

#### **PAPURAU ATODOL**

Pwyllgor PWYLLGOR ARCHWILIO

Dyddiad ac amser

y cyfarfod

DYDD MAWRTH, 2 EBRILL 2019, 2.00 PM

Lleoliad YSTAFELL BWYLLGORA 4 - NEUADD Y SIR

Aelodaeth Cynghorydd Ian Arundale (Cadeirydd)

YCynghorwyr Bale, Cunnah, Goddard, Howells, McGarry, Singh, Walker

a/ac Williams

5. Materion Gweithredu - Prif Weithredwr a Chyflwyniadau Cyfarwyddwyr

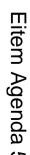
#### **Davina Fiore**

Cyfarwyddwr Llywodraethu a Gwasanaethau Cyfreithiol

Dyddiadd: Dydd Mercher, 27 Mawrth 2019

Cyswllt: Graham Porter, 02920 873401, g.porter@caerdydd.gov.uk









## **Audit Committee**

2 April 2019

## **Council Internal Control Environment**



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## **Audit Committee Update**





### 1. Risk Management Update

- I will reference targeted risk reductions
- I will predominantly focus on Brexit
- I have provided budget monitoring information in the covering report, as requested. I do not intend to cover the detail (unless there is particular interest)

### 2. Governance Update

- Committee considered the mid year SMAS responses in January 2019.
- I do not intend to cover the detail (unless there is particular interest)

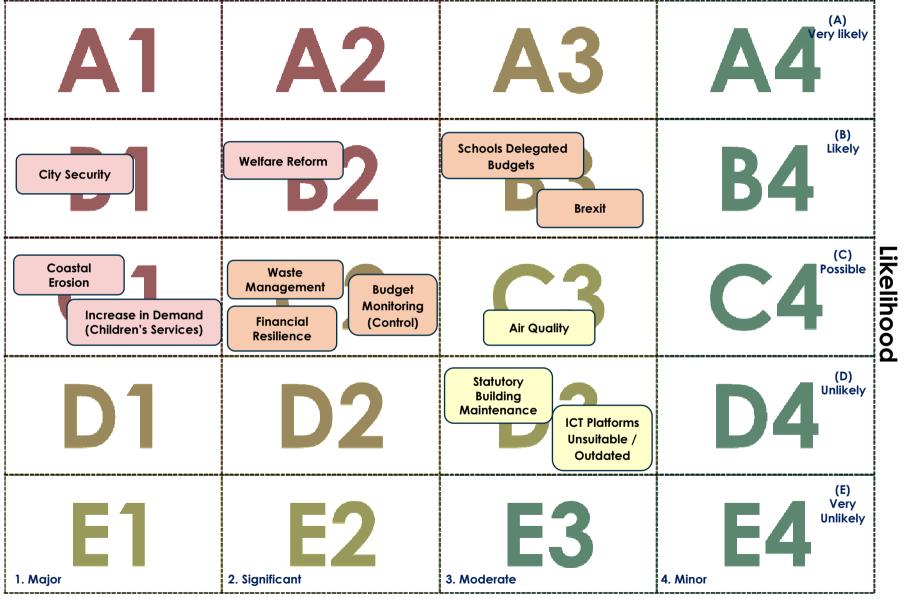
  Details included in covering report.

### 3. Internal Audit Assurance

- Effective relationships and arrangements are in place
- I do not intend to cover the detail (unless there is particular interest)

  Details included in covering report.

## **Target Ratings** – 'High / Red' Corporate Risks



**Impact** 

## **Corporate Risk Mitigation**





- Good level of risk oversight and mitigation
- Corporate grip on identified risks
- Some risks are more challenging to mitigate further

#### **City Security**

- Current UK threat level is 'severe'
- Home Office / Police lead
- Council focus on investment in the city's infrastructure

#### **Welfare Reform**

- DWP lead
- Universal Credit rolled out
- Council focus on managing the impact on citizens

### **Increase in Demand (Children's Services)**

- New strategies and projects are being rolled out
- Continued focus on recruitment and retention of children's social workers.

#### **Coastal Erosion**

 Detailed design works underway for Rover Way to Lamby Way coastal defence scheme, ready for construction from 2020.

### **Brexit Overview**





- Co-ordinated Corporate & Partnership Approach
- Programme of Work initiated immediately after EU Referendum
  - PSB Brexit Sub-Group established 28 June 2016
  - 'Implications of No Deal' Cabinet Report Oct 2018
- First Order Priority: Understand risk to service delivery
- Corporate grip of risks, with mitigations in place
- Operational Readiness



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### **Potential Brexit Scenarios**





- Short extension granted by EU until 22<sup>nd</sup> May 2019, conditional on Parliament approving Prime Minister's deal.
- If not, shorter extension until the 12<sup>th</sup> April 2019.
- A longer extension could be agreed, but will require European elections on 23<sup>rd</sup> May 2019.
- Despite Parliament agreeing a motion to reject a 'no deal' Brexit, numerous ways in which a 'no deal' outcome may still arise
- No Deal Brexit represents the greatest disruption to the current "steady state".

## **Planning and Preparation**





- Cabinet Report October 2018
  - -Risks and opportunities identified
  - -Planning arrangements are in place
  - -Cardiff "Ahead of the Game" (WLGA)
- Extraordinary Meeting of PSB January 2019
- Fortnightly Operational Meeting- CEX Chair with PSB Partners as appropriate
- Local Government (EU) Preparedness Advisory Panel
- Co-ordination group within the Welsh Government



# **Civil Contingencies and Business Continuity**





- Escalation to contingency planning and emergency management arrangements.
- Identified Lead Officers in each Directorate to coordinate Brexit Response
- Directorates have:
  - Reviewed Brexit Risks
  - Engaged with **Suppliers and Supply chains**
  - Provided assurance that all known risks have been considered
     / appropriate mitigation is in place
- Operation Yellow Hammer: Cardiff participating in the National Command, Control and Communication arrangements

# Managing & Mitigating identified Risk - Examples





#### School Meals:

 Supplier established reserves, Council supported additional storage space for stock and substitute goods identified (fresh fruit/tinned fruit)

#### Meals on Wheels:

- Primary supplier provided clients with detailed audit of business resilience with assurance document outlining disruption arrangements
- Joint equipment service (e.g. essential goods for vulnerable people/ medical adaptions)
  - Risk for 'consumable products' but stockpile arrangements undertaken by Health Service
  - Assured access to a number of weeks worth of additional stocks

#### Food Waste Bags:

- European supply chain, however assured provision from alternative contactor (UK based) within identified time period
- Fuel: Assurance received of sufficient reserves (UK). Council has own stockpiled reserves with good resilience planning. Risk is panic buying.
- Daily Situation Report: Lead officer report any issue which may impact service delivery with several levels of control (Council- Regional-Wales-UK)

## **Community Cohesion**





- Council released a cross-party statement following Referendum restating values
- Leader released statements assuring all EU citizens that Cardiff remains open, outward looking city.
- No significant Brexit-related tensions / changes to hate crime levels .
- Tension Monitoring: Cardiff's Community Cohesion Co-ordinator & All-Wales Hate Crime and Criminal Justice Board
- Council and South Wales Police regularly share intelligence through the tension monitoring protocol- Best Practice Approach

### **Citizen Settlement Scheme**





- Information Hub on Settlement Scheme on Council's website
- Briefings provided to front line staff
- Digital facilities available in Libraries
- Member Briefing Session & Regular Updates



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## **Business Support**





- Preparation for post-Brexit trade and investment landscape
- Economic Development engaged with Business Wales and Welsh Government
- Brexit portal and a business diagnostic tool available.
- Brexit Resilience Fund promoted to businesses
- Work with Business Wales to promote and convene series of seminars and briefings:
  - Recent events at Cardiff Airport on 4<sup>th</sup> March 2019
  - Seminar due to be held in Cardiff city centre to provide updated information on Brexit to local businesses.

## **Member Engagement and Support**





- EU Settlement Scheme Briefing- 20<sup>th</sup> February 2019
- All Members Session on the EU Settlement Scheme- 4<sup>th</sup> March 2019.
- Leader written update to Audit Committee and PRAP- 5th March 2019
- Further immigration advice to all Members-19th March 2019
- Detailed update on Brexit Planning and Preparations- 22 March 2019



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## **Summary**





- Risk and Opportunities Identified
- Local and National Response Infrastructure in Place
- Recognition of "Unknown Unknowns"
  - Over 45 years of Legislation and Regulations in play
  - Implications for every aspect of Service Delivery / Economy
- Cardiff's local analysis indicate Continuity of Core Business and no local Brexit-related tensions.
- Cardiff has received no correspondence from Government to indicate cause for alarm
- Post Brexit Landscape will inevitably require change and adaption



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## **Waste Management Update**

Report of Director Planning, Transport & Environment

Audit Committee: 2<sup>nd</sup> April 2019

Agenda Item: 5.2



## **Contents**

- Key issues / Challenges
- Waste internal review
  - i. Risk Management
  - ii. Assurance
  - iii. Control Environment
- Working with Corporate Resources
- Key Actions







# Key issues / Challenges

## 1. Highly complex range of services / processes

- Management of waste flow from source to end complex
- Impact from markets selling /disposing waste
- Requirement for Agency to cover sickness and annual leave in collections, material recycling facility and recycling centres.

## 2. High proportion of PTE revenue budget

 Net Revenue budget of £18.165M or 42% of total Directorate budget of £43.444M

## 3. Fraud investigation

## 4. Evidenced deficit in control and assurance

 Limited historical evidence of audit / management actions or working with Corporate Resources







# Current Directorate planning & review process

- Directorate Delivery Plan
- Risk Registers and risk review meetings
- Quarterly Performance Reports
- Directorate Management Team & other supporting meetings
- Aligned project database (Capital Ambition Delivery Team)
- Internal audits and external Quality Assurance audits







# Waste Internal Review Risk Management

- Crucial to create strong and proactive risk management process
- Identified lead Officer(s) to own and manage the risk on behalf of the Directorate
- Strengthen Officer Corporate engagement on risks to support discussions and controls
- Engagement with audit on areas of concern
- Regular monitoring, assessment and closing of risks







## **Waste Internal Review**

## Service Assurance – business as usual

- Service efficiency and effectiveness
  - Commence Fundamental Service Reviews on key areas
  - Development of Data Sets on service quality and performance
- Data confidence (Stores / Gatehouse / Bartec)
- Processes designed to support service delivery whilst ensuring adequate control
- Investment in change projects including updating and delivery of new digital systems
- Physical security
- Health and Safety improvement programme





# Waste Internal Review Control Environment

- Cleansing of financial budgets / data
- Improving financial monitoring and responsibility for controlling budgets
- Control of assets
- External accreditations BSI ISO 9001:2015 working towards PAS 402:2013 (specification for increasing recycling)
- Management, monitoring and closing of actions relating to audits







# **Working with Corporate Resources Audit**

Consultation Engagements	Assurance Engagements
Commercial Waste Recycling Centre	Lamby Way Stores
Weighbridge system	Income and banking control procedures (Lamby Way)
	Acting up payments and overtime in Lamby Way







# Working with Corporate Resources Finance & Procurement

- Aligned work with finance on:
  - Setting budgets services, waste disposal, resourcing
  - Finance Officers included in all change projects
  - Restructures financial reviews of any changes
- Aligned work with procurement on:
  - Review of all contracts in waste: Waste procurement tracker
  - Delivery of new Capital projects / digital systems







# **Key Actions**

- Continue and complete actions on risk, assurance and controls – Improving Governance
- Waste Management Contracts (expenditure and income)
- Monitoring and closing of management actions from audit working with auditors
- Continue with the delivery digital systems improve effective and efficient working by removing waste.







# **Questions / Discussion**







Mae'r dudalen hon yn wag yn fwriadol