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AGENDA

Committee	GOVERNANCE AND AUDIT COMMITTEE	
Date and Time of Meeting	TUESDAY, 24 OCTOBER 2023, 2.00 PM	
Venue	COMMITTEE ROOM 4 - MULTI LOCATION MEETING	
Membership	Gavin McArthur (Chairperson) David Price, Dr. Janet Wademan, Chris Burns, Councillors Ahmed, Carr, Goodway, Lewis, Moultrie, Palmer and Williams	
		<i>Time approx.</i>
1	Apologies for Absence	2.00 pm
	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	Minutes (<i>Pages 5 - 14</i>)	
	To approve as a correct record the minutes of the meeting held on 11 July 2023..	
4	Finance	2.05 pm
4.1	Financial Update including Resilience Issues (<i>Pages 15 - 24</i>)	
5	Internal Audit	2.20 pm
5.1	Counter-Fraud Annual Report 2022/23 (<i>Pages 25 - 66</i>)	
6	Audit Wales	2.35 pm
6.1	Cardiff and Vale Pension Fund - Detailed Audit Plan 2023 (<i>Pages 67 - 84</i>)	

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg

- 6.2 AW Work Programme and Timetable Update (*Pages 85 - 116*)
- 7 **Statement of Accounts** 2.55 pm
- 7.1 Audited Statement of Accounts - Cardiff & Vale of Glamorgan Pension Fund (*Pages 117 - 172*)
- ISA 260 and Audited Statement of Accounts 2022/23 for Cardiff & Vale of Glamorgan Pension Fund
- 8 **Performance** 3.10 pm
- 8.1 Council Complaints and Compliments - Arrangements and Annual Report 2022/23 (*Pages 173 - 230*)
- 9 **Governance and Risk Management** 3.30 pm
- 9.1 Recommendation Tracker - Reports of External Review Bodies (*Pages 231 - 242*)
- 10 **Treasury Management** 3.45 pm
- 10.1 Treasury Management Annual Report (*Pages 243 - 274*)
- 11 **Outstanding Actions** (*Pages 275 - 276*) 3.50 pm
- 12 **Correspondence** (*Pages 277 - 280*)
- 13 **Work Programme Update** (*Pages 281 - 282*)
- 14 **Urgent Items (if any)**
- 15 **Date of next meeting**

The next meeting is scheduled for 28 November 2023

Davina Fiore

Director Governance & Legal Services

Date: Wednesday, 18 October 2023

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

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GOVERNANCE AND AUDIT COMMITTEE

11 JULY 2023

Present: Chris Burns in the Chair
Dr. Janet Wademan

Councillors Ahmed, Carr, Lewis, Moultrie, Palmer and Williams

1 : APPOINTMENT OF CHAIRPERSON AND DEPUTY CHAIRPERSON

RESOLVED – That Gavin McArthur be appointed Chairperson and Chris Burns be appointment as Deputy Chairperson.

2 : APPOINTMENT OF COMMITTEE

Members were asked to note that Council on 25 May 2023 appointed the following Members to the Committee:

Independent Members: Gavin McArthur, David Price, Dr. Janet Wademan, Chris Burns

Councillors: Saleh Ahmed, Kate Carr, Russell Goodway, Margaret Lewis, Jess Moultrie, Marc Palmer, Joel Williams

3 : TERMS OF REFERENCE

Members were asked to note the Committee's Terms of Reference

4 : APOLOGIES FOR ABSENCE

Apologies for absence were received from Gavin McArthur, David Price and Councillor Goodway. In the absence of the Chair the Deputy Chair chaired the meeting.

5 : DECLARATIONS OF INTEREST

No declarations of interest were received.

6 : MINUTES

The minutes of the meetings held on 21 March 2023 were approved as a correct record subject to the following:

Page 10 – paragraph 5 – amend 'giving' to 'given'.

7 : PERFORMANCE MANAGEMENT AND CONTROL ENVIRONMENT

8 : FINANCIAL UPDATE INCLUDING RESILIENCE ISSUES

The Corporate Director Resources and Section 151 Officer, Chris Lee, presented a financial update on resilience issues and the financial challenges facing the authority, including Outturn Position 2022/23, Budget Strategy 2024/25, the Medium-Term Financial Plan (MTFP) and the planned future work to be undertaken.

A Member raised concerns regarding the capital programme. The Section 151 Officer was asked to provide assurances that the authority has sufficient resources to fund the revenue capital programme and that the Council has sufficient resources to manage its debt portfolio. The Section 151 Officer stated that affordability is a key aspect of the Committee's remit in terms of Treasury Management. The Prudential Code and Prudential Code Indicators are reported regularly to the Committee, particularly around affordability, authorised limits and operational limits in terms of affordability of borrowing. No indicators are being exceeded currently and debt remains within the levels set by Council. The Section 151 Officer stated that he was content that current borrowing activity was being managed prudently with these limits.

In March 2023, as part of the budget strategy work, the Section 151 reported his satisfaction with the robustness of the budget strategy, including the capital resources available and revenue resources available to repay debt. Members were asked to note that the authority has retained its own housing stock and has also borrowed for schemes that will provide sources of income. Therefore, comparing gross borrowing costs with other authorities can be skewed. Members were also advised that Audit Wales would be undertaking an exercise looking at the delivery of capital programmes across Welsh Local Authorities later in the year.

The Section 151 Officer was asked to comment on whether a balanced budget was achievable given the projected circa £36 million shortfall and how a balanced budget would be achieved. The Section 151 Officer stated that the authority has a statutory obligation to balance the budget and that he was confident that this will be achieved. The funding gap is a significant challenge which is built on a number of assumptions. The MTFP is a work-in-progress and factors may change during the Autumn, including the Welsh Government revenue settlement. The funding gap is based on the indicative settlement figure.

A Member asked whether any lessons had been learned in addressing the outturn position during the financial year that could be applied in future years. The Section 151 Officer considered that it was important to note that the £3 million overspend at Month 9 was a significant improvement on the Month 6 position due to the continuation of mitigating actions. It was also important to note that many authorities were impacted by the higher than anticipated pay award late in the year.

A Member noted the slippage in the capital programme of circa £100 million. A Member asked whether inflationary pressures posed a risk to capital projects. The Section 151 Officer confirmed that the inflationary environment was impacting on the capital programme across a range of schemes and there has been a requirement to review and prioritise the capital programme, notably the School Organisational Programme and the arena development. The MTFP will include a revised capital programme that will take account of the inflationary impacts in construction costs which will be a significant risk factor.

Members noted that the projected budget gap by 2027/28 will be £113 million. A Member sought reassurance that the 'options for service change' referred to in the presentation were sufficiently robust to address that level of funding shortfall. The Section 151 Officer accepted that the Committee would need to be assured that the authority has processes and frameworks in place in particular. The options outlined included service improvements and efficiencies which would have little or no impact on service users, income opportunities and service change. Business case work will be undertaken across a range of options for Cabinet and Council. Consultation and engagement with residents will be vital to ensure that the right choices are being made.

The Section 151 Officer considered that Members should see budget setting as an ongoing process with opportunities for savings beyond the MTFP.

RESOLVED – That the report be noted.

9 : DRAFT STATEMENT OF ACCOUNTS 2022/23

The Committee received a report that had been prepared to provide Members with an opportunity to review and provide comments on the draft 2022/23 Statement of Accounts of Cardiff Council including Cardiff Harbour Authority and Trust Funds and the Cardiff and the Vale of Glamorgan Pension Fund. The accounts were signed by the Responsible Finance Officer on 16 June 2023 and were attached in Appendix 1 and Appendix 2 of the report.

At its meeting on 21 March 2023, the Committee received an introductory report on the financial statements for this year, including proposed timescales, draft accounting policies and changes in the 2022/23 Code of Practice.

Members were advised that the draft accounts were provided to Audit Wales on 16 June in preparation for audit. The accounts are subject to public inspection between 19 July 2023 and 15 August 2023. Audit Wales will begin their audit of the accounts in August and reports will be presented to the Committee upon completion of the audit.

A date of 6 September 2023 has been set for the external auditor to be available to answer questions from any local government elector or their representative for the area to which the accounts relate. The timescale for completion of the audit, consideration by Council and publication of the final accounts is expected to be November 2023.

Appendix 3 of the report set out the contents and governance process involved in preparing the Council's financial statements. CIPFA's 'Understanding Local Authority Financial Statements' document was appended at Appendix 4.

It was recognised that these are complex documents and, in order to support Members in undertaking their role, Members were provided with an extended period of time to review and comment on the statements.

The Chairperson welcomed Ian Allwood, Head of Finance, Anil Hirani, Operational Manager – Capital, Corporate and Treasury and Sally Ormiston, Group Account to the meeting. The officers were invited to introduce the report.

Members were asked to note the following:

- The accounts have incorporated feedback received from the Committee and Audit Wales previously.
- The approach to asset valuation in the Cardiff Council accounts continues to be based on a full 3-year professional evaluation cycle.
- The main balance changes related to decreases in cash balances and the decrease in pension liability.
- The Statement of Accounts includes disclosures in respect of exit packages and remuneration, details of earmarked reserves and the HRA position.

Members were advised that, in terms of the Pension Fund accounts, the management expenses have decreased from 2021/22 as a result of transition to the Wales Pension Partnership. Investment income has increased following a review of the fund's approach to reinvested income.

Questions or comments on the accounts were invited by 15 August 2023.

A Member asked for further clarification on the position of Cardiff Bus. The Operational Manager – Capital, Corporate and Treasury advised that the Cardiff Bus accounts have been prepared in draft format and are included in the overall account figures. The accounts are currently being audited and will hopefully be presented with the final Statement of Accounts. It was noted that the bus industry is continuing to experience issues in relation to patronage. For Cardiff Bus, patronage is increasing and has returned to 70% of pre-covid levels and Welsh Government grant support has been extended to March 2024. It was positive to note that there has been investment made in new electric fleet vehicles which link to the Council's objectives in terms of air quality.

The Section 151 Officer suggested that performance issues in relation to Cardiff Bus were perhaps not a matter for the Governance and Audit Committee. The process of consolidating the accounts is clearly set out and officers are working closely with Cardiff Bus to provide an audited set of accounts. A Member asked whether a confidential briefing report could be circulated on the financial position of Cardiff Bus in order to provide continued assurance. The Section 151 Officer agreed to clarify whether such a briefing would fall within the Committee's terms of reference and to discuss further the appropriate forum for such a briefing.

RESOLVED – That the Committee notes the 2022/23 draft Statement of Accounts and the audited Statements and the Audit of Accounts (ISA260) reports for 2022/23.

10 : INTERNAL AUDIT ANNUAL REPORT 2022/23

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

Members were reminded that the Audit Plan 2022/23 was approved by the Governance and Audit Committee on 15 March 2022. The Plan provided the framework for audit work aligned to the Council's corporate governance arrangements, whilst also being responsive to any changes to the risks faced by the Council during the year. Each year the Plan is mapped to business objectives and key systems, whilst being informed by risk, governance, and assurance assessments.

During the year, the Committee received detailed progress reports outlining the work and progress against the Audit Plan, as well as the key findings, trends and risk-based changes to planned work. The Committee has also received assurance from the Audit Manager throughout 2022/23 on ongoing organisational independence, and continued conformance with the Public Sector Internal Audit Standards (PSIAS). This was validated by an external assessment which reported conformance with standards. Organisational independence has been achieved throughout 2021/22, in line with the provisions of PSIAS (1100).

Members were advised that the Annual Report provided a review of the internal control environment of the Council and the Audit Manager opinion. The report detailed the audit work completed to support the opinion, and assurance of ongoing conformance with the PSIAS, as reaffirmed through annual review against the CIPFA Local Government Application Note (LGAN) and the results of the Quality Assurance and Improvement Programme (QAIP).

The Council has a duty to prepare an Annual Governance Statement (AGS) including the annual Audit Manager opinion as set out in the Annual Report. Section 2 of the Annual Report outlined the priorities and approach of the audit team to deliver a combination of management support through consultation and engagement in high-risk areas, and to progress targeted assurance engagements from the Audit Plan. Section 3 of the report contained the full audit opinion and set out the rationale of how the control environment has been reviewed. The overall opinion was 'effective with opportunity for improvement'.

Responding to a question from the Committee, the Audit Manager stated that the Internal Audit Team are now in a better position in terms of resources at a management level following a restructure during the year in line with the audit plan. A recruitment process to fill vacant posts within the Team is progressing, the results of which will be reported to the Committee. A CIPFA trainee has also joined the Team on placement.

Members referenced the summary of audit recommendations agreed and actioned. Members requested further detail on the reasons for audit recommendations not being completed within the agreed timescales and what could be done to improve the position. The Audit Manager stated that the intention is to deliver recommendations within the timescales. However, Red and Red/Amber recommendations remain open until evidence of the recommendation being implemented is produced. This can cause a delay. The Audit Manager advised that Senior Management Team have focussed on the implementation of audit recommendation and the expectation remains for the target to be achieved, within the context of other pressures. The target of delivering 80% of audit recommendations on time has been achieved at Q1 in the current cycle.

Members questioned whether additional support could be provided in relation to school governance in order to address the outstanding audit recommendations within the directorate. The Audit Manager stated that the Director of Education has given a commitment to respond to the Committee on the position in the Autumn.

RESOLVED that the Internal Audit Annual Report 2022/23 be noted.

11 : AUDIT AND INVESTIGATION TEAM - PROGRESS UPDATE

The Committee received a progress report providing Members with an update on the work and performance of the Internal Audit and Investigation Teams. The report covered the period from 1 March - 30 June 2023, and followed the updates provided in the last Committee meeting held on 21 March 2023.

RESOLVED – That the report be noted.

12 : ANNUAL AUDIT SUMMARY REPORT

Members received the Audit Wales Annual Audit Summary Report. The Chairperson welcomed Richard Harries, Engagement Director – Audit Wales to the meeting and invited him to present the report.

Members were advised that the Annual Audit Summary 2022 summarises all audit work undertaken since the last Annual Audit Summary in January 2022. During 2021-22 Audit Wales completed work to meet the following duties:

- Continuous improvement
- Audit of Accounts
- Value for money
- Sustainable development principle

RESOLVED – that the report be noted.

13 : ANNUAL AUDIT PLAN 2023

The Committee received the Annual Audit Plan 2023. The plan was presented as an outline of the work to be undertaken during the year. A further report would be presented at the next meeting setting out the audit process and providing more information on each aspect of the Annual Plan.

Members were asked to note the key statutory responsibilities for Audit Wales and their responsibilities in Cardiff. Changes within the Audit Wales team were highlighted. Detailed planning in terms of fees is being undertaken but the fees consultation letter set out an inflationary rise of under 5% and the impact of ISA315 of between 12-15%.

Members welcomed the suggestion that a briefing be brought to the Committee on the impact of the requirements of ISA315.

RESOLVED – That the report be noted.

(a) Cardiff and Vale Pension Fund Audit Plan 2023

RESOLVED – That the report be noted.

14 : AW WORK PROGRAMME AND TIMETABLE UPDATE

RESOLVED – That the report be noted.

(a) Governance and Audit Committee Annual Report 2022/23

The Audit Manager presented the Governance and Audit Committee Annual Report 2022/23.

The report provided an account of the role, work, observations and opinion of the Governance and Audit Committee in respect of the municipal year 2022/23. The report was prepared with the Committee Chairperson and it aligned with the requirements of the Committee's Terms of Reference. The report was presented for the Committee's consideration prior to it being reported to a meeting of Full Council in the autumn.

The report contained the key observations of the Committee, followed by the draft Committee opinion for consideration. The draft opinion was that "based on the evidence presented to the Governance and Audit Committee during 2022/23, it is the considered view of the Governance and Audit Committee that the Council does have, for the most part, sound internal controls and governance arrangements in place. Strategic risks representing the true challenges facing the Council are captured and reviewed on a regular basis..." The draft opinion then draws upon examples of concerns in areas that are to be incorporated into its work programme for 2023/24. The opinion will be contained within the Council's Annual Governance Statement 2022/23, together with the opinion of the Audit Manager on the Council's control environment, and an assurance statement from the Senior Management Team.

RESOLVED – That the Governance and Audit Committee Annual Report 2022/23 be approved and reported to Council.

(b) Governance Senior Management Assurance Statement 2022/23

The Committee received a report providing an update on the Senior Management Assurance Statement and the progress on the drafting of the Annual Governance Statement 2022/23.

RESOLVED – That the report be noted.

15 : CORPORATE RISK MANAGEMENT (YEAR-END)

Members received an update on the risk management position at quarter four 2022/23 highlighting changes from the quarter three 2022/23 report.

Members were advised that at the quarter four position, 242 risks were reported from Directorate Risk Registers. Escalated risks and requests for de-escalation were discussed and approved by the Senior Management Team on 27 June 2023.

It was agreed that seventeen Directorate risks would be carried forward as SMT escalated risks at quarter four. Where a risk has been escalated it is primarily due to either mitigations being required from other directorates or a need to monitor the position so prompt corporate action is undertaken as and when required. Updates on the escalated risks are reported to Senior Management Team throughout the quarter and are formally considered as part of the Quarterly review process.

The report included a detailed assessment of each of the Corporate Risks. Members were asked to note that budget monitoring risk reduced in quarter four as a result of the improving position. Furthermore, SMT agreed to remove the Welfare Reform Corporate Risk from the Corporate Risk Register with the proviso that the escalated risks of resident support and temporary accommodation continues to be reported and monitored at the corporate level.

RESOLVED – That the report be noted.

16 : OUTSTANDING ACTIONS

RESOLVED – That the report be noted.

17 : CORRESPONDENCE

RESOLVED – That the report be noted.

18 : WORK PROGRAMME UPDATE

RESOLVED – That the report be noted.

19 : URGENT ITEMS (IF ANY)

No urgent items.

20 : DATE OF NEXT MEETING

The next meeting is scheduled to take place on 26 September 2023 at 4.30pm.

21 : CORRESPONDENCE FOLLOWING THE COMMITTEE MEETING

- (a) Draft Year-End Annual Well-being (Self-Assessment) Report 2022/23 & Update on the Council's Control Environment

The Committee received the Council's draft Self-Assessment Report 2022/23 and an update on the Council's Control environment. The Chairperson welcomed Chris Lee, Corporate Director Resources; Sarah McGill, Corporate Director People & Communities; Gareth Newell, Head of Performance and Partnerships, Dylan Owen – Operational Manager – Policy Improvement to the meeting. The officers were invited to present the report.

Members were advised that the Committee receives an annual report on the Council's control environment and considers the assurance processes in place, including receiving the draft Self-Assessment. Members were invited to review the report and make any recommendations.

The report set out the reporting and assurance frameworks and the arrangements in place across the Council, including corporate planning, wellbeing objectives and performance management arrangements. The report also included a recent Audit Wales report on the authority's progress in setting wellbeing objectives and details of internal audit assurance on the control environment at both corporate and directorate levels. Furthermore, the report also highlighted the Senior Management Assurance Statement, risk management and internal and external assurance from internal audit and other external regulators.

The Chairperson opened the debate on this item and invited questions or comments from Members of the Committee.

Responding to a question from the Committee on what assurances should be sought, the Corporate Director People & Communities stated that some questions the Committee may like to consider are how well the Self-Assessment report enables the administration to deliver the outcomes that it has set itself, what progress has been made, how that progress can be demonstrated and also, how it identifies areas where there are challenges and actions taken. Members sought assurance that the document set out what it intends to achieve. The Corporate Director People & Communities stated that the document provides an indication of the wide and complex range of data sets required to assess progress. The report provides a framework to assess progress but the details on how progress is being achieved will be set out in the directorate delivery plans.

Members suggested that the outcomes in the document could be more transparent and that potentially an executive summary of the document could be included in future years. Members also asked whether it was possible to prioritise the authority's objectives in the report somehow. The Head of Performance and Partnership stated that all Council services are covered in the report drawn from the Corporate Plan. In terms of priorities, the Strategic Assessment includes what Cabinet considers to be the main risks and issues faced by the authority.

The overall view of our Committee arising from consideration of the self-assessment (well-being) report, was that they were satisfied with the self-assessment process, and their view was that a robust exercise had been completed with duties sufficiently discharged. The assessment was considered to be well structured whilst being based on a governance framework and reporting requirements that have inherent complexity. In some areas the Committee considered there was scope to make the outcomes of the assessment easier to identify and digest. It was felt that in future

years the most important ambitions and areas of performance could be more prominently highlighted within the report.

RESOLVED – That the Committee notes the Council's draft annual Self-Assessment Report 2022/23 and the Committee's comments be submitted via a formal letter from the Committee Chair.

The meeting terminated at 3.30 pm



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Governance & Audit Committee Financial Update

24th October 2023



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Month 4 Overview



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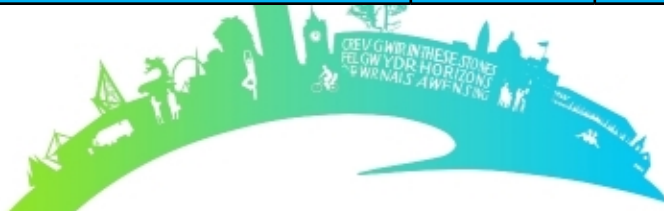
Revenue Position Month 4 – Projected Overspend of £6.5 million



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Directorate	£000	Pressure Areas
Corporate Management	(40)	
Economic Development	1,800	Saint David's Hall, Functions Catering, Cardiff Castle (income), Property Services, Sport & Leisure
Recycling & Neighbourhood Services	200	Segregated waste trial expansion, vehicle damage costs, operational costs MRF & recycling centres
Education & Lifelong Learning	1,900	School Transport, Catering (pending UPFSM rebate), Out of County Places
Housing & Communities	0	Homelessness furniture storage, PPE, printing – position supported by reserve
Performance and Partnerships	(50)	
Adult Services	0	Domiciliary care hours, number & complexity of residential places – supported by contingency
Children's Services	2,975	Residential & bespoke care arrangements, staffing overspends - support from grant & contingency
Planning, Transport, Environment	200	Winter maintenance, planning fee shortfall, resident parking income shortfall, contract increases (CCTV)
Governance & Legal Services	537	Locum costs associated with filling vacancies
Resources	(65)	Microsoft licencing / software pressures - offset by underspends in other areas of service
Total Directorate Position	7,457	
Corporate Areas	(1,000)	Underspend on capital financing – delays in external borrowing requirements & higher interest on cash bals.
Total Council Position	6,457	



Revenue Position Month 4



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- Robust management of budgets in 2023/24 is critical
- Month 4 does not reflect any impact of pay awards yet to be agreed for 2023/24
- A significant proportion of contingency budgets are already projected to be fully utilised
- A significant drawdown from reserves is already built into the position.
- Any unmanaged in-year issues will add to the already significant budget gap for 2024/25.

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Further position (Month 6) will be reported to Cabinet in November



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Budget 2024/25



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Medium-Term Financial Plan (September Council Report)



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	Medium-Term Budget Gap				
	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
Employee Related	21,529	12,631	5,660	6,725	46,545
Prices	9,708	5,995	8,222	8,081	32,006
Commitments & Realignments	6,175	625	1,197	(107)	7,890
Capital Financing	5,591	4,099	2,378	2,970	15,038
Demographic Pressures	7,565	9,214	8,672	6,511	31,962
Financial Pressures	3,000	3,000	3,000	3,000	12,000
Funding	(16,808)	(3,057)	(3,072)	(3,299)	(26,236)
Total	36,760	32,507	26,057	23,881	119,205

Outline Approach	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
Modelled Council Tax (+3%)*	5,172	5,327	5,487	5,652	21,638
Savings Required	31,588	27,180	20,570	18,229	97,567
Total	36,760	32,507	26,057	23,881	119,205

Medium Term

- £119m gap estimated over four years to 2027/28
- Council Tax is for modelling purposes only
- Significant savings requirements – approaching £100m



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Drilling down - Budget 2024/25



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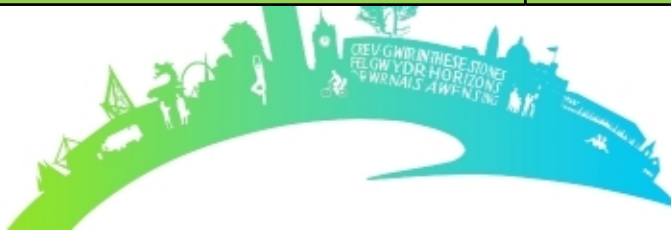


Budget Gap	Elements of the Budget Gap 2024/25	£000
	Employee Related	21,529
	Prices	9,708
	Commitments & Realignments	6,175
	Capital Financing	5,591
	Demographic Pressures	7,565
	Financial Pressures	3,000
	Gross Pressures	53,568
Funding	(16,808)	
Net Budget Gap	36,760	
Draft Strategy	Modelled Council Tax (+3%)	5,172
	Savings Required	31,588
	Total	36,760

- A £36.8m budget gap - £53.6m pressures less assumed funding increase of £16.8m
- Funding is based on indicative allocation from WG – not confirmed until Dec 20th
- There is a c £8.5m additional risk around Teachers Pensions - WG funding assumed
- + 3% Council Tax is for modelling purposes - this and other strategic factors including Schools position will be subject to further Cabinet consideration
- **Savings requirement c £32 million**
- The Gap and the associated savings requirement will increase unless the in-year issues in previous slides are effectively addressed.

Medium Term

- Reminder - Over the four years to 2027/28, the total estimated gap is £119 million – savings requirement almost £100m



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Factors to keep under ongoing review



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- **Pay Award Uncertainty** – both 2024/25 awards & earlier awards could have an ongoing impact into 2024/25.
- **Real Living Wage** - rate to be implemented by May 2024 will be announced later this year – could affect forecast pay & price (social care) pressure
- **Teachers Pensions** - outcome of the actuarial review and confirmation it will be fully funded.
- **Price inflation** - updated forecasts, specific cost drivers (RLW announcement, Crown Commercial Services pricing updates), CPI, plus impact of any contract renewals.
- **Cost of Care Exercise** - the outcome of the exercise due to be undertaken in 2023/24.
- **Capital Financing** – the impact of rolling forward the capital programme one year to 2024/25 – 2028/29.
- **Specific Grants** – the quantum of future grants relative to the existing cost base, together with any impact of the funding flexibility review.
- **Demand** – the ongoing impact of any emerging in-year pressures in key areas – homelessness etc.
- **In year monitoring issues** - cost pressures that emerge as part of the 2023/24 monitoring process will add to gap unless addressed.



2024/25 - Key Actions



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- Robust in year monitoring and work across services to mitigate overspends
- Ongoing refinement of budget modelling for 2024/25 to assess savings requirements
- Continue to work across services to identify savings opportunities
- The new operating model for the Council will need to work with significantly less resources and will mean that we will have to take difficult decisions
- Set out savings in the Autumn – consultation requirements critical
- Late settlement details again expected from Welsh Government – 20th December

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GOVERNANCE & AUDIT COMMITTEE: 24 October 2023

COUNTER-FRAUD ANNUAL REPORT 2022/23

REPORT OF THE CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 5.1

Reason for this Report

1. The Governance and Audit Committee's Terms of Reference requires that Members:
 - Monitor the Counter-fraud strategy, actions and resources;
 - Review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
2. This report has been prepared to provide Governance and Audit Committee Members with an overview of the counter-fraud activities and outcomes during 2022/23.

Background

3. The Council has a responsibility to protect the public purse through proper administration and control of the public funds and assets to which it has been entrusted.
4. This report provides a Council-wide appraisal of the counter-fraud issues, developments and outcomes in accordance with the Council's Counter Fraud and Corruption Strategy. Focus has been given to maintaining a combination of effective preventative and detective controls, and participating in a breadth of counter-fraud networks, forums, initiatives and activities, in order to continue to effectively tackle fraud.
5. The Audit Manager prepares investigation team / counter-fraud progress reports for the Governance and Audit Committee on a regular basis. Counter-fraud activities, initiatives risks and issues are discussed with the Corporate Director Resources (Section 151 Officer) and the portfolio Cabinet Member, Councillor Chris Weaver.

Issues

6. The Counter-Fraud Annual Report 2022/23 (Appendix A) sets out the counter-fraud development, campaigns, resources, work and collaboration over the financial year 2022/23.
7. There have been a number of developments and campaigns this year, designed to develop and maintain a strong counter-fraud culture across the organisation. These activities are aligned to the Counter-Fraud and Corruption Strategy, which was approved

by Cabinet in July 2019. Details of this work are provided within Section 2 of the report, including information on training and awareness campaigns, the approach taken with the Senior Management Team for measurement and assurance on fraud and corruption, and details on policy development and review.

8. Section 3 of the report provides details of the resources available for counter-fraud purposes within the Corporate Investigation Team supplemented by a wider resource. This wider resource includes the provision of a pool of Investigating Officers who are provided with professional internal training and support to investigate cases of employee misconduct, coordinated working with directorates to investigate National Fraud Initiative (NFI) matches, the use of a third-party claims handler to verify the legitimacy of insurance cases, and the use of a third party for the proactive scheme to target Blue Badge abuse. A comparison is provided of the planned and actual use of time by the Corporate Investigation Team within the report.
9. The counter-fraud work and collaboration activities during the year are documented within section 4 of the report. National Fraud Initiative (NFI) data matching analytics have continued to be utilised during the year, and the Corporate Investigation Team have benefited from use of professional networks for shared intelligence and insight.
10. Within section 5 of the report, the impact of the counter-fraud work is outlined, and a comparison of activity and outcomes against prior years is provided for Governance and Audit Committee information.
11. The approach to fraud measurement and assurance is outlined within Section 6 of the report, built upon assessments against best practice government models, and corporate arrangements for assurance statements and risk assessments. The report contains a number of appended assessments, a review of the position against the action plan set in the previous annual report, and a counter-fraud action plan for 2023/24.

Legal Implications

12. There are no direct legal implications arising from the recommendations of this report.

Financial Implications

13. The report sets out the counter-fraud activities and performance for 2022/23 and the ambitions for 2023/24. These outcomes can be contained within the overall budget allocation for Internal Audit.

RECOMMENDATIONS

14. That the Committee notes and considers the content of the report.

Chris Lee
Corporate Director Resources

The following is attached:

Appendix A: Counter-Fraud Annual Report 2022/23



Counter-Fraud Annual Report 2022/23

Cardiff Council

FOR FURTHER INFORMATION, PLEASE CONTACT:

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1. Introduction

- 1.1 The Council has a responsibility to protect the public purse through proper administration and control of the public funds and assets to which it has been entrusted. Accordingly, this report provides a Council-wide appraisal of the counter-fraud issues, developments, and outcomes in accordance with the Council's Counter Fraud and Corruption Strategy.
- 1.2 Over the last year, focus has been given to maintaining a combination of effective preventative and detective controls and participating in a breadth of counter-fraud networks, forums, initiatives, and activities, to continue to effectively tackle fraud.
- 1.3 Tackling fraud, bribery and corruption has continued to be a Council-Wide priority:
- The portfolio Cabinet Member Cllr Chris Weaver is actively engaged in the development of counter-fraud policies and strategy and is provided with the outcomes of exercises to examine and manage risk, including the assessments of counter-fraud, as appended to this report.
 - The Council's Senior Management Team (SMT) continue to support a strong counter-fraud culture through ownership of core governance and risk assessment processes as detailed within this report.
 - The Corporate Investigation Team offers support and advice on all matters of fraud risk including prevention, detection, money laundering, other criminal activity, deterrent measures, and policies and procedures.
 - Organisational-wide fraud awareness training and participation in the Fraud Awareness Week has continued to reaffirm the responsibility of all of us to be alert to the risk and prevent, detect, report potential fraud.
- 1.4 A cohesive approach is taken to reflect best practice and support the Council in its statutory obligation under section 151 of the Local Government Act 1972. It supports the Council's commitment to a zero-tolerance approach to fraud, corruption, bribery and other irregularity, such as money laundering activity.

2. Developments and Campaigns

2.1 There have been a number of developments and campaigns this year, designed to develop and maintain a strong counter-fraud culture across the organisation. These activities have centered on the publication and promotion of the Counter-Fraud and Corruption Strategy, which was approved by Cabinet in July 2019.

a. Training and Awareness

2.2 To embed key messages from the Counter-Fraud and Corruption Strategy, fraud awareness training has continued to be delivered. The training has now been received by over six thousand eight hundred people (officers, headteachers and school governors) through a combination of eLearning for PC users, face-to-face training sessions for front-line staff, and targeted school briefings.

2.3 Between the 13-19 November 2022, the Council participated in International Fraud Awareness week. The internal campaign was supported by articles and guidance for all staff, and included the following topics:

- Officers' Personal Interests & Secondary Employment
- Managing conflicts of interest
- Procurement fraud
- Mandate fraud
- Staying vigilant

2.4 The articles were designed to continue to develop the alertness and maturity of all staff in key areas of risk by providing practical information, advice, supporting resources and relevant contact details for further assistance.

2.5 The Academy provides Disciplinary Investigating Officer Training, with the aim of ensuring that Disciplinary Policy Investigations are conducted to a consistently high standard.

2.6 The transition was managed through close engagement between the lead officer in the Corporate Investigation Team and the training developer within the Academy.

2.7 During Disciplinary Policy investigations where there is an allegation of financial impropriety or fraud, a member of the Corporate Investigation Team is allocated to each case with a view to support consistency and quality, through providing advice, guidance and support. The Corporate Investigation Team lead on investigating more complex cases, as agreed between the Audit Manager and Senior Management.

b. Fraud and Corruption – Measurement and Assurance

2.8 The risk of fraud, bribery and corruption is contained on the corporate risk register, and is reviewed by the Senior Management Team and Governance and Audit Committee quarterly prior to reporting to Cabinet.

2.9 The Senior Management Team was engaged via the Corporate Investigation Team in the most recent Fraud and Corruption Tracker exercise, in which directorate management teams were required to identify their most significant risks of fraud, bribery and corruption. As an outcome of the exercise, many directorates took actions to update their risk registers in respect of the matters identified. CIPFA has not run the 2021, or any subsequent Fraud and Corruption Tracker exercises at the time of reporting, but the Council will continue to participate in each CIPFA exercise and an in-house assessment / exercise of a similar nature the CIPFA activity is in development.

2.10 Additionally, documented assessments have been completed against the Fighting Fraud and Corruption Locally checklist and the Government's Functional Standards for counter-fraud following the 2022/23 financial year-end. These assessments are appended to report.

c. Policy Development and Review

2.11 During the year, a review of the Council's Counter-Fraud and Corruption Strategy and the suite of associated operational policies was completed. A process of consultation will take place in 2023/24, to include engaging with the Governance and Audit Committee, prior to the request for Cabinet approval of the update.

3. Resources

3.1 The Corporate Investigation Team comprises 2.4 full time equivalent officers, dedicated to the prevention, detection and investigation of suspected fraud or financial impropriety who report to the Audit Manager (Head of Internal Audit). Two members of the team are professionally qualified counter-fraud officers, accredited with Portsmouth University, with the third team member being a former police officer with many years of professional expertise.

3.2 The planned and actual number of days applied in 2022/23 are shown in the table below. The planned activity is used for indicative purposes only, as the majority of the teams' work continues to be responsive to risk, corporate support requirements, and the investigation of cases of potential fraud and impropriety identified through data matching exercises and referrals received.

	Planned Days	Actual Days
Strategic	80	75
Fraud Awareness, Reporting	25	23
Training Development, Delivery	10	10
NFI Administration	10	9
Intelligence sharing, Working Groups, Police Liaison	10	8
Policy and Procedure review / planning	25	25

	Planned Days	Actual Days
Operational	363	398
Council Tax liability	180	124
Employee misconduct (disciplinary investigations)	40	66
Council Tax Reduction	50	82
Tenancy Fraud	30	44
Other fraud (Ad hoc and contingency)	38	65
Advice and Guidance	5	6
Grants	20	11
Total	443	473

3.3 Timesheet data contained 473 chargeable days, compared to 443 planned chargeable days.

- 3.4 Staff training, development and fraud awareness continued to be an important element of counter-fraud work this year as referred to in the preceding section ‘developments and campaigns’. The intention has been to maintain and improve a counter-fraud culture across the organisation, through supporting fraud risk awareness to prevent and detect cases of fraud, bribery and corruption.
- 3.5 The Head of Internal Audit supports Senior Officers in the investigation of allegations of fraud and financial impropriety either directly, or through the assignment of a member of the Corporate Investigation Team. The Corporate Investigation Team provides the capacity to conduct criminal and civil investigations, and supports a process to achieve consistent sanctions and recovery.
- 3.6 The Corporate Investigation Team leads a substantial proportion of counter-fraud work, supplemented by wider resources, as follows:
- Capacity to investigate cases of employee misconduct is maintained through a pool of Investigating Officers who are provided with professional internal training and support.
 - National Fraud Initiative (NFI) cases are investigated through a coordinated approach between the Corporate Investigation Team and lead officers within Directorates.
 - The Insurance section utilises a third-party claims handler to verify claim legitimacy.
 - A third-party has been commissioned by Planning, Transport and Environment for a proactive scheme to target Blue Badge abuse.

4. Work and Collaboration

4.1 The work of the Corporate Investigation Team comprises the following primary elements:

Area of Work	Activity
Counter-Fraud Awareness Guidance & Support	<p>Leading on staff awareness, training and support initiatives and campaigns.</p> <p>Guidance and support have been provided on grant administration for assurance on good governance, internal control, and the prevention and detection of fraud.</p> <p>Targeted engagement and awareness activities were delivered this year for officers and SMT, via participation in International Fraud Awareness Week as an internal information campaign.</p>
National Fraud Initiative (NFI)	<p>In addition to investigating referred cases, the team also undertakes various proactive exercises including participating in proactive data matching exercise run by the Cabinet Office / Audit Wales.</p> <p>These exercises generate a substantial volume of ongoing work in respect of Council Tax, with Council Tax Liability cases representing the highest volume of work, and with increasing Council Tax Reduction cases.</p>
Intelligence	<p>Reviewing, risk assessing and contributing to intelligence through professional networks and disseminating relevant information and guidance as appropriate.</p> <p>Reviewing and assessing allegations of impropriety, utilising access to Council systems and outside data sources, including credit reference agencies.</p>

Investigations	<p>Blue Badge</p> <p>Misuse of a blue badge / use of a counterfeit badge in order to evade parking charges / park for free.</p> <p>This year the Planning Transport and Environment directorate have continued an initiative with a third party to deliver targeted work in this area. Details of the initiative and its results are contained within this report.</p> <p>Council Tax Liability</p> <p>The liable party applies for a discount or exemption that they are not entitled to.</p> <p>Council Tax Reduction</p> <p>Applicant fails to correctly disclose information, in order to receive payments that they are not entitled to.</p> <p>Employee Misconduct</p> <p>Employee commits an act of fraud, bribery corruption or financial impropriety.</p> <p>Insurance</p> <p>Claimant provides untrue / incomplete information in order to receive payments that they are not entitled to. The Council's claims handling process is in place to mitigate this risk.</p> <p>Tenancy</p> <p>Social Housing Investigations include allegations of tenancy fraud, including subletting / abandonment and Waiting List applications.</p> <p>Other cases</p> <p>Ad hoc / special investigations in respect of areas not listed above, would be categorised as 'Other'. The concluded cases related to the following fraud categories - grants, death in service grant, intercepted cheque, conflict of interest, corruption, false / falsified documents.</p>
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- 4.2 The Council has participated in a combination of National Fraud Initiative (NFI) data matching exercises / pilots and reactive investigation work to identify and review potential frauds and irregularities. Professional networks are in place to work with other local authorities to share intelligence and best practice externally, and the Corporate Investigation Team has provided specialist internal guidance, training, and support.
- 4.3 The Council continues to participate in the National Fraud Initiative (NFI), which is a UK-wide counter-fraud exercise. In Wales, the exercise is undertaken by the Auditor General for Wales under his statutory data-matching powers in Part 3A of the Public Audit (Wales) Act 2004. Audit Wales have reported that since its commencement in 1996, NFI exercises have resulted in the detection and prevention of £42.9 million of fraud and overpayments in Wales. Across the UK, the cumulative total of NFI outcomes are now £2.4 billion. Six areas which generated almost 90% of the financial outcomes include; Pensions, Council Tax Discount, Blue Badges, Housing Waiting Lists, Housing Benefit, Trade Creditors.
- 4.4 Three hundred and eighty-two days related to referrals from various sources, including, members of the public, Council employees as well as anonymous referrals. Specialist internal advice has continued to be sought, and has been provided on eighteen occasions, compared to twenty-six in 2021/22. Requests originated from a number of different teams, covering topics such as data matching, preliminary investigations, gathering evidence, conducting investigations, and prosecutions.
- 4.5 Three hundred and twelve cases were identified in 2022/23, compared to four hundred and sixty-nine the previous year. Three hundred and twenty-eight investigations were concluded during the year, compared to four hundred and eighty-nine last year.
- 4.6 The majority of investigation cases continue to be generated in respect of Council Tax Liability issues through reviewing NFI matches. Council Tax fraud could be when a person claims to live in a single adult household when more than one adult lives there, or they might claim to be a student when they are not. Referrals may be received from the Council Tax Team, members of the public or via data matching.

Cases	2021/22		2022/23	
	Identified	Concluded	Identified	Concluded
Blue Badge	76	73	75	74
Council Tax Liability	157	153	37	46
Council Tax Reduction	74	86	44	36
Employee Misconduct	67	60	15	21
Insurance*	12	35	8	21
Tenancy	12	13	120	114
Other Cases	71	69	13	16
Number of Cases	469	489	312	328

*Insurance data is provided by external claims handlers and may be subject to in-year / retrospective adjustments.

- 4.7 Planning Transport and Environment have continued to collaborate with their external service provider in order to continue their on-street enforcement activity. Seventy-five blue badges were seized, compared to seventy-six for the same period 2021/22. The majority of badge seizures were as a result of a vehicle being parked, whilst the Blue Badge holder was not present.
- 4.8 Forty-six Council Tax Liability investigations were completed, compared to one hundred and fifty-three during 2021/22. A number of active cases are ongoing at the year-end, which were identified through reviewing the annual NFI Council Tax to Electoral Register data matches. These matches identify Council Tax accounts (single adult households) receiving a single person discount where the Electoral Register identifies that there is more than one adult at the property registered to vote.
- 4.9 Thirty-six Council Tax Reduction investigations were concluded, compared to eighty-six last year. Council Tax Reduction is classed as a local benefit; however, recipients may also be in receipt of a national benefit, for example, Universal Credit, Housing Benefit, Pension / Tax Credits. In these cases, fraud referrals are sent to the DWP to investigate.
- 4.10 Twenty-one investigations have concluded relating to employee misconduct. The allegations included: abuse of position, not working contracted hours, theft, working whilst sick.
- 4.11 Twenty-one insurance claims* have been concluded. In these cases, insurance payments were made at a reduced rate where elements of claims were not supported, and in other cases insurance claims were withdrawn.

4.12 One hundred and fourteen tenancy investigations were completed (one hundred and one of which were investigations resulting from participation in an NFI data matching tenancy pilot), compared to thirteen last year.

4.13 Of the sixteen other cases concluded, seven were in respect of grants. The nine other cases included business rates, stolen cheque, conflict of interest, corruption, death in service (pension) nomination, false fixed penalty notice, insurance fraud, money laundering.

4.14 Officers actively collaborate in available groups and forums in order to continue to understand fraud risks, trends and best practice approaches to prevent and detect fraud.

Groups & forums attended (2022/23)	Wales Fraud Officers Group - the Group Auditor (Investigations) engages in quarterly meetings, for networking and sharing best practice and proactive initiatives.
	Welsh Chief Auditor's Group - The Audit Manager Chairs these meetings, where strategic and operational fraud matters are discussed.
	National Anti-Fraud Network (NAFN) - Cardiff Council is a member of the NAFN, which acts as a hub for the collection, collation and circulation of intelligence alerts. NAFN is recognised as an expert provider of data services by the Interception of Communications Commissioner's Office, the Home Office, the DWP and the DVLA amongst others.
	Wales Fraud Forum, Tenancy Fraud Forum, and Audit Wales Good Practice Exchange – Lead officers attend / engage in these events for best practice advice and insight.

5. Impact

Blue Badges

- 5.1 Seventy-four Blue Badge cases were concluded, ten resulted in criminal sanctions, of these, seven were prosecuted and three received a simple caution.

Council Tax Liability

- 5.2 Council Tax Liability investigations concluded during the year identified £33,985 of under charged liability, due to be recovered.

Council Tax Liability	2020/21	2021/22	2022/23
Investigations concluded	146	153	46
Overpayment Identified	£74,264	£72,498	£33,985

Council Tax Reduction

- 5.3 Council Tax Reduction investigations resulted in overpayments of £24,370 to be recovered.

Council Tax Reduction	2020/21	2021/22	2022/23
Investigations concluded	44	86	36
Overpayment Identified	£9,455	£9,726	£24,370

Employee Investigations

- 5.4 Twenty-one employee investigations were concluded; this resulted in the following outcomes: 3 dismissals, 4 resignations, 3 final written warnings, 1 written warning, 1 management action. Additional, corrective action, and a number of management recommendations were made, in order to improve systems and controls.

Insurance

- 5.5 The Insurance Team has worked with their claims handler to quantify the value of prevented insurance claims due to fraud or error.

Insurance	2020/21	2021/22	2022/23
Investigations concluded	27	35	21
Prevented payments	£396,505	£750,332	£310,595

- 5.6 In the majority of cases, the prevented payments are represented by claims, which were either withdrawn by claimants, or were considered as exaggerated claims which were subsequently paid at a reduced rate.

Tenancy

- 5.7 One hundred and fourteen tenancy investigations were completed, compared to thirteen last year.

Other

- 5.8 Of the sixteen cases concluded, in total £86,403 was identified and payments either stopped, or identified for recovery.

6. Fraud Measurement and Assurance

- 6.1 The Counter-Fraud and Corruption Strategy sets out the approach taken to measure the fraud risk in Cardiff Council, which is built upon national trends and intelligence and Council specific intelligence. This includes management and internal audit assurance, data matching and analysis through participation in the National Fraud Initiative Cabinet Office exercises, and disclosures in the public interest through the Council's whistleblowing scheme.

- 6.2 The Council has made a proper assessment of its fraud and corruption risks, with the overarching position represented on, and managed through the corporate risk register. The corporate risk of 'fraud, bribery and corruption' is subject to ongoing monitoring and management. The risk is updated on at least a quarterly basis for SMT consideration and Governance and Audit Committee review, with the position considered by Cabinet twice a year.

- 6.3 A number of methods are used to identify and respond to the risk of fraud and corruption:

- **Annual assessment against the 'Fighting Fraud and Corruption Locally Strategy 2020', and the Government Functional Standard (GovS 013: Counter Fraud).** Further information on these is provided in the following paragraphs.
- **Participation in each CIPFA Fraud and Corruption Tracker exercise.** This is responded to by each directorate management team, with the overall position considered and agreed in SMT. The process enables a coordinated assessment and validation of fraud and corruption risks and data, and provides an opportunity

for directorates to consider the position in respect of their directorate risk assessments, and to make appropriate updates.

- **Senior Management Assurance Statements on fraud, bribery and corruption risk management on a twice-yearly basis.** Prior to each Director submitting a Senior Management Assurance Statement of their maturity in this area, they are required to review the position with their respective management teams.

Fighting Fraud and Corruption Locally Strategy 2020

- 6.4 As referred to above, the Corporate Investigation Team has reviewed the Council's position in respect of counter-fraud through the use of two public sector checklists. Firstly, an assessment has been made against the 'Fighting Fraud and Corruption Locally 2020 Strategy'. The strategy has been developed for English Local Authorities supported by CIFAS and CIPFA, to provide *"a blueprint for a coordinated response to fraud and corruption perpetrated against local authorities with the support of those at the top."*
- 6.5 A high-level assessment against the senior stakeholder checklist is included in **Annex 1**, followed by the detailed checklist of thirty-seven points for which the Council's self-assessment results are included in **Annex 2**. The self-assessments have provided general comfort in the strength of the counter-fraud approach in the Council and has reinforced the ongoing approach to Council-wide training and awareness as important cornerstones of the corporate counter-fraud response. It has reaffirmed the importance of the approach ongoing to coordinate fraud and corruption risk assessments, to communicate effectively on risk identification and awareness, and to review cases of proven fraud for lessons learned purposes. These areas are carried forward onto the ongoing Counter-Fraud Action Plan.

Functional Standard (GovS 013: Counter Fraud)

- 6.11 In 2021, the Government launched an updated "Functional Standard" for counter fraud, detailing the main components government organisations should have in place to deal with fraud effectively. The Functional Standard for counter fraud was developed by a senior group of fraud experts in government. The standard applies to all government departments and their arms-length bodies.

6.12 The Council's position has been reviewed against the Functional Standard (GovS 013: Counter Fraud). An assessment has been made against the full Standard and a summarised version of the assessment against an associated summary checklist is included in **Annex 3**. The self-assessment provided general assurance that the Council has strong foundations in place to deal with fraud effectively.

Fraud and Corruption Tracker

6.13 During 2020, CIPFA conducted its latest annual Fraud and Corruption Tracker survey, the aim being to create a national picture of the amount, and types of fraud carried out against local authorities. In the results subsequently published it has recommended that:

- Local authorities must remain vigilant and determined in identifying and preventing fraud, raising the awareness of fraud risk across all areas of service delivery and all levels of the organisation.
- It remains important for organisations to work collaboratively with their neighbours and business partners, share resources, skills and best practice to effectively detect and prevent fraud.
- Public sector organisations should maximise opportunities to share data where these initiatives are made available and explore and invest in additional innovative use of data sharing and fraud prevention technology, reducing the risk of loss through fraud.
- This year the majority of authorities reported fraud prevention as their main priority with none listing intelligence gathering at any level. Authorities should reconsider the value of intelligence in connection with identifying fraud risk, informing and focusing their planned activity and helping protect the organisation, therefore further preventing fraud.
- CIPFA recommends active publicity campaigns across all levels of the organisation to ensure staff are aware of whistleblowing procedures and accessibility to supporting services.
- Cyber security continues to increase in importance relative to the increase in remote working and electronic service application. Where controls need to be strengthened authorities should seek assistance from the LGA's cyber security programme stakeholder group.
- The new Fighting Fraud and Corruption Locally 2020 strategy has been released and councils are encouraged to review their working practices against the FFCL checklist, strengthening controls where weakness is identified.

6.14 The collated responses from each directorate against the CIPFA Fraud and Corruption Tracker 2020 were reviewed and agreed by SMT in respect of the last exercise run, and the outputs of the CIPFA exercise were reviewed following publication in SMT. CIPFA has not run the 2021, or any subsequent Fraud and Corruption Tracker exercises at the time of reporting, but the Council will continue to participate in each CIPFA exercise and an in-house assessment / exercise of a similar nature the CIPFA activity is in development.

Action Plans

6.15 The Counter-Fraud Annual Report 2021/22 contained an action plan arising from the strategic intentions in respect of counter-fraud activity, informed by the year-end assessment against the functional standard (GovS 013: Counter Fraud) and the review of the Fighting Fraud and Corruption Strategy. Progress against the action plan was monitored throughout the year, and the year-end position is included within **Annex 4**, in which one action is completed and the remaining actions are considered to be of an ongoing nature and are to continue.

6.16 The ongoing Counter-Fraud Action Plan is included within **Annex 5**, which contains the seven actions of an ongoing nature, reaffirmed through the self-assessments of fraud and corruption through the aforementioned checklists and exercises.

7. Investigation Plan 2023/24

7.1 Looking forward to 2023/24, there are four hundred and fifty-two chargeable days available in the plan based on current resources (2.4 fte).

7.2 These days have been indicatively split between strategic (72 days) and operational activities (380 days) as summarised within the table below.

Strategic (Planned Days)	72
Policy and procedure review / planning	25
Fraud awareness / reporting	23
Training development / delivery	10
Intelligence sharing / working groups / police liaison	8
National Fraud Initiative	6

Operational (Planned Days)	380
Council Tax Liability (CTL)	130
Council Tax Reduction (CTR)	80
Other fraud (Ad hoc and contingency)	60
Employee misconduct (disciplinary investigations)	55
Tenancy fraud	45
Grants	5
Advice and guidance	5

NB – Audit Manager time is not included within the above apportionment.

Fighting Fraud and Corruption Locally (FFCL) 2020 Senior stakeholders - Checklist

The Chief Executive

Expectations
Ensure that your authority is measuring itself against the checklist for FFCL
Is there a trained counter fraud resource in your organisation or do you have access to one?
Is the audit committee receiving regular reports on the work of those leading on fraud and is the external auditor aware of this?
Commentary – <i>The above mechanisms and arrangements are in place, as outlined in more detail within the following FFCL checklist</i>

The Section 151 Officer

Expectations
Is there a portfolio holder who has fraud within their remit?
Is the head of internal audit or counter fraud assessing resources and capability?
Do they have sufficient internal unfettered access?
Do they produce a report on activity, success and future plans and are they measured on this?
Commentary – <i>The above mechanisms and arrangements are in place, as outlined in more detail within the following FFCL checklist</i>

The Monitoring Officer

Expectations
Are members, audit committees and portfolio leads aware of counter fraud activity and is training available to them?
Is the fraud team independent of process and does it produce reports to relevant committees that are scrutinised by members?
Commentary – <i>Governance and Audit Committee induction training provided, supplementary information provided to Committee Members within packs issued to support individual Member self-assessments against the CIPFA knowledge and skills framework. All Elected Members can access the Fraud Awareness training module. The Corporate Investigation Team is independent and produces progress reports for Governance and Audit Committee consideration at least quarterly.</i>

The Governance and Audit Committee

Expectations
Should receive a report at least once a year on the counter fraud activity which includes proactive and reactive work
Should receive a report from the fraud leads on how resource is being allocated, whether it covers all areas of fraud risk and where those fraud risks are measured
Should be aware that the relevant portfolio holder is up to date and understands the activity being undertaken to counter fraud
Should support proactive counter fraud activity
Should challenge activity, be aware of what counter fraud activity can comprise and link with the various national reviews of public audit and accountability.
Commentary – <i>The above mechanisms and arrangements are in place, as outlined in more detail within the following FFCL checklist. Additional information and details are included within the Annual Report to appropriately inform the Governance and Audit Committee.</i>

The Portfolio Lead

Expectations
<i>Receives a regular report that includes information, progress and barriers on:</i>
The assessment against the FFCL checklist
Fraud risk assessment and horizon scanning.
Commentary – <i>The Portfolio Cabinet Member (Councillor Weaver) receives corporate risk information, and has been provided with the completed FFCL checklist and the Functional Standard (GovS 013: Counter Fraud) self-assessment from this report.</i>

Fighting Fraud & Corruption Locally 2020 Checklist Self-Assessment

Checklist	Position	Action Required
<p style="text-align: center;">Page 47</p> <p>1 The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members.</p>	<p>The risk of fraud, bribery and corruption is contained on the corporate risk register and is reviewed by the Senior Management Team and Governance and Audit Committee quarterly prior to reporting to Cabinet.</p> <p>Each directorate assessed their position against the CIPFA fraud and corruption tracker, and all results were considered in SMT in November 2020. At this time all directorates contributed to a risk assessment of their respective fraud and corruption risks. CIPFA has not run the Fraud and Corruption Tracker exercise since, and whilst the Council will continue to participate in each CIPFA exercise, to ensure regularity of review, a structured Council fraud and corruption risk assessment and tracker is being prepared and will be completed with SMT during 2023/24.</p> <p>Directors respond to an assurance statement twice a year in respect of fraud, bribery and corruption as part of the Senior Management Assurance Statement (SMAS) process.</p> <p>Any actions resulting from risk assessments at a corporate level of fraud and corruption are included within the corporate risk register, which is owned by the SMT, and is regularly reported to the Governance and Audit Committee and Cabinet.</p>	<p>Annex 5 – Actions 1 & 2.</p>

2	The local authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. This assessment includes the understanding of the harm that fraud may do in the community.	Each directorate has participated in the most recent CIPFA Fraud and Corruption Tracker exercise. This assessment included the consideration of the wider impact of fraud, and all results were considered in SMT. Directorates are also responsible for their own ongoing risk assessments, as part of the Council's risk management framework, including the risk of fraud and corruption.	Annex 5 – Action 2.
3	There is an annual report to the audit committee, or equivalent detailed assessment, to compare against FFCL 2020 and this checklist.	The Counter-Fraud Annual Report is reported to the Governance and Audit Committee, and it includes the assessment against the FFCL checklist and in consideration of the wider strategy.	Annex 5 – Action 3.
Page 48	The relevant portfolio holder has been briefed on the fraud risks and mitigation	<p>The portfolio Cabinet Member is named against the corporate risk of fraud bribery and corruption and kept engaged on the current mitigation and planned further activities and response. The strategic response to the risk of fraud is co-ordinated through the Counter-Fraud and Corruption Strategy, which was approved by the Cabinet in July 2019.</p> <p>The Portfolio Cabinet Member (Councillor Weaver) receives corporate risk information, and has been provided with the completed FFCL checklist, the Functional Standards self-assessment from this report, and the results of the Fraud and Corruption Tracker exercise.</p>	
5	The audit committee supports counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources	The Governance and Audit Committee receives an annual plan of the proactive and reactive areas of work for the Corporate Investigation Team each year, and progress reports at least quarterly on the work and outcomes of counter-fraud work. The Committee self-assessed their counter-fraud performance as effective in their self-assessment in January 2023.	

6	There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance.	The Counter-Fraud and Corruption Strategy included a requirement for all officers to undertake fraud awareness training for which progress is being monitored, and for the Council to participate an international fraud awareness week communication campaign, which has taken place annually in November.	
7	The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	The key operational policies and arrangements, and the frequency of their review, are set out in the Counter-Fraud and Corruption Strategy.	
8	The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	The risk of fraud, bribery and corruption is included on the corporate risk register, with the assessment and actions formally reported on quarterly.	
10	Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments and this is reported upon to committee.	Responses from directorates as part of the most recent Fraud and Corruption Tracker return considered that this was effectively in place.	
10	Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	The Council has a 'publicity policy' for cases of proven fraud.	

11	The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	The Governance and Audit Committee receives a progress report on at least a quarterly basis, which provides details of the proactive and reactive work, the number and nature of referrals, ongoing cases, closed cases, and the outcomes.	
12	The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: – codes of conduct including behaviour for counter fraud, anti-bribery and corruption – register of interests – register of gifts and hospitality.	The Council has codes of conduct and registers of interest, gifts and hospitality. Each of these areas require monitoring by management, as well as review by the Standards and Ethics Committee and routine audit by the Internal Audit Service.	
13	The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2020 to prevent potentially dishonest employees from being appointed.	The Council requires that appropriate vetting is required by staff prior to employment, undertaken by management, with the support of HR People Services. The process is subject to Internal Audit.	

14	Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.	The requirement for Members and Officers to make appropriate personal, business, gifts and hospitality disclosures are communicated and subject to Internal Audit.	
15	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	A number of communication campaigns have been introduced to provide a base level of understanding of fraud risks and the counter-fraud culture required across the organisation. This has been primarily delivered through the roll out of mandatory fraud awareness training and the focus in fraud awareness week on key areas (fraud risk, declarations of interest, procurement fraud, mandate fraud, staying vigilant etc). All corporate training has been designed and facilitated by the Council's counter-fraud experts.	Annex 5 – Actions 4 & 5
Page 51	There is an independent and up-to-date whistleblowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.	The Council's Monitoring Officer maintains the whistleblowing policy. The Standards and Ethics Committee is provided with information to enable them to monitor the number and nature of cases, their progress and outcomes.	
17	Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistleblowers.	Contractors are made aware of the Council's whistleblowing policy as part of standard contracts, through which they can make a disclosure in the public interest.	
18	Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	Fraud resources are monitored in respect of the risk of fraud. To support the resilience of the small Corporate Investigation Team, a pool of Investigating Officers have been formally trained to conduct professional internal investigations in accordance with the Council's disciplinary, and fraud, bribery and corruption policies.	

19	There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	The annual fraud plan is considered by the Governance and Audit Committee each year, which reflects risks and covers all areas of Council business. The plan indicates the proportion of time expected to be used in respect of strategic and operational work, and any comments from the Governance and Audit Committee are accounted for in the deployment of the team. The Corporate Investigation Team needs to be responsive to risk and referrals, through which the actual work completed and the outcomes are reported to the Governance and Audit Committee.	
20	Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	The Corporate Investigation Team provides progress reports on the work and outcomes of the work led by the team. The outcomes of the small number of areas where work is led outside of the team, namely insurance investigations, and a pilot blue badge initiative with a third party, are periodically collated and reported to the Governance and Audit Committee.	
21	Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	
22	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communications team.	There is a Publicity Policy in place to guide the approach to publicising fraud and corruption cases internally and externally, supported by the Council's Communications Team.	
23	All allegations of fraud and corruption are risk assessed.	All allegations of fraud and corruption are subject to a preliminary assessment, through which the allegations and associated risk are assessed.	

24	<p>The fraud and corruption response plan covers all areas of counter fraud work:</p> <ul style="list-style-type: none"> – prevention – detection – investigation – sanctions – redress. 	<p>The fraud and corruption response plan covers all areas of counter fraud work:</p> <ul style="list-style-type: none"> – prevention – detection – investigation – sanctions – redress. 	
25	<p>The fraud response plan is linked to the audit plan and is communicated to senior management and members.</p>	<p>The Audit Manager prepares the Internal Audit Plan and the Fraud Plan. Both plans are co-ordinated to target and receive assurance on areas of risk. The Audit Plan is communicated with SMT, as are the priorities in respect of the Corporate Investigation Team’s proactive and reactive planned work.</p>	
26	<p>Asset recovery and civil recovery are considered in all cases.</p>	<p>Asset recovery and civil recovery are considered in all cases.</p>	
27	<p>There is a zero-tolerance approach to fraud and corruption that is defined and monitored and which is always reported to committee.</p>	<p>There is a zero-tolerance approach to fraud and corruption that is defined in the Counter-Fraud and Corruption Strategy, and associated policies, which are monitored and considered by the Governance and Audit Committee.</p>	
28	<p>There is a programme of proactive counter fraud work which covers risks identified in assessment.</p>	<p>The proactive work is informed by risk, and intelligence, whether it involves the focus / deployment of training and awareness campaigns, to targeted data matching exercises.</p>	
29	<p>The counter fraud team works jointly with other enforcement agencies and</p>	<p>The Corporate Investigation team works jointly with other enforcement agencies, including the Police, Cabinet Office, DWP, and a range of professional networks.</p>	

	encourages a corporate approach and co-location of enforcement activity.		
30	The local authority shares data across its own departments and between other enforcement agencies.	The local authority shares data across its own departments (such as procurement, legal, Council Tax, Finance (Inc. Audit and Corporate Investigation Teams), and between other wider agencies (including the DVLA, Cabinet Office / National Fraud Initiative, Home Office, Police, DWP).	
31	Prevention measures and projects are undertaken using data analytics where possible.	The Corporate Investigation Team co-ordinates and actively participates in the National Fraud Initiative data matching exercises. The Investigation and Internal Audit Teams continue to advocate Directorate use of data analytics in the processing of applications across the Council.	Annex 5 – Action 6.
32	The counter fraud team has registered with the Knowledge Hub so it has access to directories and other tools.	The Corporate Investigation Team has registered with the Knowledge Hub and has access to relevant resources.	
33	The counter fraud team has access to the FFCL regional network.	<i>n/a – English LA's only</i>	
34	There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they too must be trained in this area.	Counter-Fraud work is undertaken by the Corporate Investigation Team, who are professionally trained and suitably accredited.	

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35	The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	The counter fraud team has adequate knowledge in all areas of the local authority.	
36	<p>The counter fraud team has access (through partnership/ other local authorities/or funds to buy in) to specialist staff for:</p> <ul style="list-style-type: none"> – surveillance – computer forensics – asset recovery – financial investigations. 	<p>The counter fraud team has access (through partnership/ other local authorities/or funds to buy in) to specialist staff for:</p> <ul style="list-style-type: none"> – surveillance – computer forensics – asset recovery – Financial investigations. 	
Page 55	Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud-proof systems.	Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and appropriate mechanisms are used to feedback improvements to fraud-proof systems to directorates, such as action plans resulting from investigations, or separate Internal Audit engagements and associated recommendations in the event of ongoing control gaps.	Annex 5 – Action 7.

Functional Standard (GovS 013: Counter Fraud) Self-Assessment Counter Fraud Organisational Basics Checklist

The Functional Standards set out the basics that public bodies should have in place to find and fight fraud. All public bodies should understand and seek to meet the Functional Standard (GovS 013: Counter Fraud). [Government Functional Standard - GovS 013: Counter Fraud \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

The following assessment is in respect of the summary level checklist against the Government Functional Standard (GovS 013: Counter Fraud), although a full detailed assessment has been completed and is held by the Audit Manager within the Internal Audit Section.

Functional standard	Position	Action Required
Page 56 Have an accountable individual at board level who is responsible for counter fraud, bribery and corruption	<p>The Audit Manager leads on the Council's Counter-Fraud activities and initiatives under the direction of the Corporate Director Resources (Section 151 Officer) who is a member of the Council's SMT and ensures appropriate senior management prominence and engagement.</p> <p>The portfolio Cabinet Member Cllr Chris Weaver champions counter-fraud importance, is actively engaged in the development of counter-fraud policies and strategy, and is provided with the outcomes of exercises to examine and manage risk, including the assessments of counter-fraud appended to this report.</p> <p>The Governance and Audit Committee receive information on the Counter-Fraud activities, resources and outcomes through quarterly updates.</p> <p>The Committee received and considered a national report from Audit Wales and the specific findings in respect of the Council in September 2020, and the findings were discussed with the external Auditor and the Audit Manager.</p>	

2	Have a counter fraud, bribery and corruption strategy that is submitted to the centre	<p>Cardiff Council has an overarching Counter-Fraud and Corruption Strategy, underpinned by a policy framework which has been approved by Cabinet.</p> <p>The strategy:</p> <ul style="list-style-type: none"> • Provides details of national counter-fraud landscape, with details of trends and intelligence. • Includes details of the red flags and conditions for fraud and the principal means of assessing the risk of fraud and its detection. • Is based on the maturity and response the organisation is seeking over a three/four-year period. The corporate risk register contains a target risk level and timescale. • Contains a counter-fraud Response Plan and Action Plan. • Contains clear objectives and a combined foreword from the Leader and the Chief Executive. 	
3	Have a fraud, bribery and corruption risk assessment that is submitted to the centre	<p>Fraud, Bribery and Corruption is contained on the Corporate Risk Register and is reviewed by the Senior Management Team and Governance and Audit Committee quarterly prior to reporting to Cabinet.</p> <p>Each Directorate contributed to a risk assessment of their respective fraud and corruption risks as part of each CIPFA Fraud and Corruption Tracker exercise.</p> <p>All risk registers are required to contain all pertinent risks, including the risk of fraud, bribery and corruption in accordance with the Council's Risk Management Strategy and Policy.</p> <p>Any actions resulting from risk assessments at a corporate level of fraud and corruption are included within the corporate risk register, which is owned by the SMT, and is regularly reported to the Governance and Audit Committee and Cabinet.</p> <p>Directors respond to an assurance statement twice a year in respect of fraud, bribery and corruption as part of the Senior Management Assurance Statement (SMAS) process.</p>	

4	Have a policy and response plan for dealing with potential instances of fraud, bribery and corruption	<p>To supplement the Counter-Fraud and Corruption Strategy, the Council has a suite of counter fraud policies and procedures in place, which are reinforced by the Council's mandatory 'Fraud Awareness' eLearning module.</p> <p>The full Functional Standard for this area (4.5. Organisational Policy and Response Plans) details the good practice components of the Fraud, Bribery and Corruption Policy and the Fraud Response Plan, which are incorporated as part of document updates and reviews.</p> <ul style="list-style-type: none"> • <u>The Fraud, Bribery and Corruption Policy</u> includes the following sections: Definitions, Scope, Training & Awareness, Prevention, Detection, Reporting, Investigation, Collaboration, and Accountability. • <u>The Fraud Response Plan</u> is a procedural guide for required actions, which must be followed, in the event of a suspicion of fraud, bribery, corruption or financial impropriety, in accordance with the Fraud, Bribery and Corruption Policy. Responsibilities are defined, as is the process for assigning the lead investigating officer and the support available from Internal Audit. <p>The Audit Manager attends Senior Management Team meetings for periodic counter-fraud updates and the Corporate Investigation Team regularly produce progress reports to the Governance and Audit Committee and provide monitoring and performance information and updates.</p> <p>The Audit Manager will report cases of fraud, bribery, corruption or financial impropriety to the Section 151 officer and the Governance and Audit Committee as appropriate relative to their roles and terms of reference.</p>	Annex 5 – Action 1.
5	Have an annual action plan that summarises key actions to improve capability, activity and resilience in that year	<p>An Annual Action Plan is prepared and appended to each Counter-Fraud Annual Report.</p> <p>The Action Plan reflects the strategic intentions in respect of counter-fraud activity, informed by the year-end assessment against the Functional Standards and the review of the Fighting Fraud and Corruption Locally Strategy.</p> <p>The Action Plan is coordinated by the Audit Manager, who is responsible to tracking and reporting on progress against the actions set. The Action Plan includes target timescales against actions.</p>	

		<p>The Governance and Audit Committee receives an update on counter-fraud and the work of the Corporate Investigation Team at least quarterly. A specific progress update on the Action Plan was not considered necessary during 2022/23.</p> <p>There is no reporting requirement for local government to the Counter Fraud Centre of Expertise. The Council reports the Action Plan as part of the Counter-Fraud Annual Report for consideration and review by the Governance and Audit Committee.</p>	
6	<p>Have outcome based metrics summarising what outcomes they are seeking to achieve that year. For organisations with 'significant investment' in counter fraud or 'significant estimated' fraud loss, these will include metrics with a financial impact</p>	<p>The Council reports on the volumes and values of fraud cases identified for investigation, and the outcomes of those investigations. This information is provided on a comparative basis against the same period in the prior year for the information of the Governance and Audit Committee in quarterly progress reports.</p> <p>The Counter-Fraud Annual Report provides comparative information on the outcomes of investigations against the previous two financial years.</p> <p>The Corporate Investigation Team is a small specialist resource. Audit Wales reviewed the counter-fraud arrangements in the Council as part of a national study and no recommendations were considered necessary in respect of the development of further metrics.</p>	
7	<p>Have well established and documented reporting routes for staff, contractors and members of the public to report suspicions of fraud, bribery and corruption and a mechanism for recording these referrals and allegations</p>	<p>Well-established and communicated arrangements are in place for reporting suspicions of fraud, bribery and corruption.</p> <p>Reporting arrangements are communicated and prompted in mandatory fraud awareness training and as part of fraud awareness week and other relevant publicity activities or campaigns.</p> <p>All referrals and other casework are recorded within a corporate fraud database, allocated a unique reference and categorised as appropriate.</p>	

8	Report identified loss from fraud, bribery, corruption and error, and associated recoveries, to the centre in line with the agreed government definitions	<p>The Governance and Audit Committee receives details of the value of fraud or error identified through the concluded cases over the reported period, identified for recovery action.</p> <p>The value of recovery due to fraud or error is not systematically reported to Committee and this is not a further reporting requirement in local government. However, this data was compiled and provided to Audit Wales for their external review of counter-fraud arrangements as part of their national study.</p> <p>The database maintained is conducive to effective reporting to the Governance and Audit Committee on the fraud cases received, ongoing and closed over the current and previous reporting periods.</p>	
9	Have agreed access to trained investigators that meet the agreed public sector skill standard	<p>Whilst the Government Counter Fraud Profession has not been adopted by local authorities, all members of the Corporate Investigation Team are professionally trained and suitably skilled and experienced.</p>	
10	Undertake activity to try and detect fraud in high-risk areas where little or nothing is known of fraud, bribery and corruption levels, including loss measurement activity where suitable	<p>The Council participates in each CIPFA Fraud and Corruption Tracker exercise with the direct engagement of the full Senior Management Team. As part of this exercise national fraud trends, volumes and values are considered and reported on across the Council. Areas where there are gaps in information and assurance are considered for management activities, and for the development of internal audit assurance engagements, as appropriate.</p> <p>The Council actively participates in the proactive National Fraud Initiative; this has included pilots in respect of COVID-19 grants and Council Tax.</p>	
11	Ensure all staff have access to and undertake fraud awareness, bribery and corruption training	<p>All staff are required to participate in mandatory fraud awareness training, which is either delivered face to face or via an eLearning module.</p>	

	as appropriate to their role		
12	Have policies and registers for gifts and hospitality and conflicts of interest	<p>The Council has policies and registers for gifts and hospitality and declarations of interest.</p> <p>The procedures document how to record and mitigate conflict of interest risks.</p>	

Year-End Status – Prior Year Action Plan

Action	Target	Position as at April 2023
<p>1. The suite of counter-fraud operational policies, including the Fraud, Bribery and Corruption Policy and the Fraud Response Plan are scheduled for review, and this review will provide relevant updates to ensure all good practice elements of the Functional Standard (GovS 013: Counter Fraud) are appropriately incorporated.</p>	<p>By 31 March 2023</p>	<p>Completed</p> <p>A review of the Counter-Fraud and Corruption Strategy and associated operational counter-fraud policies has been completed. This will be followed by a period of consultation by stakeholders including the Governance and Audit Committee prior to Cabinet approval being sought.</p>
<p>2. On an annual basis, the Corporate Investigation Team to review directorate:</p> <ul style="list-style-type: none"> • responses to their assurance statements on the prevention and detection of fraud • risks relating to fraud, bribery and corruption risks, to provide advice and guidance 	<p>Annually</p>	<p>Partially completed and ongoing</p> <p>In respect of risk reviews, all directorates were engaged via the Corporate Investigation Team in the most recent Fraud and Corruption Tracker exercise, in which directorate management teams were required to identify their most significant risks of fraud, bribery and corruption. As an outcome of the exercise, many directorates have taken actions to update their risk registers in respect of the matters identified.</p> <p>Assurance statements were not reviewed by the Corporate Investigation Team this year, but the team have remained available for advice and guidance on good governance and risk management in measuring, preventing and detecting of fraud, bribery and corruption.</p> <p>The work of the Corporate Investigation Team is designed in coordination with the activities of Internal Audit, who completed an</p>

			assurance audit engagement on directorate risk management and a review of governance arrangements during the year.
3.	The Audit Manager to co-ordinate participation in a corporate fraud tracker exercise with SMT on an annual basis.	Following each financial year-end	Partially completed and ongoing CIPFA has not commenced the Fraud and Corruption Tracker exercise for 2021, but engagement is considered as a business-as-usual activity. There will continue to be full participation in each exercise but to ensure regularity of assessment with SMT a Council fraud risk assessment and tracker has been developed and will be applied commencing 2023/24.
4.	A documented assessment against the Fighting Fraud and Corruption Locally checklist to completed annually, and included in the Counter-Fraud Annual Report.	Following each financial year-end	In place and ongoing Documented assessments were completed against the Fighting Fraud and Corruption Locally checklist and the Government's Functional Standards for counter-fraud following the 2022/23 financial year-end. These assessments will be completed again following each financial year-end, and are included in the respective Counter-Fraud Annual Reports.
5.	Audit Manager to support requests for counter-fraud training, and to monitor and report on the completion of the mandatory Fraud Awareness Training eLearning module.	Ongoing	In place and ongoing To embed key messages from the Counter-Fraud and Corruption Strategy, fraud awareness training has been received by nearly seven thousand people (officers, headteachers and school governors). The training was delivered through a combination of eLearning for PC users, face-to-face training sessions for front-line staff, and targeted school briefings.

6.	Participate in International Fraud Awareness Week in November each year, working with the Council's Communications Team.	November 2022	<p>In place and ongoing</p> <p>Cardiff Council participated in International Fraud Awareness Week each year since November 2020, with articles and resources issued each day to all staff.</p> <p>There is a commitment to participate in the International Fraud Awareness Week in 2023.</p>
7.	The use of data matching intelligence at the point of processing Council applications will be tested and advocated through the Internal Audit regime.	Ongoing	<p>In place and ongoing</p> <p>Internal Auditors are briefed on the expectation to consider the feasibility of services using data matching intelligence at the point of processing Council applications.</p>
8.	In instances of proven fraud and corruption, post fraud reviews will take place as appropriate, from which the findings and relevant actions will be shared with SMT and Audit Committee as appropriate	Ongoing	<p>In place and ongoing</p> <p>In respect of cases of proven corporate fraud, post fraud reviews will take place as appropriate, from which the findings and relevant actions will be shared with SMT and Governance and Audit Committee as appropriate.</p> <p>Internal Audit engagements will continue to be targeted in high-risk areas, mindful of any concerns or allegations raised in respect of the Council's control environment.</p>

Counter-Fraud Action Plan for 2023/24

Action	Target
Ongoing Actions	
1. On an annual basis, the Corporate Investigation Team to review directorate: <ul style="list-style-type: none"> • responses to their assurance statements on the prevention and detection of fraud • risks relating to fraud, bribery and corruption risks, to provide advice and guidance. 	Annually
2. The Audit Manager to co-ordinate participation in a corporate fraud tracker exercise with SMT on an annual basis.	Annually
3. A documented assessment against the Fighting Fraud and Corruption Locally checklist to be completed annually, and included in the Counter-Fraud Annual Report.	Following each financial year-end
4. Audit Manager to support requests for counter-fraud training, and to monitor and report on the completion of the mandatory Fraud Awareness Training eLearning module.	Ongoing
5. Participate in International Fraud Awareness Week in November each year, working with the Council's Communications Team.	November 2023
6. The use of data matching intelligence at the point of processing Council applications will be tested and advocated through the Internal Audit regime.	Ongoing
7. In instances of proven fraud and corruption, post fraud reviews will take place as appropriate, from which the findings and relevant actions will be shared with SMT and Governance and Audit Committee as appropriate	Ongoing

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Cardiff & Vale of Glamorgan Pension Fund – Detailed Audit Plan 2023

Audit year: 2022-23

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This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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About Audit Wales

Our aims and ambitions

Assure



the people of Wales that public money is well managed

Explain



how public money is being used to meet people's needs

Inspire



and empower the Welsh public sector to improve



Fully exploit our unique perspective, expertise and depth of insight



Strengthen our position as an authoritative, trusted and independent voice



Increase our visibility, influence and relevance



Be a model organisation for the public sector in Wales and beyond

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Introduction

I have now largely completed my planning work.

This Detailed Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2023.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.



Adrian Crompton

Auditor General for
Wales

Audit of financial statements

I am required to certify whether the Cardiff & Vale of Glamorgan Pension Fund financial statements are 'true and fair'. The audit work I undertake to fulfil my responsibilities responds to my assessment of risks. This allows us to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the Pension Fund financial statements as a whole.

I also have responsibility to receive questions and objections to the financial statements from local electors (additional fees will be charged for this work, if necessary).

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

There have been no limitations imposed on me in planning the scope of this audit

Financial statements materiality



Materiality £26.4 million

My aim is to identify and correct material misstatements, that is, those that might otherwise cause the user of the accounts to be misled.

Materiality is calculated using:

- 2022-23 gross assets of £2,641 million
- Materiality percentage of 1%

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality).



Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts and we have set a lower materiality level for these:

- Key management personnel £1,000
- Related party disclosures £10,000 (individuals); £26.4million (other bodies)

Significant financial statements risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

Exhibit 1: significant financial statement risks

Significant risk	Our planned response
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].</p>	<p>The audit team will:</p> <ul style="list-style-type: none">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;• review accounting estimates for bias; and• evaluate the rationale for any significant transactions outside the normal course of business.

Other areas of focus

I set out other identified risks of material misstatement which, whilst not determined to be significant risks as above, I would like to bring to your attention.

Exhibit 2: other areas of focus

Audit risk	Our planned response
<p>The fair value of private equity investments cannot be determined using readily observable inputs or measures such as market prices. The year-end valuations for these investments are provided by management based on fund manager reports at Q3 and using forward-looking estimates and judgements and industry guidelines. The Pension Fund holds material assets in this category (£109m in 22-23; £103m in 21-22) and as such, the valuation of these investments represents an audit risk.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • review the estimate methodology applied by management to ensure that it has been calculated on a reasonable basis; • confirm the Q3 valuation to fund manager reports; and • Seek additional assurance over the valuation basis from control assurance reports.
<p>The Pension Fund discloses the actuarial present value of promised retirement benefits within its Notes to the financial statements. This represents a significant estimate in the financial statements and as such, is identified as an audit risk</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • review of the work of the actuary responsible for providing the valuation; • assess the accuracy and completeness of the information provided by the Fund to the actuary to estimate the liability; • Test the consistency of disclosures with the actuarial report from the actuary; and • Confirm the reasonableness of the actuarial assumptions made by reviewing the consulting actuary report.
<p>There have been instances in prior years where the movements in investments have been classified incorrectly between changes in market value and other</p>	<p>My audit team will:</p>

Audit risk	Our planned response
<p>categories of movements such as investment income and sale proceeds. The accounts include material values of changes in market value (£110m in 2022-23 and £150million in 2021-22), and as such, this is identified as an audit risk</p>	<ul style="list-style-type: none"> agree investment movements to fund manager reports to ensure the correct classification of movement has been reported.

Financial statements audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

Exhibit 3: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2023 Outline Audit Plan	June 2023	June 2023
2023 Detailed Audit Plan	August 2023	August 2023
Audit of financial statements work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on the Financial Statements	August – October 2023	November 2023

Statutory audit functions

Statutory audit functions

In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I have made no allowance in the estimated audit fee. If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee and audit team

In January 2023 I published the [fee scheme](#) for the 2023-24 year as approved by the Senedd Finance Committee. My fee rates for 2023-24 have increased by 4.8% for inflationary pressures. In addition, my financial audit fee has a further increase of 10.2% for the impact of the revised auditing standard ISA 315 on my financial audit approach. More details of the revised auditing standard and what it means for the audit I undertake is set out in **Appendix 1**.

I estimate your total audit fee will be £43,204 (2022 £37,783)¹.

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Pension Fund.

Our financial audit fee is based on the following assumptions:

- The agreed audit deliverables sets out the expected working paper requirements to support the financial statements and includes timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

The main members of my team, together with their contact details, are summarised in **Exhibit 4**.

Exhibit 4: my local audit team

Name	Role	E-mail address
Richard Harries	Engagement Director	Richard.harries@audit.wales
Julie Rees	Audit Manager	Julie.rees@audit.wales
Steve Stark	Audit Lead	Steve.stark@audit.wales

I can confirm that my team members are all independent of Cardiff & Vale of Glamorgan Pension fund and your officers.

¹ The audit fee is exclusive of VAT, which is not charged to you.

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD* and our Chair, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2022](#).

Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.

- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

* QAD is the quality monitoring arm of ICAEW.

Appendix 1

The key changes to ISA315 and the potential impact on your organisation

Key change	Potential impact on your organisation
More detailed and extensive risk identification and assessment procedures	<p>Your finance team and others in your organisation may receive a greater number of enquiries from our audit teams at the planning stage of the audit. Requests for information may include:</p> <ul style="list-style-type: none">• information on your organisation's business model and how it integrates the use of information technology (IT);• information about your organisation's risk assessment process and how your organisation monitors the system of internal control;• more detailed information on how transactions are initiated, recorded, processed, and reported. This may include access to supporting documentation such as policy and procedure manuals; and• more detailed discussions with your organisation to support the audit team's assessment of inherent risk.
Obtaining an enhanced understanding of your organisation's environment, particularly in relation to IT	<p>Your organisation may receive more enquiries to assist the audit team in understanding the IT environment. This may include information on:</p> <ul style="list-style-type: none">• IT applications relevant to financial reporting;• the supporting IT infrastructure (e.g. the network, databases);• IT processes (e.g. managing program changes, IT operations); and• the IT personnel involved in the IT processes. <p>Audit teams may need to test the general IT controls and this may require obtaining more detailed audit evidence on the operation of IT controls within your organisation.</p> <p>On some audits, our audit teams may involve IT audit specialists to assist with their work. Our IT auditors may need to engage with members of your IT team who have not previously been involved in the audit process.</p>

Key change	Potential impact on your organisation
<p>Enhanced requirements relating to exercising professional scepticism</p>	<p>Our audit teams may make additional inquiries if they identify information which appears to contradict what they have already learned in the audit.</p>
<p>Risk assessments are scalable depending on the nature and complexity of the audited body</p>	<p>The audit team's expectations regarding the formality of your organisation's policies, procedures, processes, and systems will depend on the complexity of your organisation.</p>
<p>Audit teams may make greater use of technology in the performance of their audit</p>	<p>Our audit teams may make use of automated tools and techniques such as data analytics when performing their audit. Our teams may request different information or information in a different format from previous audits so that they can perform their audit procedures.</p>

Through our Good Practice work we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.

Our newsletter provides you with regular updates on our public service audit work, good practice and events, which can be tailored to your preferences.

For more information about our Good Practice work click [here](#).

Sign up to our newsletter [here](#).



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Audit Wales Work Programme and Timetable – Cardiff Council

Quarterly Update: 30 September 2023

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in July 2023	Spring 2024	Planning

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2022-23 statement of accounts	Providing the audit opinion on the Authority's 2022-23 statement of accounts, including its Housing Revenue Account, Cardiff Harbour Authority, Cardiff Port Health Authority, Glamorgan Archives, Prosiect Gwyrdd.	October - January 2024	Planning
Audit of Cardiff and Vale of Glamorgan Pension Fund's Annual Report (including the statement of accounts)	Providing the audit opinion on the 2022-23 Cardiff and Vale of Glamorgan Pension Fund's statement of accounts.	November 2023	Closing

Performance Audit work

2022-23 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p> <ul style="list-style-type: none"> • Financial position • Capital programme management • Use of performance information – with a focus on service user feedback and outcomes 	<p>Ongoing monitoring of financial position</p> <p>September – December 2023</p> <p>February – September 2023</p>	<p>Ongoing</p> <p>AW will not undertake detailed work at all councils as part of our 2022-23 work programme. We are currently exploring our options for undertaking a detailed piece of work on this topic either in 2023-24 or future years.</p> <p>Fieldwork complete, drafting report</p>

2022-23 Performance Audit work	Scope	Timetable	Status
	<ul style="list-style-type: none"> Setting of well-being objectives 	March – May 2023	Complete
Thematic Review – Unscheduled Care	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	August 2022 – July 2023	Fieldwork nearing completion, reporting from September 2023 onward.
Thematic review – Digital	A review of councils’ strategic approach to digital, and the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of councils’ resources.	January – September.	Drafting
Local project – Equalities Impact Assessments	The audit will focus on the Council’s arrangements to ensure its staff are completing equality impact assessments which comply with the Council’s Equalities and Inclusion strategy.	March to August 2023	Clearance

2023-24 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	2023-24	Ongoing
Thematic review – Financial Sustainability	A review of councils’ financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.	March – June 2024	Scoping
Thematic review – commissioning and contract management	A review focusing on how councils’ arrangements for commissioning, and contract management apply value for money considerations and the sustainable development principle.	January – July 2024	Scoping
Local Project	Transport and Highways: we are currently scoping this work.	January – July 2024	Scoping

Local government national studies planned/in progress.

Study	Scope	Timetable	Status	Fieldwork planned at Cardiff Council
Planning for sustainable development – Brownfield regeneration	Review of how local authorities are promoting and enabling better use of vacant non-domestic dwellings and brownfield sites	October 2022 – September 2023	Report drafting – publication due November/December 2023	Yes – interview with nominated officer at seven councils and survey.
Governance of special purpose authorities – National Parks	Review of systems and effectiveness of governance	November 2022 – September 2023	Report drafting – publication due November/December 2023.	No
Corporate Joint Committees (CJCs)	Assessing CJCs' progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration.	September 2022 – August 2023	individual letters have been issued to the four CJCs. National summary report due for publication October/November 2023.	Yes – We explored the Council's perspective via our routine liaison meetings. Fieldwork included interviews with the chief executive, director of finance and chair of each of the four CJCs.

Study	Scope	Timetable	Status	Fieldwork planned at Cardiff Council
Governance in Fire and Rescue Authorities	Review of systems and effectiveness of governance	September 2023 – March 2024	Project brief issued	No
Homelessness	Examining how services are working together to progress the response to homelessness.	tbc	Scoping	tbc

Estyn

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern. Wrexham local authority was removed from the causing significant concern category following a monitoring visit in July. We inspected Gwynedd in the week beginning 26 June and Carmarthenshire in the week beginning 10 July. Both reports have been published on our website. We will be inspecting Conwy local government education service on the week beginning 6 November.

Field work being carried out across local authorities during the autumn term includes a focus on attendance, school improvement and the work of the local authority to mitigate the impact of poverty on learners' attainment.

Care Inspectorate Wales (CIW)

CIW planned work 2023-25	Scope	Timetable	Status
Thematic reviews			
CLDT	Working with HIW we will complete a small sample of joint CLDT inspections in 2024. We will use this approach to evaluate and consider our approach to joint inspection.	2024-25	Planning
Deprivation of Liberty Safeguards – 10 years on	We are working in partnership with HIW to consider our approach and follow up on the report: <u>A National Review of the use of Deprivation of Liberty Safeguards (DoLS) in Wales (hiw.org.uk)</u> undertaken in 2014.	2024-25	Scoping
Stoke pathway	Working in collaboration with HIW a <u>National Review of Patient Flow: a journey through the stroke pathway (hiw.org.uk)</u> has recently been published.	Complete	Published

CIW planned work 2023-25	Scope	Timetable	Status
National review of Care Planning for children and young people subject to the Public Law Outline pre-proceedings	<p>Purpose of the review</p> <p>To provide external scrutiny, assurance and to promote improvement regarding the quality of practice in relation to the care planning for children and young people subject to the public law outline pre-proceedings.</p> <p>To consider the extent to which practice has progressed since the publication of both the CIW 'National Review of care planning for children and young people subject to public law outline pre-proceedings' and the publication of the PLO working group report 2021 including best practice guidance.</p>	In progress	Publication November 2023
Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2022-23	<p>The <u>2020-21 report</u> was published on 7 February 2021</p> <p>The 2021-2022 report is underway</p>	<p>Published</p> <p>To be confirmed</p>	<p>Published</p> <p>Preparing</p>

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

Audit Wales national reports and other outputs published since September 2022

Report title	Publication date and link to report
NHS workforce – data briefing	September 2023
Income Diversification for National Park Authorities in Wales	September 2023
Approaches to achieving net zero across the UK	September 2023
Springing Forward: Lessons learnt from our work on workforce and assets (in local government)	September 2023
Local Government Financial Sustainability Data tool update (further update planned autumn 2023)	September 2023
NHS finances data tool – to 31 March 2023	September 2023
Public interest reports – Ammanford Town Council and Llanferres Community Council	September 2023
Cwm Taf Morgannwg University Health Board - Quality Governance Arrangements Joint Review Follow-up	August 2023
'Cracks in the Foundations' – Building Safety in Wales	August 2023
Maximising EU funding – the Structural Funds Programme and the Rural Development Programme	June 2023
Digital inclusion in Wales (including key questions for public bodies)	March 2023

Report title	Publication date and link to report
Orthopaedic Services in Wales – Tackling the Waiting List Backlog	March 2023
Betsi Cadwaladr University Health Board – Review of Board Effectiveness	February 2023
Welsh Government purchase of Gilestone Farm	January 2023
Together we can – Community resilience and self-reliance	January 2023
A Picture of Flood Risk Management	December 2022
'A missed opportunity' – Social Enterprises	December 2022
Poverty Data Tool	November 2022
'Time for change' – Poverty in Wales	November 2022
Learning from cyber-attacks	October 2022 (distributed privately to audited bodies)
National Fraud Initiative 2020-21	October 2022
COVID-19 business support in 2020-21 – Memorandum for the Public Accounts and Public Administration Committee	October 2022
Payment to the Welsh Government's Former Permanent Secretary on Termination of Employment	September 2022

Report title	Publication date and link to report
Equality Impact Assessments: More than a Tick Box Exercise?	September 2022
Welsh Government – setting of well-being objectives	September 2022
Welsh Government workforce planning and management	September 2022

Audit Wales national reports and other outputs (work in progress / planned)^{1, 2}

Title	Indicative publication date
Covering teachers' absence – follow-up (letter to the Public Accounts and Public Administration Committee)	October 2023
NHS quality governance	October/December 2023
A465 Section 2 – update	November/December 2023
Ukrainian refugee services	December 2023/January 2024

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow up work could also lead to other outputs, as may other local audit work where we consider there is merit in a national summary output of some kind.

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

Title	Indicative publication date
Local government digital strategy review – national summary	January 2024
Local government use of performance information, outcomes and service user perspective – national summary	November/December 202
Affordable housing	February/March 2024
Active travel	Spring 2024
Cancer services	To be confirmed (scoping)
Velindre Cancer Centre	To be confirmed (scoping)
Welsh Government capital and infrastructure investment	To be confirmed (scoping)
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	R&D work underway September to December 2023. Data gathering with representative groups. Outputs will inform any further audit work.
Further and higher education funding and oversight – Commission for Tertiary Education and Research	To be confirmed (scoping)
The senior public service	To be confirmed (scoping early 2024)
Challenges for the cultural sector	To be confirmed (starting in 2023-24)
Rebalancing care and support	To be confirmed (starting in 2023-24)

Title	Indicative publication date
Tackling NHS waiting lists	To be confirmed (starting in 2023-24)
Access to education for children with Additional Learning Needs	To be confirmed (starting in 2023-24)
Audit Committees. 'What does good look like?'. R&D work to understand the broad audit committee landscape across all sectors in Wales. Outputs to support Good Practice Exchange events and potential future audit work.	R&D work Sept – Dec 2023 Good Practice Event Spring 2024

Good Practice Exchange events and resources

Title	Link to resource
<p>Strategy to Action: How digital makes a difference to everyday lives This event will take a practical and honest view at the digital landscape in Wales and will offer practical ideas for public and third sector organisations which will help them achieve the best value for money.</p>	<p>27 September 2023 09:00 – 13:00 – North Wales – To register for North Wales</p> <p>5 October 2023 09:00 – 13:00 – Cardiff – To register for Cardiff</p>
<p>Working in partnership to improve wellbeing This event will bring together the North Wales Insight Partnership, the Public Service Boards and the C4C community to share wellbeing plans across the North Wales region, as well as sharing the innovative work being undertaken by a range of sectors around wellbeing in our communities. The event will provide opportunities to discuss how we can connect all of this work to deliver real change.</p>	<p>24 October 2023 09:30 – 16:30 To register for North Wales Cardiff date TBC</p>

Title	Link to resource
<p>Integrity in the Public Sector ‘Trust is built and maintained through competence, reliability, and honesty, as well as the building of genuine and sound relationships between the public sector and the public it serves. That means the public sector must be accountable for the management and delivery of public services and outcomes, for the direction and control of the work it does, the resources it manages, and for its behaviour and ethics.’ This event will look at how public services can promote a culture of integrity.</p>	<p>5 December 2023 10:00 – 12:00 Online To register</p>
<p>Podcast: Auditing Community Resilience In this edition of The Exchange, our Local Government team discuss some of the factors that cause poverty in Wales, as well as the value provided by social enterprises, and the importance of keeping wealth in communities.</p>	<p>To listen</p>

Recent Audit Wales blogs

Title	Publication date
<p>Building Safety – Have we learnt from Grenfell?</p>	<p>1 August 2023</p>
<p>Helping people to help themselves</p>	<p>15 February 2023</p>
<p>A perfect storm – the cost of living crisis and domestic abuse</p>	<p>21 November 2022</p>
<p>Tackling poverty means tackling poverty data</p>	<p>11 November 2022</p>
<p>Cost of living and putting away the bayonet</p>	<p>21 September 2022</p>
<p>Heat is on to tackle Climate Change</p>	<p>18 August 2022</p>
<p>Direct Payments in Wales</p>	<p>15 June 2022</p>

Title	Publication date
<u>Unscheduled Care in Wales – a system under real pressure</u>	21 April 2022

Rhaglen Waith ac Amserlen Archwilio Cymru – Cyngor Caerdydd

Diweddariad chwarterol: 30 Medi 2023

Crynodeb Archwilio Blynyddol

Disgrifiad	Amserlen	Statws
Adroddiad yn crynhoi'r gwaith archwilio a gwblhawyd ers y Crynodeb Archwilio Blynyddol diwethaf, a gyhoeddwyd ym mis Gorffennaf 2023.	Gynnar yn 2024	Cynllunio

Gwaith Archwilio Ariannol

Disgrifiad	Cwmpas	Amserlen	Statws
Archwilio datganiad cyfrifon 2022-23 y Cyngor	Darparu'r farn archwilio ar ddatganiad cyfrifon 2022-23 yr Awdurdod, gan gynnwys ei Gyfrif Refeniw Tai, Awdurdod Harbwr Caerdydd, Awdurdod Iechyd Porthladd Caerdydd, Archifau Morgannwg, Prosiect Gwyrdd.	Hydref - Ionawr 2024	Cynllunio
Archwilio Adroddiad Blynyddol Cronfa Bensiwn Caerdydd a Bro Morgannwg (gan gynnwys y datganiad cyfrifon)	Darparu'r farn archwilio ar ddatganiad cyfrifon Cronfa Bensiwn Caerdydd a Bro Morgannwg 2022-23.	Tachwedd 2023	Ar fin cau

Gwaith Archwilio Perfformiad

Gwaith Archwilio Perfformiad 2022-23	Cwmpas	Amserlen	Statws
<p>Asesiad Sicrwydd a Risg</p>	<p>Prosiect i nodi lefel sicrwydd archwilio a/neu lle gallai fod angen gwaith archwilio pellach yn y blynyddoedd i ddod mewn perthynas â risgiau i'r Cyngor roi trefniadau priodol ar waith i sicrhau gwerth am arian wrth ddefnyddio adnoddau a gweithredu yn unol â'r egwyddor datblygu cynaliadwy.</p> <ul style="list-style-type: none"> Sefyllfa ariannol Rheoli rhaglenni cyfalaf 	<p>Monitro sefyllfa ariannol yn barhaus</p> <p>Medi – Rhagfyr 2023</p>	<p>Parhaus</p> <p>Ni fydd AC yn gwneud gwaith manwl ym mhob cyngor fel rhan o'n rhaglen waith 2022-23. Ar hyn o bryd rydym yn archwilio ein hopsiynau ar gyfer ymgymryd â darn manwl o waith ar y pwnc hwn naill ai yn 2023-24 neu flynyddoedd i ddod.</p>

Gwaith Archwilio Perfformiad 2022-23	Cwmpas	Amserlen	Statws
	<ul style="list-style-type: none"> Defnyddio gwybodaeth perfformiad – gyda ffocws ar adborth a chanlyniadau defnyddwyr gwasanaeth Pennu amcanion llesiant 	<p>Chwefror - Medi 2023</p> <p>Mawrth – Mai 2023</p>	<p>Mynd rhagddo, gwaith maes wedi'i gwblhau, drafftio adroddiad.</p> <p>Cwblhawyd</p>
Adolygiad Thematig – Gofal heb ei drefnu	<p>Adolygiad traws-sector sy'n canolbwyntio ar lif cleifion allan o'r ysbyty. Bydd yr adolygiad hwn yn ystyried sut mae'r Cyngor yn gweithio gyda'i bartneriaid i fynd i'r afael â'r risgiau sy'n gysylltiedig â ddarparu gofal cymdeithasol i gefnogi rhyddhau ysbyty, yn ogystal ag atal derbyniadau i'r ysbyty. Bydd y gwaith hefyd yn ystyried pa gamau sy'n cael eu cymryd i ddarparu atebion tymor canolig i dymor hwy.</p>	<p>Awst 2022 – Gorffennaf 2023</p>	<p>Gwaith maes bron â chael ei gwblhau, gan adrodd o fis Medi 2023 ymlaen.</p>
Adolygiad thematig – Digidol	<p>Adolygiad o ddull strategol cynghorau tuag at ddigidol, ac i ba raddau y datblygwyd hyn yn unol â'r egwyddor datblygu cynaliadwy; ac y bydd yn helpu sicrhau gwerth am arian wrth ddefnyddio adnoddau'r cynghorau.</p>	<p>Ionawr – Medi.</p>	<p>Drafftio</p>
Prosiect lleol – Aseidiadau Effaith Cydraddoldeb	<p>Bydd yr archwiliad yn canolbwyntio ar drefniadau'r Cyngor i sicrhau bod ei staff yn cwblhau aseidiadau effaith cydraddoldeb sy'n cydymffurfio â strategaeth Cydraddoldeb a Chynhwysiant y Cyngor.</p>	<p>Hydref 2022 – Chwefror 2023</p>	<p>Clirio</p>

Gwaith Archwilio Perfformiad 2023-24	Cwmpas	Amserlen	Statws
Asesiad Sicrwydd a Risg	Prosiect i nodi lefel sicrwydd archwilio a/neu lle gallai fod angen gwaith archwilio pellach yn y blynyddoedd i ddod mewn perthynas â risgiau i'r Cyngor roi trefniadau priodol ar waith i sicrhau gwerth am arian wrth ddefnyddio adnoddau a gweithredu yn unol â'r egwyddor datblygu cynaliadwy.	2023-24	Parhaus
Adolygiad thematig – Cynaliadwyedd Ariannol	Adolygiad o gynaliadwyedd ariannol cyngorau gan gynnwys canolbwyntio ar y camau gweithredu, y cynlluniau a'r trefniadau i bontio bylchau mewn cyllid a mynd i'r afael â phwysau ariannol dros y tymor canolig.	Mawrth – Mehefin 2024	Cwmpasu
Adolygiad thematig – comisiynu a rheoli contractau	Adolygiad sy'n canolbwyntio ar sut mae trefniadau cyngorau ar gyfer comisiynu, a rheoli contractau yn cymhwyso ystyriaethau gwerth am arian a'r egwyddor datblygu cynaliadwy.	Ionawr – Gorffennaf 2024	Cwmpasu
Prosiect lleol	Trafnidiaeth a Phriffyrdd: rydym yn cwmpasu'r gwaith hwn ar hyn o bryd..	Ionawr – Gorffennaf 2024	Cwmpasu

Astudiaethau cenedlaethol llywodraeth leol wedi'u cynllunio/ar y gweill

Astudio	Cwmpas	Amserlen	Statws	Gwaith maes wedi ei gynllunio yng Nghyngor Dinas Caerdydd
Cynllunio ar gyfer datblygu cynaliadwy – adfywio Adfywio tir Llwyd	Adolygiad o sut mae awdurdodau lleol yn hyrwyddo ac yn galluogi defnyddio anheddau annomestig gwag a safleoedd tir llwyd yn well	Hydref 2022 – Medi 2023	Drafftio adroddiadau – disgwylir cyhoeddi Tachwedd/Rhagfyr 2023	Oes – cyfweiliad gyda swyddog enwebedig mewn saith cyngor ac arolwg.
Llywodraethu awdurdodau diben arbennig – Parciau Cenedlaethol	Adolygiad o systemau ac effeithiolrwydd llywodraethiant	Tachwedd 2022 – Medi 2023	Drafftio adroddiadau – disgwylir cyhoeddi Tachwedd/Rhagfyr 2023.	Nac oes

Astudio	Cwmpas	Amserlen	Statws	Gwaith maes wedi ei gynllunio yng Nghyngor Dinas Caerdydd
Cyd-bwyllgorau Corfforedig	Asesu cynnydd Cyd-bwyllgorau Corfforedig wrth ddatblygu eu trefniadau i gyflawni eu rhwymedigaethau statudol a nod Llywodraeth Cymru o gryfhau cydweithredu rhanbarthol.	Medi 2022 – Awst 2023	Mae llythyrau unigol wedi'u rhoi i'r pedwar Cyd-bwyllgor Corfforedig. Adroddiad cryno cenedlaethol i'w gyhoeddi Hydref/Tachwedd 2023.	Oes – Fe wnaethom archwilio safbwynt y Cyngor drwy ein cyfarfodydd cyswllt arferol. Roedd y gwaith maes yn cynnwys cyfweiliadau gyda'r prif weithredwr, cyfarwyddwr cyllid a chadeirydd pob un o'r pedwar Cyd-bwyllgor Corfforedig
Llywodraethiant mewn Awdurdodau Tân ac Achub	Adolygu systemau ac effeithiolrwydd llywodraethiant	Medi 2023 – Mawrth 2024	Cyhoeddi briff prosiect	Nac oes
Digartrefedd	Archwilio sut mae gwasanaethau'n gweithio gyda'i gilydd i ddatblygu'r ymateb i ddigartrefedd.	I'w gadarnhau	Cwmpasu	I'w gadarnhau

Estyn

Mae ein harolygwyr cyswllt yn parhau i weithio gyda Thorfaen fel rhan o'n proses ddilynol ar gyfer awdurdod sy'n achosi pryder sylweddol. Cafodd awdurdod lleol Wrecsam ei dynnu o'r categori achosi pryder sylweddol yn dilyn ymweliad monitro ym mis Gorffennaf. Fe wnaethom ni arolygu Gwynedd yn yr wythnos yn dechrau 26 Mehefin a Sir Gaerfyrddin yn yr wythnos yn dechrau 10 Gorffennaf. Mae'r ddau adroddiad wedi'u cyhoeddi ar ein gwefan. Byddwn yn arolygu gwasanaeth addysg llywodraeth leol Conwy yr wythnos sy'n dechrau 6 Tachwedd.

Mae gwaith maes sy'n cael ei wneud ar draws awdurdodau lleol yn ystod tymor yr hydref yn cynnwys canolbwyntio ar bresenoldeb, gwella ysgolion a gwaith yr awdurdod lleol i liniaru effaith tlodi ar gyrhaeddiad dysgwyr.

Arolygiaeth Gofal Cymru (AGC)

Gwaith arfaethedig AGC 2023-25	Cwmpas	Amserlen	Statws
Adolygiadau thematig			
Tîm Anabledd Dysgu Cymunedol	Gan weithio gyda AGIC, byddwn yn cwblhau sampl fach o arolygiadau Tîm Anabledd Dysgu Cymunedol ar y cyd yn 2024. Byddwn yn defnyddio'r dull hwn i werthuso ac ystyried ein dull o arolygu ar y cyd.	2024-25	Cynllunio
Trefniadau Diogelu rhag Colli Rhyddid – 10 mlynedd yn ddiweddarach	Rydym yn gweithio mewn partneriaeth ag AGIC i ystyried ein dull gweithredu a'n gwaith yn dilyn yr adroddiad: Adolygiad Cenedlaethol o'r Defnydd o'r Trefniadau Diogelu Rhag Colli Rhyddid Yng Nghymru a gynhaliwyd yn 2014.	2024-25	Cwmpasu

Gwaith arfaethedig AGC 2023-25	Cwmpas	Amserlen	Statws
<p>Llwybr Strôc</p> <p>Adolygiad cenedlaethol o Gynllunio Gofal ar gyfer plant a phobl ifanc sy'n destun proses cyn-achos yr Amlinelliad Cyfraith Gyhoeddus</p>	<p>Gan weithio ar y cyd ag AGIC, cyhoeddwyd Adolygiad Cenedlaethol o Lif Cleifion: taith drwy'r llwybr strôc yn ddiweddar.</p> <p>Diben yr adolygiad Rhoi proses graffu allanol ar waith, rhoi sicrwydd a hyrwyddo gwelliannau o ran ansawdd arferion mewn cysylltiad â chynllunio gofal ar gyfer plant a phobl ifanc sy'n destun yr Amlinelliad Cyfraith Gyhoeddus cyn-achos.</p> <p>I ystyried i ba raddau y mae arferion wedi symud ymlaen ers cyhoeddi 'Adolygiad Cenedlaethol o gynllunio gofal i blant a phobl ifanc sy'n destun proses cyn-achos yr amlinelliad cyfraith gyhoeddus' AGC a chyhoeddi adroddiad gweithgor yr amlinelliad cyfraith gyhoeddus 2021 gan gynnwys canllawiau arferion gorau.</p>	<p>Wedi'i Gwblhau</p> <p>Ar y gweill</p>	<p>Wedi'i Gyhoeddi</p> <p>Cyhoeddi Tachwedd 2023</p>
<p>Trefniadau Diogelu rhag Colli Rhyddid Adroddiad Monitro Blynyddol ar gyfer lechyd a Gofal Cymdeithasol 2022-23</p>	<p>Cyhoeddwyd adroddiad 2020-21 ar 7 Chwefror 2021</p> <p>Mae adroddiad 2021-2022 wedi'i ddechrau</p>	<p>Wedi'i gyhoeddi</p> <p>I'w gadarnhau</p>	<p>Wedi'i gyhoeddi</p> <p>Yn cael ei baratoi</p>

Gwaith arfaethedig AGC 2023-25	Cwmpas	Amserlen	Statws
<p>Arolygiad ar y Cyd o Drefniadau Amddiffyn Plant (JICPA)</p>	<p>Byddwn yn cwblhau dau arolygiad amlasiantaeth arall.</p> <p>Cyhoeddwyd y canfyddiadau yn dilyn Cyngor Sir Ddinbych - Adolygiad ar y Cyd gan Arolygiaethau o Drefniadau Amddiffyn Plant (JICPA): Sir Ddinbych 2023 Arolygiaeth Gofal Cymru</p> <p>Mae'r canfyddiadau yn dilyn Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr wedi'u cyhoeddi – Adolygiad ar y Cyd Arolygiaethau o Drefniadau Amddiffyn Plant (JICPA): Pen-y-bont ar Ogwr 2023 Arolygiaeth Gofal Cymru</p> <p>Byddwn yn cyhoeddi adroddiad cenedlaethol ddiwedd gwanwyn 2024.</p>	<p>Ebrill 2023 – Ebrill 2024</p>	<p>Cyflawni</p>
<p>Adolygiad perfformiad o Awdurdodau Lleol</p>	<p>Rydym yn parhau i arolygu Awdurdodau Lleol yn unol â'n Cod Ymarfer wedi'i ddiweddarau ar gyfer ein gweithgarwch arolygu awdurdodau lleol Arolygiaeth Gofal Cymru</p> <p>Sut rydym yn arolygu gwasanaethau awdurdodau lleol a CAFCASS Cymru</p>	<p>Parhaus</p>	<p>Parhaus</p>

Adroddiadau cenedlaethol Archwilio Cymru ac allbynnau eraill a gyhoeddwyd ers mis Medi 2022

Teitl yr adroddiad	Dyddiad cyhoeddi a dolen i'r adroddiad
Gweithlu'r GIG – briff data	Medi 2023
Arallgyfeirio incwm ar gyfer Awdurdodau Parciau Cenedlaethol yng Nghymru	Medi 2023
Dulliau o sicrhau sero net ledled y DU	Medi 2023
Llamu ymlaen: Gwersi o'n gwaith ar y gweithlu ac asedau (mewn llywodraeth leol)	Medi 2023
Diweddariad Offeryn Data Cynaliadwyedd Ariannol Llywodraeth Leol (diweddariad pellach wedi'i gynllunio ar gyfer hydref 2023)	Medi 2023
Offeryn data cyllid GIG Cymru – hyd at 31 Mawrth 2023	Medi 2023
Adroddiadau er budd y cyhoedd – Cyngor Tref Rhydaman a Chyngor Cymuned Llanferres	Medi 2023
Bwrdd Iechyd Prifysgol Cwm Taf Morgannwg – Gwaith Dilynol ar yr Adolygiad ar y Cyd o Drefniadau Llywodraethu Ansawdd	Awst 2023
'Craciau yn y Sylfeini' – Diogelwch Adeiladau yng Nghymru	Awst 2023
Gwneud y mwyaf o arian gan yr UE – y Rhaglen Cronfeydd Strwythurol a'r Rhaglen Datblygu Gwledig	Mehfin 2023
Cynhwysiant digidol yng Nghymru (gan gynnwys cwestiynau allweddol i gyrff cyhoeddus)	Mawrth 2023

Teitl yr adroddiad	Dyddiad cyhoeddi a dolen i'r adroddiad
Gwasanaethau Orthopedig yng Nghymru – Mynd i'r afael ag Ôl-groniad y Rhestr Aros	Mawrth 2023
Bwrdd Iechyd Prifysgol Betsi Cadwaladr – Adolygiad o Effeithiolrwydd y Bwrdd	Chwefror 2023
Prynu Fferm Gilestone gan Lywodraeth Cymru	Ionawr 2023
Gyda'n gilydd fe allwn ni – Cydnerthedd a hunanddibyniaeth cymunedau	Ionawr 2023
Darlun o Reoli Perygl Llifogydd	Rhagfyr 2022
'Cyfle wedi'i gollu' – Mentrau Cymdeithasol	Rhagfyr 2022
Offeryn Data Tlodi	Tachwedd 2022
'Amser am newid' – Tlodi yng Nghymru	Tachwedd 2022
Dysgu o ymosodiadau seiber	Hydref 2022 (wedi'i ddsbarthu'n breifat i gyrff archwiliedig)
Y Fenter Twyll Genedlaethol 2020-21	Hydref 2022
Cymorth COVID-19 i fusnesau yn 2020-21 – Memorandwm ar gyfer y Pwyllgor Cyfrifon Cyhoeddus a Gweinyddiaeth Gyhoeddus	Hydref 2022
Taliad i Gyn-Ysgrifennydd Parhaol Llywodraeth Cymru pan Derfynwyd ei Chyflogaeth	Medi 2022

Teitl yr adroddiad	Dyddiad cyhoeddi a dolen i'r adroddiad
Hwyluso Asesiadau o'r Effaith ar Gydraddoldeb i fod yn fwy nag Ymarfer blwch ticio	Medi 2022
Pennu amcanion llesiant – Llywodraeth Cymru	Medi 2022
Cynllunio a rheoli gweithlu'r gan Lywodraeth Cymru	Medi 2022

Adroddiadau cenedlaethol Archwilio Cymru ac allbynnau eraill (gwaith ar y gweill/cynlluniedig)^{1, 2}

Teitl	Dyddiad cyhoeddi dangosol
Trefniadau cyflenwi ar gyfer Absenoldeb Athrawon – dilyniant (llythyr at y Pwyllgor Cyfrifon Cyhoeddus a Gweinyddiaeth Gyhoeddus)	Hydref 2023
Llywodraethu ansawdd y GIG	Hydref/Rhagfyr 2023
A465 Adran 2 – diweddariad	Tachwedd/Rhagfyr 2023
Gwasanaethau ffoaduriaid o Wcráin	Rhagfyr 2023/Ionawr 2024

¹ Byddwn yn parhau i adolygu ein cynlluniau'n gyson, gan ystyried yr amgylchedd allanol sy'n esblygu, ein blaenoriaethau archwilio, cyd-destun ein hadnoddau ein hunain a gallu cyrff archwiliedig i ymgysylltu â ni. Gallai gwaith dilynol hefyd arwain at allbynnau eraill, fel y gall gwaith archwilio lleol arall hefyd pan ydym o'r farn fod rhinwedd mewn allbwn cryno cenedlaethol o ryw fath.

² Rydym hefyd wedi cyhoeddi papur ar ein gwefan – [Ein rhaglen waith ar gyfer 2023-2026](#) – sy'n rhoi manylion ychwanegol am ein gwaith cenedlaethol (gan gynnwys adolygiadau thematig lleol). Yn ogystal â'r gwaith newydd y byddwn yn ei wneud yn 2023-24, mae'r papur yn cynnwys manylion am bynciau dangosol ar gyfer gwaith i ddechrau yn 2024-24 neu 2025-26.

Teitl	Dyddiad cyhoeddi dangosol
Adolygiad o strategaeth ddigidol llywodraeth leol – crynodeb cenedlaethol	Ionawr 2024
Defnydd llywodraeth leol o wybodaeth am berfformiad, canlyniadau a phersbectif defnyddwyr gwasanaethau – crynodeb cenedlaethol	Tachwedd/Rhagfyr 2024
Tai fforddiadwy	Chwefror/Mawrth 2024
Teithio llesol	Gwanwyn 2024
Gwasanaethau canser	I'w gadarnhau (cwmpasu)
Canolfan Ganser Felindre	I'w gadarnhau (cwmpasu)
Buddsoddiad cyfalaf a seilwaith Llywodraeth Cymru	I'w gadarnhau (cwmpasu)
Mynd i'r afael â dirywiad bioamrywiaeth (sector cyhoeddus ac yn Cyfoeth Naturiol Cymru)	Gwaith ymchwil a datblygu ar y gweill rhwng Medi a Rhagfyr 2023. Casglu data gyda grwpiau cynrychioliadol. Bydd allbynnau'n llywio unrhyw waith archwilio pellach.
Cyllid a goruchwyliaeth addysg bellach ac uwch – Y Comisiwn Addysg Drydyddol ac Ymchwil	I'w gadarnhau (cwmpasu)
Yr Uwch Wasanaeth Cyhoeddus	I'w gadarnhau (cwmpasu ar ddechrau 2024)
Heriau i'r sector diwylliannol	I'w gadarnhau (yn dechrau yn 2023-24)

Teitl	Dyddiad cyhoeddi dangosol
Ailgydbwysu gofal a chymorth	I'w gadarnhau (yn dechrau yn 2023-24)
Mynd i'r afael â rhestrau aros y GIG	I'w gadarnhau (yn dechrau yn 2023-24)
Mynediad i addysg i blant ag Anghenion Dysgu Ychwanegol	I'w gadarnhau (yn dechrau yn 2023-24)
Pwyllgorau Archwilio. 'Sut olwg sydd ar dda?' Mae Ymchwil a Datblygu yn gweithio i ddeall tirwedd eang y pwyllgor archwilio ar draws pob sector yng Nghymru. Allbynnau i gefnogi digwyddiadau y Gyfnewidfa Arfer Da a gwaith archwilio posibl yn y dyfodol.	Gwaith Ymchwil a Datblygu Medi - Rhagfyr 2023 Digwyddiad Arfer Da Gwanwyn 2024

Digwyddiadau ac adnoddau y Gyfnewidfa Arfer Da

Teitl	Dolen i'r adnodd
O'r Strategaeth i Fodolaeth: Sut mae'r digidol yn gwneud gwahaniaeth i fywyd bob dydd Bydd y digwyddiad yma yn edrych yn onest ac ymarferol ar y dirwedd ddigidol yng Nghymru ac yn cynnig syniadau ymarferol ar gyfer sefydliadau cyhoeddus a thrydydd sector er mwyn cyflawni'r gwerth am arian gorau.	27 Medi 2023 09:00 – 13:00 – Gogledd Cymru – I gofrestru ar gyfer Gogledd Cymru 5 Hydref 2023 09:00 – 13:00 – Caerdydd – I gofrestru ar gyfer Caerdydd
Cydweithio er mwyn gwella llesiant: Bydd y digwyddiad yma yn dod â Phartneriaeth Mewnwelediad Gogledd Cymru, y Byrddau Gwasanaethau Cyhoeddus a chymuned C4C at ei gilydd i rannu cynlluniau llesiant ar draws ardal Gogledd Cymru, yn ogystal â rhannu'r gwaith arloesol sy'n cael ei wneud gan sawl sector ym maes llesiant yn ein cymunedau. Bydd y digwyddiad yn rhoi cyfleoedd i drafod sut y gellir cysylltu'r gwaith yma gyda'i gilydd er mwyn creu gwir newid.	24 Hydref 2023 09:30 – 16:30 I gofrestru ar gyfer Gogledd Cymru Dyddiad Caerdydd i'w gadarnhau

Teitl	Dolen i'r adnodd
<p>Gonestrwydd yn y sector cyhoeddus: <i>'Trust is built and maintained through competence, reliability, and honesty, as well as the building of genuine and sound relationships between the public sector and the public it serves. That means the public sector must be accountable for the management and delivery of public services and outcomes, for the direction and control of the work it does, the resources it manages, and for its behaviour and ethics.'</i> Bydd y digwyddiad hwn yn edrych ar sut y gall gwasanaethau cyhoeddus hybu diwylliant o uniondeb.</p>	<p>5 Rhagfyr 2023 10:00 – 12:00 Ar-lein I gofrestru</p>
<p>Podlediad: Archwilio Cydnerthedd Cymunedol: Yn y rhifyn hwn o'r Gyfnewidfa, mae ein tîm Llywodraeth Leol yn trafod rhai o'r ffactorau sy'n achosi tlodi yng Nghymru, yn ogystal â'r gwerth a ddarperir gan fentrau cymdeithasol, a phwysigrwydd cadw cyfoeth mewn cymunedau.</p>	<p>I wrando</p>

Blogiau diweddar Archwilio Cymru

Teitl	Dyddiad cyhoeddi
Diogelwch Adeiladau – A ydym ni wedi dysgu o Grenfell?	1 Awst 2023
Helpu pobl i helpu eu hunain	15 Chwefror 2023
Storm berffaith – yr argyfwng costau byw a cham-drin domestig	21 Tachwedd 2022
Mae mynd i'r afael â thlodi yn golygu mynd i'r afael â'r data ar dlodi	11 Tachwedd 2022
Costau Byw a rhoi'r Fidog i gadw	21 Medi 2022
Mae pethau'n poethi i fynd i'r afael â Newid Hinsawdd	18 Awst 2022
Taliadau Uniongyrchol yng Nghymru	15 Mehefin 2022

Teitl	Dyddiad cyhoeddi
<u>Gofal heb ei drefnu yng Nghymru - system o dan bwysau cynyddol</u>	21 Ebrill 2022



CARDIFF COUNCIL CYNGOR CAERDYDD

GOVERNANCE AND AUDIT COMMITTEE: 24 October 2023

DRAFT AUDITED STATEMENT OF ACCOUNTS AND AUDIT OF ACCOUNTS REPORTS (ISA 260) FOR CARDIFF AND VALE OF GLAMORGAN PENSION FUND FOR FINANCIAL YEAR 2022/23

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 7.1

Reason for this Report

1. The Governance and Audit Committee Terms of Reference sets out their responsibility for Financial Reporting:
 - To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
 - To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Background

2. Governance and Audit Committee received a copy of the signed draft financial statements which was considered at its meeting on 11 July 2023, with opportunity for comment during the public inspection period which ran to 15 August 2023. Following the substantial completion of the audit, attached for 2022/23 are the draft Statement of Accounts for the Cardiff and Vale of Glamorgan Pension Fund – **Appendix 1**.

The revised draft includes any agreed amendments arising from the audit and feedback from Governance and Audit Committee.

3. Also attached is the Audit of Accounts Report (ISA 260) for 2022/23 in respect of the Cardiff and Vale of Glamorgan Pension Fund – **Appendix 2**.
4. This report has been prepared to:
 - allow Audit Wales to present their audit findings to those charged with governance in accordance with International Standard on Auditing 260 and
 - provide Governance and Audit Committee with the opportunity to consider the audit findings, the audit opinion, seek assurances on the delivery of the audit and any resulting adjustments made to the accounts

5. The final Audit of Accounts Reports (ISA 260) along with the final audited financial statements are to be considered by Council at its meeting on 26 October 2023. The final accounts will form part of the Pension Fund Annual Report 2022/23 which will be considered for approval at Pensions Committee.

Legal Implications

6. No direct legal implications arise from this report.

Financial Implications

7. No direct financial implications arise from this report.

RECOMMENDATIONS

8. That Governance and Audit Committee:
 1. Note the 2022/23 Draft Audited Statement of Accounts for Cardiff and Vale of Glamorgan Pension Fund.
 2. Note the 2022/23 Audit of Accounts Report (ISA 260) for the Cardiff and Vale of Glamorgan Pension Fund.
 3. Ask questions of the auditor in respect to the appendices ahead of the request for Council approval on 26 October 2023.

CHRISTOPHER LEE

Corporate Director Resources
24 October 2023

Appendix 1 – Draft Audited Statement of Accounts 2022/23 – Cardiff and Vale of Glamorgan Pension Fund.

Appendix 2 – Audit of Accounts Report (ISA 260) 2022/23 – Cardiff and Vale of Glamorgan Pension Fund.



Cardiff & Vale of Glamorgan
Pension Fund



Statement of Accounts 2022/23

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Mae'r ddogfen hon ar gael yn Gymraeg / This document is available in Welsh

Narrative Report

Cardiff Council is the Administering Authority for the Cardiff and Vale of Glamorgan Pension Fund (the Fund) which is part of the national Local Government Pension Scheme (LGPS) for England & Wales. The LGPS is the statutory occupational pension scheme for all local government employees (except teachers) and the regulations are determined by the UK Government.

The Council's responsibilities as manager of the Fund are discharged through the Pension Fund Committee which has oversight of the Fund's strategies and policies. Operational management of the Fund has been delegated to the Corporate Director Resources. The Local Pension Board assists the Council to secure compliance with the LGPS regulations and the requirements of the Pensions Regulator and to ensure the effective and efficient administration of the scheme. The Pension Fund Committee also continues to be assisted by the Investment Advisory Panel whose membership includes two independent advisors.

The membership of the Fund as at 31 March 2023 was 44,229 with 17,660 contributing employees, 12,880 pensioners and 13,689 deferred members.

The value of the Pension Fund's Investment assets as at 31 March 2023 was £2,635 million a decrease of 2.1% compared with the 31 March 2022 valuation of £2,693 million. 2022 was a difficult year for Investment markets globally as market sentiment was impacted by the continuation of the war in Ukraine and increases in Central Bank interest rates in response to increases in inflation. Quarter 1 2023 has seen signs of improvement but as evidenced by recent events with global banks, the investment markets remain volatile. As the Fund only had a limited holding in UK Government Gilts and no Liability Driven Investments (LDI) there was no material impact on the Fund from the September 2022 "liquidity crisis" where falling Gilt prices saw some Pension Funds engage in asset sales to maintain liquidity levels in LDI assets.

The eight LGPS fund authorities in Wales continued to make progress during the year with the development of the Wales Pension Partnership (WPP). The focus during 2022/23 has been on the establishment of WPP Private Market sub-funds as well as the WPP Sustainable Active Equity sub-funds. Investment Fund Managers for the Private Credit, Infrastructure and Private Equity sub-funds have been announced and these should launch in 2023/24. The Sustainable Equity Fund is due to launch in June 2023.

At 31 March 2023 the value of the Fund's assets held in seven WPP sub-funds was 63% of the Fund's total value which increases to 86% of Fund value being pooled if the jointly procured BlackRock fund is included.

During February 2022 the WPP was informed by the Financial Reporting Council (FRC) that it had been successful in its application to remain a signatory to the UK 2020 Stewardship Code. This success demonstrates the commitment of the Welsh LGPS Funds, including this Fund, to Responsible Investment (RI), which will continue to be developed over future years. This Fund has started the work to consider setting its own "Net Zero" target which will continue into 2023/24.

In 2022/23 Aon the Fund Actuary, completed their tri-annual actuarial valuation of the Fund as at 31 March 2022. The results saw a small increase in the funding level to 98%, compared to 96% for the 2019 valuation but with additional prudence included in the 2022 valuation, including a provision for the high inflation presented by the September 2022 Consumer Price Index (CPI). The average Employers Contribution rate for the Fund as a whole was 19.2%, a decrease of 2.3% compared to the equivalent rate in 2019.

Christopher Lee
Corporate Director Resources

Actuarial Statement

Introduction

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013 (the 'LGPS Regulations').

The LGPS Regulations require that a full actuarial valuation is carried out every third year. The purpose of this is to establish that the Cardiff and Vale of Glamorgan Pension Fund (the 'Fund') is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial investigation into the financial position of the Fund was completed as at 31 March 2022 by Aon, in accordance with Regulation 62 of the LGPS Regulations.

Actuarial Position

1. The valuation as at 31 March 2022 showed that the funding level of the Fund had increased since the previous valuation with the market value of the Fund's assets as at 31 March 2022 (of £2,698.9M) covering 98% of the liabilities.
2. The valuation also assessed each individual employer's (or group of employers') position separately. Contribution requirements were determined based on the principles in the Fund's Funding Strategy Statement and are set out in Aon's report dated 31 March 2023 (the "actuarial valuation report"). In addition to the contributions certified, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

Total contributions payable by all employers over the three years to 31 March 2026 are estimated to be:

Year from 1 April	% of pensionable pay	Plus total contribution amount (£M)
2023	19.5%	0.932
2024	19.5%	0.962
2025	19.5%	0.994

3. The funding plan adopted in assessing the contributions for each employer is in accordance with the Funding Strategy Statement. Different approaches were adopted in relation to the calculation of the primary contribution rate, stepping of contribution changes and individual employers' recovery periods as agreed with the Administering Authority and reflected in the Funding Strategy Statement, reflecting the employers' circumstances.
4. The valuation was carried out using the projected unit actuarial method for most employers, allowing for future increases in pensionable pay. The main financial actuarial assumptions used for assessing the funding target and the contribution rates were as follows:

Discount rate for periods in service	4.5% p.a.
Discount rate for periods after leaving service	
Scheduled and subsumption body funding target *	4.5% p.a.
Ongoing orphan funding target	1.3% p.a.
Rate of pay increases	3.3% p.a.
Rate of increase to pension accounts **	2.3% p.a.
Rate of increases in pensions in payment ** (in excess of Guaranteed Minimum Pension)	2.3% p.a.

**The secure scheduled body discount rate was also used for employers whose liabilities will be subsumed after exit by a scheduled body.*

*** In addition, a 10% uplift has been applied to the past service liabilities on the scheduled body and subsumption funding target to make allowance for short-term inflation above the long-term assumption.*

In addition, the discount rate and rate of increases to pensions for already orphaned liabilities (i.e. where there is no scheme employer responsible for funding those liabilities and the employer has exited the Fund) were assumed to be 1.7% p.a. and 3.4% p.a. respectively.

The assets were valued at market value.

5. The key demographic assumption was the allowance made for longevity. The post retirement mortality assumption adopted for the actuarial valuation was in line with standard self-administered pension scheme (SAPS) S3 mortality tables with appropriate scaling factors applied based on an analysis of the Fund's pensioner mortality experience and a Fund membership postcode analysis using Aon's Demographic Horizons™ longevity model, and included an allowance for future improvements based on the 2021 Continuous Mortality Investigation Projections Model, with a long term annual rate of improvement in mortality rates of 1.5% p.a. The resulting average future life expectancies at age 65 (for normal health retirements) were:

	Men	Women
Current pensioners aged 65 at the valuation date	22.5	24.6
Future pensioners aged 45 at the valuation date	23.1	25.7

Further details of the assumptions adopted for the valuation, including the other demographic assumptions, are set out in the actuarial valuation report.

6. The valuation results summarised in paragraphs 1 above are based on the financial position and market levels at the valuation date, 31 March 2022. As such the results do not make allowance for changes which have occurred subsequent to the valuation date. The Actuary, in conjunction with the Administering Authority, monitors the funding position on a regular basis.
7. The formal actuarial valuation report and the Rates and Adjustments Certificate setting out the employer contribution rates for the period from 1 April 2023 to 31 March 2026 were signed on 31 March 2023. Other than as agreed or otherwise permitted or required by the Regulations, employer contribution rates will be reviewed at the next actuarial valuation of the Fund as at 31 March 2025 in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.
8. This Statement has been prepared by the Actuary to the Fund, Aon, for inclusion in the accounts of the Fund. It provides a summary of the results of their actuarial valuation which was carried out as at 31 March 2022. The valuation provides a snapshot of the funding position at the valuation date and is used to assess the future level of contributions required.

This Statement must not be considered without reference to the formal actuarial valuation report which details fully the context and limitations of the actuarial valuation.

Aon does not accept any responsibility or liability to any party other than our client, Cardiff Council, the Administering Authority of the Fund, in respect of this Statement.

9. The report on the actuarial valuation as at 31 March 2022 is available on the Fund's website at the following address:
<https://www.cardiffandvalepensionfund.org.uk/wp-content/uploads/Cardiff-2022-actuarial-valuation-report-FINAL.pdf>

Aon Solutions UK Limited

May 2023

Statement of Responsibilities for the Financial Statements

The Council's responsibilities

As administering authority of the Cardiff and Vale of Glamorgan Pension Fund, Cardiff Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In 2022/23 that officer was Christopher Lee, Corporate Director Resources;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the statement of accounts.

**Councillor Bablin Molik
Lord Mayor**

Date:

The Corporate Director Resources responsibilities

The Corporate Director Resources (who holds the statutory post of Section 151 Officer) is responsible for the preparation of the Council's financial statements in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code).

In preparing these financial statements, the Corporate Director Resources has:

- selected suitable accounting policies and then applied them consistently, except where policy changes have been noted in these accounts;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code.

The Corporate Director Resources has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Corporate Director Resources Certificate

The financial statements for the Cardiff and Vale of Glamorgan Pension Fund give a true and fair view of its income and expenditure for the financial year 2022/23 and financial position at 31 March 2023.

**Christopher Lee
Corporate Director Resources**

Date:

The report of the Auditor General for Wales to the members of the County Council of the City and County of Cardiff as administering authority for Cardiff & Vale of Glamorgan Pension Fund

Opinion on financial statements

I have audited the financial statements of Cardiff & Vale of Glamorgan Pension Fund for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

Cardiff & Vale of Glamorgan's financial statements comprise the fund account, the net assets statement and the related notes, including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2023, and of the amount and disposition at that date of its assets and liabilities;
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the pension fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the pension fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Narrative Report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other

information contained within the Narrative Report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Local Government Pension Scheme Regulations 2013

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the financial statements set out on page 6, the responsible financial officer is responsible for:

- the preparation of the financial statements, which give a true and fair view;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the Cardiff & Vale of Glamorgan Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Cardiff & Vale of Glamorgan Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the pension fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Cardiff & Vale of Glamorgan Pension Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Obtaining an understanding of Cardiff & Vale of Glamorgan's framework of authority as well as other legal and regulatory frameworks that Cardiff & Vale of Glamorgan Pension Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Cardiff & Vale of Glamorgan; and
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Governance and Audit Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the administering authority; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Cardiff & Vale of Glamorgan Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Cardiff & Vale of Glamorgan Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Fund Account

2021/22		Note	2022/23
£000			£000
	Dealings with members, employers and others directly involved in the fund		
	Contributions		
(75,155)	From employers	8	(84,513)
(22,307)	From employees	8	(24,885)
0	Group transfers from other schemes or funds		0
(4,577)	Individual transfers from other schemes or funds		(4,364)
(2,603)	Other income (capitalised payments and interest on deficit funding)		(1,264)
(104,642)			(115,026)
	Benefits Payable		
72,694	Pensions	9	76,139
14,745	Lump sums, grants and other payments	9	18,303
	Payments to and on account of leavers		
135	Refunds of contributions		106
0	Group transfers to other schemes or funds		0
5,030	Individual transfers to other schemes or funds		5,416
92,604			99,964
(12,038)	Net (additions)/withdrawals from dealings with members of the Fund		(15,062)
8,295	Management expenses	10	6,586
(3,743)	Net (additions)/withdrawals including fund management expenses		(8,476)
	Returns on Investment		
(26,156)	Investment income	11	(42,484)
(150,846)	Change in market value of investments	12a	110,553
(177,002)	Net returns on investments		68,069
(180,745)	Net (increase)/decrease in the Fund during year		59,593
(2,518,137)	Opening net assets of the scheme		(2,698,882)
(2,698,882)	Closing net assets of the scheme		(2,639,289)

Net Assets Statement

2021/22		Note	2022/23
£000			£000
2,620,864	Investments at market value	12	2,547,762
72,253	Cash (including derivatives) and investment proceeds due	12	87,646
2,693,117	Total investments		2,635,408
74	UK & overseas tax		76
5,509	Contributions due from employers and deficit funding		3,369
327	Sundry debtors		809
1,153	Pension strain costs due within one year		1,772
7,063	Total current assets		6,026
68	Deficit funding (former employers)		0
1,296	Pension strain costs due after one year		491
1,364	Total non-current assets		491
(69)	Unpaid benefits		(591)
(1,478)	Sundry creditors		(905)
(217)	Provision - death grants	20	(490)
(1,764)	Total current liabilities		(1,986)
(898)	Provision - death grants	20	(650)
(898)	Total non-current liabilities		(650)
2,698,882	Net assets of the scheme		2,639,289

Notes to the Accounts

1. Description of Fund

The Cardiff and Vale of Glamorgan Pension Fund (the Fund) is part of the LGPS and is administered by Cardiff Council.

General

The scheme is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016

It is a contributory defined benefit pension scheme administered by Cardiff Council to provide pensions and other benefits for pensionable employees of Cardiff Council and Vale of Glamorgan Council, except for teachers who have a separate scheme. Employees of a range of other scheduled and admitted bodies within the area are also permitted to join the Fund. The Fund is overseen by the Pension Fund Committee, which is a committee of Cardiff Council.

Membership

Membership of the LGPS is automatic for all employees, who can then choose to remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Cardiff and Vale of Glamorgan Pension Fund include the following:

- Scheduled bodies, which are automatically entitled to be members of the Fund
- Admitted bodies, which participate in the Fund by virtue of an admission agreement made between the Fund and the employer. Admitted bodies include, voluntary, charitable and similar not-for-profit organisations, or private contractors undertaking a local authority function following outsourcing to the private sector.

Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund in accordance with the Local Government Pension Scheme Regulations 2013 and ranged from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2023. Employers' contributions are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2022. Currently, employer contribution rates range from 16.3% to 38.9% of pensionable pay with effect from 1 April 2023.

Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is updated annually in line with the Consumer Prices Index. A range of other benefits are also provided including early retirement, disability pensions and death benefits. For more details, please refer to the Cardiff and Vale of Glamorgan Pension Fund website <https://www.cardiffandvalepensionfund.org.uk/>

2. Basis of Preparation

The Statement of Accounts summarises the funds transactions for the 2022/23 financial year and its financial position at 31 March 2023. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year.

The accounts have been prepared on a going concern basis.

3. Significant Accounting Policies

Accounting standards that have been issued but not yet adopted

At the balance sheet date, no accounting standards issued but not yet adopted have been identified.

Income and Expenditure

Calls and distributions from private equity are recognised at the date of issue.

Income earned within some of the pooled investments is retained by the fund manager as part of the capital assets of the fund and reflected in the higher unit price. For all other pooled investments the income is reinvested as a purchase of additional units in the fund.

Investment management expenses are recognised in year and are not included in, or netted off from, the reported return on investment.

The Fund does not account for any benefits payable or receivable in respect of members wishing to transfer from one scheme to another until assets (either cash investments or other form) have been received by the receiving scheme.

All other income and expenditure have been accounted for on an accrual's basis, except the liability to pay pensions and benefits in the future, which has been separately disclosed within the notes to the accounts.

Acquisition costs of Investments

Acquisition costs are included with the original book cost at the time of purchase. At the year end, however, investments on the balance sheet are valued at market value. The difference is recorded in the Accounts as "Change in Market Value of Investments".

Valuation of Investments

Investments are included in the financial statements on a fair value basis as at the reporting date. The values of investments as shown in the net assets statement have been determined in accordance with the requirements of the Code and IFRS 13. Valuation methods employed by the fund are detailed within Note 14c.

Cash and Cash Equivalents

Cash is represented by cash in hand, the net balance on all of the Council's bank accounts. It includes deposits with financial institutions, including investment managers and the custodian, that are repayable

on notice of not more than 24 hours without significant penalty. It also includes investments maturing and interest received on the first working day of April.

Foreign Currency Transactions

Where investment valuations are received from fund managers in foreign currencies, they are converted at the Bank of England closing spot rate at the date of valuation.

Taxation

Taxation	Treatment
UK Income Tax	The fund is an exempt approved fund able to recover UK Income Tax.
UK Capital Gains Tax	No Capital Gains Tax is chargeable.
Value Added Tax	Accounts are shown exclusive of VAT. As the Council is the administering Authority, VAT is recoverable on all Fund activities.
Overseas Withholding Tax	Foreign investment income usually suffers withholding tax in the country of origin, some of which may be recoverable. Irrecoverable tax is netted off against income.

4. Critical judgements in applying accounting policies

Unquoted private equity investments

These are inherently based on forward looking estimates and judgements valued by the investment managers using two main sets of valuation guidelines that apply to private equity; the Private Equity Valuation Guidelines (PEVG) in the US and the International Private Equity and Venture Capital Valuation Guidelines (IPEVCG) outside the US.

Pension fund liability

This is calculated in accordance with IAS19 every three years by the actuary, with an annual statement in the intervening years. This estimate is subject to significant variances based on changes to the underlying assumptions which are agreed with the actuary.

5. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures based on assumptions made taking into account historical experience, current trends and other factors. As balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Item	Uncertainties	Effect if actual results differ from assumptions
Actual present value of promised retirement benefits	Estimations of the liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries increase, changes in mortality rates and expected returns on pension fund assets. The actuary provides the fund with advice regarding the assumptions to be used.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, an increase in the discount rate assumption would result in a decrease in the pension liability. An increase in assumed earnings inflation or assumed life expectancy would increase the value of the liabilities.

Private Equity Valuations	Private equity investments are valued at fair value in accordance with international accounting standards. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity investments in the financial statements are £109 million. There is a risk that this investment may be under, or overstated in the accounts. Further information is provided on the sensitivity of these assets within the accounts.
Pooled Property Funds	Valuation techniques are used to determine the carrying amount of pooled property funds.	The total pooled property fund investments in the financial statements are £184 million. Changes in the valuation assumptions used, together with significant changes in rental growth could affect (increase or decrease) the fair value of property-based investments. Further information is provided on the sensitivity of these assets within the accounts.

6. Titles of Ownership

Evidences of ownership for the property unit trusts (excluding Blackrock which is held by The Northern Trust Company) and private equity holdings are held by Cardiff Council. All other evidences of ownership were held at 31 March 2023 by The Northern Trust Company for the benefit of the Council and the WPP. Statements of holdings have been provided by Northern Trust.

7. Membership

Fund membership at 31 March 2023 is as follows:

2021/22		2022/23
44	Contributing employers	40
44	Total contributing employers	40
16,876	Contributors	17,660
12,515	Pensioners	12,880
13,515	Deferred pensioners	13,689
42,906	Total membership	44,229

In addition to the above, there are also members who at year end were not yet categorised as to whether they would be deferring their pension, transferring it to another scheme or requesting a refund of their contributions and accordingly are not actively contributing to the Pension Fund. The number of members not yet categorised at 31 March 2023 was 9,215 (7,269 for March 2022).

8. Employing Bodies – Contributions

2022/23	No. of contributors at 31/03/2023	Employers	Deficit Funding Received	Total Employers	Employees	Total
		£000	£000	£000	£000	£000
Administering Body:						
Cardiff Council	10,808	(50,319)	0	(50,319)	(15,326)	(65,645)
Scheduled Bodies:						
Vale of Glamorgan Council	4,290	(17,284)	0	(17,284)	(5,077)	(22,361)
Town and Community Councils	60	(283)	0	(283)	(91)	(374)
Education Bodies	1,704	(8,205)	0	(8,205)	(3,097)	(11,302)
Other Scheduled Bodies	6	(44)	0	(44)	(15)	(59)
Admitted Bodies:						
Admitted Bodies	792	(5,276)	(3,102)	(8,378)	(1,279)	(9,657)
Total	17,660	(81,411)	(3,102)	(84,513)	(24,885)	(109,398)

2021/22	No. of contributors at 31/03/2022	Employers	Deficit Funding Received	Total Employers	Employees	Total
		£000	£000	£000	£000	£000
Administering Body:						
Cardiff Council	10,472	(45,067)	0	(45,067)	(13,617)	(58,684)
Scheduled Bodies:						
Vale of Glamorgan Council	4,052	(15,421)	0	(15,421)	(4,570)	(19,991)
Town and Community Councils	58	(247)	0	(247)	(76)	(323)
Education Bodies	1,476	(7,459)	0	(7,459)	(2,809)	(10,268)
Other Scheduled Bodies	6	(41)	0	(41)	(14)	(55)
Admitted Bodies:						
Admitted Bodies	812	(4,966)	(1,954)	(6,920)	(1,221)	(8,141)
Total	16,876	(73,201)	(1,954)	(75,155)	(22,307)	(97,462)

Additional deficit funding

There has been no further deficit funding agreed in 2022/23 in addition to that agreed in previous years (no additional deficit funding in 2021/22).

9. Employing Bodies - Benefits Payable

2022/23	Retirement Pensions	Lump Sums, Grants and Other Payments		
		Lump Sums on Retirement	Death Grants	Commutation Payments
	£000	£000	£000	£000
Administering Body:				
Cardiff Council	48,125	8,608	1,603	530
Scheduled Bodies:				
Vale of Glamorgan Council	15,009	3,781	1,487	145
Town and Community Councils	221	63	0	0
Education Bodies	3,808	913	159	94
Other Scheduled Bodies	2,639	12	0	0
Admitted Bodies:				
Admitted Bodies	6,337	818	89	1
Total	76,139	14,195	3,338	770

2021/22	Retirement Pensions	Lump Sums, Grants and Other Payments		
		Lump Sums on Retirement	Death Grants	Commutation Payments
	£000	£000	£000	£000
Administering Body:				
Cardiff Council	46,093	7,156	1,882	414
Scheduled Bodies:				
Vale of Glamorgan Council	14,149	2,326	348	119
Town and Community Councils	240	0	0	0
Education Bodies	3,522	613	308	23
Other Scheduled Bodies	2,633	128	47	0
Admitted Bodies:				
Admitted Bodies	6,057	1,175	154	52
Total	72,694	11,398	2,739	608

10. Management Expenses

2021/22		2022/23
£000		£000
1,730	Administration costs	1,370
73	Audit fees	43
1,803	Total administration costs	1,413
430	Equities *	0
199	WPP Credit Fund	171
139	WPP Emerging Markets Fund	124
661	WPP Global Growth Fund	758
529	WPP Global Opportunities Fund	424
241	WPP Government Bond Fund	222
124	WPP Multi Asset Credit Fund	108
155	WPP UK Equity Fund	150
944	Equity pooled fund *	53
179	Pooled property investments	1,473
2,354	Private equity **	1,172
5,955	Total management fees	4,655
272	Custody fees	321
6,227	Total investment management expenses	4,976
265	Oversight and governance costs	197
8,295	Total	6,586

*2022/23 reduction in equities and equities pooled fund due to transfers to WPP in 2021/22

**2021/22 Private equity includes third party fees totalling £0.739 million which should not have been included in this table but were included within adjustments feeding through Note 12a, the Change in Market Value. The equivalent value correctly excluded for 2022/23 was £0.337 million.

2021/22	WPP Management Expenses	2022/23
£000		£000
163	Fund manager fees	833
1,550	Transaction costs	1,124
335	Transition costs	0
231	Custody fees	297
2,279	Total WPP investment management expenses	2,254
135	Host authority costs	158
135	Total WPP oversight and governance costs	158
2,414	Total	2,412

Included in Management Expenses in the first table of this note is the cost of the Fund's involvement in the Wales Pension Partnership (WPP) collective investment pooling arrangement. These are further analysed in the table above. The Oversight and Governance costs are the annual running costs of the pool which are made up of the host authority costs including other external advisor costs. These costs are funded equally by all eight of the local authority pension funds in Wales. Fund Management Fees are payable to Link Fund Solutions (the WPP operator) and include the operator fee and other associated costs. These costs are based on each Fund's percentage share of WPP pooled assets and are deducted from the Net Asset Value (NAV). Underlying manager fees are not included in this table.

11. Investment Income

2021/22		2022/23
£000		£000
0	Private Equity Funds	(224)
(2,428)	Global Equities *	0
(22,148)	Pooled Investments *	(37,153)
(1,177)	Pooled Property Unit Trust Income	(3,027)
(200)	Interest on UK cash	(1,865)
(203)	Securities lending	(215)
(26,156)	Total	(42,484)

*Movement between categories during 2021/22 due to transition to WPP investments

12. Investments at Market Value

2021/22		2022/23
£000		£000
216,400	WPP Credit Fund	198,116
115,003	WPP Emerging Markets	110,799
211,609	WPP Global Growth	209,723
530,428	WPP Global Opportunities	531,513
243,194	WPP Government Bond Fund	230,817
150,309	WPP Multi Asset Credit Fund	140,935
232,958	WPP UK Equity Fund	242,488
1,699,901	Total WPP pooled funds	1,664,391
616,030	Equity pooled	590,795
2,315,931	Total pooled funds (incl WPP)	2,255,186
201,606	Pooled property investments	183,538
103,327	Private equity	109,038
2,620,864	Subtotal	2,547,762
2,194	Fund manager's cash	5,115
70,059	Internal/custodian cash	82,531
0	Net investment proceeds due	0
72,253	Total cash	87,646
2,693,117	Total investment assets	2,635,408

12a. Reconciliation in movement in investments

2022/23	Value at 31/03/22	Purchase at cost	Sale proceeds	Change in market value	Value at 31/03/23
	£000	£000	£000	£000	£000
Pooled funds	2,315,931	37,152	0	(97,897)	2,255,186
Pooled property unit trusts	201,606	2,691	0	(20,759)	183,538
Private equity	103,327	15,038	(13,359)	4,032	109,038
Sub-total	2,620,864	54,881	(13,359)	(114,624)	2,547,762
Managers' cash	2,194				5,115
Internal/custodian cash	70,059				82,531
Debtors	0				0
Total cash	72,253				87,646
Sub-total	2,693,117			(114,624)	2,635,408
Net realised movement in cash				4,071	
Total	2,693,117			(110,553)	2,635,408

2021/22	Value at 31/03/21	Purchase at cost	Sale proceeds	Change in market value	Value at 31/03/22
	£000	£000	£000	£000	£000
Equities	238,549	2,242	(249,929)	9,138	0
Pooled funds	1,968,796	1,159,234	(892,119)	80,020	2,315,931
Pooled property unit trusts	166,559	904	0	34,143	201,606
Private equity	90,669	8,971	(24,436)	28,122	103,327
Sub-total	2,464,573	1,171,351	(1,166,484)	151,423	2,620,864
Managers' cash	5,372				2,194
Internal/custodian cash	39,563				70,059
Debtors	567				0
Total cash	45,502				72,253
Sub-total	2,510,075			151,423	2,693,117
Net realised movement in cash				(577)	
Total	2,510,075			150,846	2,693,117

13. Summary of manager's portfolio values

2021/22		Fund Manager	2022/23	
£000	% of Fund		£000	% of Fund
616,030	22.9	Blackrock Investment Management	590,795	22.4
1,699,901	63.1	Wales Pension Partnership (WPP)	1,664,391	63.2
65,292	2.4	CBRE - Global Property	70,052	2.7
30,711	1.1	Blackrock - BPF - UK Property	25,921	1.0
34,922	1.3	Schroder UK Real Estate	29,270	1.1
39,249	1.5	Standard Life Property	31,429	1.2
31,433	1.2	UBS Triton Property Fund	26,866	1.0
21,908	0.8	Capital Dynamics	20,559	0.8
34,499	1.3	Harbourvest	33,278	1.3
46,920	1.7	Pantheon	55,201	2.1
5,088	0.2	Cash with custodian	5,115	0.2
67,164	2.5	Internally managed (Cash)	82,531	3.0
2,693,117	100.0	Total	2,635,408	100.00

13a. Investments exceeding 5% of net assets

The following investments represent more than 5% of the net assets available to pay benefits (in either 2021/22, 2022/23 or both years).

2021/22		Fund Manager	2022/23	
£000	% of net assets		£000	% of net assets
616,030	22.8	BlackRock Low Carbon Tracker Fund	590,795	22.4
216,400	8.0	WPP Credit Fund	198,116	7.5
211,609	7.8	WPP Global Growth	209,723	7.9
530,428	19.7	WPP Global Opportunities	531,513	20.1
243,194	9.0	WPP Government Bond Fund	230,817	8.7
150,309	5.6	WPP Multi Asset Credit Fund	140,935	5.3
232,958	8.6	WPP UK Opportunities	242,488	9.2

14. Financial Instruments

14a. Classification of financial instruments

Value at 31/03/22				Value at 31/03/23		
Fair value through profit and loss	Amortised Cost	Financial liabilities at amortised costs		Fair value through profit and loss	Amortised Cost	Financial liabilities at amortised costs
£000	£000	£000		£000	£000	£000
2,315,931	0	0	Pooled funds	2,255,186	0	0
201,606	0	0	Pooled property trusts	183,538	0	0
103,327	0	0	Private equity	109,038	0	0
0	0	0	Derivatives	0	0	0
0	72,253	0	Cash	0	87,646	0
0	8,427	0	Debtors	0	6,517	0
2,620,864	80,680	0	Total financial assets	2,547,762	94,163	0
0	0	(1,547)	Creditors	0	0	(1,496)
0	0	(1,547)	Total financial liabilities	0	0	(1,496)
2,620,864	80,680	(1,547)	Net financial assets	2,547,762	94,163	(1,496)

14b. Net gains and losses on financial instruments

31/03/22		31/03/23
£000		£000
150,233	Fair value through profit and loss	(110,604)
150,233	Total financial assets	(110,604)
613	Amortised cost	51
613	Total financial liabilities	51
150,846	Net financial assets	(110,553)

14c. Fair Value – Basis of Valuation

Investment	Valuation Method	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 1 Quoted prices for similar instruments.			
Quoted Bonds (Fixed Interest Securities)	Market value based on current yields	Not required	Not required
Market Quoted Investments	Published bid market price at close of business on the final working day of the accounting period	Not required	Not required
Cash and cash equivalents	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
Level 2 Traded in a market which is not considered to be active, or where valuation techniques are used to determine fair value which use inputs that are based significantly on observable market data.			
Pooled Investments - Quoted Equity	Closing bid price where bid and offer prices are published. Closing single price where single price published	Net Asset Value (NAV) based pricing set on a forward pricing basis	Not required
Level 3 Inputs not based on observable market data			
Private Equity Funds	Valuations provided by the general partners to the private equity funds in accordance with International Private Equity and Venture Capital Valuation Guidelines (2012)	Earnings before interest, tax, depreciation and amortisation (EBITDA) multiple, revenue multiple, discount for lack of marketability and control premium	Valuations may be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date (although updated to reflect calls/distributions made during this period), changes to expected cash flows and any differences between unaudited and audited accounts
Pooled Investments - Property Funds	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Valuations may be affected by post balance sheet events, changes to expected cash flows and any differences between unaudited and audited accounts

14d. Fair Value Hierarchy

As detailed above, investments have been classified into three levels according to the quality and reliability of the information used to determine fair values. The following table provides an analysis of the assets and liabilities of the pension fund based on the level at which the fair value is observable.

Value at 31/03/23	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
	£000	£000	£000	£000
Financial assets at fair value	0	2,255,186	292,576	2,547,762
Amortised Cost	94,163	0	0	94,163
Total financial assets	94,163	2,255,186	292,576	2,641,925
Financial liabilities at amortised cost	(1,496)	0	0	(1,496)
Total financial liabilities	(1,496)	0	0	(1,496)
Net financial assets	92,667	2,255,186	292,576	2,640,429

Value at 31/03/22	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
	£000	£000	£000	£000
Financial assets at fair value	0	2,315,931	304,933	2,620,864
Loans and receivables	80,680	0	0	80,680
Total financial assets	80,680	2,315,931	304,933	2,701,544
Financial liabilities at amortised cost	(1,547)	0	0	(1,547)
Total financial liabilities	(1,547)	0	0	(1,547)
Net financial assets	79,133	2,315,931	304,933	2,699,997

Reconciliation of fair value measurements within Level 3

2022/23	Market Value at 31/03/22	Transfers into level 3	Transfers out of level 3	Purchases	Sales	Unrealised gains/(losses)	Realised gains/(losses)	Market Value at 31/03/23
	£000	£000	£000	£000	£000	£000	£000	£000
Private equity	103,327	0	0	15,038	(13,359)	4,032	0	109,038
Pooled property unit trusts	201,606	0	0	2,691	0	(20,759)	0	183,538
Total	304,933	0	0	17,729	(13,359)	(16,727)	0	292,576

14e. Sensitivity of Assets Valued at Level 3

Having analysed historical data, current market trends, and consulted with independent investment advisors (Pensions and Investments Research Consultants Ltd (PIRC)), the fund has determined that the valuations methods described above for Level 3 investments are likely to be accurate to within the following ranges, and has set out the consequential impact below:

	Assessed valuation range	Value at 31/03/23	Value on increase	Value on decrease
	(%)	£000	£000	£000
Private Equity	13.1	109,038	123,322	94,754
Pooled Property Trusts	7.1	183,538	196,569	170,507
Total		292,576	319,891	265,261

15. Nature and extent of risks arising from financial instruments

The Fund maintains positions in a variety of instruments, as dictated by the Investment Strategy Statement (ISS), and is consequently exposed to credit and liquidity risk, as well as market risk including foreign exchange and interest rate risks.

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities and will be unable to pay the promised benefits to members. The aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk and credit risk to an acceptable level. In addition, the fund managers monitor its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows.

The management of risk is a key objective of the Pension Fund. A policy of diversification of its asset classes and investment managers helps the Pension Fund to lower risk arising from financial instruments. Benchmarks for asset allocation and targets against which investment managers are expected to perform are further measures which are put in place in order to manage risk.

Market risk is the risk that the fair value or future cash flows of an institution will fluctuate because of a change in market price.

In order to manage risk, the Fund invests in a diversified pool of assets, split between a number of managers with different performance targets and investment strategies. In order to mitigate risk, the Fund regularly reviews the pension fund investment strategy together with regular monitoring of asset allocation and investment performance.

Interest rate risk is the risk to which the Pension Fund is exposed to fluctuations in interest rates and mainly relates to changes in bonds.

To mitigate the risk and diversify, the Fund holds three fixed income sub funds managed by WPP.

Interest Rates can vary and can affect both income to the fund and the value of the net assets available to pay benefits. The analysis below shows the effect of a 100 basis point (1%) movement in interest rates on the net assets available to pay benefits:

Asset Type	Carrying Amount as at 31/03/23	Change to the net assets available to pay benefits	
		+ 100bps	- 100bps
	£000	£000	£000
Cash and cash equivalents	87,646	876	(876)
Total	87,646	876	(876)

Asset Type	Carrying Amount as at 31/03/22	Change to the net assets available to pay benefits	
		+ 100bps	- 100bps
	£000	£000	£000
Cash and cash equivalents	72,253	723	(723)
Total	72,253	723	(723)

Currency risk is the risk to which the Pension Fund is exposed to fluctuations in foreign currency exchange rates. Fund managers will also take account of currency risk in their investment decisions.

Following analysis of historical data and consulted with independent investment advisors Pensions and Investments Research Consultants Ltd (PIRC), the fund's aggregate currency change has been calculated as 6.30%. An 6.30% strengthening/weakening of the pound against the various currencies in which the fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Currency exposure – asset type	Asset Value as at 31/03/23	Change to net assets available to pay benefits	
		+ 6.30%	- 6.30%
	£000	£000	£000
Overseas pooled funds *	2,012,698	126,800	(126,800)
Overseas pooled property	70,052	4,413	(4,413)
Total change in assets available	2,082,750	131,213	(131,213)

Currency exposure – asset type	Asset Value as at 31/03/22	Change to net assets available to pay benefits	
		+ 7.30%	- 7.30%
	£000	£000	£000
Overseas pooled funds *	1,473,070	107,534	(107,534)
Overseas pooled property	65,292	4,766	(4,766)
Total change in assets available	1,538,362	112,300	(112,300)

*Changes due to transition to WPP in 2021/22 resulted in reclassification of investments

Price risk is the risk of losses associated with the movement in prices of the underlying assets. By diversifying investments across asset classes and managers, the Pension Fund aims to reduce the exposure to price risk. Diversification of asset classes seeks to reduce correlation of price movements, whilst employing specialist managers enables the Fund to benefit from investment expertise.

Potential price changes are determined based on the observed historical volatility of asset class returns. The potential volatilities are consistent with movement in the change in value of assets over the last three years, applied to the period end asset mix. The total volatility shown below for total assets incorporates

the impact of correlation across currencies, which dampens volatility, therefore the value on increase and value on decrease figures for the currencies will not sum to the total figure.

Asset type	Value at 31/03/23	Percentage change	Value on increase	Value on Decrease
	£000	%	£000	£000
UK Equities	242,488	15.00	278,861	206,115
Global Equities	1,332,031	12.70	1,501,199	1,162,863
Emerging Market Equities	110,799	15.30	127,751	93,847
Fixed Interest	569,868	6.20	605,200	534,536
Cash and Cash Equivalents	87,646	1.30	88,785	86,507
Private Equity	109,038	13.10	123,322	94,754
Property	183,538	7.10	196,569	170,507
Total Assets	2,635,408		2,921,687	2,349,129

Asset type *	Value at 31/03/22	Percentage change	Value on increase	Value on Decrease
	£000	%	£000	£000
UK Equities	232,958	18.30	275,589	190,327
Global Equities	1,358,067	14.90	1,560,419	1,155,715
Emerging Market Equities	115,003	14.90	132,138	97,868
Fixed Interest	609,903	14.90	700,779	519,027
Cash and Cash Equivalents	72,253	1.30	73,192	71,314
Private Equity	103,327	10.80	114,486	92,168
Property	201,606	4.90	211,485	191,727
Total Assets	2,693,117		3,068,088	2,318,146

*2021/22 figures have been restated in line with 2022/23 presentation, providing a more detailed breakdown.

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the fund to incur a financial loss. The Fund reviews its exposure to credit and counterparty risk through its external investment managers. The Fund is also exposed to credit risk through its securities lending programme run by the Fund's custodian, Northern Trust who manages and monitors the counterparty risk, collateral risk and the overall lending programme.

The Pension Fund's bank account is held with NatWest. Surplus cash is placed with a selection of AAA Money Market institutions. The Fund's internally managed cash holding under its treasury management arrangements is held with the following institutions:

	Fitch Rating	31/03/22	31/03/23
		£000	£000
Money market funds			
Aberdeen Standard Liquidity - Sterling Fund	AAA	20,350	28,850
Blackrock ICS Sterling Liquidity Fund	AAA	22,830	26,870
Deutsche Global Liquidity - Sterling Fund	AAA	21,840	26,730
Bank current account			
NatWest	A	2,144	81
Total		67,164	82,531

The Pension Fund has experienced no defaults from fund managers, brokers or bank accounts over the past ten years, therefore no expected credit loss provision is required.

Liquidity risk represents the possibility that the Fund may not have resources available to meet its financial obligations. The current position of the Fund is that it is cash positive, which reflects the fact that contributions into the Fund exceed benefits being paid out. The Fund's cash is kept in a separate bank account and the cash position is monitored on a daily basis. Surplus funds are deposited in money market funds on a short term basis. At an investment level, the Funds' investments are substantially made up of listed securities which are considered readily realisable.

16. Actuarial Present Value of Promised Retirement Benefits

CIPFA's Code of Practice requires the disclosure of the actuarial present value of promised retirement benefits calculated on an IAS 19 basis, as set out in IAS 26.

Therefore, in addition to the triennial funding valuation, the Fund's actuary undertakes a valuation of the pension fund liabilities on an IAS 19 basis at the same date. The IAS 19 valuation is carried out using updated actuarial assumptions from those used for setting fund contribution rates and the Fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

The most recent actuarial valuation based on IAS 19 is shown below:

31/03/2019		31/03/2022
£000		£000
3,168,100	Actuarial Present Value of Promised Retirement Benefits	3,893,700
2,177,800	Fair value of net assets	2,698,900

The estimated future Pension Fund liabilities will also be subject to the consideration of the McCloud judgement and GMP equalisation. The impact has been considered by the actuary within the 2022 triennial valuation (see Actuarial Statement on pages 3-6 of this document).

17. Additional Voluntary Contributions (AVC)

Scheme members may elect to make additional voluntary contributions to enhance their pension benefits. Contributions are made directly from scheme members to the AVC provider and are therefore not represented in these accounts in accordance with section 4(2)b of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (SI 2009/3093). However, as the administering authority, we oversee the following AVC arrangements:

2021/22		2022/23
£000		£000
643	AVC paid in by members during the year	727
6,003	Market Value of separately invested AVC's *	5,082

*2021/22 Market Value of separately invested AVCs included a terminal bonus of £973,000, applied to smooth peaks and troughs in fund performance when returns are paid out.

18. Contractual Commitments

As of 31 March 2023 the Fund had outstanding private equity commitments of a maximum of £65.536 million (£78.086 million at 31 March 2022) and a new commitment of £10 million for WPP Clean Energy Infrastructure.

19. Securities Lending

At the year end the value of quoted equities on loan was £89.982 million (£94.992 million at 31 March 2022). In 2022/23 the Fund received income of £215,000 from the lending of stock (£203,000 in 2021/22).

20. Provisions and Contingent Liabilities

A number of death grants have been identified where the Fund has been unable to trace the next of kin meaning no payment has been made to date. In all the outstanding cases, there has been difficulty in making contact, meaning that the payments are not likely to be settled within the next financial year. Due to the uncertainty surrounding the timing of these payments and final amounts payable, a provision for £1.140 million has been included in the accounts (£1.115 million in 2021/22), which consists of £490,000 short term (£217,000 in 2021/22), £508,000 long term and £142,000 of estimated interest (£742,000 long term and £156,000 of estimated interest in 2021/22).

The Guaranteed Minimum Pension (GMP) reconciliation is the process used to ensure the scheme records agree with those of the National Insurance Contribution Office (NICO, part of HMRC). This enables a scheme to consider its data as clean and entirely reliable. GMP rectification involves calculating and correcting data (and for pensioners, benefits in payment) for those members where the GMP reconciliation process resulted in a change in the GMP held by the scheme administrator. The GMP reconciliation is currently being progressed and the Fund has appointed Mercer to carry out this exercise, we are therefore unable to provide a reliable estimate of the liability at present.

21. Related Party Transactions

Cardiff Council is the administering authority for Cardiff & Vale of Glamorgan Pension Fund. The Pensions Committee includes members of the Council. At 31 March 2023 there were three members of the Pension Fund Committee that were active members of the Pension Fund. Each member of the Committee is required to declare their interests at each meeting. No other declarations were made during the year.

Examples of related party transactions with the Council are:

- The Council is the largest employer of members of the Pension Fund. All monies owing to and due from the Fund are generally paid in year with the following balances outstanding at year end
 - Intercompany cash balance £776 owed to Cardiff and Vale of Glamorgan Pension Fund included in Note 12 Internal/custodian cash (2021/22 £1.928 million owed to Cardiff Council)
 - Pension strain of £2.231 million included in the Net Asset Statement (2021/22 £2.331 million)
- Cash invested internally by the Council (for working capital purposes) – see Note 13 Summary of manager's portfolio values – Internally managed (Cash) £82.530 million (2021/22 £67.164 million), earning interest of £1.686 million (2021/22 £0.020 million)
- Administration expenses charged to the Fund by the Council are included in Note 10 Management Expenses. During the reporting period, the council incurred costs of £1.053 million (2021/22 £0.950 million)

million) in relation to the administration and management of the fund and was reimbursed by the fund for these expenses.

- Paragraph 3.9.4.4 of the Code of Practice exempts Local Authorities from the key management personnel disclosure requirements of IAS24 on the basis that requirements for officer remuneration and members' allowances are detailed in section 3.4 of the Code. Total remuneration for Chris Lee Corporate Director of Resources can be found in the Cardiff Council Statement of Accounts Remuneration Note.

22. Contributing Employers

The employers contributing to the Fund in 2022/2023, highlighting changes since 2021/2022 are detailed below:

Administering Body	
Cardiff Council	
Scheduled Bodies	
Councils	Town and Community Councils
Vale of Glamorgan Council	Barry Town Council
Education Bodies	Cowbridge Town Council
Cardiff And Vale College	Lisvane Community Council
Cardiff Metropolitan University	Llantwit Major Council
St David's Sixth Form College	Penarth Town Council
Stanwell Comprehensive	Penllyn Community Council
Other Scheduled Bodies	Pentyrch Community Council
Cardiff Bus	Peterston Super Ely Community Council**
	Radyr & Morganstown Community Council
	St Fagans Community Council
	Wenvoe Community Council*
Admitted Bodies	
A and R Cleaning Lansdowne	Glen Cleaning (Barry Comprehensive)
A and R Cleaning Whitchurch	Glen Cleaning (Eastern High)*
A and R Ysgol Y Ddraig	Glen Cleaning (Llandough)*
Adult Learning Wales	Greenwich Leisure Limited (GLL)
Big Fresh Cleaning	Grangetown Primary Cleaning (APP)
Cardiff Business Technology Centre	Legacy Leisure**
Cardiff University	Mirus Wales
Careers Wales (Cardiff And Vale)	National Trust (Dyffryn)*
Children In Wales	New Theatre
Circle IT (Cowbridge Comprehensive)*	One Voice Wales
Circle IT (Eastern High)*	Play Wales
Colegau Cymru - Colleges Wales	Sports Council for Wales
Design Commission For Wales	St Teilo's Cleaning (APP)
Ecommercial*	Wales Council For Voluntary Action
Eisteddfod Genedlaethol Cymru	

* Employers that contributed to the Fund in 2021/22 that did not contribute to the Fund in 2022/23.

** Employers that contributed to the Fund in 2022/23 that did not contribute to the Fund in 2021/22.

23. Events after the Reporting Period

There are no events after the reporting period to report.

24. Date of Authorisation of the Accounts for Issue

This Statement of Accounts was authorised for issue on 26 October 2023 by the Corporate Director Resources. Post balance sheet events have been considered up to this date.

Glossary

Knowledge of basic accountancy terminology is assumed. However, there are certain specialist terms related to local government finance, pensions and investments, which are described below:

Accruals Basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Active / Passive Management

Active management is the traditional form of investment management involving a series of individual investment decisions that seek to maximise returns by exploiting price inefficiencies i.e. 'beat the market'. Passive management is a low cost alternative where managers normally hold stocks in line with a published index, such as the FTSE All-Share, not seeking to outperform but to keep pace with the index being tracked.

Actuary

An independent consultant who advises on the long-term viability of the Fund. Every three years the Fund actuaries review the assets and liabilities of the Fund and report to the Council on the financial position and recommended employer contribution rates. This is known as the actuarial valuation.

Actuarial Gains and Losses

For a defined benefit pensions scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation, or the actuarial assumptions have changed.

Active Member

Current employee who is contributing to a pension scheme.

Admitted Body

An organisation, whose staff can become members of the Fund by virtue of an admission agreement made between the Council and the organisation. It enables contractors who take on the Council's services with employees transferring, to offer those staff continued membership of the Fund.

Asset Allocation

Apportionment of investment funds among categories of assets, such as Bonds, Equities, Cash, Property, Derivatives, and Private Equity. Asset allocation affects both risk and return.

Benchmark

A measure against which the investment policy or performance of an investment manager can be compared.

Bonds

Investments, mainly in government stocks, which guarantee a fixed rate of interest. The securities represent loans which are repayable at a future date but which can be traded on a recognised stock exchange in the meantime.

Cash and Cash Equivalents

Sums of money available for immediate use and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Chartered Institute of Public Finance & Accountancy (CIPFA)

CIPFA is the leading professional accountancy body which determines accounting standards and reporting standards to be followed by Local Government.

Contingent Liabilities or Assets

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in the Council's accounts.

Creditors

Amounts owed by the Council for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.

Custodian

Bank or other financial institution that keeps custody of stock certificates and other assets of a client, collects dividends and tax refunds due, and settles any purchases and sales.

Debtors

These are sums of money due to the Council that have not been received at the date of the Balance Sheet.

Deferred Pensioner

A member who has stopped paying into the scheme but is not yet retired.

Defined Benefit Scheme (Pensions)

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Defined Contribution Scheme (Pensions)

A Defined Contribution Scheme is a pension or other retirement benefit scheme into which an employer pays regular contributions as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Emerging Markets

Relatively new and immature stock markets for equities or bonds. Settlement and liquidity can be less reliable than in the more established 'developed' markets, and they tend to be more volatile.

Employer Contribution Rates

The percentage of the salary of employees that employers pay as a contribution towards the employees' pension.

Equities

Ordinary shares in UK and overseas companies traded on a recognised stock exchange. Shareholders have an interest in the profits of the company and may normally vote at shareholders' meetings.

Fair Value

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial Assets

Financial assets are cash, equity instruments within another entity (e.g. shares) or a contractual right to receive cash or another asset from another entity (e.g. debtors) or exchange financial assets or financial liabilities under potentially favourable conditions (e.g. derivatives).

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Financial Liabilities

Financial liabilities are contractual obligations to deliver cash or another financial asset (e.g. creditors) or exchange financial assets or financial liabilities under potentially unfavourable conditions (e.g. derivatives).

Fixed Interest Securities/Bonds

Investments, especially in government stocks, with a guaranteed rate of interest. Conventional bonds have fixed rates, whilst Index Linked vary with inflation. They represent loans repayable at a stated future date, and which can be traded on a stock exchange in the meantime.

Fund Manager

A fund that handles investments on behalf of the pension fund according to an agreed investment mandate.

Fund of Funds

A pooled fund that invests in other pooled funds. They are able to move money between the best funds in the industry, and thereby aim to lower stakeholder risk with greater diversification than is offered by a single fund.

Funding Strategy Statement (FSS)

The FSS is a document that addresses the issue of the primary responsibility of the Fund to ensure the fund has sufficient assets to ensure its liabilities to pay pension benefits can be made. It will aim to ensure the solvency and long term cost efficiency of the Fund by taking a prudent longer-term view of how it funds its liabilities to pay future benefits. The Administering Authority will prepare, maintain and publish the FSS after acting on professional advice provided by the Fund Actuary.

Impairment

A reduction in the value of assets below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in an asset's market value.

Index

A calculation of the average price of shares, bonds, or other assets in a specified market to provide an indication of the average performance and general trends in the market.

Investment Strategy Statement (ISS)

The Investment Strategy Statement which each LGPS fund is required to prepare and keep under review.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Local Government Pension Scheme (LGPS)

The Local Government Pension Scheme, governed by regulations issued by the Department for Levelling Up, Housing and Communities (DLUHC).

Materiality

Information is material if omitting it or misstating it could influence the decisions that users make on the basis of financial information about a specific reporting authority.

Pension Fund

A fund built up from deductions from employees' pay, contributions from employers and investment income from which pension benefits are paid.

Pensioner

A scheme member who received a pension from the Fund.

Pooled Funds

Pooled investment vehicles issue units to a range of investors. Unit's prices move in response to changes in the value of the underlying portfolio, and investors do not own directly the assets in the fund. The main types are: unit trusts, open-ended investment companies (OEICs), insurance linked vehicles and investment trusts.

Portfolio

A collective term for all the investments held in a fund, market or sector. A segregated portfolio is a portfolio of investments of a specific type held directly in the name of the investor e.g. Global Bonds, or a specific market e.g. UK Equities, Far East Equities.

Prior Period Adjustments

These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

Private Equity

Investments made by specialist managers in all types of unlisted companies rather than through publicly tradable shares.

Provisions

Amounts set aside in respect of liabilities or losses which are likely or certain to be incurred, but in relation to which the exact amount and date of settlement may be uncertain.

Related Parties

Related parties are Central Government, other local authorities, precepting and levying bodies, subsidiary and associated companies, Elected Members, all senior officers from Director and above. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household; and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Return

The total gain from holding an investment, including both income and any increase or decrease in market value. Returns over periods longer than a year are usually expressed as an average annual return.

Scheme Employers

Local authorities and bodies specified in the LGPS Regulations, whose employees are entitled automatically to be members of the Fund, and Admission Bodies including voluntary, charitable and similar bodies, carrying out work of a public nature, whose staff can become members of the Fund by virtue of an admission agreement with the Council.

Scheduled Body

An organisation that has the right to become a member the Local Government Pension Scheme under the scheme regulations. Such an organisation does not need to be admitted, as its right to membership is automatic.

Unit Trust

A collective investment fund that is priced, bought and sold in units that represent a mixture of the securities underlying the fund.

Unrealised Gains / Losses

The increase or decrease in the market value of investments held by the fund since the date of their purchase. Note: values throughout these accounts are presented rounded to whole numbers.

Audit of Accounts Report – Cardiff & Vale of Glamorgan Pension Fund

Audit year: 2022-23

Date issued: October 2023

Document reference: 3841A2023

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

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

Contents

We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

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Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2022-23 accounts in this report.
- 2 We have already discussed these issues with the Group Accountant.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £26 million for this year's audit. There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, for example related party transactions and senior officer remuneration
- 5 We have now substantially completed this year's audit / but the following work is outstanding:
 - director and manager review of audit files and clearance of any review points;
 - receipt and review of the signed Letter of Representation;
 - completing final checks on the signed financial statements after the Council has agreed them;
 - a review of events after the reporting period up to the signing date; and
 - concluding our IT audit work.
- 6 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Proposed audit opinion

- 7 We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 8 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 9 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 10 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

11 There are no misstatements identified in the accounts which remain uncorrected.

Corrected misstatements

12 There were initially misstatements in the accounts that have now been corrected by management. We believe that these should be drawn to your attention and they are set out with explanations in Appendix 3.

Other significant issues arising from the audit

13 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were **no** issues arising in these areas this year.

Appendix 1

Final Letter of Representation

Auditor General for Wales
Wales Audit Office
1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

xx October 2023

Representations regarding the 2022-23 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration report that is subject to audit) of the Cardiff & Vale of Glamorgan Pension Fund for the year ended 31 March 2023 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2022-23; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

We confirm that:

- all transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.
- the methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- related party relationships and transactions have been appropriately accounted for and disclosed.
- all events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.
- all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.
- the financial statements are free of material misstatements, including omissions.

Representations by the County Council of the City and County of Cardiff

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Members of the County Council of the City and County of Cardiff on 26 October 2023.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:
Corporate Director Resources

Date: 26 October 2023

Signed by:
Chair of the Council – signed on behalf of
those charged with governance

Date: 26 October 2023

Appendix 2

Proposed Audit Report

The report of the Auditor General for Wales to the members of the County Council of the City and County of Cardiff as administering authority for Cardiff & Vale of Glamorgan Pension Fund

Opinion on financial statements

I have audited the financial statements of Cardiff & Vale of Glamorgan Pension Fund for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

Cardiff & Vale of Glamorgan Pension Fund's financial statements comprise the fund account, the net assets statement and the related notes, including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2023, and of the amount and disposition at that date of its assets and liabilities;
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the pension fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the pension fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Narrative Report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the Narrative Report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Local Government Pension Scheme Regulations 2013

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the financial statements set out on page X, the responsible financial officer is responsible for:

- the preparation of the financial statements, which give a true and fair view;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and

- assessing the Cardiff & Vale of Glamorgan Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Cardiff & Vale of Glamorgan Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the pension fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Cardiff & Vale of Glamorgan Pension Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Obtaining an understanding of Cardiff & Vale of Glamorgan Pension Fund's framework of authority as well as other legal and regulatory frameworks that Cardiff & Vale of Glamorgan Pension Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Cardiff & Vale of Glamorgan Pension Fund; and
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- enquiring of management and the Governance and Audit Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the administering authority; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Cardiff & Vale of Glamorgan Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Cardiff & Vale of Glamorgan Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
[Date]

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Appendix 3

Summary of Corrections Made

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 1: summary of corrections made

Value of correction	Nature of correction	Reason for correction
Various	<p>Note 14e Sensitivity of Assets Valued at Level 3</p> <p>The incorrect sensitivity rates were used to calculate the increase and decrease in value of assets</p> <p>This correction relates to a disclosure note only and does not impact on the outturn of the Primary Statements</p>	<p>The prior year assessed valuation ranges were incorrectly used</p>
£34.887 million	<p>Note 15 Nature and extent of risks arising from financial instruments</p> <p>To correct the credit risk analysis</p> <p>This correction relates to a disclosure note only and does not impact on the outturn of the Primary Statements</p>	<p>Incorrect figures were pulled through to the note.</p>

<p>£5.809 million</p>	<p>Note 17 Additional Voluntary Contributions (AVC)</p> <p>To include figures that were not available at the time of preparing the draft accounts</p> <p>This correction relates to a disclosure note only and does not impact on the outturn of the Primary Statements</p>	<p>To include information not previously available.</p>
<p>Narrative</p>	<p>Note 22 Contributing Employers</p> <p>Two corrections were required to the admitted bodies listed.</p> <p>This correction relates to a disclosure note only and does not impact on the outturn of the Primary Statements</p>	<p>To ensure the correct admitted bodies to the Pension Fund are listed.</p>
<p>Various minor corrections</p>	<p>A number of presentational and typographical errors were identified within the draft financial statements which have been corrected by management.</p> <p>These corrections relate to disclosure notes only and do not impact on the outturn of the Primary Statements</p>	<p>To ensure completeness, clarity, accuracy and consistency throughout the financial statements.</p>



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

**GOVERNANCE & AUDIT COMMITTEE: 24 OCTOBER 2023**

COUNCIL COMPLAINTS – ANNUAL REPORT**REPORT OF THE CHIEF DIGITAL OFFICER****AGENDA ITEM: 8.1**

Reason for this Report

1. This report has been produced to enable the Governance and Audit Committee to review and assess the authority's ability to handle complaints effectively, and make any associated reports and recommendations.
2. The Governance and Audit Committee has incorporated the above responsibility into its terms of reference, as required in accordance with the provisions of the Local Government and Elections (Wales) Act 2021.

Background - Halo

3. Members will be aware from previous committee meetings that the Authority has committed to the introduction of a single, corporately owned system for Complaints, Cabinet Member Enquiries & Member Enquiries (Halo). The aim of the council-wide system is to improve the handling process, increase efficiency and provide corporate oversight of the complaints and member / cabinet enquiries across the organisation.
4. On 19 July 2022, Members received a presentation on corporate complaints handling arrangements and the work that had taken place regarding the new system. We believe the Committee were comforted with the work that had been carried out and we received positive feedback from the Committee regarding the work that had taken place in choosing the system. Members noted that this project had received the go-ahead from the highest level and that there will be an approval process for responses by Operational and Senior Managers to improve the consistency and quality of response. All were in agreement that complaints and compliments can provide a wealth of information that would benefit us as an organisation and that the implementation of Halo was a positive move for the Council. Future reporting will place more importance on what we as an Authority are learning from complaints, to support improvement in complaint handling and in service delivery. This information will be regularly collated and analysed so that decision makers can regularly review the information gathered from complaints when planning service delivery.
5. On 29 November 2022, Members received a further presentation and the committee remained very positive, although it was reported that the project timeline had slipped due to configuration and resource issues, all of which were discussed at the November meeting. Though this slippage did present problems, it enabled the project board to carry out further engagement with our stakeholders and during this phase (Phase 1), we were able to carry

out several improvements to the potential system as a result of this engagement, including improved workflow, categorisation and routing.

6. As a summary for Committee, Phase 1 (configuration and testing phase) involved intensive testing of the system with any identified bugs and issues raised with HALO for fixes. During this time, a Project Manager was appointed in addition to a dedicated ICT Halo Support Engineer. Comprehensive meetings were undertaken with shareholders to discuss dashboards and reporting requirements. In addition to ongoing fixes for bugs and issues discovered through testing, further configuration and development work has taken place including HTML templates, emails, notifications, and attachment views. A Cabinet and Members 'test' instance was created and trialled (soft launch) in April 2023 ahead of full launch in August 2023. All testing of instances were completed over a series of days at County Hall, with ICT present to resolve issues and make configuration changes as needed. The Training resource for the Cabinet / Members instance was finalised and added to the SharePoint landing area. Finally, communications were created ahead of being sent across the organisation to make staff aware of the introduction of a new system.
7. Following this, the launch of Cabinet and Member Enquiries (Phase 2 of the project) took place in August and has been very well received with no significant issues reported.
8. As a summary for Committee of Phase 2, the new (OM and above) approval process is in use and working. Cabinet and Member Enquiry teams having visibility of tickets across the service area's during the ticket lifecycle has been described as a real benefit, in addition to the ability to view the ticket history. Training was rolled out ahead of the project launch – face-to-face and via video – and has been well received. Further meetings have taken place with HALO to discuss building bespoke reports and dashboards now there are live tickets in the system for Members / Cabinet / Directors and SA's. This is in addition to the comprehensive report function where pre-built reports already exist. Finally, as part of Phase 2, work began on building the Complaints and Compliments test instance, though work was a continuation from that which had already taken place with creation of Cabinet and Member Enquiries instance.
9. Phase 3 (Complaints and Compliments) is scheduled for launch at the end of January 2024. We are able to use what we have learnt during Phases 1 and 2 to refine the system and, in preparation for this date, face-to-face training has been made available for service areas to get used to the new system and new processes. We have also developed a comprehensive user guide and accompanying video which will assist with some of the common issues and questions our colleagues may have.
10. A dedicated sharepoint page has been created and which has links to training options. Over the last eighteen months, we have developed comprehensive training packages (some in conjunction with the Ombudsman) and these are available for our staff that will handle complaints. These training resources will encourage quality and consistency in our complaint responses.
11. Regular project updates have taken place with Operational Managers and Senior Managers (who will be approving responses within the new system). This is to remind them of their responsibilities and to encourage the "buy-in" necessary for this project to succeed.
12. During our previous visits, we have presented to members that it is our contention that we do currently deal with complaints effectively. However, it remains our position that the implementation of the council-wide system will drive efficiencies and improvements via a standardisation of approach and greater monitoring capabilities, particularly when it comes to recording and reporting on complaints.

Internal audit

13. In June 2023, as part of the Council's Internal Audit Plan, a review was completed on the Council's Complaints and Compliments arrangements across the Council. The objectives of the audit mirrored the areas that the Governance & Audit Committee require assurance on, and included; to review and assess the authority's ability to oversee compliments and complaints effectively and efficiently, ensure policies and procedures are in place and accurate records are maintained and that the procedures are supported by guidance and training for all staff involved in the compliments and complaints process.
14. Background audit information was gathered from a thorough review of the policies and procedures in place for compliments and complaints handling. Regard was given specifically to the working practices and processes of service areas under each individual system. Sampling was used to identify and ensure accurate records were maintained and accessible and that complaints were consistently logged and tracked within set time parameters in accordance with the specific legislation and policies governing the complaints handling processes.
15. Management meetings took place between Internal Audit and the relevant service areas to ensure each system audited had a distinct focus. Meetings also took place with relevant senior managers across the Council and head teachers at schools to discuss their process of complaints handling and the range of management reporting.
16. Audit also engaged with a wider number of senior officers from across the Council who deal with complaints directly and/or indirectly as part of their job role during the review
17. Within their findings, the auditor was able to provide an assurance level of **Effective with opportunity for improvement** and there were five recommendations that were raised in the audit, the first four relating to our Corporate team with the fifth related to Education- Governor Services. The recommendations included:
 - Re-establishment of Corporate Complaints office meetings on a quarterly basis, to be chaired by the corporate team and where officers can learn from the complaints 'group' and receive peer support.
 - Update of Standard Operating Procedure (SOP) particularly around definition of a complaint – and to discuss with complaints group – to support consistent application of the policy across the Council.
 - For all efforts to be made to get the HALO system implemented within set timescales.
 - Following the roll-out of HALO, a quality assurance system to be developed centrally on compliance and the efficiency and effectiveness of complaints handling.

For a briefing note to be provided to schools and their Governing Bodies at the end of each financial year, together with a termly checklist to remind them of key responsibilities, We are happy to confirm that recommendations 1 and 2 are complete and we are making steady progress with recommendations 3 and 4 (as detailed in this report). Recommendation 5 has been accepted by Governor Services for delivery in March 2024. We understand the Chair of the Governance and Audit Committee has reviewed the recent audit and is comforted by the report.

Complaints Handling

18. The Authority has separate teams to deal with our Adult Services, Children's Services and Corporate Complaints respectively, whilst each school Governing Body will have its own arrangements for complaints handling in their respective school. During the last twelve months, the Committee has received assurance and high-level details of complaints handling arrangements in each of the above arrangements.
19. The Committee's terms of reference include the responsibility to "review and assess the authority's ability to handle complaints effectively", for which further details are provided in the following paragraphs.
20. In terms of current assurances, the Authority can take assurance from the consideration of the Ombudsman that the Council's complaints handling policy is deemed to be compliant with the Ombudsman principles and model complaints handling policy.
21. The Corporate Complaints Team continue to provide advice and support to complaints contacts across the council on a weekly basis. As recommended by the Internal Audit, the team also facilitates a quarterly meeting of the complaints contacts to discuss any key issues, share good practice and to capture any lessons that can be learned to inform service improvement.
22. Complaints Officers in each Directorate have access to appropriate training and the Authority has developed a bespoke training package (in conjunction with the Ombudsman) which is available to all council officers. The Corporate Complaints Team make the recommendation that complaints-specific training will be compulsory for all officers who handle complaints and these officers will receive training by the end of the calendar year.
23. During 2022/23, a Standard Operating Procedures has been introduced to assist complaints officers in terms of how to handle complaints. This document has been developed to ensure an increased consistency of approach across the Authority and should result in greater efficiency.

Complaints and Compliments Report

24. Our Annual Complaints and Compliments Report can be found at Appendix 1 and will shortly be presented at the October 13th Cabinet meeting. Members of the Committee will note that 3,071 complaints were recorded by Cardiff Council during 2022/23. This represents a 15.5% decrease compared to the previous financial year when 3,633 complaints were recorded.
25. Members can also find attached the Ombudsman Annual Letter 2022-23 at Appendix B. Data contained within this letter has been presented in the aforementioned Annual Complaints and Compliments Report. The Ombudsman has specifically requested that her annual letter be presented "to the Governance & Audit Committee to assist members in their scrutiny of the Council's performance". Furthermore, the Ombudsman has asked if any feedback from the Governance & Audit Committee can be shared with her office.
26. The Ombudsman's Annual Letter presents valuable statistical data on how well we as an authority "handle complaints effectively". As mentioned, Cardiff Council recorded 3,071 complaints during 2022/23. However, just 143 complaints were made to the Ombudsman about Cardiff Council. Of these 143 complaints, 71 were closed after initial consideration, 30 were considered premature for the Ombudsman to consider and 19 were out of the Ombudsman's jurisdiction – leaving just 23 cases that needed Ombudsman intervention.

27. It is envisaged that, once the council-wide system is in place, future Complaints and Compliments Reports will place more importance on what we as an Authority are learning from complaints, to support improvement in complaint handling and in service delivery. This information will be regularly collated and analysed so that decision makers can regularly review the information gathered from complaints when planning service delivery.
28. Members are reminded that there are separate processes for dealing with complaints about Social Services and that Social Services have their own procedure and teams for managing complaints. The Social Services Annual Complaint Report will be reported to Cabinet on 21 September.

Legal Implications

29. Under Part 6 of the Local Government and Elections (Wales) Act 2021, section 115, Governance and Audit Committees are given new statutory functions, with effect from 1st April 2021, to 'review and assess the authority's ability to handle complaints effectively', and 'make reports and recommendations in relation to the authority's ability to handle complaints effectively'. The information set out in the report and appendices is provided for the Committee to review, assess and consider whether to make any reports and recommendations to the authority in this regard. In discharging its functions, the Committee must have regard to any relevant guidance issued by the Welsh Government.

Financial Implications

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

RECOMMENDATIONS

31. That the Governance and Audit Committee considers and notes the content of the report, in respect of its role to review and assess the authority's ability to handle complaints effectively, and to make any associated reports and recommendations.

Isabelle Bignall
Chief Digital Officer

The following is attached:

- Appendix A:** Draft Annual Complaints and Compliments Report 2022/23
- Appendix B:** Ombudsman Annual Letter 2022/23
- Appendix C:** Presentation Slides

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Cardiff Council

Annual Complaints & Compliments Report 2022/23



1. Reason for this report

To report to the Cabinet on the operation of the corporate complaints procedure between 1st April 2022 and 31st March 2023. The statistics for corporate complaints are set out in the report by service area.

A complaint is defined within Cardiff Council as:

An expression of concern or dissatisfaction made by one or more members of the public regarding Cardiff Council's actions, or lack of action, or the standard of service it provided following an initial request for service.

A complaint is not:

- *A first-time report of an occurrence that needs Cardiff Councils attention or an initial request for service.*
- *A formal review or appeal against a decision.*
- *A way of asking for a change to legislation or a policy decision.*
- *A means for lobbying groups/organisations to promote a cause.*
- *A broad and general expression of dissatisfaction with little to no specifics or that does not relate specifically to Cardiff Council's actions, or lack of action, or the standard of service it provided.*

As noted, complaints recorded under the corporate complaints procedure do not include 'first time' representations which are effectively requests for a service and dealt with as such. A new report of a pothole or a missed bin for example, would not be registered as a complaint, but as a request for service. Of course, in the event that we failed to respond to the 'request' appropriately, then that may generate a complaint.

The number of compliments received and recorded during 2022/23 is also set out in this report. Many people get in touch with a compliment when the information or support they have received has exceeded their expectations. We like to recognise compliments alongside any complaints. It is good for us to say 'thank you' to our teams and staff too.



2. Our complaints procedure

The Council's complaints procedure reflects guidance given in the Welsh Government Model Policy and Guidance Paper for Handling Complaints. This was further supported by the Public Services Ombudsman for Wales.

Complaints, comments and compliments can be made face-to-face or by telephone, email, letter or by using the online form found on the Council's website.



Complaint received. Once received (via either of the contact methods above or a customer-facing venue), the complaint should be forwarded to the designated service area contact for complaint administration. This contact will ensure complaints are acknowledged and recorded and facilitate the investigation of the complaint in accordance with the corporate complaints procedure.

Acknowledgment. The responsible officer within the service area will aim to acknowledge complaints within 5 working days. At this stage, we can let the customer know who is dealing with their complaint and our understanding of what the customer's complaint entails. Our policy states that we aim to provide a response to a customer's complaint within 20 working days of our receipt of the complaint. If a complaint is particularly complex, the responsible officer will let the customer know that it may take longer to investigate their complaint and when they should expect to receive a response.

Full response. At the end of an investigation, a response should be issued depending on how a customer has indicated they prefer to be contacted. The response should include the outcome of the investigation as well as any necessary action taken for service improvement. The Public Services Ombudsman for Wales states that the aim of every formal investigation should be to "investigate once, investigate well". Advice will also be included on the full response on what the complainant should do if they remain dissatisfied with the outcome – to contact the Ombudsman.

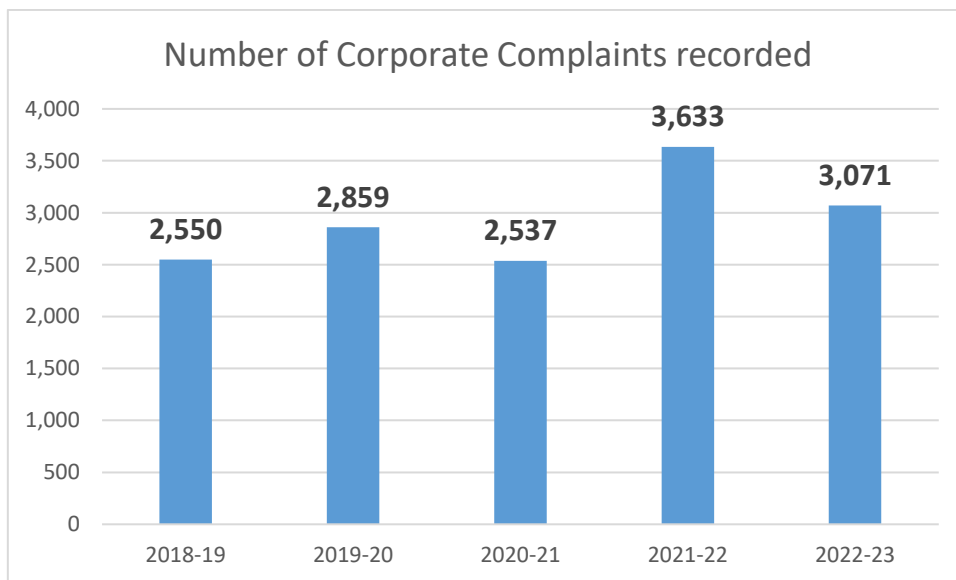
Public Services Ombudsman for Wales. Complaints that progress to the Ombudsman will have been thoroughly investigated by the service area. If a complainant remains dissatisfied, it is for the Ombudsman to assess whether there is any evidence of service failure or maladministration not identified by the Council.



3. Complaints for Cardiff Council in 2022-23

A total of 3,071 complaints were recorded during 2022/23. This is an 15.5% decrease from the previous year, when 3,633 complaints were recorded.

Year	Number of complaints
2022-23	3,071
2021-22	3,633
2020-21	2,537
2019-20	2,859
2018-19	2,550



4. Complaints breakdown for Cardiff Council

A total of 3,071 complaints were recorded during 2022/23. This is an 15.5% decrease from the previous year, when 3,633 complaints were recorded.

A breakdown of the number of complaints received by service area can be found below.

Service Area	Number of complaints 2021/22	Number of complaints 2022/23
Waste Collections	2,089	1,267
Housing & Communities	655	934
Traffic & Transportation	184	241
Finance	152	174
Customer & Digital Services	179	142
Education	37	89
Environmental Enforcement	57	58
Highways Maintenance	56	54
Economic Development	48	33
Parks & Harbour Authority	85	30
Planning (including Building Control)	48	28
Bereavement & Registration (including Cardiff Dogs Home)	27	11
Governance & Legal Services	12	8
HR	4	2
Total	3,633	3,071

This report does not consider Social Services complaints.

Complaints for Social Services are recorded under their statutory complaint's procedure. However, a breakdown of the number of complaints received by Social Services can be found below.

Service Area	Number of complaints 2021/22	Number of complaints 2022/23
Adult Services	116	126
Children's Services	247	236



5. Compliments breakdown for Cardiff Council

As an organisation, we receive many positive comments about our staff and the services we provide. Knowing where things are working well and are appreciated is as important as understanding where things are not working. We therefore also keep a record of the compliments we receive as good practice and learning can then be circulated across the Council.

A total of 1,265 compliments were recorded during 2022/23. This is an 14.9% decrease from the previous year, when 1,487 compliments were recorded.

A breakdown of the number of compliments received by service area can be found below. We have also provided examples of the types of compliments received throughout the report.

Service Area	Number of compliments 2021/22	Number of compliments 2022/23
Housing	544	329
Waste Collections	372	308
Customer & Digital Services	255	302
Economic Development, Parks & Harbour Authority	144	118
Bereavement & Registration Services	84	79
Planning, Transport & Environment	81	121
Finance	3	3
Education & Lifelong Learning	2	3
Governance & Legal Services	2	2
Total	1,487	1,265

This report does not consider Social Services compliments. However, a breakdown of the number of compliments received by Social Services can be found below.

Service Area	Number of compliments 2021/22	Number of compliments 2022/23
Adult Services	189	195
Children's Services	152	180

6. Complaints to the Public Services Ombudsman for Wales 2022/23

Though a customer can approach the Ombudsman at any time, the Ombudsman would usually expect a customer to have exhausted the Council’s complaints procedure before approaching her office.

Therefore, a key indicator of how satisfied complainants are with the standard of investigation and the fairness of outcomes is the number of complainants that escalate their complaint to the Public Services Ombudsman for Wales. **During 2022-23, fewer complainants escalated their complaint to the Ombudsman compared to the previous year - as the Ombudsman closed 145 cases involving Cardiff Council compared to 159 cases in 2021-22.**

We can also consider the cases themselves as an indicator of how well the Council handles complaints. **Of the 145 cases, just 23 were identified as requiring further action by the Council as an Early Resolution Settlement.** These are redress proposals (an apology / change of process / time and trouble payment) which enable cases to be closed without the need for full investigation.

Of the 145:

- 30 were closed by the Ombudsman as premature – that is, the Council had not had a reasonable opportunity to deal with the complaint itself.
- 71 cases were closed as the Ombudsman was satisfied with the action taken by the Council.
- 23 cases were closed by voluntary settlements during 2022-23. These are redress proposals (an apology / change of process / time and trouble payment) which enable cases to be closed without the need for full investigation.
- 19 cases were considered by the Ombudsman to be ‘out of jurisdiction’ and
- **0 cases proceeded to investigation during 2022-23**, though 2 reports were issued following investigations that took place in 2021-22.

The Ombudsman closed the cases for the following reasons:

	2021-22	2022-23
Complainants had not exhausted the Council's complaints process - they were referred back to the Council	40	30



**STRONGER
FAIRER
GREENER**



Cases closed by the Ombudsman after initial consideration <ul style="list-style-type: none"> e.g. no evidence of maladministration or service failure no evidence of hardship or injustice suffered by the complainant little further would be achieved by the Ombudsman pursuing the matter 	50	71
Cases declined because Ombudsman was satisfied with action proposed or taken by Council (Early Resolution Settlement)	39	23
Cases out of Ombudsman's jurisdiction	24	19
Cases withdrawn by complainant	0	0
Complaint led to an Ombudsman's report	6	2
Total	159	145

Ombudsman Complaints - a yearly comparison

The table below shows the total number of complaints made to the Ombudsman regarding Cardiff Council over the last five years.

Year	
2022-23	145
2021-22	159
2020-21	100
2019-20	120
2018-19	110

Investigations leading to reports.

The Ombudsman issues a report if she finds that a complainant has suffered hardship or injustice through the Council's maladministration or service failure.

Legislative changes to the powers of the Public Service Ombudsman for Wales came into force as a result of the Public Services Ombudsman Act 2019, giving the Ombudsman greater investigative powers.

0 complaints were taken into investigation during 2022-23 though 2 reports were issued against Cardiff Council following investigations that took place in 2021-22.

7. Learning from complaints

Complaints provide valuable feedback and should be viewed as an opportunity to learn from experiences and drive continual organisational improvement to prevent similar occurrences in the future.

Our complaints handling procedure helps us to address a customer's dissatisfaction and may also prevent the same problems arising again. For our staff, complaints provide a first-hand account of the customer's views and experience, and resolving complaints early saves resources and creates better customer relations.

Every Council Service Area has a lead officer for complaints and Corporate Complaints Workshops have been set up quarterly to look at common issues relating to complaints handling, including complaints data, timescales and learning from complaints. The meetings are chaired by the Corporate Complaints team and attendance from each service area is compulsory, enabling officers to learn from the Complaints "Group" and receive peer support.

Some of the actions we take in response to complaints might appear to be small but they can make a big difference. Examples - big and small - of what we have done as a result of learning from complaints can be found throughout the report.

8. Complaints by area

Waste Collections

Service Area	2021/22	2022/23
Waste Collections	2,089	1,267
Number / Percentage of complaints responded to on time	1,469 (70.3%)	960 (75.8%)

Total complaints closed within timescales					Complaint outcome	
Service Area	20 working days	After 20 working days but within 3 months	After 3 months but within 6 months	After 6 months	Upheld	Not upheld
2021-21	1469	566	41	13	2052	37
2022-23	960	286	21	0	1197	70

Environmental Enforcement

Service Area	2021/22	2022/23
Environmental Enforcement	57	58
Number / Percentage of complaints responded to on time	33 (57.9%)	39 (67.2%)

Total complaints closed within timescales					Complaint outcome	
Service Area	20 working days	After 20 working days but within 3 months	After 3 months but within 6 months	After 6 months	Upheld	Not upheld
2021-22	33	22	2	0	57	0
2022-23	39	19	0	0	43	15



Waste Collections continue to adopt a positive, constructive approach to complaints and positive strides have been taken to reduce the number of formal complaints received about the service. This is reflected by a 39% decrease for the service (1,267 complaints recorded in 2022/23 compared to 2,089 in 2021/22).

This decrease can be attributed to the following reasons:

- ✓ The 4-day working single shift pattern introduced in 2021/22 has now ‘bedded in’ and crews are familiar with their new rounds.
- ✓ A combination of Cardiff and the Vale College and in-house HGV training has helped to reduce the driver shortage levels experienced by the Council in 2021/22.
- ✓ Following a review of the “Assisted Lift” scheme in March/April 2022, several improvements were made, including:
 - The appointment of a designated Correspondence Officer to try and resolve repeat complaints.
 - Digital changes to in-cab devices so drivers have easily accessible information and are able to confirm collections to be made at each assisted lift property.
 - Workforce training
 - Supervisor monitoring

These improvements are being reviewed on a quarterly basis, with further controls being implemented.

Complaint trends have been analysed and it has been noted that, throughout the summer months of 2022/23, the Council still experienced some disbanded or delayed garden waste collections. This could be attributed to an increase in tonnage, lack of HGV drivers, demand for annual leave and an increase in short-term sickness absence in June and July. These properties were recollected on weekends as quickly as possible though unfortunately still prompted complaints.

When considered, relative to the number of waste collections that are carried out across the city every year, the number of complaints received is considered to be extremely low. At present, the Council provides waste collection services for over 175,000 properties. In 2022/23, 25,642,468 collections took place and 16,580 were reported as missed. Therefore, the amount of non-collections relates to less than 0.07% of the collections made during this period.

Compliments

- ✓ *Waste – A resident visited the Recycling Centre at Bessemer Close three times over one weekend and wanted to say what an excellent group of people are working there. They were all, without exception, kind, helpful and cheerful. They were all working hard, and nothing was too much trouble for them. The resident has been a manger in the NHS for over thirty years and she said she has appointed various*



people over the years. She said she would be happy to have any of them as a member of her team. They are an asset to the Council, please pass on her thanks.

- ✓ *Enforcement - Resident emailed to say they wanted to say a massive thank you for sorting the rubbish issues with their neighbours. They recently saw two gentlemen taking to their neighbours, then later that day their neighbour was outside their property, sweeping, picking up and sorting out their bins. Every bit of rubbish was picked up, resulting in the flats looking clean and tidy.*

Planning, Transport & Environment

Service Area	2021/22	2022/23
Highway Maintenance	56	54
Planning (including Building Control)	48	28
Traffic & Transportation	184	241
Total	288	323
Number / Percentage of complaint responded to on time	229 (79.5%)	254 (78.6%)

Service Area & Financial Year	Total complaints closed within timescales				Complaint outcome	
	20 working days	After 20 working days but within 3 months	After 3 months but within 6 months	After 6 months	Upheld	Not upheld
Highway Maintenance 2021-22	40	12	3	1	16	40
Highway Maintenance 2022-23	44	8	2	0	16	38
Planning (including Building Control) 2021-22	43	5	0	0	2	46
Planning (including Building Control) 2022-23	7	17	2	2	0	28



Traffic & Transportation 2021-22	146	28	7	3	43	141
Traffic & Transportation 2022-23	203	24	11	3	35	206

The number of complaints received during 2022/23 (295) has seen an increase of 55 compared to 2021/22 (240). This is an increase of 18.6% and could perhaps be expected due to the complete normalisation of the duties and functions of the directorate following on from the restrictions that had been in place.

Highway Maintenance received 54 complaints for 2022/23 which is a decrease of 2 on the previous year. Of the 54, 24 complaints related to Asset Management. Complaints were received concerning carriageway/footway defects including alleged delays in the repair of carriageway/footway defects and also for the quality of the repairs themselves..

It should be noted that although interim repairs may not look aesthetically pleasing, they are effective in making the area safe until permanent repairs can be undertaken.

Resurfacing works received 9 complaints with the majority of complaints being regarding vehicles being removed so that works could be undertaken (advance warning is given when works are undertaken in an area), or the cancellation/delay in works being carried out, which is usually due to adverse weather conditions.

Maintenance Operations received 11 complaints. In all cases, once a blocked drain has been reported, a drainage crew will attend the location and cleanse/flush the drain accordingly. Also, when there are torrential downpours, the cause of flooding can sometimes be attributed to the drain reaching its capacity and not any actual blockages to the drain.

Traffic & Transportation received 241 complaints for 2022/23 which is an increase of 57 on the previous year.

Of the 241 complaints, 90 were for Transport Policy & Projects and Road Safety Schemes and this can be attributed to the large increase in schemes and initiatives which are currently being implemented across Cardiff. Although these comments are logged and treated as complaints, essentially the information is classed as feedback to the scheme and included as part of the post-scheme monitoring process. These comments are a valuable aid when assessing if any adjustments are required to a scheme.

There was a significant decrease in Highway Licensing and Streetworks Applications and Enforcement complaints this year (40 reduced from 67). This decrease in complaints can be contributed to businesses and the general public being more aware of the licensing criteria for areas such as table & chair licences, vehicle crossovers, abandoned vehicles, and skip

licences. This information is readily available on the Council website and allows businesses / residents to make an informed decision before making any appropriate application or report.

The Resident Parking Permit Team received 45 complaints, and the majority of these complaints related to the legislation governing the permit scheme, and in particular the criteria regarding permit eligibility.

Finally, the Civil Enforcement Team received 38 complaints for 2022/23. The majority of these complaints were regarding the perceived lack of enforcement in certain areas. It should be noted that all enforcement reports received are collated and used to enable the Civil Parking Enforcement Team to prioritise problems and tackle specific areas of concern whilst officers are undertaking their patrols.

The **Planning Service** received 28 complaints in total for 2022/23. This is a notable decrease from the previous year where 48 complaints were recorded. These complaints covered a range of issues relating to planning applications, the planning consultation process, planning decisions and compliance with Building Regulations.

That so few complaints were received should be considered positively in terms of the complexities of the planning service provided. Firstly, discussing the sheer volume of public comments, numbering in the tens of thousands, highlights the active engagement and interest of the community in local planning decisions. Managing this level of public input requires careful consideration and organization. These comments can range from detailed suggestions to passionate objections, reflecting the diverse perspectives and concerns of the community.

Moreover, during 2022/23, the Planning Service has transitioned to a fully paperless / digital system which presents its own set of challenges. Moving away from traditional paper-based processes involves not only technological adaptation but also changes in workflow and mindset among staff. Training resources have needed to be allocated to ensure everyone is proficient while also ensuring the security and privacy of digital data is paramount, requiring investments in robust cybersecurity measures.

In the context of resources and pressures, it's crucial to emphasize the constraints faced by staff. The workload associated with processing public comments, managing the digital system, and addressing the concerns of the community can be difficult. Furthermore, these challenges significantly increase the likelihood of complaints. When the process is complex, and there are potential delays or misunderstandings, it's natural for stakeholders to express their dissatisfaction. Managing these complaints effectively requires a delicate balance of addressing concerns promptly, maintaining transparency, and demonstrating empathy towards community members' viewpoints. With all of the above challenges in mind, it is especially pleasing to see a 41.7% decrease in complaints over the last financial year and this reflects positively on the dedication and commitment of staff within the Planning service.

Compliment

“I would like to personally thank (Council officer) for his help in resolving a problem with new lighting. We found that the new light illuminated our garden and conservatory which made our property insecure. Mr Jones acknowledged our problem and I am pleased to say that the problem has been rectified in a short space of time. Excellent service, thank you.”

Learning from Complaints

A large number of complaints have previously been received concerning the criteria for abandoned vehicles. Although a vehicle may be parked in a location for a certain length of time, it does not necessarily mean it is abandoned. This can result in complaints being made against the Council as residents are not aware of the legislation that has to be followed before a vehicle can be considered abandoned. This issue has been alleviated to a certain extent with the introduction of a dedicated web page for abandoned vehicles, where all the relevant information (for what is classed as an abandoned vehicle) can be found.

Bereavement & Registration

Service Area	2021/22	2022/23
Bereavement & Registration	24	11
Cardiff Dogs Home	3	0
Number / Percentage of complaints responded to on time	27 (100%)	11 (100%)

Service Area & Financial Year	Total complaints closed within timescales				Complaint outcome	
	20 working days	After 20 working days but within 3 months	After 3 months but within 6 months	After 6 months	Upheld	Not upheld
Bereavement & Registration 2021-22	24	0	0	0	13	11
Bereavement & Registration 2022-23	11	0	0	0	6	5



Cardiff Dogs Home 2021-22	3	0	0	0	1	2
Cardiff Dogs Home 2022-23	0	0	0	0	0	0

There were 11 complaints for **Bereavement and Registration** in 2022/23 compared to 24 in 2021/22. Bereavement and Registration Services actively encourages the bereaved and all Registration Service users to contact them should they experience any issues with any burial, cremation, marriage, or registration service as these are such significant events where there can be no errors.

Complaints are received by email, via C2C, in writing and via Bereavement Services' reception area where service monitor forms are completed. All complaints are recorded on a database and dealt with as soon as possible and always within the timescale. Service Provision Questionnaires are sent to all those who use Bereavement and Registration Services which provides an additional avenue for people to advise us of any issues with the services they have received.

It is important to note that due to the high number of visitors to the service – with over 4,000 funeral services per annum, approximately 500,000 visitors to our sites, 9,000 registrations for births and deaths, and 1,500 marriages – the complaints are very minimal. Furthermore, Citizenship Ceremonies are also organised by the Register Office.

Bereavement and Registration Services is a 'right first time' service in which our customers, the bereaved, or those carrying out life changing events are our ultimate priority. Customer requests and comments via service monitor forms and questionnaires are scrutinised and service standards have been developed to inform the public. From these standards, monthly performance data is monitored to ensure that we are meeting our commitments to Cardiff's citizens. Annually, our level of customer satisfaction averages 99%.

Bereavement Services' complaints reported would equate to under 0.01% of all visitors and service users to our offices and sites. Visitors often come to us in quite a vulnerable state which can mean that small issues may become of increased importance to them. Service Monitor Forms are then monitored via our monthly statistics and at operational meetings. Trends in service requirements are then considered at this point as well. Where an error has occurred, we will also proactively apologise in writing to the family concerned to try and stop an issue escalating or a complaint being received.

Registration Services is also an area in which our citizens are undertaking life changing events and as such we must respond to their needs with sensitivity and understanding. Death registration appointments are now being offered at Thornhill Cemetery Enquiries Office which has been welcomed by service users as a convenient alternative to registering deaths at City Hall. Again, questionnaires are sent out to all service users to proactively seek their



comments. All life events can prove challenging for those undertaking the registration of a death or birth or arranging a marriage.

Nearly all the positive comments and feedback concerning the services received at the Register Office are based around ceremonies. These can be ceremonies at Approved Venues, Register Office ceremonies and Citizenship ceremonies. Here the comments are all praising the staff; their knowledge and experience and the way that those interacting with the service are put at ease especially at such life changing moments. The work of the staff and their understanding make these days truly special and memorable. Similarly positive feedback concerning public interactions with staff is also apparent in Bereavement Services where staff often go the extra mile to ensure that a funeral or service that is delivered is done so in a sympathetic and understanding way.

Cardiff Dogs Home:

There were **no** recorded complaints for Cardiff Dogs Home which again is a front line service.

Learning from Complaints

The service area is still recovering from the pandemic. The register office has moved to registering deaths at Thornhill Bereavement Services Office following public requests to register elsewhere than City Hall and to have direct access to staff in Bereavement Services. This has been widely appreciated by those who wish to access the service and the response has been incredibly positive.

Education & Lifelong Learning

Service Area	2021/22	2022/23
Education	37	89
Number / Percentage of complaints responded to on time	27 (72.9%)	74 (83.1%)

Financial Year	Total complaints closed within timescales				Complaint outcome	
	20 working days	After 20 working days but within 3 months	After 3 months but within 6 months	After 6 months	Upheld	Not upheld
2021-22	27	10	0	0	11	26
2022-23	79	10	0	0	4	80



The **Education and Lifelong Learning** Directorate received 89 formal complaints in 2022/2023. This is an increase from the 37 recorded in 2021/2022, and more than three times the recorded number of 27 for 2019/20.

The Directorate responded in full to 89% of the complaints received within 20 working days of receipt. This compares to 73% in the previous year, a 16% increase in the number of responses made within the timeframe. The remaining 10 cases were responded to in under 3 months since initiated.

A number of the complaints received during 2022/23 can be classes as ‘returning cases’, wherein the complainant was not satisfied with the Local Authority’s response and added additional complaints to their existing case. This can explain, in part, the reason for the number of cases that exceeded the 20 working day response period. These cases have now been satisfied and further procedures have now been implemented to prevent the extension and reopening of cases. For example, liaising with Corporate Complaints for their guidance where a case is considered closed.

The most common category that complaints fell into during 2022/23 was Admissions, which made up 38% of all complaints received. The vast majority of these cases can be attributed to school placement, either a lack of or non-preferred placement, rather than of the Admissions process and functionality itself.

The category of Transport - as the category with the most complaints in 2021/22 and the second highest in 2022/23 – can mostly be attributed to changes made by schools of their own transport policies, or road traffic accidents/damage made by a bus driver for example, rather than the Local Authority Transport department itself.

We will continue to improve the management of complaints over the next year to support good customer service in the Directorate. This includes systematic review at Education Management Team to ensure that timescales are met. We will consider complaints alongside correspondence and freedom of information requests to identify areas of improvement for Education. There is also a need to review capacity to support school complaints and investigations, as well as ensuring we have a child friendly complaints procedure in line with ambitions to embed children’s rights.

It is important to note that under Section 29(1) of the Education Act 2002, governing bodies of all maintained schools are required to establish procedures for dealing with complaints relating to the school or to the provision of facilities or services. The Local Authority does not have a role in investigating or resolving complaints about schools. The Welsh Government has issued guidance to support schools in dealing with complaints entitled Complaints Procedures for School Governing Bodies in Wales (Welsh Government circular no 011/2012). Within the guidance, it is the responsibility of the Local Authority to satisfy itself that all schools it maintains have adequate complaints procedures in place and that these are published. A governing body complaints procedure may, with the agreement of the local

authority, include a stage for the local authority to consider the complaint. However, the statutory responsibility for dealing with a complaint remains with the governing body.

Compliments

The Directorate receives a number of compliments from a range of service users via email, telephone and social media channels but these are not formally tracked and monitored as they should be. This will be a priority for the service in 2022/23. One of the compliments received in 2022-23 is for the Directorate’s Data team:

- ✓ *Hi, I would love to put a massive shout out to (members of staff). They took my daughter to a residential trip to Llangrannog and she missed our celebrations Diwali but they organise a massive event for it in the evening at Llangrannog they went above and beyond I would love this message to reach the Education Minister or the education department and not sure if Cardiff council education department recognise a staff for the well deserved hard work.*
- ✓ *I'd like to leave a compliment, it's for the miles project a staff member from there has helped me so much over the past couple of months, whether it's looking for work ...helping me with admin tasks such as benefits etc and helping me with getting ready for university. If it wasn't for your help getting me a laptop I wouldn't be able to study! it doesn't go unnoticed and I thought I'd just like to give a big thank you!!*

Economic Development

Service Area	2021/22	2022/23
Economic Development	48	33
Number / Percentage of complaints responded to on time	42 (87.5%)	27 (81.8%)
Parks & Harbour Authority	85	30
Number / Percentage of complaints responded to on time	65 (76.5%)	23 (76.7%)

Service Area & Financial Year	Total complaints closed within timescales				Complaint outcome	
	20 working days	After 20 working days but within 3 months	After 3 months but within 6 months	After 6 months	Upheld	Not upheld



Economic Development – 2021-22	42	6	0	0	23	25
Economic Development – 2022-23	27	6	0	0	16	17
Parks & Harbour Authority – 2021-22	65	16	3	1	33	52
Parks & Harbour Authority – 2022-23	23	7	0	0	13	17

During 2022/23, **Economic Development** received 63 complaints, a notable decrease from the 133 complaints received during 2021/22. The complaints comprised of 7 for City Centre Management, 1 for Strategic Estates, 15 for Venues and Tourism (including Cardiff Castle, the Events team, Cardiff Caravan Park and the Norwegian Church), 2 for Economic Development, 1 for Major Events, 7 for Property Services (previously Facilities Management) and 30 for Parks.

There has been a big decrease in complaints for Economic Development and this is mainly due to the continuation of a review of complaints received by Parks and, as a result, applying the Council’s Corporate Complaints Policy more stringently. For example, many of the complaints for Parks were actually classed as first-time requests for services (such as grass cutting) and therefore are now being treated as such in the first instance, rather than going through the complaints process. Economic Development also used to deal with complaints regarding road closures and / or car parking charges and these are now logged and recorded under Planning, Transport & Environment.

Compliment

- ✓ *This past weekend I visited Cardiff for the WWE show at the Principality Stadium. Being a Welsh football fan, this is my umpteenth time visiting the capital and I can only describe the past weekend as being amazing. The city is well kept, the transport was accurate, the vibe to the city was on another level, the wrestling fans made for a great day and the police were very good. They even mentioned how great the event was as they spoke to me about wrestling. If another WWE event was to be held in the U.K. then Cardiff is the place for it. Well done on organising such a well-run event. Thanks.”.*
- ✓ *“Trees in and around Roath Park - I just wanted to say thank you for responding to the first of these call outs. The team that attended were very professional, efficient and friendly and did a great job. They said the branches were hanging on by a few fibres and could have fallen anytime and it was right to call it in. I look forward to seeing them in our community again.”*



Learning from complaints

A complaint was received regarding the current telephone booking system run by the Caravan Park. Apologies were offered to the complainant and it was explained that we would explore updates that could be provided to the website and a possible online booking system.

Revenues

Service Area	2021/22	2022/23
Revenues	152	174
Number / Percentage of responses sent within 20 working days	145 (95.4%)	173

Financial Year	Total complaints closed within timescales				Complaint outcome	
	20 working days	After 20 working days but within 3 months	After 3 months but within 6 months	After 6 months	Upheld	Not upheld
2021-22	145	7	0	0	43	109
2022-23	173	1	0	0	46	128

The number of complaints recorded by **Revenues** during the financial year increased from 152 in 2021/22 to 174 in 2022/23 (a 14.5% increase). Although the number of complaints received by Revenues increased, there was a far larger proportion where complaints were either not investigated or discontinued. This is due to two factors, there was an increase in the number of complaints relating to policy or working procedures – notably with policy changing in relation to long term empty properties and the premium charge. Also, a change in working practices where such complaints are identified and responded to at an earlier juncture, whereas before they may have gone through the complaints process. The responses in such cases are both lengthy and informative.

Response rates have improved, with only one case being beyond the corporate timescale (this had unfortunately been passed to the wrong department and brought to the area's attention after the 20 days had passed). These figures were also achieved despite a key



member of staff being on sabbatical leave for four months and continues the trend over the past few years from and can be attributed to improved working practices and complaints management.

The number of complaints upheld increased slightly from 2021/22 (43 upheld in 2021/22 compared to 46 in 2022-23) and this would indicate a proportional reduction. However, when the complaints which were not investigated are stripped out, there is an increase from 29% to 35% upheld or partially upheld. This can mostly be attributed to increased backlogs in the Revenues Department, with the Council struggling with post-pandemic recruitment and retention of staff causing customer service issues.

Compliments

The Revenues Department received a few compliments through the year, mostly related to administering the cost of living payment – giving money away, rather than collecting it. See below for an example of a compliment where different services collaborated to resolve an issue effectively, demonstrating good knowledge, customer service and professionalism.

- ✓ *Hi there, I've just made the February payment for my Mother's Council Tax and it reminded me that I wanted to let you know about the excellent dealings I've had recently with two of your staff. Most notably (Council officer) in the Benefits team who was extremely helpful and courteous in helping me to update my Mother's details to include the Widows Pension from the Royal Mail that she receives following my Father's death. Second I spoke (Council officer) in the Council Tax Department but unfortunately I did not get his surname. He was a great help in enabling me to set up a payment plan for my Mother to repay her arrears as well as giving me valuable information regarding Disablement Relief and arranging for an Area Inspector to contact me. Well done to both for your professionalism and care and well done to Cardiff City Council. Many thanks*

Learning from complaints

In terms of learning from complaints, a lot of cases were isolated and attributed to human error. It was identified that a delay in processing Council Tax changes led to issues where customers were leaving Cardiff and had Direct Debit instruction in place. This link was established and information provided to C2C managers so that agents could competently handle such cases and customers could make informed decisions about whether they continue to pay whilst details of their vacation were waiting to be processed.



Customer & Digital Services

Service Area	2021/22	2022/23
Customer & Digital Services	179	142
Number / Percentage of responses sent within 20 working days	124 (69.3%)	124 (69.3%)

Service Area & Financial Year	Total complaints closed within timescales				Complaint outcome	
	20 working days	After 20 working days but within 3 months	After 3 months but within 6 months	After 6 months	Upheld	Not upheld
Connect to Cardiff (C2C) 2021-22	42	0	0	0	25	17
Connect to Cardiff (C2C) 2022-23	43	0	0	0	29	14
Rent Smart Wales 2021-22	77	52	0	0	31	98
Rent Smart Wales 2022-23	76	20	0	0	77	19
24/7 Services 2021-22	5	2	1	0	0	8
24/7 Services 2022-23	3	0	0	0	0	3

Connect To Cardiff (C2C) received 43 complaints during the 2022/23 period which has remained relatively static with the year before, when 42 complaints were received.

Of the 43 complaints received:

- ✓ All complaints were responded to within Corporate timescales
- ✓ 0 complainants proceeded with their complaint to the Public Services Ombudsman of Wales. This is in line with our aim to 'investigate once, investigate well' and is indicative of the time taken to provide full and comprehensive responses by C2C.
- ✓ 14 of the 43 complaints were not upheld following investigation.
- ✓ To provide balance, 70 compliments were recorded for the same period.

Similarly to 2021/22, the main trend for complaints received related to a result of longer wait times to speak to a member of staff. The most significant challenge in addressing this feedback surrounds resource.



Whilst citizen demand via the telephone has reduced with the expansion of the councils digital offerings, volumes of contact via channels such as the 'contact us' webforms have in turn increased and the use of the C2C webchat facility increased by 50% over this review period.

As the C2C baseline of staff has reduced, resource requirements across all channels is further compounded by the difficulties experienced in filling vacant posts. Whilst 3 members of the C2C staff group that were quickly mobilised during the pandemic to assist in the setting up of the Cardiff and Vale Track, Trace and Protect service did return to C2C duties in this period, many key officers were successful in securing positions within the health protection field over the much longer term and upskilling other members of the team to their level of experience and skill is a gradual process and this is still to be considered as a rebuilding phase specifically for C2C.

Following investigation of each upheld complaint that was not related to the wait time, time was taken to speak to the relevant member of staff on a 121 basis and where needed, interventions in the form of refresher training and additional coaching were implemented as per the C2C Learning and Development and Communication strategies.

All staff within C2C are mandated to complete as a minimum Customer Service Level 1 training and Effective Written Communication training. However, we recognise that as this is the bedrock of what we do, we also undertake monitoring exercises to ensure these principles are being delivered consistently and effectively.

Compliment

- ✓ *Hello, I would like to leave a review for (Council Officer) I've just called to discuss an issue with my council tax - and was helped so much over the phone! He was very friendly and kind and explained everything very thoroughly and clearly! It's rare to find such good and helpful customer service! :) Thank you!*

Across the 22/23 period **Rent Smart Wales** was a challenging year for Rent Smart Wales who were dealing with its first renewal period. Issues with recruitment meant that the service was forced to close its contact centre for calls to ensure effective management of inbound communications and workloads. Alongside this, Rent Smart Wales was perceived by its customers as implementing the Renting Homes (Wales) Act 2016 – in fact a piece of Welsh Government legislation which impacted on the Private Rented Sector.

Despite these challenges, the number of complaints received by the service reduced significantly (96 in 2022/23 compared to 129 in 2021/22). The closure of the Contact Centre for calls did lead to an increased number of complaints around customer service for Rent Smart Wales, however through clear communication this was able to be mitigated.



The 22/23 period also saw a reduction in the number of complaints about the tone of renewal correspondence, as following feedback from several complainants, steps were taken to review and update the content, while keeping the key enforcement messages.

Compliment

- ✓ *I must tell you what a pleasure it is to deal with RSW everyone I have dealt with has been a delight to talk to very polite and conscientious and could not do more to help me and my wife please pass my thanks on to your colleagues as well.*

24/7 Services received just 3 complaints during 2022/23, which is a 62.5% reduction compared to 2021/22 when 18 complaints were received. Of the 3 complaints, 2 related to our Telecare service and 1 for Meals on Wheels. Considering the level of coverage provided by these services, this is a positive result.

The low level of complaints received can be largely attributed to increased communication and working practices. Work has also taken place to proactively train our staff and we now have a new post which is for a dedicated trainer for Telecare and Meals on Wheels, in addition to our existing coach for the Alarm Receiving Centre. The trainer is working through all processes and procedures and looking at what new training is available and a gap analysis to ensure all staff are efficient and effective in their roles, including the handling of complaints if appropriate.

Housing & Communities

Service Area	2021/22	2022/23
Housing & Communities	655	934
Number / Percentage of complaints responded to on time	127 (19.4%)	32 (3.4%)

Financial Year	Total complaints closed within timescales				Complaint outcome	
	20 working days	After 20 working days but within 3 months	After 3 months but within 6 months	After 6 months	Upheld	Not upheld
2021-22	127	502	26	0	271	384
2022-23	32	283	613	6	326	608



Housing & Communities experienced an increase in complaints during 2022/23 as 934 complaints were recorded, compared to 655 in 2021/22.

The impact of the rising cost of living has been extremely noticeable, we believe that this has contributed to an increase in formal complaints. Customers are advising us of their struggles in their complaints and our contract holders are often looking to maximise their service charge. Customers expect to see it in action and when communal areas are not upkept to a high standard, or maintenance isn't carried out in a timely fashion, customers request an explanation or formal investigation.

Many of our customers have a history of making formal complaints. We believe that due to the overwhelming pressure that the Responsive Repairs Unit (and all other services in Housing) are under, customers are likely to approach us with a formal complaint as they see it as an alternative (faster) avenue for handling their concerns (we believe that this is because of largely positive experiences that they have had previously with our complaints process). We are consistently making recommendations to service areas to improve customer access and resolve concerns at the point of initial receipt, where possible.

Complaints regarding our homelessness service have also increased in volume - the service is under tremendous pressure, which has been heightened further due to the rising cost of living. Where the privately-rented sector (PRS) was a route that the service could previously assist customers in accessing, the increased rents and overall demand facing the sector has made it strikingly difficult to access. The Local Housing Allowance rates continue to fall short of rental prices and many private landlords, with broader options for selecting tenants, are more scrutinising of our customers.

Due to poor PRS availability and low social housing stock, the provision of temporary accommodation in Cardiff has also reached capacity. Many customers are being placed in hotel environments and this has become a frequent subject for formal complaint. It has become difficult to provide resolutions in these cases and it has become increasingly apparent that the housing crisis is having a tremendous impact on the volume of complaints we are receiving as a service.

Over the next financial year, we anticipate that complaints related to our Responsive Repairs Unit and Homelessness Service will reduce. Cardiff Council are looking to provide more in-house temporary accommodation and reduce/eliminate the amount of hotel placements that are needed, this rollout of accommodation is set to commence shortly. Similarly, the Responsive Repairs Unit is looking to expand further to meet the demand and eliminate its backlog of routine jobs, there is also an aim to provide a fully in-house service that no longer relies on contractors to fulfil the excess of jobs. This, coupled with an improved avenue to access and communicate with the service, should see customer satisfaction improve and formal complaints reduced.



Compliments

- ✓ A compliment received regarding Homelessness -
I would just like to say thank you to everyone who has helped me and my children so far. Especially with how quickly everything is coming together. (Council officer) has been fantastic in every phone call that i have received from her. She has always been very honest to the best of her ability. Through my recent struggle i didn't cry once and tried to stay positive and then after speaking with her it's like she understood everything I'm going through right now, I actually cried when talking with her and it really was what I needed at that point in time. I really felt better afterwards she has been truly amazing and truthful and I too understand that it's a very demanding time for everyone and I do genuinely feel for everyone at this point in time. On behalf of me and my children we would like to thank everyone involved in helping us, we honestly cannot thank you enough.

Learning from complaints

The Responsive Repairs Unit continues to be the Housing service that receives the most formal complaints. Many of these are often to do with delays, cancellations and accessing the service. Using feedback from our customers, the department has been working on setting up Housing Repairs Online Service where there will be an easier avenue to report repairs, communicate with the service and keep track of jobs/orders. This is planned to be rolled out later this year and is expected to relieve a lot of pressure that the Scheduling Team are under and relieve the long waiting times that customers experience on the phone. We anticipate that the amount of formal complaints will also plateau.

The national news report of Awabb Ishak in Rochdale, whose untimely passing was related to damp and mould conditions, has had an enormous effect on the volume of the complaints that we receive. Complaints related to damp and mould have become increasingly more common with customers rightly looking to safeguard themselves and their families. As a service, we look to resolve these complaints as quickly as possible and, to do so, the Responsive Repairs Unit have implemented a Damp and Mould team and co-ordinator, who are responsible for investigating these complaints and ensuring that the department is taking correct action.



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Date: 17 August 2023

Cllr. Huw Thomas
Cardiff Council
By Email only: huw.thomas@cardiff.gov.uk

Annual Letter 2022/23

Dear Councillor Thomas

I am pleased to provide you with the Annual letter (2022/23) for Cardiff Council which deals with complaints relating to maladministration and service failure, complaints relating to alleged breaches of the Code of Conduct for Councillors and the actions being taken to improve public services.

This letter coincides with my Annual Report – “[A year of change – a year of challenge](#)” – a sentiment which will no doubt resonate with public bodies across Wales. My office has seen another increase in the number of people asking for our help – up 3% overall compared to the previous year, and my office now receives double the number of cases we received a decade ago.

In the last year, I have met with public bodies across Wales – speaking about our casework, our recommendations, and our proactive powers. The current climate will continue to provide challenges for public services, but I am grateful for the positive and productive way in which local authorities continue to engage with my office.

1,020 complaints were referred to us regarding local authorities last year - a reduction of 11% compared to the previous year. During this period, we intervened in (upheld, settled or resolved at an early stage) 13% of local authority complaints.

We received fewer Code of Conduct complaints in 22/23 compared to the previous year, relating to both Principal Councils and Town and Community Councils. My role is such that I do not make final findings about breaches of the Code of Conduct. Instead, where investigations find the most serious concerns, these are referred to the Standards Committee of the relevant local authority, or the

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to correspondence in Welsh.

Adjudication Panel for Wales. In 2022/23, the Ombudsman made 12 such referrals – a welcome reduction from 20 last year.

Supporting improvement of public services

Despite the challenges of last year, we have pushed forward with our proactive improvement work and launched a new Service Quality process to ensure we deliver the standards we expect.

Last year, we began work on our second wider Own Initiative investigation – this time looking into carers assessments within local authorities. This investigation will take place throughout the coming year, and we look forward to sharing our findings with all local authorities – not just those involved in the investigation.

The Complaints Standards Authority (CSA) continued its work with public bodies in Wales last year, with more than 50 public bodies now operating our model policy. We've also now provided more than 400 training sessions since we started, with local authorities, in September 2020.

We continued our work to publish complaints statistics into a second year, with data now published twice a year. This data allows us to see information with greater context – for example, last year 5% of Cardiff Council's complaints were referred to PSOW.

I would encourage Cardiff Council, and specifically your Audit and Governance Committee, to use this data to better understand your performance on complaints and consider how well good complaints handling is embedded throughout the Authority.

Further to this letter can I ask that your Council takes the following actions:

- Present my Annual Letter to the Cabinet and to the Governance and Audit Committee at the next available opportunity and notify me of when these meetings will take place.
- Continue to engage with our Complaints Standards work, accessing training for your staff, fully implementing the model policy, and providing accurate and timely complaints data.
- Inform me of the outcome of the Council's considerations and proposed actions on the above matters at the earliest opportunity.

Yours sincerely,



Michelle Morris
Public Services Ombudsman

cc. Paul Orders, Chief Executive, Cardiff Council.
By Email only: Rhian.Jones3@cardiff.gov.uk



Factsheet

Appendix A - Complaints Received

Local Authority	Complaints Received	Received per 1000 residents
Blaenau Gwent County Borough Council	16	0.24
Bridgend County Borough Council	55	0.38
Caerphilly County Borough Council	49	0.28
Cardiff Council*	142	0.39
Carmarthenshire County Council	53	0.28
Ceredigion County Council	35	0.49
Conwy County Borough Council	31	0.27
Denbighshire County Council	32	0.33
Flintshire County Council	65	0.42
Cyngor Gwynedd	36	0.31
Isle of Anglesey County Council	25	0.36
Merthyr Tydfil County Borough Council	17	0.29
Monmouthshire County Council	23	0.25
Neath Port Talbot Council	39	0.27
Newport City Council	42	0.26
Pembrokeshire County Council	44	0.36
Powys County Council	38	0.29
Rhondda Cynon Taf County Borough Council**	54	0.23
Swansea Council	94	0.39
Torfaen County Borough Council	16	0.17
Vale of Glamorgan Council	49	0.37
Wrexham County Borough Council	65	0.48
Total	1020	0.33
* inc 9 Rent Smart Wales		
** inc 2 South Wales Parking Group		



Appendix B - Received by Subject

Cardiff Council	Complaints Received	% share
Adult Social Services	3	2%
Benefits Administration	1	1%
Children's Social Services	11	8%
Community Facilities, Recreation and Leisure	1	1%
Complaints Handling	31	22%
Covid19	0	0%
Education	3	2%
Environment and Environmental Health	5	4%
Finance and Taxation	6	4%
Housing	44	31%
Licensing	0	0%
Planning and Building Control	11	8%
Roads and Transport	9	6%
Various Other	8	6%
Total	142	



Appendix C - Complaint Outcomes
(* denotes intervention)

Cardiff Council		% Share
Out of Jurisdiction	19	13%
Premature	30	21%
Other cases closed after initial consideration	71	49%
Early Resolution/ voluntary settlement*	23	16%
Discontinued	0	0%
Other Reports - Not Upheld	0	0%
Other Reports Upheld*	2	1%
Public Interest Reports*	0	0%
Special Interest Reports*	0	0%
Total	145	



Appendix D - Cases with PSOW Intervention

	No. of interventions	No. of closures	% of interventions
Blaenau Gwent County Borough Council	0	16	0%
Bridgend County Borough Council	5	57	9%
Caerphilly County Borough Council	6	52	12%
Cardiff Council	25	145	17%
Cardiff Council - Rent Smart Wales	1	9	11%
Carmarthenshire County Council	7	60	12%
Ceredigion County Council	13	44	30%
Conwy County Borough Council	5	35	14%
Denbighshire County Council	2	33	6%
Flintshire County Council	5	70	7%
Cyngor Gwynedd	5	33	15%
Isle of Anglesey County Council	5	25	20%
Merthyr Tydfil County Borough Council	1	18	6%
Monmouthshire County Council	1	22	5%
Neath Port Talbot Council	7	38	18%
Newport City Council	8	48	17%
Pembrokeshire County Council	3	45	7%
Powys County Council	8	44	18%
Rhondda Cynon Taf County Borough Council	2	54	4%
Rhondda Cynon Taf County Borough Council - South Wales Parking Group	0	2	0%
Swansea Council	10	99	10%
Torfaen County Borough Council	1	17	6%
Vale of Glamorgan Council	15	53	28%
Wrexham County Borough Council	6	67	9%
Total	141	1086	13%



Appendix E - Code of Conduct Complaints

Cardiff Council

Decision not to investigate	0
Discontinued	11
No evidence of breach	0
No action necessary	0
Refer to Adjudication Panel	0
Refer to Standards Committee	0
Total	11



Appendix F - Town/Community Council Code of Complaints

Town/Community Council	Discontinued	No evidence of breach	No action necessary	Refer to Adjudication Panel	Refer to Standards Committee	Withdrawn	Total
Radyr and Morganstown Community Council	1	0	1	0	0	0	2



Information Sheet

Appendix A shows the number of complaints received by PSOW for all Local Authorities in 2022/23. These complaints are contextualised by the population of each authority.

Appendix B shows the categorisation of each complaint received, and what proportion of received complaints represents for the Local Authority.

Appendix C shows outcomes of the complaints which PSOW closed for the Local Authority in 2022/23. This table shows both the volume, and the proportion that each outcome represents for the Local Authority.

Appendix D shows Intervention Rates for all Local Authorities in 2022/23. An intervention is categorised by either an upheld complaint (either public interest or non-public interest), an early resolution, or a voluntary settlement.

Appendix E shows the outcomes of Code Of Conduct complaints closed by PSOW related to Local Authority in 2022/23. This table shows both the volume, and the proportion that each outcome represents for the Local Authority.

Appendix F shows the outcomes of Code of Conduct complaints closed by PSOW related to Town and Community Councils in the Local Authority's area in 2022/23. This table shows both the volume, and the proportion that each outcome represents for each Town or Community Council.

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Governance & Audit Committee – Corporate Complaints – 24th October 2023



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Background



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- Terms of reference of the Committee is to “review and assess the authority’s ability to handle complaints effectively”.
- Complaints service was audited in Q4 2022/23 and recommendations were:
 1. Re-establishment of Corporate Complaints office meetings on a quarterly basis, to be chaired by the corporate team and where officers can learn from the complaints ‘group’ and receive peer support.
 2. Update of Standard Operating Procedure (SOP) particularly around definition of a complaint – and to discuss with complaints group – to support consistent application of the policy across the Council.



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3. For all efforts to be made to get the HALO system implemented within set timescales.
4. Following the roll-out of HALO, a quality assurance system to be developed centrally on compliance and the efficiency and effectiveness of complaints handling.
5. For a briefing note to be provided to schools and their Governing Bodies at the end of each financial year, together with a termly checklist to remind them of key responsibilities.

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The Chair of the Governance and Audit Committee has been provided with a copy of the audit report.



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Background



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- Annual report (along with data from the Ombudsman) details the Council's performance when handling complaints.
- Please note this is a draft report. Changes can be made in advance of Cabinet on 19th October 2023.
- The number of complaints recorded by Cardiff Council during 2022/23 was 3,071.
- This is an 15.5% decrease from 2021/22, when 3,633 complaints were recorded.



Response Times



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- Cardiff Council's Corporate Complaints Policy states that we will aim to respond to complaints within 20 working days.
- If we are not able to respond to complaints within this time, we need to let complainants know about this and when they can expect to receive a response.

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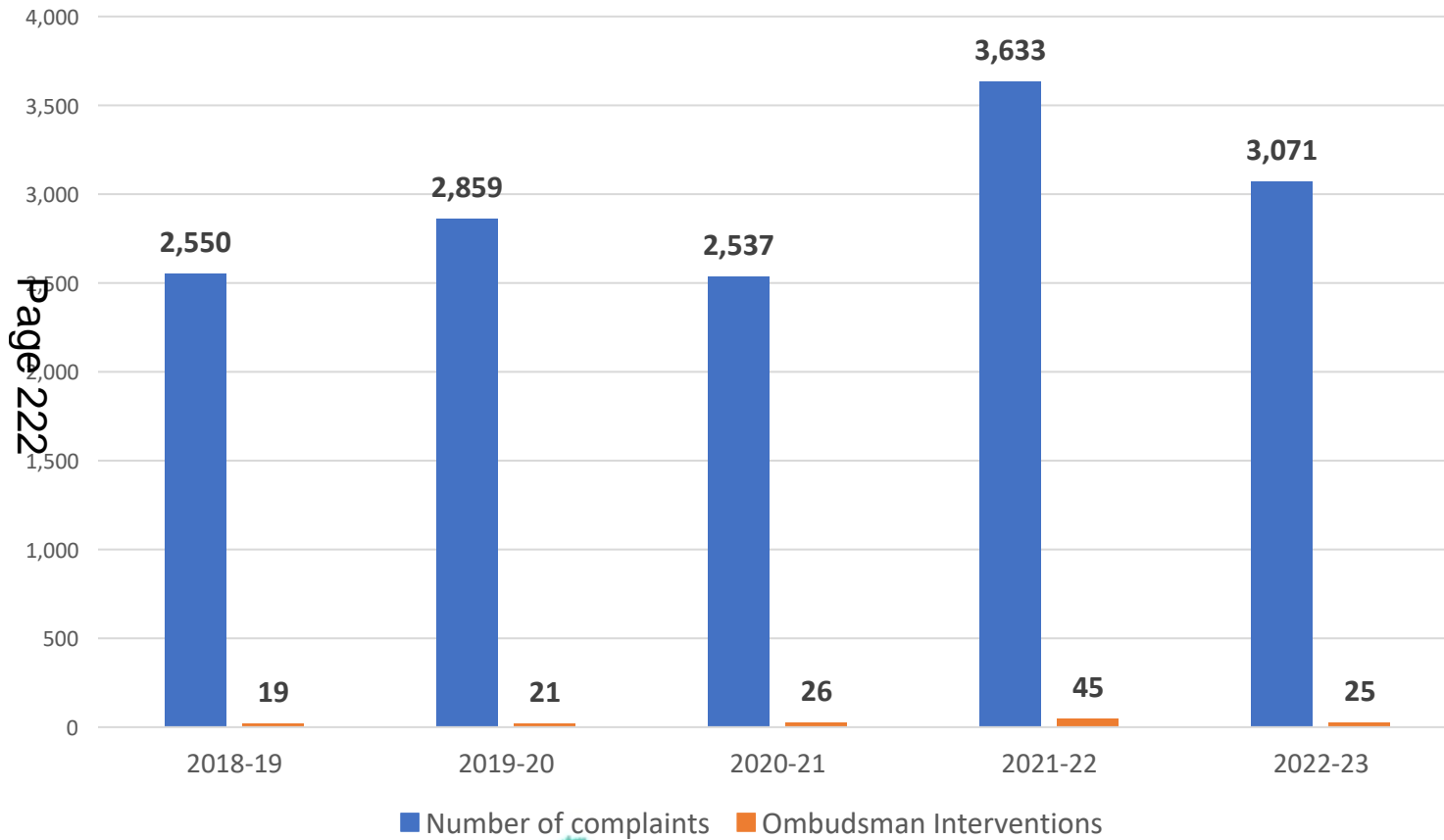
During 2022/23, of the 3,071 complaints recorded by Cardiff Council, 1,720 (56.0%) received a response within 20 working days. This represents a decrease from 2021/22 when 69.4% of complaints received a response within 20 working days.

- A further 681 (22.2%) complaints received a response after 20 working days but within 3 months.
- 649 complaints (21.1%) received a response after 3 months but within 6 months.



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Year	Number of complaints	Ombudsman Interventions	Ombudsman Investigations
2018-19	2,550	19	1
2019-20	2,859	21	4
2020-21	2,537	26	3
2021-22	3,633	45	6
2022-23	3,071	25	0



Halo - Reminder



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The new Complaints, Compliments and Cabinet & Members Enquiries Management system key aim is to create and embed a centralised, streamlined approach to the management of complaints, members, and cabinet enquiries.

The new system will improve the handling process, increase efficiency, and provide corporate oversight of enquiries across the organisation.

A key change for some service areas is the introduction of an approval process for responses by Operational and Senior Managers (which was a request from SMT and the CEX) to improve the consistency and quality of responses.

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Halo - Benefits



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Key benefits of the new system are to:

- Provide good quality, consistent responses for all complaints & cabinet & member enquiries.
- Record good quality data and the ability to report quickly and easily on performance (note data is currently recorded in different systems in a variety of ways).
- Have a corporate overview of complaints & cabinet & members enquiries in real time.
- Respond to complaints & cabinet & member enquiries within the required SLAs.
- Improve the complaints & cabinet & member enquiries processes to enable a more joined up way of working by eliminating inefficient processes, such as multiple handovers, double keying, duplication etc. consuming valuable staff time.



Halo - Update



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- Cabinet and Members enquires are now live (16th August) for all service areas.
- The Complaints & Compliments instance is in progress and work building the test area will start in September and is on schedule to go live by Jan 31st, 2024.

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As part of the Cabinet and Member enquiries go live, face-to-face training has been made available for service areas to onboard to the new system and the new process for dealing with enquiries. 8 teams have attended sessions so far.

- To further support service areas, a user guide has been created and a video/s is in production – this will be more sustainable rather than delivering on going face-to-face training.



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

Training

In this section you will find several types of training for dealing with written correspondence, including Cabinet and Member Enquiries, with some courses specifically concentrating on efficient complaint handling. Anyone who is in a role where they are required to process, investigate, or respond to complaints are strongly encouraged to complete them.

Courses are bookable via your DigiGOV training calendar or the e-learning pool at Cardiff Council Academy Online. Links and contact details can be found at the bottom of the page. Classroom training is delivered by the Customer Services Trainer through MS Teams with course content created in partnership with the Public Services for Wales Ombudsman.

For questions on course content or availability, please contact Customer Services Trainer [Jodie Williams](#)

Training Courses

Training Course	Duration	Who	Content	Delivery Method	Booking Method
Written Communication	1 Hour	Council Wide	Training covers best practice and aims to develop consistency for written skills in responding to complaints and enquiries to citizens, including how to deal with Welsh correspondence.	E-learning	Cardiff Academy
Handling Complaints	3.5 Hours	All staff	Training is in collaboration with the Ombudsman and covers what complaints are, why complaints are important and why do people complain. Includes information on the process of dealing with a complaint and the difference between a complaint/service request.	TBC	TBC
Investigation of Complaints	3.5 Hours	Responders, Approvers & Authorisers	Training is in collaboration with the Ombudsman and covers complaint handling in further detail for those who actively deal/responds to complaints. Course also includes investigation skills, evidence gathering, decision making	TBC	TBC



Halo - Update



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- Post go live meetings have been planned with service areas to ensure that they are following the new process and to identify if they have any concerns or issues with Halo.
 - Regular project updates have taken place with Operational Managers, Senior Managers (the ‘approvers’) regarding their responsibilities and to encourage ‘buy-in’
- Project Manager has also met separately with some Operational Managers to establish certain needs.



Halo Update – Sharepoint site is live



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Corporate Complaints, Compliments and Members Enquiries

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Complaints, Compliments, Cabinet and Member Enquiries

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Frequently Asked Questions

Getting Started

Documents & Information

Training

Welcome to the Corporate Complaints, Compliments, Cabinet and Member Enquiries site where you will find information to assist you and your team with complaints, compliments and enquiries.

Complaints & Compliments Area

A complaint is:

'An expression of concern or dissatisfaction made by one or more members of the public in regard to Cardiff Council's actions, or lack of action, or the standard of service it provided following an initial request for service.'

This can be expressed by any available communication method.

A complaint is not:

- A first-time report of an occurrence that needs Cardiff Council's attention or an initial request for service
- A formal review or appeal against a decision
- A way of asking for a change to legislation or a policy decision
- A means for lobbying groups/organisations to promote a cause
- A general expression of dissatisfaction that does not relate specifically to Cardiff Council's actions, or lack of action, or the standard of service it provided.

For further information about how to deal with complaints please visit the [Standard Operating Procedure](#)

A compliment is:

'An expression of praise to the Council or any member of Council staff. It could include an occasion where assistance given by a staff member was above and beyond the standard expected, or a service provided exceeded expectations.'

When a compliment is received the Council should record it so that it can be shared with the relevant manager and member of staff.

The **Corporate Complaints Team** (Rory Williams and Claire Lowdon) can assist with queries about complaints and compliments. Among the duties and responsibilities of the team are to:

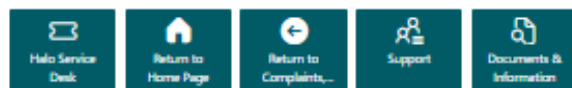
- Liaise with and advise service areas who require support when dealing with customer complaints.
- Collate, monitor and report on complaints received for the Council, and to produce the Council's Annual Complaints Report.
- Act as the point of contact for customers who have displayed 'unacceptable behaviour' as outlined in our 'Unacceptable Actions by Customers' policy (previously known as Persistent & Vexatious).
- Act as the link between the Council and Public Services Ombudsman for Wales.

Following the introduction of Halo, the team will look to ensure that all service areas are adhering to the Council's Complaints Policy in terms of acknowledging and responding in full within the set timescales.

Our policy states that we will formally acknowledge a complainant's concerns within 5 working days and that we aim to resolve concerns as quickly as possible - expecting to deal with the vast majority within 20 working days.

If you would like further information about the Corporate Complaints Team, the Ombudsman, or complaints in general, please contact us using the e-mail address below.

Quick Links



Corporate Complaints & Compliments Contact email

 Corporate Complaints Team / Tim Cwynion Co...



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Documents & Information

Standard Operating Procedures



Corporate Complaints Standard Operating Procedure



Cabinet Correspondence Standard Operating Procedure



Member Enquiries Service (MES) Standard Operating Procedure



Ombudsman Standard Operating Procedure

Policies



Welsh Complaints Policy



Social Services Complaints Policy and Procedure



Guide to handling complaints and representations by LA social...



Complaints Policy

Useful Documents



Letter Privacy Disclaimers & Footers(English & Welsh) July 2022

GOVERNANCE & AUDIT COMMITTEE: 24 October 2023

RECOMMENDATION TRACKER -

REPORTS OF EXTERNAL REVIEW BODIES

REPORT OF HEAD OF PERFORMANCE AND PARTNERSHIPS

AGENDA ITEM: 9.1

Reason for this Report

1. This report provides an overview of the management and delivery of recommendations received from Audit Wales, Estyn, Care Inspectorate Wales and Her Majesty's Inspectorate for Prisons.
2. The role of the Governance and Audit Committee, in accordance with its terms of reference, is to provide independent assurance to the members of Cardiff Council, and its wider citizens and stakeholders, on the risk management framework, the internal control environment, and the performance assessment of the Council. As part of its terms of reference, the Governance and Audit Committee is required to:
 - 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.
 - Consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
 - Consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
 - To consider specific reports as agreed with the external auditors.
 - Comment on the scope and depth of external audit work, and to ensure it gives value for money.

Background

3. The Governance and Audit Committee receives regular updates on the work of the Council's external auditors and information in respect of the reports underway and completed as part of Committee meetings.
4. In January 2021, new reporting arrangements were put in place to provide a biannual overview of the progress made in delivering agreed recommendations made by external regulators, for the information and assurance of the Committee.

Issues

5. This report includes the summary position of the Council's progress in responding to recommendations made by regulators (Table 1 and Table 2 below) as well as details of all recommendations which are currently open or that have been closed during the last reporting period (Appendix 1 and 2). This ensures a focused consideration of all open and recently closed recommendations. Full details are available on request.
6. This approach responds to the performance assessment functions of the Committee introduced by the Local Government and Elections (Wales) Act 2021. It also responds to the requirement that Governance and Audit Committees are expected to consider relevant reports and recommendations from external review bodies, and to receive assurances on the arrangements for their oversight and delivery, as confirmed by the Audit Wales Director General. The approach for recording the recommendations of external regulatory bodies positions the Council well to respond to the requirements of the new statutory performance assessment regime and the Audit Director of Audit Wales.
7. Oversight of the Council's regulatory position and the performance against the responding to recommendations made by regulators forms an important part of the Council's Planning and Performance Framework, including:
 - Senior Management Team: The External Audit Recommendation Tracker is considered by the Council's Senior Management Team twice a year to ensure corporate oversight.
 - Chief Executive Assurance Session: The Audit Tracker is considered at the Assurance Session convened by the Chief Executive on a bi-annual basis, with each individual Director of Service. Each assurance session is also attended by the Corporate Director (Resources), Head of Finance and Head of Performance and Partnership.
 - Cabinet Performance Session: Based on the Assurance Sessions, the Chief Executive provides a Self-Assessment of Performance to Cabinet twice a year. This includes a summary of the judgements of regulators and the Council's improvement work in response.
 - Annual Wellbeing Report: Both the Annual Wellbeing Report and Half Year Self-Assessment Report provides a summary of the judgements of regulatory bodies. These reports are formally considered by Cabinet, the Policy Review and Performance Scrutiny Committee, Governance and Audit Committee and Full Council.
 - Wider Political Governance: The Council's wider political governance may consider the reports of external regulatory bodies, which fall under their terms of reference, and seek any assurance it deems appropriate. For each recommendation, the Audit Tracker now includes detail of the relevant oversight committee, in response to the recommendation of the Governance and Audit Committee in January 2021.
8. Further to this, and as part of Audit Relationship Management meetings with Directors, senior management are asked to advise if there are any concerns with the delivery of improvement actions identified through the reports of external review bodies. The Chair of the Governance and Audit Committee will be notified if any concerns are raised.

Overview- Latest Position

9. Table 1 below shows the position as off October 2023 and the progress made in closing recommendations since the recommendation tracker approach was adopted. Table 2 shows the balance of RAG ratings in relation to responding to recommendations over the same period. Both demonstrate that progress has been made responding to recommendations received from external regulators since the introduction of the tracker approach.

Table 1: Total recommendations open/closed January 2021 - October 2023

Date	Total Recommendations	Total Open	Total Closed	% Open
Mid-year 2023	109	28	80	26%
Mid-Year 2022/3	109	40	69	37%
Year-End 2021/22	85	38	47	44%
Mid Year 2021/22	64	27	37	42%
Yar End 2020/21	61	29	32	47%
Mid Year 2020/21	61	46	15	76%

Table 2: Overview of RAG status for open recommendations

Date	Number of open recommendations	Green	Amber	Red	No RAG assigned
2022/23	19	0	0	0	19
2021/22	4	4	0	0	0
2020/21	5	4	0	0	1
2019/20	0	0	0	0	0
2018/19	0	0	0	0	0
2017/18	0	0	0	0	0
Total	28	5	0	0	20

10. An overview of the progress against the External Regulators' recommendations is included as Appendix 1, with full details of the recommendations and the Council's response included as Appendix 2.

Legal Implications

11. The statutory functions of the Governance and Audit Committee include the duty to review and assess the risk management, internal control, performance assessment and corporate governance arrangements of the authority. In discharging its functions, the Committee must have regard to guidance given by the Welsh Ministers.

Financial Implications

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

RECOMMENDATIONS

13. That the Committee considers and notes the contents of the report.

Gareth Newell
Head of Performance and Partnerships

October 2023

The following Appendices are attached:

Appendix 1 – Summary Position: Progress against External Regulatory Body Programme
October 2023 (PowerPoint presentation)

Appendix 2 – Link to Recommendation Tracker: [External Audit Tracker Governance & Audit Committee Mid-Year Update 2023/4](#)

External Audit Tracker Summary Position

Update on Regulator Reports

- Reports received in 2022/23
 - Springing Forward Review: Assets, Workforce and Hybrid working (5 recommendations)
 - Waste Management (5 recommendations)
 - Leisure Services follow-up report (6 recommendation)
 - Assurance and Risk Assessment (1 recommendation)
 - Setting Wellbeing Objectives (0 recommendations)
 - YJS - HMIP follow up (7 recommendations)
- Reports in progress
 - Equality Impact Assessments
 - Digital
 - Unscheduled care. This review covers the health and local government sectors
 - Assurance and risk assessment including a focus on:
 - Financial position
 - Capital programme management
 - Use of performance information, with a focus on service user feedback

Overview of Response

Open/ Closed Mid Year 2020/21		Open/ Closed Year End 2020/21		Open/ Closed Mid Year 2021/22		Open/ Closed Year End 2021/22		Open/ Closed Mid Year 2022/23		Open/ Closed Mid Year 2023/24	
Open	46	Open	29	Open	27	Open	38	Open	40	Open	28
Closed	15	Closed	32	Closed	37	Closed	47	Closed	69	Closed	81
Total	61	Total	61	Total	64	Total	85	Total	109	Total	109

Analysis

- There are no outstanding recommendations from 2017/18
- 0 open recommendations from 2018/19
- 0 open recommendations from 2019/20
- 5 open recommendations from 2020/21
 - CIW Risk Based Assessment (4)
 - HMIP YJS (1)
- 4 open recommendations from 2021/22
 - Estyn (4)
- 19 open recommendations from 2022/23

Overview

Financial Year	Audit Name	Progress Open/ Closed Nov 2021		Progress Open/ Closed April 2022		Progress Open/ Closed Oct 2022		Progress Open/ Closed Feb 2023		Progress Open/Closed October 2023	
2017/18	Scrutiny – Fit for the Future	Open	0	Open	0	Open	0	Open	0	Open	0
		Closed	5	Closed	5	Closed	5	Closed	5	Closed	5
2018/19	Delivering Capital Ambition	Open	0	Open	0	Open	0	Open	0	Open	0
		Closed	3	Closed	3	Closed	3	Closed	3	Closed	3
	Corporate Safeguarding	Open	5	Open	3	Open	2	Open	2	Open	0
		Closed	4	Closed	6	Closed	7	Closed	7	Closed	9
	Environmental Health	Open	7	Open	7	Open	1	Open	0	Open	0
		Closed	2	Closed	2	Closed	8	Closed	9	Closed	9
	Transport and Clean Air Vision	Open	1	Open	1	Open	0	Open	0	Open	0
		Closed	14	Closed	14	Closed	15	Closed	15	Closed	15

Overview

Financial Year	Audit Name	Progress Open/ Closed Nov 2021		Progress Open/ Closed April 2022		Progress Open/ Closed Oct 2022		Progress Open/ Closed Feb 2023		Progress Open/Closed October 2023	
2019/20	Leisure Services	Open	6	Open	6	Open	0	Open	0	Open	0
		Closed	0	Closed	0	Closed	6	Closed	6	Closed	6
	Financial Sustainability	Open	0	Open	0	Open	0	Open	0	Open	0
		Closed	2	Closed	2	Closed	2	Closed	2	Closed	2
2020/21	HMIP Inspection of Youth Offending Services	Open	7	Open	5	Open	1	Open	1	Open	1
		Closed	5	Closed	7	Closed	11	Closed	11	Closed	11
	Financial Sustainability Assessment	Open	1	Open	0	Open	0	Open	0	Open	0
		Closed	2	Closed	3	Closed	3	Closed	3	Closed	3
	CIW Risk Based Inspection	Open	14	Open	12	Open	11	Open	11	Open	4
		Closed	3	Closed	5	Closed	6	Closed	6	Closed	13
2021/22	Estyn Inspection of Education	Open	N/A	Open	4	Open	4	Open	4	Open	4
		Closed	N/A	Closed	0	Closed	0	Closed	0	Closed	0

Overview

Financial Year	Audit Name	Progress Open/ Closed Nov 2021		Progress Open/ Closed April 2022		Progress Open/ Closed Oct 2022		Progress Open/ Closed Feb 2023		Progress Open/Close October 2023	
Page 241 2022/23	Assurance and Risk Assessment Review	Open	N/A	Open	N/A	Open	N/A	Open	1	Open	1
		Closed	N/A	Closed	N/A	Closed	N/A	Closed	0	Closed	0
	Springing Forward - Combined Workforce and Assets Review	Open	N/A	Open	N/A	Open	N/A	Open	4	Open	4
		Closed	N/A	Closed	N/A	Closed	N/A	Closed	1	Closed	1
	Waste Management Review	Open	N/A	Open	N/A	Open	N/A	Open	5	Open	5
		Closed	N/A	Closed	N/A	Closed	N/A	Closed	0	Closed	0
	Leisure Services Follow Up	Open	N/A	Open	N/A	Open	N/A	Open	5	Open	2
		Closed	N/A	Closed	N/A	Closed	N/A	Closed	1	Closed	4
	HMIP Inspection of Youth Offending Services in Cardiff 2022-23	Open	N/A	Open	N/A	Open	N/A	Open	7	Open	7
		Closed	N/A	Closed	N/A	Closed	N/A	Closed	0	Closed	0

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CARDIFF COUNCIL CYNGOR CAERDYDD

GOVERNANCE AND AUDIT COMMITTEE: 24 OCTOBER 2023

TREASURY MANAGEMENT ANNUAL REPORT 2022/23

REPORT OF THE CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 10.1

Annexes B & C to Appendix 1 to this report are not for publication as they contain exempt information of the description in Paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972.

Reason for this Report

1. The Governance and Audit Committee Terms of Reference sets out their responsibility for undertaking scrutiny of the accounting, audit and commercial issues in relation to the Council's Treasury Management Strategy and practices.
2. This report has been prepared to provide Committee Members with the Draft Treasury Management Annual Report along with submission to Council in accordance with the Council's Treasury Management Policy. This is scheduled for 26 October 2023

Background

3. The Council's treasury management activities are governed by legislation and a Code of Practice developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) updated in 2021.

Issues

4. In accordance with regulatory requirements, reports were submitted to Council in March 2022 indicating the Treasury Management Strategy for 2022/23 and a Mid-Year update report in November 2022. The following paragraphs cover the main highlights of the Annual Report for 2022/23 which is a backward looking summary of Treasury Management activities during that period.
5. At 31 March 2023, investments stood at £160.6 million. The annual report includes charts indicating who the investments are placed with and for how long. All investments are deemed recoverable and so no losses are required to be recognised in the Council's Statement of Accounts for activities during 2022/23. Interest receivable for the general fund from treasury investments totalled £2.650 million during the year.

6. At 31 March 2023, the Council had £855.1 million of external borrowing, with £22.3 million of new borrowing and £22.8 million of scheduled repayments during 2022/23. Interest payable during the year from its revenue budget on this debt was £34.1 million of which £13.5 million was paid for by the Housing Revenue Account.
7. At the start of the financial year, the Council is required to set a number of prudential indicators for capital expenditure and its treasury management activities. During 2022/23, there was no breach of indicators requiring a separate report to Council.
8. The Treasury Management Annual Report for 2022/23 is included at Appendix 1.

Reasons for Recommendations

9. To allow Governance and Audit Committee to undertake the scrutiny of Treasury Management in accordance with Council's Treasury Management Policies. Council policy requires the Treasury Management Annual Report 2022/23 update to be submitted to Council.

Legal Implications

10. No direct legal implications arise from this report.

Financial Implications

11. The Council's treasury management activities are undertaken in accordance with the policies adopted by Council and under professional codes of conduct established by CIPFA, the Welsh Government and the Corporate Director Resources as part of Treasury Management Practices. This report is part of a suite of reports that members receive on the Council's treasury management activities during the course of a year. Whilst there are no direct financial implications arising from this report, the risks involved with treasury management are continuously reviewed as part of the Council's Medium term Financial Plan.

RECOMMENDATION

To note the Treasury Management Annual Report 2022/23 (Appendix 1).

CHRISTOPHER LEE

Corporate Director Resources

24 October 2023

The following Appendix is attached:-

Appendix 1: Treasury Management Annual Report 2022/23

Annexe A – Treasury Management Policy Extract

Annexe B – Investments at 31 March 2023 (Confidential)

Annexe C – Investment Charts at 31 March 2023 (Confidential)

Annexe D – Maturity Analysis of borrowing as at 31 March 2023

Annexe E – Glossary of Treasury Management terms

Annexes B & C to this Appendix are not for publication as they contain exempt information of the description in Paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972.

Appendix 1

Treasury Management Annual Report 2022/23

Cardiff Council



Introduction

1. Treasury management activities are the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. The Council carries out its treasury management activities in accordance with a code developed for public services and updated in 2021 by the Chartered Institute of Public Finance and Accountancy (CIPFA).
3. The Council has delegated responsibility for treasury management to the Corporate Director of Resources (S151 Officer). The Council's Treasury Management Practices which are updated annually, identifies specific responsibilities of officers as well as setting out schedules highlighting the way in which treasury activities are managed.
4. On 25th February 2010, Council approved policies and adopted the four clauses of the treasury management code which are replicated in **Annexe A** for information. Council received a report in March 2022 on the Council's Treasury Management Strategy for 2022/23 and a mid-year review in November 2022.
5. The Treasury Management is an integral part of the Council's Strategic and Financial planning framework, with borrowing activities primarily because of historic and future capital expenditure approved by Council as part of the Council's Capital Investment programme.

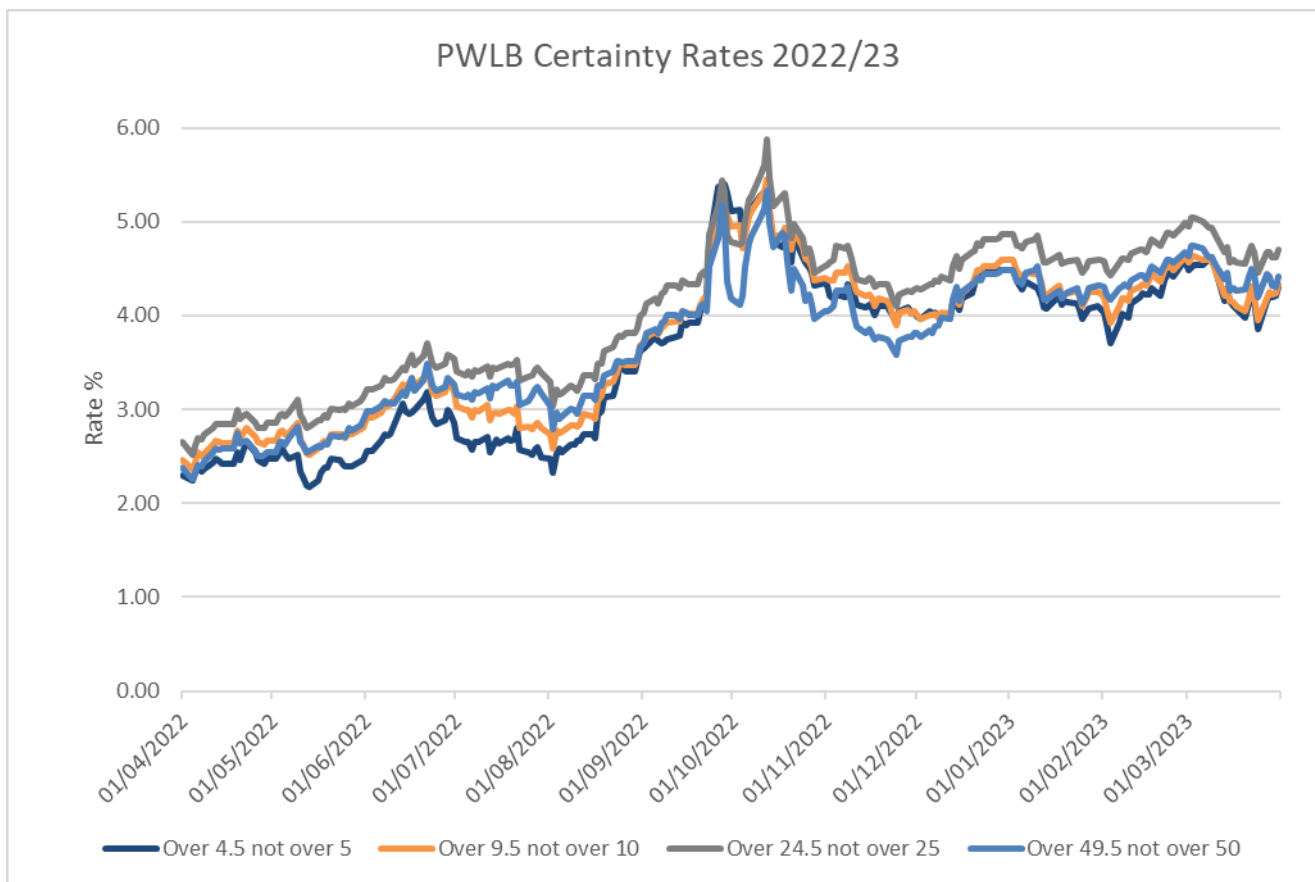


6. This report provides members with an annual report for the Council's Treasury Management activities for 2022/23. It covers:-
 - the economic background to treasury activities
 - treasury investment strategy and outturn for 2022/23
 - borrowing strategy and outturn for 2022/23 including debt rescheduling
 - compliance with treasury limits and prudential indicators
 - resilience of the Treasury Management function
 - treasury management issues for 2023/24.

7. Council requires scrutiny of the accounting, audit and commercial issues of its Treasury Management Strategy and practices to be undertaken by the Council's Governance and Audit Committee. A glossary of key treasury management terms is included at Annexe E. It should be noted that performance and risk in respect to non-treasury management investments such as property are not reported as part of this Annual Report.

Economic Background

8. Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the continued Russian invasion of Ukraine, and a range of different UK Government policies, UK interest rates were volatile across various time periods throughout 2022/23.
9. Inflation was the root cause turmoil in financial markets. Inflation was elevated but labour markets extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needed to tighten. Consumer Price Inflation (CPI) picked up to what should be a peak reading of 11.1% in October, although hopes for significant falls from this level will very much rest on the movements in the gas and electricity markets, as well as the supply-side factors impacting food prices. Forecasts expect CPI to drop back towards 4% by the end of 2023.
10. The UK unemployment rate fell through the year to a 48-year low of 3.6%, however without an increase in the labour force participation rate and average wage increases running at over 6% the Monetary Policy Committee was concerned that wage inflation will prove just as sticky and unsustainable as major supply-side shocks to food (up 18.3% y/y in February 2023) and energy that have endured since Russia's invasion of Ukraine.
11. To address inflation concerns, Bank Rate increased steadily throughout 2022/23. Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 4.25% by the end of the financial year, with further increases in 2023/24.
12. UK gilt yields reversed the increases seen as a result of political changes during the year, although they remain elevated in line with developed economies generally due to inflation expectations and as a result of overall increases in debt. The above economic background and political changes in the UK, have resulted in significant volatility in gilt yields and in turn borrowing rates as markets digest daily developments in the financial markets, release of economic data both domestically and internationally. The chart below shows movements and general trend of increase in PWLB certainty rates through the year.
13. The Public Works Loan Board is one source of local authority borrowing and subject to annual review of eligibility. PWLB rates are based on gilt (UK Government bonds) yields, however HM Treasury determine a specified margin to add to gilt yields for any local authority borrowing. Most local authorities can undertake loans at the PWLB Certainty Rate, which is gilt rate plus 80 basis points (G+80 bps). As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.



Investments and Outturn

14. The Council's treasury investments include those arising from its own temporary cash balances as well as balances held from activities of Joint Committees such as the Cardiff Capital Region City Deal, for which it is the accountable body.
15. The management of the day-to-day cash requirements of the Council is undertaken in-house with credit advice from Link Asset Services, the Council's Treasury Management advisors. This may involve temporary borrowing pending receipt of income or the temporary lending of surplus funds. Investment balances fluctuate daily and arise from a number of sources including differences in timing of revenue and capital cash flows, reserves, provisions and other balances held for future use.

16. The Council invests with institutions approved by Council as part of its Treasury Management Strategy and in accordance with investment guidelines established by the Welsh Government. As part of the Markets and Financial Instruments Directive II, the Council elected for 'professional' status. The categories, names, periods and size limits on the Council's approved investment list can be extended, varied or restricted at any time by the Corporate Director Resources under delegated powers and are monitored closely in conjunction with the Council's treasury advisors.
17. Whilst the average daily cash balance was £236.3 million during 2022/23, at 31 March 2023, investments stood at £160.6 million. The latter included £61 million in respect to City Deal deposits. The Council's choice of investments maintained an approach of security, where the amount invested is that repayable, then liquidity and only then yield. **Annexe B** shows with whom these investments were held at 31 March 2023.
18. A selection of charts in relation to investments is included in **Annexe C**. The main areas to highlight at 31 March 2023 are as follows:-
 - Counterparty exposure against the maximum allowed directly with an organisation. This shows that at 31 March 2023 no exposure limits set were breached. This was also the case during the year.
 - Investments held with different institutions as a percentage of the total shows that investments are diversified over a number of organisations and this was a strategy applied where possible during the year.
 - The geographic spread of investments as determined by the country of origin of relevant organisations. All investments are in sterling and countries are rated AA and above as per our approved criteria.
19. Using historic data adjusted for current financial market conditions, the probability of any default is low at circa 0.004% of the investments outstanding, i.e. £3,139
20. All investments held at 31 March 2023 are deemed recoverable. Accordingly, no impairment losses are reflected in the Council's 2022/23 Statement of Accounts arising from the Council's treasury management activities.
21. The overall level of interest receivable from treasury investments totalled £4.134 million in 2022/23. After allowing for interest on balances held on behalf of others, interest receivable for the general fund totalled £2.650 million. The average returns achieved compared to current industry benchmarks are shown in the table below.

	Return on Investment 2022/2023	
	Benchmark 7 day / 3month (%)	Achieved (%)
In-house	2.22 / 2.72	1.74

22. For benchmarking purposes, the Sterling Overnight Index Average rate (SONIA) for seven days and 3 months un compounded is used, with Council performance below such benchmarks during 2022/23. This is not unexpected in a rapidly increasing interest rate environment as deposits already made cannot be re-invested at higher rates until they mature.

23. Investment returns picked up throughout the course of 2022/23 as central banks, including the Bank of England, realised that inflationary pressures were not transitory, and that tighter monetary policy was called for.
24. With uncertainty in bond and financial markets, short term investments of the type used by the Council i.e bank deposits less than one year, offered increased interest rates at Bank Rate or above. This was particularly the case for maturing deposits entered into in previous years, which would benefit from higher rates, where cash balances allow.
25. The Council continued to take a cautious approach to investing and is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Borrowing and Outturn

26. Borrowing is undertaken to finance the Council's capital programme and manage any short-term cash flow requirements. The main sources of borrowing are identified in the table below.
27. At 31 March 2023, the Council had £855.1 million of external borrowing. This was predominantly fixed interest rate borrowing from the Public Works Loan Board (PWLB) payable on maturity.

31 March 2022			31 March 2023	
£m	Rate (%)		£m	Rate (%)
763.1		Public Works Loan Board	759.7	
51.0		Market (Lender Option Borrower Option)	51.0	
23.2		Welsh Government	44.4	
18.3		Local Authorities and other	0	
855.6	4.01	Total External Debt	855.1	3.96

28. It should be noted that there have been a number of recent changes to PWLB lending criteria which now includes a prohibition to deny access to borrowing from the PWLB for any local authority incurring expenditure on 'assets primarily for yield'.
29. All borrowing is in the name of the Council and a single pool of debt is maintained rather than having separate loans for the Housing Revenue Account. Total interest payable on external debt during 2022/23 was £34.1 million of which £13.5 million was payable by the Housing Revenue Account (HRA). In total £40.5 million was set aside from General Fund and HRA revenue budgets in line with the Councils approved policy on prudent provision for debt repayment.

30. Extracts from the borrowing strategy approved by Council in March 2022 are shown below.

- *Promoting revenue cost stability to aid financial planning and avoid a stop-start approach to service delivery, although it is recognised that this may have a financial impact.*
- *Pooling borrowing and investments to ensure the whole Council shares the risks and rewards of treasury activities.*
- *Ensuring borrowing plans are aligned to known capital expenditure spending plans and financial reserve levels.*
- *Achieving a balanced maturity profile.*
- *Having regard to the effects on current and future Council Tax and rent payers.*

External verses internal borrowing

Whilst interest rates for borrowing are greater than interest rates the Council receives for investments (the cost of carry), it makes financial sense to use any internal cash balances held in the short-term to pay for capital expenditure and minimise costs (internal borrowing), rather than undertake external borrowing. However, there is a risk that the Council may have to borrow at higher rates when it does actually need to borrow in future and so this position is kept under continuous review and delegated to the Corporate Director Resources. Borrowing undertaken is reported as part of reports to Council.

31. During 2022/23 the Council repaid £22.8 million of maturing loans. New interest free loans totalling £22.3 million were received from the Welsh Government in respect of energy efficiency schemes and towards a Welsh Buildings Safety Loan Scheme. The overall effect of these transactions during the year was to decrease the average rate on the Council's borrowing to 3.96% at 31 March 2023.
32. As part of its loan portfolio, the Council has six Lender Option Borrower Option (LOBO) loans totalling £51 million. These are where the lender can request a change in the rate of interest payable by the Council on pre-determined dates. The Council at this point has the option to repay the loan, but this option is conditional and would require the lender to ask for an increase in the current rates to trigger such an event. Apart from the option to increase rates these loans are comparable to PWLB and have no other complications such as variation in interest rates or complex terms. With current elevated interest rates in the market, the likelihood of such an event has increased. The Council has asked for options of early repayment primarily to manage refinancing risk on all loans being triggered at the same time, as set out in previous Treasury Management Reports. However, the premiums requested, do not represent value.
33. Interest rates on the LOBO's held range between 3.81% and 4.35% which are not unreasonable given the council's average rate. Details of the loans are shown in the table below.

34. None of the LOBO's had to be repaid during 2022/23. £24 million of the LOBO loans are subject to the lender having the right to change the rate of interest payable during the next financial year. The Council has the right to refuse the change, triggering early repayment and the need to re-finance. This is a manageable refinancing risk as LOBO's form a relatively low proportion of the Council's overall borrowing at 5.96%.

£m	Rate	Potential Repayment Date	Option Frequency	Full Term Maturity
6	4.28%	22/05/2022	6 months	21/11/2041
6	4.35%	22/05/2022	6 months	21/11/2041
6	4.06%	22/05/2022	6 months	23/05/2067
6	4.08%	01/09/2022	6 months	23/05/2067
22	3.81%	21/11/2025	5 years	23/11/2065
5	4.10%	17/01/2028	5 years	17/01/2078

35. In accordance with the borrowing strategy, the Council is undertaking internal borrowing which is when it uses temporary cash balances it holds in the short term instead of undertaking external borrowing. The level of internal borrowing is £66 million as at 31 March 2023, and this is confirmed by a comparison of the Council's external level of debt and its Capital Financing Requirement at 31 March 2023 as shown later in this report. The borrowing strategy will continue to look at options to manage the Council's future borrowing requirement using a mix of internal and external borrowing, having regard to future interest expectations before entering into longer term borrowing commitments.

Debt Rescheduling

36. No debt rescheduling or early repayment of debt was undertaken during 2022/23. The main obstacle remained the level of premium (penalty) that would be chargeable on early repayment by the PWLB. The net premium payable on the balance of PWLB loans at 31 March 2023, which are eligible for early repayment (£757 million), is £48 million. This premium is payable primarily because:-

- Interest rates on loans of equivalent maturities compared to those held are currently lower
- A penalty rate or lower early repayment rate was introduced by HM Treasury in November 2007, which increased the cost of premiums and reduced flexibility of Local Authorities to make savings. This has been a significant thorn in the ability of local authorities to manage debt more effectively.

37. The Council has previously considered the opportunity for early repayment of LOBO loans. Current elevated interest rates in the market increase the likelihood of a change event triggered by the lender. In addition the Council has asked for options of early repayment primarily to manage refinancing risk on all loans being triggered at the same time, as set out in previous Treasury Management Reports. However, the premiums requested, do not represent value, unless the key aim is to reduce any re-financing risk. The cost of premiums can be spread over future years. Whilst there may have been short terms savings, these may be outweighed by potentially longer-term costs.

Compliance with treasury limits and prudential indicators

38. During the financial year the Council operated within the treasury limits and prudential indicators set out in the annual Treasury Management Strategy. The actual outturn is shown in the following paragraphs and compared to the original estimates contained in the 2022/23 Budget Report. Future year's figures are taken from the Budget Report for 2023/24 and will be updated in the Budget Report for 2024/25.

Capital Expenditure

39. The "Prudential Code" requires the Council to estimate the capital expenditure that it plans to incur over the Medium Term. The actual capital expenditure incurred in 2022/23 and estimates of capital expenditure for the current and future years as set out in the Budget Report of March 2023 are as follows:-

Capital Expenditure							
	2022/23 Actual	2022/23 Original Estimate	2023/24 Estimate Month 4	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£m	£m	£m	£m	£m	£m	£m
General Fund	140	189	223	348	231	93	30
Housing Revenue Account	76	74	108	102	186	89	119
Total	216	263	331	450	317	182	149

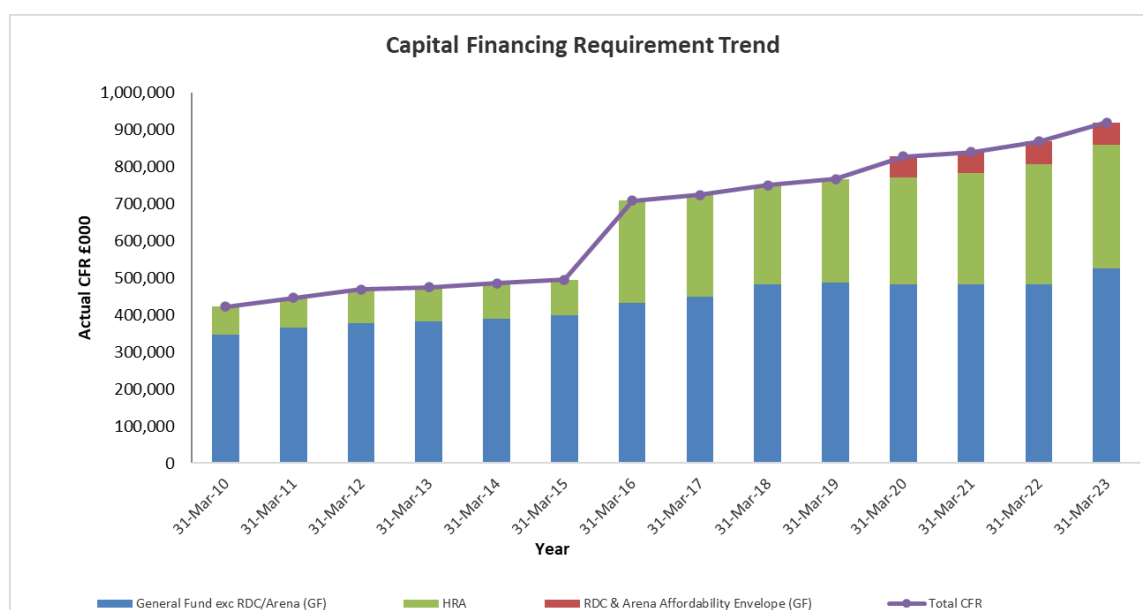
Capital Financing Requirement (CFR) – The Borrowing Requirement (Excluding Landfill Provision)

40. Where capital expenditure has been incurred without a resource to pay for it i.e. when proposed to be paid for by supported or unsupported borrowing, this will increase what is termed the Council's Capital Financing Requirement (CFR) which is the Council's underlying need to borrow. The Council is required to make a prudent provision for the repayment of historic capital expenditure from its revenue budget in line with its agreed policy which reduces the CFR. Calculation of the CFR is summarised in the table below and results in the need to borrow money.

Movement	Opening Capital Financing Requirement (CFR)
+	Capital expenditure incurred in year
-	Grants, contributions, reserves and receipts used for capital expenditure
-	Prudent Minimum Revenue Provision and Voluntary Repayment
=	Closing Capital Financing Requirement (CFR)

41. The chart below shows the trend in the CFR including the Housing Revenue Account. The latter includes the £187 million payment made from the HRA to HM Treasury to exit the subsidy system in 2015/16. As highlighted in the Treasury Management Strategy, the CFR is expected to grow in future years, requiring an increase in borrowing to pay for planned expenditure commitments, including those assumed to pay for themselves from future income or savings. These include indoor arena, new affordable housing, City

Deal and the 21st century school's financial model. Forecasts are to be updated as part of the budget report for 2024/25.



42 The CFR as at 01 April 2022 was £869 million. The actual CFR as at 31 March 2023, estimates for current and future years (estimated in the March 2023 budget) are shown in the table below and exclude non-cash backed provisions in relation to Landfill after care provision:-

Capital Financing Requirement (Excludes landfill provision)							
	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Original	Estimate	Estimate	Estimate	Estimate	Estimate
	£m	Estimate	Month 4	£m	£m	£m	£m
		£m	£m				
General Fund	526	564	587	624	646	646	662
General Fund (Arena Affordability Envelope)	60	97	59	141	217	236	233
Housing Revenue Account	335	369	373	446	480	532	618
Total CFR	921	1,030	1,019	1,211	1,343	1,414	1,473
External Debt	855						
Over / (Under) Borrowing	(66)						

43 By comparing the CFR at 31 March 2023 (£921 million) and the level of external debt at the same point in time (£855 million), it can be seen that the Council is internally or under borrowed i.e. it is using some internal cash balances to finance its capital expenditure as at 31 March 2023 (£13 million at 31 March 2022).

Actual External Debt

44. The Code requires the Council to indicate its actual external debt at 31 March 2023 for information purposes. This was £855 million as shown in the earlier paragraphs.

Affordable Borrowing Limit

45. The Council has a statutory duty under section 3 of the Local Government Act 2003 and supporting regulations to determine and keep under review how much it can afford to borrow and to enter into credit arrangements (the “Affordable Borrowing Limit”). This cannot be breached without Council approval. Council must have regard to the Prudential Code when setting this limit which is intended to ensure that total capital investment remains within sustainable limits and that the impact upon future council tax/rent levels is affordable.
46. During 2022/23 the Council remained within the authorised limit of £1,457 million set for that year.

Operational Boundary

47. The operational boundary is the estimated level of external borrowing set at the start of the year and is subject to the level and timing of borrowing decisions during the year. The actual level of borrowing can therefore be below or above this initial estimate, but what cannot be breached is the affordable borrowing limit mentioned above. The boundary was estimated to be £1,030 million at 31 March 2023, to match the forecast for the CFR when setting the 2022/23 budget in March 2022.

Maturity Structure of Fixed Rate Borrowing

48. The maturity structure remains within the limits below approved as part of the 2021/22 strategy below. These limits are set to avoid having large amounts of debt maturing in a short space of time, thus being exposed to significant liquidity risk and interest rate risk.

	31-Mar-22		Upper limit	31-Mar-23			
	Loans to Maturity			Loans to Maturity		Loans if LOBO's Paid Early	
	%	£m		%	£m	%	£m
Under 12 months	2.66	22.8	10	0.51	4.4	3.32	28.4
12 months and within 24 months	0.53	4.5	10	0.51	4.4	0.51	4.4
24 months and within 5 years	2.13	18.2	15	3.45	29.5	6.61	56.5
5 years and within 10 years	8.95	76.6	20	11.74	100.4	11.74	100.4
10 years and within 20 years	20.40	174.5	30	20.40	174.4	18.99	162.4
20 years and within 30 years	20.66	176.8	35	21.38	182.8	21.38	182.8
30 years and within 40 years	25.47	217.9	35	25.05	214.2	25.05	214.2
40 years and within 50 years	18.62	159.3	35	16.37	140.0	12.40	106.0
50 years and within 60 years	0.58	5.0	15	0.59	5.0	0.00	0.0

49. The maturity profile of the Council's borrowing as at 31 March 2023 is also shown in a chart in **Annexe D**. In the medium to long term, efforts will be made to restructure loans maturing in 2056/57 and to review LOBO maturities in order to reduce refinancing risk.

Ratio of financing costs to net revenue stream

50. This indicator identifies the trend in the cost of capital financing, showing the percentage of the Council's revenue budget that is committed for this purpose. Financing costs include:

- interest payable on borrowing and receivable on treasury investments
- penalties or any benefits receivable on early repayment of debt
- prudent revenue budget provision for repayment of capital expenditure paid for by borrowing and
- re-imburement of borrowing costs from directorates in respect of Invest to Save/Earn schemes.

51. For the General Fund, net revenue stream is the amount to be met from non-specific WG grants and Council Tax, whilst for the HRA it is the amount to be met from rent payers.

Ratio of financing costs to Net Revenue Stream							
	2022/23 Original Estimate %	2022/23 Actual %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %
General Fund – Net Capital Financing Budget	4.58	4.05	4.26	4.48	4.75	5.00	5.15
General Fund – Gross Capital Financing Budget	6.90	6.09	6.64	7.38	8.44	8.90	9.02
HRA	32.16	29.29	28.97	30.66	32.84	34.34	36.57

52. Although there may be short term implications, invest to save/earn schemes are intended to be net neutral on the capital financing budget. However, there are risks that the level of income, savings or capital receipts anticipated from such schemes will be delayed or will not materialise. This would have a detrimental long-term consequence on the Revenue budget and requires careful monitoring when considering future levels of additional borrowing.

53. An increasing percentage indicates that a greater proportion of the budget is required for capital financing costs which are committed in the long term. The requirement to meet these additional costs can only come from future savings or from increases in Council Tax. An increasing ratio limits the scope for additional borrowing in future years and reduces the Council's overall flexibility when making decisions on the allocation of its revenue resources. The percentages consider the impact on the base budget of the level of savings having to be found in 2023/24 and over the medium term as set out in the budget report for 2023/24. They are based on future assumptions in respect to Aggregate External Financing, council tax income and housing rents at a point in time, so are

extremely variable as an indicator.

Principal Invested for over 364 days

54. An upper limit for principal invested over 364 days was set at £90 million and this was not breached during the year, primarily due to the strategy adopted of minimising the period for which investments were made during 2022/23

Resilience of the Treasury Management Function

55. The Treasury function performs a key role including ensuring that sufficient funds are available to meet the Council's financial commitments and is currently the payment mechanism of last resort for the Council. The CIPFA Treasury Management Code requires all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making. The Section 151 Officer and Head of Finance are responsible for ensuring that Treasury Management activities are resourced with relevant skills and experience, consistent with the complexity and size of the activity undertaken. The requirements to meet high standards, accuracy and governance requirements are significant for a small specialist team.
56. Treasury Management activities continue to be the subject of regulatory change and economic uncertainty. Changes in the profile of the Council's projected balance sheet, including an ambitious capital investment programme which increases the level of existing borrowing, will place the emphasis on ensuring borrowing at the most appropriate structure and timing to reduce risk to the council. The treasury team will need to consider focusing allocating resources towards short and long-term tactical borrowing decisions to manage the borrowing requirement and support minimisation of longer-term costs, whilst identifying and managing risk in a proportionate way. This will require the use of external services, where appropriate to provide the tools and / or expertise to support the implementation of the borrowing strategy and the risk management framework. This and some of the other issues and challenges outlined below continue to test skills and resilience, something that will need to continue to be monitored closely by the S151 Officer.

Treasury Management issues for 2023/24 and future years

57. Whilst this report is primarily backward looking in relation to Treasury Activities for 2022/23, some key issues for 2023/24 are:
- Encouraging a greater focus on predicting cash flow forecasts and encouraging the prompt collection of cash balances e.g submitting and following up grant claims, accurate forecasts of reserves and capital expenditure projections.
 - Managing reducing cash balances and maintaining liquidity by seeking short term opportunities to manage the council's borrowing requirement in line with the 2023/24 strategy and interest rate forecasts.
 - Ensuring compliance with HM Treasury revised lending policies and processes aimed to prevent borrowing undertaken to fund investment purely for financial gain. It should be noted that any such expenditure would preclude any borrowing from the PWLB.
 - Updating the Treasury Management Strategy for the 2023/24 budget in line with any updates to the Capital Investment Programme forecasts and scheme delivery including the impact of borrowing requirements in respect to major regeneration projects.
58. In accordance with the Council's Treasury Management Policy, Council will receive a further update on Treasury Management issues as part of the 2023/24 Mid-Year Treasury Management report in November 2023.

Christopher Lee

Corporate Director Resources
26 October 2023

The following Annexes are attached:-

- Annexe A – Treasury Management Policy and Four Clauses of Treasury Management
- Annexe B – Investments at 31 March 2023 - Confidential
- Annexe C – Investment charts at 31 March 2023 - Confidential
- Annexe D – Maturity analysis of debt as at 31 March 2023
- Annexe E – Glossary of Treasury Management terms

Annexe A – Treasury Management Policy and Four Clauses of Treasury Management adopted by Council 25/02/2010

Council's treasury management Policy / Activities

1. This Council defines its treasury management activities as: the management of its investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications.
3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

Four Clauses of Treasury Management

4. In compliance with the First Clause, this Council will create and maintain, as the cornerstones for effective treasury management:-
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - Suitable Treasury Management Practices (TMPs), setting out the way the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
5. In compliance with the Second Clause, this Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy in advance of the year, a mid-year review and an annual report after the year's close, in the form prescribed in its TMPs.
6. In compliance with the Third Clause, this Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Executive, and for the execution and administration of treasury management decisions to the Corporate Director Resources in accordance with existing delegations, who will act in accordance with the Policy Statement, TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
7. In compliance with the Fourth Clause, this Council requires the scrutiny of the accounting, audit and commercial issues of its Treasury Management Strategy and Practices to be undertaken by the Council's Audit Panel due to the technical nature of the documents.

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By virtue of paragraph(s) 14, 21 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

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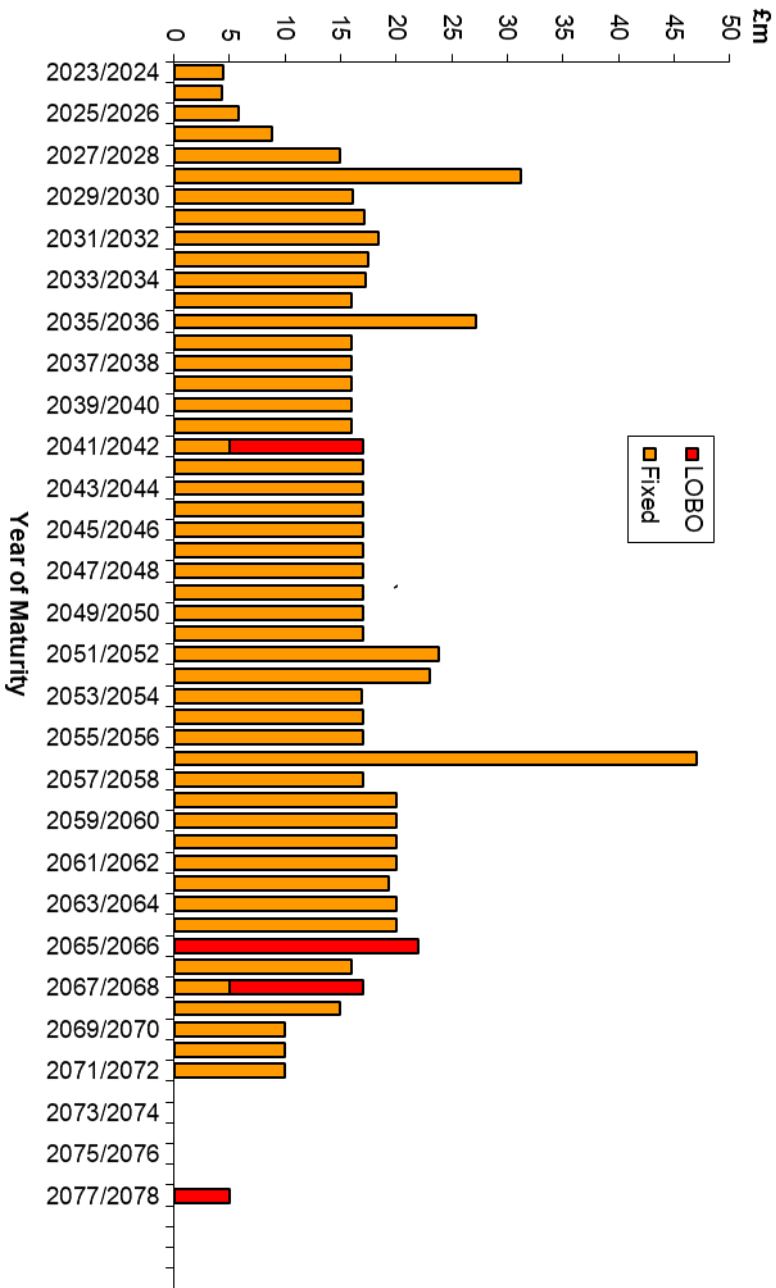
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By virtue of paragraph(s) 14, 21 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

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Annexe D – Maturity Profile of Debt at 31 March 2023



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Annexe E – Glossary of Treasury Management Terms

Bank Rate

1. The rate of interest set by the Bank of England as a benchmark rate for British banks.

Bonds

2. A long-term debt security issued by a company, a financial institution, a local authority, national government or its affiliated agencies. It represents an undertaking to repay the holder the fixed amount of the principal on the maturity date plus a specified rate of interest payable either on a regular basis during the bond's life (coupon) or at maturity.

Borrowing

3. Loans taken out by the authority to pay for capital expenditure or for the prudent management of the Council's financial affairs, which are repayable with interest.

Capital Expenditure

4. Capital expenditure pays for improvements to existing and new assets used in the delivery of Council services as well as other items determined by Regulation. Capital resources are scarce, costly and also have long term revenue implications over many years and even generations where capital expenditure is funded by borrowing. Hence the requirement of the Prudential Code to ensure what is charged as Capital Expenditure is Prudent, Sustainable and Affordable.
5. The statutory definition of capital expenditure is given in the Local Government Act 2003, the Local Authorities (Capital Finance) Regulations 2003 and 2004 as amended. Statute relies on the accounting measurement of cost in International Accounting Standard (IAS) 16 to determine whether expenditure is eligible to be capitalised or whether it should be treated as revenue expenditure. Key to what is eligible as capital spend are the following words in IAS 16 - 'Costs directly attributable to bringing the specific asset into working condition for its intended use'.

Capital Financing Requirement (CFR)

6. An authority's underlying need to borrow for a capital purpose. It measures capital expenditure incurred but not yet financed by the receipt of grants, contributions and charges to the revenue account.

Capital Market

7. A market for securities (debt or equity), where companies and governments can raise long-term funds (periods greater than one year). The raising of short-term funds takes place on other markets (e.g. the money market).

Capital Programme

8. The Capital Programme sets out the Council's capital expenditure plans for the forthcoming financial year as well as for the medium term. It is approved annually at Council and identifies the estimated cost of those schemes, their projected phasing over financial years as well as the method of funding such expenditure.

Certificates of Deposits (CDs)

9. A certificate issued for deposits made at a deposit-taking institution (generally a bank). The bank agrees to pay a fixed interest rate for the specified period of time and repays the principal at maturity. CDs can be purchased directly from the banking institution or through a securities broker. An active interbank secondary market exists to buy and sell CDs.

Chartered Institute of Public Finance & Accountancy (CIPFA)

10. CIPFA is the professional body for accountants in public finance. As a specialised public services body, it provides information, guidance, and determines accounting standards and reporting standards to be followed by Local Government.

Collective Investment Scheme Structures

11. Schemes whereby monies from a number of investors are pooled and invested as one portfolio in accordance with pre-determined objectives.

Corporate Bonds

12. Bonds that are issued by a company or other non-government issuers. They represent a form of corporate debt finance and are an alternative means of raising new capital other than equity finance or bank lending.

Counterparty

13. One of the parties involved in a financial transaction with whom the Council may place investments.

Counterparty / Credit Risk

14. Risk that a counterparty fails to meet its contractual obligations to the Council to repay sums invested.

Credit Criteria

15. The parameters used as a starting point in considering with whom the Council may place investments, aimed at ensuring the security of the sums invested.

Credit Default Swaps

16. A financial transaction which the buyer transfers the credit risk related to a debt security to the seller, who receives a series of fees for assuming this risk. The levels of fees reflect the perceived level of risk.

Credit Rating

17. A credit rating assesses the credit worthiness of an individual, corporation, or even a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the subject being able to pay back a loan. Ratings usually consist of a long-term, short term, viability and support indicators. The Fitch credit rating of F1 used by the Council is designated as "Highest Credit Quality" and indicates the strongest capacity for timely payment of financial commitments.

Debt Management Account Deposit Facility (DMADF)

18. The Debt Management Office provides this service as part of its cash management operations and of a wider series of measures designed to improve local and central government's investment framework and cash management. The key objective of the DMADF is to provide users with a flexible and secure facility to supplement their existing range of investment options while saving interest costs for central government.

Debt Restructuring

19. Debt restructuring is a process that allows an organisation to reduce, renegotiate and undertake replacement debt.

Diversification of Investments

20. The process of creating a portfolio of different types of financial instruments with regard to type, price, risk issuer, location, maturity, etc. in order to reduce the overall risk of the portfolio as a whole.

Duration (Maturity)

21. The length of time between the issue of a security and the date on which it becomes payable.

External Borrowing

22. Money borrowed from outside of the Council.

Financial Instrument

23. Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Typical financial liabilities are borrowing and financial guarantees. Typical financial assets include bank deposits, amounts owed by customers, loans receivable and investments.

Fitch Credit Ratings

24. A commercial organisation providing an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. The opinion is usually provided in the form of a credit rating.

Fixed Rate

25. An interest rate that does not change over the life of a loan or other form of credit.

Floating Rate Notes

26. A money market security paying a floating or variable interest rate, which may incorporate a minimum or floor.

Fraud / Error Risk

27. Risk of losses being incurred because of fraud, error or corruption in treasury management and failure to institute adequate systems, procedures and other arrangements to prevent irregularities.

Housing Revenue Account (HRA)

28. The HRA is an account of expenditure and income that every local authority housing department must keep in accordance with the Local Government & Housing Act 1989. The account is kept separate or ring fenced from other Council activities. Income is primarily generated by the rents and service charges paid by tenants, while expenditure is on the management and maintenance of the housing stock, and capital financing charges on the HRA's outstanding loan debt.

Interest Rate Risk

29. Risk that fluctuations in interest rates could impose extra costs against which the Council has failed to protect itself adequately.

Internal Borrowing

30. Money borrowed from within the Council, sourced from temporary internal cash balances.

Investments

31. The purchase of financial assets to receive income and/or make capital gain at a future time, however with the prime concern being security of the initial sum invested.

Lender Option Borrower Option Loans (LOBOs)

32. Loans to the Council where the lender can request a change in the rate of interest payable by the Council at pre-defined dates and intervals. The council at this point has the option to repay the loan.

Liquidity

33. The ability of the Council to meet its financial obligations as they fall due.

Market Loans

34. Borrowing that is sourced from the market i.e. organisations other than the Public Works Loan Board or a Public Body.

Medium Term Financial Plan

35. Plan outlining the financial strategies and actions that are envisaged by the Council in the medium term regarding the budget.

Markets in Financial Instruments Directive (MiFID)

36. EU legislation that regulates firms who provide financial instrument services. MiFID was applied in the UK from November 2007 but was revised with changes taking effect from 3 January 2018 (MiFID II).
37. The aim is to ensure financial institutions undertake more extensive checks on their client's suitability for investment products. Organisations undertaking investments will be either classified as 'retail' or 'professional'.
38. MiFID II requires all Local Authorities to be initially treated as "retail clients" unless they "opt up" to a "professional client". The assumption being that retail clients require a greater level of due diligence and support for investment decision making. Financial

institutions will owe a greater duty of care to retail clients, however, they will have no greater financial protection than professional clients.

Minimum Revenue Provision (MRP)

39. This is the amount which must be charged to the authority's revenue account each year and set aside as provision for repaying external loans and meeting other credit liabilities. The prudent amount is determined having regard to guidance issued by WG. This has the effect of reducing the Capital Financing Requirement (CFR).

Money Market

40. The market for short-term securities or investments, such as certificates of deposit, commercial paper or treasury bills, with maturities of up to one year.

Money Market Funds

41. An investment fund which pools the investments of numerous depositors, spreading those investments over a number of different financial instruments and counterparties. Funds with a Constant Net Asset Value (CNAV) are those where the sum invested is the same on maturity, Low Volatility Net Asset Value (LVNAV) are those where any sum invested is likely to be the same on maturity. Funds with a Variable Net Asset Value (VNAV) are those where the sum on maturity could be higher or lower due to movements in the value of the underlying investments.

Net Asset Value (NAV)

42. The market value of an investment fund's portfolio of securities as measured by the price at which an investor will sell a fund's shares or units.

Pooling

43. The process whereby investments or loans are held corporately rather than for specific projects or parts of the Council, with recharges to those areas for their share of the relevant income and expenditure using an agreed methodology, where such a recharge is required to be made.

Prudential Code for Capital Finance

44. The system introduced on 1 April 2004 by Part 1 of the Local Government Act 2003 which allows local authorities to borrow without Government consent, if they can afford to service the debt from their own resources and that any such borrowing is prudent and sustainable. This requires the preparation and approval of various indicators.

Public Works Loans Board (PWLB)

45. The Public Works Loans Board is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Refinancing Risk

46. Risk that maturing borrowing or other financing of capital projects cannot be renewed on terms that reflect existing assumptions and that the Council will suffer extra costs as a result.

Regulatory Risk

47. Risk that actions by the Council or by any person outside of it are in breach of legal powers or regulatory requirements resulting in losses to the Council, or the imposition of extra costs.

Ring Fencing

48. The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.
49. Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

Security

50. Protecting investments from the risk of significant loss, either from a fall in value or from default of a counterparty.

Sovereign Credit Ratings

51. The credit rating of a country. It indicates the risk level of the investing environment of a country, considering political risk and other factors.

Sterling

52. The monetary unit of the United Kingdom (the British pound).

Term Deposits

53. A term deposit is a money deposit at a banking institution that cannot be withdrawn for a certain "term" or period of time.

Treasury Management

54. The management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Treasury Bills

55. Debt securities issued by a government with a short-term maturity of up to 6 months.

UK Government Gilts

56. Fixed-interest debt securities issued or secured by the British Government. Gilts are always denominated in sterling though the Government occasionally also issues instruments in other currencies in the Eurobond market or elsewhere.

Variable Rate

57. An interest rate that changes in line with market rates.

Yield

58. The annual rate of return paid out on an investment, expressed as a percentage of the current market price of the relevant investment.

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Governance and Audit Committee Action Plan and Recommendations
(Updated following meeting held on 11 July 2023)

1. Action Plan

Minute No. /Agenda No.	Actions	Timeline	Action Owner
	Finance (Budget)		
	No Outstanding Actions		
	Governance & Risk Management		
	No Outstanding Actions		
	Audit Wales (AW)		
19.07.22	Finance and Democratic services to provide an initial position statement in respect to progress in making improvements in process and the risk identified in the Audit Wales Audit Plan for the Council in relation to related parties' disclosure requirements.	Action completed – briefing circulated to Committee 18.07.2023	
	Internal Audit		
	No Outstanding Actions		
	Treasury Management		
	No Outstanding Actions		
	Operational Items		
23.03.21	Committee to be provided, in due course, with information on the preparation for 'IFRS 16 – Leases' for the Statement of Accounts 2022/23.	Action completed – briefing circulated to Committee 18.07.2023	AH
02.04.19	Once disciplinary procedures have concluded within the Waste Management Service, Audit Committee to be informed of the terms of reference and approach for delivering the associated Post Investigation Review.	Interim confidential assurance briefing paper circulated 3.06.2021	CL / CP
	AW Tracker/Other Studies		
	No Outstanding Actions		
	Performance		
	No Outstanding Actions		
	Work Programme		
	No Outstanding Actions		
	Outstanding Actions		
	No Outstanding Actions		
	Correspondence		
	No Outstanding Actions		
	Scrutiny Engagement / Letters		
	No Outstanding Actions		

2. Recommendations

Committee Meeting Date	Agenda Item	Recommendation	Date Raised	Management Response	Target Action Date	Status
27.09.22	Paul Orders, Chief Executive Draft Well-being (Self-Assessment) Report 2021/22	1. We recommend that the draft Strategic Assessments under each Wellbeing Objective are reviewed to: - a. ensure the overall evaluative conclusions are explicitly recorded, b. consider if they provide sufficient emphasis on outcomes.	10.10.22	Accepted - For each Well-being Objective section of the draft report, the Strategic Evaluation section has been reviewed following Committee and amended to provide a stronger evaluative assessment of performance. The Council commits to work in consultation with the Committee on further implementing this recommendation in the forthcoming mid-year assessment and in future Annual Well-being Reports.	17.10.22	11.07.23 - sufficiently addressed – recommendation to be closed
		2. The Committee recognises the well-structured and comprehensive self-assessment process. However, we recommend the Council considers if the Annual Well-Being Report adequately records conclusions on the extent to which it meets its “performance requirements” namely: - a. It is exercising its functions effectively, b. It is using its resources economically, efficiently and effectively, c. Its governance is effective for securing the above		Accepted - The Council has clarified in the revised draft report that it considers that the self-assessment process and the Annual Well-being Report ensures that Council is meeting the statutory performance requirements. The Council commits to work in consultation with the Committee on continuing to strengthen the Council’s approach to future Annual Well-being Reports.	17.10.22	11.07.23 - sufficiently addressed – recommendation to be closed
		3. It is considered that the narrative self-assessment within the “Key Successes” sections have an emphasis on input activities, we recommend that for future annual Self-Assessment Reports, that the Council consider whether a stronger focus on outcomes can be applied.		Accepted - The Council will review the Key Successes sections of future reports to ensure an appropriate balance between input, output and outcomes is presented.	15.12.22	11.07.23 - sufficiently addressed – recommendation to be closed

Correspondence

The Governance and Audit Committee and each of the Council's Scrutiny Committees have established an arrangement to share and inform each other of their work programmes, enquiries and outcomes.

As part of this process, the Chair of the Governance and Audit Committee and the Audit Manager have been copied into Scrutiny Committee letters over the reporting period. Where responses have been received at the time of reporting, these are also included for information.

Each of the letters have been reviewed by the Audit Manager who has provided relevant comments to the Committee Chairperson.

The information contained within the letters published is useful for Governance and Audit Committee Member awareness of the activities and lines of enquiry of the Council's Scrutiny Committees.

In considering the terms of reference of the Governance and Audit Committee, and the correspondence received, it is not considered that any updates to the Committee work programme are required.

For the information of the wider Committee, the published letters since the last Committee meeting were as follows.

For wider information the published Scrutiny Committee work programmes are also linked within this document.

Chris Pyke

**Audit Manager
12 October 2023**

Children and Young People Scrutiny Committee

Committee Date	Agenda/ Minute No	Item Background Papers	Correspondence Following Committee Meeting
Monday 20 th March 2023	Minute No. 57	Central South Consortium - Annual Cardiff Local Authority Report 2021-22/ Curriculum for Wales Update	Link to Correspondence (pages 7-11)
Monday 20 th March 2023	Minute No. 56	Youth Justice Service Update	Link to Correspondence (pages 3-5)
Monday 20 th March 2023	Minute No. 58	School Organisation Planning Proposals	Link to Correspondence (pages 13-15)
Monday 15 th May 2023	Agenda Item 4	<ul style="list-style-type: none"> Corporate Parenting Advisory Committee (CPAC) Annual Report 2022/23 Corporate Parenting Advisory Committee (CPAC) Annual Report 2022/23 (Response) 	Link to Correspondence (pages 7-9) Link to Correspondence (pages 11-12)
Monday 15 th May 2023		<ul style="list-style-type: none"> Further Request for Information Following Consideration of Budget/Corporate Plan Minutes from the 28 February 2023 Further Request for Information Following Consideration of CYP Scrutiny - Budget/Corporate Plan Minutes from the 28 February 2023 	Link to Correspondence (pages 3-4) Link to Correspondence (pages 5-6)
Tuesday 13 th June 2023	Agenda Item 6	Youth Justice Service Update	Link to Correspondence (pages 3-7)
Tuesday 13 th June 2023	Agenda Item 7	Children's Services Q4 Performance 2022/23	Link to Correspondence (pages 3-7)
Tuesday 4 th July 2023	Minute No. 17	School Organisation Planning Proposals - Provision for Children and Young People with Additional Learning Needs	Link to Correspondence (pages 3-5)
Tuesday 4 th July 2023	Minute No. 14-16	Cardiff Influencers; Education-Schools Pandemic Recovery; Virtual Headteacher	Link to Correspondence (pages 7-14)

Community and Adult Services Scrutiny Committee

Committee Date	Agenda/ Minute No.	Item Background Papers	Correspondence Following Committee Meeting
Wednesday 19 th July 2023	Agenda Item 6	Hospital Patient Discharge in Cardiff for Adults with Care Needs	Link to Correspondence (pages 3-8)
Monday 18 th September 2023	Agenda Item 4	Channel View Regeneration Project	Link to Correspondence (pages 3-6)
Monday 18 th September 2023	Agenda Item 6	Community & Adult Services, and Children & Young People Committee Local Authority Social Services Annual Report 2022/23 (LASSAR)	Link to Correspondence (pages 9-11)

Joint Scrutiny Committee

Committee Date	Agenda/ Minute No.	Item Background Papers	Correspondence Following Committee Meeting
Monday 15 th May 2023	Agenda Item 4	Joint Scrutiny Committee of the Children and Young People and Community & Adult Services Scrutiny Committee – 15 May 2023 – Cardiff & Vale Joint Area Plan 2023-28 (Response)	Link to Correspondence (pages 7-8)

Economy and Culture Scrutiny Committee

Committee Date	Agenda/ Minute No.	Item Background Papers	Correspondence Following Committee Meeting
Tuesday 20 th June 2023	Agenda Item 6	E&C Pentwyn Leisure Centre - Public Letter	Link to Correspondence (pages 3-8)
Tuesday 20 th June 2023	Agenda Item 7	E&C - Tennis In Parks	Link to Correspondence (pages 13-18)
Tuesday 11 th July 2023	Minute No. 15	Chair's Public Letter - St David's Hall	Link to Correspondence (pages 3-5)
Tuesday 11 th July 2023	Minute No. 16	Chair's Public letter - Atlantic Wharf Update	Link to Correspondence (pages 7-9)
Tuesday 11 th July 2023	Minute No. 17	Chair's Public letter – International Sports Village Development (ISV)	Link to Correspondence (pages 11-15)
Thursday 3 rd August 2023	Minute No. 25	Special Meeting - Call-In: Officer Decision SGC 2327 – Secret Garden Café (public letter)	Link to Correspondence (pages 3-5)
Thursday 3 rd August 2023	Minute No. 25	Special Meeting - Call-In: Officer Decision SGC 2327 – Secret Garden Café (Response)	Link to Correspondence (pages 7-11)
Tuesday 19 th September 2023	Agenda Item 4	Shared Prosperity Fund	Link to Correspondence (pages 17-19)
Tuesday 19 th September 2023	Agenda Item 5	Cardiff Market Restoration Project (Public Letter)	Link to Correspondence (pages 5-8)
Tuesday 19 th September 2023	Agenda Item 6	Cabinet Response to Shaping Cardiff's Post Pandemic Economic Recovery	Link to Correspondence (pages 3-4)
Tuesday 19 th September 2023	Agenda Item 7	Cardiff Capital Region City Deal Joint Overview & Scrutiny Committee (CCRD JOSOC): Proposals in Relation to Scrutiny of the South East Wales Corporate Joint Committee	Link to Correspondence (pages 13-15)

Environmental Scrutiny Committee

Committee Date	Agenda/ Minute No.	Item Background Papers	Correspondence Following Committee Meeting
Thursday 6 th July 2023	Agenda Item 4	Replacement Recycling Fleet for Residential Collections	Link to Correspondence (pages 3-6)

Governance & Audit Committee

Committee Date	Agenda/ Minute No	Item Background Papers	Correspondence Following Committee Meeting
Tuesday 11 th July 2023	Agenda Item 7.1	Governance and Audit Committee Observations - Draft Well-being (Self-Assessment) Report 2022/23	Link to Correspondence (pages 3-4)

Policy Review and Performance Scrutiny Committee

Committee Date	Agenda/ Minute No	Item Background Papers	Correspondence Following Committee Meeting
Wednesday 12 th July 2023	Minute No. 13	Annual Well-being Report 2022/23	Link to Correspondence (pages 3-6)
Wednesday 12 th July 2023	Minute No. 14	Budget Strategy 2024/25	Link to Correspondence (pages 7-9)
Wednesday 12 th July 2023	Minute No. 15	Delivering a Modern Cardiff Works and Agency Provision	Link to Correspondence (pages 11-13)
Wednesday 12 th July 2023	Minute No. 16	Annual Property Plan 2023/24	Link to Correspondence (pages 15-17)
Wednesday 20 th September 2023	Agenda Item 4	Organisational Resilience	Link to Correspondence (pages 3-6)
Wednesday 20 th September 2023	Agenda Item 5	Budget monitoring m4 2023/24	Link to Correspondence (pages 7-10)

Scrutiny Work Programmes

Committee Date	Agenda/ Minute No	Item Background Papers	Latest Published Work Programme
Tuesday 13 th December 2022	Agenda item 5	Children and Young People Scrutiny Committee	Draft Forward Work Programme 01.01.23-01.04.23
Monday 18 th September 2023	Agenda Item 25	Community & Adult Services Scrutiny Committee	Work Programme 2023/24
Tuesday 11 th July 2023	Minute No. 19	Economy & Culture Scrutiny Committee	Work Programming 2023/24
Thursday 6 th July 2023	Agenda Item 5	Environmental Scrutiny Committee	Committee Business Work Programming Planning 2023/24
Wednesday 20 th September 2023	Agenda Item 6	Policy Review and Performance Scrutiny Committee	Work Programming 2023/24

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1. Current Work Programme 2023/24:

Area	Tuesday 11.07.23 (1pm)	Tuesday 26.09.23 (4.30pm) POSTPONED	Tuesday 24.10.23 (2pm)	Tuesday 28.11.23 (2pm)	Tuesday 23.01.24 (4:30pm)	Tuesday 26.03.24 (2pm)	Tuesday 09.07.24 (2pm) TBC
Audit Wales (AW)	Annual Audit Plan 2023			Digital and Performance Information Reports			Annual Audit Plan 2024
	Cardiff & Vale Pension Fund Audit Plan 2023		* ISA 260 and Audited Statement of Accounts 2022/23 for Cardiff & Vale of Glamorgan Pension Fund	* ISA 260 and Audited Statement of Accounts 2022/23 for Cardiff Council including; Cardiff Harbour Authority & Trust Funds	Capital Programme Management		Cardiff & Vale Pension Fund Audit Plan 2024
	Annual Audit Summary Report		Cardiff & Vale Pension Fund – Detailed Audit Plan 2023				Annual Audit Summary Report
	AW Work Programme and Timetable Update		AW Work Programme and Timetable Update	AW Work Programme and Timetable Update	AW Work Programme and Timetable Update	AW Work Programme and Timetable Update	AW Work Programme and Timetable Update
Performance	Draft Year-End Annual Well-being (Self-Assessment) Report 2022/23				Mid-Year Self-Assessment Report Update		Draft Year-End Annual Well-being (Self-Assessment) Report 2023/24
			Council Complaints and Compliments – Arrangements and Annual Report 2022/23		Council Complaints – Mid Year Report		
Treasury Management			Treasury Management Annual Report	Half Year Report	Draft Treasury Management Strategy 2024/25	Treasury Management Practices	
Finance	Financial Update including Resilience Issues		Financial Update including Resilience Issues	Financial Update including Resilience Issues	Financial Update including Resilience Issues	Financial Update including Resilience Issues	Financial Update including Resilience Issues
	Draft Statement of Accounts 2022/23					Statement of Accounts 2023/24: Accounting Policies and Timescales	Draft Statement of Accounts 2023/24
Internal Audit	Audit and Investigation Team - Progress Update			Audit and Investigation Team - Progress Update	Audit and Investigation Team - Progress Update	Audit and Investigation Team - Progress Update	Audit and Investigation Team - Progress Update
	Internal Audit Annual Report 2022/23		Counter-Fraud Annual Report 2022/23	Counter-Fraud and Corruption Strategy and Operational Policies - Update	Draft Internal Audit Charter & Summary Audit Plan 2024/25	Audit Charter and Audit Plan 2024/25	Internal Audit Annual Report 2023/24
Governance and Risk Management	Governance and Audit Committee Annual Report 2022/23						Governance and Audit Committee Annual Report 2023/24
	Governance Senior Management Assurance Statement 2022/23			Draft Annual Governance Statement 2022/23	Senior Management Assurance Statement and AGS Action Plan 2023/24 (Mid-Year)		Draft Annual Governance Statement 2023/24
	Corporate Risk Management (Year-End)			Corporate Risk Management 2023/24 (Mid-Year)		Corporate Risk Management (Q3)	Corporate Risk Management (Year-End)
			Recommendation Tracker – Reports of External Review Bodies			Recommendation Tracker – Reports of External Review Bodies	
Senior Officer Updates (Operational Matters / Key Risks / Other)	Update on the Council's Control Environment			TBC - Sarah McGill – Update on Directorate Control Environment	TBC - Andrew Gregory – Update on Directorate Control Environment	TBC - Neil Hanratty – Update on Directorate Control Environment	TBC - Chief Executive – Update on the Council's Control Environment

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2. Matters to be addressed outside of formal Committee meetings during 2023/24:

Governance and Audit Committee

- Annual self-assessment workshop
- Training and development sessions.

General

- Correspondence, publications and reports for information purposes
- Time sensitive consultation.

Director / Senior Officer Assurance

- Use of letters, correspondence, and video / telephone meetings as necessary.

* Timing of item could be deferred, subject to completion of external audit

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