



GOVERNANCE AND AUDIT COMMITTEE

2.00 PM - THURSDAY, 12 OCTOBER 2023

**MULTI-LOCATION MEETING - COUNCIL CHAMBER, PORT TALBOT
& MICROSOFT TEAMS**

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DURATION OF THE MEETING**

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PART 1

1. Chairperson's Announcement/s
2. Declarations of Interest
3. Minutes of Previous Meeting (*Pages 5 - 10*)
4. Audit Wales – Q1 Work Programme and Timetable (*Pages 11 - 34*)
5. Audit Wales – Setting of Well-being Objectives (*Pages 35 - 56*)
6. Audit Wales – Register of Regulators Reports and Recommendations (*Pages 57 - 62*)
7. Compliments and Complaints Annual Report 2022-2023 (*Pages 63 - 70*)
8. Treasury Management Monitoring 2023/24 (*Pages 71 - 78*)

9. Internal Audit - Quarterly Update Report (*Pages 79 - 94*)
10. Internal Audit - External Assessment Update (*Pages 95 - 110*)
11. Forward Work Programme (*Pages 111 - 114*)
12. Urgent Items
Any urgent items at the discretion of the Chairperson pursuant to Section 100BA(6)(b) of the Local Government Act 1972 (as amended).

PART 2

13. Access to Meetings
That pursuant to Section 100A(4) and (5) of the Local Government Act 1972, the public be excluded for the following items of business which involved the likely disclosure of exempt information as defined in Paragraph 12 and 15 of Part 4 of Schedule 12A of the above Act.
14. Internal Audit - Special Investigations (*Pages 115 - 120*)

K.Jones
Chief Executive

Civic Centre
Port Talbot

Thursday, 5 October 2023

Committee Membership:

Chairperson: J.Jenkins

**Vice
Chairperson: H.Griffiths**

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

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

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GOVERNANCE AND AUDIT COMMITTEE

(Multi-Location Meeting - Council Chamber, Port Talbot & Microsoft Teams)

Members Present:

16 June 2023

Chairperson: J.Jenkins

Deputy Chairperson: H.Griffiths

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

Officers In Attendance: D.Mulligan, H.Jones, A.O'Donnell, C.Furlow-Harris, M.Williams and C.Plowman

Representing Audit Wales: D.Williams

Voting Lay Member: A.Bagley

1. **APPOINTMENT OF CHAIR AND DEPUTY CHAIR FOR THE CIVIC YEAR 2023/24**

RESOLVED:

- That Lay Member, Joanna Jenkins, be appointed Chairperson of the Committee for the 2023/24 Civic Year
- That Lay Member, Helen Griffiths, be appointed Deputy Chairperson of the Committee for the 2023/24 Civic Year

2. **CHAIRPERSON'S ANNOUNCEMENT/S**

The Chairperson welcomed everyone to the meeting.

3. **DECLARATIONS OF INTERESTS**

The following Declarations of Interests were receiving during the discussion of the relevant agenda item:

Joanna Jenkins: Agenda Item 9, Draft Statement of Accounts for 2022/23, as she is involved in two charities which have both benefited from grant funding. She did not consider her declaration to be prejudicial, therefore stayed for the discussion thereon.

Cllr Phil Rogers: Agenda Item 11, Internal Audit Update Report, as he is a School Governor at Llangatwg Community School which is mentioned in the circulated report. He had dispensation to speak, therefore stayed for the discussion thereon.

4. **MINUTES OF PREVIOUS MEETING**

The minutes of the previous meeting held on the 17th March 2023 were approved as an accurate record.

5. **FORWARD WORK PROGRAMME**

The Forward Work Programme was noted.

6. **AUDIT WALES REGISTER OF REGULATORS REPORTS AND RECOMMENDATIONS**

Members were provided with an updated version of the Register of Regulators Reports and Recommendations.

It was highlighted that the circulated report detailed an overview of the Regulators Reports that had been received since the last meeting of the Governance and Audit Committee; and where, if any, action had been taken on recommendations contained in those reports.

RESOLVED:

That the report be noted.

7. **DRAFT ANNUAL GOVERNANCE STATEMENT 2022-2023**

The Council's draft Annual Governance Statement 2022-2023 was presented to the Committee.

It was explained that the report was brought to the attention of the Governance and Audit Committee in order for the Committee to

review the information, and to take assurance that the Council had robust governance procedures in place.

Members queried why the Governance Improvement Action Plan for 2023/24 had been signed by the Chief Executive and Leader of Neath Port Talbot Council, but not dated. Officers confirmed that the circulated report was a draft version for review; and will be dated once approved by Cabinet.

RESOLVED:

That the report be noted.

8. **CORPORATE RISK MANAGEMENT POLICY**

Officers presented the Corporate Risk Management Policy to the Committee.

RESOLVED:

That the report be noted.

9. **DRAFT STATEMENT OF ACCOUNTS FOR 2022/23**

Members were presented with the Draft Statement of Accounts for 2022/23.

It was highlighted that the Draft Statement of Accounts had been provided to Audit Wales in order for them to commence their audit work; the accounts will be brought back to the Committee once this work had been completed.

RESOLVED:

That the report be noted.

10. **REVISED ANTI-FRAUD AND CORRUPTION STRATEGY**

The revised version of the Anti-Fraud and Corruption Strategy was brought before the Committee, in order for Members to assist in discharging their duties in respect of audit services.

RESOLVED:

That the report be noted.

11. **INTERNAL AUDIT UPDATE REPORT**

The circulated report provided details of the internal audit work that had been undertaken since the last Governance and Audit Committee meeting on 17th March 2023.

It was confirmed that out of all of the reports that had been issued, only one report was issued with limited assurance, detailed in the circulated report as 'Council Buildings'. Officers mentioned that most of the building checks that were required were being carried out and that it was given a limited assurance based on administration.

RESOLVED:

That the report be noted.

12. **INTERNAL AUDIT ANNUAL REPORT 2022/23**

The Committee received the Internal Audit Annual Report 2022/23.

It was noted that the circulated report provided assurances on the audit work undertaken and the governance arrangements. Officers confirmed that this year the Head of Internal Audit had issued a reasonable assurance rating; assurance can never be absolute, and this rating is the highest that could be provided.

RESOLVED:

That the report be noted.

13. **DRAFT GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT 2022/23**

The draft version of the Governance and Audit Committee Annual Report 2022/23 was presented to Members; the circulated report had been produced by the Chair of the Committee.

RESOLVED:

That the draft Governance and Audit Committee Annual report 2022-23, be reviewed and approved by Members, prior to presentation to Full Council.

14. **URGENT ITEMS**

No urgent items were received.

15. **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.

16. **INTERNAL AUDIT - SPECIAL INVESTIGATIONS (EXEMPT UNDER PARAGRAPH 14)**

Officers provided an update on all special investigations reports issued since the last meeting; including details of all current special investigations.

RESOLVED:

That the report be noted.

CHAIRPERSON

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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

12th OCTOBER 2023

Report of the Director of Strategy & Corporate Services

Noelwyn Daniel

Matter for Information

Wards Affected – All wards

Report Title - Audit Wales – Programme & Timetable – Quarter 1
Update to 30th June 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 30th June 2023. The update includes information on the following work undertaken by Audit Wales covering:

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

The update also includes progress on the planned work of:

- Estyn
- Care Inspectorate Wales (CIW)

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

Appendix

Appendix 1 - Audit Wales – Quarter 1 Work Programme Update

Background Papers

None

Officer Contact

For further information on this report item, please contact:

Noelwyn Daniel, Director of Strategy & Corporate Services

Email: n.daniel@npt.gov.uk

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

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

Mrs Louise McAndrew, Corporate Strategic Planning & Governance
Officer – Policy & Executive Support
Email: l.mcandrew@npt.gov.uk

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Audit Wales Work Programme and Timetable – Neath Port Talbot Council

Quarterly Update: 30 June 2023

Annual Audit Summary

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

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2022-23 financial statements	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	Audit work in progress

Description	Scope	Timetable	Status
<p>Certification of Grant returns for financial year 2021-22</p> <ul style="list-style-type: none"> • Housing Benefit Subsidy • Non-Domestic Rates • Teachers' Pension Contributions • Social Care Workforce Development Plan 	<p>Certification that nothing has come to our attention to indicate that the return is</p> <ul style="list-style-type: none"> • Not fairly stated • Is not in accordance with the relevant terms and conditions 	<p>December 2022 to September 2023</p>	<p>Partly complete</p> <p>Ongoing</p> <ul style="list-style-type: none"> • Housing Benefit Subsidy <p>Complete</p> <ul style="list-style-type: none"> • Non-Domestic Rates • Teachers' Pension Contributions • Social Care Workforce Development Plan
<p>Certification of Grant returns for financial year 2022-23</p> <ul style="list-style-type: none"> • Housing Benefit Subsidy • Non-Domestic Rates • Teachers' Pension Contributions • Social Care Workforce Development Plan 	<p>Certification that nothing has come to our attention to indicate that the return is</p> <ul style="list-style-type: none"> • Not fairly stated • Is not in accordance with the relevant terms and conditions 	<p>In line with certification deadlines.</p> <p>September 2023 to January 2024.</p>	<p>Work to commence September 2023</p>

Performance Audit work

2021-22 Performance Audit Work	Scope	Timetable	Status
Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations	We will seek to integrate the delivery of our WFG examinations of steps to deliver well-being objectives with our other audit work. We will discuss this with the Council as we scope and deliver the audit projects listed in this plan.	N/A	N/A
Improvement reporting audit	Audit of discharge of duty to publish an assessment of performance.	December 2021	Complete
Assurance and Risk Assessment	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.</p> <p>At Neath Port Talbot Council, the project is likely to focus on:</p> <ul style="list-style-type: none"> • Financial position • Self-assessment arrangements • Recovery planning • Implications of the Local Government and Elections (Wales) Act • Carbon reduction plans • Assessing the Council's response to its independent investigation and subsequent action plan 	Complete	<p>Complete</p> <p>Published 2021-22 Financial Position Update</p> <p>Published ARA progress update letter summarising Implications of the Local Government and Elections (Wales) Act, and Self-Assessment.</p> <p>Published Carbon Reduction plans summary</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>Springing Forward – Examining the building blocks for a sustainable future</p>	<p>As the world moves forward, learning from the global pandemic, this review looks at how effectively councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.</p>	<p>Autumn 2021 onwards</p>	<p>Drafting</p>

2022-23 Performance audit work	Scope	Timetable	Status
Assurance and Risk Assessment	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle. The project is likely to focus in particular on:</p>	March 2022 – December 2023	Ongoing
	<ul style="list-style-type: none"> Financial position 	Ongoing monitoring of financial position	Ongoing
	<ul style="list-style-type: none"> Capital programme management 	September – December 2023	Scoped
	<ul style="list-style-type: none"> Use of performance information – with a focus on service user feedback and outcomes 	February – September 2023	In progress: fieldwork
	<ul style="list-style-type: none"> Setting of well-being objectives 	March 2023 – July 2023	Finalised and issued to the Council end August 2023 and will be published on our website end Sept 2023

2022-23 Performance audit work	Scope	Timetable	Status
Thematic Review – Unscheduled Care	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	August 2022 – July 2023	Fieldwork nearing completion, reporting from June 2023 onward.
Thematic review – Digital	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.	January – September 2023.	In progress - fieldwork is being scheduled at each council between March and August 2023.
Scrutiny Review	A review to seek assurance on the effectiveness of the Council's scrutiny arrangements.	January – September 2023	In progress – fieldwork completed. Drafting and member feedback workshops being arranged.

2023-24 Performance audit work	Scope	Timetable	Status
Assurance and Risk Assessment including any follow up work	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. This Assurance and Risk assessment work may involve any follow up/tracer work that we may identify from our audit reports and recommendations in previous years.	Ongoing	Ongoing
Thematic review – Financial Sustainability	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.	To be confirmed	Scoping
Thematic review – commissioning and contract management	A review focusing on how councils' arrangements for commissioning, and contract management apply value for money considerations and the sustainable development principle.	To be confirmed	Scoping

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at NPT Council
Building safety	Review of how well local authorities are delivering their responsibilities for building safety	September 2022 – August 2023	Reporting – end of July 2023	Yes – interview with nominated officer at the Council and survey.
Planning for sustainable development – Brownfield regeneration	Review of how local authorities are promoting and enabling better use of vacant non-domestic dwellings and brownfield sites	October 2022 – September 2023	Reporting – September 2023	Yes – interview with nominated officer at seven councils and survey.
Governance of special purpose authorities – National Parks	Review of systems and effectiveness of governance	November 2022 – September 2023	Evidence gathering – fieldwork due to be completed end of June 2023	No

Study	Scope	Timetable	Status	Fieldwork planned at NPT Council
Corporate Joint Committees (CJCs)	Assessing CJCs' progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration.	September 2022 – August 2023	Draft report has been issued to the four CJCs. Letters to the four individual CJCs will also be issued. Updated summary report due to be published August.	Yes – We explored the Council's perspective via our routine liaison meetings. Fieldwork included interviews with the chief executive, director of finance and chair of each of the four CJCs.

Estyn

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern. Wrexham local authority is still in a causing concern category, and we will convene a progress conference in July to evaluate progress against the recommendations from the core inspection. We also undertook a focused link work activity in Powys in May to consider aspects of their work on school improvement, the transformation agenda and financial management in schools. We will inspect Gwynedd in the week beginning 26 June and Carmarthenshire in the week beginning 10 July.

Field work being carried out across local authorities during the summer term includes a focus on how well local authorities are supporting the educational needs of asylum seekers and refugees. This work will be included in HMCI's annual report. Our aim is to describe, acknowledge, and evaluate the experiences of these groups as they engage with education and training in Wales.

Care Inspectorate Wales (CIW)

CIW planned work 2022-23	Scope	Timetable	Status
Programme 2022-23	<p>We have published our updated Code of Practice for our local authority inspection activity Care Inspectorate Wales</p> <p>How we inspect local authority services and CAFCASS Cymru</p>	May 2023	Published

CIW planned work 2022-23	Scope	Timetable	Status
Joint work	We are finalising our thematic reviews programme of work for 2023-2026. Areas for consideration include, adult safeguarding, carers, CLDT and CAMHS.	Current	In progress
	We continue to work with partners, sharing information and intelligence including completing joint reviews.	Current	In progress
	We are working in collaboration with HIW for a national review of the stroke pathway. A national report will be published early summer.	Current	In progress
	We continue to work in collaboration with HIW in conducting CMHT inspections.	Current	In progress
	CIW is working with partners to complete a rapid review. The overarching objective of the rapid review is to determine to what extent the current structures and processes in Wales ensure children who are in need of care, support and protection are appropriately placed on, and removed from, the Child Protection Register, when sufficient evidence indicates it is safe to do so. This is a collaborative review.	Interim findings – Publish 22 June 2023 National report – September 2023	In progress
Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2022-23	The 2020-21 report was published on 7 February 2021	Published	Published
	The 2021-2022 report is underway	TBC	Preparing

CIW planned work 2022-23	Scope	Timetable	Status
<p>National review of Care Planning for children and young people subject to the Public Law Outline pre-proceedings</p>	<p>Purpose of the review</p> <p>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.</p> <p>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>National report publication October 2023</p>	<p>In progress</p>
<p>Joint Inspection Child Protection Arrangements (JICPA)</p>	<p>Cross-inspectorate approach. Areas to be determined. We will complete a further four multi-agency joint inspections in total. Each local authority will have a published letter post inspection.</p> <p>We will publish a national report in late spring 2023.</p>	<p>April 2023 – April 2024</p>	<p>Delivery</p>

Audit Wales national reports and other outputs published since June 2022

Report title	Publication date and link to report
Maximising EU funding – the Structural Funds Programme and the Rural Development Programme	June 2023
Digital inclusion in Wales (including key questions for public bodies)	March 2023
Orthopaedic Services in Wales – Tackling the Waiting List Backlog	March 2023
Betsi Cadwaladr University Health Board – Review of Board Effectiveness	February 2023
Welsh Government purchase of Gilestone Farm	January 2023
Together we can – Community resilience and self-reliance	January 2023
A Picture of Flood Risk Management	December 2022
'A missed opportunity' – Social Enterprises	December 2022
Poverty Data Tool	November 2022
'Time for change' – Poverty in Wales	November 2022
Learning from cyber-attacks	October 2022 (distributed privately to audited bodies)

Report title	Publication date and link to report
National Fraud Initiative 2020-21	October 2022
COVID-19 business support in 2020-21 – Memorandum for the Public Accounts and Public Administration Committee	October 2022
Payment to the Welsh Government’s Former Permanent Secretary on Termination of Employment	September 2022
Equality Impact Assessments: More than a Tick Box Exercise?	September 2022
Welsh Government – setting of well-being objectives	September 2022
Welsh Government workforce planning and management	September 2022
NHS Wales Finances Data Tool – up to March 2022	August 2022
Public Sector Readiness for Net Zero Carbon by 2030: Evidence Report	August 2022
Public Sector Readiness for Net Zero Carbon by 2030	July 2022
Sustainable Tourism in Wales’ National Parks	July 2022
Third Sector COVID-19 Response Fund – Memorandum for the Public Accounts and Public Administration Committee	July 2022
The Welsh Community Care Information System – update and data tool	July 2022

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

Title	Indicative publication date
Local Government Financial Sustainability Data tool update	July 2023
NHS finances data tool – to 31 March 2023	July/August 2023
Springing Forward: Managing assets and workforce in local government	July/August 2023
Covering teachers' absence – follow-up	August 2023
NHS quality governance	August/September 2023
NHS workforce planning (data briefing)	August/September 2023
Net zero (pan UK overview)	September 2023
Ukrainian refugee services	October/November 2023
Local government digital strategy review – national summary	October 2023

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. 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. For example, we have been tracking developments with completion of the A465 section 2 road improvement project following our [interim findings report](#) in February 2020.

Title	Indicative publication date
Local government use of performance information, outcomes and service user perspective – national summary	October 2023
Affordable housing	January/February 2024
Local government capital programme management – national summary	To be confirmed
Active travel	To be confirmed
Cancer services	To be confirmed
Capital planning and programme management	To be confirmed (starting in 2023-24)
Challenges for the cultural sector	To be confirmed (starting in 2023-24)
Homelessness	To be confirmed (starting in 2023-24)
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	To be confirmed (starting in 2023-24)
Rebalancing care and support	To be confirmed (starting in 2023-24)
Tackling NHS waiting lists	To be confirmed (starting in 2023-24)
Access to education for children with Additional Learning Needs	To be confirmed (starting in 2023-24)

Title	Indicative publication date
Further and higher education funding and oversight – Commission for Tertiary Education and Research	To be confirmed (starting in 2023-24)
Governance of Fire and Rescue Authorities	To be confirmed (starting in 2023-24)
The senior public service	To be confirmed (starting in 2023-24)

Good Practice Exchange events and resources

Title	Link to resource
<p>A Wales of vibrant culture and thriving Welsh language: Inspired by the Football Association of Wales journey over the past decade, this event will examine and discuss how going beyond expectations creates an inclusive and positive attitude that becomes self-fulfilling.</p> <p>Working in partnership with the Future Generations Commissioner and the Welsh Language Commissioner, this event will assist and inspire public bodies, and the third sector to embrace the cultural diversity of modern Wales and work beyond compliance and into excellence.</p>	<p>All resources are now available on our website. https://audit.wales/our-work/good-practice/wales-vibrant-culture-and-thriving-welsh-language</p> <p>Link to blog: https://audit.wales/blog/gpx/2023/6/6/wales-vibrant-culture-and-thriving-welsh-language-events-may-2023</p>
<p>Together we can – creating the conditions to empower our communities to thrive: This shared learning event will bring people together from across public services to share ideas, learning and knowledge. We will share the findings of our reports on social enterprises and community resilience, including our recommendations going forward.</p>	<p>20 June 2023 – 10:00 – 12:00 – Online. The recording will be available on our website in 1-2 weeks.</p>
<p>Podcast: Poverty and Community Resilience Our latest podcast follows our recent reports and events on poverty, social enterprises, and community resilience.</p>	<p>https://audit.wales/news/podcast-poverty-and-community-resilience</p>
<p>Digital Strategy: The Covid pandemic has demonstrated the importance of digital in delivering modern services at pace. We have seen digital acting as a major catalyst in adapting to the challenges we have faced. Public services need to continue with this agile and responsive mind set as the norm and not the exception. This event will help equip public services with the practical tools and knowledge they need to successfully implement a Digital Strategy within their organisations.</p>	<p>21 September 09:00 – 13:00 – Cardiff - Link to register for Cardiff: https://audit.wales/events/digital-strategy-cardiff</p> <p>27 September 09:00 – 13:00 – North Wales - Link to register for North Wales: https://audit.wales/events/digital-strategy-north-wales</p>

Recent Audit Wales blogs

Title	Publication date
<u>Helping people to help themselves</u>	15 February 2023
<u>A perfect storm – the cost of living crisis and domestic abuse</u>	21 November 2022
<u>Tackling poverty means tackling poverty data</u>	11 November 2022
<u>Cost of living and putting away the bayonet</u>	21 September 2022
<u>Heat is on to tackle Climate Change</u>	18 August 2022
<u>Direct Payments in Wales</u>	15 June 2022
<u>Unscheduled Care in Wales – a system under real pressure</u>	21 April 2022
<u>Skills Competition Wales</u>	18 February 2022
<u>Cyber resilience – one year on</u>	9 February 2022
<u>Helping to tell the story through numbers</u> (Local government financial sustainability data tool)	3 February 2022
<u>Call for clearer information on climate change spending</u>	2 February 2022
<u>Actions speak louder than words</u> (Building social resilience and self-reliance in citizens and communities)	14 January 2022

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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

12th October 2023

Report of the Director of Strategy & Corporate Services

Noelwyn Daniel

Matter for Information

Wards Affected: All Wards

Audit Wales – Setting of Well-being Objectives – Neath Port Talbot Council

Purpose of Report

1. To present Members with the council's response to the above examination undertaken by Audit Wales.

Executive Summary

2. The Well-being of Future Generations (Wales) Act 2015 places a “well-being duty” on 48 public bodies. The duty requires those bodies to set and publish “well-being objectives” that are designed to maximise their contribution to achieving each of the Act's seven national well-being goals.
3. Section 15(1) (a) of the above Act 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.
4. The aim of the examination was to:
 - Explain how Neath Port Talbot Council applied the sustainable development principle throughout the process of setting its Well-being objectives;

- Provide assurance on the extent that the council applied the sustainable development principle when setting its Well-being objectives; and
- Identify opportunities for the council to further embed the sustainable development principle when setting Well-being objectives in the future.

Summary of Findings

5. The examination found:

The council has applied the sustainable development principle and carried out extensive engagement when setting its Well-being objectives but will need to further develop its monitoring arrangements.

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

6. The examination concluded with the following recommendation:

R1 In order to support the effective delivery of and accountability for its Well-being objectives, the council should:

- Develop a clearer understanding of when and how partners will support the delivery of its Well-being Objectives;
- Ensure its Medium Term Financial Strategy (MTFS) 2023-2027 clearly considers how the council's resources support the delivery of its Well-being objectives and identifies how any future financial risks or savings might impact on the delivery of its Well-being Objectives; and
- Ensure that as it refreshes its Corporate Performance Management Framework (CPMF), it looks for opportunities to develop more outcome focused metrics that will enable it to measure its cross-cutting Well-being Objectives.

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. There are no workforce impacts.

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 and Audit Committee to note the council's response attached at Appendix 2.

Appendices

16. Appendix 1 – Audit Wales Report – Setting of Well-being objectives – Neath Port Talbot Council
Appendix 2 – Council Response Form

List of Background Papers

17. None

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Setting of Well-being objectives – Neath Port-Talbot Council

Audit year: 2022-23

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

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

Contents

Background: Our examinations of the setting of Well-being objectives	4
Carrying out our examination at Neath Port-Talbot Council	5
How and when the Council set its Well-being objectives	5
What we found: the Council has applied the Sustainable Development Principle and carried out extensive engagement when setting its Well-being objectives but will need to further develop its monitoring arrangements	6
Recommendations	10
Appendices	
Appendix 1: Key questions and what we looked for	11

Background: Our examinations of the setting of Well-being objectives

- 1 The Well-being of Future Generations (Wales) Act 2015 (the Act) places a ‘well-being duty’ on 48 public bodies. The duty requires those bodies to set and publish ‘well-being objectives’ that are designed to maximise their contribution to achieving each of the Act’s seven national well-being goals¹. They must also take all reasonable steps, in exercising their functions, to meet those objectives.
- 2 The Auditor General must 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 objectives². We are carrying out a rolling programme of these examinations, up to early 2025³.
- 3 To do something in accordance with the sustainable development principle means acting ‘in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs’. To achieve this, a public body must take account of the five ways of working: long term, integration, involvement, collaboration, and prevention⁴.
- 4 We designed an assessment framework to enable us to assess the extent to which public bodies have applied the sustainable development principle when setting their well-being objectives. **Appendix 1** sets out further information on our approach, including a set of ‘positive indicators’ that illustrate what good could look like.
- 5 In designing our approach, we considered what we could reasonably expect from public bodies at this point in time. Public bodies should now be familiar with the sustainable development principle and ways of working and be seeking to apply them in a meaningful way. At the same time, we appreciate that public bodies are still developing their experience in applying the sustainable development principle when setting well-being objectives. Therefore, the examinations include consideration of how public bodies are applying their learning and how they can improve in future.

¹ The seven national well-being goals are: a prosperous Wales, a resilient Wales, a healthier Wales, a more equal Wales, a Wales of cohesive communities, a Wales of vibrant culture and thriving Welsh language, and a globally responsible Wales.

² Section 15 (1) (a) Well-being of Future Generations (Wales) Act 2015

³ The Auditor General must carry out examinations over the period set out in the Act, which begins one year before a Senedd election and ends one year and one day before the following Senedd election.

⁴ Section 5 Well-being of Future Generations (Wales) Act 2015

Carrying out our examination at Neath Port-Talbot Council

- 6 The aim of this examination was to:
 - explain how Neath Port-Talbot Council (the Council) applied the sustainable development principle throughout in the process of setting its Well-being objectives;
 - provide assurance on the extent that the Council applied the sustainable development principle when setting its Well-being objectives; and
 - identify opportunities for the Council to further embed the sustainable development principle when setting Well-being objectives in future.
- 7 We set out to answer the question: To what extent has the Council acted in accordance with the sustainable development principle when setting its new Well-being objectives? We did this by exploring the following questions:
 - Was the process the Council put in place to set its well-being objectives underpinned by the sustainable development principle?
 - Has the Council considered how it will make sure it can deliver its Well-being objectives in line with the sustainable development principle?
 - Has the Council put in place arrangements to monitor progress and improve how it applies the sustainable development principle when setting its Well-being objectives?
- 8 We discussed the timing of the examination with the Council, and we tailored the delivery to reflect its specific circumstances.
- 9 We gathered our evidence in the following ways:
 - reviewing key documents;
 - running a workshop with key officers who were involved with setting the Well-being objectives; and
 - carrying out a final clarification meeting on outstanding issues with key individuals in addition to the above.
- 10 We also provided some informal feedback to officers on the key findings from our work prior to sharing this report.

How and when the Council set its Well-being objectives

- 11 The Council adopted its new Corporate Plan 2022-2027 (the Corporate Plan) 'Recover Reset Renew' on 1 March 2022. The Corporate Plan is structured around the Council's four new Well-being objectives (WBOs) these being:
 - All children get the best start in life
 - All communities are thriving and sustainable

Our local environment, heritage and culture can be enjoyed by future generations

- Jobs and skills – local people are skilled and can access high quality, green jobs
- 12 To support the delivery of these four WBOs, the Council has established an Enabling Programme focused on Organisational Development for the following areas: digital, people, assets, financial sustainability, governance and engagement. The Corporate Plan and a summary Corporate Plan on a page are published on the Council's website.
 - 13 The Corporate Plan includes a specific section entitled Well-being Statement. This, the other sections of the Corporate Plan and its accompanying Integrated Impact Assessment, covers the elements for a Well-being Statement, as required by the Well-being of Future Generations Act. However, the Council could more clearly communicate how its new WBOs support the delivery of the national Goals and five ways of working.
 - 14 In setting its new WBOs, the Council has applied lessons learned from the previous setting of WBOs. The key lesson learned was to ensure there was better engagement on the WBOs with officers and members and citizens.

What we found: the Council has applied the Sustainable Development Principle and carried out extensive engagement when setting its Well-being objectives but will need to further develop its monitoring arrangements

The process for setting Well-being objectives

Evidence Base

- 15 The Council used a broad range of information to support the setting of its Well-being objectives. The Council's new Corporate Plan includes a summary of the evidence that has been used to underpin the rationale for the selection of each WBO. This information includes describing 'Why is this important' and on 'What Matters to people'. This evidence has also been drawn from its comprehensive 'Let's Talk' engagement process. The new Corporate Plan also includes a section on 'mega trends' such as: digitisation, poverty, deprivation, inequality and community.
- 16 The Council has a good understanding of demonstrating emerging trends, needs and risks that have been used to help shape its WBOs and the steps needed to deliver these. Having a clear understanding of these issues should ensure that the

steps the Council is planning to take to deliver its WBOs will have the greatest impact over the short, medium and longer term. The Council's Corporate Plan also includes a description of what good will look like in 20 years' time. This will help to set the Council's actions to support its WBOs in a longer-term context.

- 17 The Council needs to more clearly demonstrate how it has used a wide evidence base to support the development of its WBOs. The Council has recognised that it needs to improve how it collects and analyses data and has recently created two data analysts' posts. It is also in the early stages of using data analytics software such as Power BI. Both actions should help to improve how data is collected and used to support its decision making and in reviewing and setting future WBOs.

Consultation and involvement

- 18 There was effective consultation. The Council undertook a comprehensive engagement process the development of its new WBOs. This process began in 2021 with an extensive engagement exercise called 'Lets Talk'. Aspects of this exercise, such as the analysis of the feedback and some focus groups were facilitated by an external organisation. It involved several focus groups, in-depth interviews with citizens, and a survey. The survey received 1,694 responses from a wide spectrum of groups, which included young people and children. The Council has effectively used the results of this engagement in the shaping of its new Corporate Plan and WBOs. The 'Lets Talk' results were also used to inform the Public Service Board's (PSB) Well-being Assessment (WBA) which in turn influenced the decision for the Council's WBOs and the PSB's WBOs to be the same.
- 19 In addition to this 'Lets Talk' engagement, the Council used other existing engagement and consultation work to help shape its new WBOs such as:
- the findings from the Canolfan Maerdy Outreach Youth Work;
 - the results of the Community Impact Assessment Survey
 - discussions with service users;
 - the results of the NPT business questionnaire; and
 - the findings from the Race Equality Action Plan Report.
- 20 The Council has effectively fed back the results of its engagement on its WBOs with its citizens. In early 2022, the Council undertook a further engagement exercise, where it tested if the results of the prior engagement exercise undertaken in 2021 had been reflected in its new WBOs.
- 21 There was improved internal engagement. In the development of its new WBOs, the Council was also keen to ensure that it fully engaged with officers and Members. It undertook extensive internal engagement, including holding detailed workshops for each of the WBOs. These workshops provided an opportunity to challenge the data and to consider the delivery steps over the short, medium and longer term.

- 22 Key stakeholders supported an external perspective on the development of the Corporate Plan. For example, the Council has directly sought the views of other organisations in the development of its new Corporate Plan including, Natural Resources Wales, the third sector and a Housing Association. This has enabled the Council to ensure that its new Corporate Plan reflects the perspectives of some of its key stakeholders.
- 23 The Council was proactive in seeking independent peer challenge for the development of its new Corporate Plan. In September 2021, the Council engaged the English Local Government Association to undertake an independent and critical friend assessment. They ran workshops with Directors and Members. In our view this provided a useful challenge to Directors and Members. We have been told that the outputs from this work was then used by the Council to further improve its Corporate Plan.
- 24 There is a good understanding of the role that citizens and business have in helping to deliver the Council WBOs. The Council has also recognised the need to work with individuals and businesses to deliver its WBOs. In recognition of this, the new Corporate Plan includes a section which details what is expected from the Council and what is expected from individuals and businesses in delivering its ambition. This helpful narrative shows consideration of the collaborative and shared approach to delivering WBOs. However, it will be important that its Service Recovery Plans (SRPs) also fully reflect this consideration.

Planning to improve well-being

- 25 The Council and the PSB have shared WBOs. This has the potential to drive stronger collaboration between the Council and the PSB. However, the Council and the PSB should be mindful to ensure that there is clarity over the respective levels of responsibilities of the PSB partners and Council in delivering the shared WBOs.
- 26 The Council recognises there is more to be done to fully understand how and when its partners will support the delivery of its WBOs. In addition to the list of partners included in the Corporate Plan for each WBOs, the guidance for the Council's Service Recovery Plans (SRP) encourages its services to think about the role of partners in delivery. It will therefore be important that, where relevant, how and when it will work with partners is included in its SRPs.

Delivering the well-being objectives

- 27 There is clear accountability for the delivery of WBOs. Each of the new WBOs has a lead Director who is responsible for their delivery. However, given the objectives are cross cutting the Council will need to consider how those Directors co-ordinate activity and information across a range of areas to support integrated delivery.
- 28 The Council needs to better integrate its corporate and service planning arrangements to support the delivery of the WBOs. The Strategic Change

Programme and its SRP will be a key mechanism for delivering the Council's WBOs. Aspects of this framework are relatively new with 2023-24 being the second year for SRPs. Therefore, these processes will need time to become fully embedded within the organisation. The Council also propose to review its Interim Corporate Performance Management Framework (CPMF) this summer (2023). This should enable it to ensure that its Corporate Plan, Business/recovery planning and performance arrangements are fully integrated (see paragraph 30).

- 29 The Council should develop a clearer understanding for how it is using its resources to deliver its WBOs. Doing this will strengthen the relationship between its resources allocation and delivering on its priorities. The Council's current finance/resourcing and budgets are allocated on a traditional service basis. Therefore, it is currently difficult to clearly see how its resources support the delivery of the cross cutting WBOs. The Council is in the process of developing its Medium Term Financial Strategy (MTFS) for 2023-2028. There is an opportunity to ensure that the new MTFS clearly demonstrates how the Council's resources will support the delivery its new WBOs and also identifies how any future financial risks or savings might impact on the delivery of these.

Monitoring the well-being objectives

- 30 The arrangements for monitoring delivery of WBOs need to be further developed. The Council has an interim CPMF which outlines the key mechanism for measuring and monitoring progress towards its WBOs. This will be done through quarterly monitoring of performance by the Corporate Directors Group CDG), Cabinet and Cabinet Boards, and the half yearly/annual review of its Corporate Plan/WBOs. The Council is in the process of refreshing it CPMF which will take place during the summer of 2023. The Council should ensure that any refreshed CPMF improves the way it measures the progress it is making on delivering its WBOs.
- 31 The Council could strengthen the suite of indicators it uses to monitor progress on its WBOs. The Council's current suite of performance indicators are published alongside its WBOs and are used to measure its progress and are regularly reported to CDG, Cabinet and the various Cabinet Boards. These contain a mixed set of metrics that attempt to measure improvements in wellbeing and broader impacts, which is positive. For example, 'Percentage of people satisfied with the local area as a place to live' and 'percentage of people satisfied with their ability to get to/access the facilities and services they need'. However, the other metrics used by the Council are more transactional and traditional. As part of the review of its CPMF, the Council should continue to build on its use of measures and metrics that are more outcome focused as this will help it to improve how its measures progress on the cross-cutting WBOs.

Recommendations

Exhibit 1: recommendations

- R1 In order to support the effective delivery of and accountability for its WBOs, the Council should:
- develop a clearer understanding of when and how partners will support the delivery of its WBOs;
 - ensure its MTFS 2023-2027 clearly considers how the Council's resources support the delivery of its WBOs and identifies how any future financial risks or savings might impact on the delivery of its WBOs; and
 - ensure that as it refreshes its CPMF, it looks for opportunities to develop more outcome-focused metrics that will enable it to measure its cross-cutting WBOs.

Appendix 1

Key questions and what we looked for

The table below sets out the question we sought to answer in carrying out this examination, along with some sub-questions to guide our evidence gathering. It also includes some ‘positive indicators’ that have been tailored to this examination, adapted from those we have previously used to inform our sustainable development principle examinations. This list is not a checklist, but rather an illustrative set of characteristics that describe what good could look like.

Exhibit 2: key questions and what we looked for

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?

Planning: Was the process the body put in place to set its well-being objectives underpinned by the sustainable development principle?

<p>Has the body used data and other intelligence to understand need, risks and opportunities and how they might change over time?</p>	<ul style="list-style-type: none"> • The body has a clear and balanced assessment of progress against previous well-being objectives that has been used to inform the body's understanding of the 'as is/' short-term need. • The body has set well-being objectives based on a good understanding of current and future need, risk and opportunities, including analysis of future trends. This is likely to be drawn from a range of local and national sources, such as: <ul style="list-style-type: none"> – Public Services Boards' well-being assessments – Regional Partnership Boards' population assessments – The results of local involvement/consultation exercises – Service monitoring and complaints – Future Trends report – Natural Resources Wales' State of Natural Resources Report (SoNaRR) for Wales and Area Based Assessments • The body has sought to understand the root causes of problems so that it can address negative cycles and intergenerational challenges through its well-being objectives.
<p>Has the body involved others in developing its well-being objectives?</p>	<ul style="list-style-type: none"> • The body uses the results of involvement to help select its well-being objectives. That involvement – whether primary, secondary or a combination – reflects the full diversity of the population. • Involvement reflects good practice and advice from the Future Generations Commissioner.
<p>Has the body considered how the objectives can improve well-being and have a broad impact?</p>	<ul style="list-style-type: none"> • The well-being objectives have been designed to improve well-being in the broadest sense and make a contribution across the seven national well-being goals. • The well-being objectives have been designed to reflect and capitalise on the connections between different areas of work. • There is a well-developed understanding of how the well-being objectives impact on/relate to what other public bodies are trying to achieve and opportunities to work together.

<p>Has the body designed the objectives to deliver longer-term benefits, balanced with meeting short-term needs?</p>	<ul style="list-style-type: none"> • The body has set objectives that are sufficiently ambitious and have been designed to drive activity across the organisation. • The objectives are designed to meet short and longer-term need. Where objectives are set over a short to medium timeframe, they are set in the context of longer-term considerations or ambitions.
<p>Resourcing and delivery: Has the body considered how it will make sure it can deliver its well-being objectives in line with the sustainable development principle?</p>	
<p>Has the body considered how it can resource the well-being objectives?</p>	<ul style="list-style-type: none"> • Resources have been allocated to ensure the objectives can be delivered over the short and medium-term, but the body has also considered longer-term resources, risks and/or how it can resource longer-term objectives. • The body has allocated resources to deliver preventative benefits, where these are described in its well-being objectives.
<p>Has the body considered how it can work with others to deliver their objectives?</p>	<ul style="list-style-type: none"> • The body is drawing on its knowledge of partners' objectives/activity, its relationships and collaborative arrangements to make sure it can deliver on cross-cutting ambitions.

Monitor and review: Has the body put in place arrangements to monitor progress and improve how it applies the sustainable development principle when setting its well-being objectives?	
Has the body developed appropriate measures and monitoring arrangements?	<ul style="list-style-type: none"> • Performance measures are designed to reflect the sustainable development principle, eg by focusing on outcomes that cut across departmental/organisational boundaries and deliver multiple (including preventative) benefits over the longer term. • There is a ‘golden thread’ that will allow the body to clearly and transparently report on progress to meeting the objectives.
Is the body seeking to learn from and improve how it has applied the sustainable development principle to setting its well-being objectives?	<ul style="list-style-type: none"> • The body shows self-awareness and a commitment to improving how it applies the sustainable development principle so that it can do so in a meaningful and impactful way. • The body has learnt from setting previous well-being objectives and from applying the sustainable development principle more generally and has improved the process for setting its new well-being objectives. • The body has or plans to reflect on how it has applied the sustainable development principle in this round of setting well-being objectives.



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Organisational response

Report title: Neath Port-Talbot County Borough Council – Examination into the Setting of Well-being Objectives

Completion date: 12th September 2023

Document reference: 3739A2023

Page 55

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>In order to support the effective delivery of and accountability for its WBOs, the Council should:</p> <ul style="list-style-type: none"> • develop a clearer understanding of when and how partners will support the delivery of its WBOs; • ensure its MTFS 2023-2027 clearly considers how the Council's resources support the delivery of its WBOs and identifies how any future financial risks or savings might impact on the delivery of its WBOs; and • ensure that as it refreshes its CPMF, it looks for opportunities to develop more outcome-focused metrics that will enable it to measure its cross-cutting WBOs 	<p>This will be addressed during the development of the Council's revised Corporate Plan for the period 2024/2027.</p> <p>The Council's MTFP process continues to be developed parallel with the revised Corporate Plan for the period 2024/2027.</p> <p>A review of the Council's "interim" CPMF is planned to be undertaken during 2023/2024 and the development of more outcome focused metrics will be included in the scope of the review.</p>	<p>March 2024</p> <p>March 2024</p> <p>March 2024</p>	<p>Director of Strategy & Corporate Services</p> <p>Chief Finance Officer</p> <p>Director of Strategy & Corporate Services</p>

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

12th OCTOBER 2023

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 June 2023 and an updated Register of Regulators Reports (Appendix 1).

National Reports

1. Approach to achieving net zero across the UK (September 2022)

The report is a joint piece of work between the public audit offices of the four UK nations – Audit Scotland, Audit Wales, National Audit Office and Northern Ireland Audit Office – and has been produced with engagement from each respective government or administration.

It sets out the UK and devolved governments' legislation, policy, strategy, governance and monitoring arrangements, relevant to achieving net zero GHG emissions.

There were no recommendations listed within this report. This report has been circulated to officers for consideration.

2. Springing Forward: Lessons for our work on workforce and assets (September 2023)

The work undertaken by Audit Wales to develop this report considers both the effectiveness of councils' arrangements and the extent to which they were applying the sustainable development principle (as set out in the Well-being of Future Generations (Wales) Act 2015) in their approaches to workforce and assets.

Between 2021 and 2023 Audit Wales undertook work on asset management and workforce planning across all 22 councils. This report aims to gain assurance that councils are putting in place arrangements to transform, adapt and maintain the delivery of services following the Covid pandemic and changes to ways of working. Audit Wales asked councils to explain their actions both individually and collectively to strengthen their arrangements and to inspire other councils by capturing and sharing best practice.

The 'Springing Forward' report for Neath Port Talbot has not yet been received. This has been followed up with Audit Wales.

There were no recommendations listed within this report. The report has been circulated to officers for consideration.

3. 'Cracks in the Foundations' – Building Safety in Wales

This report looks at how the Welsh Government, local authorities and their key partners are implementing the requirements of the Building Safety Act 2022. The focus of the review has been on assessing the preparedness of bodies to take on their new and enhanced responsibilities, the resilience of existing services, and the robustness of building safety assurance systems. Within the Audit Wales report appendix 1 sets out their audit approach and methods.

There were 8 recommendations in total, 4 were for Welsh Government and 4 were for local authorities. This report has been circulated to officers for consideration.

4. Neath Port Talbot Council – Setting of Well-being Objectives (August 2023) – The report is an examination of how the Council applied the sustainable development principle throughout the process of setting Well-being objectives for 2022-2027, and where we could potentially further embed the sustainable development principle when setting Well-being objectives in future.

The report addresses what processes were followed when setting the well-being objectives and how the Council will make sure the well-being objectives are delivered in line with the sustainable development principle. It also reflects on the arrangements the Council has in place to monitor progress and improve.

This report was presented to Cabinet on 20th September 2023.

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 June 2023 and the updated Register of Regulators Reports and Recommendations.

Appendix

- Appendix 1 – Register of Regulators Reports & Recommendations.

Background Papers

None

Officer Contact

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No.	Name - Inspection /Review	Publication Date	Date noted by Governance & Audit Committee	Status of Report	Scrutiny Committee responsible for monitoring action plan (or other monitoring arrangements)	Date Presented to Scrutiny	Target date for update to Governance & Audit Committee on the monitoring of progress (for assurance purposes)	Responsible Officer	Number of accepted recommendations	Date of update received by Governance & Audit Committee on monitoring of progress	Recommendations for Local Government
1	Neath Port Talbot Council - Setting of Well-being Objectives	Sep-23	12.10.2023	Local Letter	Cabinet	20.09.2023	21.03.2023	Noelwyn Daniel	1 recommendation	TBA	In order to support the effective delivery of and accountability for its WBOs, the Council should: • develop a clearer understanding of when and how partners will support the delivery of its WBOs; • ensure its MTFs 2023-2027 clearly considers how the Council's resources support the delivery of its WBOs and identifies how any future financial risks or savings might impact on the delivery of its WBOs; and • ensure that as it refreshes its CPMF, it looks for opportunities to develop more outcome-focused metrics that will enable it to measure its crosscutting WBOs.
2	Approaches to achieving net zero across the UK	Sep-23	12.10.2023	National	N/A	N/A	N/A	Nicola Pearce	No recommendations	N/A	No Recommendations listed - report shared with relevant officers
3	Springing Forward: Lessons for our work on workforce and assets	Sep-23	12.10.2023	National	N/A	N/A	N/A	Noelwyn Daniel	No recommendations	N/A	No Recommendations listed - report shared with relevant officers. Awaiting draft local report.
4	Cracks in the Foundations' - Building Safety in Wales	Aug-23	12.10.2023	National		12.10.2023					<p>R1 The Welsh Government should provide greater clarity on the implementation and expectations of the Building Safety Act to ensure local authorities are able to deliver their new responsibilities and duties. This should include: • clarifying the detailed requirements for competency and registration to enable local authorities to plan for these changes; • a specific timetable for development and adoption of Welsh guidance to ensure local authorities and others can deliver their duties; and • the Welsh Government should work with key stakeholders, such as LABC Cymru, to support understanding and implementation when guidance is issued.</p> <p>R2 The Welsh Government should ensure that it has sufficient resources to deliver the legislative and policy changes for Building Safety to reduce implementation risks. Recommendations page 12 'Cracks in the Foundations' – Building Safety in Wales Recommendations</p> <p>R3 The Welsh Government should review the mixed market approach to building control and conclude whether it continues to be appropriate and effective in keeping buildings in Wales safe. This should: • assess the status quo against potential changes, such as the model of delivery in Scotland; • be framed around a SWOT analysis of costs, benefits, threats, and risks; • draw on existing research to identify good practice; and • be published and agree a way forward.</p> <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: • 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. • 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. • 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</p> <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: • be based on an assessment of local risks and include mitigation actions; • set out how building control services will be resourced to deliver all their statutory responsibilities; • illustrate the key role of building control in ensuring safe buildings and be linked to well-being objectives and other corporate objectives; and • include outcome measures that are focused on all building control services, not just dangerous structures.</p> <p>R6 Local authorities should urgently review their financial management of building control and ensure they are fully complying with Regulations. This should include: • establishing a timetable of regular fee reviews to ensure charges reflect the cost of services and comply with the Regulations; • annually reporting and publishing financial performance in line with the Regulations; • ensuring relevant staff are provided with training to ensure they apply the Regulations and interpret financial reporting correctly; and • revise fees to ensure services are charged for in accordance with the Regulations.</p> <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 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>
5	Audit Wales Annual Plan 2023-2024	Apr-23	16.06.2023	National	N/A	N/A	N/A	N/A	No recommendations	N/A	No Recommendations listed
6	Digital inclusion in Wales	Mar-23	16.06.2023	National	N/A	N/A	N/A	N/A	No recommendations	16.06.2023	No Recommendations listed
7	Neath Port Talbot Council - Annual Audit Summary 2022	Mar-23	16.06.2023	Local Letter	Council	26.04.2023	N/A	Karen Jones	No recommendations	N/A	No Recommendations listed
8	Neath Port Talbot Council - Assurance and Risk Assessment 2021-22 Financial Position Update	Jan-23	17.03.2023	Local Letter	Cabinet	17.05.2023	16.06.2023	Huw Jones	No recommendations	16.06.2023	No Recommendations listed
9	Together we can' - Community Resilience and Self-Reliance	Jan-23	17.03.2023	National	Cabinet	TBD	16.06.2023	TBD	2 recommendations for local government	16.06.2023	<p>R1 To strengthen community resilience and support people to be more self-reliant, local authorities need to ensure they have the right arrangements and systems in place. We recommend that local authorities use the evaluation tool in Appendix 2 to: • self-evaluate current engagement, management, performance and practice; • identify where improvement is needed; and • draft and implement an action plan with timeframes and responsibilities clearly set out to address the gaps and weaknesses identified in completing the evaluation tool.</p> <p>R2 To help local authorities address the gaps they identify following their self-evaluation, we recommend that they: • formally approve the completed Action Plan arising from the evaluation exercise; • regularly report, monitor and evaluate performance at relevant scrutiny committees; and • revise actions and targets in light of the authority's evaluation and assessment of its performance</p>
10	A Missed Opportunity' – Social Enterprises	Dec-22	12.01.2023	National	N/A	TBD	16.06.2023	TBD	3 recommendations for local government	17.03.2023	<p>R1 To get the best from their work with and funding of Social Enterprises, local authorities need to ensure they have the right arrangements and systems in place. We recommend that local authority officers use the checklist in Appendix 2 to: • self-evaluate current Social Enterprise engagement, management, performance and practice; • identify opportunities to improve joint working; and • jointly draft and implement an action plan with timeframes and responsibilities clearly set out to address the gaps and weaknesses identified through the self-evaluation</p> <p>R2 To drive improvement we recommend that the local authority: • formally approve the completed Action Plan; • regularly report, monitor and evaluate performance at relevant scrutiny committees; and • revise actions and targets in light of the authority's evaluation and assessment of its performance</p> <p>R3 To ensure the local authority delivers its S.16 responsibilities to promote Social Enterprises we recommend that it reports on current activity and future priorities following the evaluation of its Action Plan including the Annual Report of the Director of Social Services.</p>
11	A Picture of Flood Risk Management	Dec-22	12.01.2023	National	N/A	N/A	N/A	N/A	No recommendations for local government	N/A	No Recommendations listed
12	Poverty in Wales data tool	Nov-22	12.01.2023	National	N/A	N/A	N/A	N/A	No recommendations for local government	N/A	No Recommendations listed

13	"Time for Change" – Poverty in Wales	Oct-22	12.01.2023	National	Cabinet	TBD	16.06.2023	N/A	2 recommendations for Welsh Government / 6 recommendations for local government	17.03.2023	<p>R2 In Paragraphs 2.13 – 2.23 and Paragraphs 3.33 – 3.35 we highlight that councils and partners have prioritised work on poverty, but the mix of approaches and a complicated delivery landscape mean that ambitions, focus, actions and prioritisation vary widely. We highlight that evaluating activity and reporting performance are also variable with many gaps. We recommend that the councils use their Wellbeing Plans to provide a comprehensive focus on tackling poverty to co-ordinate their efforts, meet local needs and support the revised national plan targets and actions. This should: • include SMART local actions with a greater emphasis on prevention; • include a detailed resourcing plan for the length of the strategy; • be developed with involvement from other public sector partners, the third sector, and those with experience of poverty; • include a robust set of consistent outcome indicators and measures to increase understanding of poverty locally; and • be subject to annual public reporting to enable a whole system view of poverty locally to help improve delivery and support</p> <p>R3 In Paragraph 2.23 we note that just over a third of councils have lead members and lead officers for addressing poverty. Given the importance of effective leadership in driving the poverty agenda forward and breaking silos within councils and between public bodies, we recommend that each council designate a cabinet member as the council's poverty champion and designate a senior officer to lead and be accountable for the anti-poverty agenda.</p> <p>R5 In Paragraphs 3.2 – 3.6 we highlight that people in poverty are often in crisis, dealing with extremely personal and stressful issues, but they often find it difficult to access help from councils because of the way services are designed and delivered. We recommend that councils improve their understanding of their residents' 'lived experience' through meaningful involvement in decision-making using 'experience mapping' and/or 'Poverty Truth Commissions' to review and improve accessibility to and use of council services.</p> <p>R6 In Paragraph 3.14 we highlight the difficulties people in poverty face accessing online and digital services. To ensure people are able to get the information and advice they need, we recommend that councils optimise their digital services by creating a single landing page on their website that: • is directly accessible on the home page; • provides links to all services provided by the council that relate to poverty; and • provides information on the work of partners that can assist people in poverty</p> <p>R7 In Paragraphs 3.15 and 3.16 we note that no council has created a single gateway into services. As a result, people have to complete multiple application forms that often record the same information when applying for similar services. We highlight that whilst it is important that councils comply with relevant data protection legislation, they also need to share data to ensure citizens receive efficient and effective services. We recommend that councils: • establish corporate data standards and coding that all services use for their core data; • undertake an audit to determine what data is held by services and identify any duplicated records and information requests; • create a central integrated customer account as a gateway to services; • undertake a data audit to provide refresher training to service managers to ensure they know when and what data they can and cannot share; and • review and update data sharing protocols to ensure they support services to deliver their data sharing responsibilities</p> <p>R8 In Paragraphs 3.27 to 3.32 we set out that while all councils undertake some form of assessment to determine the likely socio-economic impact of policy choices and decisions, approaches vary and are not always effective. We recommend that councils review their integrated impact assessments or equivalent to: • ensure that they draw on relevant, comprehensive and current data (nothing over 12 months old) to support analysis; • ensure integrated impact assessments capture information on: - involvement activity setting out those the service has engaged with in determining its strategic policy such as partners, service users and those it is co-producing with; - the cumulative impact/mitigation to ensure the assessment considers issues in the round and how it links across services provided across the council; - how the council will monitor and evaluate impact and will take corrective action; and - an action plan setting out the activities the Council will take as a result of the Integrated Impact Assessment</p>
14	Assurance and Risk Assessment Progress – Carbon Reduction	Oct-22	12.01.2023	Local Letter	Environment, Regeneration and Streetscene Services Cabinet Board	20.01.2023	17.03.2023	Nicola Pearce	1 recommendation for local government	17.03.2023	In order to meet its net zero ambition the Council needs to fully cost its action plan and ensure that it is aligned with its Medium Term Financial Plan.
15	National Fraud Initiative 2020-2021	Oct-22	12.01.2023	National	N/A	N/A	N/A	N/A	3 recommendations for local government	17.03.2023	<p>All participants in the NFI exercise should ensure that they maximise the benefits of their participation. They should consider whether it is possible to work more efficiently on the NFI matches by reviewing the guidance section within the NFI secure web application.</p> <p>Audit committees, or equivalent, and officers leading the NFI should review the NFI self-appraisal checklist. This will ensure they are fully informed of their organisation's planning and progress in the 2022-23 NFI exercise.</p> <p>Where local auditors recommend improving the timeliness and rigour with which NFI matches are reviewed, NFI participants should take appropriate action</p>
16	Equality Impact Assessments: More than a Tick Box Exercise	Sep-22	12.01.2023	National	Cabinet	N/A	17.03.2023	N/A	1 recommendations for local government	17.03.2023	R4 While there are examples of good practice related to distinct stages of the EIA process, all public bodies have lessons to learn about their overall approach. Public bodies should review their overall approach to EIAs considering the findings of this report and the detailed guidance available from the EHRC and the Practice Hub. We recognise that developments in response to our other recommendations and the Welsh Government's review of the PSED Wales specific regulations may have implications for current guidance in due course
17	Public Sector Readiness for Net Zero Carbon by 2030 : Evidence Report	Aug-22	12.01.2023	National	N/A	N/A	N/A	N/A	No recommendations for local government	N/A	No Recommendations listed
18	The Welsh Community Care Information System	Jul-22	12.01.2023	National	N/A	N/A	N/A	N/A	No recommendations for local government	N/A	No Recommendations listed
19	Public Sector Readiness for Net Zero Carbon by 2030	Jul-22	12.01.2023	National	N/A	N/A	N/A	N/A	No recommendations for local government	N/A	No Recommendations listed
20	New Curriculum for Wales	May-22	12.01.2023	National	N/A	N/A	N/A	N/A	No recommendations for local government	N/A	No Recommendations listed
21	Direct Payments for Adult Social Care	Apr-22	12.01.2023	National	Social Services, Housing and Community Safety Cabinet Board	N/A	17.03.2023	Andrew Jarrett	1 recommendations for Welsh Government / 9 recommendations for Welsh Government & Local government	17.03.2023	<p>R1 Review public information in discussion with service users and carers to ensure it is clear, concise and fully explains what they need to know about Direct Payments.</p> <p>R2 Undertake additional promotional work to encourage take up of Direct Payments.</p> <p>R3 Ensure advocacy services are considered at the first point of contact to provide independent advice on Direct Payments to service users and carers.</p> <p>R4 Ensure information about Direct Payments is available at the front door to social care and are included in the initial discussion on the available care options for service users and carers.</p> <p>R5 Provide training to social workers on Direct Payments to ensure they fully understand their potential and feel confident promoting it to service users and carers.</p> <p>R6 Work together to develop a joint Recruitment and Retention Plan for Personal Assistants.</p> <p>R7 Clarify policy expectations in plain accessible language and set out: • what Direct Payments can pay for; • how application and assessment processes, timescales and review processes work; • how monitoring individual payments and the paperwork required to verify payments will work; • how unused monies are to be treated and whether they can be banked; and • how to administer and manage pooled budgets. Public information should be reviewed regularly (at least every two years) to ensure they are working effectively and remain relevant.</p> <p>R9 Work together to establish a system to fully evaluate Direct Payments that captures all elements of the process – information, promotion, assessing, managing and evaluating impact on wellbeing and independence.</p> <p>R10 Annually publish performance information for all elements of Direct Payments to enable a whole system view of delivery and impact to support improvement</p>
22	NPT Annual Audit Summary 2021	Mar-22	12.01.2023	Local	Council	16.03.2022	N/A	N/A	No recommendations	N/A	No Recommendations listed
23	Local Government Financial Sustainability Tool	Feb-22	12.01.2023	National	N/A	N/A	N/A	N/A	No recommendations for local government	N/A	No Recommendations listed
24	Care Home Commissioning for Older People	Dec-21	12.01.2023	National	N/A	N/A	N/A	N/A	2 recommendations for Welsh Government / No recommendations for local government	N/A	No Recommendations listed
25	Audit of NPT's Assessment of Performance (Dec 21) (Public Pack)Agenda Document for Cabinet, 12/01/2022 14:01 (npt.gov.uk)	Dec-21	12.01.2023	Local	Cabinet	12.01.2022	N/A	N/A	No recommendations	N/A	No Recommendations listed



NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

REPORT OF THE HEAD OF PEOPLE & ORGANISATIONAL DEVELOPMENT

S. REES

12th October 2023

Matter for Information

Wards Affected: All Wards

Compliments and Complaints Annual Report 2022-2023

Purpose of the Report:

1. To provide an overview of the number of compliments and complaints received during the period 1st April 2022 to 31st March 2023.

Background:

2. Complaints and compliments continue to provide us with valuable information about how we perform as a council and provide us with an insight into what customers think about our services. In many cases people who complain tell us what we have done wrong and how we can do better. We use this feedback to improve our services or processes.

3. Publishing an annual report demonstrates the council's commitment to transparency and a positive approach to acknowledging, investigating, responding to and learning from complaints.
4. The council revised its Comments, Compliments and Complaints Policy in March 2021, which was deemed compliant with the Ombudsman Wales (previously Public Services Ombudsman for Wales) principles and model complaints handling procedure. During this time the reporting of complaints changed in line with the Ombudsman's reporting requirements counting the % of complaints are closed (upheld/not upheld).
5. Figures and further detail for both compliments and complaints on a directorate basis have been reported to the respective Cabinet / Cabinet Boards during 2022-2023.

Summary of Performance 2022-2023

The following provides an overview of the year's performance:

Stage 1 Complaints

6. Complaints that fall into the Stage 1 category are requests for a service that have not been actioned or properly dealt with. These complaints are handled by the staff and/or managers directly responsible for delivering the service, with a response to be provided within 10 working days.
7. There was an increase in the number of Stage 1 complaints received across the council from 111 received in 2021-2022 to 165 received in 2022-2023.
8. However, the percentage upheld/partially upheld during 2022-2023 was 7.27% (12 of 165). This is a reduction on the previous year. In 2021-2022 the percentage was 19.82% (22 of 111) and in 2019-2020 the percentage was 23.53% (24 of 102).

9. The table below sets out a breakdown of the numbers of Stage 1 complaints received and upheld / partially upheld per Directorate.

Directorate	2022-2023	
	Stage 1	Stage 1 Upheld / Partially Upheld
Chief Executives	23	5
Education, Leisure & Lifelong Learning	11	0
Environment & Regeneration	63	0
Social Services, Health & Housing	68	7

10. No systemic failings could be attributed to a particular service area from the instances reported and investigated. Where the complaint was upheld/partially upheld any lessons learned from the investigation are applied by the relevant service areas to improve service delivery and customer satisfaction going forward.
11. Considering the breadth of dealings across the council, it should be noted that the number of investigated complaints upheld/partially upheld was relatively low with the majority being resolved or not upheld.

Stage 2 Complaints

12. When a complainant is dissatisfied with the outcome of a Stage 1 complaint the complaint falls within this category. The complaint is formally investigated by the designated complaints officer within the relevant directorate and a response provided within 20 working days. This includes a review of all relevant correspondence and often incorporates discussions with both the complainant and relevant officers from the service department concerned to enable a fuller response to be provided.

13. There was a decrease in the number of Stage 2 complaints received from 25 in 2021-2022 to 22 in 2022-2023.

However, 13.63% (3 of 22) Stage 2 complaints were upheld /partially upheld in 2022-2023, an increase on the figure of 1 upheld/partially upheld in 2021-2022.

14. The table below sets out a breakdown of the numbers of Stage 2 complaints received and upheld / partially upheld per Directorate.

Directorate	2022-2023	
	Stage 2	Stage 2 Upheld / Partially Upheld
Chief Executives	4 (plus 1 carried forward from 2021-2022)	0
Education, Leisure & Lifelong Learning	4	1
Environment & Regeneration	10	0
Social Services, Health & Housing	3	2

15. At the conclusion of Stage 2, the complainant is made aware of the ability to refer their complaint to another organisation for external consideration e.g. Ombudsman Wales. Before agreeing to investigate further, the Ombudsman should normally be satisfied that the matter has already been raised with the council and that the council has had a reasonable opportunity to investigate and respond in accordance with the two stage policy. Where this has not been done, the Ombudsman will usually refer the complaint back to the council to provide an opportunity to attempt to resolve the complainant's concerns through the council's own complaints processes first.

Compliments

16. There has been an increase in the number of compliments received across the council. In 2022-2023, 326 compliments were received, compared to 249 in 2021-2022.
17. The table below sets out a breakdown of the numbers of compliments received per Directorate.

Directorate	Compliments
Chief Executives	128
Education, Leisure & Lifelong Learning	58
Environment & Regeneration	25
Social Services, Health & Housing	115

Reporting Processes

18. Designated complaints officers within each directorate provide advice to their colleagues to ensure appropriate and timely complaint responses. The designated officers collate and submit quarterly information provided to them from service areas.
19. Quarterly compliments and complaints performance reports are produced and reported to Cabinet and Cabinet Boards relating to services within their purview.
20. Since April 2019, the council's quarterly complaints data has been forwarded to the Ombudsman Wales to enable an all Wales comparison and the data for all council's is published on their website for information.

Welsh Language Complaints

21. In line with the Welsh Language Standards the complaint process for Welsh language matters operates differently to the way other complaints are handled – the legislative provision stemming from the 2011 Welsh Language Measure. This includes the need to keep a record in relation to each financial year of the number of complaints received relating to our compliance with the standards.
22. During 2022-2023 there were no complaints made to the Welsh Language Commissioner.

Unreasonable/Unacceptable Customer Behaviour

23. When the actions and behaviour of a few customers are considered unacceptable, these are addressed by the relevant Head of Service. Reviews of unacceptable behaviour result in a contact protocol being implemented in accordance with the Unreasonable/Unacceptable Customer Behaviour Policy, which was approved by Cabinet on 29th May 2019. At the start of 2022-2023 one protocol was in place.

Governance & Audit Committee

24. The Local Government and Elections (Wales) Act 2021 gives the Governance & Audit Committee a defined assurance role around complaints. The Annual Compliments and Complaints report was presented to Cabinet on 20th September 2023.

Financial Impact

25. There are no financial impacts associated with this report.

Integrated Impact Assessment

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

Valleys Communities Impact

27. No implications.

Workforce Impacts

28. Staff have been subjected to violent, aggressive and unacceptable behaviour on occasion. Line managers undertake risk assessments to help prevent such occurrences and to lower the impact of poor behaviour. Cross departmental information sharing helps to improve communications and preparedness to help frontline staff to anticipate difficult customer queries at the first point of contact.

Legal Impacts

29. This annual report has been produced in line with the council's two stage policy which is reflected in the body of this report.

Risk Management

30. The profile of complaints made during the year, their resolution and lessons learned is taken into account when both the council's Annual Governance Statement and Self-Assessment are prepared. No systemic failings were identified by service areas or the designated complaints officers for complaints that were recorded, investigated and concluded in 2022-2023.

Consultation

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

Recommendations

32. For Members to note the performance contained within this report.

List of background papers

33. None

Officer Contact

Mrs Sheenagh Rees, Head of People & Organisational Development
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Mrs Caryn Furlow-Harris, Strategic Manager – Policy & Executive Support
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Mrs Louise McAndrew, Corporate Strategic Planning & Governance Officer
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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL
GOVERNANCE AND AUDIT COMMITTEE
REPORT OF THE CHIEF FINANCE OFFICER – HUW JONES
12th October 2023

Matter for Monitoring

Wards Affected - All

**TREASURY MANAGEMENT MONITORING 2023/24 AS AT 30th
JUNE 2023**

Purpose of Report

1. This report sets out treasury management action and information for 2023/24.
2. This report has already been considered by the Cabinet at their meeting on 20th September 2023.

Rates of Interest

3. Over the past 18 months, the cost of living has risen sharply. The speed of this increase is called the 'rate of inflation'. It is the job of the Bank of England to keep this rate around their target of 2%, however, it is currently above this – mainly due to the higher price of goods coming in from abroad along with the increase in the cost of energy.
4. To reduce the rate of inflation, the Bank of England increase their interest rates. Since March 2022 the interest rates have increased as per below:

Effective Date	Bank Rate
16 th March 2022	0.75%
5 th May 2022	1.00%
16 th June 2022	1.25%
4 th August 2022	1.75%
22 nd September 2022	2.25%
3 rd November 2022	3.00%
15 th December 2022	3.50%
2 nd February 2023	4.00%
23 rd March 2023	4.25%
11 th May 2023	4.50%
22 nd June 2023	5.00%

5. The following table provides examples of external borrowing costs as provided by the Public Works Loans Board (certainty rate) as at 26th July 2023:

	Equal Instalments of Principal		Annuity		Maturity	
	Previous 20Jan23	Current 26Jul23	Previous 20Jan23	Current 26Jul23	Previous 20Jan23	Current 26Jul23
	%	%	%	%	%	%
5-5.5 years	4.20	5.62	4.20	5.60	4.13	5.29
10-10.5 years	4.12	5.26	4.12	5.22	4.26	5.07
20-20.5 years	4.26	5.07	4.32	5.11	4.58	5.29
35-35.5 years	4.55	5.27	4.59	5.28	4.44	5.14
49.5-50 years	4.57	5.27	4.48	5.17	4.25	4.97

General Fund Treasury Management Budget

6. The following table sets out details of the treasury management budget for 2023/24 along with outturn figures for 2022/23. The budget consists of a gross budget for debt charges i.e. repayment of debt principal and interest, and interest returns on investment income.

2022/23 Outturn £'000		2023/24 Original Budget £'000
21,646	Principal and Interest charges	20,732
	Investment Income	
(1,523)	- Total	(1,500)
577	- less allocated to other funds	375
(946)	Subtotal Income	(1,125)
0	Contribution from General Reserves	0
0	Contribution to General Reserves	0
(186)	Contribution to/(from) treasury management reserve	0
20,514	Net General Fund	19,607

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

Borrowing

7. The below table shows the new loan agreements entered into since the last quarterly report to Cabinet.

Counterparty	£	Description	Period
City of Edinburgh Council	£10m	Temporary loan to fund short term cash flow issue at year end	20 th March23 – 12 th April 23
Middlesbrough Council	£4m	Temporary loan to fund short term cash flow issue at year end	17 th March 23 – 27 th March 23

Investments

8. The following are a list of investments as at 30th June 2023:

<u>Counterparty</u>	<u>Value (£)</u>	<u>Investment type</u>	<u>Investment start</u>	<u>Investment maturity</u>	<u>Interest rate</u>
Goldman Sachs International Bank	£5,000,000	Fixed	25 th May 2023	24 th Nov 2023	5.24%
Santander UK	£5,000,000	Fixed	20 th Jan 2023	20 th Jul 2023	4.15%
Cambridgeshire C.C.	£5,000,000	Fixed	6 th Dec 2021	6 th Dec 2023	0.40%
Plymouth City Council	£5,000,000	Fixed	8 th Sep 2022	7 th Sep 2023	3.05%
South Ayrshire Council	£5,000,000	Fixed	27 th Mar 2023	27 th Mar 2026	4.30%
Medway Council	£5,000,000	Fixed	10 th Feb 2023	10 th Feb 2027	4.35%
DMO	£20,600,000	Fixed/ Overnight	N/A	N/A	4.50% - 4.88%
Santander	£10,000,000	Call Account	N/A	N/A	4.50%

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

Investment Income

10. In line with the Council’s Investment Strategy, the 2022/23 original budget target for investment income is £1.5m, income for the financial year to date totals £578k. This target will be reviewed throughout the year and adjusted if necessary with any variances going into/out of the Treasury Management reserve.

11. Members should note that the short-term investments are classified as 'specified' i.e. up to 12 months and are currently deposited with DMO, Local Authorities, Goldman Sachs International Bank, and Santander Bank.
12. The Council policy allows long-term investments up to a maximum of £25m for periods of more than 1 year and up to 5 years. The Council has two investments in this category which are both made to other Local Authorities.

Financial Impact

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

Integrated Impact Assessment

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

Valleys Communities Impacts

15. No implications

Workforce Impacts

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

Legal Impacts

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

Risk Management

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

Consultation

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

Recommendation

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

Appendices

21. Appendix 1 - Specified Investments

List of Background Papers

22. PWLB Notice Number 281/23

Officer Contact

Mr Huw Jones – Chief Finance Officer
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Mr Ross Livingstone – Group Accountant – Capital and Corporate
E-mail – r.livingstone@npt.gov.uk

Specified Investments

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

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

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Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

12th October 2023

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

Matters for Information

Wards Affected: All Wards

Internal Audit Update Report

1. Purpose of the Report

The purpose of this report is to provide details of the internal audit work undertaken since the last Governance & Audit Committee meeting in June 2023.

2. Executive Summary

Since the last committee meeting a total of 16 reports have been issued and 6 Post Audit Reviews have 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 Finance in relation to Report No. 24 - Procurement Cards Non Compliance.

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 16th June 2023.

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

4. Staffing Issues

At the last Governance & Audit Committee there were no staffing issues to report, however since then there have been a substantial number of days lost to sickness. Three members of the team are currently on sick leave and one member of the team has resigned and left the authority.

During this quarter 92 days have been lost to sickness, this together with the auditor vacancy will have a detrimental effect on the achievement of the plan and it is intended to bring a revised audit plan to members for approval to the next committee meeting in January 2024. At this time we will be in a better position to gauge the impact of the sickness and vacancy on the plan.

5. Audit Work Undertaken

Since the last committee meeting a total of 15 formal reports have been issued, as at 30th September 2023, in line with normal reporting processes.

Final Reports Issued

6 Primary Schools

Neath Register Office

Creditors

National Fraud Initiative (NFI) – Council Tax Reduction Scheme to Pensions

National Fraud Initiative (NFI) – Duplicate Creditor Invoice Payments

Officer Declarations

Procurement Card Non Compliance
Glamorgan Further Education Trust Fund Independent Examination
General Primary School
1 private item

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.
- The Audit Manager had attended the Leisure Insourcing Project Board meetings.
- 2 special investigations are in progress
- Staff have continued to provide advice to staff from across the Authority.
- 6 Post Audit Review has been undertaken, details are provided below.

6. Post Audit Reviews Undertaken & Recommendations Tracking

There have been no issues identified with recommendations not being implemented.

Audit Report Title	Number of recommendations made	Issues identified during Post audit Review
Trem y Mor (Day & Respite Centre)	3	All recommendations have been implemented
St Josephs RC School and Sixth For Centre	2	All recommendations have been implemented
Ysgol Bae Baglan	1	All recommendations have been implemented
Tonnau Primary School	3	All recommendations have been implemented
Dwr Y Felin Comprehensive School	4	All recommendations have been implemented
Rhodes House Behavioural Support Services	2	All recommendations have been implemented

7. Financial Impacts

No implications.

8. Integrated Impact Assessment

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

9. Valley Communities Impacts

No implications.

10. Workforce Impacts

No implications.

11. Legal Impacts

No implications.

12. 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.

13. Consultation

There is no requirement for external consultation on this item.

14. Recommendations

That members note the content of the report and appendices.

15. Appendices

Appendix 1 – Audit Reports Issued.

Appendix 2 – Audit Plan Monitoring.

Appendix 3 – Response from Chief Finance Officer relating to Report No 24

Officer Contact:

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Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R12	Head of Legal & Democratic Services - Neath Register Office	<p>Overall good controls were found to be in place in relation to the areas examined. Some enhancements have been recommended to strengthen the controls already in place.</p> <p>Positive findings were found in the areas of customer service, accessibility of the service, budgetary control, the setting of fees, income collection, financial reconciliation, refunds, approved premises, staff training and data security.</p> <p>Recommendations were made regarding the payment of overtime and additional hours, controlled stationery, travel claims and driver declaration forms.</p>	Reasonable
R13	Private Item		
R14	Head of Education - YGG Trebannws	<p>Good controls were found to be in place in relation to all areas tested. A recommendation was made in relation to Unofficial Funds, which once implemented will enhance the good controls already in place.</p> <p>The school was found to be complying in full with current DBS guidance in relation to the staff sample audited, in addition all governors at the school had the required DBS disclosure in place.</p>	Substantial
R15	Head of Education - Cymer Afan Primary School	<p>Good controls were found to be in place in relation to all areas tested. A recommendation was made in relation to Unofficial Funds, which once implemented will enhance the good controls already in place.</p>	Substantial

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		The school was found to be complying in full with current DBS guidance in relation to the staff sample audited, in addition all governors at the school had the required DBS disclosure in place.	
R16	Head of Education - Baglan Primary School	Robust controls were found to be in place in relation to all areas tested. An area of particularly good administration was observed in relation to the Health & Safety record keeping at the school. The school was found to be complying in full with current DBS guidance in relation to the staff sample audited, in addition all governors at the school had the required DBS disclosure in place.	Substantial
R17	Chief Finance Officer - Creditors	Improved controls are required in relation to the monitoring of credit notes. Recommendations have been made to enhance controls in this area.	Reasonable
R18	Head of Education - Ysgol Carreg Hir	Robust controls were found to be in place in relation to all areas tested. The school was found to be complying in full with current DBS guidance in relation to the staff sample audited, in addition all governors at the school had the required DBS disclosure in place.	Substantial
R19	Head of Education - Melin Primary School	Good controls were found to be in place in relation to all areas tested other than Procurement Cards and the Unofficial Fund. Recommendations have been made which when implemented will address the issues identified.	Reasonable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		The school was found to be complying in full with current DBS guidance in relation to the staff sample audited, in addition all governors at the school had the required DBS disclosure in place.	
R20	Head of Education - YGG Cwmllynfell	<p>Good controls were found to be in place in relation to all areas tested, other than Procurement Cards and Corporate Governance. Recommendations have been made which when implemented will address the issues identified.</p> <p>The school was found to be complying in full with current DBS guidance in relation to the staff sample audited, in addition all governors at the school had the required DBS disclosure in place.</p>	Reasonable
R21	Chief Finance Officer - NFI Council Tax Reduction Scheme to Pensions	<p>102 matches were reported. In 101 instances investigated there were no issues identified. In 1 instance a pension had not been declared by the claimant within their universal credit application. This instance has been referred by the Fraud Officer to the DWP via the NFI system for further investigation. Until a response is received from the DWP it is not possible to make any alteration to the CTRS claim.</p> <p>Robust processes are operating within the Housing Benefit team in relation to the administration of CTRS.</p>	Not Applicable
R22	Chief Finance Officer - NFI	Information was provided by NFI in relation to 51 possible duplicate creditor invoice payments. No instances of fraud were suspected.	Not Applicable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
	Duplicate Creditor Invoice Payments	<p>The work undertaken identified that 8 duplicate/incorrect creditor invoice payments totalling £25,584 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.</p> <p>18 duplicate/incorrect creditor invoice payments totalling £551,110 were also identified. These have already been identified as part of routine internal financial/budget reconciliations or by the Vendor confirming they have received an incorrect payment/no payment where expected. Full refunds have already been received in relation to these.</p>	
R23	Chief Executive - Officers Declarations	Overall, the findings from this audit were positive. Minor issues were identified and recommendations have been made relating to a revision of the Employee Code of Conduct.	Reasonable
R24	Chief Finance Officer - Procurement Cards Non Compliance	<p>Despite the issue of non-compliance being highlighted in previous Internal Audit Reports with numerous recommendations made the number of instances of non-compliance is still unacceptable. Non-compliance causes additional work for numerous teams within the Authority.</p> <p>The recommendations made in previous Internal Audit Reports to Senior Management/ Headteachers have not produced the required result. It is not possible to know whether this is as a result of the</p>	Limited

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		<p>issue not being communicated properly to relevant staff or whether staff have failed to act on any communications.</p> <p>As a result going forward an email will be sent by Internal Audit to the cardholders, authorisers and applicable Heads of Service of all cards that repeatedly appear on non-compliance reports. The email will inform them the number of times they have appeared on the reports and warn them that further non - compliance will result in the Procurement Card being suspended in the first instance.</p>	
R25	Chief Finance Officer - Glamorgan Further Education Trust Fund Independent Examination	The examination brought to light no issues which gave reasonable cause to believe that in any material respect the requirements to keep accounting records in accordance with the Charities Act 2011 and to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act were not met. Or to which, in the Auditor’s opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.	Substantial
R26	Head of Education General Primary School Report	This report confirms that the number of recommendations made in school audit reports has reduced compared to reports issued in previous years. This indicates that increased controls have been put in place by schools thus reducing the potential risks in all areas audited.	Reasonable

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 30th September 2023

Audit Plan Item	Risk Rating	Quarter 1 position as at 31stMay 2023	Quarter 2 position as at 30th September 2023
Ethics – Members(carried forward from 22/23)	M		Audit paused due to resource issues
Decarbonisation	H		
Payroll	H		
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		
Direct Payments (added from contingency budget)	H		Audit complete and draft report issued
Capital Programme	H		The Audit Manager has attended meetings of the Capital Programme Steering Group
Licencing	M	Audit in planning stage	In progress
Accident Reporting	H		Audit in planning stage

Appendix 2 – Audit Plan Monitoring at 30th September 2023

Performance Management Framework	M		
Cyber Security	H		
Glamorgan Education Trust Grant & any other grants received	M		Independent Examination completed & opinion produced
Primary Schools	M	4 schools audited	6 schools audited
Comprehensive Schools	H	1 school audited	
Safe Recruitment in Comprehensive Schools	M		
Music Service (carried forward from 22/23)	M		
Health & Safety/Accident Reporting in schools	H		
Schools admissions	H		
Leisure Services Insourcing	H	Steering group meeting attended.	Steering group meetings attended
Waste Transfer Station	H		Audit in planning stage
Waste Costs	H		
Stores	H		
South Wales Trunk Road Agency – Payment Processes	M		Audit in progress

Appendix 2 – Audit Plan Monitoring at 30th September 2023

City Deal Projects	H		
Sandfields Business Centre	H		
Empty Properties	M		
In-house domiciliary care provision	H		
Supported Living Arrangements	H		
Follow up on use of respite care (carried forward from 22/23)	M		Audit paused due to resource issues
3 rd Party Top-ups (clients in residential or nursing care)	M		
Harm Outside the Family (carried forward from 22/23)	M		
Disabled Facilities Grants	M	Audit in planning stage	Audit in progress
Homelessness to include youth homelessness	H		
Community Independence Team	M	Audit in progress	Audit complete and draft report issued
Procurement Cards	H		Audit complete and report issued
Officers Declarations	M		Audit Complete and report issued

Appendix 2 – Audit Plan Monitoring at 30th September 2023

National Fraud Initiative (NFI)	H	Reports being reviewed	2 reports issued
Special Investigations & Whistleblowing	H	3 in progress	1 completed and 2 in progress
Staff Association/Lottery	Not applicable	Advice has been given and bonus draws attended.	Advice has been given and bonus draws attended.
Vision Impaired West Glamorgan	Not applicable		
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	Various attended
Advice & Guidance requests	Not applicable	Ongoing	Ongoing

Appendix 3 – Response from Chief Finance Officer relating to Report No 24

To: Governance & Audit Committee

Subject: Internal Audit Report No 24 – Procurement cards non compliance

All recommendations made within the report are accepted.

Whilst the e-procurement team within corporate service have the strategic responsibility for the provision of procurement cards to authorised users, coding of the monthly transaction lies with the departmental card holder.

Internal Audit copied the report to all Directors, Heads of Service card holders and authorisers in order to make them aware of the issue raised and their responsibilities with regard procurement card purchases. All cardholder's authorisers and Heads of service who had appeared on the non-compliance reports 5 or more times in the period tested were also contacted informing them of the number times they appeared on the non-compliance reports and warning that further non-compliance will result in suspension of their procurement card.

Internal audit will continue to receive and monitor non-compliance reports and the e-Procurement Business Improvement Team will be informed when a card appears repeatedly on non-compliance reports. A decision will then be made whether to suspend the card or to email a warning to the cardholder and authoriser that the card will be suspended if there are any further instances of non-compliance.

Huw Jones
Chief Finance Officer



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

Neath Port Talbot County Borough Council

GOVERNANCE & AUDIT COMMITTEE

12th October 2023

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

Matter for Information

Wards Affected:

All Wards

External Assessment Update

1. Purpose of the Report

The purpose of this report is to provide an update on the external assessment of the Internal Audit Service undertaken by Conwy County Borough Council.

2. Executive Summary

The findings of the External Assessor is that the Internal Audit Service “Generally Conforms with the Public Sector Internal Audit Standards” this is the highest overall rating available to the Assessor. There are 56 standards which the service must comply with and it was found to be fully compliant in 54 of the standards and partially complying with 2.

3. Background

As members are aware it is a requirement of the Public Sector Internal Audit Standards that each Internal Audit Activity is externally quality assessed at least every 5 years. This latest assessment was undertaken to ensure compliance with this requirement. The External Assessors

Report is attached as Appendix 1 to this report for members' information.

The 2 areas of partial compliance are accepted by the HIA and the Audit Manager and the External Assessor is content that there are mitigating actions in respect of Standard 1130 – Impairment to Independence or Objectivity and that the partial compliance in respect of Standard 1300 Quality & Assurance Programme will be addressed going forward.

The actions to strengthen arrangements where conformance is already achieved are agreed and will be implemented as detailed within the report.

4. Integrated Impact Assessment

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

Financial Impacts

No impact.

5. Valley Communities Impacts

No impact.

6. Workforce Impacts

No impact.

7. Legal Impacts

No impacts

8. 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.

13. Consultation

There is no requirement for external consultation on this item.

14. Recommendation

That members note the content of the report.

15. Reason for Proposed Recommendation

To enable members to fulfil their terms of reference

Appendix 1 – External Assessors Report

Officer Contact

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Anne-Marie O'Donnell – Audit Manager

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Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

Neath Port Talbot Internal Audit Services

FINAL INTERNAL AUDIT REPORT

Internal Audit External Quality Assessment

Sioned Parry FCPFA, Head of Audit & Procurement Services

August 2023

CONTENTS		
1	Introduction & Background	3
2	Assessment Results	3
3	Assessment Summary	4
	Appendix A Definitions of the Assessment Criteria and Ratings Used	9
	Appendix B Action Plan to address non / partial conformance areas (Identified by the Service)	10
	Appendix C Actions to strengthen arrangements where conformance is already achieved	11
	Appendix D Report Distribution List	12

1. INTRODUCTION & BACKGROUND

- 1.1 The Public Sector Internal Audit Standards (PSIAS) became effective from 1 April 2013 and introduced a requirement for an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation.
- 1.2 The two possible approaches to external assessments outlined in the standards included either a full external assessment, or an internal self-assessment, which is validated by an external reviewer.
- 1.3 Members of the Welsh Chief Auditor Group (WCAG) elected to adopt the self-assessment approach, with another member of the WCAG undertaking the independent validation.
- 1.4 For Neath Port Talbot Council, the Head of Internal Audit and Procurement Services at Conwy County Borough Council undertook the independent validation during 2023. In accordance with the PSIAS, the reviewer is an appropriately qualified and experienced Internal Auditor.
- 1.5 The validation assessment comprised a detailed desktop review of the self-assessment and supporting evidence, additional evidence being requested and provided well as discussions with the Head of Internal Audit and the Audit Manager, to clarify certain points and to gain insight on the operation of the Internal Audit Team and adherence to the Standards.
- 1.6 Any non-conformance with the Standards and the impact must be disclosed to senior management and the Governance and Audit Committee.

2. ASSESSMENT RESULTS

- 2.1 The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), namely: the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.
- 2.2 Across the mandatory elements of the PSIAS, there are 56 best practice areas or standards, which comprise 305 best practice lines. The table at Section 3 below gives a summary of the results of the external validation assessment.
- 2.2 Definitions of the assessment criteria and ratings used are given at Appendix A.

3. ASSESSMENT SUMMARY

The validation assessment conducted in 2023 concludes that the Internal Audit Service for Neath Port Talbot County is currently conforming with 54 of the 56 Public Sector Internal Audit Standards (PSIAS) and partially conforming in two areas. There are no examples of non-conformance identified.

An overall assessment of 'Generally Conforms' with the Public Sector Internal Audit Standards is therefore applicable.

- 3.1 'Generally Conforms' is the highest overall rating available to the assessor.
- 3.2 As shown above, the results of the external assessment are very positive with all areas achieving 'general conformance' with the standards apart from two areas showing partial conformance. These areas were:

Standards 1130 – Impairments to Independence or Objectivity

This is because the Head of Internal Audit has responsibilities for the accountancy team responsible for producing the annual statement of account, all bank related matters and the insurance team.

I am satisfied that there are adequate safeguards in place to mitigate this and to limit impairment to the independence or objectivity. Therefore, no further action needs to be taken.

Standards 1300 – Quality Assurance & Improvement Programme

As part of the Quality Assurance & Improvement Programme an annual self-assessment should be undertaken to assess the efficiency and effectiveness of the Internal Audit activity and identify opportunities for improvement.

I am satisfied the remainder of the Quality Assurance & Improvement Programme is undertaken and a self- assessment will now be undertaken annually.

- 3.3 In addition, I have made suggestions for strengthening arrangements where conformance is already achieved. They are shown Appendix C.

4. RESULTS

	SUMMARY OF RESULTS	GC	PC	DNC	Observations/Suggestions for strengthening arrangements where conformance is already achieved
1	Mission of Internal Audit	✓			
2	Definition of Internal Auditing	✓			
3	Core Principles for the Professional Practice of Internal Auditing	✓			
4	Code of Ethics	✓			
5	Attribute / Performance Standards	✓			
Ref	Attribute / Performance Standards	✓			
1000	Purpose, Authority and Responsibility (The sum of <i>Standards</i> 1000-1010)	✓			
1100	Independence and Objectivity	✓			
1110	Organisational Independence	✓			
1111	Direct Interaction with the Board	✓			
1112	Chief Audit Executive Roles Beyond Internal Auditing	✓			I am satisfied there are adequate safeguards to limit impairment to independence or objectivity.
1120	Individual Objectivity	✓			
1130	Impairments to Independence or Objectivity		✓		I am satisfied there are adequate safeguards to limit impairment to independence or objectivity.
1200	Proficiency and Due Professional Care	✓			

	SUMMARY OF RESULTS	GC	PC	DNC	Observations/Suggestions for strengthening arrangements where conformance is already achieved
1210	Proficiency	✓			
1220	Due Professional Care	✓			
1230	Continuing Professional Development	✓			
1300	Quality Assurance and Improvement Programme		✓		Internal self-assessment will now be taken annually as part of the Quality Assurance & Improvement Programme.
1310	Requirements of the Quality Assurance and Improvement Programme	✓			
1311	Internal Assessments	✓			
1312	External Assessments	✓			
1320	Reporting on the Quality Assurance and Improvement Programme	✓			
1321	Use of Conforms with the International Standards for the Professional Practice of Internal Auditing	✓			
1322	Disclosure of Non-conformance	✓			
2000	Managing the Internal Audit Activity	✓			
2010	Planning	✓			
2020	Communication and Approval	✓			
2030	Resource Management	✓			
2040	Policies and Procedures	✓			
2050	Coordination	✓			
2060	Reporting to Senior Management and the Board	✓			

	SUMMARY OF RESULTS	GC	PC	DNC	Observations/Suggestions for strengthening arrangements where conformance is already achieved
2070	External Service Provider and Organisational Responsibility for Internal Audit	✓			
2100	Nature of Work	✓			
2110	Governance	✓			
2120	Risk Management	✓			
2130	Control	✓			
2200	Engagement Planning	✓			
2210	Engagement Objectives	✓			
2220	Engagement Scope	✓			
2230	Engagement Resource Allocation	✓			
2240	Engagement Work Programme	✓			
2300	Performing the Engagement	✓			
2310	Identifying Information	✓			
2320	Analysis and Evaluation	✓			
2330	Documenting Information	✓			
2340	Engagement Supervision	✓			
2400	Communicating Results	✓			
2410	Criteria for Communicating	✓			
2420	Quality of Communications	✓			
2421	Errors and Omissions	✓			
2430	Use of 'conducted in conformance with the International Standards for the Professional Practice of Internal Auditing'.	✓			

	SUMMARY OF RESULTS	GC	PC	DNC	Observations/Suggestions for strengthening arrangements where conformance is already achieved
2431	Engagement Disclosure of Non-conformance	✓			
2440	Disseminating Results	✓			
2450	Overall Opinions	✓			
2500	Monitoring Progress	✓			
2600	Resolution of Senior Managements Acceptance of Risks	✓			
	OVERALL CONCLUSION – CONFORMANCE WITH PSIAS	✓			

Definitions of the assessment criteria and ratings used

Glossary	
GC	Generally Conforms with PSIAS - The relevant structures, policies and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformance to the others, within the section / category. General conformance does not require complete / perfect conformance, the ideal situation, successful practice, etc.
PC	Partially Conforms with PSIAS - The activity is making good-faith efforts to comply with the requirements of the individual Standard or element of the Code of Ethics, section, or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or Code of Ethics and / or achieving their objectives.
DNC	Does Not Conform with PSIAS - The activity is not aware of, is not making good-faith efforts to comply with or is failing to achieve many / all of the objectives of the individual Standard or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity's effectiveness and its potential to add value to the organisation. These may also represent significant opportunities for improvement, including actions by senior management or the board.
N/A	Not Applicable - The sections marked N/A do not apply to this assessment. Any n/a answers should be treated as generally conforming with the PSIAS.
CAE	Chief Audit Executive (CAE) - A generic title used to describe the person responsible for managing the internal audit activity. In Neath Port Talbot Council, it is the Head of Internal Audit (HIA).

Action Plan to address non / partial conformance areas

Standard	Action to address non / partial compliance	Who is responsible for implementing the action	Timescale
1130 – Impairment to Independence/ Objectivity	Any assurance engagements in areas over which the CAE also has operational responsibility, these engagements will be overseen by someone outside of the internal audit activity. The name of the HIA will be removed from the audit reports in respect of service which he has operational responsibility.	Audit Manager	Actioned.
1300 – Quality Assurance & Improvement Programme (QAIP)	As part of the QAIP an annual self-assessment should be undertaken to assess the efficiency and effectiveness of the Internal Audit activity and identify opportunities for improvement.	Audit Manager	31 March 2024

Actions to strengthen arrangements where conformance is already achieved

Standard	Action to strengthen arrangements	Who is responsible for implementing the action	Timescale
Mission of Internal Audit	1. Include Mission in Annual Report - To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.	Audit Manager	Include in Annual Report for 2023/24
Core Principles for the Professional Practice of Internal Audit	2. Include in the Internal Audit Charter – Promoting organisational improvement.	Audit Manager	Include in the updated Charter for 2024/25.
Core Principles for the Professional Practice of Internal Audit	3. Include in the Internal Audit Charter – Internal Audit is insightful, proactive, and future focused.	Audit Manager	Include in the updated Charter for 2024/25.
Attribute Standards 1000	4. Consulting Services need to be defined in the Charter.	Audit Manager	Include in updated Charter for 2024/25
Attribute Standards 1000	5. Include in the Internal Audit Charter - the arrangements for appropriate resourcing.	Audit Manager	Include in updated Charter for 2024/25

Report Distribution List

Appendix D

Governance & Audit Committee Chair

Head of Internal Audit

Audit Manager

GOVERNANCE AND AUDIT COMMITTEE

FORWARD WORK PROGRAMME

2023-2024

Governance and Audit Committee (10am unless otherwise stated)

Meeting Date 2023	Agenda Item	Type	Contact Officer
13 November (Special)	Audit Wales – Audit of Accounts 2022/23	Information	Audit Wales
	Audit Wales – Detailed Audit Plan	Information	Audit Wales
	Audited Statement of Accounts 2022/23	Decision	Huw Jones / Diane Mulligan
	Draft Annual Governance Statement	Information	Louise McAndrew
	Strategic Risk Register	Information	Louise McAndrew

Page 112

Meeting Date 2024	Agenda Item	Type	Contact Officer
26 January	Internal Audit Quarterly Update Report	Information	Diane Mulligan/Anne-Marie O'Donnell
	Special Investigations Update Report	Information	Diane Mulligan/Anne-Marie O'Donnell
	Treasury Management Monitoring	Monitoring	Huw Jones

Meeting Date 2024	Agenda Item	Type	Contact Officer
21 March	Draft Internal Audit Strategy & Internal Audit Plan for 2024/25	Decision	Diane Mulligan/Anne-Marie O'Donnell
	Internal Audit Quarterly Update Report	Information	Diane Mulligan/Anne-Marie O'Donnell
	Special Investigations Update Report	Information	Diane Mulligan/Anne-Marie O'Donnell

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By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

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