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AGENDA

Committee	GOVERNANCE AND AUDIT COMMITTEE
Date and Time of Meeting	TUESDAY, 7 DECEMBER 2021, 2.00 PM
Venue	REMOTE VIA MS TEAMS
Membership	Independent Members: Hugh Thomas (Chairperson) Gavin McArthur, David Price, Janet Wademan
	Councillors Cowan, Cunnah, Goodway, Howells, K Jones, Simmons, Singh and Williams

*Time
approx.*

1 Apologies for Absence

To receive apologies for absence.

2 Declarations of Interest

To be made at the start of the agenda item in question, in accordance with the Members' Code of Conduct.

3 Governance, Internal Control, and Risk Management within Waste Management (Pages 1 - 38) 2.05 pm

Neil Hanratty, Director of Economic Development

4 Urgent Items (if any)

5 Date of next meeting

The next meeting is scheduled for 25 January 2022

Davina Fiore

Director Governance & Legal Services

Date: Wednesday, 1 December 2021

Contact: Graham Porter, 02920 873401, g.porter@cardiff.gov.uk

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**GOVERNANCE & AUDIT COMMITTEE: 7 DECEMBER 2021**

**GOVERNANCE, INTERNAL CONTROL AND RISK MANAGEMENT WITHIN
WASTE MANAGEMENT****REPORT OF THE DIRECTOR, ECONOMIC DEVELOPMENT AGENDA ITEM: 3**

Reason for this Report

1. This report has been produced in response to the Governance and Audit Committee's request for an update on governance, internal control and risk management within Waste Management.
2. The Governance and Audit Committee has requested this update in respect of its role to:
 - Monitor progress in addressing risk-related issues reported to the committee.
 - Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
 - Consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
 - Review the assessment of fraud risks and potential harm to the council from fraud and corruption.

Background

3. The Governance and Audit Committee has maintained an interest in the internal control environment in Waste Management, which for a number of years received lower levels of audit assurance than other Council areas. The service has also been subject to investigations relating to matters of financial impropriety for which the Committee has received relevant confidential briefings.
4. Waste Management is working closely with the Audit team, to target difficult issues and provide more assurance in this area.
5. The Governance and Audit Committee has received regular information and updates. Most recently:
 - A meeting in March 2021 to discuss the control environment across the Economic Development Directorate, including Waste Management.
 - A response on the implementation of Internal Audit recommendations was provided to the Committee Chairperson in March 2021.

- In June 2021 the Audit Manager provided the Committee with a confidential briefing containing summary details and disciplinary outcomes of a largescale investigation which commenced in 2017. The briefing mapped out how assurance was sought in key associated systems of control in the following three financial years through a programme of targeted audits. This assurance work led to one further investigation for which relevant details were provided in the briefing. An updated position showing the management response to internal audit is provided within this report.
6. It has been agreed that in respect of the aforementioned largescale investigation that at the appropriate time, an independent Post Investigation Review will be undertaken, for which the Governance and Audit Committee will be informed of the terms of reference and approach.
 7. The following paragraphs describe the governance, internal control and risk management arrangements in place for the information of the Committee to support discussion and assurance relative to its terms of reference.

Issues

(a) Governance

Governance Arrangements

8. The Directorate has a number of arrangements in place to support good governance. Objectives are set out in the Corporate Plan, and performance is reported through the Council's performance management framework. There is a Directorate Delivery Plan which is reviewed and updated on a quarterly basis by senior managers, and discussed at the ED & RNS management team meeting. The Directorate Delivery Plan helps to inform the team plan, and vice versa. Team managers are consulted as part of the team planning process. The team plan is then cascaded via team plans and Personal Reviews, to ensure that managers and supervisors have clear roles and responsibilities.
9. In addition, systems of internal control are in place which provide an appropriate balance of preventative controls and system access. Access is aligned with separation of duties to enable methods of detection in the event of fraud, error or performance changes. Details of the independent assurance on this layer of governance can be found within Section b – 'Internal Control'.
10. We have a training and compliance team who provide and oversee training of frontline staff, ensuring that they are familiar with relevant safe systems of work and risk assessments. The team also oversees a training database to monitor compliance in relation to essential training such as Manual Handling, Fork Lift training, Driver CPC, First Aid Training, Fire Warden Training, and so on. The database is regularly reviewed and refresher training arranged as required.
11. Furthermore, frontline staff are overseen by supervisors who use an increasing amount of data and technology in delivering their role for assurance on efficiency, compliance and control. For example, Supervisors use Bartec to monitor round completion, and also now check tip weights daily. An additional layer of governance is provided by managers who undertake spot checks to ensure tonnages are as should be expected. Information and assurance from supervisors cascades and is reported up to senior management for their oversight. Where anomalies are identified, these are immediately drawn to the attention of Operational Managers who have mechanisms in place to deal with the matter robustly.

12. A further example of the use of technology, is the use of papertrail to log health and safety and site inspections. Through supervisors logging their inspections on papertrail, managers can monitor compliance of their teams in real time, and immediately take steps to tackle poor compliance.
13. As a result of lessons learned from previous audits and arising issues, regular meetings take place between operational managers and finance to monitor trends and investigate anomalies in relation to waste collection and disposal, ensuring we have multiple layers of governance in place.
14. Both the tonnage/finance information and papertrail compliance data are shared at Operational Improvement Meetings/Business Improvement Meetings, again ensuring an additional layer of oversight for compliance.
15. Operational Improvement Meetings (OIM's) take place bi-monthly. These ensure oversight of operations at a managerial level, and ensure all teams are working together. The OIM's have been strengthened over the past two years through inclusion of contract management and papertrail compliance. The agenda is as follows:
 - Collections Update
 - Bartec Contract Update
 - Trade Update
 - Neighbourhood Services Update
 - Waste Strategy Update
 - HWRC's/WTS/MRF Updates
 - Disposal Contracts Update
 - Business Support/Finance Update
 - Papertrail Compliance
 - AOB
16. Business Improvement Meetings (BIM's) also take place on a bi-monthly basis, on the opposite month to OIM's. These are attended by all senior managers in the service to consider the following:
 - Finance
 - Sickness
 - H&S Action Plan
 - Directorate Delivery Plan
 - Risk Register
 - Training/Personal Reviews
 - Audits
 - Strategy/Recycling Performance
 - Correspondence
 - AOB
17. BIM's have also been strengthened over the past two years, to ensure that data is shared and analysed to identify high risk areas, and enable us to target resources more effectively. A finance officer also now attends the meeting to provide an update on finance and tonnages. Through analysing spend and trends in these areas, there is far greater oversight in relation to potential anomalies. This in turn means that such issues are identified and rectified promptly.

18. Through these formal meetings, information is cascaded from the top down and the bottom up. Issues raised at the BIM/OIM can be escalated to the ED & RNS meetings and vice versa.
19. To support the management team meetings and ensure relevant data is presented and reviewed, the department has a Compliance Officer. The Compliance Officer provides data to senior managers to help track actions and performance between meetings. Areas monitored include Personal Reviews, sickness and training. This is essential in ensuring that all staff attend core modules and are aware of their roles and responsibilities in relation to finance and audit.
20. The Environmental Scrutiny Committee plays an important role in assessing service performance and informing service policy development across a range of Council services, including all aspects of waste management. On 23rd February 2021 the Committee considered savings proposals and delivery plans for the service, at which they were able to question officers and provide an independent challenge to proposals. Performance aspects for Waste Collections are again being considered by Environmental Scrutiny on 7th December – following the Governance and Audit Committee Meeting - thus providing an additional level of governance and assurance.

Governance Assurance

21. New directorate management arrangements were introduced at the end of 2019/20 when RNS moved to the Economic Development Directorate. Whilst the Assistant Director is currently absent, responsibilities have been reallocated to the Head of Service and the OM for Business, Policy and Performance to ensure Business Continuity.
22. A new schedule of cross directorate monthly management team meetings was introduced at the end of 2019/20, attended by the Director, Assistant Directors and all OMs. These meetings provide further assurance and ensure responsiveness to issues arising.
23. In addition to the above, the BIM agenda was refreshed to focus on key service issues and ensure actions were identified and addressed in a timely manner. As a result of close working between the Senior Management Team the following key service issues have been identified over 2020/21:
 - Implementation of the 4 day working week for waste collections – rolled out in February 2021 to address productivity and customer service issues.
 - Managing sickness absence levels – improvements have been made in the management of long term sickness absence cases, with regular case management meetings and sharing of data, including regular meetings scrutinised by the Chief Executive.
 - Developing a new Recycling Strategy – a report will be presented to Cabinet in Q3, outlining how the service will improve recycling performance to meet the statutory targets.
 - Improving corporate compliance. In March 2021 the directorate reported to the Governance and Audit Committee that 35 recommendations were completed out of a total of 80; the current position is 67 completed recommendations against a total of 82 issued (see table 2 in this report).

24. All RNS Operational Managers actively engage in the completion of the bi-annual Senior Management Assurance Statements (SMAS). Assurance statements are reviewed individually by management team and a rating allocated along with examples of evidence to support the rating provided. Where ratings are below a strong implementation, managers have identified actions to be progressed to raise the rating which are monitored at RNS BIM meetings as an agenda item.
25. Overall, there is a strong / embedded application of governance and control. A comparison of the ratings with the previous SMAS shows there have been some improvements in the mid year position in the Risk Management, Programme and Projects, Budget and Performance categories, as shown below:

<u>SMAS Category</u>	<u>2021/22 Mid Year Category Score</u>	<u>Comparison with previous year</u>
1: Risk Management	5	↑
2: Future Generations Act (FGA)	4	n/a
3: Compliance	3	↓
4: Programme and Project	5	↑
5: Budget	5	↑
6: Planning and Decisions	4	↔
7: Internal Control	4	↔
8: Fraud	4	↔
9: Performance	5	↑

Note: There were several new statements in the FGA category which makes this category difficult to compare with the previous SMAS.

The following action plan has been identified to improve category ratings and will be monitored at the RNS BIM:

<u>SMAS Category</u>	<u>Improvement Action</u>	<u>Responsible Officer</u>	<u>Completion Target Date</u>
2: FGA	Consider each statement in the FGA category and provide examples to be shared at BiM	RNS Management Team	March 2022
3: Compliance	Continue to work with Natural Resources Wales (NRW) and contractors to identify the root cause of the issue and implement a programme of works to bring the landfill site back into compliance	Graham Harris	March 2022

<u>SMAS Category</u>	<u>Improvement Action</u>	<u>Responsible Officer</u>	<u>Completion Target Date</u>
4: Programme and Project	Programme Board set up to support change relating to Recycling Strategy and action to improve recycling performance. A digital projects teams has been introduced following the recent restructure and programme of projects to digitalise the service is being developed.	Matt Wakelam	January 2022
6: Planning and Decisions	Further consideration is required on some objectives in the Corporate / Directorate Delivery Plan in terms of sustainability of services and Future Generations needs.	Matt Wakelam, Graham Harries, Claire Cutforth	March 2022
9: Performance	Team plans are in place across the service but some teams need further support to develop objectives and have strong application down to individual members of the team.	RNS Management Team	March 2022

26. Specifically within Waste, areas with high levels of assurance include Risk Management (see also the 'Risk Management' section below), Performance Measurement and Management, and Budget Management. The latter is facilitated by the embedding of finance within the management team through the regular meetings mentioned above, including the expansion to tonnage data reviews.
27. Compliance with Policies, Rules, Legal and Regulatory Requirements was identified as an area for improvement. Whilst many measures have been introduced to more closely manage and monitor compliance, an emerging issue has impacted performance in this area. As such, rather than there being a deterioration in compliance, there is actually better management information which has led to us identifying non-compliance. The particular issue in question relates to landfill permit compliance. The issue was highlighted as a result of concerns raised around Leachate leakage. However, our ability to identify and respond was strengthened by the following measures that we had already introduced as a result of lessons learned to increase compliance:
- a. Embedding licensing and permitting compliance within the role of Depot Manager, and ensuring permits are added as an agenda item in management meetings.
 - b. Ensuring there is visibility in relation to compliance, as well as potential escalation points, through presenting relevant compliance data at the monthly RNS Directorate level meetings.
 - c. Ensuring we develop our knowledge base within the service area relating to landfill aftercare by supporting relevant officers in obtaining industry related qualifications for managing landfill.

Table 1: Waste Mid Year SMAS Report 2021/22

Assurance Categories and Statements	1. Not in place	2. Limited Application	3. Mixed Application	4. Strong Application	5. Embedded	2020/21 Year End Level	2021/22 Mid Year Level	2020/21 scores compared with 2020/21 Mid Year	
	No evidence of effective delivery.	Some evidence of application, but the effectiveness of delivery is limited.	Mixed evidence of effective application, with some good evidence and some gaps in application or evidence.	Clear evidence of effective application throughout the directorate on a consistent basis and, where applicable, through all collaborations and partnerships.	Clear evidence of effective application embedded into all operations and consistently applied throughout the directorate and, where applicable, through all collaborations and partnerships.				
Assurance Category 1: Risk Management						4	5	↑	
1. Complete and Timely Risk Identification									
Matt Wakelam				✓		NRS	4	5	↑
2. Integrated Risk Assessments									
Matt Wakelam				✓		NRS	4	5	↑
3. Risk Review									
Matt Wakelam				✓		NRS	5	5	↔
4. Directorate Risk Response									
Matt Wakelam				✓		NRS	5	5	↔
5. Corporate Risk Management									
Matt Wakelam				✓		NRS	4	5	↑
Assurance Category 2: Compliance with the Future Generations Act: Positive Indicators of the Five Ways of Working							4	N/A	
6. Understand current and future demand pressures									New
Matt Wakelam				✓		NRS		4	
7. Preventative actions									New
Matt Wakelam				✓		NRS		4	
8. Cross working									New
Matt Wakelam				✓		NRS		4	
9. Robust governance									
Matt Wakelam				✓		NRS	4	4	↔
10. Timely and complete reports									
Matt Wakelam				✓		NRS	4	5	↑
11. Decisions about changes									New
Matt Wakelam				✓		NRS		4	
12. Views of stakeholders									New
Matt Wakelam				✓				4	
Assurance Category 3: Compliance with Policies, Rules Legal and Regulatory Requirements						4	3	↓	
13. Compliance									
Matt Wakelam			✓			NRS	4	3	↓
14. Compliance Improvement									
Matt Wakelam				✓		NRS	4	4	↔
Assurance Category 4: Programme and Project Assurance						3	5	↑	
15. Programme and Project Initiation									
Matt Wakelam				✓		NRS	4	5	↑
16. Programme and Project Compliance									New
Matt Wakelam				✓		NRS		4	
17. Programme and Project Monitoring and Reporting									
Matt Wakelam				✓		NRS	3	5	↑

Assurance Category 5: Budget Monitoring							4	5	↑				
18. Budget Delivery													
Matt Wakelam									✓	NRS	4	5	↑
19. Savings / Income Target Delivery													
Matt Wakelam									✓	NRS	4	5	↑
Assurance Category 6: Planning and Decision Making							4	4	↔				
20. Business Planning													
Matt Wakelam									✓	NRS	4	4	↔
21. Business Cases													
Matt Wakelam									✓	NRS	4	4	↔
Assurance Category 7: Internal Control Environment							4	4	↔				
22. Internal Controls													
Matt Wakelam									✓	NRS	4	4	↔
24. Accountability													
Matt Wakelam									✓	NRS	4	4	↔
25. Safeguarding Assets													
Matt Wakelam									✓	NRS	3	4	↑
Assurance Category 8: Fraud & Financial Impropriety							4	4	↔				
26. Fraud Prevention and Detection													
Matt Wakelam									✓	NRS	5	5	
27. Fraud Prevention and Detection													
Matt Wakelam									✓	NRS	4	4	
Assurance Category 9: Performance Measurement & Management							4	5	↑				
28. Performance Measurement and Management													
Matt Wakelam									✓	NRS	4	5	↑
29. Performance Reviews													
Matt Wakelam									✓	NRS	3	5	↑

28. Although issues relating to the landfill operation were raised by NRW, concerns regarding compliance were already identified and being investigated as a result of the recent management restructure and the reallocation of roles and responsibilities. This demonstrates that whilst there have been areas of non-compliance within the service area, these are being identified and addressed through the layers of governance and assurance now in place (See the 'Management Assurance' section below).

29. In addition, recent events demonstrate how not only a process, but also escalation points are in place to enable these matters to be highlighted at the relevant level within the directorate.

(b) Internal Control

Management Assurance

30. Over the past 2 years, the service has undertaken a coordinated approach to assurance. Working together with internal audit and other partners, the service has targetted a number of problem areas. The service has also refined and enhanced it's management controls. Measures include:
- a) Restructuring the management team, with new Operational Managers, clearer roles, responsibilities and accountabilities.
 - b) Refocussed BIM Meetings to effectively develop and use data to monitor performance and effectiveness.
 - c) Refined Operational Improvement Meetings (OIM's) to monitor effectiveness and efficiency of operations, employment of resources and compliance with plans and targets.
 - d) Enhanced finance meetings to monitor tonnages as well as financial information.
 - e) A newly appointed Weighbridge Data Supervisor also monitors waste trends and reports this data to senior managers on a weekly basis to ensure spikes in tonnage are identified and addressed quickly.
 - f) Consolidation of Asset Registers into one central database for the Service to ensure a consistent, coordinated approach to the safeguarding of assets. Furthermore, all requests for mobile phones have now been centralised to help prevent asset loss.
 - g) Contract review meetings take place on a 6 weekly basis to monitor contract compliance. Alongside this there is a contract management database and contract management reports are produced and circulated to ensure quarterly reviews are taking place as required.
 - h) Working with the Waste Management Industry Training and Advisory Board (WAMITAB) to ensure managers are Technically Competent and fully aware of their roles and responsibilities.
31. Several of these controls are discussed throughout the report to demonstrate their role in reinforcing and controlling the environment. It is worth noting however, that the restructure of the management team has been a significant development which overarches several of the measures introduced. Through redefining roles and accountabilities, issues have been identified that were previously overlooked and unaccounted for. By having the right people in the right posts, we are now in a much stronger position than before to take positive action to address issues, but also to ensure greater governance and control moving forwards.

Internal Audit Assurance

32. Waste Management Reports and recommendations are considered at the ED & RNS Management Team meetings. A table of audit actions has been created and is tracked both during the meetings and in between meetings. Actions are allocated, and followed up via subsequent meetings.
33. Tables 2 provides a summary of the audit programme since 2019/20 and the implementation status for each audit.

Table 2: Internal Audit Assurance

Audit	Report Status	Assurance Rating	Outstanding Actions	Completed Actions	Total Actions	Implementation Status
2021/22						
Waste Collections	Final	Insufficient with major improvement needed	2	0	2	Due 31.12.21 and 31.3.22
2020/21						
Recycling Centres	Final	Insufficient with major improvement needed	0	4	4	Completed
Follow-up – flytipping	Final	Insufficient with major improvement needed	1	12	13	1 due on 31.12.21
Follow-up – contracts in Waste Management	Final	Effective with opportunity for improvement	1	8	9	1 due on 01.02.22
Gatehouse	Final	Insufficient with major improvement needed	1	6	7	1 action date extended to 31.03.22
Trolleys	Final	Effective with opportunity for improvement	0	3	3	Completed
Asset management – Waste	Final	Insufficient with major improvement needed	2	2	4	2 due on 31.03.22
2019/20						
Follow-up – Lamby Way stores (2019/20)	Final	Effective with opportunity for improvement	5	3	8	5 due 31.12.21
Waste Management Health and safety	Final	Insufficient with major improvement needed	1	4	5	1 due on 31.03.22
Fly Tipping	Final	Unsatisfactory	1*	16	17	1 due on 31.12.21 (carried forward in follow up audit in 2020/21)
Bulky Waste Collection	Final	Effective with opportunity for improvement	0	5	5	Completed
Stock take observation - Lamby Way	Final	Effective with opportunity for improvement	1*	4	5	1 due 31.12.21

*These actions are also included in the follow up audit, and should not be included in the total number of outstanding actions, as they are shown twice within the table.

34. Firstly, it is important to note, that over the past 2 years, the Service has taken a substantial number of corrective actions. The waste management team is working closely with audit and have developed a constructive relationship to ensure improvement, but also to embed good governance and control.
35. A number of the audits have been undertaken at the services request in order to pro-actively identify any issues within areas of high risk. For example, the trolleys and the fly-tipping audit were requested to ensure adequate controls were in place.
36. Table 2 shows that, out of the 12 audits listed, 67 of the 82 agreed actions are completed. There are 13 outstanding audit actions. Of the outstanding actions they are all within agreed timescales.
37. The majority of actions relate to the Lamby Way Stores Follow-Up audit, and the Contracts Management Audit. Details of progress relating to the 11 outstanding actions from previous years can be found in Table 3 below. The 2 other outstanding actions relate to the recent Waste Collections Audit. Management actions have recently been agreed in relation to the audit report, and implementation is already underway.

Table 3: Longstanding Audit Recommendations

Audit	Report Status	Assurance Rating	Outstanding Actions	Completed Actions	Total Actions	Implementation Status
Recycling and Neighbourhood Services (RNS) / Waste						
Health & Safety	1 action remains open regarding compliance reporting.					
	<ul style="list-style-type: none"> Management must consider how to ensure that the Papertrail system can be relied upon to provide robust and accurate exception reporting data for management to address Health and Safety Compliance. A format has been agreed for this compliance report, budget has been approved and the report is expected to be implemented by the end of March 2022. 					
Follow-Up Flytipping	1 action remains open from the follow up flytipping report.					
	<ul style="list-style-type: none"> To review all processes and guidance for enforcement activities, including fly tipping to ensure they are complete. This recommendation is on track for completion by the end of December 2021. 					
Follow up Lamby Way Stores	5 actions remain open for this audit. The newly created Stores Supervisor post was recruited to at the beginning of this financial year. The supervisor is working closely with management and finance to deliver on the remaining 5 outstanding actions by the end of December 2021.					
	<ul style="list-style-type: none"> Management may wish to consider making use of all available administrative warehouse stores staff to undertake goods receipting. This action is progressing well and is on track for completion at the end of December 2021. Management must ensure that stock levels are monitored to identify slow moving stock. Mechanisms have been put into place and this action is being monitored before the due completion date of December 2021. Non stock items must be recorded in an inventory – An inventory has been implemented for non stock items and the evidence is being gathered for completion by the end of December 2021. Anomalies as a result of stock counts must be rectified promptly – The Stores Supervisor and Senior Finance Officer are working together to ensure that anomalies are rectified promptly. The evidence for this action will be prepared in readiness for the action date of the end of December 2021. 					

	<ul style="list-style-type: none"> • A process should be formalised for periodic reporting to supervisors on the issue of PPE – Following meetings with OM's and Finance, the Stores Supervisor is preparing a monthly report for management highlighting PPE issues for both agency and permanent staff. Again, this action will be ready for completion by the end of December 2021.
Contracts in Waste Management	<p>*Follow up audit finalised in May 2021 – 1 action remains open regarding risk assessments for higher value contracts with a review date of 01.02.22.</p> <ul style="list-style-type: none"> • For Procurements with an estimated value in excess of £25,000 for goods and services and £75,000 for works, the Senior Officers shall carry out a risk assessment (proportionate to the nature and value of the proposed contracts) following the Risk Assessment template. Corporately, steps are being taken to amend the pro-forma of the Contract Management Plans to make them fit for purpose in terms of fully capturing a proportionate Risk Assessment, to include risk management and mitigation. In the interim, when the threshold is met, officers will follow the contract standing order and procurement rules and ensure plans and risk assessments are produced at the outset of all procurement processes and updated throughout.
Gatehouse	<p>*1 ongoing recommendation relating to the procurement of a new weighbridge software to address an audit trail recommendation associated with superusers.</p> <ul style="list-style-type: none"> • Management must take steps to explore development of the Gatehouse System and/or a replacement to include a full audit trail of changes to systems, access or passwords. The weighbridge specification has been completed, an ICT officer assigned to the case and the procurement process is about to begin. The action date for this action is the 31.03.22 and management are working towards meeting this date.
Waste Asset Management	<p>2 actions remain open for the Waste Asset Management audit.</p> <ul style="list-style-type: none"> • The Depot Manager is progressing procurement of an asset management system (AMX) and is currently working with ICT to ensure completion of the Cloud Impact Assessment (CIA). A Project Manager has been assigned to assist the Depot Manager oversee this action. • Once the AMX asset management system is in place, the asset management strategy, policy and asset renewal plan will be introduced. The officers are working towards the action date of 31st March 2022.

38. As mentioned above, Contractor Performance is now being managed by holding regular meetings with Procurement to review all active contracts. During the meeting, discussions take place around any contracts that are due to expire, need to be extended, and any new procurements required. In addition, contract management plans have been prepared, whereby managers have to complete documentation for each contract they manage. This in turn prompts regular and appropriate reviews of contracts, including meetings with contractors, to ensure contracts are managed effectively.

39. The recently appointed stores supervisor has been in position for approximately six months. Regular meetings are held with the stores supervisor to address the outstanding audit actions. Revised completion dates of 31/12/2021 have been agreed and evidence is being compiled to address these actions. Operational Managers for the area also attend regular meetings to discuss the issues surrounding this audit.

External Assurance

40. In addition to internal assurance, there are certain reports received from independent assessors that provide intelligence and data on aspects of the service. These reports provide an assurance we are meeting recognised quality standards, enables us to benchmark our services with other organisations and enables the directorate to respond as appropriate to any improvement actions required. Meeting external standards and criteria gives us assurances that we are providing a high standard of service to our customers, enables us to be commercially competitive, our facilities are safe to use, and our management systems and processes are robust. A listing of the assurances for RNS is shown in the table below:

External Audit / Inspection Area	Provider	Report Date	Rating / Opinion	Number of Actions	Management Comments
BSI Assessment Visit	BSI	20.02.20	ISO9001: 2015	0	No Non-conformities
KWT LEAMS	KWT	2020	*	0	*94.2% Grade B and Above

41. In addition to the above, Waste Management and Street Cleansing submit data to APSE for review on an annual basis. Receipt of the Summary Report for 2020/2021 is imminent.
42. NRW regulate our environmental permit, and officers work closely with NRW to ensure compliance with legal requirements and permit conditions. This includes mandatory reporting on a quarterly basis of permitted activities.
43. The service has also commissioned external assurance, via organisations such as WRAP, who have recently provided a review of HWRC Performance, as well as a Waste Composition Analysis for both household and communal waste. These documents have helped to inform the new Recycling Strategy for Cardiff, which is fundamental in helping the Council to achieve statutory targets in relation to recycling performance.
44. The service is also involved with two very successful regional partnerships, which help to ensure best practice and value for money. In this way, the Prosiect Gwyrdd and CLARE Wales partnerships provide another layer of assurance.

(c) Risk Management

45. There are a number of sources of intelligence in relation to Risk Management. Risks can be identified by staff as part of project planning, and during BIM, OIM or Business Continuity meetings. Intelligence is also shared with other waste industry organisations via CLARE Wales and CSS meetings to ensure emerging risks are captured.
46. During business continuity meetings, as well as planning for matters such as winter maintenance, officers discuss emerging and potential risks. Since the pandemic and Brexit, these meetings have proven invaluable in identifying and mitigating risks such as HGV driver shortages and supplier issues.
47. Wherever, and whenever they arise, risks are promptly added to the Team Risk Register, whereby consideration is given to risk mitigation and possible interventions. Use of data is key in helping to identify and monitor risks – for example KPI's relating to missed collections, financial reports help to inform risks relating to income targets, and so on.

48. Risks are rated in accordance with their likelihood and severity, both prior to and post mitigation. Risks are then escalated to the Directorate Risk Register, as appropriate. The Directorate Risk Register is reviewed monthly at the ED & RNS Senior Management Team Meeting. Officers review and update the risk register, at which time the RAG status of risks is reviewed. Where appropriate new risks are added or expired risks are removed – this is not only done quarterly, but as and when new risks emerge. During the review, consideration is given to Corporate Risks – their current status, and again whether the risks have changed. Updates are then fed back to the corporate centre as appropriate. Any risks that are seen as high risk, or needing corporate awareness or management are highlighted at SMT.
49. An example of this process, is the recent procurement of cleansing sweepers. During the procurement process, it was identified that due to market pressures, the cost to replace the fleet would be far higher than the budget allocated. This matter was noted in a business continuity meeting, then discussed at the ED & RNS Senior Management Team meeting and added to the Directorate Risk Register. Through discussion at the senior management meeting, it was possible to realign funding to ensure that the cleansing procurement could proceed, thus mitigating the risk.
50. The most significant (Corporate) risk facing waste at present is the risk of fiscal penalties as a result of the Council's failure to meet the statutory recycling target of 64% by 2019/20. The Welsh Government can issue a fine for each year that the target is not achieved. Officers are working closely with WRAP and the Welsh Government to demonstrate how the new Recycling Strategy for Cardiff will increase Cardiff's recycling performance over the next 2 years to get back on track. The Strategy is being presented to Cabinet in December and will also be subject to public consultation. Work is already underway to improve Cardiff's recycling performance through the recycling of hygiene waste and the introduction of a Reuse Facility at Lamby Way in partnership with Wastesavers. A new booking system for the Recycling Centres has also seen recycling performance at centres increase from 70% to 87%.
51. As the Governance and Audit Committee already has good oversight over the Corporate Risk Register, I have appended the Team and Directorate Risk Registers.
52. Whilst the Directorate Risk Register is formally reviewed and reported on a quarterly basis, risk management is a dynamic activity that forms part of day to day operations and ongoing advice and guidance is provided by the Directorate risk champion.

Value for Money

53. Value for money is core to everything that we do. Two recent examples include 4 day working and the new HWRC booking system.
54. The new Waste Collections service model is helping to ensure value for money through:

Efficiency

- Increased productivity, by moving away from outdated working practices, which previously meant individuals might work less than 50% of contracted hours.
- Increased Productivity through re-modelling collection rounds using Routesmart Technology.

Effectiveness

- Better customer service, as the new system removes many of the issues associated with Bank Holiday Collections, and ensures waste is removed from the streets earlier.

Economy

- Reduced overtime costs, through removal of Monday collections (Economy)

55. Following the introduction of the new single shift, a period of adaptation was required whilst rounds were being refined. The 4 day week is now embedded, but operational issues are still faced as a result of external pressures such as Covid-19 and Brexit. Work will continue to improve the service in a number of ways:

- Ensure Contract Management and Review becomes an embedded practice.
- Further digitise the service to ensure efficiency and effectiveness.
- Implementation of a workforce plan to help address resource shortages in this area. In order to improve service resilience a number of apprenticeships have been created within the service, alongside a training programme which seeks to upskill and retain existing workforce.

56. The HWRC booking system is an example of how the service has embraced technology to improve customer service, whilst ensuring value for money. Following the outbreak of COVID-19, HWRC's were forced to close across the UK. Recognising that where HWRC's reopened there would be huge demand for services, officers realised that there was a need to safely manage this demand, particularly given the ongoing pandemic.

57. Introduction of an online booking system provided an opportunity to not only safely control the flow of traffic and people, but also to ensure the sites were run economically and efficiently, by introducing a no black bag policy at the same time. The no black bag policy requires residents to sort their waste before attending the sites.

58. Introduction of the online booking system has delivered a number of benefits including:

Effectiveness

- Significant reduction in the need to queue at HWRC sites, in turn ensuring far safer traffic management on and around the sites
- Greater ability to manage volumes of people and therefore social distancing at the site

Efficiency

- Greater ability to assess and sort the waste that enters the site, ensuring maximum recycling: the recycling rate has increased from 79% to 89% - one of the highest in the UK. The average across Wales is circa. 80%.

Economy

- Better material segregation has also meant increased income for materials, and a reduction in disposal costs. As well as increasing income for the service, the savings delivered have made it possible to create jobs and invest in further technology to facilitate the booking system – such as hand held devices for site staff.
- Ability to identify commercial traders misusing the household waste recycling centres: there has been a significant increase in the use of our commercial recycling centre, further increasing income for the service.

Legal Implications

59. There are no direct legal implications from this report.

Financial Implications

60. The financial implications (if any) arising from this report have been contained within the body of the report.

RECOMMENDATIONS

1) That the Governance and Audit Committee considers and notes the content of the report.

Neil Hanratty
Director, Economic Development

The following is attached:

Appendix 1: Team Risk Register

Appendix 2: Directorate Risk Register

Appendix 3: Governance and Audit Committee Presentation

Recycling Risk Register

Appendix 1

Ref	Risk Description	Potential Impact	Inherent Risk			Current Controls	Residual Risk			Proposed Management Actions	Target Risk Rating			Risk Reduction Target Date	Owner	Key Indicators / Measures (list the key metrics / indicators used to monitor the risk)
			Likelihood	Impact	Priority		Likelihood	Impact	Priority		Likelihood	Impact	Priority			
1	Loss of environment permits due to not meeting the permit obligations to operate recycling and processing facilities.	<ul style="list-style-type: none"> Strategic failure Financial impact Service delivery failure Community impact Environmental impact Stakeholders impact Reputational Legal and regulatory failure 	B	1	High - Red	<ul style="list-style-type: none"> Separate licenses for landfill, MRF and HWRCs. COTC holders manage the permit activities on site Regular NRW inspections and ongoing engagement Control processes < BSI accreditation ISO:9001 2015 Quality Management Standards and training Pas402 Accreditation on HWRC Recycling Centres Duty Manager cover during out of hours to co-ordinate an emergency response should there be an incident Interim manager responsible for all site permits Quarterly review of statutory reporting requirements to regulatory bodies to ensure that they are met within required timescales 	D	1	Medium - Red / Amber	<ul style="list-style-type: none"> Review business continuity arrangements to ensure there is a contingency in place - Q2 2022/23 	D	2	Medium - Red / Amber	Q2 2022/23	G Harris	<ul style="list-style-type: none"> Number of statutory reporting requirements to regulatory bodies not met within required timescales Major non-conformance during scheduled/non-scheduled visits by NRW
2	Failure of infrastructure resulting in discharge from landfill into water course.	<ul style="list-style-type: none"> Strategic failure Financial impact Service delivery failure Health and safety failure Partnership failure Community impact Environmental impact Stakeholders impact Reputational legal and regulatory failure 	A	2	High - Red	<ul style="list-style-type: none"> Leachate monitoring stations to ensure that leachate levels in surface water remain within agreed levels Good working relationship with NRW Duty manager rota to ensure point of contact for emergencies 24/7 Regular inspections from regulatory bodies Engage with specialist landfill contractor to assess source of any spillage 	C	2	Medium - Red / Amber	<ul style="list-style-type: none"> Ensure leachate pumps are fully functioning and agree a scope of works to remediate the issue of the pumps not being fully functional Q4 2021/22 Conduct a review of existing permits to ensure that permit reflects current usage of the site. Q4 2021/22 Ensure aftercare maintenance is completed in line with permit requirements Q4 2021/22 	D	2	Medium - Red / Amber	Q4 2021/22	G Harris	<ul style="list-style-type: none"> Number of non-conformances issued Number of Leachate spills
3	Loss of use of MRF property due to fire.	<ul style="list-style-type: none"> Financial impact Service delivery failure Health and safety failure Environmental impact Reputational damage 	C	1	High - Red	<ul style="list-style-type: none"> Business continuity plans in place including use of alternative office base for office staff Insurance in place to fund increased costs of working Fire alarm and suppression systems in place, maintained and tested, pumps in WTS, silver rota - New fire trace system in MRF Enhanced physical inspections by out of hours by security guards CCTV in place in high-risk areas, such as the tipping hall, and is monitored 24/7 MRF procedures in place for disposing of waste such as disposing of oldest waste first Educational communication with the public regarding correct disposal for waste Dedicated storage bays to separate the waste to contain fires. Regular fire drills are carried out 	D	1	Medium - Red / Amber	<ul style="list-style-type: none"> Review the current fire prevention plan. Q4 2021/22 Introduce an automated fire suppression system by monitoring fire hotspots. Q2 2022/23 	C	3	Medium - Amber / Green	Q2 2022/23	G Harris	<ul style="list-style-type: none"> Number of fires reported Number of smoke incidents
4	Disruption to service delivery due to industrial action.	<ul style="list-style-type: none"> Strategic failure Financial impact Service delivery failure Health and safety failure Partnership failure Community impact Environmental impact Stakeholders impact Reputational Legal and regulatory failure 	D	1	Medium - Red / Amber	<ul style="list-style-type: none"> Business continuity plans in place Improving infrastructure through capital investment and working conditions New service models have addressed roles and responsibilities Staff and Trade Union consultations and ballots were carried out to workforce agreement to new shift patterns Modernising the service and fleet - 4 day working HWRC booking system introduced to ensure managed visitor numbers to the site to reduce staff pressures. It has had a positive impact on staff morale New vehicles procured to improve reliability to enable staff to carry out their roles 	E	1	Medium - Amber / Green	<ul style="list-style-type: none"> Reinstate regular local health and safety meetings with trade unions as and when Covid restrictions allow. Q1 2022/23 Ensure consistent approach by management team when applying policies and procedures through the introduction of regular meetings Q4 2021/2022 Implementation of the Recycling Strategy. Q2 2022/23 	E	1	Medium - Amber / Green	Q2 2022/23	C Cutforth	<ul style="list-style-type: none"> No industrial relations issues Number of proposals to Trade Union Branch Secretaries which are not supported Successful implementation of Recycling Strategy

Ref	Risk Description	Potential Impact	Inherent Risk			Current Controls	Residual Risk			Proposed Management Actions	Target Risk Rating			Risk Reduction Target Date	Owner	Key Indicators / Measures (list the key metrics / indicators used to monitor the risk)
			Likelihood	Impact	Priority		Likelihood	Impact	Priority		Likelihood	Impact	Priority			
5	Inability to carry out collection service due to supplier failure.	<ul style="list-style-type: none"> Strategic failure Financial impact Service delivery failure Partnership failure Community impact Environmental Impact Stakeholders impact Reputational Legal and regulatory failure 	B	2	High - Red	<ul style="list-style-type: none"> Quarterly meetings to review supplier performance Procurement is carried out within in line with Council policy and procedures Emergency provision established to use contingency suppliers in the event of primary supplier failing Keep abreast of updates provided by APSE to be informed of market and industry knowledge 	C	3	Medium - Amber / Green	<ul style="list-style-type: none"> Escalate non-performance to procurement lead to assist with implementing contingency measures Q4 2021/22 	C	3	Medium - Amber / Green	Q4 2021/22	G Harris / M Long	<ul style="list-style-type: none"> Number of contracts not performing to expectation. Number of supplier defaults. Number of service delivery failures
6	Inadequate controls resulting in staff coming into contact with hazardous materials such as live ammunition, needles, asbestos, chemicals.	<ul style="list-style-type: none"> Service delivery failure Partnership failure Community impact Environmental Impact Stakeholders impact Health and Safety failure 	B	2	High - Red	<ul style="list-style-type: none"> H&S action plan agreed with Corporate Health and Safety Team which have been created in consultation with Trade Unions Regular reporting and reviews with the Corporate H&S Team Mandatory hazard training for all front line employees COSHH assessments on all materials and relevant officers provided with appropriate training 	C	3	Medium - Amber / Green	<ul style="list-style-type: none"> Carry out an internal review to ensure all risk assessments are current and uploaded onto RAMIS, to ensure all affected staff are briefed and signed off on processes relevant to their role. Q4 2021/22 To implement a system where risk assessments are reviewed following an incident/accident. Q4 2021/22 	C	4	Low - Green	Q4 2021/22	M Long	<ul style="list-style-type: none"> No of significant incidents / accidents. Number of service failures resulting from accidents Number of documents which are RAMIS compliance
7	Reduction of temporary funding (FRM) resulting in a reduced service.	<ul style="list-style-type: none"> Financial impact Service delivery failure Health and safety failure Partnership failure Community impact Environmental impact Stakeholders impact Reputational Legal and regulatory failure 	C	2	Medium - Red / Amber	<ul style="list-style-type: none"> Monthly budget reviews with finance Regular service reviews with management to ensure any resource funded by FRM is delivering in line with service objectives Ensure managers have full understanding of their budget through monthly meetings 	C	3	Medium - Amber / Green	<ul style="list-style-type: none"> Ensure proposed restructures have enough resilience built into the base budget to reduce the reliance on temporary funding by working with finance to discuss alternative funding avenues. Q4 2021/22 	E	3	Low - Green	Q4 2021/22	M Wakelam	<ul style="list-style-type: none"> Number of overspends against budget
8	Inability to process waste due to over capacity in MRF or due to MRF breakdown.	<ul style="list-style-type: none"> Strategic failure Financial impact Service delivery failure Partnership failure Environmental impact Stakeholders impact Reputational failure 	B	1	High - Red	<ul style="list-style-type: none"> Daily maintenance carried out to machinery Assets management plan to monitor the life span of the equipment Contingency contracts in place in the event of being unable to use the MRF Adequate stock control to monitor the levels of material received vs. material processed. 	C	2	Medium - Red / Amber	<ul style="list-style-type: none"> Carry out procurement exercise for additional processing facility Q4 2021/22 Carry out actions points following maintenance schedule review being conducted by management, to ensure preventative maintenance schedule reduces plant downtime Q4 2021/22 	C	4	Low - Green	Q4 2021/22	M Long	<ul style="list-style-type: none"> Volume of materials sent to third party processors due to plant downtime or overcapacity.
9	Inability to deliver material to the incinerator (Energy from Waste Plant) under the Project Green Contract due to third party catastrophic plant failure.	<ul style="list-style-type: none"> Strategic failure Financial impact Service delivery failure Partnership failure Community impact Environmental impact Stakeholders impact Reputational Legal and regulatory failure 	C	1	High - Red	<ul style="list-style-type: none"> Continuity plans form part of the contract waste treatment Regular stakeholder meetings to monitor performance of the contract 	C	2	Medium - Red / Amber	<ul style="list-style-type: none"> Introduce a robust system to direct non-conformance waste after from incinerator 	D	2	Medium - Red / Amber	ongoing	A Williamson	<ul style="list-style-type: none"> Number of contract failures
10	Inability to deliver material to the AD Plant under the Welsh Water contract due to third party catastrophic plant failure.	<ul style="list-style-type: none"> Strategic failure Financial impact Service delivery failure Partnership failure Community impact Environmental impact Stakeholders impact Reputational Legal and regulatory failure 	C	1	High - Red	<ul style="list-style-type: none"> Continuity plans form part of the contract waste treatment Regular stakeholder meetings to monitor performance of the contract 	D	2	Medium - Red / Amber	<ul style="list-style-type: none"> Implement an enhanced training programme for operatives to identify contaminated food waste 	D	2	Medium - Red / Amber	ongoing	A Williamson	<ul style="list-style-type: none"> Number of contract failures
11	Failure to ensure robust procedures in place to prevent and detect fraud on disposal or sale of materials, loss of income or theft.	<ul style="list-style-type: none"> Strategic failure Financial impact Service delivery failure Industrial Relations Partnership failure Community impact Environmental impact Stakeholders impact Reputational Legal and regulatory failure 	A	2	High - Red	<ul style="list-style-type: none"> Following detailed audit, recommendations have been built into site procedures to reduce opportunity of fraudulent activities taking place Mandatory training for fraud awareness rolled out across service area. Independent monitoring by finance team for all in/out tonnages. Corporate policy embedded into site induction for all employees 	C	3	Medium - Amber / Green	<ul style="list-style-type: none"> Request a follow up internal audit. Q4 2021/22 	C	3	Medium - Amber / Green	Q4 2021/22	G Harris	<ul style="list-style-type: none"> Number of financial and stock discrepancies

Ref	Risk Description	Potential Impact	Inherent Risk			Current Controls	Residual Risk			Proposed Management Actions	Target Risk Rating			Risk Reduction Target Date	Owner	Key Indicators / Measures (list the key metrics / indicators used to monitor the risk)
			Likelihood	Impact	Priority		Likelihood	Impact	Priority		Likelihood	Impact	Priority			
12	Failure to ensure that adequate stock control records are maintained due to Weighbridge Failure including calibration issues.	<ul style="list-style-type: none"> Strategic failure Financial impact Service delivery failure Partnership failure Community impact Environmental impact Stakeholders impact Reputational Legal and regulatory failure 	C	1	High - Red	<ul style="list-style-type: none"> Regular inspections and checks to validate stock records by business support team Annual calibration of the Weighbridge by supplier to ensure weighing accuracy Trading Standards carry out own tests to Weighbridge to ensure accuracy All tonnages in/out over the Weighbridge are validated and verified by finance. 	B	3	Medium - Red / Amber	<ul style="list-style-type: none"> Begin procurement exercise to source new weighbridge software to introduce automation. Q4 2021/22 To ensure the next annual calibration is booked with supplier and undertaken, and that the latest certificate is displayed. Q4 2021/22 	C	3	Medium - Amber / Green	Q4 2021/22	C Cutforth	<ul style="list-style-type: none"> Number of stock discrepancies greater or less than 10%
13	Failure to ensure correct H&S policies and procedures are implemented resulting in accidents and injury to employees and the public.	<ul style="list-style-type: none"> Strategic failure Financial impact Industrial Relations Partnership failure Community impact Environmental impact Reputational Legal and regulatory failure 	B	1	High - Red	<ul style="list-style-type: none"> H&S action plan created with Corporate H&S and in collaboration with Trade Unions Regular reporting to H&S team, and HSE if incident is RIDDOR reportable CCTV provides full monitoring the site activities and is located on front line collection vehicle to aid with investigations Full H&S induction is carried out for new starters and PPE provided Supervision of activities across all areas of service Regular fire drills to raise awareness of fire evacuation Workplace first aiders deployed within operation hours Develop and implemented an enhanced induction for all new and existing employees. 	C	3	Medium - Amber / Green	<ul style="list-style-type: none"> Develop vehicle/pedestrian risk assessment across all sites Q3 2021/22 Awaiting risk assessments to be uploaded to RAMIS before undertaking management review Q3 2021/22 	C	4	Low - Green	Q4 2021/22	G Harris	<ul style="list-style-type: none"> Number of accident / Incidents Stats, near miss reporting.
14	Failure of management to ensure that regulatory compliance is completed to required standards and stipulated frequencies.	<ul style="list-style-type: none"> Strategic failure Financial impact Health and Safety Impact Partnership failure Environmental impact Stakeholders impact Reputational Legal and regulatory failure 	C	2	Medium - Red / Amber	<ul style="list-style-type: none"> Assets plans outlining inspection regime to monitor inspection dates RAMIS compliance/monitoring to ensure regulatory responsibilities are met and provides a notification service to prompt the next inspection date Electronic paper-trail for record keeping ensuring that certificates are logged 	D	2	Medium - Red / Amber	<ul style="list-style-type: none"> Management review to ensure inspection requirements are allocated to appropriate officer following restructure Q4 2021/22 Conduct a review to remove duplication of record of record keeping Q4 2021/22 	D	3	Medium - Amber / Green	Q4 2021/22	M Long	<ul style="list-style-type: none"> Number of overdue events on relevant systems.
15	Reduction of income due to recycling market collapse leading to significant budgetary challenges. Glass, paper and cardboard are the main risks, however, plastics have become a high risk.	<ul style="list-style-type: none"> Strategic failure Financial impact Service delivery failure Partnership failure Community impact Environmental impact Stakeholders impact Reputational Legal and regulatory failure 	B	1	High - Red	<ul style="list-style-type: none"> Monitor pricing fluctuations for recyclable material using industry standard journal such as Letsrecycle.com to ensure a realistic price for materials Work closely with processors to ensure material is processed in a timely basis to protect the authority from price fluctuations WDF work closely with processors to ensure there are no stock discrepancies and collate information to Welsh Government. 	B	2	High - Red	<ul style="list-style-type: none"> Propose and introduce recycling strategy to remove contamination from the material streams. Q3 2021/22 Complete procurement exercise to ensure contingency is in place for alternative processors. Q3 2021/22 	B	2	High - Red	Q4 2021/22	M Long / V Thorne	<ul style="list-style-type: none"> The amount of shortfall against income targets Price fluctuations for recyclable materials

Ref	Risk Description	Potential Impact	Inherent Risk			Current Controls	Residual Risk			Proposed Management Actions	Target Risk Rating			Risk Reduction Target Date	Owner	Key Indicators / Measures (list the key metrics / indicators used to monitor the risk)
			Likelihood	Impact	Priority		Likelihood	Impact	Priority		Likelihood	Impact	Priority			
16	Inability to deliver service due to high sickness levels due COVID-19 pandemic.	<ul style="list-style-type: none"> Strategic failure Financial impact Partnership failure Community impact Environmental impact Stakeholders impact Reputational and regulatory failure 	A	1	High - Red	<ul style="list-style-type: none"> Regular reviews between management and HR to discuss cases of sickness ensure that Corporate policies and process are followed and to highlight any further interventions needed Managers and HR make referrals to Occupational Health when needed Regular weekly meetings to review sickness cases. Ensuring sickness policy is consistently applied across the service Identifying patterns and addressing concerns. Monthly meetings with Head of HR and Director of Economic Development Management carry out early intervention such as adjusted duties if appropriate Adhere to COVID-19 corporate risk assessment which is updated to included latest government guidance Testing equipment available for staff to use as required. Staff information about flu hygiene communicated Enhanced cleaning regime of buildings and equipment in place Occupancy controls for office spaces / meeting rooms in place Staff provided with appropriate PPE and sanitisers. Business continuity arrangements in place 	B	3	Medium - Red / Amber	<ul style="list-style-type: none"> Propose and introduce recycling strategy to remove contamination from the material streams. Q3 2021/22 Complete procurement exercise to ensure contingency is in place for alternative processors. Q3 2021/22 	B	4	Low - Green	Ongoing	G Harris	<ul style="list-style-type: none"> Corporate sickness targets Occupational Health referrals Number of COVID-19 sickness cases related to workplace transmission
17	Inability to deliver front line waste collections due to loss or curtailment of Operator licence by the Traffic Commissioner.	<ul style="list-style-type: none"> Strategic failure Financial impact Service delivery failure Partnership failure Community impact Environmental impact Stakeholders impact Reputational Legal and regulatory failure 	C	1	High - Red	<ul style="list-style-type: none"> CTS monitoring compliance of driver performance and vehicle maintenance Driving license checks 6 monthly to ensure that drivers are legally able to drive vehicles Download drivers digital tachographs every 28 days to review driver infringements and agree corrective actions Carry out driver assessments to ensure that drivers are competent to drive vehicles Secondary Transport Manager identified and added to Operator License Ensuring Managers hold a CPC qualification to manage drives with HGV license 	D	1	Medium - Red / Amber	<ul style="list-style-type: none"> Create a service led compliance team to monitor and address non-compliance. Q3 2021/22 Identify candidates to progress with their CPC qualification Q3 2021/22 	D	3	Medium - Amber / Green	Q3 2021/22	J Hughes	<ul style="list-style-type: none"> OCRS (Operators Risk Compliance Score). Number of repeat infringements in relation to the OCRS

Ref	Risk Description	Potential Consequence	Inherent Risk		Current Controls	Residual Risk			Target Risk			Risk Reduction Target Date	Owner	Key Indicators / Measures (list the key metrics / indicators used to monitor the risk)		
			Likelihood	Impact		Likelihood	Impact	Priority	Likelihood	Impact	Priority					
1	<p>PROJECT (CAPITAL AMBITION) - STREET SCENE - Delivery of a Recycling Centre (North Cardiff)</p> <p>Risk: A suitable location is not found or approved by Cabinet to build a new HWRC site in North Cardiff.</p>	<p>Consequence: - Capital Ambition statement not met causing reputation issues internally and externally to the Council.</p>	B	3	<p>Medium - Red / Amber</p>	<p>Location</p> <ul style="list-style-type: none"> A brief has been provided and the Service Area is currently working with Strategic Estates to identify suitable land for a Recycling Centre Various sites have been explored and considered - no suitable location identified to date <p>Review & Assessment</p> <ul style="list-style-type: none"> Changes to how Recycling Centres are managed came into place following the outbreak of Covid-19, in relation to a new booking system and associated controls - the booking system has shown there is currently adequate capacity for Cardiff in terms of access to a Recycling Centre, and has removed ongoing concerns from residents with regards to queuing on the highway to access the Recycling Centres. 	B	3	<p>Medium - Red / Amber</p>	<p>Location</p> <ul style="list-style-type: none"> Estates continue to seek out suitable locations alongside the development of any future Local Development Plans - ongoing Work with the Planning team to review the demographic growth profile and the impact on demands for an additional site - ongoing <p>Review & Assessment</p> <ul style="list-style-type: none"> A review of Recycling Centres will be undertaken, working with Local Partnerships and Welsh Government to ascertain how best to proceed for Cardiff to meet the 70% recycling target in 2024/25. This work will develop a road-map to improve Cardiff's recycling performance - Complete A review of the performance of the Recycling Centres will be undertaken as part of Recycling Strategy, reviewing the controls at the recycling centres - Complete Considering feasibility of mobile recycling unit to support the risk whilst a site is identified - Ongoing 	D	3	<p>Medium - Amber / Green</p>	12 months +	Matt Wakelam	<p>Identification of potential sites'</p> <p>'Report on Recycling Centres following control measure being put in place'</p> <p>Feasibility study on mobile recycling units.</p>
2	<p>SERVICE BASED - STREET SCENE - Understanding and developing people who work for you</p> <p>Risk: The workforce demographic is not understood, exposing the service to gaps in ability to deliver services.</p> <p>External influence of Brexit has created a National shortage of Heavy Goods Vehicle drivers</p>	<p>Consequence: - Difficulty in delivering a comprehensive collection service, creating delays or cancelling of services</p> <p>- Financial, and service performance suffers causing reputation issues internally and externally to the Council.</p>	B	2	<p>High - Red</p>	<p>Workforce Transformation</p> <ul style="list-style-type: none"> 4-day collection model providing a good work/ life balance, promoting Cardiff as a good place to work <p>Training & Development</p> <ul style="list-style-type: none"> Training & development officers in place, to deliver improvements to training internally within Recycling & Neighbourhood Services Internal development of officers with the Heavy Goods Vehicle qualification - takes 6 months to develop an officer utilising internal training. Risk should be reduced by March 2022 following initial programme of training. Development of a Workforce Development Plan, following the format of the Corporate model 	D	2	<p>Medium - Red / Amber</p>	<p>Review & Development</p> <ul style="list-style-type: none"> Although a Workforce Plan and actions have been developed, a further review is required in relation to Working with Covid-19 The demand for agile working means digital capture and processing of data will be critical, to ensure officers are able to work efficiently and effectively Review skills matrix, alongside working platforms to support delivery of services - to ascertain what investment is required, in both training and development of officers and Digital Systems The service to develop apprentices for key areas, including HGV drivers <p>HGV - Promotion & Networking</p> <ul style="list-style-type: none"> Working with Into Works and Matrix to promote Cardiff in terms of HGV drivers for collections services 	D	3	<p>Medium - Amber / Green</p>	6-12 months	Matt Wakelam	<p>Heavy Good Vehicle posts vacant within service area'</p>

Ref	Risk Description	Potential Consequence	Inherent Risk		Current Controls	Residual Risk		Proposed Management Actions	Target Risk		Risk Reduction Target Date	Owner	Key Indicators / Measures (list the key metrics / indicators used to monitor the risk)			
			Likelihood	Impact		Likelihood	Impact		Likelihood	Impact						
3	SERVICE BASED - STREET SCENE - Management of Sickness Risk: Sickness levels across some frontline services creating difficulties in delivering services and having an adverse financial impact on budgets.	Consequence: - Financial and service performance suffers causing reputation issues internally and externally to the Council.	B	2	High - Red	Monitoring & Reporting <ul style="list-style-type: none"> Weekly management meetings to discuss cases - actions taken to ensure robust management of sickness Performance monitored across directorate to ensure line managers are implementing Attendance & Wellbeing (A&W) Policy Triggers and RTW monitored by Performance Manager and reported to SMT Long Term Sickness cases are being managed in accordance with A&W Policy Quarterly SAJC meetings with sickness absence an agenda item APSE benchmarking exercise completed Sickness Challenge Sessions with CEX in December - good progress made to reduce cases Policy in relation to providing sick notes and attending contact meetings to be robustly managed Monthly senior management review of sickness, both short and long term, to ensure actions are being taken and identify any support required to support management of cases Training & Improvement Plans <ul style="list-style-type: none"> Action plans are in place that are consistently implemented by line managers across the Directorate Mandatory A&W E-learning module completed by over 90% managers (group training postponed due to Covid 19) Revised plan developed to tackle sickness in 'Hot Spot' areas of RNS - including: <ul style="list-style-type: none"> Weekly meetings in 'hot spot' areas HR/RNS to ensure managers have up-to date monitoring info/ action plans Briefing senior managers Briefing supervisors - multiple sessions ongoing & training via Academy Briefing staff All cases reviewed with senior manager on monthly basis 	C	2	Medium - Red / Amber	Monitoring & Reporting <ul style="list-style-type: none"> Continued monitoring and review Ongoing review of mandatory A&W E-learning compliance core data Sickness Challenge Sessions with the CEX (long term sick) - reviews to continue on regular basis Case management reviews with HR, Occupational Health and Legal in place to ensure timely management of cases. Training & Improvement Plans <ul style="list-style-type: none"> Case management of individuals to be developed, to ensure robust management of sickness, in line with the Attendance & Wellbeing Policy When sick notes are not submitted, policy to be robustly followed - to stop pay after notification letters Ensure any outstanding A&W E-learning is undertaken by managers as necessary - ongoing Group training sessions to be progressed as soon as it is safe to do so Early intervention plan being implemented to help prevent and reduce sickness levels. 	D	3	Medium - Amber / Green	6-12 months	Matt Wakelam	Case management in place
4	SERVICE BASED - STREET SCENE - NEW RISK: Business Continuity Plan (BCP) for protection and recovery of Directorate base software systems Risk: No security counter measures are guaranteed to prevent a cyber breach or events such as fire, wind or flood. Software managing systems impacted have no business continuity plan delaying or preventing recovery.	Consequence: - Financial and service performance suffers causing reputation issues internally and externally to the Council. Some systems failure could impact health & safety and emergency resilience in Cardiff.	B	2	High - Red	Monitoring & Reporting Mixed controls in place - more recent systems have better controls than older systems. Controls to be in place: <ul style="list-style-type: none"> Directorate business continuity plans (BCP) cover all technology systems which are critical to the service. Record of Processing Activity (RoPA) register populated Procurement process ensures adequate cyber security controls 	C	2	Medium - Red / Amber	Monitoring & Reporting <ul style="list-style-type: none"> A list of Directorate based software systems within PTE and RNS is continuing to be populated Review current software systems to ensure they are meeting service requirements Develop risk based management of systems and where identified business continuity plans - ongoing Training & Improvement Plans <ul style="list-style-type: none"> Identify good practice business continuity plans - ongoing Improve awareness and training in business continuity planning - ongoing 	D	3	Medium - Amber / Green	6-12 months	Matt Wakelam	Directorate software system list and impacts if system not working' 'Business continuity plans for software systems'

Governance & Audit Committee
7th December 2021

Page 23

Neil Hanratty
Director - Economic Development



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Overview

- Directorate Senior Management Team
- Key Priorities
- Governance
- SMAS Review
- Management Assurance
- Internal Audit Assurance
- External Assurance
- Risk Management
- Value for Money

Directorate Senior Management Team

- Neil Hanratty Director, Economic Development
- Matt Wakelam Assistant Director, Street Scene
- Graham Harris Head of Recycling and Neighbourhood Services
- Claire Cutforth OM - Business, Policy and Performance
- David Pellow OM - Neighbourhood Services
- Lucy Payne OM - Collections and Trade
- Andrew Williamson OM - Prosiect Gwyrdd

Key Priorities

Corporate Plan Steps:

- Work as one team, keeping our streets clean:
 - *Deliver a programme of improvement to the Council's Street Scene services through integration, digitalisation and the use of data*
 - *Engage with citizens and businesses through 'Love Where You Live' to encourage volunteering and working in collaboration*
- Make Cardiff a world-leading recycling city
 - *Deliver the recycling services strategy to achieve 70% recycling performance by 2024/25*
 - *Launch an education campaign to promote changes in resident behaviour*

Governance

- Clear line of sight from Corporate Plan through Team Plans and Personal Reviews, with robust monitoring to ensure compliance.
- Training and compliance team monitor compliance with training requirements – including e-learning and inspections.
- Digitalisation of supervisory inspections enabling closer monitoring of compliance.
- Regular monitoring of tonnages alongside financial data to enable swift identification of anomalies
- Strengthened agenda for BIM's and OIM's – enabling sharing of data.
- Environmental Scrutiny Committee to monitor and challenge performance.
- Directorate meetings to monitor key performance areas such as sickness levels and audit compliance.

Senior Management Assurance Statement Review

- All Senior Officers actively engage with the SMAS review and feed into the overall ratings, providing rationale for their score.
- Overall, there is a strong / embedded application of governance and control.
- A comparison of this year's SMAS review with last year's SMAS review shows improved performance in some areas, but a dip in the area of compliance (see next slide).

Senior Management Assurance Statement Review

<u>SMAS Category</u>	<u>2021/22 Mid Year Category Score</u>	<u>Comparison with previous year</u>
1: Risk Management	5	↑
2: FGA	4	n/a
3: Compliance	3	↓
4: Programme and Project	5	↑
5: Budget	5	↑
6: Planning and Decisions	4	↔
7: Internal Control	4	↔
8: Fraud	4	↔
9: Performance	5	↑

Senior Management Assurance Statement Review

Addressing Compliance:

- Measures have been introduced to more closely manage and monitor compliance, which has identified areas of non-compliance – measures include:
 - a. Licensing and permitting compliance is now embedded within the role of Depot Manager.*
 - b. Permits included as an agenda item in management meetings.*
 - c. Ensuring visibility of compliance, and escalation points, by presenting compliance data at monthly RNS Directorate meetings.*
 - d. Development of knowledge base relating to landfill aftercare by supporting officers to obtain industry related qualifications.*
- An action plan has been identified to improve category ratings and will be monitored at the RNS BIM.

Management Assurance

- Well embedded Performance Management Framework in place.
- Quarterly monitoring and review process for reporting on progress towards Corporate Plan Steps and Measures (KPIs)
- Restructuring of the management team, with new Operational Managers, clearer roles, responsibilities and accountabilities.
- Refocussed BIM and OIM Meetings to use data to monitor performance, effectiveness and compliance.
- Closer monitoring of tonnage information alongside relevant data such as finance.
- Consolidation of Asset Registers, tightening control.
- Service Contract review meetings take place on a 6 weekly basis to monitor contract compliance.

Internal Audit Assurance

- Officers have a constructive working relationship with the Council's Audit team.
- Some of the audits undertaken in the past 2 years have been initiated at the service's request in order to pro-actively identify issues in areas of high risk.
- 12 audits have resulted in 82 agreed actions since 2019/20:
 - *67 actions are completed.*
 - *13 actions remain outstanding. All are within agreed timescales.*

Note:

2 outstanding actions represent recommendations raised in the original audit and re-raised in the follow up.

External Assurance

Two key external assessors review performance of the directorate:

1) BSI Audit

No non-conformities or observations raised.

Accreditation successfully retained

2) KWT LEAMS Survey

94.2% of streets surveyed were of a high or acceptable level of cleanliness, against a target of 90%

Note:

Dedicated experts (compliance and standards champions) play a central role in helping to manage external assurance - a “fresh pair of eyes” in assurance terms.

Finalising the selection and recruitment of a Compliance, Standards and Governance Apprentice to support succession planning and to provide further resilience across the directorate.

Risk Management

(See Appendices 1 & 2 of the report for full detail)

Corporate Risk (strategic):

Page 34

- Continued Failure to meet Statutory Recycling Target

Action: Waste Strategy and Action Plan going to Cabinet in December 2021

Action: Continued working with Welsh Government, WRAP and WLGA

Risk Management

Directorate Risk Examples (operational):

- Ensuring adequate HWRC provision

Action: Ample capacity in 2 existing sites as booking slots recently increased. Also exploring pop up recycling centres.

- Compliance – particularly in relation to Landfill Permit

Action: Working with contractors and NRW to develop improvement plan; greater governance and staff training in this area moving forwards

- Staff Shortages relating to Sickness and National HGV shortage

Action: Workforce Plan - development of apprenticeships, offering HGV training, working with agency providers.

Action: Sickness Management – regular sickness meetings, compliance officer monitoring actions and producing reports for senior managers.

Value for Money Examples

1. The New Waste Collections Service benefits:

- Increased productivity by moving away from outdated practices and remodelling rounds using technology (efficiency).
- Better customer service, as the new system removes many of the issues associated with Bank Holiday Collections, and gets waste off the streets quicker (effectiveness)
- Reduced overtime costs (economy)

2. HWRC online booking and no black bag policy benefits:

- Reduced queuing, improved site safety and social distancing, and increased recycling to 87% (effectiveness and efficiency).
- Better recycling means increased income and reduced disposal costs. Increased controls means fewer traders using household HWRC's and more using Commercial Recycling Centre, again increasing income economy).

Value for Money continued...

The directorate is continuing to embrace emerging technology to improve customer interfacing:

- hybrid mail printing solutions
- app reporting
- online orders and payments
- online missed collections reporting

These are supporting service savings, improving income management, and improving customer satisfaction.

Questions?



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