol eraill yn unol â'r gofynion hyn. Credaf fod y dystiolaeth archwilio a gefais yn ddigonol ac yn briodol i roi sail i'm barn.

Casgliadau sy'n ymwneud â busnes gweithredol

Wrth archwilio'r datganiadau ariannol, rwyf wedi dod i'r casgliad bod y defnydd o sail gyfrifyddu busnes gweithredol wrth baratoi'r datganiadau ariannol yn briodol.

Yn seiliedig ar y gwaith a wnaed gennyf, nid wyf wedi nodi unrhyw ansicrwydd perthnasol sy'n ymwneud â digwyddiadau nac amodau a allai, yn unigol neu ar y cyd, fwrw amheuaeth sylweddol ar allu Cyngor Castell-nedd Port Talbot i barhau i fabwysiadu sail

gyfrifyddu busnes gweithredol am gyfnod o ddeuddeng mis o leiaf o'r adeg pan awdurdodir cyhoeddiad y datganiadau ariannol.

Disgrifir fy nghyfrifoldebau a chyfrifoldebau Comisiynydd y Gymraeg mewn cysylltiad â busnes gweithredol yn adrannau perthnasol yr adroddiad hwn.

Gwybodaeth Arall

Mae'r wybodaeth arall yn cynnwys y wybodaeth sydd wedi'i chynnwys yn yr adroddiad blynyddol ar wahân i'r datganiadau ariannol ac adroddiad fy archwilydd yno. Y Swyddog Ariannol Cyfrifol sy'n gyfrifol am y wybodaeth arall sydd yn yr adroddiad blynyddol. Nid yw fy marn am y datganiadau ariannol yn ymdrin â'r wybodaeth arall ac, ac eithrio i'r graddau a nodir yn benodol yn fy adroddiad, nid wyf yn mynegi unrhyw fath o gasgliad sicrwydd yno.

Fy nghyfrifoldeb i yw darllen y wybodaeth arall ac, wrth wneud hynny, ystyriwch a yw'r wybodaeth arall yn gwbl anghyson â'r datganiadau ariannol neu'r wybodaeth a gafwyd yng nghwrs yr archwiliad, neu fel arall mae'n ymddangos ei bod wedi'i cham-ddweud yn faterol. Os ydw i'n nodi anghysondebau materol o'r fath neu gam-ddweud deunydd ymddangosiadol, mae'n ofynnol i mi benderfynu a yw hyn yn arwain at gam-ddweud materol yn y datganiadau ariannol eu hunain. Os, yn seiliedig ar y gwaith rydw i wedi'i berfformio, rwy'n dod i'r casgliad bod yna gam-ddweud materol o'r wybodaeth arall hon, mae'n ofynnol i mi adrodd y ffaith honno.

Does gen i ddim byd i'w adrodd yn hyn o beth.

Adroddiad ar ofynion eraill

Barn ar faterion eraill

Yn fy marn i, yn seiliedig ar y gwaith a wnaed yn ystod fy archwiliad:

- mae'r wybodaeth a geir yn yr Adroddiad Naratif ar gyfer y flwyddyn ariannol y mae'r datganiadau ariannol yn cael eu paratoi ar eu cyfer yn gyson â'r datganiadau ariannol a pharatowyd yr Adroddiad Naratif yn unol â'r Cod Ymarfer ar Gyfrifo Awdurdodau Lleol yn y Deyrnas Unedig 2021-22.
- Mae'r wybodaeth a roddir yn y Datganiad Llywodraethu Blynyddol ar gyfer y flwyddyn ariannol y mae'r datganiadau ariannol yn cael eu paratoi ar ei gyfer yn gyson â'r datganiadau ariannol ac mae'r Datganiad Llywodraethu Blynyddol wedi'i baratoi yn unol â'r canllawiau.

Materion yr wyf yn adrodd arnynt drwy eithriad

Yng ngoleuni gwybodaeth a dealltwriaeth Cyngor Castell-nedd Port Talbot a'i amgylchedd a gafwyd yn ystod yr archwiliad, nid wyf wedi nodi cam-ddweud materol yn yr Adroddiad Naratif na'r Datganiad Llywodraethu Blynyddol.

Does gen i ddim byd i'w adrodd mewn perthynas â'r materion canlynol, ac rwy'n adrodd i chi, os, yn fy marn i:

- nid yw cofnodion cyfrifo digonol wedi cael eu cadw, neu nid yw dychweliadau'n ddigonol ar gyfer fy archwiliad wedi eu derbyn o ganghennau nad yw fy nhîm wedi ymweld â nhw;
- Nid yw'r datganiadau ariannol yn gytûn â'r cofnodion cyfrifo a'r ffurflenni; neu
- Nid wyf wedi derbyn yr holl wybodaeth ac esboniadau sydd eu hangen arnaf ar gyfer fy archwiliad.

Cyfrifoldebau

Cyfrifoldebau'r swyddog ariannol cyfrifol am y datganiadau ariannol

Fel yr eglurwyd yn llawnach yn y Datganiad Cyfrifoldebau am y Datganiad Cyfrifon a nodir ar dudalen 9, mae'r swyddog ariannol cyfrifol yn gyfrifol am baratoi datganiad cyfrifon sy'n rhoi barn wir a theg, ac am reolaeth fewnol o'r fath ag y mae'r swyddog ariannol cyfrifol yn penderfynu sy'n angenrheidiol i alluogi paratoi datganiadau cyfrifon sydd yn rhydd o gam-ddweud materol, boed hynny oherwydd twyll neu gamgymeriad.

Wrth baratoi datganiad cyfrifon, mae'r swyddog ariannol cyfrifol yn gyfrifol am asesu gallu Cyngor Castell-nedd Port Talbot i barhau fel pryder mynd, datgelu fel rhai sy'n berthnasol, materion sy'n gysylltiedig â mynd yn bryderus a defnyddio sail bryder mynd cyfrifo oni bai bod hynny'n cael ei ystyried yn amhriodol.

Cyfrifoldebau Archwilydd o ran archwilio'r datganiadau ariannol

Fy amcanion yw cael sicrwydd rhesymol ynghylch a yw'r datganiadau ariannol yn eu cyfanrwydd yn rhydd o gam-ddweud materol, boed hynny oherwydd twyll neu gamgymeriad, a chyhoeddi adroddiad archwilydd sy'n cynnwys fy marn. Mae sicrwydd rhesymol yn lefel uchel o sicrwydd ond nid yw'n warant y bydd archwiliad a gynhaliwyd yn unol ag ISAs (DU) bob amser yn canfod cam-ddweud materol pan fo'n bodoli. Gall cam-ddweud godi o dwyll neu gamgymeriad ac fe'u hystyrir yn ddeunydd os gellid disgwyl, yn unigol neu yn y cerrig mân, yn rhesymol i ddylanwadu ar benderfyniadau economaidd defnyddwyr a wnaed ar sail y datganiadau ariannol hyn.

Mae afreoleidd-dra, gan gynnwys twyll, yn achosion o ddiffyg cydymffurfio â chyfreithiau a rheoliadau. Rwy'n dylunio gweithdrefnau yn unol â'm cyfrifoldebau, a amlinellir uchod, i ganfod cam-ddweud materol mewn perthynas ag afreoleidd-dra, gan gynnwys twyll.

Roedd fy ngweithdrefnau yn cynnwys y canlynol:

- Caffael rheolaeth a'r rhai sy'n gyfrifol am lywodraethu, yn ymwneud â pholisïau a gweithdrefnau Cyngor Castell-nedd Port Talbot sy'n ymwneud â:
 - adnabod, gwerthuso a chydymffurfio â chyfreithiau a rheoliadau ac a oeddent yn ymwybodol o unrhyw achosion o ddiffyg cydymffurfio;

- canfod ac ymateb i risgiau twyll ac a oes ganddynt wybodaeth am unrhyw dwyll gwirioneddol, dan amheuaeth neu dwyll honedig; ac
- y rheolaethau mewnol a sefydlwyd i liniaru risgiau sy'n gysylltiedig â thwyll neu ddiffyg cydymffurfio â chyfreithiau a rheoliadau.
- ystyried fel tîm archwilio sut a lle y gallai twyll ddigwydd yn y datganiadau ariannol ac unrhyw ddangosyddion posibl o dwyll. Fel rhan o'r drafodaeth hon, nodais botensial am dwyll yn y meysydd canlynol: cydnabyddiaeth refeniw a phostio cyfnodolion anarferol; a
- o gadw dealltwriaeth o fframwaith awdurdod Cyngor Castell-nedd Port Talbot ynogystal â fframweithiau cyfreithiol a rheoleiddiol eraill y mae Cyngor Castell-nedd Port Talbot yn gweithredu ynddo, gan ganolbwyntio ar y deddfau a'r rheoliadau hynny a gafodd effaith uniongyrchol ar y datganiadau ariannol neu a gafodd effaith sylfaenol ar weithrediadau Cyngor Castell-nedd Port Talbot.

Yn ogystal â'r uchod, roedd fy gweithdrefnau i ymateb i risgiau a nodwyd yn cynnwys y canlynol:

- adolygu'r datgeliadau datganiad ariannol a phrofi i gefnogi dogfennau i asesu cydymffurfiaeth â deddfau a rheoliadau perthnasol a drafodwyd uchod;
- caffael rheolaeth a'r Pwyllgor Llywodraethu ac Archwilio ynghylch ymgyfreitha a hawliadau gwirioneddol a photensial;
- darllen cofnodion cyfarfodydd y rhai sy'n gyfrifol am lywodraethu, y Cabinet a'r Cyngor; a
- wrth fynd i'r afael â'r risg o dwyll drwy reoli diystyru rheolaethau, profi priodoldeb cofnodion cyfnodolion ac addasiadau eraill; asesu a yw'r dyfarniadau a wnaed wrth wneud amcangyfrifon cyfrifo yn arwydd o ragfarn bosibl; a gwerthuso rhesymeg busnes unrhyw drafodion sylweddol sy'n anarferol neu y tu allan i gwrs arferol busnes.

Fe wnes i hefyd gyfathrebu deddfau a rheoliadau a nodwyd perthnasol a risgiau twyll posibl i bob aelod o'r tîm archwilio a pharhau'n effro i unrhyw arwyddion o dwyll neu ddiffyg cydymffurfio â chyfreithiau a rheoliadau drwy gydol yr archwiliad.

Mae'r graddau y mae fy ngweithdrefnau'n gallu canfod afreoleidd-dra, gan gynnwys twyll, yn cael ei effeithio gan yr anhawster cynhenid i ganfod afreoleidd-dra, effeithiolrwydd rheolaethau Cyngor Castell-nedd Port Talbot, a natur, amseriad a maint y gweithdrefnau archwilio a berfformir.

Mae disgrifiad pellach o gyfrifoldebau'r archwilydd ar gyfer archwilio'r datganiadau ariannol ar wefan y Cyngor Adrodd Ariannol www.frc.org.uk/auditorsresponsibilities. Mae'r disgrifiad hwn yn rhan o adroddiad fy archwilydd.

Tystysgrif cwblhau archwiliad

Ardystiaf fy mod wedi cwblhau'r archwiliad o gyfrifon Cyngor Castell-nedd Port Talbot yn unol â gofynion Deddf Archwilio Cyhoeddus (Cymru) 2004 ac Archwilydd Cyffredinol Cod Ymarfer Archwilio Cymru.

Adrian Crompton
Archwilydd Cyffredinol Cymru
13 Ionawr 2023

24 Ffordd y Gadeirlan
Caerdydd
CF11 9LJ

Atodiad 3*

Crynodeb o Gywiriadau a Wnaed

Yn ystod ein harchwiliad, fe wnaethom nodi'r cam-ddweud canlynol sydd wedi'u cywiro gan reolwyr, ond a ystyriwn y dylid tynnu eich sylw oherwydd eu perthnasedd i'ch cyfrifoldebau dros y broses adrodd ariannol.

Arddangos 3: crynodeb o gywiriadau a wnaed

Gwerth y cywiriad	Natur y cywiriad	Rheswm dros gywiro
£19,233,000	<p>Nodyn 11 Eiddo, Offer Planhigion a Phlanhigion</p> <p>Nid oedd pob ased sy'n cael ei werthfawrogi ar sail cost amnewid yn ddibris wedi cael ei ailbriso yn y flwyddyn i adlewyrchu'r cynnydd sylweddol mewn costau adeiladu dros y flwyddyn ddiwethaf.</p> <p>Roedd addasiadau cyfatebol i bob datganiad cynradd, nodiadau eraill a datgeliadau naratif cysylltiedig.</p>	I ddatgelu gwerth asedau sefydlog yn gywir yn unol â gofynion Cod.
Datgelu yn unig	<p>Nodyn 14 Planhigion ac offer eiddo</p> <p>Datgelodd y symudiadau yng ngwerth llyfrau net asedau seilwaith gost gros a dibrisiant cronedig. Diwygiwyd y datgeliad i fanteisio ar y rhyddhadau dros dro yn y Diweddariad i'r awdl C a diwygiadau 2022 i Reoliadau Awdurdodau Lleol (Cyllid a Chyfrifeg Cyfalaf) (Cymru) 2003 .</p>	Er mwyn datgelu symudiadau'n gywir yng ngwerth llyfrau net asedau seilwaith in unol â diweddariad y Cod a'r Rheoliadau.
£23,204	<p>Nodyn 27 Tâl Swyddogion</p> <p>Nid oedd taliadau a ddatgelwyd yn cynnwys taliadau ar gyfer derbyniadwy cyflog yn ôl ac ni ddangoswyd didyniadau aberth cyflog ar sail gros.</p>	Datgelu'n gywir dâl uwch swyddogion

£315,000	<p>Nodyn 31 Ymrwymadau Cyfalaf Datgelodd yr ymrwymadau cyfalaf mewn perthynas ag Ailddatblygu Canol Tref Castell-nedd a Gwelliannau Safle Gorsaf Drosglwyddo Crymlyn Burrows wedi'u heithrio ymrwymadau yn y dyfodol.</p>	<p>Datgelu'n gywir ymrwymadau cytundebol yn y dyfodol ar gyfer prosiectau cyfalaf.</p>
£4,906,000	<p>Nodyn 38 Covid-19 Ni ddatgelodd yr incwm grant yn cynnwys yr holl incwm yn gysylltiedig â Covid-19 a dderbyniwyd gan y Cyngor am gostau gwasanaeth uwch a cholli incwm</p>	<p>Datgelu incwm grant cysylltiedig â Covid-19 yn gywir a dderbyniwyd yn y flwyddyn.</p>
<p>Bu nifer o fân ddiwygiadau a diweddariadau datgelu hefyd o ganlyniad i'n gwaith.</p>		



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



NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

12th JANUARY 2023

REPORT OF THE CHIEF FINANCE OFFICER – Huw Jones

Matter for Information

Wards Affected – All wards

Closure of Accounts 2021/22

Purpose of the Report

The purpose of this report is to consider and approve the 2021/22 Statement of Accounts following completion of the external audit.

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.

However, Welsh Government recognised that as the pandemic continued there has been an ongoing impact on local authority staff and resources and authorities may wish to prepare their accounts to an extended deadline of 30 November 2022. The Accounts and Audit (Wales) Regulations 2014 makes provision for an authority having to delay preparing and publishing their annual financial accounts. By virtue of regulation 10(4) authorities are able to include a note on websites to say why they have prepared or published their accounts within existing deadlines to comply with legislation.

Closure of Accounts 2021/22

Neath Port Talbot's Draft Statement of Accounts were signed and certified by the Chief Finance Officer on 30 May 2022, the Council elected to work within the extended deadlines for completion of the Audited Statement of Accounts and as such advertised this on the website. During November 2022 the audit was almost fully complete but sign off was delayed due to an ongoing nationwide issue identified in relation to the accounting for infrastructure assets. Technical consultations by CIPFA LASAAC were undertaken and due to the complexity of the issue a short term override to all local authority accounts from 2021-22 to 2024/25 has been necessary in order to avoid wide-spread qualification of local authority accounts. As such we have taken advantage of this temporary relief and included reduced disclosure notes in relation to infrastructure assets.

Any items identified by the auditors having a need to be corrected within the statements have been undertaken details of which were summarised in the auditors ISA 260 report. The most significant adjustments made to the accounts have 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 £19.233m Property Plant and Equipment held in the balance sheet.

For 2021/22 audit members should note that once again Audit Wales are issuing an unqualified audit opinion.

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 3.

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:

- Approve the Letter of representation, included in Appendix 1.
- Approve the final 2021/22 Statement of Accounts as included in Appendix 2.
- Approve the Annual Governance Statement included in Appendix 3
- The Chair of Governance and Audit Committee be authorised to provide their electronic signature for both the Letter of Representation and the Statement of Accounts.

Appendix

Appendix 1 - Letter of Representation 2021/2022

Appendix 2 - Statement of Accounts 2021/2022

Appendix 3 - Annual Governance Statement 2021/2022

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



Appointed Auditor
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

Dear Sir

Representations regarding the 2021-22 Financial Statements

This letter is provided in connection with your audit of the financial statements of Neath Port Talbot Council for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibility for:

- the preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting in the UK 2021-22; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Neath Port Talbot Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of an uncorrected misstatement identified during the audit is immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by the Audit Committee

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Audit Committee on 12 January 2023.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you.

We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware

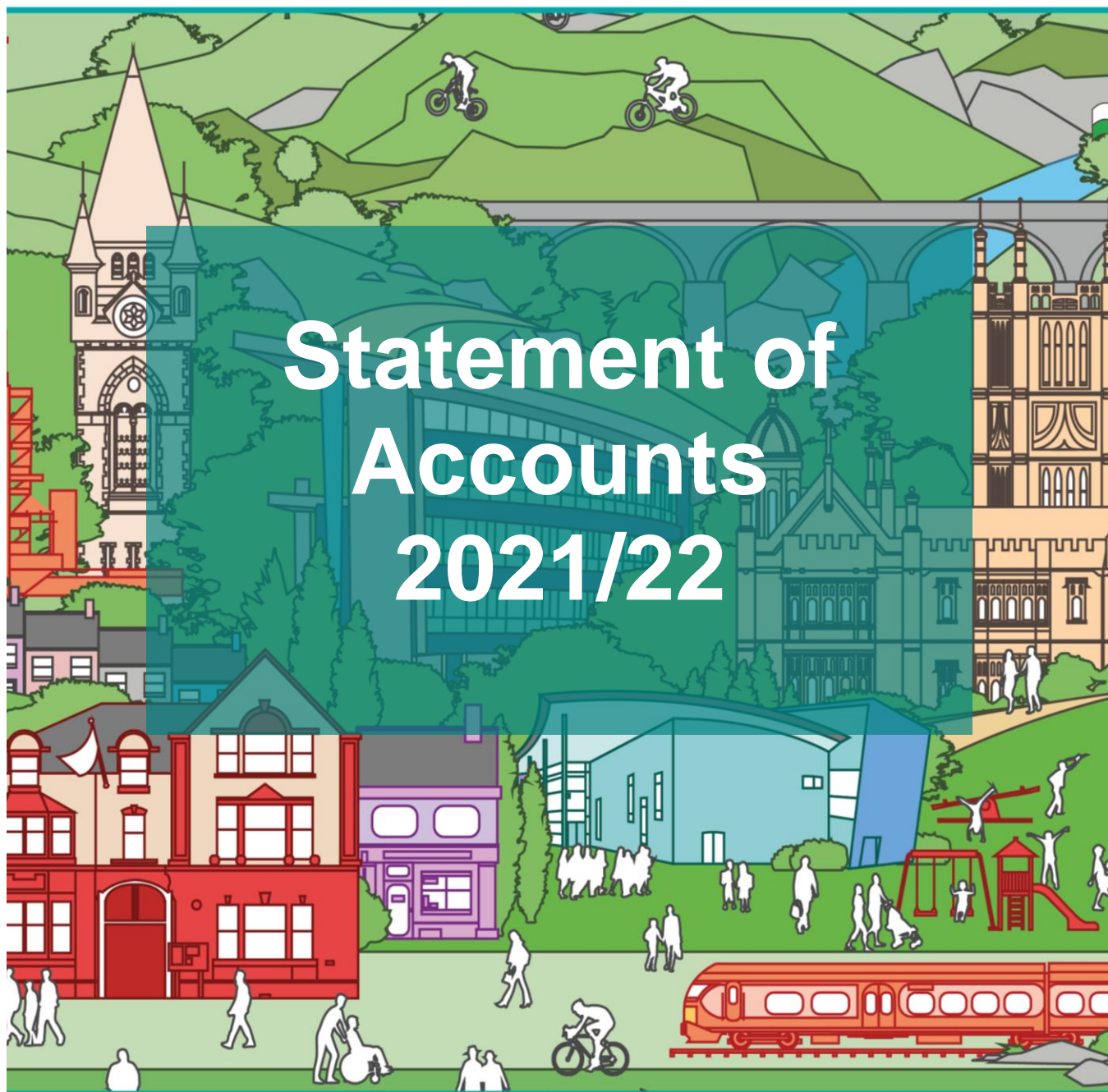
Signed by:

Signed by:

Director of Finance and Corporate Services:
Date: 12 January 2023

Chair of the Audit Committee
Date: 12 January 2023

Mae'r dudalen hon yn fwriadol wag



Statement of Accounts 2021/22

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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.

I Certify that the statement of accounts presents a true and fair view of the financial position of Neath Port Talbot Council as at the 31 March 2022 and of its income and expenditure for the year ended 31 March 2022



Chief Finance Officer (Section 151 Officer)
3 January 2023

Chair of Governance and Audit Committee
12 January 2023

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)
		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					
HEMOCARE 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)
ACCOMODATION 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)

11. PROPERTY, PLANT AND EQUIPMENT

In accordance with the Temporary Relief offered by the Update to the 2021/22 Code of Practice on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

NOTES TO THE ACCOUNTS

2021/22	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total PPE	Service Concession in PPE
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000
At 1st April 2021	432,307	27,295	647	13,759	41,475	515,483	18,563
Additions	10,976	3,707	4	-	40,527	55,214	-
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)	(4)	-	-	(12,372)	-
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	651	12,482	56,160	637,443	18,563
Accumulated Depreciation and Impairment							
At 1st April 2021	(58,814)	(15,157)	-	(23)	(4)	(73,998)	(2,741)
Depreciation Charge	(12,324)	(3,405)	-	(69)	-	(15,798)	(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)	0	(87)	(4)	(41,764)	(3,593)
Net Book Value							
At 31st March 2022	514,049	12,428	651	12,395	56,156	595,679	14,970
At 31st March 2021	373,493	12,138	647	13,736	41,471	441,485	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	Community Assets	Surplus Assets	Assets Under Construction	Total PPE	Service Concession in PPE
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000
At 1st April 2020	437,357	33,339	647	13,915	13,187	498,445	18,563
Additions	8,176	2,920	1	-	34,492	45,589	-
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)	-	-	(15,833)	-
Assets Reclassified (to)/from Held for Sale	-	-	-	1,300	-	1,300	-
Change in Asset Classification	4,214	-	-	1,810	(6,204)	(180)	-
At 31st March 2021	432,307	27,295	647	13,759	41,475	515,483	18,563
Accumulated Depreciation and Impairment							
At 1st April 2020	(50,673)	(20,290)	-	(136)	(4)	(71,103)	(1,889)
Depreciation Charge	(12,306)	(3,083)	-	(94)	-	(15,483)	(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)	0	(23)	(4)	(73,998)	(2,741)
Net Book Value							
At 31st March 2021	373,493	12,138	647	13,736	41,471	441,485	15,822
At 31st March 2020	386,684	13,049	647	13,779	13,183	427,342	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

NOTES TO THE ACCOUNTS

Effects of Changes in Estimates

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

Infrastructure assets

2020/21 £000		2021/22 £000
281,800	Net Book Value 1st April	280,714
10,063	Additions	8,762
(1,209)	Derecognition	(29)
0	Impairment	0
(10,120)	Depreciation	(10,330)
180	Other Movements in Cost	0
280,714	Total	279,117

The authority has determined in accordance with Regulation 24L Wales of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (as amended) that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

2020/21 £000		2021/22 £000
280,714	Infrastructure Assets	279,117
441,485	Other Property Plant & Equipment Assets	595,679
722,199	Total Property Plant & Equipments	874,796

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.

NOTES TO THE ACCOUNTS

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 Financial Assets	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

Financial Liabilities	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)

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)

NOTES TO THE ACCOUNTS

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.

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)

NOTES TO THE ACCOUNTS

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

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

NOTES TO THE ACCOUNTS

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

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)

NOTES TO THE ACCOUNTS

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.

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.

NOTES TO THE ACCOUNTS

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	-	(93,285)
(924)	(98,806)	Revised Balance at 1st April Upward Revaluation of Assets	(92,139)	(93,285)
2,711		Downward Revaluation of Assets and Impairment Losses Not Charged to the Surplus/Deficit on the Provision of Services	6,122	
-		Impairment Losses on Non-Current Assets	-	
	1,787	Downward Revaluation of Assets and Impairment Losses Not Charged to the Surplus/Deficit on the Provision of Services		(86,017)
3,590		Difference Between Fair Value Depreciation and Historical Cost	3,601	
144		Accumulated Gains on Assets Sold or Scrapped	643	
	3,734	Amount Written Off to the Capital Adjustment Account		4,244
	(93,285)	Balance at 31st March		(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 (3,734)	Adjusting Amounts Written Out of the Revaluation Reserve		6,042 (4,244)
	(232,071)	Net Written out Amount of the Cost of Non Current Assets Consumed in the Year		(288,845)
(936)		Capital Financing Applied in the Year:		
		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 Account	(48,104)	
(10,102)		Statutory Provision for the Financing of Capital Investment Charged Against the	(10,498)	
(1,245)		Capital Expenditure Charged Against the General Fund	(2,810)	
15	(58,587)	Deferred Sale Proceed to Comprehensive Income and Expenditure Account	-	(64,105)
	15			0
	(290,643)	Balance at 31st March		(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
		Proportion of Premiums Incurred in Previous Financial Years to be Charged Against the General Fund Balance in Accordance with Statutory Requirements		
	(176)			(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	
9,762	13,530	23,292	Property	11,657	13,822	
6,757	-	6,757	Property Unit Trust	8,580	-	
26,151	45,741	71,892	Fixed Interest	29,979	45,261	
11,201	-	11,201	Index-Linked	11,750	-	
-	18,730	18,730	Hedge Fund	-	18,944	
-	41,168	41,168	Private Equity	-	62,712	
-	23,620	23,620	Infrastructure	-	26,974	
-	11,783	11,783	Private Debt	-	17,482	
-	-	0	Residential Housing	-	5,607	
-	-	0	Timberland & Farmland	-	41	
-	822	822	Derivatives	-	508	
-	1,350	1,350	Cash Funds	-	0	
12	-	12	Cash Dividends Due	94	-	
53,883	742,796	796,679	Net Current Assets	62,060	838,556	
		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
Gwaencaegurwen	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)

NOTES TO THE ACCOUNTS

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.

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, processes 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

Opinion on financial statements

I have audited the financial statements of Neath Port Talbot Council for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

Neath Port Talbot Council's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial position of Neath Port Talbot Council as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Neath Port Talbot Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Neath Port Talbot Council's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

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

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Neath Port Talbot Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

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

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 9, the responsible financial officer is responsible for the preparation of the statement of accounts which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing Neath Port Talbot Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, relating to Neath Port Talbot Council's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals; and

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

- obtaining an understanding of Neath Port Talbot Council's framework of authority as well as other legal and regulatory frameworks that Neath Port Talbot Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Neath Port Talbot Council.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Governance and Audit Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance, the Cabinet and the Council; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Neath Port Talbot Council's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Neath Port Talbot Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
13 January 2023

24 Cathedral Road
Cardiff
CF11 9LJ

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 (NDR)	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.

Mae'r dudalen hon yn fwriadol wag

Neath Port Talbot Council Annual Governance Statement 2021/2022



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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:

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- 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.

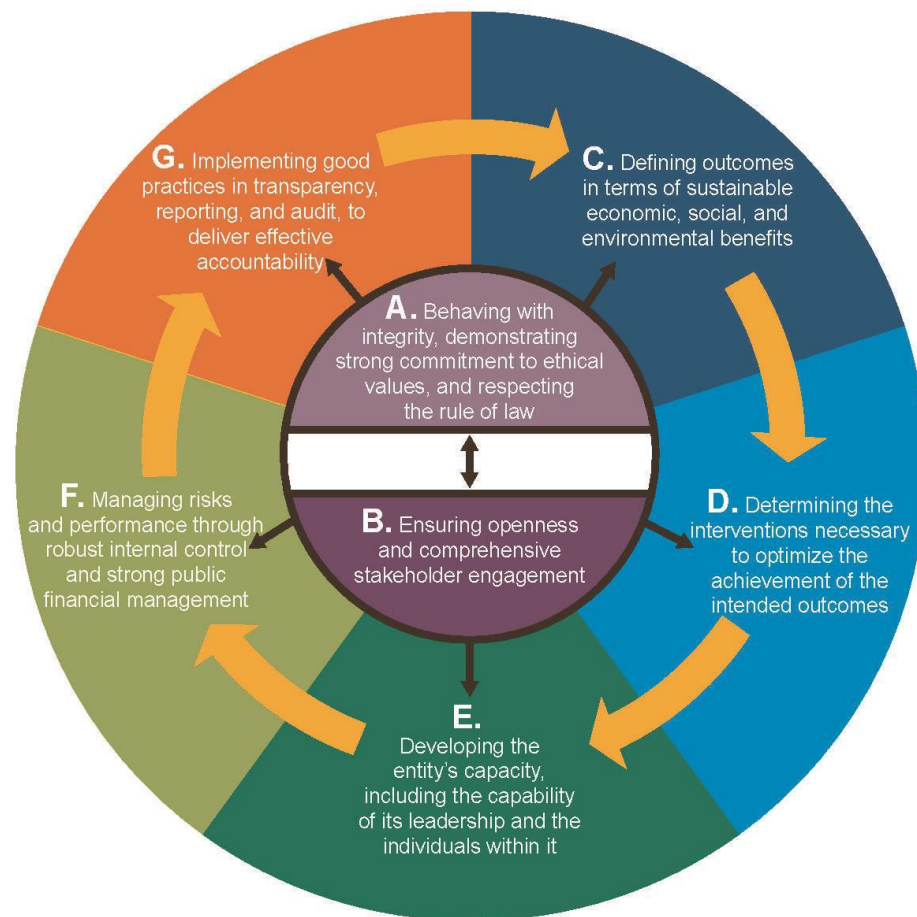
Principles A and B run through principles C to G but good governance is dynamic, and the Council as a whole is committed to improving governance on a continuing basis through a process of evaluation and review.

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	
Tudalen173	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
Tudalen 174		<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>	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
Tudalen175	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>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>	None identified
	1.1.5 Performance Appraisal Process	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.	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>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="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 176</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);">1001en177</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

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Tudalen 178	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

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Tudalen179	1.3.4 Member and Officer Relations Protocol	<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>	None identified
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	1.4.1 The Anti-fraud, Corruption and Malpractice Strategy	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.	None identified

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Tudalen 180	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

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Tudalen181		<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>	
	<p>1.4.8 Social Services Compliments and Complaints</p>	<p>The latest Social Services Compliments and Complaints Annual Report 2020/2021 was prepared and reported to Social Care, Health & Wellbeing Cabinet on 21st October 2021. No systemic issues were identified.</p>	<p>None identified</p>
	<p>1.4.9 Corporate Comments, Compliments and Complaints and responses</p>	<p>The latest Corporate Comments, Compliments and Complaints Annual Report 2020/2021 was reported to Cabinet on 15th 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.</p>	<p>None identified</p>
	<p>See also 1.4.4 Members: The Constitution, Part 5, Section 3 ‘Personal Interests’ addresses this.</p>	<p>Member’s interests are published on the NPT Council website for each meeting throughout the year.</p>	<p>None identified</p>

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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);">Tudalen</p>	<p>See also 1.1.1 Officers: Employee Code of Conduct (Section 9, 2017).</p>	<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>	<p>None identified</p>
<p>2.1 Seeking to establish, monitor and maintain the organisation’s ethical standards and performance</p>	<p>2.1.1. The Corporate Procurement Team</p>	<p>This is acknowledged by the team when undertaking tender work for other sections when developing and evaluating procurement process. The team also monitor and evaluate compliance looking at what approach sections adopt. The Ethical Employment Code of Practice and Modern Slavery Statement issued to all sections sets out processes that should be valued.</p>	<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.</p>

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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>

Tudalen 103

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Tudalen184		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

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Tudalen185	<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>	
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	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>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>	None identified

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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);">Tudalen186</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>

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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	
<p>3.3 Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 197</p>	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

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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 style="writing-mode: vertical-rl; transform: rotate(180deg);">Tirialen 188</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 Tudalen 189	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
Tudalen 190		<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 Tudalen192	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
Tudalen 01 03		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
Tudalen194	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
Tudalen195		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

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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
4.6.6 Ensuring that partnerships are based on Trust <ul style="list-style-type: none"> • 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	The Council plays an active role in collaborative arrangements to ensure the best return for our citizens and other stakeholders. 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.	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 Tudalen 198	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
Tudalen 66 Rhifyn 199	<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) 		
	4.13.1 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		

Tudalen 2020

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
Tudalen201		<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>	
5.2 Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be	5.2.1 Commissioning	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.	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
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	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>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>5.5 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>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>

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. 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.	None identified
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		

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);">Tudalenn2019</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
Tudalen210		<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);">Tudalec 2018</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
Tudalen214 learnt from both internal and external governance weaknesses		<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 Tudalen215	7.10.1 External regulator inspections	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. Both Estyn and CIW have a programme of inspections based on their annual performance evaluation. The Local Government & Elections (Wales) Act 2021 contains a requirement for Peer reviews to be undertaken once every electoral (ordinary) cycle.	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
Tudalen216		<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>	
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	See 1.2.2 Workforce Plan 2018-2022	<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>	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>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)	Governance and Audit committee complies with best practice (Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013) 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.	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
Tudalen224		<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.		

TPO/EN/225

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>We 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>

Tudalen227

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 Tudalen228	<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
A1	<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		
Tudalen229	<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 Tudalen230	<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		
<p>Av</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalenn231</p>	<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>	<p>Chief Digital Officer</p>
<p>Avi</p>	<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>	<p>Head of Human & Organisational Development</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		
Tudalen232	<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		
Tudalen 233	<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>

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
A2.4.2	<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
A3.5.1	<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
A9.1 Appendix 237	<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: Tudalen 238	<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

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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		
Tudalen24	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

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
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Signed:

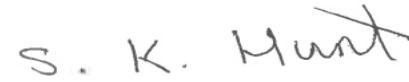


Chief Executive: Karen Jones

Date: 5th July 2022

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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>

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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>

Tudalen 243

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>

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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

Tudareh 215

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	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

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Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

12th January 2023

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 September 2022.

2. Executive Summary

Since the last committee meeting in September 2022 the team has again been impacted by a considerable number of days lost to sickness. This sickness absence and the current vacancy has impacted on the work which had been planned to be undertaken.

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 27th September 2023.

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 25 (as at 16th December 2022) days lost to sickness.

I am pleased to advise members that the Auditor vacancy has now been filled and the new member joined the team on 2nd January 2023.

Two members of the team are due to sit another professional Institute of Internal Auditors examination in February 2023.

5. Audit Work Undertaken

Since the last committee meeting a total of 15 formal reports have been issued, as at 16th December 2022, in line with normal reporting processes. One of the audits undertaken resulted in a limited assurance rating and the responses received from the Headteacher is attached as appendix 3.

Final Reports Issued

Officer Declarations

Members ICT Equipment

Direct Payments Support Service

Tonnau Primary School

Third Sector Grant Scheme

Llangatwg Community School

Working from Home – control of equipment
Swansea Bay City Deal – Supporting Innovation & Low Carbon Growth
Extended Audit of Alderman Davies Church in Wales Primary School
Trem Y Mor Complex Needs Day Service
Trem Y MOR Respite Service
St Joseph’s RC School & 6th Form Centre
Rhodes House Behavioural Support Service
Dwr Y Felin Comprehensive School
National Fraud Initiative

In addition to the audits undertaken which resulted in the issue of a formal report the following work has also been undertaken:

- The Audit Manager has attended the fortnightly meetings of the Social Services Quality Practice Strategic Group.
- The Audit Manager and an Auditor have attended the monthly meetings of the Leisure Insourcing Project Board.
- The Audit Manager has attended the first Social Care Case Management Platform Project Board.
- The Senior Auditor has attended the Itrent System (payroll) Project Board meetings.
- All data sets required by the Cabinet Office to enable data matching to be undertaken for the National Fraud Initiative have been uploaded to the NFI platform.
- Staff have attended a number of training webinars.
- Staff have continued to provide advice to staff from across the Authority.
- The Head of Internal Audit and the Audit Manager have commenced preparation for the upcoming external review as required by the Public Sector Internal Audit Standards.

- Two Post Audit Reviews have been undertaken, where testing was undertaken to ensure that the agreed recommendations had been implemented. In both cases all recommendations had been implemented.
- There are currently 2 special investigations underway.

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. Recommendations

That members note the content of the reports and appendices.

14. Appendices

Appendix 1 – Audit Reports Issued.

Appendix 2 – Audit Plan Monitoring.

Appendix 3 – Headteacher response in relation to reports issued with a limited assurance rating.

Officer Contact:

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Audit Manager

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Appendix 1 – Published Reports

Tudalen252

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R21	Officer Declarations All Chief Officers	<p>Overall, the findings from this audit were positive with only clerical rather than compliance issues identified.</p> <p>The revised Employee Code of Conduct provides clear instruction on what is required of staff at all levels. The Code is made available to all staff via the Authority’s intranet and on the whole Accountable Managers are aware of their responsibility in raising awareness of the requirement for staff to declare any interests, gifts/hospitality and/or additional employment.</p> <p>Testing has however identified numerous instances where the most up to date version of the declaration forms had not been used.</p> <p>Currently, Accountable Managers and Chief Officers are not required to complete all 3 declaration forms upon commencement of their post. This requirement should be included as part of the recruitment process and the Code should be updated to include this. In addition, the Code should also be updated to reflect the newly created position of the Chief Finance Officer.</p> <p>As required by the Code, declaration of interests, involvements, hospitality and gifts and additional employment have been provided by all Chief Officers and Accountable Managers within the Authority. A review of declaration forms submitted by ‘other staff’ across the Authority highlighted no key concerns.</p>	Reasonable

Appendix 1 – Published Reports

Tudalen253

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R22	Members ICT Equipment Chief Executive	It is evident that good processes are in place in relation to issue and control of ICT equipment to Members. Two minor recommendations have been made, which when implemented will further enhance the good controls already in place.	Substantial
R23	Direct Payments Support Service Head of Adult Services	<p>Good controls and processes were found to be in place within the Direct Payment Support Service in the support and guidance provided to direct payment recipients. This support includes assistance to recruit personal assistants and help with all the required safeguarding checks.</p> <p>The training programme for all staff and partners should be recommenced to ensure all parties are fully conversant with direct payments and these payments promoted wherever possible. Consideration should be given by the Direct Payment Support Service to liaise with ICT colleague to “build” an IT system to incorporate all the key elements of the service and to readily provide management information.</p>	Reasonable
R24	Tonnau Primary School Head of Education Development	<p>The school was found to be complying with current DBS guidance although an additional training need was identified and a recommendation made to address it.</p> <p>Good controls were found to be in place in relation to Budgetary Controls, Travel & Subsistence, Purchasing/Procurement Card, Cash Collection, and Health and Safety.</p>	Reasonable

Appendix 1 – Published Reports

Tudalen254

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		Enhancements are required in some of the areas audited and recommendations were made to address these.	
R25	Thirst Sector Grant Scheme Chief Finance Officer	It is clear that good processes are in place in relation to all aspects of the administration of the Third Sector Grant Scheme. Clear instructions/terms and conditions are in place in relation to the scheme itself, the eligibility criteria and the application process. The budget set and all payments made are subject to prior members’ approval. Testing yielded satisfactory results in relation to administration and payment of both single year and multi- year grants. The scheme is adequately promoted to ensure maximum reach to the target audience.	Substantial
R26	Llangatwg Community School	Enhancements are required in a number of the areas audited. The Unofficial Fund must be audited on an annual basis, the cash book should be fully completed and a record of income and expenditure should be maintained. Purchasing Cards must be used only by the officer named on the card and the guidance must be followed. The long term variance in the school bank account must be investigated and corrected. Health & Safety Guidance must be adhered to in particular in relation to emergency lighting	Limited

Appendix 1 – Published Reports

Tudalen255

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		checks, electrical safety checks and fire wardens. All statutory policies must be approved by the Governing Body.	
R27	Working From Home Control of Equipment All Heads of Service	During the course of the audit it was found that although the majority of Accountable Managers contacted were complying with Homeworking Guidance some were unaware of the requirement for Loan Agreement Forms to be completed for any items of equipment taken home by staff. Accountable Managers sampled were reminded of this requirement and assurances were given that they would be completed by staff and authorised appropriately.	Reasonable
R28	Swansea Bay City Deal-Supporting Innovation & Low Carbon Growth Head of Property & Regeneration	This audit concentrated on the Governance Processes in place for the project. It was evident that there are comprehensive and effective controls operating in all of the areas tested. Substantial assurance can therefore be provided that there are no control weaknesses in the areas tested which would affect the achievement of the SILCG’s objectives.	Substantial
R29	Extended audit of Alderman Davies Church in Wales Primary	The school was found to be complying in full with current DBS guidance. Staff are commended for the effort and work they have undertaken in addressing the lack of information available in relation to the unofficial funds, which had been managed by staff	Reasonable

Appendix 1 – Published Reports

Tudalen256

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
	Head of Education Development	<p>who are currently not in school. More efficient and transparent processes are now in place.</p> <p>Good controls were found to be in place in relation to Salary & Wages, Travel & Subsistence, Procurement of Goods & Services, School Clubs/Childcare Provision, Health & Safety and Corporate Governance.</p> <p>Enhancements are required in some of the areas audited namely:- payment by staff for meals; school meal debt and ICT & Internet Policy. Minor recommendations were also made in relation to the unofficial fund.</p>	
R30	Trem Y Mor Complex Needs Service Head of Adult Services	<p>Good controls were found to be in place in relation to Safeguarding, Day Service Attendance & Charges, Individual Support Plans, Medication Records & Storage and Staff Cover & Vacancy Management.</p> <p>Recommendations were made to strengthen controls currently in place relating to Service User Monies, Service User Risk Assessments and Staff Supervision Records.</p>	Reasonable
R31	Trem Y Mor Respite Service Head of Adult Services	<p>Good controls were found to be in place in relation to Respite Attendance & Occupancy, Respite Service Charges, Individual Support Plans, Medication Storage and Safeguarding.</p> <p>Recommendations were made to strengthen controls in relation to Service User Risk Assessments and Purchasing Card use.</p>	Reasonable

Appendix 1 – Published Reports

Tudalen257

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R32	St Joseph's RC School & 6 th Form Centre Head of Education Development	<p>The school was found to be complying in full with current DBS guidance for staff however could not provide sufficient evidence available at the time of the audit in relation to DBS disclosures for 4 school governors.</p> <p>Good controls were found to be in place in relation the majority of processes operating within the school.</p> <p>Enhancements are required to the controls in place with regard to the administration of the School Fund and the School Minibuses and recommendations were made to address this.</p>	Reasonable
R33	Rhodes House Behavioural Support Service Head of Adult Services	<p>Testing identified that at all times there were sufficient staff on duty to maintain the required staffing/client ratios and the service was reactive in amending daily activity plans when staff absences occurred at short notice.</p> <p>All staff had the required level of DBS disclosure in place and there is a system in place for ensuring that renewals are undertaken at the required time.</p> <p>Good controls were in place in relation to: - administering medication; the control of medication brought into the service; ensuring that clients meet the eligibility criteria for attending the service and ensuring that maximum numbers are not exceeded; control of overtime worked and petty cash.</p>	Reasonable

Appendix 1 – Published Reports

Tudalen258

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		Enhancement to current controls are required in relation to operation of the centre minibus and procurement card administration.	
R34	Dwr Y Felin Comprehensive School	The school was found to be complying with DBS guidance. Good controls were found to be in place in relation to the majority of processes within the school. Enhancements are required to the controls in place with regard to Driver Declaration Forms, Unofficial Funds, Purchasing Cards and the School Minibuses.	Reasonable
R35	National Fraud Initiative	A total of 97 matches identified by NFI, where potentially the benefit claimant was in receipt of an occupational pension which they had not declared to the Authority, were investigated. These investigations resulted on only 2 recalculations of benefit being undertaken this resulted in an immediate saving to the Authority of £6,500 and ongoing annual savings in the region of £3,000. Controls operating within the housing benefit team were found to be strong and the team would have had no way of knowing of the undeclared pension other than via the NFI matching exercise.	Substantial

Appendix 1 – Published Reports

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.

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 16th December 2022

Audit Plan Item	Risk Rating	Quarter 1 & 2 Position as at 31st August 2022	Quarter 3 Position as at 16th December 2022
Members ICT Equipment	M	Audit in progress	Audit Complete
Ethics – Member	M		
Payroll	H		
Housing Benefits	H		Audit in progress
Creditors	M		
National Non-Domestic Rates	M		
Debtors	M		
Creditors (monthly checks)	M	Being undertaken monthly	Being undertaken monthly
Court Deputy Service	M		
Third Sector Grants	M	Audit in progress	Audit Complete and report issued
Registrars	M	Audit in planning stage	Audit in progress
Procurement	H		Audit in planning stage
GDPR/Data Security	M	Audit complete	
Compliance with Safe Recruitment Policy	M		Audit in progress

Appendix 2 – Audit Plan Monitoring at 16th December 2022

Leisure Insourcing	H	Steering group meetings being attended	Steering group meeting being attended
Pupil Deprivation Access Grant	M	Audit Complete	
Glamorgan Further Education Trust	M	Audit complete	
Primary Schools	M	12 schools audited	2 schools audited
Comprehensive Schools	M	1 school audited	3 schools audited, 2 final reports issued and 1 draft report issued
Pupil Development Grant Working Group (substituted in place of Education Support Officer at Head of Service request due to sums involved in new grant and lack of Welsh Gov guidance)	M		Meetings attended and advice given.
Music Service	M		
Bursar & Primary Support Officer Service	M	Audit in planning stage	Audit in progress

Appendix 2 – Audit Plan Monitoring at 16th December 2022

School Based Counselling Service	M		
Flood Risk	H		
Stores	H		Stock take attended
SWTRA – Partners use of vehicles	H		
City Deal Projects	H	Audit in planning stage	Audit complete and report issued
Authorised Persons (Buildings)	M		
External Provision of Care	H		
Day Centres	M	1 audit in progress and 1 audit planned to commence in October	3 final reports issued and 1 audit in progress
Direct Payments	M	Audit in progress	Audit complete and report issued
Follow up on use of respite care	M		
Audit Wales review of Safeguarding – progress on recommendations made	M	Audit in planning stage	Audit in progress
Pendarvis Contact Centre	M		

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Appendix 2 – Audit Plan Monitoring at 16th December 2022

Hillside Secure Children's Home	M		Audit in planning stage
Harm Outside the Family	M		
Grants	M	1 grant audited	
Emergency Payments	H	Audit in planning stage	Audit complete and draft report issued
Officer Declarations	M	Audit in progress	Audit complete and final report issued
WFH control of equipment	M		Audit complete and final report issued
Fraud & National Fraud Initiative	H	Work ongoing	1 report issued
Special Investigations & Whistleblowing	H	1 in progress	2 in progress
Vision Impaired West Glamorgan	Not Applicable		Audit in progress
Staff Association Lottery	Not applicable	Year-end accounts audited	Advice has been given when requested
FOI requests	Not applicable	All received have been answered	All received have been answered
Advice	Not applicable	Ongoing	Ongoing

Appendix 2 – Audit Plan Monitoring at 16th December 2022

Attendance at working parties & task and finish groups	Not applicable	Ongoing	Ongoing
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Tudalen264

To: Governance & Audit Committee

Subject: Internal Audit Report No. 26 – Llangatwg Community School

All recommendations made within the report are accepted, with recommendations 1, 2 and 3 already complete.

As a result of the audit, the administration of the Unofficial Fund has been and will continue to be overhauled.

Recommendation 4 has been actioned and will continue to be reviewed to ensure adherence to the accounting instruction as the new system is introduced.

It is anticipated that with the assistance of Education Finance, recommendation 5 will be addressed by the end of the year.

Mr Alan Rowlands
Headteacher Llangatwg Community School

Mae'r dudalen hon yn fwriadol wag



NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

REPORT OF THE CHIEF FINANCE OFFICER – HUW JONES

12th January 2023

Matter for Monitoring

Wards Affected - All

TREASURY MANAGEMENT MONITORING 2022/23

Purpose of Report

1. This report sets out treasury management action and information for 2022/23.
2. This report was considered by the Cabinet at their meeting in October 2022 and is now reported to the next Governance and Audit Committee in line with the Council's Treasury Management Practices Scrutiny arrangements.

Rates of Interest

3. Over the past year, the cost of living has risen sharply. The speed of this increase is called the 'rate of inflation'. It is the job of the Bank of England to keep this rate around their target of 2%, however, it is currently above this – mainly due to the higher price of goods coming in from abroad along with the increase in the cost of energy.
4. To reduce the rate of inflation, the Bank of England increase their interest rates. Since December 2021 the interest rates have increased as per below:

Effective Date	Bank Rate
19 th March 2020	0.10%
16 th December 2021	0.25%
4 th February 2022	0.50%
16 th March 2022	0.75%
5 th May 2022	1.00%
16 th June 2022	1.25%
4 th August 2022	1.75%
22 nd September 2022	2.25%

5. The following table provides examples of external borrowing costs as provided by the Public Works Loans Board (certainty rate) as at 5th October 2022:

	Equal Instalments of Principal		Annuity		Maturity	
	Previous 18Jul22	Current 05Oct22	Previous	Current 05Oct22	Previous 18Jul22	Current 05Oct22
	%	%	%	%	%	%
5-5.5 years	2.73	4.93	2.73	4.93	2.70	4.96
10-10.5 years	2.70	4.96	2.70	4.95	3.05	4.87
20-20.5 years	3.05	4.87	3.12	4.88	3.51	5.04
35-35.5 years	3.49	5.02	3.51	5.04	3.60	4.80
49.5-50 years	3.49	5.01	3.43	4.86	3.31	4.52

General Fund Treasury Management Budget

6. The following table sets out details of the treasury management budget for 2022/23 along with outturn figures for 2021/22. The budget consists of a gross budget for debt charges i.e. repayment of debt principal and interest, and interest returns on investment income.

2021/22 Outturn £'000		2022/23 Original Budget £'000
20,266	Principal and Interest charges	20,946
	Investment Income	
(167)	- Total	(200)
35	- less allocated to other funds	75
(132)	Subtotal Income	(125)
(291)	Contribution from General Reserves	(325)
	Contribution to General Reserves	
(176)	Contribution to/(from) treasury management reserve	
19,667	Net General Fund	20,496

NB: Other funds include Trust Funds, Social Services Funds, Schools Reserves, Bonds etc.

Borrowing

7. There has been now new loan agreements entered into since the last quarterly report to Cabinet.

Investments

8. The following are a list of investments as at 30th September 2022:

<u>Counterparty</u>	<u>Value (£)</u>	<u>Investment type</u>	<u>Investment start</u>	<u>Investment maturity</u>	<u>Interest rate</u>
Goldman Sachs International Bank	£5,000,000	Fixed	17 th Aug 2022	17 th Feb 2023	2.50%
Goldman Sachs International Bank	£5,000,000	Fixed	23 rd Jun 2022	23 rd Dec 2022	2.27%
Santander UK	£5,000,000	Fixed	20 th Jul 2022	20 th Jan 2023	2.28%
Nationwide Building Society	£5,000,000	Fixed	3 rd Aug 2022	3 rd Nov 2022	1.69%
Nationwide Building Society	£5,000,000	Fixed	15 th Aug 2022	15 th Nov 2022	1.80%
Cambridgeshire C.C.	£5,000,000	Fixed	6 th December 2021	6 th December 2023	0.40%
East Ayrshire C.C	£5,000,000	Fixed	13 th December 2021	13 th December 2022	0.45%
Police and Crime Commissioner for Merseyside	£5,000,000	Fixed	5 th May 2022	4 th May 2023	1.20%
Cornwall Council	£5,000,000	Fixed	15 th Aug 2022	17 th Oct 2022	1.73%
Plymouth City Council	£5,000,000	Fixed	8 th Sep 2022	7 th Sep 2023	3.05%
DMO	£16,700,000	Fixed/ Overnight	N/A	N/A	1.800% - 1.975%
Santander	£9,100,000	Call Account	N/A	N/A	1.75%

9. Please note – the Council’s investment criteria (appendix 1) allows for a maximum investment for an F1 rated counterparty to be £15m. Santander are currently an F1 rated counterparty – however, the policy also allows for this to be temporarily exceeded in exceptional circumstances.

Investment Income

10. In line with the Council’s Investment Strategy, the 2022/23 original budget target for investment income is £200k, income for the financial year to date totals £345k. The interest rate forecasts are higher than used in the original budget calculation, so we are suggesting a revised budget of £700k for the financial year. This additional income will lead to a removal of the budgeted reserve contribution with further balances being contributed into reserves.
11. Members should note that the majority of investments are classified as ‘specified’ i.e. up to 12 months and are currently deposited with Local Authorities, Police, Goldman Sachs International Bank, Nationwide Building Society and Santander Bank.
12. The Council policy will allow investments up to a maximum of £25m for periods of more than 1 year and up to 5 years, and this will be considered when decisions on investing surplus funds are made. The Council has no such investments.

Financial Impact

13. All relevant financial information is provided in the body of the report.

Integrated Impact Assessment

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

Valleys Communities Impacts

15. No implications

Workforce Impacts

16. There are no workforce impacts arising from this report.

Legal Impacts

17. There are no legal impacts arising from this report.

Risk Management

18. Borrowing and investment decisions are made in line with the Council's Treasury Management Policy. The Council has appointed Link Asset Services to provide support and advice in relation to this policy.

Consultation

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

Recommendation

20. It is recommended that Members note the contents of this monitoring report.

Appendices

21. Appendix 1 - Specified Investments

List of Background Papers

22. PWLB Notice Number 380/22

Officer Contact

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Mr Ross Livingstone – Group Accountant – Capital and Corporate

E-mail – r.livingstone@npt.gov.uk

Specified Investments

	Minimum 'High' Credit Criteria	Funds Managed	Max Amount	Max Duration
Term deposits				
Term deposits - Debt Management Office	N/A	In-house	Unlimited	1 year
Term deposits – local, police and fire authorities	N/A	In-house	£10m	1 year
Term deposits – Nationalised & Part Nationalised UK banks/Building Societies	Fitch short-term rating F1+, F1	In-house	£20m	1 year
Term deposits – UK banks/Building Societies	Fitch short-term rating F1+	In-house	£20m	1 year
Term deposits – UK banks/Building Societies	Fitch short-term rating F1	In-house	£15m	6 months or 185 days
Callable deposits				
Callable deposits – Debt Management Agency deposit facility	N/A	In-house	Unlimited	
Callable deposits – Nationalised & Part Nationalised UK banks/Building Societies	Fitch short-term rating F1+, F1	In-house	£20m	
Callable deposits – Nationalised & Part Nationalised UK banks/Building Societies	Fitch short-term rating F2	In-house	£10m	
Callable deposits - UK banks/Building Societies	Fitch short-term rating F1+ or F1	In-house	£15m *	
Term deposits – non UK banks	Fitch short-term rating F1+	In-house	£5m	6 months or 185 days

* Where necessary this limit may be temporarily exceeded with the Authority's bankers only.

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

12th JANUARY 2023

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

Matter for Information

Wards Affected – All wards

Register of Regulators Reports & Recommendations.

Purpose of the Report

To provide the Governance & Audit Committee with an updated Register of Regulators Reports and Recommendations.

Background

On 3rd June 2021, the previous Audit Director for Audit Wales, Derwyn Owen, wrote to Chairs of Governance & Audit Committee setting out Audit Wales expectation that all councils' Governance & Audit Committee formally consider reports of external review bodies – principally; Audit Wales, Estyn and the Care Inspectorate Wales (CIW).

In addition to considering the reports, the Audit Director also set out the expectation for committees to assure themselves that there are arrangements in place to monitor and evaluate progress against any recommendations contained in them.

At the meeting of Governance and Audit Committee on 15th September 2021, a proposed process to provide the above assurance to the Committee was presented and noted.

The first report providing an update to this Committee was presented on 26th November 2021.

This report presents a summary of reports issued by external review bodies since November 2021 and an updated Register of Regulators Reports.

Update - November 2021 – December 2022

During the above period, 13 national reports of interest to the Council, 2 local reports and 1 local letter have been received.

National Reports:

1. **Care Home Commissioning for Older People (Dec 21)** – This short report was prepared by Audit Wales drawing out from their work in North Wales some issues of wider national significance and to make recommendations for the Welsh Government to consider.

The aim of the report was to highlight challenges that should be considered as part of planned policy reform and to secure meaningful change and better outcomes for people across Wales.

The report contains two recommendations for Welsh Government.

2. **Local Government Financial Sustainability Tool (Feb 22)** - This data tool compares financial data for each council, national park and fire and rescue authority in Wales from 2015-16 onwards.

This data is being published following national and local work Audit Wales carried out during 2020-21.

The aim of the tool is to help to tell some of the story of local government finances and be useful to anyone who wants to understand a bit more about the position of individual bodies and the local government sector as a whole.

There were no recommendations contained within this report.

3. **Direct Payments for Adult Social Care (April 22)** - This report looks at how local authorities provide Direct Payment services to adults, examining their impact and value for money. The overall conclusion in the report is that Direct Payments support people's independence and are highly valued by service users and carers, but inconsistencies in the way they are promoted and managed by

local authorities mean services are not always equitable and it is difficult to assess overall value for money.

The report contains four recommendations for Welsh Government and five recommendations for local government.

The recommendations have been considered by the service and an action plan will be reported to Social Services, Housing and Community Safety Cabinet Board on 26th January 2023. The Internal Audit Service has also undertaken a review of the Direct Payments Service during the year.

4. **New Curriculum for Wales (May 22)** - This report looks at the Welsh Government's management of the planning and implementation of the new curriculum.

The report contains six recommendations for Welsh Government.

5. **Public Sector Readiness for Net Zero Carbon by 2030 (July 22)** - This report targets senior leaders and those with scrutiny roles in public bodies, with the aim of inspiring them to increase the pace of their work on achieving the 2030 collective ambition. Included in the report are questions for organisations to reflect on.

The report also contains the following five calls for action for organisations to tackle the common barriers to decarbonisation in the public sector.

- Strengthen leadership and demonstrate collective responsibility through effective collaboration
- Clarify strategic direction and increase pace of implementation
- Get to grips with the finances required
- Know skills gaps and increase capacity
- Improve data quality and monitoring to support decision making.

There were no recommendations contained within this report.

In response to the Audit Wales report the Council's DARE Strategy provides a sound overarching framework for the work ahead and a 'Gap Analysis' has been commissioned with the objective to scope out a route map to net zero carbon by 2030, providing a clear delivery pathway supported by a corporate governance structure for programmes and projects along with the resources that will be needed to facilitate the work.

The intention is to produce an all-embracing 'Net Zero Carbon Action Plan' (with likely phased targets and periodic milestones) which will sit alongside a refreshed DARE Strategy – ongoing monitoring of progress made towards the Council achieving net zero status will be a critical function going forward.

6. **The Welsh Community Care Information System (July 22)** – This report (for the Public Accounts and Public Administration Committee) sets out the progress made against the two recommendations for Welsh Government contained in an earlier report published in October 2020 on the implementation of the system.

There were no recommendations contained within this report.

7. **Public Sector Readiness for Net Zero Carbon by 2030: Evidence Report (Aug 22)** – This reports supplements the above report by providing more detailed findings and data from the call for evidence and the wider work of Audit Wales.

There were no recommendations contained within this report.

8. **Equality Impact Assessments: More than a Tick Box Exercise (Sept 2022)** – This report focusses on the overall approach to public bodies undertaking of EIAs, primarily on understanding public bodies' approaches, with a view to finding good or interesting practice and identifying any common areas for improvement. The report also looks at the way in which public bodies are conducting specific parts of the processes and offer insight about the overall approach to assessing the impacts of policies and practices and the underpinning mind-set and culture.

There were three recommendations for Welsh Government and one recommendation for local government contained within this

report. The report is being considered as part of the work to further improve the Council's approach to the undertaking of Integrated Impact Assessments.

9. **National Fraud Initiative 2020-2021 (Oct 2022)** – This report looks at the outcomes and results of National Fraud Initiatives, recorded since the last report in October 2020. The report also details the processes followed to identify potential fraud and future developments around data-matching and the review of data sets for 2022/2023.

There were three recommendations contained within this report for local government. The report is being considered by officers and an update on the response to the report will be provided at the next meeting of the Governance & Audit Committee.

10. **“Time for Change” – Poverty in Wales (Oct 2022)** – This report looks at the challenge of poverty in Wales and how government is responding. The overall conclusion by Audit Wales is that the scale of the challenge and weaknesses in current work make it difficult for Welsh and local government to deliver the systemic change required to tackle and alleviate poverty.

The report contains 2 recommendations for Welsh Government and 6 recommendations for local government.

The report is being considered by officers and an update on the response to the report will be provided at the next meeting of the Governance & Audit Committee.

11. **Poverty in Wales Data Tool (Nov 2022)** - The data tool supports the “Time for Change” report and has been designed alongside the recommendations contained within the report, to support decision making across local government to improve how work is targeted. The tool brings together a range of data which will help councils and their partners improve delivery of services to people in poverty.

There were no recommendations in this report.

12. **A Picture of Flood Risk Management (Dec 2022)** – This report provides information on the extent of damage caused as a result climate change and the risks presented to the country. This Picture

of Flood Risk Management report explains how flood risk management works in Wales, including expenditure trends. Flood risk management is a complex area, the report is not intended to be comprehensive. It focuses on the management of flood risk rather than the emergency response when floods do happen. Audit Wales have set out what they consider to be some of the key issues, recognising that other commentators and review bodies will have their own perspective.

The report is part of ongoing programme of work looking at how public bodies are responding to the challenges of climate change.

There were no recommendations in this report.

13. **A Missed Opportunity' – Social Enterprises (Dec 2022)** – This report looks at how local authorities are working to grow and make the most of Social Enterprises ensuring social value and social capital stay in communities and help people who are struggling. This is also the second report of three reviews on the challenge of alleviating and tackling poverty in Wales. Appendix 1 of the report sets out the approach undertaken by Audit Wales and methods and includes more information on poverty themed work. The overall conclusion is that local authorities are not effectively working with Social Enterprises to maximise their impact, make better use of resources and improve services for people and communities.

There were three recommendations contained within this report for local government. The report is currently being considered by officers and an update on the response to the report will be provided at the next meeting of the Governance & Audit Committee.

Local Reports

1. **NPT Annual Audit Summary 2021 (March 22)** – This is Audit Wales audit summary for the Council and provides a single summary of the findings of performance and financial audit work undertaken by Audit Wales as well as planned future audit work (this summary included the work completed since the last Annual Audit Summary was issued in April 21). The summary was presented to Council on 16th March 2022 by Non Jenkins

(Engagement Lead) and Gillian Gillet (Financial Audit Manager) from Audit Wales.

There were no recommendations in this report.

- 2. Audit of Neath Port Talbot's Assessment of 20-21 Performance (Dec 21)** – This report sets out the Auditor General's audit and assessment work in relation to whether the Council discharged its statutory duties to publish an assessment of performance for the financial year 2020/2021. The report concluded the Council discharged its duties under sections 15(2), (3), (8) and (9) of the Local Government (Wales) Measure 2009 and acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

There were no recommendations in this report.

Local Letter

- 1. Assurance and Risk Assessment Progress – Carbon Reduction (Oct 22)** – This letter provides a progress update on the Council's arrangements for carbon reduction.

The letter has been considered by officers and a report setting out a response to the letter will be tabled at Environment Regeneration and Streetscene Services Cabinet Board, 20th January 2023. An update on the response to the letter will be provided at the next meeting of the Governance & Audit Committee.

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:

- The Governance & Audit Committee note the reports issued by the Council's external review bodies since November 2021 and the updated Register of Regulators Reports and Recommendations.

Appendix

- Addendum 1 – Register of Regulators Reports & Recommendations.

Background Papers

None

Officer Contact

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Appendix 1

Register of Regulators Reports & Recommendations

1st Nov 2021 – 31st December 2022

	Name - Inspection / Review	Date noted by Governance & Audit Committee	Status of Report (National / Local)	Scrutiny Committee responsible for monitoring action plan (or other monitoring arrangements)	Target date for update to Governance & Audit Committee on the monitoring of progress (for assurance purposes)	Responsible Officer	Number of accepted recommendations	Date of update received by Governance & Audit Committee on monitoring of progress
1.	Care Home Commissioning for Older People (Dec 21)	12.01.23	National	n/a	n/a	n/a	No recommendations for local government	n/a
2.	Local Government Financial Sustainability Tool (Feb 22)	12.01.23	National	n/a	n/a	n/a	No recommendations for local government	n/a
3.	Direct Payments for Adult Social Care (April 22)	12.01.23	National	Social Services Health & Housing	17.03.23	Andrew Jarrett	4 recommendations for Welsh Government / 5 recommendations for local government	17.03.23
4.	New Curriculum for Wales (May 22)	12.01.23	National	n/a	n/a	n/a	No recommendations for local government	n/a

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5.	Public Sector Readiness for Net Zero Carbon by 2030 (July 22)	12.01.23	National	n/a	n/a	n/a	No recommendations for local government	n/a
6.	The Welsh Community Care Information System (July 2022)	12.01.23	National	n/a	n/a	n/a	No recommendations for local government	n/a
7.	Public Sector Readiness for Net Zero Carbon by 2030 : Evidence Report (Aug 22)	12.01.23	National	n/a	n/a	n/a	No recommendations for local government	n/a
8.	Equality Impact Assessments: More than a Tick Box Exercise	12.01.2023	National	Cabinet	17.03.23	n/a	1 recommendation for local government	17.03.23
9.	National Fraud Initiative 2020-2021 (Oct 2022)	12.01.2023	National	n/a	n/a	n/a	3 recommendations for local government	n/a
10.	"Time for Change" – Poverty in Wales (Oct 22)	12.01.23	National	Cabinet	17.03.23	n/a	2 recommendations for Welsh Government / 6 recommendations for local government	17.03.23
11.	Poverty in Wales data tool (Nov 2022)	12.01.23	National	n/a	n/a	n/a	No recommendations	n/a

12.	A Picture of Flood Risk Management (Dec 2022)	12.01.23	National	n/a	n/a	n/a	No recommendations	n/a
13.	A Missed Opportunity' – Social Enterprises (Dec 2022)	12.01.23	National	TBD	TBD	TBD	3 recommendations for local government	n/a
14.	Audit of NPT's Assessment of Performance (Dec 21) (Public Pack)Agenda Document for Cabinet, 12/01/2022 14:01 (npt.gov.uk)	12.01.23	Local	Presented to Cabinet 12 th January 2022	n/a	n/a	No recommendations	n/a
15.	NPT Annual Audit Summary 2021 (March 2022) (Public Pack)Agenda Document for Council, 16/03/2022 14:00 (npt.gov.uk)	12.01.23	Local	Presented to Council 16 th March 2022	n/a	n/a	No recommendations	n/a
16.	Assurance and Risk Assessment Progress – Carbon Reduction (Oct 22)	12.01.23	Local letter	To be presented to Environment Regeneration and Streetscene Services Cabinet Board – 20 th January 2023	17.03.23	Nicola Pearce	1 recommendation for local government	17.03.23

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GOVERNANCE AND AUDIT COMMITTEE

FORWARD WORK PROGRAMME

2022 - 2023

Governance and Audit Committee (10am unless otherwise stated)

Meeting Date 2023	Agenda Item	Type	CDG/CMB/ Comments	Contact Officer
15th February (2pm) Tudalen290	Draft Self-Assessment	Decision	No requirement	Caryn Furlow-Harris
	Private Item - Special Investigations (if there are any to report)	Information	No requirement	Diane Mulligan/ Anne-Marie O'Donnell
	Independent External Governance Report	Information	No requirement	Anne-Marie O'Donnell

Meeting Date 2023	Agenda Item	Type	CDG/CMB/ Comments	Contact Officer
17 th March Tudalalen291	Internal Audit Progress Report	Information	No requirement	Diane Mulligan/Anne- Marie O'Donnell
	Private Item - Special Investigations (if there are any to report)	Information	No requirement	Diane Mulligan/Anne- Marie O'Donnell

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