



## **PWYLLGOR LLYWODRAETHU AC ARCHWILIO**

**10.00 AM - DYDD IAU, 21 MAWRTH 2024**

**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/au y Cadeirydd
2. Datganiadau o fuddiannau
3. Cofnodion y Cyfarfod Blaenorol (*Tudalennau 5 - 16*)
4. Archwilio Cymru - Rheoli Gweithlu Strategol - Ymateb Sefydliadol CBSCNPT (*Tudalennau 17 - 40*)
5. Archwilio Cymru - Rhaglen Waith ac Amserlen - Diweddariad Chwarter 2 (*Tudalennau 41 - 62*)
6. Archwilio Cymru - Adroddiad ac Argymhellion y Gofrestr Rheoleiddwyr (*Tudalennau 63 - 72*)
7. Strategaeth Archwilio Mewnol ddrafft a Chynllun Archwilio Mewnol ar gyfer 2024/25 (*Tudalennau 73 - 98*)

8. Adroddiad Diweddaru Chwarterol Archwilio Mewnol (*Tudalennau 99 - 112*)
9. Eitemau brys  
Unrhyw eitemau brys yn ôl disgrisiwn y Cadeirydd yn unol ag Adran 100BA(6)(b) o Ddeddf Llywodraeth Leol 1972 (fel y'i diwygiwyd)
10. Mynediad i gyfarfodydd  
Mae hynny'n unol ag Adran 100A(4) a (5) o Ddeddf Llywodraeth Leol 1972, ac eithrio'r cyhoedd am yr eitemau canlynol o fusnes a oedd yn ymwneud â datgelu gwybodaeth wedi'i heithrio'n debygol fel y'i diffinnir ym Mharagraff 12 a 15 o Ran 4 o Atodlen 12A o'r Ddeddf uchod.

## **Rhan 2**

11. Adroddiad Diweddaru Ymchwiliadau Arbennig (Eithriedig o dan Baragraff 14) (*Tudalennau 113 - 116*)

**K.Jones**  
**Prif Weithredwr**

**Canolfan Ddinesig**  
**Port Talbot**

**Dydd Gwener 15<sup>th</sup> Mawrth 2024**

### **Aelodaeth y Pwyllgor:**

**Cadeirydd:**           **J. Jenkins**

**Is-gadeirydd:**       **H.Griffiths**

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

**Mae pleidleisio**    A. Bagley ac M. Owen  
**aelod lleyg:**

## GOVERNANCE AND AUDIT COMMITTEE

(Multi-location meeting Council Chamber Port Talbot/Microsoft Teams)

**Members Present:**

**26 January 2024**

**Chairperson:** Councillor J.Jenkins

**Councillors:** A.J.Richards, O.S.Davies and P.Rogers

**Officers In Attendance:** H.Jones, A.O'Donnell, L.McAndrew, S.Curran, A. Thomas, N.Daniel J.Woodman-Ralph and S.McCluskie

**Representing Audit Wales:** A.Lewis, and N.Jenkins, R.Harries

**Voting Lay Member:** A. Bagley and M. Owen

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### 1. **CHAIRPERSON'S ANNOUNCEMENT/S**

The Chair, J. Jenkins, welcomed all to the meeting. The Chair expressed her deep sadness to the loss of former Committee Member Cllr Sheila Penry.

The Chair went on to inform the Committee of a Members Seminar on Digital Data and Tech Strategy scheduled for the 15th of March. Members were also told of a pending training session regarding Risk Management that they are encouraged to attend. The committee were made aware that the planned arrangements were that the sessions would be held 4.00-5.30pm and via Zoom, and that dates were to be confirmed.

### 2. **DECLARATIONS OF INTEREST**

There were none.

### 3. **MINUTES OF PREVIOUS MEETING**

That the minutes of the previous meeting, held on the 13<sup>th</sup> November 2023, be approved as a true and accurate record.

4. **AUDIT WALES - PRESENTATION ON THEIR REVIEW INTO THE EFFECTIVENESS OF SCRUTINY ARRANGEMENTS AT THE COUNCIL**

Audit Wales gave the committee an overview of the circulated report, and officers were thanked for their input and continued contribution to the review.

Audit Wales went on to explain to the committee that an initial audit on the effectiveness of the Councils' scrutiny arrangements had been undertaken in 2018 and had been used as a baseline. They explained that their overall finding was that 'the Council is missing areas of opportunity for scrutiny to maximise its impact, its influence and effectiveness in holding Cabinet to account.'

Audit Wales discussed the five recommendations listed within the circulated report.

Officers then gave the committee an overview of the Council's response, which was included in the organisational response form. The committee were informed that members of Council has instructed the Chairs and Vice Chairs of Scrutiny Forum to establish a Task and Finish group to consider how to implement the Audit Wales report recommendations. The recommendations from this Task and Finish Group will be reported to Council in March 2024, for any changes to the scrutiny model to be ratified. Cllr P Rogers, Chair of the Council's Cabinet Scrutiny Committee, and a member of the Task and Finish Group went on to give the Committee a brief update on progress. Cllr Rogers stated that subgroups had been established into groups of four, each consisting of three members. Part of the groups focus has been to attend and review neighbouring organisations and their scrutiny processes.

The Chair asked if there was a role for the Governance and Audit Committee to be involved in the Chairs and Vice Chairs forum at this stage. The Committee agreed that once proposals had been established the Chair would be involved in the assurance processes and agreed the key role that the Governance and Audit Committee will have, ensuring that any changes to the scrutiny model are fit for purpose.

**RESOLVED:**

- That the Governance and Audit Committee note the report by Audit Wales in relation to their review of Scrutiny Arrangements.

- That the Governance and Audit Committee note the Organisational Response Form, that was issued by the Council in response to Audit Wales.
- That the Governance and Audit Committee note that the Chairs and Vice Chairs of Scrutiny are undertaking a Task and Finish Group, one that will add detail.
- That the Governance and Audit Committee will receive the final organisation response form, once the task and finish group have concluded and Council has agreed how it plans to address the recommendations raised by Audit Wales.

## 5. **AUDIT WALES - STRATEGIC APPROACH TO DIGITAL SERVICES**

Audit Wales went on to take the Committee through the work undertaken on the Strategic Approach to Digital Services. The committee were informed the work had been conducted across 22 Councils in Wales, with most of the work undertaken between March and August 2023. Field work for NPT Council was undertaken in July 2023.

The review focused on how the Council was acting in accordance with the sustainable development principle when developing its strategic approach to digital, and whether there were proper arrangements in place to secure value for money in the use of its resources.

The Committee were made aware to the digital data and technology strategy approved in July 2023, with the report reflecting the arrangements the Council had in place at that time.

Audit Wales stated that the report was positive overall, with a good understanding of digital provision. A range of data had been drawn from external sources again a positive approach. Audit Wales further claimed the Councils strategic approach to digital is well aligned with key plans and strategies, and strong arrangements in place to communicate the strategy.

The report contained one recommendation:

If the Council continues with the approach of not stating a timeframe to deliver its Digital, Data and Technology strategy, it should put in place arrangements to:

- clearly articulate its short-, medium- and long-term outcomes and intended benefits.
- cost its short-, medium- and long-term ambitions and match them with available resources; and
- assess if it is delivering the strategy and its intended outcomes at the intended pace.

Overall, Audit Wales concluded that the Council has an integrated and well-articulated digital strategy but note that it did not have a clear period for delivering it, which makes it more difficult for the Council to assess progress and value for money. Again, Audit Wales highlighted that the report was positive and thanked Officers for their time and contribution.

Officers responded and informed the committee that the Digital Data and Technology (DDaT) Strategy had intentionally not been time bound due to the rapid pace of change in this space. The Council needs to remain agile in its approach to DDaT across its medium- and long-term plans. Members were informed the strategy would be reviewed and updated on a year-by-year basis, ensuring its alignment with the latest opportunities and organisational needs.

Officers went on to provide an update to the committee in terms of what has been done since the review. Members were told a digital transformation board had been established as well as a pipeline which is a multi-year plan around the activities being delivered across the service. Members were invited to a Members Seminar session being held on the 15<sup>th</sup> of March 2024, which will focus on the process underpinning the Digital Transformation Board and the priorities that have been established for DDaT.

Members were further notified of the monitoring arrangements in place being undertaken, inclusive of financial efficiencies, efficiencies in ways of working and improved customer service etc. Other programs of work are used to inform the priorities including the

medium-term financial plan, forward budget plans and the annual business monitoring arrangements across all service areas.

A question was received from Members on how the IT department could be used more effectively instead of Democratic Services Officers. A suggestion was made that this comment should be made within the Members Seminar so that all Councillors were aware of the IT Service and that issues should be dealt with directly by the IT department.

Officers responded by stating that the comment would be raised within the Seminar. Members were also informed that further training sessions were being created to assist members with any queries or technical difficulties they faced.

Members raised a point to information being shared with all Committee Members including lay members which is easily accessible to all. Officers responded by stating that would not be an issue going forward. Lay Members are to also be invited to the Members Seminar scheduled for March 14<sup>th</sup>. If unable to attend the information must be made available following the seminar.

A question was put forward regarding Artificial Intelligence (AI) and officers responded by informing members that AI was included within the strategic delivery themes in the strategy. New AI Guidance, the policy and all relating information could be found on the NPT Web page under Digital Strategy.

Members concluded by giving they are thanks to Officers for their hard work shown in the review and with rapidly changing areas seen within digital services.

**Resolved:**

- That the organisational response form contained in appendix three of the circulated report be noted.
- That the single recommendation from the Thematic Review of the NPT Digital Data and Technology Strategy (appendix 2) be noted.

6. **AUDIT WALES WORK PROGRAMME AND TIMETABLE - Q2 UPDATES**

Members were informed they would shortly be receiving the quarter three update. Audit Wales went on to provide a brief overview of

quarter two. The financial audit work is complete except for the certification of grant returns which is still in progress.

The springing forward reports on assets and workforce have now been published along with the performance service user report of which the final report is with the Council.

**Resolved:**

That the report and quarterly update to the following areas be noted for monitoring,

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

That the quarterly update which is inclusive of progress to planned work for Estyn and Care Inspectorate Wales (CIW) be noted.

7. **TREASURY MANAGEMENT MONITORING**

Members were informed by the Chief Finance Officer that the report is the standard quarterly treasury management monitoring report which is presented to the committee following approval by the Cabinet.

Members went on to thank the Chief Finance Officer and his team on the continuing work in ensuring the funds and borrowing are kept within standards.

**Resolved:**

That the contents of the treasury management action and information for 2023/24 be noted.

8. **ANNUAL GOVERNANCE STATEMENT - SIX MONTHLY UPDATE**

Officers went on to provide an overview to the six-monthly update. Members were informed, the report identifies areas for improvement for 2023 2024. It also shows progress made for the first six months of 2023. Members were further informed the report was presented to Cabinet on the 20<sup>th</sup> of November and following that no comments were raised.



An acronym was noted on page 144 as MTFP of which the Committee were told was the abbreviation for Medium Term Financial Plan.

The Chair went on to raise a question around information assets and asked officers to explain exactly what information assets were. Officers explained information assets was information the Council held such as records or backing information. Officers further explained databases had fields which store information, and each of those fields are known as information assets. Effectively it is the data that is held throughout the organisation.

Members stated the report gave a good insight of what is being done in this area. However, Members also noted that it was a struggle to understand the target date of the improvement plan. Members queried what the target date was and if the council was at risk of straying from the date.

Officers thanked Members for their comments and stated they would be noted.

Members then went on to query signposting the priorities against the actions and what the key areas of focus are right now. A general observation was noted to training surrounding risk and the understanding members should have.

Members were reminded of the impending training events. Areas to be covered include the principles of risk management and links to corporate governance. Provide an overview of the risk management process, risk report into governance and the audit committee. The role of governance and the audit committee in risk management and share examples of failures in terms of risk management from other local authorities across the UK. Officers went on to state that following the risk management training, they would look to see if there were other areas the committee felt needed to be covered.

**Resolved:**

That the half year progress made on the Corporate Governance Improvement Action Plan for 2023-2024 for the period 1<sup>st</sup> April to 30<sup>th</sup> September 2023, appendix 1 of the circulated report be noted for information.

## 9. REGULATORS REPORT REGISTER

The committee were briefed on the standing agenda item and given an overview to two reports undertaken by Audit Wales. The first being progress for the first six months of 23/24 and the second report which provided an update on the equalities work during 22/23.

In addition, there are four local reports contained, two of which have been presented to members in the circulated agenda pack, which being the scrutiny review and the digital review.

Two further reports to update the Committee were the Asset Management and the Strategic Workforce Plan. Both of which will be presented to the Committee at future meetings once submitted to Cabinet Board

The Chair went on to inform the committee that any points raised within Cabinet Board, officers would inform the Governance and Audit Committee of any updates.

Members were keen to ask what was being done in response to the recommendations, as there seemed to be no visibility. Members noted they were keen to know what actions were being taken in response to the recommendations, who is delivering them and when are they being delivered. If there was a slippage who was approving the slippage. Officers responded by stating an organisational response form is undertaken to formally respond to any recommendations made.

Members were also keen to note the format of the appendices and the difficulties in reviewing the information due to the large quantity of information and the format and sizing of that information. Officers took note of the comments.

A number of acronyms were still being used which officers also took on board.

The Committee commended a good response and overall report.

### **Resolved:**

- That the Governance and Audit Committee note the reports issued by the Councils external bodies since October 2023.

- That the Governance and Audit Committee note the updated Register of Regulators Reports and Recommendations, as contained within appendix 1 of the circulated report pack.

## 10. **INTERNAL AUDIT QUARTERLY UPDATE REPORT**

Members were given an overview of the standard internal quarterly update report. Members were informed that there would need to be amendments to the internal audit plan due to the number of Audit days lost due to sickness and vacancies.

There had been seventeen formal reports issued, details of which can be found in appendix 1, pages 167 to 173 of the circulated agenda pack. Members attention was drawn to number 31 and 41 of the report, and informed both had limited assurances. Chief Officers had responded to the reports and were present in the meeting for any of the Committees questions.

Officers went on to inform the committee of staff shortages experienced within the department due to long term sickness and a vacancy.

Members queried why the completion of mandatory training figure low and what monitoring arrangements were in place. Why was this not being flagged? Officers responded by stating that assurance could be given to monthly checks on staff and e learning modules and their completion. Officers stressed that although schedules were busy, staff must find the time to complete the online courses.

Officers explained that the new HR system is the link to all mandatory training. The system immediately updates once an employee has successfully undertaken any e learning and will automatically notify Managers and Staff when refresher training should be undertaken.

Members went on to raise questions surrounding Neath Register office and the four recommendations implemented. The recommendation in query was number 5 and the new till system, members asked what the hold-up was. Officers responded to say the till system that is in place now does not interface with the authority's cash receipting system which in turn feeds into the authority's ledger. Intervention is done on a manual basis to code the fees and charges of the ledger. Members were assured that the recommendation has been accepted and is currently being worked on.

A query was tabled to the prioritisation of higher risk areas and assurance surrounding those. Officers thanked members for the observation and went on to state that there was a need to ensure staff were competent under public sector audit standards to conduct the work relating to the higher risk areas alongside the lower risk areas. Recruitment to existing posts will help manage the issues going forward. Recommendations and any amendments can be seen in the circulated report.

Members raised a query to page 162 of the agenda pack and Amazon procurement card purchases. What were the wider issues? Officers responded by informing the committee that purchases had been made on Amazon via third party sellers and that there were issues relating to quality and potential VAT issues. Members were also told the process will be moving to the corporate Amazon account and that existing Amazon accounts would be closed.

The Chair went on to raise a question of homelessness and the definition to the use of youth. Does this include up to the age of twenty-five? Officers stated that within the Social Services Legislation the authority has a duty of care to young people, in some instances up to the age of twenty-five. It was unclear what the homelessness legislation defines the age of a youth to be.

Officers stated they were in contact with senior management teams to discuss what risks they were facing and this would feed into the next budget year and plan.

Visual representations were noted.

**Resolved:**

- That the report be noted for information, with the appendices and approve the proposed revisions to the 2023-2024 internal audit plan.
- To approve the proposed revisions to the 2023-2024 internal audit plan.

11. **FORWARD WORK PROGRAMME**

**Resolved:**

That the forward work programme 2023 2024 be noted.

12. **ACCESS TO MEETINGS**

**RESOLVED:** 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 Paragraphs 12, 13 and 14 of Part 4 of Schedule 12A to the above Act.

13. **URGENT ITEMS**

**Resolved:**  
There were none.

14. **SPECIAL INVESTIGATIONS UPDATE REPORT**

**Resolved:**  
Officers provided the Committee with details to all submitted private reports in regards to Special investigations, including any ongoing current special investigations.

**Resolved:**  
That that report be noted for information.

**CHAIRPERSON**

Mae'r dudalen hon yn fwriadol wag

## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

### GOVERNANCE & AUDIT COMMITTEE

21<sup>st</sup> March 2024

#### REPORT OF THE HEAD OF PEOPLE & ORGANISATIONAL DEVELOPMENT – SHEENAGH REES

##### **Matter for Information**

**Wards Affected:** All Wards

##### **Audit Wales – Springing Forward: Strategic Workforce Management – Neath Port Talbot Council**

##### **Purpose of Report**

1. To present Members with the council response to the above review undertaken by Audit Wales.

##### **Executive Summary**

2. Audit Wales examined Neath Port Talbot Council's overall arrangements and approach in relation to the strategic management of our workforce. Asking the question 'Is the Council's strategic approach strengthening its ability to transform, adapt and maintain the delivery of its services in the short and longer term?' Audit Wales' focus has been on the challenges highlighted during the pandemic that have exacerbated some long-standing workforce issues.
3. When Audit Wales began their work under the Well-being of Future Generations (Wales) Act 2015, they recognised that it would take time for public bodies to embed the sustainable development principle, but also set out expectations that over the medium term we would expect public bodies to be able to demonstrate how the Act is shaping what we do. Audit Wales now expect public bodies to be able to demonstrate that the Act is integral to our thinking and genuinely shaping what we do.
4. The aim of the review was to:
  - to gain assurance that councils are putting in place arrangements in relation to its workforce to transform, adapt and maintain the delivery of services;

- to explain the actions that councils are taking both individually and collectively to strengthen their arrangements; and
- to inspire councils and other organisations to further strengthen their arrangements through capturing and sharing notable practice examples and learning and making appropriate recommendations.

## Summary of Findings

### 5. The review found:

*‘The Council has a clear vision for its workforce, strengthened by its work with partners’.*

Audit Wales reached this conclusion because:

- the Council has a clear vision for its workforce which continues to be a strategic priority for delivering its Well-being Objectives;
- the Council has a clear workforce planning approach, strengthened by its work with partners. However, it does not have succession plans or identified business-critical roles for all service areas;
- the Council has proactively learnt from others and is developing a broader range of workforce measures

A copy of the Audit Wales report is attached at Appendix 1

### 6. The examination concluded with the following recommendation:

#### **R1** Workforce planning and delivery:

- to ensure there are progression pathways for staff and there is resilience around its business-critical roles, the Council should ensure all services have succession plans and have identified their business-critical roles.

#### **R2** Workforce governance and monitoring:

- to have a better understanding of the impact of its workforce strategy the Council should develop measures that focus on outcomes and impacts in addition to inputs.
- the Council should build on its benchmarking with the Chartered Institute of Personnel and Development and consider where there may be opportunities to benchmark its measures and metrics with its peers to ensure it can identify areas of good practice and potential areas for improvement.



- to enable the Council to have a clearer understanding of the progress it is making towards meeting its workforce ambitions the Council should assure itself that the Organisational Delivery Board is providing effective oversight and driving integration across related programmes of work.

7. The council's response to the above recommendation is attached at Appendix 2.

### **Financial Appraisal**

8. The programme of audit work undertaken by Audit Wales has been delivered within the budget allocated for audit and inspection work.

### **Integrated Impact Assessment**

9. There is no requirement to undertake an Integrated Impact Assessment.

### **Valleys Communities Impact**

10. No impacts.

### **Workforce Impact**

11. Strategic workforce planning ensures that the workforce is aligned to the council's priorities, aims and objectives.

### **Legal Impact**

12. Section 15(1) (a) of the Well-being of Future Generations (Wales) Act 2015 requires the Auditor General to carry out examinations to assess the extent to which public bodies have acted in accordance with the sustainable development principle when setting their well-being objectives.

### **Risk Management**

13. The findings of Audit Wales examinations are a key input into the council's corporate governance and self-assessment arrangements.

### **Consultation**

14. There is no requirement for external consultation on this item.

## **Recommendation**

15. For Governance & Audit Committee to note the council response attached at Appendix 2.

## **Appendices**

Appendix 1 – NPT Cabinet and Cabinet Scrutiny Comments

16. Appendix 2 – Audit Wales Report – Springing Forward: Strategic Workforce Management – Neath Port Talbot Council

Appendix 3 – Council Response Form

## **List of Background Papers**

17. [The Future of Work Strategy - Strategic Workforce Plan 2022-2027](#)

## **Officer Contact**

18. Sheenagh Rees, Head of People & Organisational Development  
Email: [s.rees5@npt.gov.uk](mailto:s.rees5@npt.gov.uk)

## **Audit Wales – Springing Forward Strategic Workforce Management – Neath Port Talbot Council**

– Cabinet Board and Cabinet Scrutiny Committee – 14<sup>th</sup> February 2024

### **Decision taken by Cabinet**

#### **Decision:**

That the Council response to the review undertaken by Audit Wales – Springing Forward: Strategic Workforce Management – Neath Port Talbot Council as detailed at Appendix 2 to the circulated report, be approved.

#### **Reason for Decision:**

To enable the council to put in place the necessary arrangements to support the effective delivery of the Strategic Workforce Plan.

#### **Implementation of Decision:**

The decision will be implemented after the three day call in period.

### **Cabinet Scrutiny Committee Minutes – approved.**

## **Audit Wales – Springing Forward Strategic Workforce Management – Neath Port Talbot Council**

Members referred to page 33, paragraph 24 of the Audit Wales report contained within the Cabinet Agenda pack. The report noted the council's current strategic risk rating does not adequately reflect the residual risk faced by delays in developing succession plans and identifying business critical roles. Members questioned whether the risk register has been updated to reflect this point, and what work has been carried out since the publication of the report to address the situation.

The Head of People and Organisational Development confirmed that the Strategic Risk Register is currently under review, and this process will include work on succession planning. The Head of Service summarised the actions that have been put in place to increase the number of services that have succession plans in place with identified business critical positions. During the last calendar year, 72 Managers have attended Succession Planning Workshops and the workshop has been embedded as part of the Core Development Programme for Managers. Work is ongoing to review the toolkit used for succession planning with the aim of it being digitalised. An analysis has been undertaken of the succession plans that are currently in place. Accountable Managers have been reminded of the importance of ensuring that succession plans are in place.

Members expressed concern that a number of key senior managers have left the authority and the experience of these business critical officers has been lost. Members commented that the rate of recruitment was not matched with posts vacated.

The Head of People and Organisational Development acknowledged the importance of managers engaging with succession planning. It was noted that the council's successful appointment rate has increased over a period of two years from 82% to 93% and recruitment activity has increased by 40%, with a positive turnover rate. It was acknowledged that some posts remain hard to fill, particularly in specialist areas.

The Chief Executive gave assurance that this is an important area of work which will remain a priority going forward. The council is currently operating in a tight labour market. Workforce information is shared with Personnel Committee to enable members to track progress.

Members were pleased to hear of the rise in recruitment targets but expressed concern relating to staff retention and the financial cost of using market supplements in relation to hard to fill posts.

The Head of Service confirmed that market supplements are a tool that can be used when appropriate and the scheme is due for review. It was noted that pay is only one aspect of the employee remuneration package and other benefits made the council an attractive employer.

The Director of Social Services confirmed that the use of market supplements in Social Services has worked well and helped to retain experienced staff. There are financial benefits in applying market supplements rather than the alternative of backfilling vacant posts with agency staff. It was noted that the recruitment of social workers is difficult at present.

Members thanked officers for the comprehensive responses.

Following scrutiny, the recommendation was supported to Cabinet.

# Springing Forward – Strategic Workforce Management – Neath Port Talbot County Borough Council

Audit year: 2021-22

Date issued: November 2023

Document reference: 3944A2023

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# Summary report

## Summary

### What we reviewed and why

- 1 As the world moves forward, learning from the global pandemic, our review looked at how councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
- 2 We examined Neath Port Talbot Council's (the Council) overall arrangements and approach in relation to its strategic management of its workforce. We sought to answer the question 'Is the Council's strategic approach strengthening its ability to transform, adapt and maintain the delivery of its services in the short and longer term?' Our focus has been on the challenges highlighted during the pandemic that have exacerbated some long-standing workforce issues.
- 3 When we began our audit work under the Well-being of Future Generations (Wales) Act 2015, we recognised that it would take time for public bodies to embed the sustainable development principle, but we did also set out our expectation that over the medium term we would expect public bodies to be able to demonstrate how the Act is shaping what they do. It is now approaching seven years since the Well-being of Future Generations Act was passed and we are now into the second reporting period for the Act. Therefore, we would now expect public bodies to be able to demonstrate that the Act is integral to their thinking and genuinely shaping what they do.
- 4 This project had had three main aims:
  - to gain assurance that councils are putting in place arrangements in relation to its workforce to transform, adapt and maintain the delivery of services;
  - to explain the actions that councils are taking both individually and collectively to strengthen their arrangements; and
  - to inspire councils and other organisations to further strengthen their arrangements through capturing and sharing notable practice examples and learning and making appropriate recommendations.
- 5 This is important because the Council workforce has the following profile:
  - the Council has nearly 6,400 employees, of which 70% are female;
  - over 40% of its staff work in schools;
  - over 95% of those employed on the lowest band grade 1 are female;
  - only 0.5% of the workforce are under 24, over 50% of its workforce are over 45; and 24% of its workforce are 55 and over;
  - only 1.5% of the workforce identify as Black and/or Minority Ethnic Origin; and
  - number of working days lost to sickness per FTE for 2022-23 was 12.78.



- 6 During 2021 we undertook a local review into the Council's approach to workforce management. Overall, our feedback was positive. Where this work identified strengths and areas of improvement, and these are pertinent to the current context they have also been reflected within this report.
- 7 The project, which forms part of the work contained in the 2021 Audit Plan, will help discharge the duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015. It may also inform a study for improving value for money under section 41 of the 2004 Act.
- 8 The COVID-19 pandemic has impacted on the way staff work. This report examines some of these impacts and the way that the Council benefits from the positives and mitigates risks from the negatives when planning future service delivery.
- 9 The project was undertaken through a combination of document reviews, focus groups and interviews with officers and Members. We undertook the review during the period February 2022 to October 2023.

## What we found

- 10 Our review sought to answer the question: Is the Council's strategic approach to workforce strengthening its ability to transform adapt and maintain the delivery of its services in the short and longer term?
- 11 Overall, we found that: The Council has a clear vision for its workforce, strengthened by its work with partners.
- 12 We reached this conclusion because:
  - the Council has a clear vision for its workforce which continues to be a strategic priority for delivering its Well-being Objectives;
  - the Council has a clear workforce planning approach, strengthened by its work with partners. However, it does not have succession plans or identified business-critical roles for all service areas;
  - the Council has proactively learnt from others and is developing a broader range of workforce measures

## Recommendations

### Exhibit 1: recommendations

The table below sets out the recommendations that we have identified following this review.

#### Recommendations

##### R1 – Workforce planning and delivery

- to ensure there are progression pathways for staff and there is resilience around its business-critical roles, the Council should ensure all services have succession plans and have identified their business-critical roles.

##### R2 – Workforce governance and monitoring

- to have a better understanding of the impact of its workforce strategy the Council should develop measures that focus on outcomes and impacts in addition to inputs.
- the Council should build on its benchmarking with the Chartered Institute of Personnel and Development and consider where there may be opportunities to benchmark its measures and metrics with its peers to ensure it can identify areas of good practice and potential areas for improvement.
- to enable the Council to have a clearer understanding of the progress it is making towards meeting its workforce ambitions the Council should assure itself that the Organisational Delivery Board is providing effective oversight and driving integration across related programmes of work.

# Detailed report

The Council has a clear vision for its workforce, strengthened by its work with partners

The Council has a clear vision for its workforce which continues to be a strategic priority for delivering its Well-being Objectives

## Strategic workforce vision and strategy

- 13 **The Council was able to effectively mobilise its workforce in response to the pandemic.** Large numbers of its staff moved quickly to working remotely and others were effectively redeployed to other roles to support the Council's response to the pandemic. Whilst it had always been part of the Council's long-term ambition to have a more hybrid way of working, the pandemic accelerated this aspect of its plans for how and where its staff should work.
- 14 **The Council's workforce was a strategic priority during the pandemic.** In November 2021, the Council introduced its Short-Term Resilience Framework to make effective use of its workforce and to minimise the risk of service disruption during the pandemic. The Council also put workforce at the centre of its strategic ambitions, reflecting this focus in one of its three main priorities, which in November 2021 was to 'Protect the workforce'.
- 15 **The Council's workforce continues to be a strategic priority.** Workforce development (People) is one of the key enabling programmes within the Council's Strategic Change Programme (SCP) that forms part of its current Corporate Plan and supports the delivery of its four Well-being objectives. Having this strategic focus on workforce as part of a wider change programme should ensure that its workforce ambitions have sufficient strategic profile.
- 16 **The Council has a clear vision for its workforce.** The Council's Future of Work Strategy 2022-27 (FOWS) (also known as its Strategic Workforce Plan) provides a clear vision for its workforce which is to 'ensure that we have the right people, with the right skills and attitudes, in the right place and at the right level'. The Council developed the FOW Strategy through engagement with a wide range of staff, Trades Unions and Members and it is well integrated with the wider Corporate Strategy. Having a clear vision should ensure that workforce remains a key enabler to delivering the Council's Well-being Objectives.
- 17 **The Council has a good understanding of how the workforce will operate in the future.** Key to this way of working is the Council's Hybrid Working Framework (HWF). The HWF has evolved since it the Council approved it in 2021 and now forms now a key part of the Council's longer-term FOWS. A key focus for the HWF is to empower council managers to make decisions about how work is organised, how services are delivered and to develop hybrid working arrangements to suit the

needs of the services and employees they manage. This approach is a key enabler for shaping the way in which the Council operates, and how services are accessed by its residents. Continuing to evaluate and assess the most effective way that hybrid working is supporting the delivery of its objectives will ensure this evolving approach remains fit for purpose.

- 18 **The Council has a good understanding of workforce needs and how these might be impacted by future trends.** In developing its FOWS, the Council undertook SWOT and PESTEL<sup>1</sup> analysis to consider the key challenges and opportunities around its workforce. This analysis and discussion stretched beyond the 5-year life span of the current FOWS and should help the Council to ensure decisions around its workforce are set in a longer-term context.
- 19 **The Council's FOWS planning horizons do not reflect the longer-term time horizons from its Corporate Plan.** Whilst the current FOWS covers a five-year time horizon, we recognise that many of its areas of change, such as its focus on building leadership capacity and capability, will have a longer-term impact. However, in our view the Council could apply the positive work it has undertaken to establish a twenty-year ambition for its Well-being Objectives within its Corporate Plan to its FOWS. Having a longer-term time horizon for the strategic planning of its workforce will enable the Council to ensure its decision-making delivers value for money over both the short, medium, and longer term and fully support the longer-term time horizons within its Corporate Plan.
- 20 **The Council's approach to strategic workforce management does not clearly define how it is integrated with its other strategic change programmes.** The Council's vision for its workforce is in part dependent on the delivery of its other key Strategic Change Programmes such as 'Accommodation' and 'Digital'. Its plans for how it will organise and manage its office accommodation and how its digital aspirations use technology to support service change will have a significant impact on its current and future workforce. In our view, the Council should clearly describe how these respective programmes are integrated. However, having all three programmes overseen by a single Organisational Development Board (ODB) provides an opportunity for the Council to ensure interdependencies and shared opportunities between these programmes are understood and maximised.

<sup>1</sup> Analysis tools – Strengths, Weaknesses, Opportunities and Threats (SWOT) – Political, Economic, Social, Technological, Environmental, Legal (PESTEL)

## **The Council has a clear workforce planning approach, strengthened by its work with partners. However, it does not have succession plans or identified business-critical roles for all service areas**

### **Strategic workforce planning and delivery**

**21 The Council has a clear annual plan for delivering its workforce ambitions.**

The Council's FOWS, which is set over a five-year time horizon, is underpinned by a detailed annual delivery plan containing discreet actions with outcomes and measures of progress. However, the Council should refresh the delivery plan to ensure it reflects any additional actions for the coming year. The FOWS and its associated delivery plan form a key part of the Council's Strategic Change programme and is clearly aligned to identifying workforce actions in relations to each of its four Well-being Objectives and its other workforce priorities. In our view defining how its workforce contributes to deliver its WBOs demonstrates the importance the Council places on the role that its workforce has in delivering its ambitions.

**22 The Council's workforce delivery plan is supported by a specific central team.**

Managing the day-to-day delivery of the FOWS delivery plan is a FOW team. We are aware that this team has been without a senior post for some time, which has recently been appointed to. In our view having sufficient dedicated capacity to facilitate the delivery of the FOWS, enhanced by the recent appointment, should enable the Council to increase the momentum with which it has been able to deliver its ambitions for its workforce.

**23 Despite the challenging financial climate, the Council has allocated**

**resources to develop its workforce capability and capacity.** This resource has largely been drawn from a Council reserve formally earmarked to support voluntary redundancies. However, there is a risk that future financial challenges may mean that it becomes more difficult for the Council to protect the monies allocated to this area against other competing priorities. The Council should ensure that any changes to resources to continue to develop its workforce capacity and capability considers the long-term impacts on service standards and delivery.

**24 The Council does not have succession plans for all its services, and its understanding of its business-critical roles is still developing.**

One of the key risks for the Council, which is reflected in its Strategic Risk Register, relates to recruitment and retention. A key action within its strategic risk register to enable the Council to better understand and manage its workforce risks was the requirement for all services to have succession plans in place by March 2023. As of October 2023, the Council has not achieved this milestone, with approximately 50% of services still to complete this work. It is our view that the Council's current strategic risk rating of medium for recruitment and retention does not adequately reflect the residual risk it faces due to its delays in developing succession plans across all

services and identifying business critical roles. It is also our view that a more complete set of service succession plans and business critical roles should provide both a clearer progression pathway for Council staff and mitigate the risk of it failing to meet service standards due to vacancies in business-critical posts.

- 25 **The Council is putting in place mitigations to respond to key workforce risks around recruitment and retention.** In 2021, the Council set up a Recruitment Taskforce comprising internal and external stakeholders to start to address this risk. Whilst the taskforce has made a positive impact on overall recruitment and retention numbers, recruitment and retention in specific areas such as social care and other specialist roles such as architects remain an ongoing challenge. Until recently its taskforce had an external focus. The Council has now broadened the scope of the taskforce to also consider internal workforce capability/talent development. Having this broader scope to address recruitment and retention challenges by also focusing on developing skills and careers within the Council should help it to further mitigate the risks around recruitment and retention.
- 26 **The Council has been proactively self-reflective in identifying areas for improvement in its approach to workforce management.** The Council is currently using the CIPD People Development Partner scheme to assess its effectiveness across a broad spectrum of workforce related areas. The partnering with CIPD has enabled the Council to benchmark itself against other public sector organisations and to assess and enhance and measure progress on the Council's capability to develop its workforce. This use of external best practice, independent professional assessment and benchmarking has enabled the Council to specifically target areas for improvement within its approach to workforce in areas such as, employee experience, talent management and reward, and it is currently implementing plans to make improvements across these areas.
- 27 **The Council has some good examples of collaborating with partners in managing its workforce.** Examples of this include working with the Regional Partnership Board to run joint recruitment campaigns to increase its pool of paid carers and other social care workers. The Council is also undertaking further regional working in relation to the social care workforce with Swansea Council and Swansea Bay Health Board. This collaborative work remains key to ensure service resilience and succession planning in social services. The work to develop a Recruitment Taskforce Partners Group (repurposed in June 2023) which includes partners such as Department for Work and Pensions, Swansea University, Neath Port Talbot College, Swansea Council, Neath Port Talbot Employability, and managers from across the Council services, further demonstrates the Council's desire to work in a collaborative way. In our view these ways of working are a strength, and the Council should continue to seek opportunities to work with others to develop a more joined up approach to workforce development within the region.
- 28 **The Council has a well-developed approach to working with Trades Unions (TUs).** The Council has established a negotiating framework with the TUs which includes a Staff Council, the Local Government Services Forum, and Directorate Joint Consultative Groups. It uses these forums to discuss, develop and implement

workforce initiatives and has implemented changes to these arrangements in response to TU suggestions. The relationship with TUs has been further strengthened by having a TU officer seconded into the Council's Future of Work team. This approach supports the Council's commitment to working in social partnership with recognised TUs and ensures that the TUs have a clearer understanding of how the Council is seeking to deliver its workforce ambitions.

## **The Council has proactively learnt from others and is developing a broader range of workforce measures**

### **Strategic workforce governance and monitoring**

- 29 **The Council has clearly defined workforce governance and accountability structures, however it could improve its workforce progress monitoring.** The Council has several key layers of governance to oversee its workforce ambitions including the Organisational Development Board (ODB) currently chaired by the Chief Executive, a recently re-established Future of Work Project team – to monitor progress on the FOWS delivery plan, and the Corporate Directors Group which provides strategic oversight. This governance is also underpinned by the various Member focused governance groups which provide both strategic direction/decision making and oversight and scrutiny, such as Cabinet, Cabinet Boards, scrutiny and Governance and Audit Committee and the Personnel Committee.
- 30 **Whilst these various group will have considered aspects of workforce monitoring, the routine monitoring of progress against the Council's FOW Delivery plan has not been as frequent as the Council would have wished.** In part this has been impacted by the fact that, at the time of our review, the ODB has not met for several months. The Council has confirmed that routine monitoring of workforce performance will return to expected levels, supported by the recent appointed a new Director for Strategy and Corporate Services, who has responsibility for HR and Organisational Development and will chair the ODB going forward. Having this additional strategic capacity within the Corporate Directors Group should facilitate a greater focus on monitoring progress and the direction of travel for its workforce ambitions.
- 31 **The Council needs to expand the range of measures it uses to monitor the progress it is making on its workforce ambitions.** Whilst progress on its FOWS delivery plan is monitored through its governance framework describe above, the Council's current suite of measures and milestones do not sufficiently enable the Council to determine if its trajectory towards delivering its workforce ambitions is on track. The current suite of HR metrics is largely traditional and based on activity rather than impact or outcomes. The Council has told us that it has recently appointed to a new post in its HR team which is focused on improving data and monitoring. Its Future of Work Team has also been specifically tasked with

developing a more robust set of measures and criteria for measuring success and progress against the FOWS. This development work should also be strengthened by the Council's proposed use of data visualisation packages, such as Power BI to enhance workforce performance reporting. Building on the positive benchmarking and learning it has already undertaken with CIPD, the Council should explore opportunities to benchmark its measures to determine how it performs against its peers. This will enable it to both identify where there is best practice and where it needs to improve. Our view is that whilst these steps are still at an early stage of development, progressing these quickly will ensure the Council is better placed to determine the speed of its progress towards its workforce ambitions.







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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.

## Organisational response

**Report title:** Neath Port-Talbot County Borough Council – Strategic Workforce Management

**Completion date:** TBC

**Document reference:** TBC

Tudalen 35

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	<p><b>Workforce planning and delivery</b></p> <ul style="list-style-type: none"> <li>To ensure there are progression pathways for staff and there is resilience around its business-critical roles, the Council should ensure all services have succession plans and have identified their business-critical roles.</li> </ul>	<p><b>The council accepts this recommendation, as good practice in workforce planning. The Strategic Workforce Plan Delivery Plan for 24 / 25 will include actions to further embed succession planning and the identification of business critical roles across the council. The approval of funding to support the establishment of a Talent Management Resource in the HR Team will support these actions.</b></p>	31 <sup>st</sup> March 2025	Head of People & Organisational Development
R2	<p><b>Workforce governance and monitoring</b></p> <ul style="list-style-type: none"> <li>To have a better understanding of the impact of its workforce strategy the Council should develop measures that focus on outcomes and impacts in addition to inputs.</li> <li>The Council should build on its benchmarking with the Chartered Institute of Personnel and Development and consider where there may be opportunities to benchmark its measures and metrics with its peers to ensure it can identify areas of good practice and potential areas for improvement.</li> <li>To enable the Council to have a clearer understanding of the progress it is making towards meeting its workforce ambitions the Council should assure itself that the</li> </ul>	<p><b>The Council accepts these recommendations. The Strategic Workforce Plan Delivery Plan for 24 / 25 will include actions in relation to the development of measures and metrics and further opportunities to benchmark these measures and metrics. The recent establishment of a HR Data and People Analytics Team within the HR service and the development of data analytics capacity within the team will support this.</b></p>	31 <sup>st</sup> March 2025	Head of People & Organisational Development

Organisational Delivery Board is providing effective oversight and driving integration across related programmes of work

**The Director of Strategy and Corporate Services will re-establish the Organisational Development Delivery Board and ensure effective oversight and integration across the enabling change programmes.**

**31<sup>st</sup> March 2024**

**Director of Strategy and Corporate Services**

Mae'r dudalen hon yn fwiadol wag

## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

### GOVERNANCE AND AUDIT COMMITTEE

#### REPORT OF THE DIRECTOR OF STRATEGY & CORPORATE SERVICES

MR NOELWYN DANIEL

21<sup>st</sup> MARCH 2024

#### **Matter for Information**

**Wards Affected** – All wards

**Report Title** - Audit Wales – Programme & Timetable – Quarterly Update to 31<sup>st</sup> December 2023

#### **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 31<sup>st</sup> December 2023. The update includes information on the following work undertaken by Audit Wales:

- 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 3 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: 31 December 2023**

### Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in March 2022.	March 2023	Complete & Published <a href="#">Neath Port Talbot Council – Annual Audit Summary 2022</a>

### Financial Audit work

Description	Scope	Timetable	Status
<b>Audit of the Council's 2022-23 financial statements</b>	To provide an opinion on the 'truth and fairness' of the Council's financial statements for the financial year ended 31 March 2023.	February 2023 to November 2023	Complete Opinion given on 14 November 2023
<b>Certification of Grant returns for financial year 2021-22</b>  <ul style="list-style-type: none"> <li>Housing Benefit Subsidy</li> <li>Non-Domestic Rates</li> </ul>	Certification that nothing has come to our attention to indicate that the return is <ul style="list-style-type: none"> <li>Not fairly stated</li> <li>Is not in accordance with the relevant terms and conditions</li> </ul>	December 2022 to September 2023	Partly complete  Ongoing <ul style="list-style-type: none"> <li>Housing Benefit Subsidy</li> </ul> Complete

Description	Scope	Timetable	Status
<ul style="list-style-type: none"> <li>• Teachers' Pension Contributions</li> <li>• Social Care Workforce Development Plan</li> </ul>			<ul style="list-style-type: none"> <li>• Non-Domestic Rates</li> <li>• Teachers' Pension Contributions</li> <li>• Social Care Workforce Development Plan</li> </ul>
<p><b>Certification of Grant returns for financial year 2022-23</b></p> <ul style="list-style-type: none"> <li>• Housing Benefit Subsidy</li> <li>• Non-Domestic Rates</li> <li>• Teachers' Pension Contributions</li> <li>• Social Care Workforce Development Plan</li> </ul>	<p>Certification that nothing has come to our attention to indicate that the return is</p> <ul style="list-style-type: none"> <li>• Not fairly stated</li> <li>• Is not in accordance with the relevant terms and conditions</li> </ul>	<p>In line with certification deadlines.</p> <p>September 2023 to January 2024.</p>	<p>Ongoing</p> <p>Complete</p> <ul style="list-style-type: none"> <li>• Non-Domestic Rates</li> <li>• Teachers' Pension Contributions</li> </ul>

## Performance Audit work

2021-22 Performance Audit work	Scope	Timetable	Status
<b>Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations</b>	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.	N/A	N/A
<b>Improvement reporting audit</b>	Audit of discharge of duty to publish an assessment of performance.	December 2021	Complete

<p><b>Assurance and Risk Assessment</b></p>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.</p> <p>At Neath Port Talbot Council the project focused on:</p> <ul style="list-style-type: none"> <li>• Financial position</li> <li>• Self-assessment arrangements</li> <li>• Recovery planning</li> <li>• Implications of the Local Government and Elections (Wales) Act</li> <li>• Carbon reduction plans</li> <li>• Assessing the Council's response to its independent investigation and subsequent action plan</li> </ul>	<p>Complete</p>	<p>Complete</p> <p><a href="#"><u>Published 2021-22 Financial Position Update</u></a></p> <p><a href="#"><u>Published ARA progress update letter</u></a> summarising Implications of the Local Government and Elections (Wales) Act, and Self-Assessment.</p> <p><a href="#"><u>Published Carbon Reduction plans summary</u></a></p> <p>Assessing the Council's response to its independent investigation undertaken as part of ongoing Assurance and Risk assessment work.</p> <p>Recovery Planning – ongoing monitoring</p>
<p><b>Springing Forward – Examining the</b></p>	<p>As the world moves forward, learning from the global pandemic, this review looks at how effectively councils are</p>	<p>Complete</p>	<p><a href="#"><u>Springing Forward – Strategic</u></a></p>

2021-22 Performance Audit work	Scope	Timetable	Status
<b>building blocks for a sustainable future</b>	strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities. We looked at asset management and workforce management.		<a href="#">Workforce Management</a>  <a href="#">Springing Forward – Strategic Asset Management</a>

2022-23 Performance Audit work	Scope	Timetable	Status
<b>Assurance and Risk Assessment</b>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p> <ul style="list-style-type: none"> <li>Financial position</li> </ul>	Ongoing monitoring of financial position	Ongoing

2022-23 Performance Audit work	Scope	Timetable	Status
	<ul style="list-style-type: none"> <li data-bbox="416 658 863 689">• Capital programme management</li>   <li data-bbox="416 1272 863 1361">• Use of performance information – with a focus on service user feedback and outcomes</li>   <li data-bbox="416 1570 836 1601">• Setting of well-being objectives</li> </ul>	<p data-bbox="938 1272 1054 1303">Complete</p> <p data-bbox="938 1570 1054 1601">Complete</p>	<p data-bbox="1185 658 1362 1196">AW will not undertake detailed work at all councils as part of our 2022-23 work programme. We are currently exploring our options for undertaking a detailed piece of work on this topic either in 2023-24 or future years.</p> <p data-bbox="1185 1272 1362 1496">Report issued to the Council January 2023. To be published on our website February 2024.</p> <p data-bbox="1185 1570 1362 1659"><u>Report issued to the Council August 2023</u></p>
<p data-bbox="140 1738 314 1861"><b>Thematic Review – Unscheduled Care</b></p>	<p data-bbox="416 1738 879 2051">A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.</p>	<p data-bbox="938 1738 1114 1794">August 2022 – October 2023</p>	<p data-bbox="1185 1738 1362 1827">Reporting from February 2024 onward.</p>



2022-23 Performance Audit work	Scope	Timetable	Status
<b>Thematic review – Digital</b>	A review of councils’ strategic approach to digital, and the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of councils’ resources.	Complete	<a href="#"><u>Report issued to Council October 2023</u></a>
<b>Scrutiny Review</b>	A review to seek assurance on the effectiveness of the Council’s scrutiny arrangements.	Complete	<a href="#"><u>Report issued to Council October 2023</u></a>

2023-24 Performance Audit work	Scope	Timetable	Status
<b>Assurance and Risk Assessment</b>	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.	Ongoing	Ongoing
<b>Thematic review – commissioning arrangements</b>	A review focusing on how councils' arrangements for commissioning, and contract management apply value for money considerations and the sustainable development principle.	January – July 2024	Scoping
<b>Thematic review – Financial Sustainability</b>	A review of councils' financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.	March – June 2024	Scoping

## Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Neath Port Talbot Council
<b>Planning for sustainable development – Brownfield regeneration</b>	Review of how local authorities are promoting and enabling better use of vacant non-domestic dwellings and brownfield sites	October 2022 – September 2023	Report drafting – publication due January 2024	No – there were interviews with nominated officers at some councils. A survey was sent to all councils.
<b>Governance of special purpose authorities – National Parks</b>	Review of systems and effectiveness of governance	November 2022 – September 2023	Report drafting – publication due February 2024.	No
<b>Governance in Fire and Rescue Authorities</b>	Review of systems and effectiveness of governance	September 2023 – August 2024	Fieldwork underway	No
<b>Homelessness</b>	Examining how services are working together to progress the response to homelessness.	tbc	Scoping	tbc

## Estyn

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern. We inspected Conwy local government education service in the week beginning 6 November 2023, and the report will be published early in January 2024. We will be piloting our new inspection arrangements in the Vale of Glamorgan on the week beginning 11 March 2024. We will also be inspecting the Vale of Glamorgan's youth work services on the week beginning 19 February 2024, and the findings of that inspection will contribute to the evidence base for the LGES inspection.

We have published a report outlining the approaches of local authorities and secondary schools in promoting attendance. The report will be published on 18 January 2024.

## Care Inspectorate Wales (CIW)

CIW planned work 2023-25	Scope	Timetable	Status
<b>Thematic reviews</b>			
<b>Community Learning Disability Team (CLDT)</b>	Working with HIW we will complete a small sample of joint CLDT inspections in 2024. We will use this approach to evaluate and consider our approach to joint inspection.	2024-25	Planning
<b>Stroke pathway</b>	Working in collaboration with HIW a <a href="#">National Review of Patient Flow: a journey through the stroke pathway (hiw.org.uk)</a> has recently been published.	Complete	Published

CIW planned work 2023-25	Scope	Timetable	Status
<p><b>National review of Care Planning for children and young people subject to the Public Law Outline pre-proceedings</b></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>Awaiting publication</p>	<p>Publication January 2024</p>
<p><b>Child Protection Rapid Review</b></p>	<p>The review looked at to what extent the current structures and processes in Wales ensure children's names are appropriately placed on, and removed from, the child protection register (CPR) when sufficient evidence indicates it is safe to do.</p> <p><a href="#">Rapid review of child protection arrangements, Care Inspectorate Wales</a></p> <p><a href="#">Rapid review of child protection arrangements - interim findings, Care Inspectorate Wales</a></p>	<p>Published</p>	<p>Published</p>
<p><b>Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2022-23</b></p>	<p>The <a href="#">2020-21 report</a> was published on 7 February 2021</p> <p>The 2021-2022 report is underway</p>	<p>Published</p> <p>To be confirmed</p>	<p>Published</p> <p>Preparing</p>

CIW planned work 2023-25	Scope	Timetable	Status
<p><b>Joint Inspection Child Protection Arrangements (JICPA)</b></p>	<p>We will complete a further two multi-agency joint inspections in total.</p> <p>The findings following Denbighshire County Council have been published - <a href="#">Joint Inspectorate Review of Child Protection Arrangements (JICPA): Denbighshire 2023   Care Inspectorate Wales</a></p> <p>The findings following Bridgend County Borough Council have been published - <a href="#">Joint Inspectorate Review of Child Protection Arrangements (JICPA): Bridgend 2023   Care Inspectorate Wales</a></p> <p>The findings from Powys County Council are underway</p> <p>We will publish a national report in late spring 2024.</p>	<p>April 2023 – April 2024</p>	<p>Delivery</p>
<p><b>Performance review of Local Authorities</b></p>	<p><a href="#">We continue to inspect Local Authorities in line with our updated Code of Practice for our local authority inspection activity   Care Inspectorate Wales</a></p> <p><a href="#">How we inspect local authority services and CAFCASS Cymru</a></p>	<p>Ongoing</p>	<p>Ongoing</p>

## Audit Wales national reports and other outputs published since December 2022

Report title	Publication date and link to report
Corporate Joint Committees – commentary on their progress	<a href="#">November 2023</a>
Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales	<a href="#">November 2023</a>
Failures in financial management and governance and losses incurred – Harlech Community Council	<a href="#">November 2023</a>
Putting out the false alarms: Fire and Rescue Authorities’ responses to Unwanted Fire Signals	<a href="#">October 2023</a>
Covering teachers’ absence – follow-up (letter to the Public Accounts and Public Administration Committee)	<a href="#">October 2023</a>
NHS workforce – data briefing	<a href="#">September 2023</a>
Income Diversification for National Park Authorities in Wales	<a href="#">September 2023</a>
Approaches to achieving net zero across the UK	<a href="#">September 2023</a>
Springing Forward: Lessons learnt from our work on workforce and assets (in local government)	<a href="#">September 2023</a>
Local Government Financial Sustainability Data tool update (further update planned in January 2024)	<a href="#">September 2023</a>
NHS finances data tool – to 31 March 2023	<a href="#">September 2023</a>

Report title	Publication date and link to report
Public interest reports – Ammanford Town Council and Llanferres Community Council	<a href="#">September 2023</a>
Cwm Taf Morgannwg University Health Board - Quality Governance Arrangements Joint Review Follow-up	<a href="#">August 2023</a>
'Cracks in the Foundations' – Building Safety in Wales	<a href="#">August 2023</a>
Maximising EU funding – the Structural Funds Programme and the Rural Development Programme	<a href="#">June 2023</a>
Digital inclusion in Wales (including key questions for public bodies)	<a href="#">March 2023</a>
Orthopaedic Services in Wales – Tackling the Waiting List Backlog	<a href="#">March 2023</a>
Betsi Cadwaladr University Health Board – Review of Board Effectiveness	<a href="#">February 2023</a>
Welsh Government purchase of Gilestone Farm	<a href="#">January 2023</a>
Together we can – Community resilience and self-reliance	<a href="#">January 2023</a>
A Picture of Flood Risk Management	<a href="#">December 2022</a>
'A missed opportunity' – Social Enterprises	<a href="#">December 2022</a>



## Audit Wales national reports and other outputs (work in progress / planned)<sup>1, 2</sup>

Title	Indicative publication date
Ukrainian refugee services	February 2024
Betsi Cadwaladr University Health Board – review of board effectiveness follow up	February 2024
A465 Section 2 – update	February 2024
NHS quality governance	March 2024
Local government digital strategy review – national summary	March 2024
Local government use of performance information, outcomes and service user perspective – national summary	March 2024
Affordable housing	Spring 2024
Active travel	Spring 2024

<sup>1</sup> 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. Follow up work could also lead to other outputs, as may other local audit work where we consider there is merit in a national summary output of some kind.

<sup>2</sup> We have also published to our website a paper – [Our work programme for 2023-2026](#) – that provides additional detail about our national work (including local thematic reviews). In addition to new work that we will be taking forward in 2023-24, the paper includes details about indicative topics for work to start in 2024-24 or 2025-26.

Title	Indicative publication date
Audit Committees. 'What does good look like?'. R&D work to understand the broad audit committee landscape across all sectors in Wales. Outputs to support Good Practice Exchange events and potential future audit work.	R&D work Sept – Dec 2023 Good Practice Event Spring 2024
NHS Workforce planning (national messages)	Late spring 2024
Cancer services	Late summer 2024
The senior public service	To be confirmed (scoping early 2024)
Challenges for the cultural sector	To be confirmed (starting in 2023-24)
Rebalancing care and support	To be confirmed (starting in 2023-24)
Tackling NHS waiting lists (local audit work at health boards)	To be confirmed (starting in 2023-24)
Access to education for children with Additional Learning Needs	To be confirmed (starting in 2023-24)
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	R&D work underway September to December 2023. Data gathering with representative groups. Outputs will inform any further audit work. Pan-public sector review – Autumn 2024
Velindre Cancer Centre	To be confirmed (scoping)
Welsh Government capital and infrastructure investment	To be confirmed (scoping)

Title	Indicative publication date
Further and higher education funding and oversight – Commission for Tertiary Education and Research	To be confirmed (scoping)

## Good Practice Exchange events and resources

Title	Link to resource
The Good Practice Exchange – Our yearly round up <b>of events and resources</b>	<a href="#">December 2023</a>
<b>Integrity in the Public Sector</b> ‘Trust is built and maintained through competence, reliability, and honesty, as well as the building of genuine and sound relationships between the public sector and the public it serves. That means the public sector must be accountable for the management and delivery of public services and outcomes, for the direction and control of the work it does, the resources it manages, and for its behaviour and ethics.’ This event will look at how public services can promote a culture of integrity.	5 December 2023 10:00 – 12:00 Online
<b>Working in partnership to improve wellbeing</b> This event will bring together the North Wales Insight Partnership, the Public Service Boards and the C4C community to share wellbeing plans across the North Wales region, as well as sharing the innovative work being undertaken by a range of sectors around wellbeing in our communities. The event will provide opportunities to discuss how we can connect all of this work to deliver real change.	24 October 2023 09:30 – 16:30  Cardiff date TBC
<b>Strategy to Action: How digital makes a difference to everyday lives</b> This event will take a practical and honest view at the digital landscape in Wales and will offer practical ideas for public and third sector organisations which will help them achieve the best value for money.	27 September 2023 09:00 – 13:00 – North Wales  5 October 2023 09:00 – 13:00 – Cardiff

Title	Link to resource
<p><b>Podcast: Auditing Community Resilience</b> In this edition of The Exchange, our Local Government team discuss some of the factors that cause poverty in Wales, as well as the value provided by social enterprises, and the importance of keeping wealth in communities.</p>	<p><u><a href="#">To listen</a></u></p>

## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

### GOVERNANCE & AUDIT COMMITTEE

21<sup>st</sup> MARCH 2024

#### Report of the Director of Strategy & Corporate Services

Noelwyn Daniel

#### 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

This report presents a summary of the reports issued by external review bodies since January 2024 and an updated Register of Regulators Reports (Appendix 1).

#### National Reports

##### **1. Sustainable development – Making the best use of brownfield land and empty buildings (January 2024)**

The Brownfields site report examines how Welsh councils are supporting and encouraging repurposing and regeneration of vacant properties and brownfield sites into homes or for other uses.

Focusing on the barriers facing councils and their partners, whilst also highlight opportunities to learn from elsewhere. Audit Wales looked to answer the question:

*‘Are local authorities doing all they can to support and encourage vacant, non-domestic properties and vacant brownfield sites being repurposed into homes or for other uses?’*

Audit Wales concluded that, despite notable amounts of brownfield developments being delivered by councils, regeneration could be increased significantly with a more systematic, interventionist, and collaborative approach. By drawing on successful approaches elsewhere and more focused planning, councils could be better equipped to overcome significant barriers.

We would ask the Committee to note the following statement on page 30 of the report

*'We intended to also include Neath Port Talbot, however it did not wish to take part'*

At the time of Audit Wales undertaking the fieldwork council officers were not in a position to add additional work to their already exceptional workload. Alongside the business as usual activity, which had been operating above pre-pandemic levels, officers were also preparing the submission bid for Celtic Freeport, considering the discharge of planning conditions regarding the Wildfox development, ongoing liaison with the developers of the Global Centre for Rail Excellence. Officers were also preparing the submission of three Levelling Up bids, drawing down the Shared Prosperity Fund allocation for NPT and the ongoing preparatory work to implement both of these funding programmes.

2 recommendations for Welsh Government / 3 recommendations for local authorities:

### Councils

- R1 To enable stakeholders to assess potential sites councils should create a systematic process to find and publicise suitable sites for regeneration:
- this should draw on data already held by councils, as well as external data sources to develop a composite and more complete picture of sites; and
  - where known, key barriers should be named to help efforts to overcome them.
- R2 To help ensure that regeneration activity and the shaping of the environment is informed by the needs of communities Councils should increase opportunities for community-based

involvement in regeneration, both in plan-making and actual development.

R3 To provide focus and impetus to developing brownfield sites Councils should review their current regeneration approaches and where appropriate set clearer, more ambitious regeneration policies and targets. Together these should:

- set out the approach and expectations of the council;
- set out how their approach will be resourced; and
- set out how the approach aligns with national policy goals and regional planning priorities

### Welsh Government

R4 To help enable stakeholders to assess potential sites the Welsh Government should:

- work with councils to ensure that listings of identified sites for regeneration are reported by council area; and
- produce a national listing informed by the local listings and through working in conjunction with other public sector bodies.

R5 To help inform scrutiny of performance both locally and nationally the Welsh Government should create a national framework for monitoring and assessing levels of brownfield sites being developed compared to levels of sites available and levels of greenfield development.

The report has been circulated to relevant officers for feedback.

## **2. From Firefighting to Future-proofing – the Challenge for Welsh Public Services (February 2024)**

The report provides an overview of the financial outlook for public services and how public services need to respond to challenges to improve value for money and support good governance and financial management consistent with the sustainable development principle.

Audit Wales set out, as a result of their work, the complexity of the public service landscape and the challenges being faced around workforce capacity, digital transformation and planning for the long term.

The report was for information and has been circulated to the relevant officers.

### **Local Reports**

#### **3. Neath Port Talbot Council – Use of Performance Information: Service User Perspective and Outcomes (November 2023)**

The aim of the Audit Wales examination was to determine:

*‘Does the Council’s performance data enable senior leaders to understand the service user perspective and the outcomes of its activities to effectively manage its performance?’*

The findings of the examination highlighted that performance information provided by officers, to senior leaders, to enable them to understand service user perspective of the outcomes of the council’s activities is limited, and proposed the following three recommendations.

#### **Information on the perspective of the service user**

**R1** The council should ensure that the information provided to its senior leaders enable them to understand the service user perspective on a broader range of services and policies. The council should ensure this information is drawn from the diversity of service users.

#### **Outcomes information**

**R2** The council should strengthen the information provided to senior leaders to help them evaluate whether the Council is delivering its objectives and intended outcomes

#### **Quality and accuracy of data**

**R3** The council needs to assure itself that it has robust arrangements to check the quality and accuracy of the information it provides to senior leaders relating to service user perspective and outcomes.

The report, along with a completed Organisational Response Form, will be presented to Cabinet on 17<sup>th</sup> March 2024 and Governance and Audit Committee later in the year.



**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 January 2024 and the updated Register of Regulators Reports and Recommendations.

**Appendix**

- Appendix 1 – Register of Regulators Reports

**Background Papers**

None

**Officer Contact**

For further information on this report item, please contact:

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<p><a href="#">Neath Port Talbot Council - Springing Forward - Strategic Management of Assets</a></p>	<p>R2 Strategic asset management planning and delivery</p> <ul style="list-style-type: none"> <li>Once the Council has agreed its new Corporate Asset Management Strategy it should develop the supporting arrangements to ensure that it has sufficient corporate oversight and a consistent approach to the delivery of its asset objectives across the organisation.</li> </ul>	Nicola Pearce	3 Recommendations	Dec-23	26.01.2024	Local	TBC	TBC	21.03.2024	TBA
<p><a href="#">Neath Port Talbot Council - Springing Forward - Strategic Workforce Management (2021-2022)</a></p> <p>Tudalen68</p>	<p>R1 Workforce planning and delivery:</p> <ul style="list-style-type: none"> <li>To ensure there are progression pathways for staff and there is resilience around its business-critical roles, the Council should ensure all services have succession plans and have identified their business-critical roles.</li> </ul> <p>R2 Workforce governance and monitoring:</p> <ul style="list-style-type: none"> <li>To have a better understanding of the impact of its workforce strategy the Council should develop measures that focus on outcomes and impacts in addition to inputs.</li> <li>The Council should build on its benchmarking with the Chartered Institute of Personnel and Development and consider where there may be opportunities to benchmark its measures and metrics with its peers to ensure it can identify areas of good practice and potential areas for improvement.</li> <li>To enable the Council to have a clearer understanding of the progress it is making towards meeting its workforce ambitions the Council should assure itself that the Organisational Delivery Board is providing effective oversight and driving integration across related programmes of work.</li> </ul>	Noelwyn Daniel	2 recommendation	Dec-23	26.01.2024	Local	Cabinet	14.02.2024	21.03.2024	ORF To be added
<p><a href="#">Neath Port Talbot Council - Review of Scrutiny</a></p>	<p>R1 Current model and role of scrutiny:</p> <p>The Council should review its current model for scrutiny to ensure scrutiny can fulfil its broader range of roles and responsibilities. Any revised model should ensure there are opportunities for scrutiny to engage in its wider roles, including for example, in relation to:</p> <p>Policy development</p> <ul style="list-style-type: none"> <li>Performance monitoring</li> <li>Holding cabinet members to account throughout the decision-making process</li> <li>Following up outcomes of previous recommendations or decisions</li> </ul> <p>Public engagement</p> <p>R2 Public Engagement - The Council's scrutiny model should be more citizen focused by strengthening its arrangements for public involvement and engagement in scrutiny. This should include ensuring greater transparency and timeliness about which items will be on the scrutiny committee agendas; and using existing engagement and consultation work to inform its scrutiny work including consideration of scrutiny topics, as part of its scrutiny reviews, in holding cabinet members and decisions to account, and in its performance monitoring roles.</p> <p>R3 Planning and work programme - To enable the scrutiny model to be more citizen focused, the Council should review its arrangements for the way in which scrutiny is planned to ensure scrutiny can independently plan and strategically prioritise its own work programme.</p>	Noelwyn Daniel	5 recommendations	Nov-23	26.01.2024	Local	Council	20.03.2024	TBC	<p><a href="#">Organisational Response Form - Page 99</a></p>



Tudalen70	<p>R4 The Welsh Government should increase its oversight and management of the building control sector to ensure there is a robust assurance system in place for building control and safety by:</p> <ul style="list-style-type: none"> <li>• creating a national performance framework with clear service standards to promote consistency of service. This should also include outcome measures to monitor performance and an evaluation and reporting framework for scrutiny.</li> <li>• developing a national building safety workforce plan to address the most significant risks facing the sector. This should include regular data collection and publication, as well as coverage of priorities, such as: - a greater focus on trainees to mitigate succession risks; - establishing aligned, national job roles matched to competency levels; - increasing the diversity of the sector to ensure it reflects modern Wales; and - specific funding to enable surveyors to obtain and maintain competence should also be considered.</li> <li>• the Welsh Government should explore with the further education sector how best to provide building control training in Wales to support succession planning, skills development, and competency. page 13 'Cracks in the Foundations' – Building Safety in Wales Recommendations</li> </ul>		4 recommendations for local authorities / 4 recommendations for Welsh Government	Aug-23	12.10.2023	National		12.10.2023		
	<p>R5 Local authorities should develop local action plans that articulate a clear vision for building control to be able to plan effectively to implement the requirements of the Act. The Plans should:</p> <ul style="list-style-type: none"> <li>• be based on an assessment of local risks and include mitigation actions;</li> <li>• set out how building control services will be resourced to deliver all their statutory responsibilities;</li> <li>• illustrate the key role of building control in ensuring safe buildings and be linked to well-being objectives and other corporate objectives; and</li> <li>• include outcome measures that are focused on all building control services, not just dangerous structures.</li> </ul>									
	<p>R6 Local authorities should urgently review their financial management of building control and ensure they are fully complying with Regulations. This should include:</p> <ul style="list-style-type: none"> <li>• establishing a timetable of regular fee reviews to ensure charges reflect the cost of services and comply with the Regulations;</li> <li>• annually reporting and publishing financial performance in line with the Regulations;</li> <li>• ensuring relevant staff are provided with training to ensure they apply the Regulations and interpret financial reporting correctly; and</li> <li>• revise fees to ensure services are charged for in accordance with the Regulations.</li> </ul>									
	<p>R7 Local authorities should work with partners to make better use of limited resources by exploring the potential for collaboration and regionalisation to strengthen resilience through a cost benefit analysis of partnering with neighbouring authorities, establishing joint ventures and/or adopting a regional model where beneficial. page 14 'Cracks in the Foundations' – Building Safety in Wales Recommendations</p> <p>R8 Local authorities should review risk management processes to ensure that risks are systematically identified, recorded, assessed, mitigated and subject to regular evaluation and scrutiny</p>									
	<p>R8 Local authorities should review risk management processes to ensure that risks are systematically identified, recorded, assessed, mitigated and subject to regular evaluation and scrutiny.</p>									
<a href="#">Audit Wales Annual Plan 2023-2024</a>	No Recommendations listed	N/A	No recommendations	Apr-23	16.06.2023	National	N/A	N/A	N/A	N/A
<a href="#">Digital inclusion in Wales</a>	No Recommendations listed	N/A	No recommendations	Mar-23	16.06.2023	National	N/A	N/A	N/A	16.06.2023
<a href="#">Neath Port Talbot Council - Annual Audit Summary 2022</a>	No Recommendations listed	Karen Jones	No recommendations	Mar-23	16.06.2023	Local Letter	Council	26.04.2023	N/A	N/A



Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

## **GOVERNANCE & AUDIT COMMITTEE**

**21<sup>st</sup> March 2024**

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

**MATTERS FOR DECISION  
WARDS AFFECTED – ALL**

### **INTERNAL AUDIT STRATEGY & RISK BASED PLAN FOR 2024-2025**

#### **1. Purpose of Report**

1.1 The purpose of this report is to provide members with details of the draft Internal Audit Strategy and Risk Based Plan for the period 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025 and the revised Internal Charter and to seek their approval of each of the documents.

#### **2. Background**

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

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

- 2.3 When compiling the draft internal audit plan the following was taken into account:
- The Corporate Risk Register;
  - Corporate priorities as detailed within the Corporate Plan 2022-2027;
  - Requests following meetings with the Senior Management Teams;
  - Audits carried forward from 2023/24;
  - Fundamental financial systems;
  - Grant claims;
  - Audit knowledge of council services and new developments;
  - Audits subject to Service Level Agreements.
- 2.4 The Standards require that the risk based plan provides sufficient coverage across all of the Council's activities to enable the Head of Internal Audit (HIA) to provide an annual opinion on the control environment operating within the Council. In my opinion the attached plan meets this objective.
- 2.5 Audits will continue to be undertaken via a combination of remote and face to face meetings.
- 2.6 As members are aware the plan needs to be flexible to allow for unexpected items during the year that require audit input. In line with the terms of reference of this committee quarterly reports will be provided which will detail progress against the plan and seek members' approval of any changes to audits contained within the plan.

### **3. Financial Impacts**

No implications

### **4. Integrated Impact Assessment**

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

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



**5. Workforce Impacts**

No implications

**6. Risk Management Impacts**

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

**7. Valley Communities Impacts**

No implications

**8. Legal Impacts**

No implications

**9. Consultation**

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

**10. Recommendations**

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

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

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

**11. Reason for Proposed Decision**

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

## **12. Implementation of Decision**

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

## **13. Appendices**

Appendix 1 – Draft Internal Audit Strategy for 2024-25

Appendix 2 – Draft Internal Audit Plan for 2024-25

Appendix 3 – Internal Audit Charter 2024-25

Appendix 4 – Integrated Impact Assessment

### Officer Contact

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Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

## **Chief Executive's Directorate**

### **Draft Internal Audit Strategy 2024-25**

#### **1. INTRODUCTION**

- 1.1 Internal Audit independently and objectively provides assurance to the Council and senior management on the adequacy and effectiveness of the internal control, governance and risk management processes operating across the Council.
- 1.2 The Council is a diverse organisation and provides a wide and varied number of services to the residents of the County Borough Area and operates numerous systems which require internal controls. Each and every system can potentially be audited however it is not practical nor realistic to aim to audit each service every year. Therefore audits undertaken are based on a cyclical basis and/or prioritised based on the risk their failure poses to the achievement of the Council's aims.
- 1.3 Within this Council the Internal Audit Service is provided in-house via a team of 9 people, 7.9 full time equivalent staff, excluding the Head of Internal Audit.

#### **2. DEFINITION OF INTERNAL AUDIT**

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

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

### **3. REQUIREMENT FOR INTERNAL AUDIT**

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

#### **4. AUDIT PLAN DEVELOPMENT**

- 4.1 The draft audit plan has been developed after consideration of the risks faced by the Council and the views of Chief Officers as to where audit resources would provide most value. In line with The Standards this plan makes best use of audit resources and will enable the service to provide assurance to members and officers on the control environment operating across the Council.
- 4.2 Whilst the majority of the plan was compiled using a risk based approach it does contain audits which are subject to Service Level Agreements. In addition to these audits there are also audits within the plan which are undertaken annually to provide assurance to the Section 151 Officer. These audits are of the fundamental financial systems operating within the Council.
- 4.3 The plan must be flexible and may need to be adapted to meet emerging risks or to reflect changes in available resources. This has been reflected in the plan by incorporating a number of contingency days for each directorate.
- 4.4 Quarterly updates of achievement against the plan will be provided to this committee and approval sought for any amendments to the plan.
- 4.5 Appendix 2 provides details of the audits planned for 2024-25.

#### **5. INTERNAL AUDIT RESOURCES**

- 5.1 The Internal Audit Service consists of 7.9 full time equivalent staff excluding the Head of Internal Audit.
- 5.2 The productive available audit days for 2024-25, having taken into account allowance for annual leave, sickness, vacancies, general training, study days for professional qualification attainment and an allowance for supervision, management and planning, is 1,491 days.

## **6. AUDIT PLAN DELIVERY**

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

## **7. POST AUDIT REVIEWS**

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



Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

## DRAFT INTERNAL AUDIT PLAN 2024-25

DIRECTORATE	AUDIT AREA	PLANNED NUMBER OF DAYS	RISK RATING
<b>Strategy &amp; Corporate Services</b>			
Director of Strategy & Corporate Services – Noelwyn Daniel	Contingency to be used as new risks emerge or priorities change	30	
Chief Finance Officer-Huw Jones	Payroll	5	High
	Council Tax – Exemptions and Discounts	25	Medium
	Housing Benefits	5	Low
	Creditors	5	Low
	National Non-Domestic Rates	5	Medium
	Debtors	5	Low
	Salary Sacrifice Schemes	20	Medium
	Creditors (Monthly checks)	10	Medium
	Capital Programme	10	High

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<p>Head of Legal &amp; Democratic Services - Craig Griffiths</p>	<p>Procurement</p>	<p>35</p>	<p>High</p>
<p>Head of HR &amp; Organisational Development-Sheenagh Rees</p>	<p>Complaints Performance Data</p>	<p>20 30</p>	<p>High Medium</p>
<p><b>Education Leisure &amp; Lifelong Learning</b></p>			
<p>Corporate Director-Andrew Thomas</p>	<p>Contingency to be used as new risks emerge or priorities change Glamorgan Education Trust &amp; any other grants requested</p>	<p>50 10</p>	<p>Medium</p>
<p>Head of Educational Development- Chris Millis</p>	<p>Primary Schools Comprehensive Schools Admissions</p>	<p>120 35</p>	<p>Medium High</p>
<p>Head of Early Years Inclusion &amp; Participation-Hayley Lervy</p>	<p>School Admissions Special Education Needs (SEN) Out of County Placements</p>	<p>35 30</p>	<p>High High</p>
<p>Head of Leisure, Tourism, Heritage &amp; Culture- Chris Saunders</p>	<p>Leisure Services Insourcing</p>	<p>10</p>	<p>High</p>



<b>Environment</b>			
Corporate Director-Nicola Pearce	Contingency to be used as new risks emerge or priorities change.	50	
	Directorate review of overtime	35	High
Head of Streetcare-Michael Roberts	Margam Crematorium	15	Medium
	Recycling Stock Control	15	Medium
	Building Services	35	High
Head of South Wales Trunk Road Agency (SWTRA)- Richard Jones	Area to be agreed	10	Medium
Head of Property & Regeneration-Simon Brennan	Shared Prosperity Fund (SPF) Funding	25	High
	Decarbonisation	20	High
	City Deal Projects	15	High
<b>Social Services, Health &amp; Housing</b>			
Corporate Director-Andrew Jarrett	Contingency to be used as new risks emerge or priorities change	60	

Head of Adult Services-Angela Thomas	Supported Living Costs	20	High
Head of Children & Young People Services-Keri Warren	Hillside Secure Children's Home	15	Medium
	Compliance with Admission to Care Processes – Infants	20	High
Head of Housing & Communities – Chele Howard	Homelessness to include Youth Homelessness & Gateway Service	30	High
All areas	Grants	15	High
<b>Cross Directorate</b>	Fraud & National Fraud Initiative	240	High
	Officers Declarations	15	Medium
	Special Investigations & Whistleblowing	150	High
	Advice & Guidance Requests	90	Medium
	Attendance at working parties & task and finish groups	30	Not applicable
<b>Other commitments</b>	Staff association lottery	10	Not applicable
	Vision Impaired West Glamorgan	10	Not applicable
	FOI requests	6	Not applicable
<b>Consultancy work</b>		65	
		<b>Total number of days</b> <b>1,491</b>	



Cyngor Castell-nedd Port Talbot  
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## **INTERNAL AUDIT CHARTER 2024-25**

### **INTRODUCTION**

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

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

“board” - the Governance & Audit Committee

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

“Consulting Services” - The Public Sector Internal Audit Standards provide the following definitions for consultancy work: Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation’s governance, risk management and internal control without the Internal Auditor assuming management responsibility. Examples include counsel, advice, facilitation and training. The nature of Consulting Services provided includes acting as a ‘critical friend’ on Project Boards. This work will not normally result in an opinion being provided.

### **PURPOSE, SCOPE & AUTHORITY**

#### Purpose

The Purpose of the Council’s Internal Audit Service is to provide independent, objective assurance and consulting services designed to add value and promote improvement of the Council’s operations. The Internal Audit Service’s mission is to enhance and protect organisational value by providing risk based and objective assurance, advice and insight. The Internal Audit Service helps the Council achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

### Scope

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

- Access Authority premises at reasonable times
- Access assets, records, documents, correspondence and control systems
- Receive any information and explanation considered necessary concerning any matter under consideration;
- Require any employee of the Authority to account for cash, stores or any other Authority asset under their control
- Access records belonging to third parties, such as contractors, when required
- Directly access the Head of Paid Service, the Executive and Governance & Audit Committee
- To ensure that effective procedures are in place to investigate promptly any fraud, irregularity or malpractice.

### Authority

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

## **OBJECTIVES**

Internal Audit's main objectives are to:

- Provide a quality, independent and objective audit service that effectively meets the Council's needs, adds value, improves operations and helps protect public resources
- Provide assurance to management that the Council's operations are being conducted in accordance with external regulations, legislation, internal policies and procedures
- Provide advice and support to management to enable an effective control environment to be maintained
- Promote an anti-fraud, anti-bribery and anti-corruption culture within the Council to aid the prevention and detection of fraud
- Investigate allegations of fraud, bribery and corruption

## **ROLES & RESPONSIBILITIES**

### Role of Internal Audit

To meet Internal Audit objectives, Internal Auditors are responsible for:

- Reviewing and assessing the soundness, adequacy and reliability of financial and non-financial management;
- Reviewing and assessing the effectiveness of internal controls and making recommendations for improvement, where appropriate;
- Reviewing and assessing procedures to check that the Council's assets and interests are adequately protected and risks are identified and effectively managed;
- Checking for compliance with legislation, Council policies and procedures;
- Promoting and assisting the Council in the effective use of resources
- Undertaking independent investigations into allegations of fraud and irregularities in accordance with Council policies and procedures and relevant legislation.

### Provision of the Internal Audit Function

The Chief Finance Officer (Section 151 officer) is responsible for ensuring that the Internal Audit Service is adequately resourced.

The Internal Audit Function is provided “in house” and consists of the Audit Manager, 1 Senior Auditor, 5 Auditors, 1 Trainee Auditor and 1 Fraud Officer (9 people 7.9 FTE). The role of Head of Internal Audit is undertaken by the Chief Accountant Technical & Governance.

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

### Management Structure

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

### Governance & Audit Committee Responsibilities

In terms of the requirements of the Standards the Governance & Audit Committee undertake the role of The Board.

The terms of reference of the Committee as specified within the Council’s Constitution are to discharge with delegated authority the following functions:-

- review and scrutinise the Authority’s financial affairs, including approval of the Annual Statement of Accounts;
- make reports and recommendations in relation to the Authority’s financial affairs;
- review and assess the risk management, internal control and corporate governance arrangements of the Authority;

- make reports and recommendations to the Authority on the adequacy and effectiveness of those arrangements;
- oversee the Authority's internal and external audit arrangements, including internal and external audit work plans, receive, review and make reports on audit work and performance;
- review the financial statements prepared by the Authority.
- review and assess the Authority's ability to handle complaints effectively and make reports and recommendations in relation to the Authority's ability to handle complaints effectively.

#### Head of Internal Audit Responsibilities

In managerial terms to the Chief Finance Officer.

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

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

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

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

#### Audit Manager's Responsibilities

In managerial terms to the Chief Finance Officer.

To manage and lead the Internal Audit Team.

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

For the performance of the Internal Audit Service.

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

## **CODE OF ETHICS**

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

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

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

## **SERVICE STANDARDS**

What you can expect from us:

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



## **ANNUAL RISK BASED INTERNAL AUDIT PLAN**

An annual internal audit plan is produced using a risk based methodology, taking into account risks identified within the Corporate and Directorate Risk Registers and the corporate priorities. During the planning process all Heads of Service are contacted and asked if there are any areas they wish to be included in the plan. The plan is then approved by the Governance & Audit Committee.

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

In addition to the work carried out in line with the annual audit plan the Audit Manager and Senior Auditor also act as administrators for the Authority's online banking system. This is not deemed by either the Chief Finance Officer in his role as Section 151 Officer, the Head of Internal Audit or the Audit Manager to impair independence or provide any conflict of interest as the duties undertaken on the system are of a "housekeeping" nature and no transactions are undertaken.

## **REPORTING**

### Audit Reports

- Give an opinion on the effectiveness of internal controls operating within the service at the time of audit;
- Provide an assurance rating reflecting the above;
- Detail the work carried out and subsequent recommendations together with management responses where applicable.

### Reporting Standards

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

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

Internal Audit works to the reporting quality standards of:

- Draft report issued within 5 days of field work being completed.
- Final report issued within 2 working days of draft report being agreed.

## **QUALITY ASSURANCE**

### Internal Review

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

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

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

### External Review

It is also a requirement of The Standards that all internal audit services are subject to a fully independent review every 5 years by a qualified independent assessor from outside the Authority. The latest review was undertaken and reported in full to Governance & Audit Committee at the end of the process in October 2023.

## **RELATIONSHIPS**

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

Internal Auditors will ensure that they explain fully the purpose of the audit and the various stages the audit will follow. Internal Audit will agree with

service managers the timing and scope of the audit prior to its commencement.

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

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

### **FRAUD & IRREGULARITIES**

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

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

Updated: February 2024

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

<b>Initiative description and summary: Approval sought for the Internal Audit Strategy &amp; Plan for 2024-25</b>
<b>Service Area: Internal Audit</b>
<b>Directorate: Strategy &amp; Corporate Services</b>

**2. Does the initiative affect:**

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

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

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

Appendix 4

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

4. Does the initiative impact on:

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

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## 5. Does the initiative impact on biodiversity:

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

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



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

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

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

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

A full impact assessment (second stage) <b>is</b> required	
Reasons for this conclusion	

	Name	Position	Signature	Date
Completed by	Anne-Marie O'Donnell	Audit Manager		1 <sup>st</sup> March 2024
Signed off by	Huw Jones	Chief Finance Officer		4 <sup>th</sup> March 2024





Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

### GOVERNANCE & AUDIT COMMITTEE

21<sup>st</sup> March 2024

#### Report of Head of Internal Audit– Diane Mulligan

#### Matters for Noting

**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 January 2024.

##### 2. Executive Summary

Since the last committee meeting a total of 6 reports have been issued and 1 Post Audit Review has been undertaken.

Appendix 1 of this report details the formal audit reports issued, Appendix 2 gives details of progress against the plan for 23-24 and Appendix 3 provides a response from the Head of Engineering Services in relation to Report Number 50 – Mandatory Training Mandatory Training – Engineering Services.

### **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 26<sup>th</sup> January 2024.

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

### **4. Staffing Issues**

One member of staff is currently on long term sickness, another has returned to work following long term sickness absence and will be working reduced hours for a period.

The vacant trainee auditor post has this month been successfully filled and the post holder will be commencing with the section in April 2024.

As at the 29<sup>th</sup> February a total of 152 audit days have been lost to sickness and 88 lost due to the vacancy.

### **5. Audit Work Undertaken**

Since the last committee meeting a total of 6 formal reports, as at 29<sup>th</sup> February 2024, have been issued in line with normal reporting processes.

#### Final Reports Issued

- Crymlyn Burrows Waste Transfer Station
- Safe Recruitment – Comprehensive Schools
- NFI – Duplicate Creditor Payments
- Review of Governance Arrangement re: Pale Road Supported Living Scheme
- Mandatory Training – Engineering Services
- Legal Regulatory Service.

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 has attended the Social Care Case Management Platform Project Board meetings.
- The Audit Manager and Senior Auditor are undertaking investigations in line with the Authority's Disciplinary Policy and Processes.
- The Senior Auditor has attended the iTrent System (Payroll & HR) Project Board meetings.
- 3 special investigations are in progress.
- Staff have continued to provide advice to staff from across the Authority.

## **6. Post Audit Reviews Undertaken & Recommendations Tracking**

1 Post Audit review has been undertaken during this reporting period with no issues identified with recommendations not being implemented.

<b>Audit Report Title</b>	<b>Number of recommendations made</b>	<b>Issues identified during Post audit Review</b>
Melin Primary School	1	All recommendations have been implemented

## **7. Integrated Impact Assessment**

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

## **8. Valley Communities Impact**

No impact

## **9. Workforce Impacts**

No impact

## **10. Legal Impacts**

No impact

## **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 report and appendices.

## **14. Reason for Proposed Decisions**

To comply with the Committee's Terms of Reference and the Public Sector Internal Audit Standards.

## **15. Implementation of Decision**

It is proposed that the decision is implemented immediately.

Appendix 1 – Audit Reports Issued.

Appendix 2 – Audit Plan Monitoring.

Appendix 3 – Response from the Head of Engineering Services in relation to Report Number 50.

**Officer Contact:**

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Audit Manager  
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Appendix 1 – Published Reports

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Report Ref	Responsible Head of Service & Report Subject	Report Conclusion	Assurance Rating
R46	Head of Streetcare - Crymlyn Burrows Waster Transfer Station	Excellent controls were in place for risk assessments and facility maintenance. Management should ensure that mandatory corporate training is brought up to date for all staff and prioritised appropriately.	Reasonable
R47	Head of Education Development Education, Leisure & Lifelong Learning Safe Recruitment – Comprehensive Schools	Overall the testing undertaken indicated that there are good processes in place within all the schools ensuring appropriate pre-employment checks are undertaken in line with policy.	Reasonable
R48	Chief Finance Officer National Fraud Initiative (NFI) - Duplicate Creditor Invoice Payments	Information was provided by NFI in relation to 21 instances of possible duplicate creditor invoice payments. No instances of fraud were suspected as all issues identified were as a result of human error. The work undertaken has identified that duplicate/incorrect creditor invoice payments totalling £3,038 have been made that had not otherwise been detected. The relevant officers have been informed and it is now their responsibility to obtain a refund. Duplicate/incorrect creditor invoice payments totalling £20,077 were also identified. These had already been identified as part of routine internal financial/budget reconciliations or by the Vendor	Not Applicable

Appendix 1 – Published Reports

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Report Ref	Responsible Head of Service & Report Subject	Report Conclusion	Assurance Rating
		confirming they have received an incorrect payment. Full refunds have already been received in relation to these.	
R49	Head of Adult Services - Review of Governance Arrangements re Pale Road Supported Living	Overall the governance and decision making relating to the project was found to be robust.	Not Applicable
R50	Head of Engineering & Transport - Mandatory Training Engineering Service.	The staff sample of Engineering Services have up to date training in 82 of the expected 248 mandatory training courses required by NPTCBC. This gives an overall compliance score of 33.1%	Limited Please see appendix 3
R51	Head of Legal -Legal Regulatory Service	Overall the service demonstrated it had good controls in relation to all areas tested other than Travel & Subsistence claims, recommendations made within the report will address this issue.	Substantial

**Assurance Categories:**

**Substantial Assurance** - Substantial assurance is provided in relation to the effectiveness of the internal controls operating at the time of the audit.

**Reasonable Assurance** - Reasonable assurance is provided in relation to the effectiveness of the internal controls operating within the service which will be further enhanced by the implementation of the agreed recommendations.

**Limited Assurance** - Limited assurance is provided in relation to the effectiveness of the internal controls operating within the service audited. The Head of Service is required to provide a written response to the Governance & Audit Committee on actions taken to address the issues raised during the audit.

**No Assurance** - Following the audit no assurance can provided in relation to the internal controls operating within the service audited and the Head of Service will be required to attend this committee to advise members of what actions they have taken to address the failings identified during the audit.



Appendix 2 – Audit Plan Monitoring at 29<sup>th</sup> February 2024

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<b>Audit Plan Item</b>	<b>Risk Rating</b>	<b>Quarters 1-3 position as at 31<sup>st</sup> December 2023</b>	<b>Quarter 4 position as at 29<sup>th</sup> February 2024</b>
Ethics – Members(carried forward from 22/23)	M	Audit paused due to resource issues	Audit in progress
Payroll	H	At planning stage	Audit in progress
Council Tax	L		
Housing Benefits	L		
National Non-Domestic Rates	M		
Debtors	L		
Creditors (monthly checks)	M	Ongoing	Ongoing
Creditors	M	Audit complete and report issued	
Risk Management	M	Audit in planning stage	Audit in progress
Direct Payments (added from contingency budget)	H	Final report issued.	
Capital Programme	H	The Audit Manager has attended meetings of the Capital Programme Steering Group	The Audit Manager has continued to attend meetings of the Capital Programme Steering Group
Court Deputy Service (added at request of Chief Finance Officer)	H	Audit complete and report issued.	

Appendix 2 – Audit Plan Monitoring at 29<sup>th</sup> February 2024

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<b>Audit Plan Item</b>	<b>Risk Rating</b>	<b>Quarters 1-3 position as at 31<sup>st</sup> December 2023</b>	<b>Quarter 4 position as at 29<sup>th</sup> February 2024</b>
Licencing	M	Audit almost complete, paused due to staffing constraints	Audit complete and final report issued
Cyber Security	H	Audit in planning stage	Audit in progress
Glamorgan Education Trust Grant & any other grants received	M	Independent Examination completed & opinion produced	
Primary Schools	M	19 schools audited	
Comprehensive Schools	H	1 school completed & 1 in progress	1 draft report issued. 1 in progress
Safe Recruitment in Comprehensive Schools	M	Audit in progress	Audit complete & final report issued.
Leisure Services Insourcing	H	Steering group meeting attended.	
Waste Costs	H		Audit in progress
Stores	H	Advice given when sought	Advice given when sought
South Wales Trunk Road Agency – Payment Processes	M	Advice given when sought	Advice given when sought
Waste Transfer Station (added from contingency budget)	H	Audit in progress	Audit complete & final report issued

Appendix 2 – Audit Plan Monitoring at 29<sup>th</sup> February 2024

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<b>Audit Plan Item</b>	<b>Risk Rating</b>	<b>Quarters 1-3 position as at 31<sup>st</sup> December 2023</b>	<b>Quarter 4 position as at 29<sup>th</sup> February 2024</b>
Supported Living Arrangements	H	Audit in planning stage	Audit in progress
Follow up on use of respite care (carried forward from 22/23)	M	Audit paused due to resource issues.	Audit in progress
Disabled Facilities Grants	M	Audit complete and report issued.	
Homelessness to include youth homelessness	H		Carried Forward to 2024-25 due to ongoing sickness
Community Independence Team	M	Audit complete and report issued	
Procurement Cards	H	Audit complete and report issued	
Officers Declarations	M	Audit Complete and report issued	
Mandatory Training (added from contingency budget following concerns raised)	H	2 directorate audits complete. Others in progress.	1 report issued
National Fraud Initiative (NFI)	H	6 reports in total issued	Ongoing
Staff Association/Lottery	Not applicable	Advice has been given and bonus draws attended.	Advice has been given and bonus draws attended.

Appendix 2 – Audit Plan Monitoring at 29<sup>th</sup> February 2024

<b>Audit Plan Item</b>	<b>Risk Rating</b>	<b>Quarters 1-3 position as at 31<sup>st</sup> December 2023</b>	<b>Quarter 4 position as at 29<sup>th</sup> February 2024</b>
Vision Impaired West Glamorgan	Not applicable	Audit complete and report issued.	
FOI requests	Not applicable	All received have been answered	All received have been answered.
Attendance at working parties & task & finish groups	Not Applicable	Various attended and 1 report issued.	Various attended.
Advice & Guidance requests	Not applicable	Ongoing	Ongoing

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Appendix 3 – Response from the Head of Engineering Services relating to Report No. 50

To: Governance & Audit Committee

From: Head of Engineering & Transport

Subject: Internal Audit Report No 50 – Mandatory Training Engineering Service

All of the recommendations made within the Internal Audit report have been agreed and accepted. My accountable managers have given me assurances that their teams will undertake the mandatory training in line with the timescales agreed with the Auditor. The mandatory training required to be undertaken has been commenced.

As the iTrent system is updated when the mandatory training is undertaken this will enable automatic reminders to be issued to staff when refresher training is due. This will ensure that there are no further occasions when staff have not complied with the duty to undertake the training.

David W Griffiths  
Head of Engineering & Transport

Mae'r dudalen hon yn fwriadol wag

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