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## GOHEBIAETH YN DILYN CYFARFOD Y PWYLLGOR

**Pwyllgor** PWYLLGOR ARCHWILIO

**Dyddiad ac amser  
y cyfarfod** DYDD MAWRTH, 22 IONAWR 2019, 2.00 PM

Gweler isod gohebiaeth anfon gan Gadeirydd y Pwyllgor ar ôl y cyfarfod , ynghyd ag unrhyw ymatebion a gafwyd

**Gohebiaeth yn Dilyn y Cyfarfod** (*Tudalennau 3 - 16*)

Mae'r dudalen hon yn wag yn fwriadol

My Ref: AuditCom.28.01.19 PRAP

Date: 28 January 2019



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Cllr David Walker  
Chairperson, Policy Review & Performance Scrutiny Committee  
Cardiff Council  
County Hall  
Cardiff  
CF10 4UW

Dear Councillor Walker

## **Re. Public Services Board response to Brexit**

The Audit Committee would like to work with your Policy Review & Performance Scrutiny Committee to co-ordinate assurances on Brexit. We would like to thank you for your recent information and assurance on a separate matter, and we welcome opportunities to continue to work in co-operation to deliver our respective roles comprehensively and without duplication.

In considering our responsibility to monitor the risk management framework and its operation, we agreed a number of actions at our meeting on 22 January 2019 in respect of Brexit. We have been informed by senior officers that a corporate risk on Brexit is due to be ratified by the Senior Management Team in February 2019, which we will monitor and review through our work programme as a standard agenda item. We will also invite the Chief Executive to attend a forthcoming meeting of the Audit Committee, where through a wider report on the Council's internal control environment, we will seek assurance, amongst other matters on the planning and preparation for Brexit.

We would like to express an interest in the activities of the Public Services Board in respect of Brexit, for which your Committee delivers oversight. Audit Committee Members have considered the Cabinet Report of 11 October 2018 'Potential Implications for the Council of a 'No Deal' Brexit', in which it was resolved that 'work continue through the Cardiff Public Services Board to monitor and respond to any potential impact on public services in the city'.

I would be grateful if you could provide us with further information and assurances on the delivery of this action through your programme of work. The Audit Committee has noted that the major articulation of the risk to date has related to the 'no deal' scenario, and we are particularly interested in risk management arrangements for all possible Brexit scenarios.

On behalf of the Audit Committee I would like to express our appreciation for the ongoing support and engagement of your Scrutiny Committee.

Yours sincerely



**Ian Arundale**  
**Chairperson, Audit Committee**  
**Cardiff Council**

c.c. Members of the Audit Committee  
Huw Thomas, The Leader of the Council  
Paul Orders, Chief Executive  
Christine Salter, Corporate Director Resources  
Ian Allwood, Head of Finance  
Gary Jones, Head of Democratic Services  
Chris Pyke, Audit Manager  
Nicola Newton, Principal Scrutiny Officer  
Joanne Watkins, Cabinet Business Manager  
Rhian Jones, PA to Chief Executive

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 1 February 2019



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Mr Ian Arundale  
Chairperson, Audit Committee,  
Cardiff Council,  
County Hall,  
Cardiff  
CF10 4UW

Dear Ian,

**Re: Public Services Board response to Brexit**

Thank you for notifying me of the Audit Committee's interest in the Cardiff Public Services Board (CPSB) activities in respect of Brexit; and for your recognition of the Policy Review & Performance Scrutiny Committee's statutory oversight role in respect of the CPSB.

The Committee currently has consideration of the CPSB Annual Report for 2018/19 programmed for its June meeting. I note your Committee's request for assurances that work on the potential implications for the Council of a 'No Deal Brexit' continues through the CPSB. Therefore, following your correspondence of 28 January 2019, I have written to the Leader of the Council in his capacity as Chair of the Cardiff Public Services Board. I have requested sight of relevant Brexit reports or briefing papers to the Board, so that I can consider the best way forward to ensure the Committee has appropriate oversight of the Boards performance on a matter of potential impact on public services in the City.

I note your intention to ask the Chief Executive to report on Brexit preparations when we next review Risk Management arrangements at Audit Committee, I will seek to take any comments and implications from his report into the scrutiny process. Being realistic, there is little time to give Committee time to this matter, as we are due to leave the EU at the end of March and the whole process can change from day to

day. However, both committees are seeking some assurance that the SMT is undertaking appropriate preparation work for a 'no deal' scenario.

Yours sincerely,

A handwritten signature in black ink that reads "David Walker". The signature is fluid and cursive, with the first name "David" being more prominent than the last name "Walker".

**COUNCILLOR DAVID WALKER**  
**CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Christine Salter, Corporate Director Resources  
Ian Allwood, Head of Finance  
Gary Jones, Head of Democratic Services  
Chris Pyke, Audit Manager

My Ref: AuditCom.29.01.19Leeds

Date: 29 January 2019



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Councillor Kevin Ritchie  
Chairperson, Corporate Governance and Audit Committee  
Labour Group Office  
4<sup>th</sup> Floor East  
Civic Hall  
Leeds  
LS1 1UR

Dear Councillor Ritchie

### **Re. Leeds City Council, Governance and Audit Committee visit**

I would like to thank you for the warm welcome received by myself and the Audit Manager of Cardiff Council Chris Pyke, during our visit to Leeds City Council.

The opportunity to observe your Corporate Governance and Audit Committee was most valuable, and we appreciate the time taken by yourself, other Committee Members and Council Officers to engage in conversations about the delivery of your Committee's terms of reference. Please pass on our thanks to all Committee Members and the Officers we met.

We have already taken the opportunity to reflect on the good practice we observed, and the matters we discussed, as we look for ways to continually improve our own Audit Committee effectiveness.

If there are any matters that you would like to discuss or engage with in the future, please feel most welcome to get in touch.

Yours sincerely

**Ian Arundale**  
**Chairperson, Audit Committee**  
**Cardiff Council**

c.c. Members of the Audit Committee  
Christine Salter, Corporate Director Resources  
Ian Allwood, Head of Finance  
Chris Pyke, Audit Manager  
Sonya McDonald, Head of Audit

ATEBWCH I / PLEASE REPLY TO: C/O Internal Audit, Audit Manager, Room 348, County Hall, Cardiff, CF10 4UW.  
Tel: (029) 2087 3455 [cpyke@cardiff.gov.uk](mailto:cpyke@cardiff.gov.uk)

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Mae'r dudalen hon yn wag yn fwriadol



My Ref: AuditCom.01.02.19WCAG

Date: 01 February 2019



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Audit Committee Chairpersons  
Welsh Local Authorities

Dear Audit Committee Chairperson

### **Re. Audit Committee Chairperson Network**

I am the current Chairperson of the Cardiff Audit Committee. As a result of the challenging and dynamic environment we are currently operating within and the increasing importance of, and the potential increase in the responsibilities of our committees, I have been seeking ways to improve the effectiveness and relevance of my particular committee and my role as its Chair.

As part of this process, I am currently overseeing research aimed at identifying the good practice and differing approaches of some Audit Committees across Wales and England. This process has also included a number of reciprocal visits to observe other Audit Committees in action. I understand that some of you have also been carrying out similar research. Speaking personally, I have found this process to be beneficial and it has already led to us changing our approach in a number of ways.

I am aware that our respective Heads of Audit have been discussing the potential for some form of networking for Welsh Audit Chairs for some time. I have therefore taken the liberty of contacting you, as one of my Welsh colleagues, to see if there is a collective energy to start some form of communication between us. I am happy to collate and circulate your views across our number, if you consider this appropriate.

There are obviously a number of potential means through which we could engage. This could range from a simple willingness to share our contact details and to communicate from time to time via email, to establishing occasional networking events.

It may be that appropriate communication could deliver positive benefits such as :-

- The sharing of good practice
- The identification of innovative ways to effectively discharge our formal responsibilities
- The opportunity to scope current and future national and regional matters, and potential responses to these challenges
- A forum to give and seek advice between colleagues who are facing similar challenges.

- A mentoring or development opportunity for new Chairpersons.

I would be grateful if you could let me know if, in the first instance, you are prepared to share your contact details among colleagues and to receive any views you have about the utility of occasional written communication or indeed a potential networking event.

Yours sincerely



**Ian Arundale**  
**Chairperson, Audit Committee**  
**Cardiff Council**

c.c. Christine Salter, Corporate Director Resources  
Ian Allwood, Head of Finance  
Chris Pyke, Audit Manager

My Ref: AuditCom.08.02.19PSB

Date: 8 February 2019



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Councillor Huw Thomas  
Leader of the Council  
Room 525 Cardiff Council  
County Hall  
Cardiff  
CF10 4UW

Dear Councillor Thomas

### **Cardiff Council and Public Services Board response to Brexit**

I am writing as the Chairperson for Cardiff Council's Audit Committee. We are currently working to discharge our formal responsibilities in relation to gaining assurance about preparations for the various Brexit scenarios that we may shortly face. I do appreciate this is a very busy time for all of us but I am writing, at this point, to request further information and assurance on the Council's preparation and planning for all realistic Brexit scenarios.

Our Committee works in co-ordination with the Council's Scrutiny Committees. We refer issues as appropriate to seek and gain assurance on matters which are within the remit of a particular Committee, in order to avoid duplication. I fully recognise the oversight role of the Policy Review and Performance Scrutiny Committee (PRAP) in respect of the Cardiff Public Services Board, and that the Chairperson, Councillor Walker, has already requested relevant reports and briefings from you. However, as Brexit is a unique and very complex matter of potentially significant and imminent risk, on this occasion, we must request further information and assurance. This is in order to effectively discharge our role in relation to substantive matters that pose a potential risk to the services and facilities that Cardiff Council provides.

Specifically, the Audit Committee has a responsibility to consider the Council's framework of assurance and to confirm that it adequately addresses the risks and priorities of the Council, to monitor the effective development and operation of risk management and to consider if progress in addressing risk-related issues is acceptable. The Audit Committee has considered the Cabinet Report of 11th October 2018, 'Potential Implications for the Council of a 'No Deal' Brexit', in which it was resolved that 'work continue through the Cardiff Public Services Board to monitor and respond to any potential impact on public services in the city'. We have also noted your recent press release which advised of a 'Brexit Response Group' to meet regularly, prior to 29th March.

On behalf of the Audit Committee I would be grateful for :-

ATEBWCH I / PLEASE REPLY TO: C/O Internal Audit, Audit Manager, Room 345, County Hall, Cardiff, CF10 4UW.  
Tel: (029) 2087 3455 [cpyke@cardiff.gov.uk](mailto:cpyke@cardiff.gov.uk)

Tudalen 11

- Information and assurance on the preparations and contingencies currently in place, or in preparation, for all realistic Brexit scenarios and not just a 'no deal' Brexit;
- A specific update on the composition, constitution, role and progress of the 'Brexit Response Group' and any other (Brexit) related activities under the direction or control of the Leader;
- Information on the monitoring, reporting and stakeholder communication arrangements for Brexit activities under the direction or control of the Leader;
- Information on how Brexit contingency plans have been established, tested and communicated to internal and external stakeholders.

The Audit Committee is aware that a new corporate risk is currently being developed on Brexit, which senior officers have advised is due to be ratified by the Senior Management Team this month. We will monitor and review progress against this risk through our work programme as a standard agenda item, and will recommend Brexit risks are appropriately and effectively highlighted within local / departmental level risk registers and associated activities.

We have also invited the Chief Executive to attend an Audit Committee Meeting on 2<sup>nd</sup> April 2019, where through a wider report we will seek assurance, amongst other matters, on the planning and preparation for Brexit. It would be of great assistance to this committee to gain all assurances required on this particular risk through your response to this letter, in addition to the information we will receive from the pending risk management update and our forthcoming conversation with the Chief Executive.

On behalf of the Audit Committee, I would like to thank you in anticipation of a prompt and comprehensive response.

Yours sincerely



**Ian Arundale**  
**Chairperson, Audit Committee**  
**Cardiff Council**

c.c. Paul Orders, Chief Executive  
 Christine Salter, Corporate Director Resources  
 Ian Allwood, Head of Finance  
 Gareth Newell, Partnership & Community Engagement Manager  
 Gary Jones, Head of Democratic Services  
 Chris Pyke, Audit Manager  
 Nicola Newton, Principal Scrutiny Officer  
 Joanne Watkins, Cabinet Business Manager  
 Rhian Jones, PA to Chief Executive

Fy Nghyf / My Ref: CM40996  
Eich Cyf / Your Ref: AuditCom.08.02.19PSB  
Dyddiad / Date: 27th February 2019

Ian Arundale  
Chairperson,  
Audit Committee  
c/o Audit Manager  
Internal Audit  
Room 345, County Hall  
Cardiff  
CF10 4UW

Annwyl / Dear Ian,

**Re: Cardiff Council and Public Services Board response to Brexit**

Thank you for your recent letter requesting information and assurance on the Council's preparations and planning in response to the potential risks of Brexit.

With the real possibility of a 'No Deal' Brexit becoming ever more likely in recent months, you will be aware that the Council's Cabinet considered a report on 11 October 2018, which provided a comprehensive analysis of the potential consequences of a 'No Deal' Brexit on council services. Recognising that the impact of a 'No Deal' Brexit would reach across the city's public services, and that the risks facing Cardiff & Vale University Health Board and South Wales Police would also result in risks for council services, the Council has also been working proactively with partners as part of the Cardiff Public Services Board (PSB) to identify the risks flowing from Brexit and the likely required mitigations.

For example, an Extraordinary Meeting of the PSB was called immediately following the EU Referendum result in June 2016 to consider the impact that this decision presented to Cardiff. An officer task & finish group was also established at that time, including officers from PSB member organisations and the Higher Education sector in the city. A comprehensive report on the potential impact of Brexit of Cardiff was published subsequently by the PSB in March 2017. Since then, this officer group has met periodically to update the position. In February 2018, as Chair of the PSB, I requested that the officer group update the position outlined in the March 2017 report in preparation for a meeting in Brussels on 19 February 2018 with Michel Barnier, the EU's Chief Brexit Negotiator, which I attended as part of a Core Cities UK Cabinet delegation.

**GWEITHIO DROS GAERDYDD, GWEITHIO DROSOCH CHI**

Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg, Saesneg neu'n ddwyieithog. Byddwn yn cyfathrebu â chi yn ôl eich dewis, dim ond i chi roi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

**WORKING FOR CARDIFF, WORKING FOR YOU**

The Council welcomes correspondence in Welsh, English or bilingually. We will ensure that we communicate with you in the language of your choice, as long as you let us know which you prefer. Corresponding in Welsh will not lead to delay.

Following the UK Parliament's overwhelming rejection of the Prime Minister's proposed Brexit deal, I called an Extraordinary Meeting of the Cardiff PSB on 17 January 2019. The purpose of the meeting was for each PSB member to provide an update on the risks associated with a 'No Deal' Brexit from their organisation's perspective and the mitigating actions that were being taken forward.

Given the ongoing lack of clarity on the detail and timescale for decision points of the UK Government's negotiations with the EU, it was agreed that a programme of diarised meetings would not be productive. Instead, it was agreed that, as Chair, I will call a meeting as and when the national debate develops in a way that provides greater clarity on the nature and terms of Brexit and how public services in Cardiff should best respond.

Allied to this, it was agreed that the Chief Executive would chair fortnightly meetings of a new Brexit Response Group from January 2019 onwards, the core membership of which would include senior managers responsible for social services, transport, regulatory services, economic development, emergency management, community cohesion and communications. Officers from PSB member organisations are also invited to attend all meetings or present any issues as and when they arise.

A briefing note on the EU Citizen Settlement Scheme was circulated to Councillors immediately following the PSB meeting on 17 January 2019. A further briefing paper was provided to Councillors on 20 February 2019 regarding preparations for the launch of the EU Settlement Scheme towards the end of March 2019. This included general information regarding the scheme, application process and the support that will be available to support Cardiff residents. Information regarding an ongoing pilot of the EU Settlement Scheme was also included as an appendix. In addition, an Information Hub relating to the EU Settlement Scheme has also been provided on the Council's website. I have also asked council officers to provide a briefing session for Councillors on the EU Settlement Scheme and related arrangements, which is taking place on 4 March 2019. This information has also been shared with PSB members and with other local authorities in the Cardiff Capital Region.

You will be aware that directorates have business continuity plans in place that will be put into action in the event of any unforeseen events such as civil unrest/emergencies or supplier risk, which could impact on both the city and the ability of the Council to deliver public services. Whilst these contingency plans have not been developed as a reaction to Brexit, directors have been reviewing their business continuity plans to ensure that they remain appropriate and will continue to monitor them as events unfold over the forthcoming period. The responsibility for ensuring the continued appropriateness and relevance of the business continuity arrangements lies with the relevant members of the Council's Senior Management Team. Any amendments to the business continuity plans will have been communicated to those stakeholders who would be most affected.

The Council's Emergency Management Unit is fully engaged with the above activity and is working with national and regional leads from the Welsh Government and Emergency Services to manage communications on negative activity linked to a 'No Deal' Brexit through the Civil Contingencies Command and Control structures. As you are aware, a corporate risk in respect of Brexit has also been added to the Corporate Risk Register for 2018/19. This risk will be regularly monitored and tested against the respective business continuity plans and directorate-specific risks that have been identified.

The Welsh Local Government Association (WLGA) has confirmed that Cardiff Council is 'ahead of the game' in many ways in terms of Brexit preparations, having already undertaken a detailed assessment, which was reported to Cabinet in October 2018, and by ensuring a co-ordinated approach for the city through the PSB. The WLGA also recognises that Cardiff will face some unique and greater challenges when compared to other local authorities in Wales, especially in relation to the numbers of non-UK EU citizens in the city and managing any related civil contingency and community cohesion issues. Cardiff is therefore working closely with the WLGA to feed local intelligence into work to build a picture of Brexit readiness and contingency planning across the whole of Wales, which will support the WLGA's national level work with Welsh Government and UK-level work with the UK Government, as well as the other local government associations in England, Scotland and Northern Ireland. To that end, the Chief Executive represents South East Wales on the Welsh Government / Local Government EU Preparedness Advisory Panel.

The Wales Audit Office has acknowledged in a report published earlier this month that "*most public bodies across Wales are clearly taking their 'no-deal' Brexit planning seriously.*" The Auditor General for Wales has indicated that he would like to see a further strengthening of scrutiny by councillors in local government of this subject and I am pleased that this is happening through the work of both your committee and the Policy Review and Performance Scrutiny Committee.

I have written, in my role as Chair of the Cardiff PSB, in reply to a similar recent letter from the Chair of the Policy Review and Performance Scrutiny Committee on this matter and enclosed a number of supporting documents. I will also provide this information to the Council's Audit Manager in order to assist the Audit Committee in its current work.

Yn gywir,  
Yours sincerely,



**CYNGHORYDD / COUNCILLOR HUW THOMAS**  
**ARWEINYDD / LEADER**  
**CYNGOR CAERDYDD / CARDIFF COUNCIL**

