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## AGENDA

<b>Committee</b>	GOVERNANCE AND AUDIT COMMITTEE
<b>Date and Time of Meeting</b>	TUESDAY, 28 NOVEMBER 2023, 2.00 PM
<b>Venue</b>	COMMITTEE ROOM 4 - MULTI LOCATION MEETING
<b>Membership</b>	Gavin McArthur (Chairperson)  David Price, Dr. Janet Wademan, Chris Burns,  Councillors Ahmed, Carr, Goodway, Lewis, Moultrie, Palmer and Williams

*Time approx.*

### 1 **Apologies for Absence**

To receive apologies for absence.

### 2 **Declarations of Interest**

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

### 3 **Minutes** (*Pages 5 - 16*)

To approve, as a correct record the minutes of the meeting held on 24 October 2023.

### 4 **Update on Directorate Control Environment for People & Communities** (*Pages 17 - 80*)

2.10 pm

Sarah McGill, Corporate Director

### 5 **Finance**

2.40 pm

#### 5.1 **Financial Update including Resilience Issues** (*Pages 81 - 90*)

### 6 **Internal Audit**

3.00 pm

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

- 6.1 Counter-Fraud and Corruption Strategy and Operational Policies - Update (*Pages 91 - 236*)
- 6.2 Audit and Investigation Team - Progress Update (*Pages 237 - 274*)
- 7 **Audit Wales** 3.25 pm
- 7.1 Cardiff Council - Detailed Audit Plan 2023 (*Pages 275 - 296*)
- 8 **Governance and Risk Management** 3.35 pm
- 8.1 Corporate Risk Management 2023/24 (Mid-Year) (*Pages 297 - 326*)
- 9 **Treasury Management** 3.50 pm
- 9.1 Half Year Report (*Pages 327 - 356*)
- 10 **Outstanding Actions** (*Pages 357 - 358*) 4.05 pm
- 11 **Correspondence** (*Pages 359 - 360*)
- 12 **Work Programme Update** (*Pages 361 - 362*)
- 13 **Urgent Items (if any)**
- 14 **Waste Management - Post Trial Update** (*Pages 363 - 370*) 4.10 pm
- 15 **Date of next meeting**

The next meeting is scheduled for 23 January 2024

**D Marles**

**Interim Monitoring Officer**

Date: Wednesday, 22 November 2023

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

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## GOVERNANCE AND AUDIT COMMITTEE

24 OCTOBER 2023

Present: Gavin McArthur (Chairperson)  
David Price, Chris Burns

Councillors Carr, Moultrie and Williams

## 24 : APOLOGIES FOR ABSENCE

Apologies were received from, Cllrs Ahmed, Goodway, Lewis, Palmer and Dr Janet Wademan

## 25 : DECLARATIONS OF INTEREST

None received.

## 26 : MINUTES

The minutes of the meeting held on 11 July 2022 were approved as a correct record and signed by the Chairperson.

## 27 : FINANCIAL UPDATE INCLUDING RESILIENCE ISSUES

The Corporate Director Resources and Section 151 Officer, Chris Lee, presented a financial update including resilience issues and the financial challenges facing the authority.

In terms of the revenue position for Month 4 Members were advised of the projected overspend of £6.5m and the main pressures being in Economic Development, Education and Lifelong Learning and Children's Services. It was highlighted that robust management of budgets in 2023/24 would be critical. It was noted that Month 4 did not reflect any impact of pay awards which were yet to be agreed for 2023/24 and a significant proportion of contingency budgets were already projected to be fully utilised. Members were also made aware that any unmanaged in-year issues would add to the already significant budget gap for 2024/25.

Members noted that the further position (Month 6) would be reported to Cabinet in November 2023. Members noted the £119m budget gap estimated over four years to 2027/28 with significant savings requirements approaching £100m.

Members received an update on the projected budget gap in 2024/25 which was projected to be £36.8m (£53.6m pressures less assumed funding increase of £16.8m based on an indicative allocation from WG will not be confirmed until 20 December 2023). The individual elements of the budget gap were summarised. There was a c.£8.5m additional risk around Teachers' Pensions; a savings requirement of c.£32m and the gap and the associated savings requirement would increase unless the in-year issues outlined to Members were effectively addressed.

The ongoing areas of risk that were currently under review and work undertaken on the budget strategy for 2024/25 were noted.

It was emphasised that the Council would have to work with significantly less resources in the future and Members noted the challenging position for the current and following financial years.

Members asked questions and sought clarification on the following:

- A Member enquired when the Teachers' pay outcomes were expected. It was noted that the pressures on the current year's budget had been identified which included an overspend on Education and Lifelong Learning and officers were asked whether that included school budgets. Officers responded that the Teachers' pay settlement was effective from start of next financial year and was currently being discussed through WLGA and other local authorities. The overspend did not include the delegated schools budget.
- In terms of the school position, a Member asked at what point they were provided with information on the school budget situation. Officers responded that this information could be supplied to the committee if helpful. The Council did report through School Budget Forum. It was also mentioned that a significant number of schools were in deficit working through recovery programmes with the local authority. In terms of individual school budgets, they were not included in those figures. Members agreed that this information would be useful.
- A Member expressed the opinion that a number of schools faced a deficit from which it was believed they were unable to recover, and, on that basis, it was of concern and felt it was important that information on caps was made available to schools at the earliest opportunity. If that information was conveyed late, it could be too late to implement redundancy measures. Officers responded that information on schools was very detailed and that school budget were under pressure and had received significant increases in recent years.
- A Member referred to page 17 of the report (pressures for this year) and asked if the position Cardiff found itself in was usual or unusual. Officers responded that the financial position in 2022/23 had been slightly worse. It was stressed that managers needed to mitigate the pressures identified and ultimately deliver a balanced budget. There was still confidence that this would be the case. Members noted that for a number of years the Authority had seen pressures in Children Services and particularly post COVID. Officers were working with services, and directors to ensure that month 6 showed a progression and following on from that a balanced budget was able to be delivered.
- A Member referred to the Month 6 position and asked if officers were already seeing progress or if the situation was worsening. Officers responded that the main concern was the outcome of the pay award because it had not yet been agreed and presented a significant risk. Officers were hopeful for a bottom line

progression. The position would be reported to Cabinet in November and an update provided to the Committee as part of the next meeting.

- A Member enquired how much (percentage and financial figure) the Council had budgeted for in terms of the Pay award. Officers responded 5% and an absolute amount of £1925 (mirroring last year's pay award). It was noted that anything over and above this would create a risk.
- A Member noted the overspends in Children Services took place year upon year and asked what was being done to address this overspend. Officers responded that the pressures related to the cost of placements and bespoke placements. Specific intervention boards had been established to address the issue. Attempts had been made to bolster the Council's fostering service with a range of interventions with the aim of bringing the figure down. It was emphasised to Members that it was not necessarily the number of children but the commissioning mix.
- A Member asked a question in relation to the Capital Programme in terms of the costs of servicing and if this had increased dramatically and was putting a pressure on delivery of front-line services. Officers were asked if the capital programme in its current form was affordable. Officers responded that the Capital Programme and affordability linked to other items on the agenda in terms of treasury management. The Authority has a series of prudential indicators and operates within those limits.
- A Member asked how far along Cardiff was as an Authority in putting together a plan to identify £32m of savings for the next financial year and £119m over the four years. It was appreciated that this could not be achieved easily and would require buy-in from Members and public consultation. Officers responded that the savings were taking priority and services were closely looking at it to see how it would be delivered. In terms of efficiencies Members were informed that the strategy was based around the level of income, fees and charges, opportunities with another element was based around service change or service cut requirements. It was recognised that it would require a significant amount of consultation and that a considerable amount of work was currently being undertaken.

RESOLVED – That the report be noted.

## 28 : COUNTER-FRAUD ANNUAL REPORT 2022/23

The Audit Manager, Chris Pyke, introduced the report. The Committee's Terms of Reference requires it to :

- Monitor the Counter-fraud strategy; actions and resources:
- Review the assessment of fraud risks and potential harm to the Council from fraud and corruption.

The report provided an overview of the counter-fraud activities and outcomes during 2022/23.

Appendix A set out the counter-fraud developments, campaigns, resources, work undertaken and collaborations that had taken place during the year. These activities were aligned with the Counter-Fraud and Corruption Strategy.

Members asked questions and sought clarification on the following:

- A Member asked for clarification on when the outcome of the council wide fraud assessment (referred to in the report) would be made available to the Committee. Officers responded that in previous years the Authority had taken part in the CIPFA fraud tracker which worked across local government in relation to information on fraud with data being collected across the UK. Further information in terms of concerns and areas of risk were collated and shared. Members were informed that as a senior management team each directorate would complete their own assessment and co-ordinate and present their own plan against the tracker and consider any actions going forwards. Unfortunately the exercise had not been run by CIPFA over the last couple of years so the Council has developed an in-house assessment of a similar nature using internal data. It was hoped that this could be used to report on the position at the end of the financial year.
- Members were re-assured that actions and mitigations had been put in place and asked if the Authority considered that there was an acceptable level of fraud cases in Cardiff. Officers responded that it was difficult to know what a good level of fraud cases was but it was something the Authority should be asking itself and reflecting on. Members were informed that the Council had produced a range of meaningful counter fraud articles; there was awareness raising amongst staff to ensure they were aware and alert, and encouraged to raise concerns where necessary. In terms of reporting fraud, Members were informed that reporting could be affected by a number of factors, including national fraud data releases and data matches. Members were advised that the Audit Manager considered that they were deploying their efforts and resources in the right ways.
- A Member enquired as to the incidents of employee fraud over the last 12 months and asked how many officers had been investigated for alleged corruption and fraudulent behaviour and how many proceeded to a disciplinary hearing resulting in a sanction that was imposed against the officers. The Audit Manager responded that paragraph 5.4 in the report referred to the Authority's concluded investigations in respect of its employees. It was noted that 21 employee investigations were concluded with 3 dismissals, 4 resignations, 3 final written warnings, 1 written warning and 1 case where management action resulted. There had been a number of cases where corrective action taken would be seen as appropriate means and in all cases consideration was given to the systems of internal control that were in place at the time.
- A Member enquired what the process was in relation to the cases of the three dismissals and which body made the decision, in the case of misconduct if a sanction was imposed, in relation to alleged criminality, whether to refer to the police or other external agencies. Officers responded that the Fraud Bribery and Corruption Policy set out the process for considering any cases where

there was financial impropriety and worked hand in hand with the Council's disciplinary policy. Members were advised that where a potential crime is identified a Police Referral Panel would be convened and the Panel would decide on any subsequent referrals.

RESOLVED – That the report be noted.

## 29 : CARDIFF AND VALE PENSION FUND - DETAILED AUDIT PLAN 2023

Julie Rees, Audit Wales, presented the Cardiff and Vale Pension Fund - Detailed Audit Plan 2023 to the Committee. Members were informed that the document had been prepared as part of work performed in accordance with statutory functions.

Members were reminded an outline Audit Plan had been presented at the Committee's July meeting and this report provided an update on plan progress.

Members were informed that the planning work on the Audit had been largely completed. Members noted that the Detailed Audit Plan:

- specified the statutory responsibilities of the external auditor.
- set out the work the team intended undertaking to address the audit risks identified and other key areas of focus during 2023.
- Set out the estimated audit fee which was £42k, for 2022/23 (part inflationary and partly for additional work carried out by Audit Wales and details of key changes were contained in Appendix 1).
- Contained details of the Audit team and key dates for delivering activities and planned outputs.

Members were directed to areas of significant financial risk statements which were contained on page 74 of the report. Members were informed that the risk of management override of controls was present in all entities. Due to the unpredictable way in which such override could occur it was viewed as a significant risk.

Members were advised of the other identified risks of material misstatement, which whilst not determined to be significant risks, were brought to the attention of the Committee.

Members were directed to page 77 of the Plan which detailed the key dates for delivery of planned outputs.

RESOLVED – That the Cardiff & Vale Glamorgan Pension Fund – Detailed Audit Plan 2023 be noted

## 30 : AUDIT WALES WORK PROGRAMME AND TIMETABLE UPDATE

Julie Rees presented Members with the Audit Wales Work Programme Quarterly Update – 30 September 2023.

Members were informed that the report summarised completed audit work since the last Annual Audit Summary issued in July 2023.

Members were provided with an update on Financial Audit Work, Performance Audit Work, Local Government national studies planned/in progress, Audit Wales national reports and other outputs published since September 2022.

Members asked questions and sought clarification on the following:

- A Member referred to page 13 (page 113 of the combined pack) of the work programme which referenced a national report on senior public service. Clarification was sought on what was meant by senior – officers to provide a response.
- A Member also sought clarification in relation to the term re-balancing care and support in the report – officers to provide a response.

RESOLVED: That the Audit Wales Work Programme and Timetable – Cardiff Council be noted.

### 31 : AUDITED STATEMENT OF ACCOUNTS - CARDIFF & VALE OF GLAMORGAN PENSION FUND

The OM Account Manager – Capital Service Accountancy, Anil Hirani, presented the report on the Audited Statement of Accounts – Cardiff & Vale of Glamorgan Pension Fund for Financial Year 2022/23.

Members were informed that the covering report highlighted the Council's responsibilities in relation to the accounts. It was noted that the officers who had prepared the accounts were unable to attend, but were thanked for their hard work and diligence in preparing the statement for the Committee.

Members noted that the Draft Audited Statement of Accounts Reports (ISA 260) for Cardiff and Vale of Glamorgan Pension Fund for Financial Years 2022/23 would be presented to full Council on Thursday 26 October 2023 for approval in line with governance arrangements. The Audit had substantially been completed and an ISA 260 attached to the report highlighting the Audit Wales Findings.

Julie Rees, Audit Wales then provided Members with an overview of the annex and appendices in the report. Members were reminded that before the accounts were approved there was a requirement by auditing standards to report certain matters to the Committee. Members noted that the status of the audit work was substantially complete it was just subject to final checks once the final accounts had been received and presented to Council followed by a final review.

It was drawn to the attention of Members that it was intended that it be recommended to the Auditor General to recommend an unqualified opinion and a letter of representation be requested from management and those charged with governance.

Members were informed that there were no uncorrected misstatements included in the accounts and no significant issues to report to the Committee as those charged with governance.

Members were directed to the Summary of corrective statements (Appendix 3) with all amendments relating to disclosure notes and no significant impacts.

Members commended the Audit Team and Finance Team for making such good progress with the final accounts.

Members asked questions and sought clarification on the following:

- A Member referred to page 121 – the average employers contribution being 19.2% and asked if Cardiff was in line with that percentage and if the rates varied across different local authorities. Officers responded that the rates varied according to the organisation with an actuarial review being undertaken for each local authority. A triannual evaluation was undertaken to determine the contribution rate over the next three years.
- A Member asked about management override and if there were any instances that were triggered by anything as a result of the accounts. Officers responded that management override was present in all entities as a risk for Audit Wales so it would always be a significant risk routinely. Nothing had triggered it based on this year's or the previous year's accounts. It was also clarified that there was nothing arising from the audit work that identified concerns regarding internal controls or the administration of the pension fund.

RESOLVED –That Governance and Audit Committee:

1. Notes the 2022/23 Draft Audited Statement of Accounts for Cardiff and Vale of Glamorgan Pension Fund;
2. Notes the 2022/23 Audit of Accounts Reports (ISA 260) for the Cardiff and Vale of Glamorgan Pension Fund.

## 32 : COUNCIL COMPLAINTS AND COMPLIMENTS - ARRANGEMENTS AND ANNUAL REPORT 2022/23

The Corporate Director Resources and Section 151 Officer, Chris Lee, presented a report on Council Complaints and Compliments – Arrangements and Annual Report 2022/23.

Members were informed that the report had been produced to enable the Committee to review and assess the authority's ability to handle complaints effectively and make any associated reports and recommendations.

Members were provided with a background on Halo (the single, corporately owned system for Complaints, Cabinet Member Enquiries & Member Enquiries). In terms of implementation and future work it was hoped to report to future committees on the full implementation of the Halo system.

The first two phases of the implementation of Halo were in relation to members enquiries and other opportunities. Members were advised that from January 2024 the system would go live with Phase 3 which would be based around the complaints and compliments element of the system.

The report notes an internal audit of the Council's Complaints and Compliments arrangements was completed in June 2023. The objectives of the audit mirrored the areas that the Committee requires assurance on and included: to review and assess

the authority's ability to oversee compliments and complaints effectively and efficiently, ensure policies and procedures were in place and accurate records were maintained and that the procedures were supported by guidance and training for all staff involved in the compliments and complaints process.

The audit's overall conclusion was the system was "Effective with opportunity for improvement", there were 5 recommendations, 4 relating to the Council's Corporate system and 1 for Education-Governor Services.

Members were asked to note, Appendix A - Annual Complaints and Compliments report – presented to Cabinet which reported that just over 3,000 complaints were recorded in 22/23 which was a 15.5% decrease compared to the previous year.

Members asked questions and sought clarification on the following:

- A Member queried a comment on page 204 of the report in relation of an increase in complaints in Housing and Community Services as it was felt that this should be analysed and acted on by the Authority. Officers responded that this would be fed back to the relevant officer.
- A Member recalled that at a previous meeting a question had been asked in relation to what action the Authority was taking encourage an alignment of the authority's and Ombudsman's categories.
- A Member asked what value was obtained from the data provided by the Ombudsman and it was suggested that some analysis or insight to assist the Authority on understanding what it was doing would have been more helpful.
- A Member also raised an issue with the Fact Sheet in Appendix A which contained information provided for the most recent year only. Members felt it would be helpful to be provided with this information longitudinally.
- A Member noted that the Annual report had been considered by PRAP Scrutiny Committee in the previous week. It was suggested that some of the assurances being sought should include identifying the processes in place for guiding the Authority to respond to the complaints – how to ensure the relevant department was aware of the complaints and what actions were being taken to mitigate those complaints going forwards. Officers responded that the HALO system would allow the Authority to put these measures in place. It was noted that some of the Ombudsman's reports had resulted in changes in the system. Members' comments would be taken on board and a written response provided if necessary and specific officer's attendance at future meetings if required.
- A Member asked what could be learnt from the complaints to identify the root causes where there were thematic issues. It was recognised that officers were working hard in difficult circumstances. The question was asked whether the right processes were in place. In terms of the Committee's role, Members were advised that assurance could be taken from the Internal Audit earlier in the year which covered the systems and arrangements in place for complaints handling. Members also took comfort from the Ombudsman compliance reported and thorough the annual report details. Officers had highlighted an



area that may be enhanced in the future. Members were satisfied with the corporate framework that handled complaints, and the forthcoming implementation of a new corporate system for complaints handling was commended. The Committee will look forward to further updates on progress.

RESOLVED: That the report be noted.

### 33 : RECOMMENDATION TRACKER - REPORTS OF EXTERNAL REVIEW BODIES

The Head of Performance and Partnerships, Gareth Newell, presented the report on the Recommendation Tracker – Reports of External Review Bodies.

The report provided an overview of the management and delivery of recommendations received from Audit Wales, Estyn, Care Inspectorate Wales and Her Majesty's Inspectorate for Prisons.

The report was received by the Committee twice a year. Since the introduction of the tracker there had previously been 75% open cases and 25% closed. The position now was that there were 25% open and 75% closed with all actions prior to 2020 closed. A small number of actions were open from 2021.

Members were informed that the covering report contained the RAG status. Of 19 recommendations no RAGS had been assigned. This had since been rectified. The External Tracker position was more up to date.

Report would ordinarily be presented to committee in September so the position was at Quarter 1. Members noted that where there were gaps in October 2023 information which would soon be updated.

RESOLVED: That the report be noted.

### 34 : TREASURY MANAGEMENT ANNUAL REPORT

The OM Account Manager – Capital Service Accountancy, Anil Hirani, presented the report on the Treasury Management Annual Report 2022/23.

The report noted Governance and Audit Committee's Terms of Reference sets out their responsibility in relation to the Council's Treasury Management Strategy and practices. The report had been prepared to provide Members with the Draft Treasury Management Annual Report along with submission to Council in accordance with the Council's Treasury Management Policy; scheduled for 26 October 2023.

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 Committee was updated with the main highlights of the Annual Report for 2022/23 which was a backward looking summary of Treasury Management activities during that period.

The report included a summary of the economic background, investments and outturn, borrowing and outturn debt rescheduling, compliance with treasury limits and

prudential indicators, resilience of the treasury management function and treasury management issues for 2023/24 and future years.

Members were informed that the Council remained within all its limits previous treasury management strategy and internal borrowing rather than using external investments.

Members asked questions and sought clarification on the following:

- The report contained a note of the potential need for external assistance/services where appropriate – A Member asked if everything was on track to be delivered where needed. Officers responded that the Authority did supplement with external support (Treasury Advisors) and was mindful of the need to consider external resources.
- A Member asked what assurances were taken by the Council regarding borrowing or capital projects in terms of the useful life of assets and the repayment term of the borrowing. Members were advised that the Authority took a prudent view and followed of Welsh Government guidance. A briefing would be provided to the Committee in respect of borrowing and associated accounting principles, to include the Minimum Revenue Provision.

RESOLVED

1. That the report be noted.
2. A briefing would be provided to the Committee in respect of borrowing and associated accounting principles, to include the Minimum Revenue Provision.

35 : OUTSTANDING ACTIONS

RESOLVED: That the report be noted.

36 : CORRESPONDENCE

RESOLVED: That the report be noted.

37 : WORK PROGRAMME UPDATE

Members discussed the work programme.

In relation to the ISA 260 Audited Statement of Accounts. Officers advised the earliest potential date for Committee was January 2024.

Members noted that when the Committee last met the RACC concrete issue. It was felt the Committee should seek assurance that RAAC issues were identified, evaluated and action plans were in place.

It was agreed that the next Risk Management Report item would provide details on the Council's assessment and mitigation of RAAC risks.

RESOLVED:

1. That the report be noted.

2 The next risk management item would provide details on the Council's assessment and mitigation of RAAC risks.

38 : URGENT ITEMS (IF ANY)

There were no urgent items.

39 : DATE OF NEXT MEETING

28 November 2023 at 2.00 pm in Committee Room 4.

The meeting terminated at 3.46 pm

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## **GOVERNANCE & AUDIT COMMITTEE: 28 NOVEMBER 2023**

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### **PEOPLE AND COMMUNITIES CONTROL ENVIRONMENT UPDATE**

**AGENDA ITEM: 4**

### **REPORT OF THE CORPORATE DIRECTOR OF PEOPLE & COMMUNITIES**

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#### **Reason for this Report**

1. This report has been produced in response to the Governance and Audit Committee's request for an update on the People and Communities control environment.
2. The Governance and Audit Committee has requested this update in respect of its role to:
  - Monitor progress in addressing risk-related issues reported to the committee.
  - Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
  - Consider the Council's framework of assurance and ensure that it adequately addresses the risk and priorities of the Council.
  - Consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
  - Review the assessment of fraud risks and potential harm to the council from fraud and corruption.
  - Review the governance and assurance arrangements for significant partnerships or Collaborations.
  - Review and assess the authority's ability to handle complaints effectively, and make any associated reports and recommendations.
  - Review and assess the authority's ability to handle complaints effectively, and make any associated reports and recommendations.

#### **Background**

3. The People & Communities Directorate covers an extensive range of functions but in headline terms delivers Adults and Children's social services, Housing and Communities services, Development and Regeneration and Corporate Performance and Partnerships activity. The structure of the Directorate is set out in the attached chart at appendix 1a.
4. The Directorate consists of 2926.62 FTE posts broken down as follows:
  - 2167.65 in Adults, Housing & Communities
  - 600.37 in Children's Services
  - 48.93 in Development & Regeneration
  - 109.67 in Performance & Partnerships

The Directorate has an overall annual budget of c. £396 million (revenue) and £132m (capital).

## **Service Demands**

5. The recent Annual Wellbeing report presented to Council in October identified that services across the People and Communities directorate are managing a sustained increase in the complexity and scale of demand which looks likely to be long lasting. The increase can be attributed to the lasting impacts of the pandemic, as well as the cost-of-living crisis, which has placed pressure on households across the city – particularly vulnerable individuals and families – with increasing numbers of individuals relying on council services.

Demand challenges are particularly evident in services for children and young people, with children's services facing a significant rise in both the number and complexity of cases. In addition to this, acute workforce supply challenges and a shortage of accommodation places have resulted in serious service and budgetary pressures.

Similarly, the adult social care sector continues to face ongoing pressures through rising demand and increasingly complex service requirements. Though the supply of care in Cardiff has improved significantly, unlike in many other local authority areas, the fragility of the care market remains a concern due to an ongoing shortage of care workers.

The number of people who are becoming homeless and the demand for emergency and temporary accommodation has increased substantially, with high waiting lists across all homeless gateways. The need to rapidly extend access to housing, through building and securing additional affordable housing, represents a key corporate priority.

## **Scope of report**

6. The Director of Adults, Housing & Communities and the Director of Children's Services report to the Corporate Director of People & Communities.

The Director of Adults, Housing & Communities attended the Governance & Audit Committee in March 2023 and the Director of Children's Services attended in November 2022 to provide assurance on their areas of responsibility.

This report will therefore focus on the areas not overseen by those Directors and will focus on the areas of Performance & Partnerships and Development & Regeneration.

## **Governance & Oversight**

7. The lead Directors and Assistant Directors in the People and Communities Directorate are all members of the Council's Senior Management Team (SMT) and as such, currently have the opportunity to meet weekly to discuss a range of corporate performance and policy matters.

In addition, a People and Communities SMT is held fortnightly for more specific directorate matters and there is a meeting for each direct report with the Corporate Director fortnightly as a minimum. Appendix 1b gives a short summary of the current boards and meetings established to ensure effective governance across a range of service, partnership and wider development matters.

## Performance & Partnerships - Overview

8. Performance and Partnerships sits within the People and Communities Directorate. The Directorate is responsible for a wide range of significant corporate functions, serving the whole Council and its partners. The Directorate is made up of the teams outlined below:

- **Policy and Improvement:** The service brings together the Corporate Policy, Partnerships, Corporate Performance, Research and Insight Teams. It supports the translation of political priorities into organisational objectives, monitors the progress of these objectives with focus on increasing outputs, improving efficiency and effective delivery. The service also includes the Cabinet Office, which Supports the Office of the Leader and the Cabinet- the main decision-making body of the Council.
- **Communications, Media & Design:** News about the Council's initiatives and services reaches the public in a wide variety of ways. The Communications Team play a key part in making sure correct, up to date and relevant Council information is made available to the people of Cardiff and to council staff. This is done using a range of communication channels to make information accessible and interesting to different audiences.
- **Bilingual Cardiff:** 'Bilingual Cardiff' plays a lead role in developing a truly bilingual Cardiff where citizens and staff of Cardiff Council can access services and support in either language equally through improved partnership work. The Bilingual Cardiff Team assist the Council in complying with its statutory duty to provide services in both Welsh and English and includes a comprehensive translation service.
- **Community Safety and Cohesion:** The Community Safety Team provide expertise in the development, implementation and monitoring of initiatives to help keep people safe in the city. The overarching aim of the Team is to develop communities where people benefit from social equality and opportunity and are not overshadowed by crime or the fear of crime and putting in place robust arrangement for contextual and corporate safeguarding issues. The Team works across the Council and with partners to ensure that the Council delivers inclusive services, which meet the needs of the City's diverse communities, including supporting refugees and asylum seekers.
- **Strategic Safeguarding:** The Strategic Safeguarding team facilitates cross-department and city collaboration to deliver on the Council's strategic and contextual safeguarding priorities. This includes: supporting the Regional Safeguarding Board and the delivery of the RSB Annual Plan 23-24; delivering the Safeguarding Adolescents from Exploitation (SAFE) approach to respond to contextual safeguarding and extra-familial harm, working with local communities, practitioners and partners to consider and respond to the risks and vulnerabilities outside the family home; and supporting the council's Corporate Safeguarding Board and delivery of the Corporate Safeguarding priorities across all Council service areas.
- **Prevent:** Section 26 of the Counter-Terrorism and Security Act 2015 places a statutory duty on local authorities to have due regard when carrying out their day-to-day functions by placing an appropriate amount of weight on the need to prevent people from becoming terrorists or supporting terrorism. Cardiff is Home Office priority area and as such receives funding from the Home Office to implement Prevent locally. This funds a small prevent team who work across the local authority and partners organisations to ensure that Prevent is embedded into the wider work of community safety and safeguarding.

## Development & Regeneration - Overview

9. Development and Regeneration is a rapidly growing area of Council activity. The service is led by an Assistant Director who reports directly to the Corporate Director for People and Communities.

The directorate has four service teams:

**Development** - delivers a wide range of major development projects across the city including Cardiff Living – our first partnership programme with Wates Residential delivering 1,600 units across the city over 26 sites ; the Additional Housing Build Programme – 24 sites delivering around 600 units via more traditional tendering routes, Channel View Regeneration Scheme – a large scale regeneration programme to replace approximately 180 units with 350 new homes in Grangetown , Partnering 2 – currently out to tender via competitive dialogue for 16 sites in Cardiff delivering 1,600 homes with an additional 8 sites in the Vale of Glamorgan and Direct Market Purchase Strategy which has delivered 285 homes to date since 2018.

**Enabling** - This service is responsible for keeping the housing needs assessment accurate for planning and investment purposes including informing the LDP for affordable housing requirements, managing the low cost home ownership scheme and negotiating section 106 new build requirements. The team manage the houses into homes loan scheme and implement the Welsh Government private sector developers loan scheme. The team manages the Cardiff Social Housing Grant programme worth approximately £36 million per annum.

**Regeneration** – responsible for local regeneration and investment schemes including local shopping centres , specialist housing schemes, partnership projects including integrated community hubs , community infrastructure , neighbourhood improvement schemes , alley gating and RPB capital programme management. The team secure additional grant funding from a range of sources to contribute to the delivery programme. In total over £121m of grant has been secured over the past 5 years.

**Business Support Team** – Providing support across all team functions including management of complaints, financial monitoring, business planning, performance management and communications strategy.

## Performance & Partnerships - Governance

10. The Head of Performance and Partnerships has strategic oversight of the service supported by a strong tier of operational managers who oversee the delivery of the services and manage both performance and risk on a day-to-day basis.

## Development & Regeneration - Governance

11. The Assistant Director for Development and Regeneration has strategic oversight of the service supported by a strong tier of Operational Managers. The Assistant Director meets with all operational managers regularly on a one to one basis and meets all direct reports as a group once a month. The entire service meets twice a year for service planning and performance review. Any issues are escalated by the Assistant Director to the Corporate Director for People and Communities through a programme of fortnightly 1-2-1 meetings or via the appropriate corporate reporting mechanism to SMT.



## Performance & Partnerships - Planning & Performance Management

12. The Performance and Partnerships Directorate Delivery Plan sets out the service in more detail, and contains the following information:

- Corporate Plan commitments
- Directorate Risks
- Internal and external audit, scrutiny recommendations and management response
- Workforce planning and development actions
- Management response to recommendations relating to Corporate Safeguarding, Equalities and Welsh Language
- Information Governance

Progress against the Performance and Partnership Delivery Plan is monitored at quarterly Performance and Partnership Management Assurance meetings. Any issues are escalated by the Head of Performance and Partnerships to the Corporate Director for People and Communities through a programme of fortnightly 1-2-1 meetings or via the appropriate corporate reporting mechanism to SMT.

Thematic audit reviews were planned across all directorates in respect of Performance Management. This report is in respect of the Performance Management Arrangements in People and Communities. This audit reviewed Performance and Partnerships and Development and Regeneration.

The objectives of the audit were to provide assurance that:

- There are robust performance management arrangements and systems at the Directorate level;
- Directorate performance management arrangements are effectively applied at all stages of planning, monitoring, review, and reporting;
- There are effective Directorate oversight, escalation, and improvement arrangements in place

The audit provided an overall assurance rating of **effective**, with no recommendations for improvement relating to Performance and Partnerships. In relation to the Performance and Partnerships DDP the report made the following observations:

*‘A review of the Performance and Partnerships DDP showed that all relevant actions and KPIs had been incorporated into the DDP. It also demonstrated how they were delivering and contributing to other legislative requirements, Council strategies and partnerships, for example, Social Services and Wellbeing (Wales) Act, Corporate Safeguarding, Welsh Language Standards and the Bi-lingual Strategy and the Local Wellbeing Plan through the Community Safety Partnership. Additional service specific KPIs had also been included for Prevent and Communications.’*

*‘A comparison of the Performance and Partnerships risk register to the DDP showed that risks had been recorded that related to DDP steps and KPIs which enabled the delivery to be supported and monitored robustly through both performance and risk management processes, for example, Welsh Language Standards, non-compliance with Prevent Duty, Safeguarding and Race Equality Task Force.’*

## Development & Regeneration – Planning & Performance Management

13. The Development and Regeneration team plan shows the key team actions that flow from the Corporate plan objectives and provides a framework for monitoring progress against those commitments.

The HRA Business Plan contains the key risk matrix for the overall sustainability of the HRA and the sensitivity analysis for the assumptions within the HRA Business plan based on the best information available at the time. The HRA Business Plan for 2023-24 can be found [here](#).

The key risks to delivery and the maintenance of the significant housing development and regeneration investment strategy is managed through the Housing Development and Capital Finance Advisory Board (see ToR & Risk Matrix attached at appendices 2d and 2e).

### Issues

#### (a) Risk Management

##### Performance & Partnerships - Risk Management

14. The Performance and Partnerships Risks are reviewed on a quarterly basis at the Management Assurance meeting (see above) with any mitigating actions identified and any enhanced directorate risks recommended for escalation to SMT.

The following risks on the Corporate Risk Register are owned by Performance and Partnerships:

- j) **Performance Management:** The risk that the Council's Performance Management arrangements do not provide timely performance information to allow the Council's political and managerial leadership to effectively deliver corporate priorities, statutory services, or performance improvement.*

The Council has responded effectively to the requirements of the Local Government & Election (Wales) Act 2021, with a new performance framework now well embedded at both a corporate and directorate-level, with oversight at Cabinet, SMT, Scrutiny, and Governance and Audit Committee. The performance framework enables the Council to review performance and identify areas of challenge and where change and improvement may be required. The Council's Annual Wellbeing Report, which acts as its self-assessment of performance, as required under Act, takes a holistic view of the Council's performance drawing on a wide range of performance information and indicators. The Council also produces a short, more concise report, the Mid-Year Assessment, following Quarter 2, and uploads performance updates into the Corporate Plan Dashboard every quarter. This dashboard is accessible online by all Council staff and elected members and displays the latest position on the steps and KPIs from the Corporate Plan, including narrative updates, targets, and RAG ratings.

Directorate performance arrangements follow a similar process, which each directorate completing their Directorate Delivery Plan annually, in line with the updated Corporate Plan. Directorate steps and KPIs are reviewed quarterly by directorate management teams. All Directorate Delivery Plans include a series of corporate indicators and actions which includes workforce planning, race equality, corporate safeguarding, Welsh language, information governance, and citizen insights. Directorate Delivery Plans are also used to

track actions associated with directorate risks, along with any Internal or External Audit or Scrutiny recommendations.

Audit Wales completed an assessment of the Council's process for setting Wellbeing Objectives in the development of the Corporate Plan in June 2023. The audit contained no recommendations and found that *"The Council has used the sustainable development principle to drive the setting of its well-being objectives including good use of data and a strong collaborative approach"*. In review of performance management arrangements, the audit concluded that *"the Council has robust arrangements for monitoring its Corporate Plan and well-being objectives throughout the year"*. This report was shared with Governance and Audit Committee for consideration in the summer of 2023 in advance of a briefing convened by the Committee on the Council Planning and Performance Framework.

An internal audit was also completed on the Council's performance management arrangements in Quarter 1 2022/23. The audit found overall assurance ratings to be effective across the board, with a small number of recommendations put forward, all of which have been accepted and management responses provided.

- ii) ***Safeguarding: Systemic failure in the effectiveness of the Council's safeguarding arrangements together with other statutory safeguarding partners.***

This risk is shared with Children's Services and Adults Services. Performance and Partnerships lead on:

- Delivering effective regional governance arrangements through the Regional Safeguarding Board: Work has been underway over the past 12 months to review and strengthen governance arrangements and performance management. As a result the RSB have agreed new streamlined and strengthened governance arrangements and a, more focussed Annual Plan and a new performance framework. A RSB Risk register has also been established which allows for increased partnership oversight of the safeguarding risks across the region.
- Delivering effective corporate safeguarding arrangements through the Council's Corporate Safeguarding Board: The Corporate Safeguarding Board published [The Corporate Safeguarding Policy for 2022-2025](#) which sets out how Cardiff Council will meet its statutory duties towards the safeguarding of children and adults at risk of harm. The team have facilitated a cross council programme of Safeguarding Self-Assessment and supported the implementation and monitoring of actions into directorate delivery plans.

A large area of development focused on improving the mandatory training offer and roll out, particularly with staff who do not have PC access. A training framework has been developed which outlines alternative training methods, including a paper-based version that was successfully piloted with the cleaning operative team in the first instance. Seeing overall training compliance rise from 64% to 89% in 12 months. Other successes have also included the development and implementation of a corporate safeguarding communications plan, strengthened safeguarding assurances within our commissioned and procured services and increased support and guidance for the Designated Safeguarding Persons (DSPs) across the authority.

An Audit Wales review of Corporate Safeguarding Arrangements in 2019 made 8 recommendations for improvement which have all been responded to by the Council. Internal audit considered the Council's Corporate Safeguarding

arrangements in 2023, making 4 recommendations for improvement, each of which has been responded to be the Council. Progress against recommendations from Audit Wales and internal audit are considered by Corporate Safeguarding Board as a standing agenda item.

- Delivering effective contextual safeguarding arrangements through the development of the SAFE partnership: A Safeguarding Adolescents from Exploitation (SAFE) framework has been developed and implemented, which includes bringing together a wide range of partners to review and respond to the needs, gaps, themes and trends in order to keep children safe from exploitation in Cardiff.

15. Performance and Partnerships maintains its directorate-level risks on a directorate risk register which is reviewed on a quarterly basis. The following directorate level risks have currently been escalated to SMT for consideration:

- i) **Refugees and Asylum Seekers:** In June 2023, the UK Government announced a streamlined asylum process to address the significant backlog of asylum decisions and reduce the numbers of asylum applicants in contingency and dispersed accommodation. In essence, the streamlined process applies to households from countries who are more likely to receive a positive asylum decision - these countries being Afghanistan, Eritrea, Libya, Syria, and Yemen.

When a person receives a positive decision, they are given 28 days to leave the accommodation that is provided by Clearsprings Ready Homes. At that point, any household that has received leave to remain in the UK can seek assistance from the Local Authority under homelessness legislation. The homelessness application will be processed in the normal manner with those with leave to remain having the same rights to emergency and settled accommodation as any other household.

This has already put significant additional pressure on homelessness services and could lead to a rise in rough sleeping in the city as limited accommodation options remain to deal with the further decisions that the Home Office are due to make in Q3 2023/24. In response to the risk the service is working in close partnership with Housing and Communities Directorate to put in place additional advice and support in the context of the response to wider housing and homelessness pressures.

- ii) **Delivery of the Ely and Caerau Community Plan:** In May 2023, riot police attended the scene of disorder in the district of Ely in Cardiff. The disorder unfolded following a fatal collision in the area, in which two local teenage boys, Harvey Evans and Kyrees Sullivan, tragically died. Following these deeply distressing events for the local community, Action for Caerau and Ely (ACE) – a local organisation with a long record of supporting communities in Ely & Caerau – are leading a community conversation between residents and public services in the city to inform the development of a Community Plan.

The Community Plan will be an action plan consisting of short-, medium- and longer-term actions, some of which will be delivered in-year with the agreement and support of the community, to demonstrate public services' intention and commitment to delivery. Other actions will be longer term commitments, with delivery spanning several months or years. In delivering their community engagement, ACE have worked closely with all local organisations through a local steering group and engaged widely with residents of all ages and backgrounds.

This approach ensures that the community plan is deeply rooted in the needs and aspirations of the people of Caerau and Ely. In parallel to the development of the Community Plan the Cardiff Public Services Board has established a cross-public service working group which will work with the community on key themes over the course of 2023/24 and help develop deliverable proposals. It is anticipated that the Community Plan will be approved and considered by the Cardiff Public Services Board in spring 2024.

### Development & Regeneration – Risk Management

16. The key risks for Development and Regeneration are included in the Housing and Communities Directorate risk register. The risks held by this service are:

17	<p><b>Failure to deliver new build projects –</b></p> <p>Delays with planning approvals.</p> <p>Design and specification changes affecting tendered rates.</p> <p>Market conditions affecting costs and sale values.</p> <p>Market conditions resulting in lack of interest in sale properties.</p> <p>Current market conditions resulting in difficult tendering process to appoint contractors to build out projects and delays in concluding tender processes.</p> <p>Risk of insolvency of appointed contractors due to difficult</p>	<p>Increased project costs due to increase in material prices and sub-contracting costs.</p> <p>Delays in handing properties over, impact on the waiting list.</p> <p>Lack of interest in market sale homes.</p> <p>Delays in delivering new homes.</p> <p>Increase in build costs.</p> <p>Delays in tendering.</p> <p>Delays in delivering new homes.</p> <p>Additional costs associated with retendering.</p>	<p><b>Medium – Red / Amber</b></p> <p><b>(A3)</b></p>	<p>Ensure detailed consultation takes place with Planners.</p> <p>Ensure we fully understand cost implications of any proposed design changes prior to agreement.</p> <p>Revise viability assumptions based on updated costs &amp; sales values.</p> <p>Ensure updated site investigation reports are obtained.</p> <p>Review market conditions before work starts on site.</p> <p>Ensure Build contracts mitigate risk associated with cost increases.</p> <p>Use of established frameworks.</p> <p>Development</p>	<p><b>Medium – Red / Amber</b></p> <p><b>(B3)</b></p>	<p>Management of planning &amp; design process.</p> <p>Viability report at each site draw-down.</p> <p>All site investigation reports commissioned.</p> <p>Update valuation advice on market conditions.</p> <p>Updated JCT clauses to be implemented to deal with inflation and cost increases.</p> <p>Develop collaboration process with CCR partners.</p> <p>Ensure project team is established to implement 2nd partnership.</p> <p>Continue strategic partnership with Welsh Government.</p>	<p><b>Medium-Amber / Green</b></p> <p><b>(D3)</b></p>	<p>Ongoing</p>	<p>Dave Jaques</p>
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	market conditions.			of strategic partnerships.  Collaboration with CCR partners & Welsh Government.  Implement a second housing partnership.					
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<b>18</b>	<b>Failure to deliver new affordable housing across the city –</b>  Staffing resources  Land availability  Capital funding & grants  Market conditions & uncertainty around Brexit  Material price increases & inflation  Lack of developer/contractor appetite	Site viabilities affecting % of affordable housing agreed through s.106.  Reduction of WG social housing grant.  Viability reports showing lower % affordable housing being offered.  Notice from WG regarding grant levels.  Lack of schemes being proposed.  Market conditions affecting programmes.	<b>Medium – Red / Amber (B3)</b>	Robustly interrogate viability reports.  Monitor WG funding, ensure the correct resources are in place to manage the process.  Regular meetings with developers over AH principles & Phasing 4.  Enable the Local Authority to purchase s106 properties in case RSL's are unable to deliver these.	<b>Medium – Red / Amber (B3)</b>	Quarterly meetings with RSLs.  Monitoring & reporting of SHG programme and AH completions.  Regular meetings with & improved partnership working with WG.  Regular meetings with Developers regarding Strategic Sites.  Internal working group set up with Strategic Planning to review LDP sites & what is being delivered.	<b>Medium – Amber / Green (C3)</b>	Ongoing	Dave Jaques
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<b>19</b>	<b>Failure to deliver 1,000 new council homes by December 2023 &amp; 4,000 in the longer term:</b>  Delivering 1,000 new council homes over 5 years & 2,000 in the longer term:	Increased spend due to Covid related delays or other delays such as planning and market conditions.  Delays in delivering new homes & associated impact on the	<b>High – Red (A1)</b>	Identify additional resources required & advertise posts.  Work with Strategic Estates to develop land protocol & appropriate suitable	<b>Medium – Red / Amber (A4)</b>	Continually review team resources & implement restructure.  Seek out package deals & identify opportunities to work in partnership with RSL's.  Regularly review the development	<b>Medium – Amber / Green (B4)</b>	Q2 2023/24	Dave Jaques
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<p>- staffing resources</p> <p>- land availability</p> <p>- capital funding &amp; grants</p> <p>- market conditions &amp; uncertainty around Brexit</p>	<p>waiting list.</p> <p>Increase in build costs and inability to meet new build targets.</p>		<p>development sites.</p> <p>Build in sufficient funding within the 30 year Business Plan to deliver pipeline of development.</p> <p>Identify opportunities with RSL partners and with developers (package Deals).</p> <p>Work with internal departments such as Planning &amp; Drainage and forward plan the workflow to mitigate delays as much as possible.</p> <p>Put in place a second housing partnership.</p>		<p>programme and continue to meet with Planning &amp; Drainage.</p> <p>Continue to investigate best practice associated with LA led partnership models.</p>			
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17. Risks identified in the HRA business plan which would impact on the ability to meet current new build and regeneration targets are:

1. Restricted rent uplift in future years due to changes in the rent policy beyond 2024/5 or to levels of CPI
2. Cost inflation above rent uplifts
3. A reduction in the WG Major Repairs allowance

**(b) Internal Audit Engagement and Response**

Internal Audit Engagement - Performance & Partnerships

18. All internal audit recommendations are included in the Performance & Partnerships Directorate Delivery Plan and as noted in section 5, all internal audit recommendations are reviewed each quarter in management assurance meetings. The Head of Performance and Partnerships also meets with the Council’s Audit Manager and lead audit officer for Audit Relationship Management Meetings each quarter. Performance and Partnerships currently

have no open actions from internal audit reports and the last 5 internal audits have been rated as either effective or effective with an opportunity for improvement.

**Internal Audit Engagement - Development & Regeneration**

19. All internal audit recommendations are included in the Development and Regeneration team’s sharepoint site for ease of access and all internal audit recommendations are reviewed each quarter in management assurance meetings. The Corporate Director meets with the allocated Audit Manager for Audit Relationship Management Meetings each quarter. Development and Regeneration currently have no open actions from internal audit reports.

**Internal Audit Assurance**

Audit	Report Status	Assurance Rating	Outstanding Actions	Completed Actions	Total Actions	Implementation Status
2023/24 (to date)						
Performance Management - People and Communities	Draft	Effective				Draft Stage (1 recommendation for consideration)
2022/23						
Disposal of Land and Buildings - Housing Services	Final	Effective with opportunity for improvement	0	3	3	Audit Closed
Directorate Recovery Planning	Final		0	3	3	Audit Closed
Safeguarding 2021-2022	Final		0	4	4	Audit Closed
2021/22						
Bilingual Cardiff 2021-2	Final	Effective with opportunity for improvement	0	6	6	Audit Closed
Corporate Performance Management	Final		0	3	3	Audit Closed
Older – Longstanding Open Recommendations						
None						

**(c) The Wider Control Environment**

**Senior Management Assurance Statements**

20. Senior Management Assurance Statements are reviewed on a 6 monthly basis and reported to the Council’s Senior Management Team.

The latest review for Performance and Partnerships and Development and Regeneration shows good assurance levels were demonstrated with a rating of strong or embedded for the majority of the domains considered.

In terms of the 9 key categories/types of assurance the position is as follows:

1. Risk - Embedded
2. Partnership Working - Embedded
3. Engaging Equalities - Strong application
4. Compliance - Strong / Mixed application
5. Project Initiation - Mixed application
6. Budget - Strong application
7. Planning & Performance - Strong application



- 8. Control - Embedded
- 9 .Counter-Fraud - Embedded

External Assurance - Performance & Partnerships

21. Senior Management Team and the Governance and Audit Committee receive bi-annual 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. The most recent report to the committee (October 2023) outlined the progress made in delivering agreed recommendations. As noted earlier, all external audit recommendations relating to Performance & Partnerships are reviewed each quarter in management assurance meetings.

The table below outlines the details of external inspections that have taken place in 2022/23:

External Audit/ Inspection Area	Provider	Report Date	Rating/ Opinion	Number of Actions	Completed Actions	Management Comments
Well-being Objective Setting	Audit Wales	May 2023	The Council has used the sustainable development principle to drive the setting of its Well-being Objectives including good use of data and a strong collaborative approach	0	0	N/A

The table below details any forthcoming external assurance/regulatory/inspection reports:

External Audit / Inspection Area	Provider	Scope	Audit Date	Status
Use of performance information – with a focus on service user feedback and outcomes	Audit Wales	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	February – September 2023	Fieldwork complete, reporting being drafted
Local Project – Equalities Impact Assessments	Audit Wales	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 – August 2023	Clearance
Assurance and risk assessment	Audit Wales	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

22. The Head of Performance and Partnerships meets with Audit Wales on a quarterly basis to discuss the Audit Wales work programme across the Council. This includes co-ordinating the annual risk and assurance work undertaken by Audit Wales which is presented at a meeting between the Council SMT and Audit Wales, the Care Inspectorate for Wales and Estyn each January.
23. In 2021 an 'audit recommendation tracker' was introduced to ensure that the Council's senior management team had oversight of management action in response to recommendations made by external regulators. This is reported to Governance and Audit Committee on a 6 monthly basis.

### External Assurance - Development & Regeneration

#### HRA Business Plan

24. All Local Authorities in Wales have the responsibility to plan for the housing needs of their population in their role as a Strategic Housing Authority. However only 11 of the 22 authorities in Wales have retained their council housing stock and consequently play a role in the direct delivery of affordable, good quality homes as a social housing landlord.
25. The 11 stock retaining authorities in Wales are required to present an "acceptable" Housing Revenue Account (HRA) Business Plan (including a 30 year financial model) to the Welsh Government each year in order that the Welsh Government can assess the progress of local authorities towards meeting and/or maintaining the Welsh Housing Quality Standard (WHQS) in order to be eligible for the Major Repairs Allowance (MRA) Grant.
26. The HRA Business Plan aims to:
- Set out Cardiff's purpose and vision as a social housing landlord
  - Set out its objectives and standards for the service
  - Plan how the service aims to achieve the objectives and standards set out (the strategies)
  - Plan resource and financial requirements
  - Provide a framework for monitoring and evaluating the progress of the housing 'business'
  - Communicate Cardiff's plans to its tenants, members, the Welsh Government, other key stakeholders, partners and the wider community.
  - Identify the estimated stock and management needs over a 30 year period, against forecast resources to demonstrate that the Housing Revenue Account remains viable over that period.
  - Detail our development programme, which will deliver in excess of 4,000 new homes over the next 10 years.

27. The Business Plan ensures:

- Efficient use of housing assets
- Increased transparency of the HRA
- Precise planning of the Council's housing management strategy

## Reporting to Welsh Government

28. The Development programme is reported annually to Welsh Government. This includes site details, numbers of new homes to be built and the average costs of each scheme. Should Welsh Government Social Housing Grant be awarded to a project, a full technical review is undertaken by Welsh Government. All new build housing schemes must comply with the Welsh Government Development Quality Requirements along with full compliance with Building regulations.

## Performance of the development programme

29. The council's House building programme is seen to be innovative and well performing. Over a short period of time, it has grown to be the largest council-led house building programme in Wales and one of the largest in the UK. The programme has been recognised with numerous awards including:

- Constructing Excellence Wales Integration & Collaboration award winners 2019
- What House Gold Award winner for Best Starter Home Scheme 2019
- RICS Social Impact award winners 2020
- RESI award for Best Climate Crisis Initiative (Residential) 2022
- Constructing Excellence Wales award for Best Modular Project 2022
- Constructing Excellence Wales award winner for Client of the year 2023
- UK Housing Design Award winners 2023
- EG city of the year award winners 2023

30. Over the past 12 months, the only external regulator report received relating to Performance and Partnerships was the 'Well-being Objective Setting Examination' report from Audit Wales. The aim of this examination was to:

- Explain how the Council applied the sustainable development principle throughout in the process of setting its well-being objectives;
- Provide assurance on the extent that the Council applied the sustainable development principle when setting its well-being objectives; and
- Identify opportunities for the Council to further embed the sustainable development principle when setting well-being objectives in future.

31. The report contained no recommendations for improvement and concluded that *'the Council has used the sustainable development principle to drive the setting of its well-being objectives including good use of data and a strong collaborative approach.'* In addition to providing assurance on the Council's Corporate Planning arrangements, the report also concluded that *'the Council has robust arrangements for monitoring its Corporate Plan and well-being objectives throughout the year.'* The report was provided to Governance and Audit Committee in summer 2023.

32. Audit Wales will be concluding and publishing the following reports over the coming months:

- Equality Impact Assessment Review
- Use of performance information: service user perspective and outcomes

## Major Project and Partnership Governance

Board/Group	Purpose	Membership	Frequency	Plans & Priorities	Reporting Arrangements
<p><b>Children &amp; Young People's Board</b></p> <p>(Terms of Reference included at Appendix 2a)</p>	<p>This board is responsible for setting the overall strategic direction for the projects and programmes under its workstreams and monitoring the progress of said workstreams.</p> <p>Selected issues, risks, and decisions from each workstream will be escalated to this board for resolution, and each workstream lead is expected to keep the board up to date on major workstream developments.</p> <p>Specifically, this board is responsible for:</p> <ul style="list-style-type: none"> <li>Authorising the initiation or cessation of workstreams</li> <li>Identifying appropriate workstream leads</li> <li>Ensuring each workstream is appropriately resourced</li> <li>Resolving escalated risks, issues, and decisions</li> <li>Identifying dependencies, including potential conflicts, between workstreams</li> <li>Providing guidance and direction for workstreams, in line with the overall strategic vision</li> </ul>	<p>Sarah McGill (Chair)</p> <p><u>Education</u> Melanie Godfrey Mike Tate Richard Portas Suzanne Scarlett Jennie Hughes Philip Norton</p> <p><u>Children's Services</u> Deborah Driffield Suki Bahara-Garrens Sarah Skuse Kate Hustler Nick Blake Matthew Osborne</p> <p><u>Adults, Housing &amp; Communities</u> Jane Thomas Laura Garvey-Cubbon Rebecca Hooper Helen Evans</p> <p><u>Performance &amp; Partnerships</u> Gareth Newell Sian Sanders Dylan Owen Jacob Choudry-Ball</p> <p><u>Resources</u> Chris Lee Tracey Thomas Ian Allwood Eifion Austin</p>	Monthly	<p><u>Business Intelligence</u> Gareth Newell Jacob Choudry-Ball</p> <p><u>Integrated Youth Support Services</u> Helen Evans Suzanne Scarlett</p> <p><u>Tackling Youth Violence and Exploitation</u> Sian Sanders Suki Bahara-Garrens</p> <p><u>Locality Based Services</u> Melanie Godfrey Deborah Driffield Jane Thomas</p> <p><u>Maximising Placements and Support Accommodation Provision</u> Deborah Driffield</p> <p><u>Additional Learning Needs</u> Melanie Godfrey</p> <p><u>Finance &amp; Grant Maximisation</u> Nick Blake Eifion Austin</p> <p><u>Corporate Parenting Initiatives</u></p>	<p>Each workstream will have its own governance arrangements which will report up to this board.</p> <p>This board will report up to SMT as required</p>

	<p>Ensuring that the work undertaken is compliant with the Council's rules, procedures, policies, and processes</p> <p>The scope of the board includes business change and transformational projects which ultimately aim to improve the well-being and outcomes of children and young people in Cardiff, aligning with the Council's Well-Being Objective of making Cardiff a Great Place to Grow Up.</p>				
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Partnership Arrangements

33. The Directorate provides policy and secretariat support for a number of statutory and local partnership boards, including:

Board/Group	Purpose	Membership	Frequency	Plans & Priorities	Reporting Arrangements
<p><b>Cardiff Public Services Board</b></p>	<p>The Cardiff Public Services Board is a statutory strategic partnership established under the Well-being of Future Generations (Wales) Act 2015.</p> <p>The Cardiff PSB brings together the city's public service leadership and decision-makers to strengthen joint working, improving Cardiff's economic, social, environmental and cultural wellbeing.</p>	<ul style="list-style-type: none"> <li>• Cllr Huw Thomas (<b>Chair</b>), Leader of Cardiff Council</li> <li>• Charles Janczewski (<b>Vice Chair</b>), Chair of Cardiff &amp; Vale University Health Board</li> <li>• Paul Orders, Chief Executive, Cardiff Council</li> <li>• Sarah McGill, Corporate Director, People and Communities, Cardiff Council</li> <li>• Suzanne Rankin, Chief Executive, Cardiff &amp; Vale University Health Board</li> <li>• Fiona Kinghorn, Executive Director Public Health, Cardiff &amp;</li> </ul>	<p>Quarterly</p>	<p>Every five years, Cardiff Public Services Board (PSB) is required to produce a new Wellbeing Plan. This is Cardiff's second Wellbeing Plan. The plan can be found here:</p> <p><a href="#">Local Well-being Plan (2023-28)</a></p> <p>The Plan contains 'Well-being Objectives', areas for action that the Cardiff PSB have identified as being most important. It also contains 'Priorities' or the steps that the city's public services, together, will take forward.</p>	<p>The Cardiff PSB is supported by several boards who are responsible for the delivery of the priorities for partnership working set out within the Wellbeing Plan.</p> <p>The PSB's partnership governance map can be viewed <a href="#">here</a>.</p> <p>Policy Review and Performance Scrutiny Committee have oversight of the work of the Cardiff PSB.</p>

		<p>Vale University Health Board</p> <ul style="list-style-type: none"> <li>• Abigail Harris, Director of Planning, Cardiff and Vale University Health Board</li> <li>• Huw Jakeway, Chief Fire Officer, South Wales Fire and Rescue</li> <li>• Gareth O’Shea, Executive Director for Operations, Natural Resources Wales</li> <li>• David Letellier, Head of Operations South Wales Central, Natural Resources Wales</li> <li>• Sheila Hendrickson-Brown, Chief Executive, C3SC</li> <li>• Martyn Stone, Chief Superintendent, South Wales Police</li> <li>• Alun Michael, South Wales Police and Crime Commissioner</li> <li>• Dan Jones, Director, Violence Protection Unit</li> <li>• Eirian Evans, Probation Delivery Unit (PDU) Head, National Probation Service</li> <li>• Matthew Jenkins, Deputy Director Futures &amp; Integration, Health and Social Care, Welsh Government</li> </ul>			
<b>Community Safety Partnership Board</b>	The Community Safety Partnership Board provides oversight of the partnership priority groups, to ensure	<ul style="list-style-type: none"> <li>• Cllr Thorne, Cabinet Lead Housing and Communities</li> <li>• Alun Michael, South Wales</li> </ul>			

	<p>connectivity to emerging issues, offering support and guidance with an element of scrutiny. It also reports to the Public Services Board.</p>	<p>Police and Crime Commissioner</p> <ul style="list-style-type: none"> <li>• Sarah McGill, Corporate Director, People and Communities</li> <li>• Danny Richards, Chief Supt South Wales Police</li> <li>• Gareth Newell, Head of Performance and Partnerships</li> <li>• Sian Sanders, Head of Community Safety and Cohesion</li> <li>• Jenny Rogers, OM Community Safety</li> <li>• Linda Hughes-Jones, Head of Safeguarding CVHUB</li> <li>• Eiran Evans, Head of Local Delivery, Probation Service</li> <li>• Amanda Corrigan, Governor HMPPS</li> <li>• Deborah Driffield, Director of Children Services</li> <li>• Dan Jones, Violence Prevention Unit</li> <li>• Mel Wilkey, Deputy Director of Commissioning CVUHB</li> <li>• Keith Meredith, Group Manager SWFRS</li> <li>• Bernie Bowen-Thomson, Safer Wales</li> <li>• Helen Evans, Assistance Director of Housing and communities</li> </ul>			
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		<ul style="list-style-type: none"> <li>• Matt Evans, OM Supported Accommodation</li> <li>• Jason Roberts, Deputy Executive Nurse Director CVUHB</li> <li>• James Dunn, A&amp;E Consultant, CVUHB</li> <li>• Steph Kendrick-Doyle, OM Prevent</li> </ul>			
<b>Regional Safeguarding Board</b>	The Regional Safeguarding Board (RSB) is a Multi-Agency Partnership that has responsibility for working together to oversee the safety and well-being of children and adults at risk of harm throughout Cardiff and the Vale of Glamorgan.	<ul style="list-style-type: none"> <li>• Lance Carver (<b>CO-CHAIR</b>) Director of Social Services, Vale of Glamorgan</li> <li>• Sarah McGill CO-CHAIR Corporate Director People &amp; Communities Cardiff</li> <li>• Tracey Holdsworth CO-CHAIR Assistant Director and head of local services Wales NSPCC</li> <li>• Deborah Driffield Director of Children's Services, Cardiff</li> <li>• Rachel Evans Head of Service for Children and Young People Services, Vale of Glamorgan</li> <li>• Natasha James Operational Manager of Safeguarding and Service Outcomes, Vale of Glamorgan</li> <li>• Iain McMillan Head of Service, Social Services, Vale of Glamorgan</li> <li>• Jason Bennet Head of Service for Adults, Vale of Glamorgan</li> <li>• Jane Thomas Director of Adult Services, Cardiff</li> </ul>	Quarterly	The Regional Safeguarding Board Annual Plan 2023-24 can be found here: <a href="#">RSB Annual Plan</a>	National Independent Safeguarding Board (NISB) provides independent advice and support



		<ul style="list-style-type: none"> <li>• Assistant Director of Education and Lifelong Learning, Cardiff</li> <li>• David Davies Head of Achievement for All for School Improvement &amp; Inclusion, Vale of Glamorgan</li> <li>• Nick Jones Operational Manager of Housing Services, Vale of Glamorgan</li> <li>• Laura Garvey-Cubbon Operational Manager, Strategy &amp; Housing Need, Housing &amp; Communities, Cardiff</li> <li>• Jason Roberts/ Rebecca Aylward Deputy Executive Director of Nursing, Cardiff and Vale University Health Board</li> <li>• Linda Hughes-Jones Head of Safeguarding, Cardiff and Vale University Health Board</li> <li>• Katina Kontos Named Doctor Safeguarding Children, Cardiff and Vale University Health Board</li> <li>• Nicola Edwards Head of Nursing - Safeguarding, Swansea Bay University Health Board</li> <li>• Claire Thomas Designated Doctor for NHS Wales National Safeguarding Team, Public Health Wales</li> </ul>			
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		<ul style="list-style-type: none"> <li>• Nigel Downes Deputy Director of Nursing &amp; Service Improvement, Velindre University NHS Trust</li> <li>• Nicola Williams Executive Director of Nursing, Allied Health Professional and Health Science, Velindre University NHS Trust</li> <li>• Martyn Stone Detective Superintendent, South Wales Police</li> <li>• Beth Aynsley Independent Protecting Vulnerable Person Manager, South Wales Police</li> <li>• Eirian Evans LDU Head for National Probation Service</li> <li>• Kirsty Davies YOS Manager for Children and Young People Services, Vale of Glamorgan</li> <li>• Angharad Thomas YJS Manager for Children and Young People Services, Cardiff</li> <li>• Cassandra Mead Safeguarding Operations Manager, Asylum Safeguarding Hub, Home Office</li> <li>• Helen Ryder Governor, HMPS</li> <li>• Nikki Harvey Head of Safeguarding for WAST</li> <li>• Laura Thomas Safeguarding Lead Officer,</li> </ul>			
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		<ul style="list-style-type: none"> <li>• Wendy DeBruin Service Manager, NSPCC</li> <li>• Elly Jones Assistant Director, Barnardo's</li> <li>• Morgan Fackrell Chief Executive of Cardiff Women's Aid</li> <li>• Brian West Chair of Vale of Glamorgan Care Homes/Care Forum Wales</li> <li>• Liz Hill Learning Disability &amp; Supported Living Care Providers</li> <li>• Leanne Weston Operational Manager for Legal &amp; Democratic Services, Community Team Legal, Cardiff</li> </ul> <p>Victoria Davidson Operational Manager, Legal Services, Vale of Glamorgan</p>			
<b>Cardiff and Vale CONTEST Board</b>	The aim of the Cardiff & Vale CONTEST Board is to provide a strategic lead in threat, risks, and vulnerabilities in relation to counter-terrorism.	<p><u>Cardiff Council</u> Gareth Newell (Chair) Stephanie Kendrick-Doyle Gavin Macho Isabelle Bignall Sian Sanders</p> <p><u>Vale of Glamorgan Council</u> Deborah Gibbs Debbie Spargo Benedicte Lepine</p> <p><u>South Wales Police</u> Michelle Conquer</p> <p><u>Counter Terrorism Policing (CTP) Wales</u> Katherine Morris (Deputy Chair) Damien McKeon Dan Howe Jane Carter Mark Davies Martin Cowan</p>	Quarterly	The local governance of CONTEST aligns with the Welsh Government's CONTEST Cymru delivery framework. The Board focuses on the implementation of the UK Government's CONTEST (Counter Terrorism) Strategy across Cardiff and the Vale, with a focus on the four P's within the Strategy, namely: <ul style="list-style-type: none"> <li>• <b>Prevent:</b> To stop people becoming terrorists or supporting terrorism</li> </ul>	Nationally, the Cardiff & Vale CONTEST Board feeds into the: <ul style="list-style-type: none"> <li>• All Wales CONTEST Board</li> <li>• All Wales Protect/Prepare Group</li> <li>• All Wales Prevent Board</li> </ul> <p>Locally, the Board feeds into the Community Safety Partnerships of both Cardiff and the Vale. Additionally, the following Boards and Groups feed</p>

		<p>Simon Rees</p> <p><u>South Wales Fire and Rescue Service</u> John Treherne</p> <p><u>Cardiff &amp; Vale University Health Board</u> Cari Randall</p> <p><u>Welsh Ambulance Service</u> Jason Fenard Scott Walker</p> <p><u>HM Prison and Probation Service (HMPPS)</u> Eirian Evans Jill Packham Sandra Garmson Benjamin Evans</p> <p><u>Department for Work and Pensions</u> Victoria Case</p> <p><u>Welsh Government</u> Dane Marsh</p> <p><u>Home Office</u> David Bannister Kirsty Stevenson</p>		<ul style="list-style-type: none"> <li>• <b>Pursue:</b> To stop terrorist attacks</li> <li>• <b>Protect:</b> To strengthen our protection against a terrorist attack</li> <li>• <b>Prepare:</b> To mitigate the impact of a terrorist attack</li> </ul>	<p>into Cardiff &amp; Vale CONTEST Board:</p> <ul style="list-style-type: none"> <li>• Cardiff Prevent Partnership Board</li> <li>• Cardiff Protective Security Preparedness Group</li> <li>• Vale Protective Security Preparedness Group</li> <li>• Vale Prevent Partnership Board</li> </ul>
<b>Cardiff Prevent Partnership Board</b>	<p>The Prevent Partnership board will co-ordinate Prevent activity across Cardiff Council and partner agencies and have will have direct responsibilities for the following areas:</p> <p>Maintaining oversight of all statutory Prevent delivery, including referral pathways and Channel Panel</p> <p>Agreeing and updating a Prevent Risk Assessment</p> <p>Agreeing the Prevent Partnership Plan</p>	<p>Local Authority Home Office South Wales Police Counter Terrorism Police Wales Cardiff &amp; Vale University Health Board HM Prison and Probation Service Further /Higher Education</p>	Quarterly	Prevent Partnership Plan	<p>Reports to CONTEST Board</p> <p>Community Safety Partnership</p>

	Facilitating the sharing of information amongst partners  Monitoring and reviewing performance against Prevent Partnership Action Plan				
<b>Amplifying Prevention Board</b>	Address inequalities and inequities in Health Outcomes	<ul style="list-style-type: none"> <li>• Executive Director of Public Health, Cardiff and Vale UHB</li> <li>• Corporate Director of People and Communities, Cardiff Council</li> <li>• Director of Corporate Resources, Vale of Glamorgan Council</li> <li>• Consultant lead for Childhood Immunisations, Cardiff and Vale UHB</li> <li>• Consultant lead for Screening, Cardiff and Vale UHB</li> <li>• Consultant lead for Move More, Eat Well, Cardiff and Vale UHB</li> <li>• Communications Manager, Vale of Glamorgan Council</li> <li>• Head of Performance and Partnerships, Cardiff Council</li> <li>• Operational Manager- Policy &amp; Improvement, Cardiff Council</li> </ul>	Six Weekly	Amplifying Prevention Delivery Plan and Communication and Engagement Plan	PSB
<b>Ely and Caerau Public Services Working Group</b>		<u>Cardiff Council</u> <ul style="list-style-type: none"> <li>• Sian Sanders (Chair), Head of Community Safety &amp; Cohesion</li> </ul>			

		<ul style="list-style-type: none"> <li>• Gareth Newell, Head of Policy &amp; Partnerships</li> <li>• Avril Hooper, Operational Manager, Early Help</li> <li>• Suzanne Scarlett, Education Partnerships &amp; Performance Manager (OM)</li> <li>• Jenny Rogers, Operational Manager: Community Safety</li> <li>• Phil Norton, Achievement Leader- Targeted Support</li> <li>• Angharad Thomas, Operational Manager: Youth Justice Service</li> <li>• Matthew Seymour, Operational Manager, Strategic Estates</li> <li>• Helen Evans, Assistant Director- Housing and Communities</li> <li>• Jonathan Day, Operational Manager, Economic Development</li> <li>• Dave Jacques, Head of Development</li> <li>• Rebecca Hooper, Operational Manager, Regeneration</li> <li>• Gareth Davies, Operational Manager Major Projects, Housing Development and Regeneration</li> <li>• Steve Robinson, Operational Manager, Commissioning and Procurement</li> <li>• Emily Parker, Community</li> </ul>			
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		<p>Focused Schools Officer</p> <p><u>South Wales Police</u></p> <ul style="list-style-type: none"> <li>• Jeff Burton, Superintendent, Head of Partnerships &amp; Safeguarding</li> <li>• Duncan Mitchel, Inspector, Ely &amp; Caerau Neighbourhood Policing Team</li> </ul> <p><u>Cardiff &amp; Vale University Health Board</u></p> <ul style="list-style-type: none"> <li>• Julian Willet, Transformation &amp; Innovation Lead (Mental Health)</li> </ul> <p><u>Violence Prevention Unit/ OPCC</u></p> <ul style="list-style-type: none"> <li>• Dan Jones, Deputy Director</li> </ul> <p><u>HMPPS</u></p> <ul style="list-style-type: none"> <li>• Christie Sullivan, Senior Probation Officer</li> </ul> <p>Grand Avenues, Prison and Probation Service</p>			
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34. More broadly, the service has undertaken a review of strategic partnership governance and delivery arrangements on behalf of the Cardiff Public Services Board. The review sought to ensure that is clearly identified responsibility for partnership priorities agreed in the Cardiff Public Services Board Wellbeing Plan and the Regional Partnership Board’s Area Plan in the city’s partnership framework and that all partnership boards have a and ‘line of sight’ for governance oversight and escalation to either the Cardiff PSB or the Cardiff and Vale RPB. The Terms of Reference for the Cardiff & Vale Regional Partnership Board (RPB) can be found at appendix 3a.

35. In addition to providing clarity over local public service partnership arrangements, this work also responds to the findings of the Welsh Government and WLGA Review of Strategic Partnerships Review on simplifying complexities in Welsh public services partnership landscape. This national review recommended that, while there was no support for standing down any specific partnerships, work to align partnerships should be ‘built from the ground up, with Public Services Boards (PSBs) and Regional Partnership Boards (RPBs) taking a strategic leadership role.’ The Cardiff review has been identified as good practice by the Welsh Government and the Office of the Future Generations Commissioner. The report received by the Cardiff Public Services Board can be found [here](#).

## Major Project and Partnership Governance in Development & Regeneration

Board/Group	Purpose	Membership	Frequency	Plans & Priorities	Reporting Arrangements
<p><b>Social Services Programme Board</b></p> <p>(Terms of Reference included at Appenix 2b)</p>	<p>To bring together the work of the Housing &amp; Social Care Board and key commissioning/procurement projects into one space</p> <p>To ensure that staffing and revenue costs for the aforementioned projects is given due consideration</p> <p>Receive progress updates from Project leads who will be invited into the meeting for specific agenda items. Updated to highlight progress, next steps, issues / challenges /risks.</p> <p>To track progress between board meetings via a tracker, managed by the Business &amp; Project Support Manager – Housing &amp; Regeneration, in order that oversight of all major projects is located at a central location (Sharepoint site).</p> <p>To identify and agree a forward plan for up and coming projects that need to be brought into the Programme.</p>	<p>Sarah McGill (Chair)</p> <p>Amy Harmsworth</p> <p>Angela Bourge</p> <p>David Jaques</p> <p>Deborah Driffield</p> <p>Jane Thomas</p> <p>Matthew Seymour</p> <p>Rebecca Hooper</p> <p>Rachael Jones</p> <p>Rhian Hunt</p>	Monthly	<p>Core Projects that are in scope for Social Services Programme Board are as follows:</p> <p><b>All Capital Projects</b></p> <p><b>Adult Services</b></p> <p>Recommissioning of Domiciliary Care</p> <p>Extra Care Advocacy</p> <p>Internal Supported Living</p> <p>Care Homes APL / regional contracts &amp; specification</p> <p>Direct Payments</p> <p>Financial Support &amp; Advice Services</p> <p><b>Children's Services</b></p> <p>Supervised Contact</p> <p>Therapeutic Fostering</p> <p>Residential Provision including respite provision for disabled children</p> <p>Sessional Support &amp; Domiciliary Care</p> <p>Adolescent provision</p> <p>Young People's Gateway Accommodation provision</p>	<p>The Board will provide overall governance for the monthly Children's Placement Projection Meetings chaired by the AD Children's Services and the monthly ASMT &amp; Commissioning Meetings chaired by the AD Adult Services.</p>



				Children's regulated placements frameworks (4Cs)  Internal Fostering	
<b>New Housing Partnership Group</b>  (Terms of Reference included at Appendic 2c)	<p>To set a framework for the review and approval of the procurement exercise to identify a Development Partner for the Cardiff and Vale Housing Partnership, including the agreement of proposed sites for Cardiff's programme.</p> <p>The Board will be responsible for reviewing and approving the procurement documentation including evaluation criteria, prior to any decisions made by authorised Officers or Cabinet, ensuring that a development partner is secured with sufficient experience and financial stability to deliver the housing partnership at scale and pace.</p> <p>To agree the proposed list of sites to be included within the partnership to enable a defined development pipeline for the life of the partnership.</p>	<p>Sarah McGill (Chair)</p> <p>David Jaques (Deputy Chair)</p> <p>Anil Hirani Donna Jones Joseph Thomas Kate Cutter</p> <p>Matthew Seymour</p> <p>Richard Crane Samantha Collins Sarah Messruther Steve Robinson</p>	Monthly	<p>The board will:</p> <p>Agree PQQ documentation including the selection criteria and scoring.</p> <p>Agree select list of bidders for Invitation to Participate in Competitive Dialogue.</p> <p>Agree IPCD documentation including the Award criteria and scoring.</p> <p>Agree evaluation and successful bidder prior to cabinet approval.</p> <p>Agree Final Contract Negotiations with final Bidder</p> <p>To agree the additions/omissions of development sites and agree on any potential opportunities, issues or barriers to development schemes and to the overall programme.</p>	The Board will report into the Housing Development & Capital Finance Advisory Board

<p><b>Housing Development &amp; Capital Finance Advisory Board</b></p> <p>(Terms of Reference included at Appendix 2d)</p>	<p>To set a framework for the review and approval of the housing development and acquisition programme, capital expenditure proposals and related affordability.</p> <p>The Board will be responsible for reviewing and approving the proposed development and acquisition programme, prior to any decisions made by authorised Officers or Cabinet, ensuring expenditure is within the approved budget framework, in accordance with agreed viability assumptions whilst ensuring financial resilience of the Housing Revenue Account.</p>	<p>Sarah McGill (Chair)</p> <p>Jane Thomas (Deputy Chair)</p> <p>Anil Hirani Chris Lee Colin Blackmore David Jaques Gill Brown Ian Allwood Kate Cutter</p> <p>Matthew Seymour</p> <p>Richard Crane Steve Robinson</p>	<p>Bi-Monthly</p>	<p>The board will:</p> <p>Agree and set assumptions for the ProVal financial viability model and review this annually.</p> <p>Set viability thresholds for payback in respect to grant funded as well as for 100% Council funded developments and agree reasons for variations.</p> <p>Approve scheme viability at the following stages:</p> <ul style="list-style-type: none"> <li>- Land acquisition and initial viability</li> <li>-Pre Planning and Pre Tender</li> <li>-Tender approval</li> </ul> <p>Receive an annual outturn report including post project evaluation.</p> <p>Review the overall development programme including approved sites and sites to be included and check against programme targets.</p> <p>Identify and advise on any potential opportunities, issues or barriers to development</p>	<p>The Board will report into the Asset Management Board.</p>
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				<p>schemes and to the overall programme.</p> <p>Consider new financial and non-financial initiatives to support the development of affordable housing in the City.</p> <p>Recommend the approval of the capital and revenue investment plan included in the HRA business plan.</p> <p>Review policies and factors impacting on the financial resilience of the HRA and consider the latest revenue and capital monitoring positions.</p>	
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Value for Money - Performance & Partnerships

36. As noted earlier in this report, the quarterly Performance and Partnership Management Assurance Meetings consider a range of performance information relating to the economy, efficiency, and effectiveness of the service. Any performance or budgetary issues are then escalated to the Corporate Director for People and Communities by the Head of Performance and Partnerships through fortnightly 1-2-1 meetings. The Head of Performance and Partnerships also meets with the lead officer in the Resources service on a quarterly basis to consider the budget position and escalate as necessary to the Head of Finance and to SMT.
37. In line with the requirements of the Local Government & Elections (Wales) Act 2021, the Council, through its performance framework, assesses the economic, efficient, and effective deployment of its resources via its self-assessment process. Twice annually, following Quarter 2 and Quarter 4, directors are asked to reflect on the performance of their directorates, providing a summary of what has gone well, what their key risks and challenges are, and what their priorities are for the coming 6 months. Directors present their self-assessments from exercise to the Chief Executive, the Corporate Director for Resources, and the Head of Finance at Assurance Sessions. These sessions are held twice a year for each directorate and session attendees consider the overall performance of the directorate and the effectiveness of the deployment of resources and allocation of budgets.

## Value for Money - Development & Regeneration

38. To ensure that development projects are affordable and provide value for money, a financial viability tool is used. Proval, a viability tool developed by SDS, has been used by the development team since 2018. Financial parameters and assumptions, agreed in the Housing and Finance Board, are embedded in the model and used to test scheme viability. The full list of financial parameters and assumptions will include rent levels, bad debts assumptions, maintenance assumptions, build costs, inflation, void levels and the scheme will need to payback within a 50 year period.
39. A full viability assessment is included within the decision report for each scheme seeking approval to award a construction contract.

## Complaints Handling in Performance & Partnerships

40. Performance & Partnerships handles all complaints received in line with the Corporate Complaints Standard Operating procedure. All complaints are acknowledged within 5 working days of the day received and with an aim to resolve the complaint within 20 working days.
41. Performance & Partnerships received 0 complaints for both the 2021/22 and 2022/23 financial year. As the service receives low volumes of complaints, the Head of Performance & Partnerships deals with any complaints directly.

## Complaints Handling in Development & Regeneration

42. The Business team within Development and Regeneration manage enquiries and complaints for the team. All correspondence requiring a response is logged and monitored by the Business team who work to ensure a response to an enquiry or complaint is dealt with within suitable timeframes. The team will often liaise with the Directorate Complaints Team or Corporate Complaints Team to ensure that responses are provided to enquiries or complaints that get logged through these contact routes.

## **Legal Implications**

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

## **Financial Implications**

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

## **RECOMMENDATIONS**

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

**Sarah McGill**  
**Corporate Director - People and Communities**

## **APPENDICES**

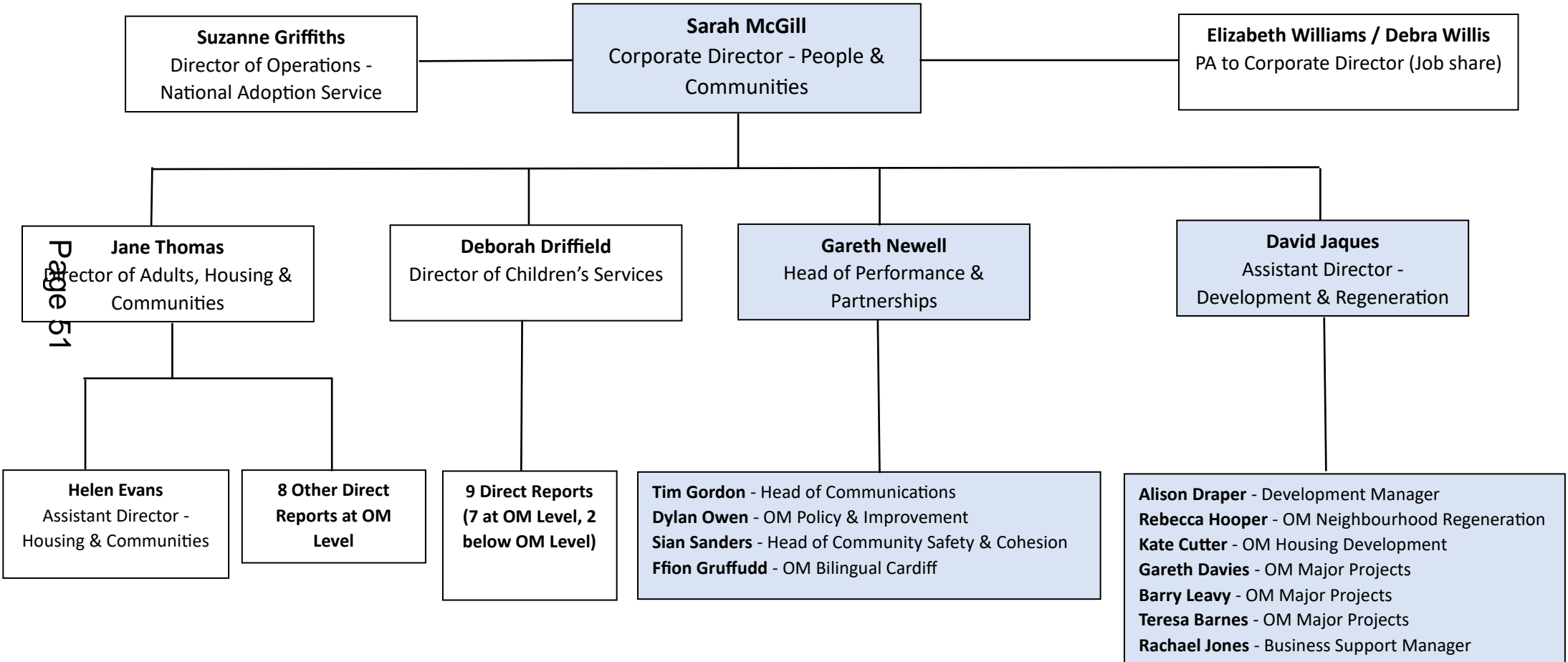
The following appendices are attached:

- Appendix 1a:** Structure Chart for People & Communities Directorate
- Appendix 1b:** Boards and Meetings within People & Communities
- Appendix 2a:** Terms of Reference for Children & Young People's Board
- Appendix 2b:** Terms of Reference for Social Services Programme Board
- Appendix 2c:** Terms of Reference for New Housing Partnership Group
- Appendix 2d:** ToR for Housing Development & Capital Finance Advisory Board
- Appendix 2e:** Risk Matrix for Housing Development & Capital Finance Advisory Board
- Appendix 3a:** Terms of Reference for Cardiff and Vale Regional Partnership Board

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**Appendix 1a**

**People & Communities Directorate Structure – November 2023**








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**Appendix 1b**

**People & Communities Boards**

<b>Name of Board</b>	<b>Frequency of meetings</b>	<b>ToR</b>	<b>Risk Matrix</b>
Children & Young People's Board	Monthly	 Item 3 - CYPB ToR_docx	
Social Services Programme Board	Monthly	 Terms of Reference Social Service Progar	
Housing Development & Capital Finance Advisory Board	Bi-Monthly	 ToR - Housing Development & Capit	 Risk Matrix - Housing Development & Capita
New Housing Partnership Group	Monthly	 ToR - New Housing Partnership Group.do	

**Other Meetings**

<b>Name of meeting</b>	<b>Frequency</b>	<b>Attendees</b>
PCSMT	Fortnightly	Sarah McGill, Jane Thomas, Deborah Driffield, Gareth Newell, David Jaques
Audit Relationship Managers Meeting	Quarterly	Sarah McGill, Nichola Brown
Housing Enabling Meeting	Monthly	Sarah McGill, Jane Thomas, David Jaques, Alison Draper
Housing Partnership 1	Monthly	Sarah McGill, David Jaques, Gareth Davies
Housing Partnership 2	Monthly	Sarah McGill, David Jaques, Anil Hirani, Steve Robinson, Kate Cutter, Rachael Jones, Richard Crane
Housing Development Update Meeting	Monthly	Sarah McGill, David Jaques, Jane Thomas, Cllr Lynda Thorne & other OM's / Officers when appropriate
SAJC	Quarterly	Sarah McGill, Management and TU's
TU Health & Safety Meeting	Quarterly	Sarah McGill, Management and TU's
Regular 1:1's with each direct report	Varies between weekly & fortnightly	Sarah McGill and each direct report

# Children & Young People's Board

## Terms of Reference

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### 1. Purpose

This board is responsible for setting the overall strategic direction for the projects and programmes under its 'workstreams' (listed under section 4, below) and monitoring the progress of said workstreams. Selected issues, risks, and decisions from each workstream will be escalated to this board for resolution, and each workstream lead is expected to keep the board up to date on major workstream developments.

Specifically, this board is responsible for:

- Authorising the initiation or cessation of workstreams
- Identifying appropriate workstream leads
- Ensuring each workstream is appropriately resourced
- Resolving escalated risks, issues, and decisions
- Identifying dependencies, including potential conflicts, between workstreams
- Providing guidance and direction for workstreams, in line with the overall strategic vision
- Ensuring that the work undertaken is compliant with the Council's rules, procedures, policies, and processes

The scope of the board includes business change and transformational projects which ultimately aim to improve the well-being and outcomes of children and young people in Cardiff, aligning with the Council's Well-Being Objective of making Cardiff a Great Place to Grow Up.

### 2. Frequency

Meetings will be monthly via Teams.

### 3. Membership

The meeting will be chaired by Sarah McGill, Corporate Director People and Communities and will be made up for the following Membership

- Sarah McGill (Chair),

#### Education

- Melanie Godfrey
- Mike Tate

- Richard Portas
- Suzanne Scarlett
- Jennie Hughes
- Philip Norton,

#### Children's Services

- Deborah Driffield
- Suki Bahara-Garrens
- Sarah Skuse
- Kate Hustler
- Nick Blake
- Matthew Osborne

#### Adults, Housing & Communities

- Jane Thomas
- Laura Garvey-Cubbon
- Rebecca Hooper
- Helen Evans

#### Performance & Partnerships

- Gareth Newell
- Sian Sanders
- Dylan Owen
- Jacob Choudry-Ball

#### Resources

- Chris Lee
- Tracey Thomas
- Ian Allwood
- Eifion Austin

## **4. Workstreams**

The work of this group is split into workstreams.

Each has a workstream lead – a dedicated officer(s) (named below) who is responsible for ensuring the workstream progresses, and who is responsible for reporting risks and issues back to this group for escalation. The initial priorities identified include:

- Business Intelligence (Gareth Newell, Jacob Choudry-Ball) Integrated Youth Support Services (Helen Evans, Suzanne Scarlett)
- Tackling Youth Violence and Exploitation ( Sian Sanders, Suki Bahara-Garrens)
- Locality Based Services (Melanie Godfrey, Deborah Driffield, Jane Thomas)
- Maximising Placements and Support Accommodation Provision (Deborah Driffield)
- Additional Learning Needs (Melanie Godfrey)
- Finance & Grant Maximisation (Nick Blake, Eifion Austin)

- Corporate Parenting Initiatives (Who is the lead on this one? Is this linked / part of the placements & accommodation workstream?)

## **5. Reporting Arrangements**

Each workstream will have its own governance arrangements which will report up to this board.

This board will report up to SMT as required.

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# Social Services Programme Board Terms of Reference

## 1. Purpose

To bring together the work of the Housing & Social Care Board and key commissioning/procurement projects into one space

To ensure that staffing and revenue costs for the aforementioned projects is given due consideration

Receive progress updates from Project leads who will be invited into the meeting for specific agenda items. Updated to highlight progress, next steps, issues / challenges /risks.

To track progress between board meetings via a tracker, managed by the Business & Project Support Manager – Housing & Regeneration, in order that oversight of all major projects is located at a central location (Sharepoint site).

To identify and agree a forward plan for up and coming projects that need to be brought into the Programme

## 2. Chair of the Meeting

The meeting will be chaired by Sarah McGill, Corporate Director for People & Communities.

## 3. Membership

Name	Designation
Sarah McGill (Chair)	Corporate Director, People & Communities
Amy Harmsworth	OM Commissioning
Angela Bourge	Operational Manager, Resources
David Jaques	Operational Manager, Development & Regeneration
Deborah Driffield	Assistant Director, Children's Services
Jane Thomas	Assistant Director, Housing & Communities
Matthew Seymour	Asset Management Officer
Rebecca Hooper	Operational Manager, Neighbourhood Regeneration
Rachael Jones	Business & Project Support Manager

## 4. Meetings

Meetings will be held monthly.

Project Leads and relevant speakers or experts will be invited to attend the meetings to provide updates on specific projects.

Colleagues from other Directorates (eg, Finance / Legal / C&P) will be invited to attend for specific agenda items on a needs led basis.

## **5. Administration**

A brief written progress highlight report will be submitted by Project Leads to the Business & Project Support Manager, seven working days before the Board.

The Business & Project Support Manager will circulate agenda and related papers for the Board, at least five working days before Board meeting.

## **6. Remit**

Core Projects that are in scope for Social Services Programme Board are as follows:

- **All Capital Projects**
- **Adult Services**
  - Recommissioning of Domiciliary Care
  - Extra Care
  - Advocacy
  - Internal Supported Living
  - Care Homes APL / regional contracts & specification
  - Direct Payments
  - Financial Support & Advice Services
- **Children's Services**
  - Supervised Contact
  - Therapeutic Fostering
  - Residential Provision including. respite provision for disabled children
  - Sessional Support & Domiciliary Care
  - Adolescent provision
  - Young People's Gateway Accommodation provision
  - Children's regulated placements frameworks ( 4Cs)
  - Internal Fostering

## **7. Review & Project Duration**

These terms of reference will be reviewed periodically to ensure they continue to reflect the Board's purpose. It is anticipated that the work of the Board will be ongoing.

## **8. Reporting/Governance**

The Board will provide overall governance for the monthly Children's Placement Projection Meetings chaired by the AD Children's Services and the monthly ASMT & Commissioning Meetings chaired by the AD Adult Services.



## New Housing Partnership Board Terms of Reference

### 1. Aim

To set a framework for the review and approval of the procurement exercise to identify a Development Partner for the Cardiff and Vale Housing Partnership, including the agreement of proposed sites for Cardiff's programme.

The Board will be responsible for reviewing and approving the procurement documentation including evaluation criteria, prior to any decisions made by authorised Officers or Cabinet, ensuring that a development partner is secured with sufficient experience and financial stability to deliver the housing partnership at scale and pace.

To agree the proposed list of sites to be included within the partnership to enable a defined development pipeline for the life of the partnership.

### 2. Chair of the Meeting

The meeting will be chaired by Sarah McGill, Corporate Director for People & Communities. Deputy Chair has been allocated to David Jaques, Assistant Director for Development and Regeneration.

### 3. Membership

Name	Designation	Role
Sarah McGill (Chair)	Corporate Director, People & Communities	Board Member
Anil Hirani	Operational Manager, Finance (Capital)	Board Member
David Jaques	Assistant Director, Development & Regeneration	Board Member
Donna Jones	Assistant Director, County Estates	Board Member
Joseph Thomas	Development Manager, Development	Advisor
Kate Cutter	Operational Manager, Development	Board Member
Matthew Seymour	Operational Manager, Asset Management	Advisor
Richard Crane	Operational Manager, Legal	Board Member
Samantha Collins	Solicitor, Property & Development	Advisor
Sarah Messruther	Accountant, Finance	Advisor
Steve Robinson	Operational Manager, Commissioning & Procurement	Board Member

#### 4. Role Descriptions

<b>Chair</b>	Ultimate authority and decision maker with responsibility for setting longer term strategy and overseeing progress against key objectives.
<b>Board Member</b>	Permanent member of the Board who receives and presents reports to the Board, and provides advice and guidance to the Chair, assisting with decision making.
<b>Advisor</b>	Temporary attendees of the Board, providing expertise and professional guidance in line with their specialty. Attendance on an ad-hoc basis as appropriate and depending on the agenda.

#### 5. Meetings

Meetings will be held monthly. Relevant speakers or experts may be invited to attend the meetings to inform / advise the Board.

#### 6. Specific Responsibilities

The board will:

- Agree PQQ documentation including the selection criteria and scoring.
- Agree select list of bidders for Invitation to Participate in Competitive Dialogue.
- Agree IPCD documentation including the Award criteria and scoring.
- Agree evaluation and successful bidder prior to cabinet approval.
- Agree Final Contract Negotiations with final Bidder
- To agree the additions/omissions of development sites and agree on any potential opportunities, issues or barriers to development schemes and to the overall programme

## **7. Review & Project Duration**

These terms of reference will be reviewed periodically to ensure they reflect the Board's current position. It is anticipated that the work of the Board will be complete at the point the Contract with the Development Partner is executed by both parties.

## **8. Reporting/Governance**

The Board will report into the Capital Finance and Housing Delivery Board.

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# Housing Development & Capital Finance Advisory Board

## Terms of Reference

### 1. Aim

To set a framework for the review and approval of the housing development and acquisition programme, capital expenditure proposals and related affordability.

The Board will be responsible for reviewing and approving the proposed development and acquisition programme, prior to any decisions made by authorised Officers or Cabinet, ensuring expenditure is within the approved budget framework, in accordance with agreed viability assumptions whilst ensuring financial resilience of the Housing Revenue Account.

### 2. Chair of the Meeting

The meeting will be chaired by Sarah McGill, Corporate Director for People & Communities. Deputy Chair has been allocated to Jane Thomas, Assistant Director for Housing and Communities.

### 3. Membership

Name	Designation	Role
Sarah McGill (Chair)	Corporate Director, People & Communities	Board Member
Anil Hirani	Operational Manager, Finance (Capital)	Advisor
Chris Lee	Corporate Director, Resources	Board Member
Colin Blackmore	Operational Manager, Housing & Communities	Advisor
David Jaques	Assistant Director, Development & Regeneration	Advisor
Gill Brown	Group Accountant, Finance	Advisor
Ian Allwood	Head of Finance	Board Member
Jane Thomas	Assistant Director, Housing & Communities	Board Member
Kate Cutter	Operational Manager, Development	Advisor
Matthew Seymour	Strategic Estates	Advisor
Richard Crane	Operational Manager, Legal	Board Member
Steve Robinson	Operational Manager, Commissioning & Procurement	Advisor

#### 4. Role Descriptions

<b>Chair</b>	Ultimate authority and decision maker with responsibility for setting longer term strategy and overseeing progress against key objectives.
<b>Board Member</b>	Permanent member of the Board who receives and presents reports to the Board, and provides advice and guidance to the Chair, assisting with decision making.
<b>Advisor</b>	Temporary attendees of the Board, providing expertise and professional guidance in line with their specialty. Attendance on an ad-hoc basis as appropriate and depending on the agenda.

#### 5. Meetings

Meetings will be held every other month. Relevant speakers or experts may be invited to attend the meetings to inform / advise the Board.

#### 6. Specific Responsibilities

The board will:

- Agree and set assumptions for the ProVal financial viability model and review this annually.
- Set viability thresholds for payback in respect to grant funded as well as for 100% Council funded developments and agree reasons for variations.
- Approve scheme viability at the following stages:
  - Land acquisition and initial viability
  - Pre Planning and Pre Tender
  - Tender approval
- Receive an annual outturn report including post project evaluation.
- Review the overall development programme including approved sites and sites to be included and check against programme targets.

- Identify and advise on any potential opportunities, issues or barriers to development schemes and to the overall programme/
- Consider new financial and non-financial initiatives to support the development of affordable housing in the City.
- Recommend the approval of the capital and revenue investment plan included in the HRA business plan.
- Review policies and factors impacting on the financial resilience of the HRA and consider the latest revenue and capital monitoring positions.

## **7. Review & Project Duration**

These terms of reference will be reviewed periodically to ensure they reflect the Board's current position. It is anticipated that the work of the Board will be ongoing.

## **8. Reporting/Governance**

The Board will report into Asset Management Board.

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**CONSIDERATIONS FOR HOUSING CAPITAL AND FINANCE BOARD:**

- Updates to Risk Matrix – At what forum, by whom and how often is this done?
- CASC Scrutiny Feedback March 2021 – Extract – *“Members firstly wish to welcome and acknowledge the benefits and importance of the Plan’s matrix table (RAG Analysis) and its ability to provide both the Welsh Government and members of the public with a clear understanding of the identified areas of risk and insight into how the council is working to address such matters. However, it is felt by Members that the narrative within the table should be expanded. For instance, during discussions, Members sought assurance surrounding how the risks are determined, analysed and monitored and it was confirmed that officers continuously review and monitor both the risks and the financial modelling in order to ensure performance, progress and viability. Although Members were pleased to be informed of such workings, Members do feel this working could be portrayed within the plan in greater detail; particularly given the number of risks identified as red pre-mitigation.*

	Impact	Pre Mitigation Risk Analysis	Mitigating Controls	Post Mitigation
Governance Arrangements	Ineffective governance leads to non-compliance with regulatory requirements, inappropriate decision making and a failure to deliver expected outcomes.	Amber	Effective control measures are in place to ensure compliance via specific targets. Increased transparency ensures outcomes are met in a timely manner consistent with policies and procedures.	Green
Asset Management	Inadequate asset management leads to a decline in stock condition and/or a failure to maximise income from assets.	Amber	Business plan resources and property improvement plans are based on periodically reviewed and tested stock condition data.	Green
Business Continuity	Failure to prevent or recover quickly from significant loss of service.	Amber	Robust facilities management and health and safety regimes are in place. Data protection policies and procedures to ensure safety and security with robust cyber security arrangements.	Green
Disaster Recovery	Failure to prevent or respond appropriately to a major incident affecting our assets.	Red	Emergency contact arrangements are in place for key staff and partners. Robust emergency plans including fire safety assessments and clear evacuation guidance.	Green

HOUSING REVENUE ACCOUNT RISK MATRIX 2021/22 – Business Plan

Impact of Welfare Reform and Universal Credit	Impact on tenants' ability to pay rent, resulting in increased rent arrears, requirement for bad debt provision and increased debt collection and recovery costs.	Amber	Understanding of the Welfare Reform regime and risks. Information and advice to tenants, for example through Into Work Services. Maximisation of funding for promotion of available benefits and specific support e.g. the Hardship Fund and Discretionary Housing Payments grant. Regular review of bad debts provision.	Amber/Green
Contractor availability and capacity	Failure to carry out planned revenue repairs and planned capital programmes and to bring vacant properties back into use.	Amber	Upskilling of existing internal workforce through staff development programme with additional recruitment to specialist posts. Allocation of works to other contractors within existing frameworks.	Amber/Green
Health and Safety requirements	Regulations resulting in additional works / cost. Examples include sprinkler systems for new build, statutory maintenance programmes e.g. gas safety works and scaffolding.	Amber	Ensure awareness of and compliance with new and updated regulations and standards. Training and development of staff.	Amber
Restricted rent uplift for 2021/22 and future years due to the impact of lower CPI and potential changes to the rent policy beyond 2024/25	Significant reduction in available revenue resources to support the HRA budget and key commitments impacting on level and quality of service provision to tenants and capital schemes that can be taken forward. Affordability, prudence and sustainability of additional borrowing. Impact on local and national affordable housing targets.	Red	Ongoing multivariate sensitivity and stress testing to determine potential impact. Identify operational efficiencies and savings. Revise budget and avoid over commitment of new build programme. Planned build-up of reserves and general balance to support financial resilience.	Green
Cost inflation increase above rent uplifts	Increase in costs of supervision, management and repairs and maintenance.	Amber	Review and reprioritise revenue operating costs and consider reductions in any planned expenditure proposed to be funded by borrowing.	Green
A reduction in the (£9.5m p.a.) WG Major Repairs Allowance (MRA) grant	Impact on the achievability of the Capital Programme.	Red	Review and reprioritisation of the Capital Programme allowing for committed spend but realigning future spend plans.	Amber
Failure to meet new build housing programme targets resulting in delays to timing of lettings of new build properties	Non achievement of Capital Ambition targets. Failure to reduce housing waiting list and impact on temporary accommodation and homelessness. Holding costs of vacant sites and revenue costs of development teams. Reduction in rental income receivable and resources available to support the HRA budget.	Red	Contractual commitments are closely monitored by the New Build Board. Individual project viability is reviewed at all key stages of the scheme development. Ongoing review of new build development programme and resources required.	Amber

HOUSING REVENUE ACCOUNT RISK MATRIX 2021/22 – Business Plan

Treasury Management	Increased costs of interest and prudent repayment of any borrowing undertaken to pay for capital expenditure proposed in the HRA capital programme.	Red	Integrated Council wide Treasury Management policies and strategy. Regular reporting in line with best practice and independent treasury advice. Review of programme in line with affordability and government policy changes such as rent. Commitment to Wellbeing and Future Generations (Wales) Act. This all allows the Council to respond to issues quickly and appropriately.	Amber
Financial Viability	Failure to react to adverse financial events resulting in significant increases in costs arising from Capital Programme schemes or other projects undertaken.	Red	Robust approach to business cases and viability assessments to inform decision making prior to implementation. Review of Earmarked / general reserve balances.	Amber
Challenge of Decarbonisation	Failure to plan and invest strategically in order to meet carbon reduction targets could result in failure to meet WG target and will impact on tenants energy costs. This will impact on tenants' energy costs. The requirement to meet the cost of decarbonisation without additional funding will impact on other spend – could reduce borrowing capacity and reduce funds available for new build.	Red/Amber	Work closely with WG to understand key requirements, targets, delivery methods and costs.  Plans in place to pilot renewable technology in order to meet the challenge.	Amber
Impact of Covid 19	Increase in unemployment impacting on tenants' ability to pay rent, resulting in increased rent arrears, and requirement for bad debt provision and increased debt collection and recovery costs.	Red	Information and advice to tenants, for example through Into Work Services. Maximisation of funding for promotion of available benefits and specific support e.g. the Hardship Fund and Discretionary Housing Payments grant. Regular review of bad debts provision.	Amber
Impact of Brexit	Shortage of supply and cost inflation of materials due to increased bureaucracy and uncertainty.	Amber	Maintain communication channels with suppliers and contractors including seeking alternative sources of supply. Embrace post-Brexit procurement opportunities to ensure regime is simple, efficient and delivers greater value for money.	Amber/Green

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## Cardiff and Vale Regional Partnership Board: Terms of Reference

### 1. BACKGROUND

- 1.1 The Part 9 Statutory Guidance (Partnership Arrangements) of the Social Services and Well-being (Wales) Act 2014 (the Act) and the Partnership Arrangements (Wales) Regulations 2015 set out the main requirements, purpose and responsibilities of the Regional Partnership Board.
- 1.2 These Terms of Reference supplement these documents and set out specific local detail for the Cardiff and the Vale Regional Partnership Board.

### 2. PURPOSE

- 2.1 The purpose of the Cardiff and Vale Regional Partnership Board is to ensure the partnership bodies work effectively together to:
  - Respond to the population assessment carried out in accordance with section 14 of the Act;
  - Implement the plans for each of the local authority areas covered by the Board which local authorities and local health boards are each required to prepare and publish under section 14A of the Act;
  - Ensure the partnership bodies provide sufficient resources for the partnership arrangements in accordance with their powers under section 167 of the Act;
  - Promote the establishment of pooled funds where appropriate;
  - Ensure that services and resources are used in the most effective and efficient way to improve outcomes for people in their region – including the use of the Integrated Care Fund, Primary Care Fund and the Transformation Fund;
  - Prepare an annual report for Welsh Ministers on the extent to which the board's objectives have been achieved;
  - Provide strategic leadership to ensure that information is shared and used effectively to improve the delivery of services, care and support, using technology and common systems to underpin this;
  - Respond to the Welsh Government's 'A Healthier Wales' Plan
  - Inform the development of the Cardiff and Vale of Glamorgan Public Service Board's Wellbeing Plans and support delivery in response to the requirements of the Wellbeing of Future Generations Act 2015.
- 2.2 The Regional Partnership Board will prioritise the integration of services in relation to:
  - Older people with complex needs and long-term conditions, including dementia
  - People with learning disabilities
  - Carers, including young carers
  - Integrated Family Support Services

- Children with complex needs due to disability or illness
- Establishment of pooled funds in relation to family support functions from 2016 and care home accommodation by 2018.

2.3 The Regional Partnership Board will also prioritise integration in respect of local priorities which includes, but is not restricted to:

- Progressing further developments in relation to Locality and Cluster working;
- Provision of housing with care and accommodation solutions to enable people to stay in their own homes;
- Promoting improved mental health and wellbeing – considering a life journey from children and young people (including Adverse Childhood Experiences) to older people;
- Developing a sustainable regional workforce.

### **3. DELEGATED POWERS AND AUTHORITY**

3.1 The Regional Partnership Board is authorised by the Cardiff and Vale University Health Board, Cardiff Council and the Vale of Glamorgan Council to deliver the requirements of Part 9 of the Act.

3.2 The Regional Partnership Board has authority to establish short life working groups which are time limited to focus on a specific matter of advice or assurance as determined by the Partnership Board.

### **4. MEMBERSHIP**

4.1 The Regional Partnership Board must include:

- At least one elected member of each of Cardiff City and County Council and Vale of Glamorgan Council
- At least one member of Cardiff and Vale University Health Board;
- The persons appointed as Directors of Social Services under section 144 of the Act in respect of Cardiff City and County Council and Vale of Glamorgan Council, or their nominated representatives
- A representative of Cardiff and Vale University Health Board
- Two persons who represent the interests of the third sector organisations in the area covered by the Regional Partnership Board
- At least one person who represents the interests of care providers in the area covered by the Regional Partnership Board
- One person to represent people with needs for care and support in the area covered by the Regional Partnership Board
- One person to represent carers in the area covered by the Regional Partnership Board

- One representative of each of Cardiff Third Sector Council and Glamorgan Voluntary Services
- One representative of a national third sector organisation.

4.2 Appointed representatives will be appointed to the Board for a tenure of 3 years. At the end of this term, the vacancy will be re-advertised via the established third sector mechanisms. This does not preclude previous appointed representatives serving a further term.

4.3 Officers, organisations or individuals will be invited to attend as required, or may be co-opted to be members of the Regional Partnership Board as appropriate.

4.4 A Chair and a deputy from the University Health Board and the two Local Authorities will be selected from the relevant membership.

4.5 A second deputy chair will be selected from the non-statutory membership of Regional Partnership Board.

4.6 The Chair and Deputy Chairs will each serve a two-year term.

## 5. MEETINGS

5.1 Meetings will be quorate when the minimum membership (section 4) set out in the Statutory Guidance is achieved.

### Frequency of Meetings

5.2 The Regional Partnership Board will meet four times per year on a formal basis.

5.3 In addition to the formal Board Meetings, Development sessions and/or Workshops will be undertaken to develop the priorities of the Partnership's work programme. The focus and frequency of these sessions will be agreed by the Board as required.

5.4 The Partnership's Strategic Leadership Group will meet at intervening periods between the Regional Partnership Board meetings, in part to ensure that any required decisions/actions required at short notice can be undertaken with joint agreement from the 5 organisations pending final approval by the Partnership Board at the diarised time.

### Secretariat

5.5 Secretariat functions will be performed by the Cardiff and Vale RPB Team.

### Agenda Items

- Agenda Items should be submitted to the secretariat at least one calendar month before each Partnership Board meeting

- Papers will be structured using an agreed format
- Papers will be distributed a minimum of 5 working days before each meeting.

## 6. DISPUTE RESOLUTION

6.1 All RPB members are encouraged to resolve any issues or concerns that they may have at the earliest opportunity. It is important that as issues do arise, they are dealt with in a fair and timely manner. While some conflicts will be resolved by an informal discussion between parties, other will need a process for successful resolution.

6.2 The RPB endorses the following principles for members to follow:

- Respect for another's point of view
- Commitment to resolving the issue
- Willingness to compromise
- Confidentiality
- Impartiality
- Respect
- Prompt action, and
- Freedom from repercussions

6.3 Should a conflict arise that cannot be resolved via informal discussion, the following procedure will apply:

- The dispute must be set out in writing and sent to the Chair
- The Chair will use their discretion to bring the issue to the next RPB meeting, or call an extraordinary meeting
- The matter should be discussed with all members present, unless they have advised the Chair, preferably in writing, that they are aware there is a dispute resolution meeting being held and they are unable to attend
- The Chair will call for a motion from the RPB, e.g. to appoint an independent assessor, seek mediation, call a special meeting, or to dismiss the complaint. All members present at the meeting will vote on the motion

### Where mediation is sought

- The mediator must be:
  - A person chosen by agreement between the parties; or
  - In the absence of agreement, a person appointed by the RPB.
- The mediator, in conducting the mediation must:
  - Give parties to the mediation process every opportunity to be heard; and
  - Allow due consideration by all parties of any written statement submitted by any party; and





- The mediator must not determine the dispute.
- The mediation must be confidential and without prejudice.

**7. TERMS OF REFERENCE** will be reviewed on an annual basis.

**8. Terms of reference last reviewed: 29.07.22**

## Membership of the Cardiff and Vale of Glamorgan Regional Partnership Board – July 2022

Required Membership	Cardiff and the Vale of Glamorgan Membership
At least one elected member from Cardiff and the Vale of Glamorgan local authorities	<p><b><u>City of Cardiff Council</u></b> Cabinet Member for Social Care and Health – <b>Clr Norma Mackie</b> Cabinet Member for Children and Families – <b>Clr Ashley Lister</b> Clr Lynda Thorne, Cabinet Member for Housing &amp; Communities</p> <p><b><u>Vale of Glamorgan Council</u></b> Cabinet Member for Social Care and Health (<b>Chair of the Regional Partnership Board</b>) - <b>Clr Eddie Williams</b> Cabinet Member for Housing and Building Services - <b>TBC</b></p>
At least one member of the Cardiff and Vale University Health Board	Charles Janczewski, Vice Chair of the Cardiff and Vale University Health Board ( <b>Vice Chair of the Regional Partnership Board</b> )
The persons appointed as Directors of Social Services under section 144 of the Act in respect of Cardiff Council and Vale of Glamorgan Council, or their nominated representatives	Lance Carver, Director of Social Services, Vale of Glamorgan Council Sarah McGill, Corporate Director – People and Communities
A representative of Cardiff and Vale University Health Board	<b>Suzanne Rankin</b> , Chief Executive, Cardiff and Vale University Health Board Abigail Harris, Executive Director of Planning and Strategy, Cardiff and Vale University Health Board
Two persons who represent the interests of the third sector organisations in the area covered by the Regional Partnership Board	Sheila Hendrickson-Brown, Chief Executive Officer Cardiff Third sector Council (C3SC) Rachel Connor, Chief Executive Officer Glamorgan Voluntary Service (GVS)

One Person who represents the interests of national third sector organisations ( <i>for both Older People and Children &amp; Young People</i> )	Sam Austin, Deputy Chief Executive and Director of Operational Services, Llamau ( <b>Vice Chair of the Regional Partnership Board</b> ): Children & Young People – Sarah Scire, Head of Service (Central) Platform: Older People
At least one person who represents the interests of care providers in the area covered by the Regional Partnership Board	Malcolm Perrett, Policy Advisor, Care Forum Wales.
One person to represent people with needs for care and support in the area covered by the Regional Partnership Board	Andrew Templeton, YMCA
One person to represent carers in the area covered by the Regional Partnership Board	Vacant
Registered Social Landlords	Helen White, Chief Executive, Taff Housing Association
Education	Paula Ham, Director of Learning and Skills, Vale of Glamorgan Council Melanie Godfrey, Director of Education and Lifelong Learning, Cardiff Council
Other representation	Estelle Hitchon, Director of Partnerships and Engagement, Welsh Ambulance Services NHS Trust Cath Doman, Director, Health and Social Care Integration, Regional Partnership Board
Observers	Sarah McCarty, Director of Workforce Development and Improvement, Social Care Wales Lynne Aston, Assistant Director of Finance, Cardiff and Vale UHB Meredith Gardiner, Head of Partnerships and Assurance, Regional Partnership Board

#### Secretariat

Cardiff and Vale RPB	Rebecca Al-nashee, Partnership Support
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**Updated June 2022**

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# Governance & Audit Committee Financial Update

28<sup>th</sup> November 2023



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# Month 6 Overview



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# Revenue Position Month 6 – Projected Overspend of £5.4 million



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MONTH 6 OVERVIEW 20896	Net Budget £000	Projected Outturn £000	Month 6 Variance £000
Corporate Management	29,347	29,294	(53)
Economic Development	10,991	13,873	2,224
Education	343,003	344,888	1,785
Governance & Legal Services	7,333	7,953	620
Housing and Communities	49,672	49,495	(177)
Performance & Partnerships	2,931	2,860	(71)
Planning, Transport & Env	9,367	9,879	200
Recycling & NS	39,161	39,511	300
Resources	17,364	17,039	(325)
Social Services- Adults'	147,454	147,454	0
Social Services – Childrens'	88,987	92,172	3,185
<b>TOTAL DIRECTORATE</b>	<b>745,610</b>	<b>754,418</b>	<b>7,688</b>
Capital Financing	36193	34693	(1,500)
<b>Summary Revenue Account</b>	<b>20896</b>	<b>20096</b>	<b>(800)</b>



## Revenue Position Month 6 – Projected Overspend of £5.4 million



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### KEY VARIANCES

#### **Economic Development +£2,224,000**

Overspends for St David's Hall (£1.6 million), City Hall Functions, Functions Catering and at the Castle. Assumes SDH remains closed to end of financial year. Income shortfalls for the non- operational estate and Youth Foods, offset by a projected surplus within Facilities Management including Building Services and for FM buildings.

#### **Education +£1,785,000**

Hotspots include School Transport (£400,000), Catering (£100,000) with decision due from WG on UPFSM rebate and for Out of County placements (£700,000). This position is net of drawdowns from earmarked reserves to meet continuing demand and cost pressures. Further overspends are shortfalls in EOTAS tuition income (£400,000) and unbudgeted back-office costs of £200,000.

#### **Governance and Legal Services +£620,000**

Includes unbudgeted Locum solicitor costs due to vacancies and printing and postages overspends within Electoral Services.

#### **Housing and Communities (£177,000)**

Unbudgeted costs of storage of homeless persons furniture and overspends within PPE distribution along with unachievable vacancy provisions are offset by additional grant income, vacancy savings and increased drawdowns from earmarked reserves.

#### **Planning, Transport & Environment +£200,000**

Income below target for Residents Parking permits, cost pressures within Winter Maintenance and planning fee shortfalls along with contractual price increases for Intelligence Transport Systems and CCTV contract, offset by a surplus in Energy Management.



## Revenue Position Month 6 – Projected Overspend of £5.4 million



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### KEY VARIANCES

#### **Recycling and Neighbourhood Services +£300,000**

Expansion of the segregated collection scheme, higher vehicle charges and staffing cost overspends at the recycling centres and MRF.

#### **Resources (£325,000)**

Vacancy savings and income above target offset increased licensing and software costs.

#### **Social Services – Adults’ - Balanced**

Overspends on commissioned care for Older People, Physical Disabilities and Learning Disabilities are offset by a drawdown from the Adult Services Contingency budget resulting in a balanced position.

#### **Social Services – Childrens’ +£3,185,000**

Includes Childrens’ overspend of £9.662m (placements + £7.068m - primarily residential and bespoke care arrangements) and staffing overspends (£1.3m) offset by underspends within external fostering (£1.818 million) and including full use of the Childrens Services Contingency budget of £2.175 million.



# Revenue Position Month 6



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- Some improvement since Month 4, but continued mitigations needed
- Month 6 now reflects impact of pay awards 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.

Page 86



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# Budget 2024/25



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# Medium-Term Financial Plan (September Council Report)



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Page 88

	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)
<b>Total</b>	<b>36,760</b>	<b>32,507</b>	<b>26,057</b>	<b>23,881</b>	<b>119,205</b>

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
<b>Total</b>	<b>36,760</b>	<b>32,507</b>	<b>26,057</b>	<b>23,881</b>	<b>119,205</b>

## Medium Term

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



#GweithioDrosGaerdydd  
#GweithioDrosochChi

#WorkingForCardiff  
#WorkingForYou

## 2024/25 - Key Actions



STRONGER  
FAIRER  
GREENER



- 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
- 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
- Consultation planning underway and intention is to initiate post-Christmas
- Late settlement details again expected from Welsh Government – 20<sup>th</sup> December



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## **GOVERNANCE & AUDIT COMMITTEE: 28 November 2023**

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### **COUNTER-FRAUD, BRIBERY AND CORRUPTION STRATEGY & OPERATIONAL DOCUMENTS – UPDATE**

#### **REPORT OF THE CORPORATE DIRECTOR RESOURCES**

#### **AGENDA ITEM: 6.1**

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#### **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 opportunity to consider incremental updates that have been made to the Counter-Fraud, Bribery and Corruption Strategy and a suite of counter-fraud operational documents. The updates have a draft status and will be considered by Cabinet shortly with a request for approval.

#### **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. Fraud costs the public sector an estimated £50.2 billion annually, and of this total, £8.8bn is specifically in local government ([Annual Fraud Indicator 2023](#)).
4. A Counter-Fraud and Corruption Strategy was introduced and approved by Cabinet in July 2019 to co-ordinate the counter-fraud policy framework and outline the strategic approach to tackling fraud across the organisation. The existing Strategy has introduced:
  - Mandatory fraud awareness training across the organisation, delivered through a combination of face-to-face and eLearning sessions to approaching seven thousand people (officers, headteachers and school governors).
  - Annual participation in International Fraud Awareness Week, to develop and maintain 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. Topics have included personal interests & secondary employment, managing conflicts of interest, procurement fraud, mandate fraud and staying vigilant to attempts to defraud the Council with reference to social engineering.

5. The Counter-Fraud and Corruption Strategy has been reviewed, renamed to add the word 'bribery' to the title, and refreshed, to support the Council to develop and maintain a culture in which fraud, bribery and corruption are understood across the organisation as unacceptable, for which firm action is and will be taken to prevent and detect fraud loss, bring fraudsters to account quickly and efficiently, and to recover any losses. Alongside the review and refresh of the Strategy, a suite of operational counter-fraud documents have been reviewed to which incremental updates have also been made.
6. Arrangements have been made to discuss proposed updates with the Council's Trade Unions in November 2023, and all documents have been supported by Single Impact Assessments (appended to this report) with the engagement of the Council's Equalities Team and Bilingual Cardiff. Any commentary and guidance received through these processes to date has been taken into account in the draft documents appended to this report.

## Issues

### Strategy and Operational Document Reviews

7. The Strategy incorporates best practice guidance and intelligence from the Chartered Institute of Public Finance and Accountancy (CIPFA), notably the '[Fighting Fraud and Corruption Locally Strategy](#)', and the '[Fraud and Corruption Tracker Survey](#)'. It has also accounted for the Government's functional standards, which set out the basics that public bodies should have in place to find and fight fraud.
8. The Strategy is also based on best practice information and intelligence on the nature and management of fraud risks gained through lead counter-fraud officers participating in ongoing networking. This involves participation in peer local authority networks such as the Core UK Cities, Welsh Chief Auditor and Welsh Investigator groups, and attending the Wales Fraud Forum.
9. The draft revised Strategy (Appendix A) has been updated to incorporate the incremental updates to best practice models, information and guidance as referred to above. The principal updates from the draft updates to the Strategy are:
  - **Enhanced Oversight** - Through the introduction of a Counter-Fraud Oversight Board, with representation from key members of the Senior Management Team, and lead Council officers, to provide strategic management direction, oversight and review of the Council's counter-fraud arrangements, approach, and governance.
  - **Assurance Reviews** – Whereby the Counter-Fraud Oversight Board will commission relevant reviews where considered required on the Directorate assurance and risk assessment in respect of the prevention and detection of fraud.
  - **Communication** - Continued Fraud Awareness Week participation and relevant wider information campaigns.
  - **Training** - Refreshed mandatory fraud awareness training for 2024/25 to support all staff.



10. The Counter-Fraud, Bribery and Corruption Strategy template for schools has also been updated and arrangements will be made to engage with school Headteachers and Chairs of Governors to outline the updates, provide relevant guidance and to commend the adoption of the Strategy by respective Governing Bodies.
11. In addition to updating the Counter-Fraud, Bribery and Corruption Strategy, the following operational documents have been subject to review and incremental update in line with best practices and are provided for Governance and Audit Committee consideration and comment:
  - **Counter-Fraud Bribery and Corruption Policy** (*formerly titled the Fraud, Bribery and Corruption Policy*) - The Policy underpins the objectives of the Strategy and sets out accountabilities, and the processes to be followed in respect of the prevention, detection, reporting and investigation of suspected fraud, bribery and corruption.
  - **Fraud Response Plan** - This Plan defines how the Council will respond to allegations and provides guidance on the steps that should be followed, in the event of a suspicion of fraud, bribery, corruption or financial impropriety, either actual or attempted, within or against the Council.
  - **Sanction Procedure** (*formerly titled the Prosecution Policy*) - This Procedure sets out how the Council will pursue and punish fraudsters by using civil sanctions, recovering losses, and supporting the law enforcement response.
  - **Publicity Procedure** (*formerly titled the Fraud Publicity Policy*) - The Procedure sets out how the Council will communicate its counter-fraud strategy, policies, and positive action effectively, for assurance to the public that it is taking a firm line on counter-fraud issues and that it has robust and effective procedures in place to tackle fraudulent activity. It is often the alertness of staff and the public to indicators of fraud that enables detection to occur and the Procedure will be used to encourage this support and to promote mechanisms for reporting suspicions of fraud.

## Legal Implications

12. The Counter-Fraud, Bribery and Corruption Strategy and Policy and associated documents (Appendices A-E to the report) set out the Council's arrangements for safeguarding the public funds and resources entrusted to it, discharging its legal responsibilities (under various relevant legislation, as set out in the body of each document) and adhering to best practice guidance. The updates seek to ensure that each document reflects current legislation and best practice and remains up to date and fit for purpose.
13. In considering this matter, the Council must have regard to:
  - (a) Its 'well-being duty', under the Well-Being of Future Generations (Wales) Act 2015 ('the WCFG Act'), aimed at achieving seven national well-being goals for Wales – a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible. When exercising its functions, the Council is required to take all reasonable steps to meet the well-being objectives it has set in order to maximise its contribution to achieving the national well-being goals, which are set out in Cardiff's Corporate Plan 2023-26: Cardiff Council Corporate Plan 2023-26.

- (b) Its public sector equality duties, under the Equality Act 2010, which require that the Council must, in making decisions, have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics (specifically, (a) Age, (b) Gender reassignment, (c) Sex, (d) Race – including ethnic or national origin, colour or nationality, (e) Disability, (f) Pregnancy and maternity, (g) Marriage and civil partnership, (h) Sexual orientation (i) Religion or belief – including lack of religion or belief.) The Council also has a statutory duty, when taking strategic decisions, to have due regard to the need to reduce inequalities of outcome resulting from socio-economic disadvantage ('the Socio-Economic Duty' imposed under section 1 of the Equality Act 2010). An equalities impact assessment should be carried out to consider the equalities implications of any proposed changes to a Council strategy, policy or practice, and the Council must involve those sharing protected characteristics and with an interest in the matter when assessing equality impacts.
- (c) Its obligations under the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.

14. The Single Impact Assessment, **Appendix F** to the report, assists the decision maker to consider the impacts of its decision, having regard to the duties above.

### **Financial Implications**

15. A Counter Fraud, Bribery and Corruption Strategy is an important aspect of promoting effective financial stewardship and helping to safeguard the Council's financial resources. The covering report highlights that the training will be council-wide and needs to be delivered in ways suitable for the various groups of Council staff ranging from eLearning to face to face engagement sessions. The communication and engagement will be undertaken by Council resources and is anticipated to be within existing budget allocations. However, in the event of any additional cost being identified then the funding will need to be considered before proceeding.

### **HR Implications**

16. It will be important that there is an effective communications programme to ensure that managers and employees are aware of the updated elements of the strategy. The requirements of the mandatory eLearning will need to be continued to be communicated effectively in order to ensure compliance is achieved. The briefing of the Trade Unions will be an important step in this process.

### **RECOMMENDATIONS**

17. That the Committee notes and considers the draft updates to the Counter-Fraud, Bribery and Corruption Strategy, and the operational counter-fraud documents appended to this report, prior to a request for Cabinet approval.

**Chris Lee**  
**Corporate Director Resources**

The following are attached:

**Appendix A:** Draft Counter-Fraud, Bribery and Corruption Strategy

**Appendix B:** Draft Counter-Fraud, Bribery and Corruption Policy

**Appendix C:** Draft Fraud Response Plan  
**Appendix D:** Draft Sanction Procedure  
**Appendix E:** Draft Publicity Procedure  
**Appendix F:** Single Impact Assessments

Background paper

[Issue - items at meetings - Draft Counter-Fraud and Corruption Strategy : Cardiff Council \(modern.gov.co.uk\)](http://modern.gov.co.uk)

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# Counter-Fraud, Bribery & Corruption Strategy



## Document Control

<b>Organisation</b>	Cardiff Council
<b>Title</b>	Counter-Fraud Bribery & Corruption Strategy
<b>Author</b>	Audit Manager
<b>Owner</b>	Corporate Director Resources, Section 151 Officer
<b>Review date</b>	Biennially

## Revision History

<b>Revision Date</b>	<b>Revision</b>	<b>Previous Version</b>	<b>Description of Revision</b>
2019	1.0		Initial document, titled 'Counter-Fraud & Corruption Strategy'
July 2023	1.1	1.0	Incorporated content from the latest Fighting Fraud and Corruption Locally Strategy

<b>Contents</b>		<b>Page</b>
1.	Objectives	2
2.	Legal Background	5
3.	Values	8
4.	Assessing Fraud Risk	9
5.	Roles & Responsibilities	14
6.	Monitoring and Disclosures	16
7.	Fraud Response Plan	16
8.	Counter-Fraud Action Plan	17
<b>Appendices</b>		
a.	The Counter-Fraud, Bribery and Corruption Action Plan	18
b.	Glossary – Fraud Types	21
c.	A Desktop Guide to Reporting Cardiff Council Fraud, Bribery and Corruption	23

# Foreword

## FOREWORD - TO BE PREPARED

Councillor Huw Thomas, Leader of the Council, and Paul Orders, Chief Executive.



# 1. Objectives

This Strategy is designed to develop and maintain a culture in which fraud, bribery and corruption are understood across the organisation as unacceptable, for which firm action is and will be taken to prevent and detect fraud loss, bring fraudsters to account quickly and efficiently, and to recover any losses.

## Our Principles

The strategy will support us all to better understand fraud risk, and to prevent and detect fraud more effectively. The strategic response to fighting fraud in Cardiff Council includes the following principles through which we:

- **‘Govern’** with robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the Council.
- **‘Acknowledge’** and understand fraud risks and take steps to tackle fraud through a robust anti-fraud response.
- **‘Prevent’** and detect more fraud, by making good use of technology, maintaining, and enhancing fraud controls and processes and delivering an anti-fraud culture.
- **‘Pursue’** through punishing fraudsters and the use of civil sanctions and recovery of losses and support to the law enforcement response.



It is advised that those tasked with administering the Strategy have also received adequate Equality/Unconscious Bias training to ensure fairness throughout the process.

## Our Targets

The Strategy is designed to support a fraud reporting culture, strong fraud awareness, assurance, and ownership within Directorates and teams.

1. **Reporting Culture** - Everyone working for / representing the Council (employees, agency workers, temporary staff, Members etc.) needs a good awareness of fraud risk and accountability for reporting, through training, communication activities and policy reviews. Members of the public must know how and when to raise concerns.
2. **Strong Assurance** - The Council's internal control systems need to provide indications of any unusual patterns of activity or events that may point to potential fraudulent activity. Fraud risks must be understood, monitored, and managed, to deliver strong council-wide assurance on fraud risk management.
3. **Ownership** - Everyone working for the Council needs to understand their personal responsibility for supporting counter-fraud risk management. Managers should consider this in Personal Review objective setting.

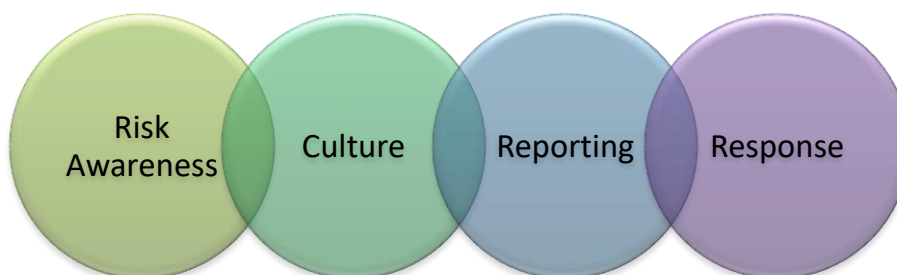
## Why is this important?

Fraud is a significant risk to the UK public sector and has far-reaching financial and reputational consequences.

**“According to the Annual Fraud Indicator 2023 published by Crowe, Peters & Peters and the University of Portsmouth. Public sector fraud losses are estimated to be £50.2bn annually, with £8.8bn of this total being lost in local government.”**

## Our Approach

The Council's approach for meeting the objectives of the strategy involves four core elements:



**Risk Awareness** - Ongoing senior management oversight and engagement in counter-fraud and corruption assessment and response. Delivery of a range of fraud awareness training and taking active steps to understand the nature and level of fraud risks. Providing managers with support in designing, operating, and reviewing internal controls and sharing knowledge of vulnerabilities and lessons learned through strong communication channels.

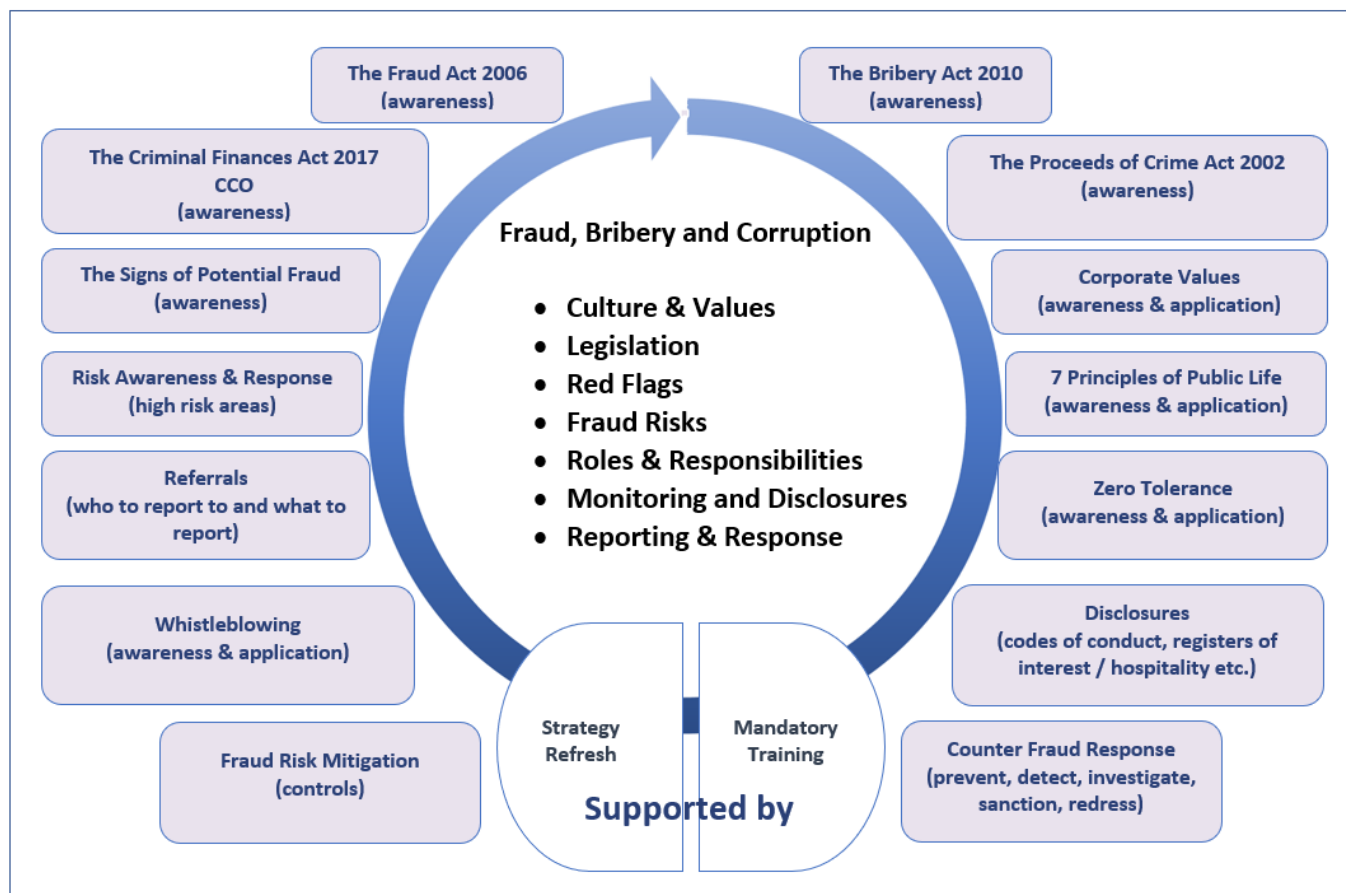
**Culture** - Supporting individuals in their responsibilities to prevent and detect fraud, through training and guidance to reinforce expectations. Communicating our attitude to fraud by raising awareness of the counter-fraud policy framework, which supports the application of clear ethical standards.

**Reporting** - Corporate measurement and reporting of fraud. Providing, effectively communicating, and promoting, a robust process for reporting suspicions of fraud.

**Fraud response** - Responding to fraud effectively through a comprehensive fraud response plan, developing capability and capacity to investigate fraudsters and delivering a collaborative and supportive response.

## How we will deliver the strategy

Awareness, support, and training for ALL officers to understand and apply a strong counter-fraud culture. The Counter-Fraud Action Plan, which sets out the calendar of key activities planned for each financial year, is included in Appendix A.



## 2. Legal Background

There are a number of pieces of legislation in place that we need to be aware of and ensure we adhere to, which are summarised below:

### Welsh Language Standards

Local authorities in Wales have a statutory duty to comply with the Welsh Language Standards that explain how they as organisations should use the Welsh language in different situations.

The 'Welsh Language Standards' ensure that the Welsh language is treated no less favourably than the English language in all Council services.

Members of the public have a legal right to receive services from the Council in English or Welsh according to their choice. Staff also have the right to receive certain information from their employer in Welsh.

Arrangements are in place to communicate with individuals and progress fraud issues and concerns in other languages as required.

### Fraud

**The Fraud Act 2006** focusses on dishonest behaviour, with the intent to make a gain either for yourself or another; to cause a loss to another; or expose another to a risk of a loss. A person does not have to actually benefit from the fraud to be guilty of the offence.

The offence of fraud can be committed in three ways, which are summarised below:

- ⊘ **Fraud by false representation** - lying or misleading someone in order to make a gain or cause a loss.  
*E.g. falsifying information in a job application form.*
- ⊘ **Fraud by failing to disclose information** - not stating something you have a legal duty to disclose.  
*E.g. failing to declare a conviction, disqualification, or commercial interest.*
- ⊘ **Fraud by abuse of a position** - abusing a position where there is an expectation to safeguard the financial interests of another person or organisation.  
*E.g. abusing access to monies or using commercially confidential information to make a personal gain or cause a loss.*

**Fraud** - Offences under the Fraud Act 2006 occur where the act or omission is committed dishonestly and with intent to cause gain or loss. The gain or loss does not have to succeed.

Successful prosecutions under the Fraud Act 2006 may result in an unlimited fine and/or a potential custodial sentence of up to 10 years.

## **Bribery and Corruption**

Bribery and Corruption is covered by specific pieces of legislation:

**The Bribery Act 2010** has made it a criminal offence to:

- Ø **Offer, promise, or give a financial or other advantage to another person, and/or**
- Ø **Request, agree to receive, or accept a financial or other advantage, as an inducement or reward for the improper performance of duties.**

The Act contains further offences for commercial bribery; an offence relating to bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business; and a form of corporate liability for failing to prevent bribery on behalf of a commercial organisation.

**Bribery** is generally defined as: an inducement or reward offered, promised, or provided to someone to perform their functions or activities improperly in order to gain a personal, commercial, regulatory and/or contractual advantage. Under the Bribery Act 2010, bribery is a series of specific offences.

A conviction under the Bribery Act 2010 may ultimately result in an unlimited fine and/or a custodial sentence of up to 10 years imprisonment.

**Corruption** is generally considered as an “umbrella” term covering various activities such as bribery, corrupt preferential treatment, kickbacks, cronyism, theft, or embezzlement.

A bribe does not have to be in cash; it may be the awarding of a contract, the provision of gifts, hospitality, sponsorship, the promise of work or some other benefit. The persons making and receiving the bribe may be acting on behalf of others – under the Bribery Act 2010, all parties involved may be prosecuted for a bribery offence.

### **Proceeds of Crime Act 2002:**

The Act can be used for recovering criminal assets. Criminal confiscation is the most commonly used power, and this occurs after a conviction has taken place. The Act was introduced to deny criminals the use of their assets, to recover the proceeds of crime and to ‘disrupt and deter’ criminality.

### **Misconduct in Public Office:**

A common law offence for which the elements are:

- a) A public officer acting as such;
- b) Wilfully neglects to perform his duty and/or wilfully misconducts himself;
- c) To such a degree as to amount to an abuse of the public's trust in the office holder; and
- d) Without reasonable excuse or justification.

This offence carries a maximum sentence of life imprisonment and should be reserved for cases of serious misconduct or deliberate failure to perform a duty, likely to injure the public interest. Dishonesty or corrupt behaviour are not essential elements of the offence.

### **Criminal Finances Act 2017:**

The Act introduces a responsibility to have policies and procedures to prevent a UK tax evasion facilitation offence.

The offence created under the Act is called the **Corporate Criminal Offence ("CCO")** and is not the committing of tax evasion itself, but a "failure to prevent". The Council has a responsibility to put in place procedures to prevent tax evasion being facilitated by its employees, elected members, suppliers, and agents.

This strategy has been written to include, so far as is reasonable, preventative procedures in relation to the Corporate Criminal Offence, pursuant to section 45(2) of the Criminal Finances Act 2017.

### **Economic Crime and Corporate Transparency Bill:**

The Bill is currently progressing through the House of Lords and follows on from recommendations made by the Law Commission's 2022 review of corporate criminal liability and includes an amendment to introduce a failure to prevent fraud offence.

If fraud is committed by an employee of an organisation, the organisation must be able to demonstrate it had reasonable measures in place to deter the offending or risk receiving an unlimited fine.

### **Other relevant legislation**

#### **Serious Crime Act 2015:**

The Serious Crime Act gives effect to a number of legislative proposals in relation to serious and organised crime. In doing so, it builds on current law to ensure that the relevant bodies have the powers they need to effectively and relentlessly pursue, disrupt, and bring to justice serious and organised criminals.

#### **The Public Contracts Regulations 2015:**

Where a contracting authority has knowledge that a company or its representatives have been convicted of a corruption offence, they should be treated as ineligible (debarred) to participate in the tendering process.

Companies cannot be permanently debarred, but instead will face a term of debarment, dependent on the case, that can be no longer than five years from the date of the conviction.



### 3. Values

#### General Integrity and Ethical Values

The Council has a strong commitment to integrity, ethical values, and the law, through the Council's Corporate Values, Constitution, and supporting policies and procedures:

- **Corporate Values** - guide the workforce and communicate expectations to our stakeholders on conduct and behaviour.
- **Induction and Training Processes** - are in place for all Officers and Members to ensure awareness and understanding on a range of policies, procedures, and regulations.
- **Statutory Roles** - which include the Section 151 Officer, who has overall responsibility for the financial administration of the Council and the Monitoring Officer, who has overall responsibility for the lawfulness of Council decision making and supporting the work of the Standards & Ethics Committee in relation to standards of conduct.
- **The Standards and Ethics Committee** - responsible for promoting and maintaining high standards of conduct within the Council and monitors and scrutinises the ethical standards of the Authority, its Members, employees and any associated providers of the Authority's services.
- **A Whistleblowing Policy** - encourages staff and contractors to speak out on misconduct or illegal behaviour within the organisation, which affects the public or other people (making a disclosure in the public interest).
- **Zero Tolerance attitude to fraud, bribery, and corruption** - requires Officers and Members to act honestly and with integrity at all times, and to promptly report concerns.

#### Zero Tolerance to Fraud

The Council requires Officers, Members, and those we engage with, to act honestly and with integrity at all times. Zero tolerance is given to those committing or attempting fraudulent or corrupt acts (including bribery) inside and/or outside of the Council, through:

- Acting robustly and decisively when fraud, bribery and corruption are suspected and proven e.g. the termination of contracts, dismissal, prosecution etc;
- Taking action to recover any losses through fraud, bribery, and corruption e.g. through agreement, Court action, penalties, insurance etc;
- Having sound internal control systems, which allow for innovation, whilst limiting opportunities for fraud, bribery, and corruption; and
- Optimising the publicity opportunities associated with anti-fraud and corruption activity within the Council and where appropriate, publishing the results of any action taken, including prosecutions, in the media.



## 4. Assessing Fraud Risk

Cardiff Council relies upon proactive and reactive work across the Council in order to effectively prevent and detect fraud.

The first line of defence is the internal control environment within each directorate, in which there needs to be a culture of accountability, a zero tolerance to fraud, supported by a robust application of controls, to prevent fraud and a reporting culture for any concerns.

Awareness and training are essential to ensure a council-wide response to counter-fraud. A corporate approach to awareness and training is programmed in the Counter-Fraud Action Plan (see Appendix A).

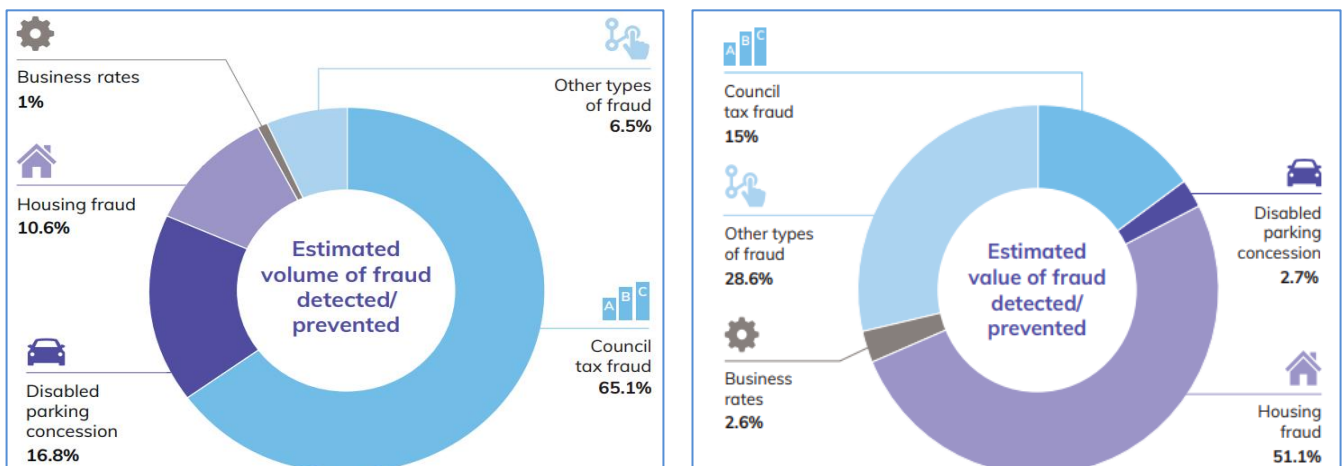
Central resources are targeted to the highest risk fraud areas, and the starting point for the risk assessment is national intelligence and data on fraud levels across local authorities. The annual CIPFA fraud and corruption tracker provides insight on the levels of fraud identified in UK local authorities and wider public services.

The most recent data on the relative proportions of detected local authority fraud by volume is shown below. The associated fraud risk descriptions are included in the glossary in Appendix B.

The following pages explain the process that is followed to develop the fraud risk assessment, starting with national data and intelligence, and then integrating Council intelligence. This strategy and the associated activities included in the Counter-Fraud Action Plan, are focussing greater attention to an organisation-wide fraud risk awareness, and the reporting of suspicions and concerns from all levels of the organisation.

### National Trends & Intelligence CIPFA Fraud and Corruption Tracker National Report 2020

#### I. Estimated fraud in UK Local Authorities – volume and value



• £122.4m Housing fraud	• £35.9m Council tax fraud	• £6.2m Business rates
• £68.5m Other types of fraud	• £6.4m Disabled parking	

The 'other' types of fraud (6.5% of estimated volume) comprised the following, shown in order of frequency across UK local authorities, ordered from most frequent to least.



## II. Notable 'other' types of fraud in UK Local Authorities in 2019/20

Notable 'other' types of fraud	Estimated value 'overall'	Estimated value 'per fraud'
Adult Social Care	£8.2m	£17.8k
Children's Social Care	£0.4m	£9.9k
Debt	£0.3m	£27.5k
Economic and voluntary sector support & debt fraud	£0.1m	£25k
Grant	£36.6	£227k
Insurance fraud	£3.9m	£11.3k
Mandate fraud	£9.4m	£27.2k
No recourse to public funds / welfare assistance fraud	£2.4m	£11.1k / £0.7k
Payroll, recruitment, expenses, and pension fraud	£0.8m	Payroll - £2.6k Recruitment - £4.8k Expenses - £1.7k Pensions - £13.3k
Procurement fraud	£1.5m	£16.7k
School fraud (excl. transport)	£0.2m	£1.1k
School transport	£0.2m	£32.7k

CIPFA, Fraud and corruption tracker 2020

The Council uses its awareness of national fraud risk trends in local authorities and wider public services, to understand the growing areas of fraud and to consider the conditions in which fraud could take place. This knowledge is used to inform management activities, Internal Audit testing, and the focus of the Corporate Fraud Investigation Team.

The value of actual fraud identified in Cardiff Council through fraud investigations, is monitored, recorded, and reported to each of the five Governance and Audit Committee meetings held each year.

### Council Intelligence

The Council uses a number of sources of intelligence to identify its fraud risk, which build upon the national intelligence data that we receive. The Corporate Fraud Investigation Team uses the following primary means to identify its fraud risk assessment of the Council.



Building on national intelligence sources, four principal areas are used to further refine the understanding of, and response to fraud risk, as follows:

### **1. Internal Control Environment (*Management and Internal Audit Assurance*)**

Managers at all levels are responsible for ensuring that systems and processes in place minimise fraud risk and are operating as they should. Managers are responsible for installing and monitoring strong physical and system controls to prevent fraud risks, and for effective mechanisms to detect and respond to potential fraud. Management monitor the controls in place to manage fraud risk, allegations of fraud, and other intelligence or red flags for fraud. This intelligence should inform their management risk assessments quarterly and assurance statements twice a year in respect of the prevention and detection of fraud.

Internal Audit provides independent assurance on the operation of internal controls. The Internal Audit plan is responsive to fraud risk, with national data and intelligence used to inform an inherent risk assessment, which is further refined by additional sources of assurance. High fraud risk areas (e.g. Council Tax, Business Rates and Housing) are subject to regular systematic audits, as are the areas of 'other' fraud (as categorised above). Audit test programmes assess the risk of fraud and the effectiveness of key controls to mitigate fraud. The work of audit provides a secondary assessment of the fraud risk.

The full Senior Management Team participate in a coordinated assessment and response to the CIPFA Fraud and Corruption Tracker annually (or as frequently as the scheme is run), and this informs updates to risk registers and relevant management actions as appropriate.

### **2. Data Matching and Analysis**

There are a number of activities in place to identify fraud risk through data analysis and data matching. Core financial systems use a range of methods to identify the risk of fraud, with mechanisms in place for assurance in key areas of high value transactions such as procurement and payroll.

The Council works with Audit Wales and the Cabinet Office to undertake data matching exercises in order to identify potential frauds and irregularities, and works with other local authorities to share intelligence and best practice. The data matching and analysis intelligence further informs the fraud risk assessment, whilst also leading to proactive fraud detection activities.

### **3. Whistleblowing**

The Council's [Whistleblowing Policy](#) is a means through which those working for, or with us, can make a disclosure in the public interest, and this may relate to an allegation of fraud or financial impropriety. Workers are often the first to realise that there may be something significantly wrong within the Council. The Council is committed to the highest possible standards of openness, probity, and accountability. In line with that commitment, we expect workers, and others that we deal with, who have serious concerns about any aspect of the Council's work to come forward and voice those concerns, with the assurance that they may do so without any fear of reprisal.

#### 4. Strategy, Policies, Training and Awareness

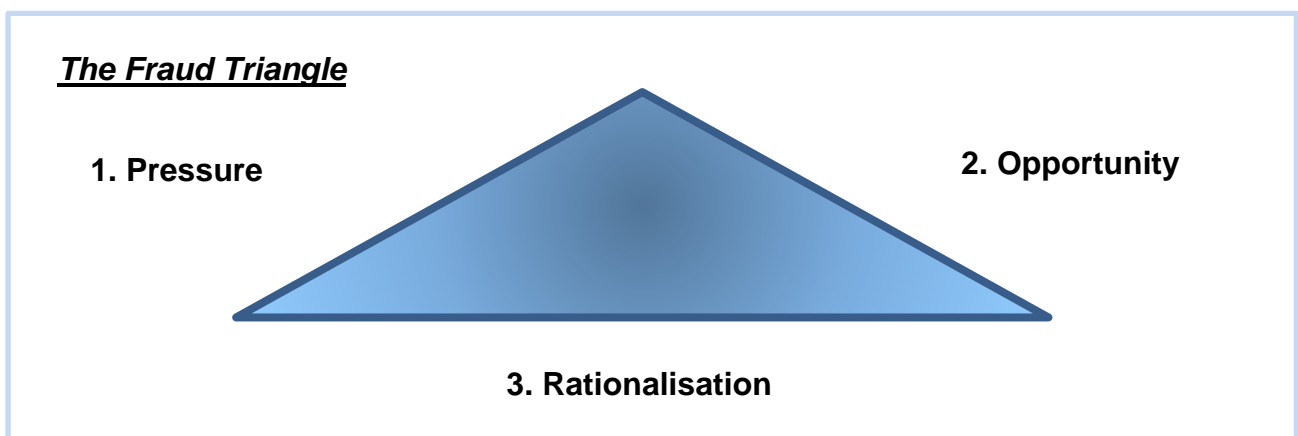
The Council's counter-fraud, bribery and corruption strategy, associated policies and training and awareness campaigns are designed to support the Council to meet a range of counter-fraud and corruption compliance responsibilities. Awareness and engagement campaigns across the organisation target general and focussed areas of counter-fraud compliance and control to support a risk aware and responsive culture.

In recent years, training has been developed and delivered on risk awareness across the organisation and procedures have been developed and updated. These include Corporate Criminal Offence and Anti-Money Laundering responsibilities, for which key points of emphasis are included below:

- Anti-Money Laundering - In line with the Council's Anti-Money Laundering Policy, before establishing a client relationship or accepting an engagement, the Council will put controls in place to address relevant risks. It is important that the Council is aware of whom it is transacting with, including the structure of relevant entities, so all beneficiaries are appropriately disclosed/identified. A 'Due Diligence and Know Your Customer Procedure' sets out the process that must be followed, and the circumstances in which 'Customer Due Diligence Forms' must be completed, and disclosures are to be made. An eLearning Module has been developed to support compliance and control.
- Corporate Criminal Offence - CCO is an offence for the failure to prevent the facilitation of tax evasion in HMRC-administered taxes. Often there is no dividing line between the measures in tax-compliance policies and in policies to counter tax fraud. However, the Council's tax-compliance policies have the effect of countering potential tax fraud and implementing CCO compliance.

#### **The Right Conditions for Fraud**

A concept known as the fraud triangle refers to a 'perfect storm' where the following three elements, leading to fraud, coincide. At the same time as upholding our own corporate values, we need to be alert to the presence of these conditions in others, and to work on reducing the elements which are in our control as colleagues and managers.



Concept developed in 1950s by Criminologist Dr Donald Cressey.

1. **Pressure or motivation** to commit fraud can come from a range of sources e.g. a detrimental change to an individual's personal financial situation.
2. **Opportunity** to commit fraud generally results from poor controls in place within directorates i.e. failing to put in place measures to prevent attempted fraudulent acts. It is the responsibility of managers in the first instance to install and monitor effective controls, with all employees expected to report any concerns they have.
3. **Rationalisation** is the justification that a person has to commit fraud. If the right culture and values are upheld, then regardless of the above two elements, people will not commit fraud.

### **Red Flags for Fraud**

There are a number of behavioural characteristics, which may alert us to a greater risk of fraud. These are known as 'Red Flags', and we are all responsible for keeping alert to the presence of these behavioural characteristics in those that we work with, and reporting concerns to our line manager, where appropriate, and to the Audit Manager.

The Association of Certified Fraud Examiners in its 12<sup>th</sup> edition of the largest global study on occupational fraud, Occupational Fraud 2022: [A Report to the Nations](#) identified behavioural red flags that many fraud perpetrators exhibit as follows:

- Ø Living beyond one's means
- Ø Financial difficulties
- Ø An unusually close association with a vendor or customer
- Ø Control issues, unwillingness to share duties
- Ø Irritability, suspiciousness, or defensiveness
- Ø Bullying or intimidation
- Ø Divorce/family problems
- Ø Wheeler-dealer attitude
- Ø Excessive pressure from within organization
- Ø Addiction problems
- Ø Complained about inadequate pay
- Ø Refusal to take holidays
- Ø Social isolation
- Ø Past legal problems
- Ø Complained about their lack of authority
- Ø Other employment-related problems
- Ø Excessive family/peer pressure for success
- Ø Excessive tardiness or absenteeism
- Ø Instability in life circumstances
- Ø Excessive internet browsing

A fraudster living beyond their means is the most common red flag by a sizable margin. This has ranked as the number 1 red flag in every study since 2008.

## System / Data 'Red Flags'

Inventory shrinkage	Missing documents	Multiple payments
Spikes in invoice volume	Frequent complaints	Excessive number of adjusting entries

## 5. Roles and Responsibilities

Cardiff Council recognises the threat of fraud and corruption, and the harm they can cause to our organisation, our aims and objectives, and our service users.

It is important that we all recognise our personal accountability for managing the risk of fraud, bribery, and corruption. To be able to 'acknowledge', 'prevent' and 'pursue' potential instances of fraud we need to work together, and each understand the active role we must play. Our primary responsibilities for supporting a counter-fraud culture are included below.

To maintain and enhance the Council's counter-fraud arrangements, a counter-fraud oversight board is being established with representation from key members of the Senior Management Team, and lead Council officers.

The Board's overall responsibility will be to provide strategic direction, oversight and review of the Council's counter-fraud arrangements, approach, and governance. An appropriate work programme will be developed accordingly.

Roles	Primary Responsibilities
All Employees	<ul style="list-style-type: none"> <li>• Complete all mandatory training;</li> <li>• Uphold strong standards of conduct and compliance;</li> <li>• Maintain physical and system controls to prevent and detect fraud;</li> <li>• Keep aware of fraud risks and report suspicions.</li> </ul>
Members	<ul style="list-style-type: none"> <li>• Complete all mandatory training;</li> <li>• Uphold strong standards of conduct and compliance;</li> <li>• Support a reporting culture and take appropriate action;</li> <li>• Reinforce a culture of accountability and 'zero tolerance' to fraud.</li> </ul>
Managers	<ul style="list-style-type: none"> <li>• Complete all mandatory training;</li> <li>• Uphold strong standards of conduct and compliance;</li> <li>• Maintain physical and system controls to prevent and detect fraud;</li> <li>• Regularly assess, monitor, and manage fraud risks;</li> <li>• Support a reporting culture and take appropriate action;</li> <li>• Reinforce a culture of accountability and 'zero tolerance' to fraud.</li> </ul>
Section 151 Officer	<ul style="list-style-type: none"> <li>• Oversee Counter-Fraud activities across the Council;</li> <li>• Make arrangements for the proper administration of financial affairs;</li> <li>• Authorise the investigation of potential financial irregularities.</li> </ul>
Monitoring Officer	<ul style="list-style-type: none"> <li>• To ensure the lawfulness of Council decision making and support the work of the Standards &amp; Ethics Committee in promoting and maintaining high standards of conduct within the Council.</li> </ul>

Audit Manager	<ul style="list-style-type: none"> <li>• Counter-Fraud Lead / Champion for corporate communication and risk assessment exercises, initiatives and reporting;</li> <li>• Promote awareness of fraud, bribery, and corruption within the Council, inform process improvements and drive cultural change.</li> </ul>
Internal Audit Team	<ul style="list-style-type: none"> <li>• Develop and deliver a risk-based audit plan to provide assurance on effective financial management and sound systems of internal control;</li> <li>• Evaluate the risk of fraud, and the systems and controls in place to prevent and detect fraud.</li> </ul>
Internal Audit – Corporate Fraud Investigation Team	<ul style="list-style-type: none"> <li>• Provide advice and support to the Section 151 Officer and assurance that suspicions of fraud, bribery and corruption are dealt with in an effective, efficient, and consistent manner;</li> <li>• Work closely with Directorates where fraud or financial impropriety is suspected;</li> <li>• Provide professional advice and support to Investigating Officers;</li> <li>• To lead investigations as appropriate;</li> <li>• Develop and deliver the Counter-Fraud Action Plan.</li> </ul>
Counter-fraud Oversight Board	<ul style="list-style-type: none"> <li>• To provide strategic direction, oversight and review of the Council’s counter-fraud arrangements, approach, and governance.</li> </ul>
Governance and Audit Committee	<ul style="list-style-type: none"> <li>• To monitor the Counter-Fraud Strategy, actions and resources;</li> <li>• To review the assessment of fraud risks and potential harm to the council from fraud and corruption.</li> </ul>
<i>Dedicated Investigation roles</i>	<i>NB – this Strategy outlines the roles and responsibilities to support a council-wide approach to Counter-Fraud. The specific roles in respect of investigations are included in associated policies.</i>

## Reporting Culture

Through your day-to-day work, you are in the best position to recognise specific risks within your areas of responsibility, or those working closely with you. Where you believe the opportunity for fraud, corruption or bribery exists, whether because of poor procedures or oversight, you should report in accordance with the following simple steps.

If you believe you have identified potential fraud:

1. Report the matter to your line manager as soon as possible. Line managers should attempt to establish as many details as possible (through discussion with the notifying officer only).  
OR
2. If the concern relates to your line manager, report the matter direct to the Audit Manager (Chris Pyke) or the Section 151 Officer (Christopher Lee).
3. Following any notification of fraud, financial impropriety or irregularity, Management should in the first instance, send an email to the Corporate-Fraud Investigation Team [fraud@cardiff.gov.uk](mailto:fraud@cardiff.gov.uk) summarising the allegation(s), including as much detail as possible.

NB. Key Contact information is included in Appendix C, and the investigation process is included in the Council’s Counter-Fraud, Bribery, and Corruption Policy.



## Further Reporting Mechanisms:

[Whistleblowing Policy](#) [Tenancy fraud](#) [Benefit Fraud](#) [Scams online](#) [Fraud online](#)

- |   |                |                            |
|---|----------------|----------------------------|
| • Audit Wales Whistle blowers' Hotline        | 029 20 320 522 | whistleblowing@audit.wales |
| • Public Services Ombudsman for Wales         | 0300 790 0203  | ask@ombudsman.wales        |
| • Protect (previously Public Concern at Work) | 020 3117 2520  |                            |

## 6. Monitoring and Disclosures

The Council requires a number of disclosures to be made for transparency and accountability, and to reinforce its counter-fraud culture. The primary policies in which disclosures are required relate to:

- Codes of Conduct (*Officers and Members*)
- Registers of Interest
- Register of Gifts and Hospitality

In upholding strong standards of conduct and compliance, it is vital that we work in accordance with the full requirements of these policies and codes. All relevant personal interests, and gifts and hospitality received, need to be fully disclosed in accordance with the respective policies.

## 7. Fraud Response Plan

The Council's approach to counter-fraud includes a number of proactive and responsive elements.

### Proactive

- Developing a counter-fraud culture to increase resilience to fraud;
- Preventing fraud through the implementation of appropriate and robust internal controls and security measures;
- Using techniques such as data matching to validate data and identifying anomalies;
- Deterring fraud attempts by publicising the organisation's anti-fraud and corruption stance and the actions it takes against fraudsters; and
- Ensuring suppliers adhere to the Council's Suppliers' Code of Conduct.

### Responsive

- Detecting fraud through data and intelligence analysis;
- Implementing effective whistleblowing arrangements;
- Reporting tax non-compliance and fraud to HMRC;
- Investigating fraud referrals;
- Applying sanctions, including internal disciplinary, regulatory, and criminal; and
- Seeking redress, including the recovery of assets and money, where possible.

The Council has a Counter-Fraud Plan in place as part of its Counter-Fraud Policy Framework as summarised below.

**Counter-Fraud Strategy, Policy, and Document Framework**



Each of the above documents supports the Council to achieve one or more of its Counter-Fraud objectives as follows:

- ‘**Govern**’ with embedded anti-fraud, bribery, and corruption measures;
- ‘**Acknowledge**’ and understand fraud risks;
- ‘**Prevent**’ and detect more fraud; and
- ‘**Pursue**’ and punish fraudsters.

These core documents need to be robustly applied and adhered to by all of us.

Included in Appendix C is a desktop guide for wide publicity and use across the Council.

**8. Counter-Fraud Action Plan**

The Audit Manager will produce a Counter-Fraud Action Plan on an annual basis to summarise the key Counter-Fraud work and initiatives scheduled for the financial year.

The Counter-Fraud Oversight Board and the Governance and Audit Committee will oversee the delivery of Counter-Fraud activities.



## The Counter-Fraud, Bribery and Corruption Action Plan

Ref.	Action Required	Target Timescale	Comments (where applicable)
<b>Oversight arrangements</b>			
1.	<b>Counter-Fraud Oversight Board</b> The Board's overall responsibility will be to provide strategic direction, oversight and review of the Council's counter-fraud arrangements, approach, and governance. To meet quarterly		To provide strategic direction, oversight and review of the Council's counter-fraud arrangements, approach, and governance
<b>Anti-fraud and Corruption Policies Updates (<i>Primary Policies</i>)</b>			
2.	<b>Counter-Fraud, Bribery and Corruption Strategy</b> Strategic priorities, approach, responsibilities, and actions	Review every two years	Counter-Fraud Strategy, Policies and Procedures shall be kept under review by the Audit Manager who shall have authority, in consultation with the Corporate Director Resources and Portfolio Cabinet Member, to make any minor amendments to ensure they remain effective and up to date.  Material and strategic updates are to be approved by Cabinet after consideration by the Governance and Audit Committee
3.	<b>Counter-Fraud, Bribery and Corruption Policy</b> Review and update the policy that guides the approach to preventing fraud, bribery, and corruption, managing CCO responsibilities, and managing suspected cases	Review every two years	
4.	<b>Fraud Response Plan</b> Review and update the approach followed in the event of suspicions of fraud, bribery, and corruption, and CCO responsibilities	Review every two years	
5.	<b>Anti-Money Laundering Policy and Procedure</b> Review and update the policy that provides guidance, obligations, and reporting arrangements	Review every two years	
6.	<b>Whistleblowing Policy</b> Review and update to ensure it meets best practice	Regular review (directed by Monitoring Officer.)	
7.	<b>Sanction Procedure</b> Review and update the procedure that provides guidance on a decision to prosecute an individual in respect of a criminal investigation case	Review every two years	

Ref.	Action Required	Target Timescale	
<b>Participation in Networks and Information Reviews</b>			
8.	<b>Fraud Network</b> Attend meetings and correspond with Chief Auditors, Investigators, and other like-minded professionals/relevant groups	Ongoing	To ensure we are up to date with national and regional attempted and committed frauds, and trends and intelligence
9.	<b>Counter-Fraud and Corruption Review</b> All Directorate Management Teams to participate in a coordinated assessment and response to an annual exercise, and to update risk registers and actions as appropriate.	Annually	The tracker is based on an annual survey created by CIPFA and has been designed to provide a council-wide view of the risk of fraud and corruption across the organisation, for management information and assurance. It complements the senior management assurance statement and risk register processes.
10.	<b>Senior Management Assurance Statements - Review</b> The counter-fraud oversight board will commission relevant reviews where considered required on the Directorate assurance statements in respect of the prevention and detection of fraud.	When directed by the counter-fraud oversight board	Senior Management Assurance Statements (SMAS) are used to assess governance maturity in application of the 'Delivering Good Governance in Local Government' framework. Each Director responds to 28 good governance statements using a 5-point maturity scale for their areas of responsibility.

Ref.	Action Required	Target Timescale	
11.	<p><b>Directorate Risk Register – Review</b></p> <p>The counter-fraud oversight board will commission relevant reviews where considered required on the Directorate risks relating to fraud, bribery, and corruption.</p>	When directed by the counter-fraud oversight board	The corporate risk register is formally reviewed and updated on a quarterly basis. Senior Managers are supported to identify and report risks at the right level in a timely manner. Through the process of risk escalation, Directors communicate significant risks to SMT to raise collective awareness and support. The Audit Manager attends SMT to present on Counter-Fraud, Bribery, and Corruption matters.
<b>Training and Awareness Raising</b>			
12.	<p><b>Fraud Awareness Training</b></p> <p>Promote and maintain mandatory eLearning training module across the council and deliver face to face training for non-PC users.</p>	Ongoing	eLearning modules are available for all PC users. Training will be provided to line managers of non PC users to enable face to face training to be cascaded.
13.	<p><b>Training/communication sessions</b></p> <p>Participate in International Fraud Awareness Week in November each year, working with the Council's Communications Team.</p>	Ongoing	To promote an anti-fraud culture and awareness raising at a local level.
<b>Data Analytics &amp; Proactive Fraud Reviews</b>			
14.	<p><b>National Fraud Initiative</b></p> <p>Participate in the data matching exercise on an ongoing basis to assist in the prevention and detection of fraud.</p>	Ongoing	The National Fraud Initiative (NFI) is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.
15.	<p><b>Internal Audit Plan and Review</b></p> <p>The Internal Audit Plan is informed by CIPFA intelligence of local authority fraud risks, and wider organisation risks and information. The team actively reviews the effectiveness of controls in place to prevent and detect fraud, as part of their ongoing programme of work.</p>	Ongoing	

## Glossary – Fraud Types

Based on the CIPFA Fraud and Corruption Tracker 2020

<p><b>1. Adult social care fraud</b></p> <p>Adult social care fraud can happen in a number of ways but the increase in personal budgets gives a greater opportunity for misuse. Investigations may cover cases where:</p> <ul style="list-style-type: none"> <li>• direct payments were not being used to pay for the care of the vulnerable adult.</li> <li>• care workers were claiming money for time they had not worked or were spending the allocated budget inappropriately.</li> </ul>
<p><b>2. Blue Badge fraud</b></p> <p>The Blue Badge is a Europe-wide scheme entitling holders of the permit to parking concessions. This scheme is locally administered, and badges issued to those with disabilities so they can park nearer to their destination. At present, a badge issued to a deceased person is classified as fraudulent, even if it is not being used for fraudulent purposes.</p>
<p><b>3. Business rates fraud</b></p> <p>Business rates fraud is not a transparent landscape for the fraud investigator, with legislation making it difficult to separate evasion and avoidance. Business rate fraud may include the fraudulent applications for exemptions and reliefs and unlisted properties, and fraud staff may be used to visit properties in question.</p>
<p><b>4. Cautions</b></p> <p>Cautions relate to a verbal warning given in circumstances where there is enough evidence to prosecute, but it is felt that it is not in the public interest to do so in that instance.</p>
<p><b>5. Council tax fraud</b></p> <p>Council tax fraud is split into three sections:</p> <ul style="list-style-type: none"> <li>• <b>Council tax single person discount</b> – where the liable party claims to be the only adult resident and receives a 25% discount, when in fact other adults reside in the property.</li> <li>• <b>Council tax reduction support</b> – where the recipient fails to correctly declare their circumstances.</li> <li>• <b>Other types of council tax fraud</b> – e.g., claims for exemptions or discounts to which the council tax payer has no entitlement.</li> </ul>
<p><b>6. Debt fraud</b></p> <p>Debt fraud includes fraudulently avoiding a payment of debt to an organisation, excluding council tax discount.</p>
<p><b>7. Disciplinary outcomes</b></p> <p>Disciplinary outcomes relate to the number of instances where, as a result of an investigation by a fraud team, disciplinary action is undertaken, or where, a subject resigns during the disciplinary process.</p>
<p><b>8. Economic and voluntary sector (grant fraud)</b></p> <p>This type of fraud relates to the false application or payment of grants or financial support to any person and any type of agency or organisation.</p>
<p><b>9. Housing fraud</b></p> <p>Fraud within housing takes a number of forms, including sub-letting for profit, providing false information to gain a tenancy, wrongful tenancy assignment and succession, failing to use the property as the principal home, abandonment, and right to buy.</p>
<p><b>10. Insurance fraud</b></p> <p>Insurance fraud includes any insurance claim that is proved to be false, made against the organisation or the organisation's insurers.</p>

<p><b>11. Mandate fraud</b></p> <p>Action Fraud define mandate fraud as “when someone gets you to change a direct debit, standing order or bank transfer mandate, by purporting to be an organisation you make regular payments to, for example a subscription or membership organisation or your business supplier”.</p>
<p><b>12. Manipulation of data fraud</b></p> <p>The majority of manipulation of data frauds relate to employees changing data in order to indicate better performance than actually occurred and staff removing data from the organisation. It also includes individuals using their position to change and manipulate data fraudulently or in assisting or providing access to a family member or friend.</p>
<p><b>13. No recourse to public funds fraud</b></p> <p>No recourse to public funds prevents any person with that restriction from accessing certain public funds. A person who claims public funds despite such a condition is committing a criminal offence.</p>
<p><b>14. Organised crime</b></p> <p>The widely used definition of organised crime is one planned, co-ordinated, and conducted by people working together on a continuing basis. Their motivation is often, but not always, financial gain.</p>
<p><b>15. Payroll fraud</b></p> <p>Payroll fraud covers a wide range of areas such as ghost employees on the payroll, diversion of payments into fraudulent accounts, employees set up to receive higher salaries than they are entitled to by either grade or hours worked and false overtime claims.</p>
<p><b>16. Procurement fraud</b></p> <p>This includes any fraud associated with the false procurement of goods and services for an organisation by an internal or external person(s) or organisations in the ‘purchase to pay’ or post contract procedure, including contract monitoring.</p>
<p><b>17. Recruitment fraud</b></p> <p>Recruitment fraud includes applicants providing false CVs, job histories, qualifications, references, immigration status (ie the right to work in the UK) or the use of a false identity to hide criminal convictions or immigration status.</p>
<p><b>18. Right to buy</b></p> <p>Right to buy is the scheme that allows tenants who have lived in their properties for a qualifying period the right to purchase the property at a discount.</p>
<p><b>19. Tax</b></p> <p>Tax fraud is a deliberate attempt not to pay the tax that is due. This type of fraud is typically against the payment of corporation tax, income tax, VAT, and landfill tax, but includes all taxes and duties administered by HM Customs and Excise.</p>
<p><b>20. Welfare assistance</b></p> <p>Organisations have a limited amount of money available for welfare assistance claims so the criteria for applications are becoming increasingly stringent. Awards are discretionary and may come as either a crisis payment or some form of support payment.</p>
<p><b>21. Whistleblowing</b></p> <p>Effective whistleblowing allows staff to raise concerns about a crime, criminal offence, miscarriage of justice or dangers to health and safety in a structured and defined way. It can enable teams to uncover significant frauds that may otherwise have gone undiscovered. Organisations should therefore ensure that whistleblowing processes are reviewed regularly.</p>



## A Desktop Guide to Reporting Cardiff Council Fraud, Bribery and Corruption

**FRAUD** is the dishonest intent to obtain a financial gain from, or cause a financial loss to, a person or party through false representation, failing to disclose information or abuse of position.

**CORRUPTION/BRIBERY** is the offering, promise, giving, requesting, agreeing to receive, or accepting a payment or other advantage to induce or reward a person to improperly carry out their duties.

### DO

- **Note your concerns**

Record details such as your concerns, names, descriptions, dates, times, details of conversations and possible witnesses. Time, date and sign your notes.

- **Retain or secure evidence**

Retain any evidence that may be destroyed, but do not alter or write on it in any way.

- **Report your suspicion promptly**

Confidentiality will be respected – delays may lead to further financial loss.

- **Be discreet**

Don't discuss your concerns with anyone who doesn't need to know.

### DO NOT

- **Confront the suspect or convey concerns to anyone other than those authorised**

Never attempt to question a suspect yourself; this could alert a fraudster and place you at harm and jeopardise an investigation/put evidence at risk.

- **Try to investigate the concern yourself**

Never attempt to gather evidence yourself unless it is about to be destroyed; speak with the Council's Counter-Fraud Specialist as soon as possible for advice and guidance.

- **Be afraid of raising your concerns**

The Public Interest Disclosure Act 1998 protects employees who have reasonable concerns. You will not suffer discrimination or victimisation by following the correct procedures.

### If you suspect that fraud against the Council has taken place, you must report it immediately:

- To your line manager in the first instance, where appropriate and
- To the Audit Manager (Chris Pyke) or the Section 151 Officer (Christopher Lee)
- Via email to [fraud@cardiff.gov.uk](mailto:fraud@cardiff.gov.uk).

### Report Fraud, Bribery & Corruption – contact details:

**Audit Manager**

**Internal Audit, County Hall, Cardiff. CF10 4UW**

**Telephone: 2087 3455**

All calls will be treated in confidence and investigated by professionally trained personnel

## Protecting your Council from Fraud, Bribery and Corruption

Your nominated **Counter-Fraud Specialist is David Hexter**, who can be contacted via email on [fraud@cardiff.gov.uk](mailto:fraud@cardiff.gov.uk)

If you would like further information about Cardiff Council Fraud Activities, please visit our [SharePoint site](#).



# Counter-Fraud, Bribery & Corruption Policy



## Document Control

<b>Organisation</b>	Cardiff Council
<b>Title</b>	Counter-Fraud, Bribery & Corruption Policy
<b>Author</b>	Audit Manager
<b>Owner</b>	Corporate Director Resources, Section 151 Officer
<b>Review date</b>	Biennially

## Revision History

<b>Revision Date</b>	<b>Revision</b>	<b>Previous Version</b>	<b>Description of Revision</b>
2018	1.0		Initial document
July 2023	1.1	1.0	Incorporated content from the latest Fighting Fraud and Corruption Locally Strategy



<b>Contents</b>		<b>Page</b>
1.	Objectives	1
2.	Legislation, Definitions, Application & Scope	2
3.	Recruitment, Training and Awareness	3
4.	Prevention	4
5.	Detection	5
6.	Reporting	6
7.	Investigation	7
8.	Accountability	7
9.	Confidentiality and Data Protection	8

## 1. Objectives

- 1.1 The Council's reputation is underpinned by ethical behaviour, financial probity, and honesty. Fraud, bribery, corruption, or other dishonesty adversely affects the Council's reputation and puts its ability to achieve its policies and objectives at risk by diverting the Council's limited resources from the provision of services to the people of Cardiff.
- 1.2 This policy supports the core objective of the Counter-Fraud, Bribery and Corruption Strategy (**ADD LINK**), to develop and maintain a culture in which fraud, bribery and corruption are understood across the organisation as unacceptable, for which firm action is and will be taken to prevent and detect fraud loss, bring fraudsters to account quickly and efficiently, and to recover any losses.
- 1.3 The Council is one of the largest employers in Wales, delivering services to approximately 364,000 people, with assets, interests and annual transactions running into billions of pounds.
- 1.4 In carrying out its functions and responsibilities, the Council seeks to promote a culture of openness and fairness and expects all those who work for and within the Council to adopt the highest standards of propriety and accountability.
- 1.5 Members and employees of the Council must comply with statutory codes of conduct – The Members' Code of Conduct and the Employees Code of Conduct, both documents forming part of the [Constitution](#) of the Council.
- 1.6 The Council fully recognises its responsibility for good financial management so that public money is safeguarded at all times and used appropriately, efficiently, and effectively. The prevention, and if necessary, the investigation, of fraud, bribery and corruption is therefore seen as an important aspect of its duties, which it is committed to undertake. The procedures and the culture of the Council are recognised as important in ensuring high standards in public life.
- 1.7 As part of the Council's commitment to its counter-fraud, bribery, and corruption responsibilities, arrangements have been developed to safeguard against the Corporate Criminal Offences of failure to prevent the criminal facilitation of tax evasion (under Part 3 of the Criminal Finances Act 2017), to prevent the use of our services for money laundering and to prevent terrorist financing.
- 1.8 This policy has been written to include, so far as is reasonable, preventative procedures in relation to the Corporate Criminal Offences (failure to prevent the criminal facilitation of tax evasion), pursuant to section 45(2) of the Criminal Finances Act 2017.
- 1.9 The Council acknowledges that the vast majority of employees and those that work with it act with honesty and integrity at all times to safeguard the public resources they are responsible for. However, there are people who will not act in this way.

## 2. Legislation, Definitions, Application & Scope

Key legislation includes the following:

- 2.1 The Fraud Act 2006 - an Act to make provision for, and in connection with, criminal liability for fraud and obtaining services dishonestly, the most applicable offences to the Council and this policy are:
  - Fraud by false representation
  - Fraud by failing to disclose information
  - Fraud by abuse of position
- 2.2 The Bribery Act 2010 - an Act to make provision about offences relating to bribery; and for connected purposes, the most applicable offences to the Council and this policy are:
  - Bribing another person
  - Being bribed
- 2.3 Criminal Finances Act 2017, Part 3 – this Act creates the ‘Corporate Criminal Offences’ which make a corporate body criminally liable if it fails to prevent an ‘associated person’ (which includes employees, agents and anyone providing services for or on its behalf) from criminally facilitating the evasion of a tax (whether it is owed in the UK or in a foreign country).

### **Definitions – for the purposes of this policy**

- 2.4 **Fraud** is an unlawful act undertaken in order to make a gain for oneself or another, cause a loss or expose another to a risk of loss; often through false representation, failure to disclose information, or abuse of a position.
- 2.5 **Bribery** is generally defined as: an inducement or reward offered, promised, or provided to someone to perform their functions or activities improperly in order to gain a personal, commercial, regulatory and/or contractual advantage.
- 2.6 **Corruption** is generally considered as an “umbrella” term covering such various activities as bribery, corrupt preferential treatment, kickbacks, cronyism, theft, or embezzlement.
- 2.7 **Members** include, Elected, Independent and Co-opted Members.

### **Who this policy applies to**

- 2.8 This policy applies to everyone associated with the Council (employees, agency workers, temporary staff, Members, service users, contractors, partners, and voluntary bodies). The expectation is that all will remain alert to the risk of fraud, bribery and corruption and raise any concerns. They can do this in the knowledge that such concerns will be properly investigated, without fear of victimisation, subsequent discrimination, or disadvantage.

2.9 Members of the public may also have concerns, but not know how and when to raise them. The reporting section below, explains the process to follow.

### **Aims and scope of this policy**

2.10 This policy makes clear that the Council will not tolerate fraud, bribery or corruption and will take all necessary steps to investigate concerns, recover losses and sanction offenders.

2.11 The Council is committed to an effective Policy designed to:

- Raise awareness
- Encourage prevention
- Promote detection
- Facilitate reporting
- Identify a clear pathway for investigation
- Act as a deterrent against future fraud, bribery, or corruption

2.12 It is advised that those tasked with administering the Policy have also received adequate Equality/Unconscious Bias training to ensure fairness throughout the process.

## **3. Recruitment, Training and Awareness**

3.1 It is important that appointments are made fully in compliance with recruitment policies and procedures, to include reasonable measures to verify professional qualifications, honesty, propriety, and integrity. For instance, right to work checks and written references must be obtained before employment offers are confirmed, and where appropriate, Disclosure and Barring Service checks will also be required.

3.2 Training is provided, as appropriate, to employees, in order to improve awareness of, and skills to combat, fraud, bribery and corruption. Additional documentation and guidance is available on the Internal Audit, Corporate Fraud Investigation Team's public SharePoint [site](#).

3.3 Mandatory Fraud Awareness training is available via the Council's Academy website and an Anti-Money Laundering online training Module is also available. At a minimum, all staff who receive cash, monitor cash receipts or who manage staff in these areas, and all solicitors must complete eLearning on anti-money laundering. This includes Operational Managers in these areas, who are responsible for verifying customer due diligence evidence and making disclosures to the Money Laundering Reporting Officer.

## 4. Prevention

- 4.1 The Council uses a number of methods to deter potential fraudsters from committing or attempting fraudulent or corrupt acts (including bribery) whether they are inside and/or outside of the Council, including:
- Having a zero tolerance approach to fraud, bribery, and corruption.
  - Publicising the Council's determination to prevent and detect fraud, bribery, and corruption e.g. clauses in contracts, publications etc.
  - Risk awareness driven through Internal communication campaigns, raising awareness, training and the provision of guidance and support.
  - Acting robustly and decisively when fraud, bribery and corruption are suspected and proven e.g. the termination of contracts, dismissal, prosecution etc.
  - Taking action to recover losses e.g. through agreement, court action, penalties, insurance etc.
  - Having sound internal control systems, which allow for innovation, whilst limiting opportunities for fraud, bribery, and corruption.
  - Optimising the publicity opportunities associated with anti-fraud and corruption activity within the Council and where appropriate, publishing the results of any action taken, including prosecutions, in the media.
- 4.2 There are a wide range of procedures in place to minimise the risk of fraud that constitute a major part of the Council's system of internal control, designed to ensure the Council conducts its business properly and effectively and completes its transactions fully, accurately, and correctly.
- 4.3 The Council aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility lies with senior management who are expected to design and operate systems and procedures that will minimise losses due to fraud, bribery, corruption. The Council's Internal Audit Team supports senior management through an independent appraisal of the integrity of all internal control systems. Key documents in the prevention of fraud, bribery and corruption are the Council's [Financial Procedure Rules](#) and [Contract Standing Order & Procurement Rules](#), which must be adhered to at all times.
- 4.4 Employees are expected to abide by their professional codes of conduct and the [Employee Code of Conduct](#).
- 4.5 Members are bound by the ethical code and should consider the Cardiff Undertaking for Councillors in conjunction with the [Members' Code of Conduct](#).
- 4.6 As part of the pre-qualification questionnaire process for tendering / self-declaration and in compliance with relevant regulations, the Council sets out grounds on which a bidding organisation must be deemed ineligible to tender for, or be awarded, a public contract. These grounds include conviction for fraud, bribery, and corruption.

- 4.7 There is a requirement on Council officers and elected Members to disclose any pecuniary interests in contracts relating to the Council and not to offer, or accept, any fee or reward in connection with their Council duties, other than their proper remuneration. Other Council policies and guidance must also be complied with, such as: Guidance - Hospitality, Gifts and other Benefits - Officers, Guidance - Hospitality, Gifts and other Benefits - Members and Officers Personal Interests and Secondary Employment Policy. Senior Managers have a responsibility to consider, on an ongoing basis, the adequacy of controls to prevent and promptly detect fraud, bribery and corruption within their Directorate and enter and manage risks, as appropriate through their risk register.

## 5. Detection

- 5.1 It is important that there are ways of detecting fraud when it happens. Most systems will have controls to measure the throughput of transactions and provide management reports for monitoring as a means of identifying suspected fraud.
- 5.2 The work of both Internal and External Audit is primarily to ensure controls are embedded into systems as a prevention measure. Management should also have inbuilt mechanisms to support early detection of anything untoward.
- 5.3 It is the responsibility of all managers, Members, and employees to prevent and help detect fraud, bribery, and corruption.
- 5.4 The Council participates in the National Fraud Initiative, an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. The Council will also exchange information and intelligence with other public bodies or agencies, when appropriate and lawful, to help combat fraud, bribery, and corruption.
- 5.5 The Council has a [Whistleblowing Policy](#) which supports staff to report any serious concerns about malpractice within the Council and sets out a procedure for this. However, concerns relating to fraud, bribery, and corruption will be investigated in accordance with this Counter-Fraud, Bribery and Corruption Policy. The Internal Audit, Corporate Fraud Investigation Team will liaise with the Director of Governance and Legal Services and Monitoring Officer in any cases where it appears that the Whistleblowing Policy applies.
- 5.6 Suspicions of fraud, bribery and corruption are often raised by employees and/or members of the public and a reporting culture is encouraged. **Any person who suspects fraud or financial impropriety has a responsibility to report this, and if in doubt, should contact Internal Audit for advice.**

## 6. Reporting

- 6.1 Suspected fraud, bribery and corruption can be notified in a number of ways, but in all cases, it is important that employees and/or the public feel confident to report their concerns and are clear of the means by which they are able to do so.
- 6.2 It is a legal right to receive services from the Council in English or Welsh according to choice. Correspondence will be received, and investigations will be conducted in accordance with the Welsh Language Standards.
- 6.3 Arrangements are in place to communicate with individuals and progress fraud issues and concerns in other languages as required.
- 6.4 If you believe you have identified potential fraud:
- Report the matter to your line manager as soon as possible. Line managers should attempt to establish as many details as possible (through discussion with the notifying officer only).
- OR
- If the concern relates to your line manager, report the matter direct to the Audit Manager (Chris Pyke) or the Section 151 Officer (Christopher Lee).
  - Following any notification of fraud, financial impropriety or irregularity, Management should in the first instance, send an email to the Corporate-Fraud Investigation Team, email: [fraud@cardiff.gov.uk](mailto:fraud@cardiff.gov.uk) summarising the allegation(s), including as much detail as possible.
- 6.5 The [Financial Procedure Rules \(Section 4\)](#) place a responsibility on Directors to immediately notify the Audit Manager whenever any matter arises which involves, or is thought to involve, a breach of security, theft, or irregularities concerning cash, stores or other property of the Council (including data), or any suspected irregularity in the exercise of the functions of the Council.
- 6.6 Members of the public wishing to report suspicions of a breach of security, theft, or irregularities concerning cash, stores or other property of the Council, or any suspected irregularity in the exercise of the functions of the Council, should if possible refer to information available on the Council's Fraud web page: ([Your Council/Council Finance/Managing the Council's Finances/Fraud](#)), or alternatively contact the Corporate Fraud Investigation Team by:
- Email:** [fraud@cardiff.gov.uk](mailto:fraud@cardiff.gov.uk)
- Post:** Audit Manager, Internal Audit Section, County Hall, Cardiff. CF10 4UW.
- 6.7 For further information in respect of identifying fraud, bribery, and corruption, refer to the Counter-Fraud, Bribery and Corruption Strategy ([LINK](#)).



## 7. Investigation

- 7.1 The [Fraud Response Plan](#) sets out how suspicions of fraud will be considered and investigated.
- 7.2 The overall responsibility for investigating cases of suspected fraud, bribery, corruption, or financial impropriety committed by employees, rests with management of the employing Directorate; however, the Section 151 Officer has responsibility for financial stewardship throughout the Council and as such will seek assurance, through the Audit Manager, that a proper investigation is undertaken.

### **Collaboration with other Agencies and Bodies**

- 7.3 Given the potential risk to the Council, the nature and scope of fraud, bribery and corruption and the ease with which fraudsters can utilise technology to commit fraud across boundaries, the Council will share information and intelligence with others, including (but not limited to):
- Action Fraud
  - Cabinet Office / Audit Wales
  - CIFAS
  - HMRC
  - Home Office
  - Local Police / National Fraud Intelligence Bureau
  - National Anti-Fraud Network
  - Other Local Authorities
  - UK Border Agency
  - Department for Work and Pensions

## 8. Accountability

- 8.1 The Corporate Director Resources is responsible for the proper administration of the Council's financial affairs and overseeing the Council's corporate approach to counter-fraud governance, risk management, and assurance.
- 8.2 Through its terms of reference, the Governance and Audit Committee has a responsibility to review the assessment of fraud risks and potential harm to the Council from fraud and corruption, and to monitor the counter-fraud strategy, actions, and resources.
- 8.3 To maintain and enhance the Council's counter-fraud arrangements, a counter-fraud oversight board will provide strategic direction, oversight and review of the Council's counter-fraud arrangements, approach, and governance.
- 8.4 A record of referrals and their outcomes will be maintained by the Internal Audit Corporate Fraud Investigation Team and reported at least annually to the Governance and Audit Committee and Section 151 Officer.



- 8.5 Action may be taken against employees in the event of them failing to comply with this Policy, or making an untrue allegation frivolously, maliciously or for personal gain, in accordance with the Council's Disciplinary Policy.
- 8.6 This Policy shall be kept under review by the Audit Manager who shall have authority, in consultation with the Corporate Director Resources and Portfolio Cabinet Member, to make any minor amendments to ensure it remains effective and up to date. Material and strategic updates are to be approved by Cabinet after consideration by the Governance and Audit Committee.

## **9. Confidentiality and Data Protection**

- 9.1 The Council will treat all information received confidentially, where appropriate, and disclose it only on a 'need to know' basis or as required by law. Any processing of personal data will comply with data protection laws and principles.

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# Fraud Response Plan

Counter-Fraud, Bribery and Corruption



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FAIRER  
Page 135



## Document Control

<b>Organisation</b>	Cardiff Council
<b>Title</b>	Fraud Response Plan
<b>Author</b>	Audit Manager
<b>Owner</b>	Corporate Director Resources, Section 151 Officer
<b>Review date</b>	Biennially

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2018	1.0		Initial document
July 2023	1.1	1.0	Reflecting Counter-Fraud, Bribery and Corruption Strategy updates

<b>Contents</b>		<b>Page</b>
1.	Introduction	1
2.	Scope	1
3.	Action to be taken	2
4.	Fraud response	3
5.	Training and Guidance	4
6.	Review	4

## 1. Introduction

### 1.1 This Fraud Response Plan:

- Defines how the council will respond to allegations, and provides guidance on the steps that should be followed, in the event of a suspicion of fraud, bribery, corruption or financial impropriety, either actual or attempted, within or against the Council. This plan should be read alongside the Counter-Fraud, Bribery and Corruption Strategy and Counter-Fraud, Bribery and Corruption Policy, the Whistleblowing Policy, and Disciplinary Policy.
- Is aligned to delivering the objectives of the Counter-Fraud, Bribery and Corruption Strategy, through which a Zero Tolerance approach to fraud, bribery and corruption is communicated, and Officers and Members are required to act honestly and with integrity at all times, and to promptly report concerns.
- Has been written to include, so far as is reasonable, preventative procedures in relation to Corporate Criminal Offence, pursuant to section 45(2) of the Criminal Finances Act 2017.

### 1.2 The Council will 'Govern' with robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the Council.

### 1.3 It is important that we all recognise our personal accountability for managing the risk of fraud, bribery, and corruption. To be able to 'acknowledge', 'prevent' and 'pursue' potential instances of fraud we need to work together, and each understand the active role we must play.

### 1.4 The Council will take action to recover any losses through fraud, bribery, and corruption for example, through agreement, court action, penalties, insurance etc.

## 2. Scope

### 2.1 This Fraud Response Plan sets out the approach dealing with suspicions or allegations of fraud, financial impropriety, bribery, and corruption. It is concerned with any act or activity that puts the Council's resources at risk.

This plan applies to all Council officers and is commended to all Schools for consideration and adoption by their respective Governing Bodies.

### 2.2 There are a number of ways in which concerns may arise, for example:

- Discoveries by managers or other employees
- Referral from a concerned member of the public
- Proactive exercises (data matching / data analytics)
- Intelligence from external partners
- Routine systems audit checks or specific audit checks on high-risk areas

- 2.3 Example areas of concern include: theft / misappropriation of assets, facilitation of tax evasion (Corporate Criminal Offence), business rates, council tax liability, council tax reduction, economic support, employee misconduct, grants, housing and tenancy, mandate, procurement, housing benefit (housing benefit fraud is investigated by the Department for Work and Pensions).
- 2.4 This plan must be invoked immediately where there are suspicions or allegations of fraud, bribery, corruption, or financial impropriety.
- 2.5 If in doubt, seek advice from the Internal Audit, Corporate Fraud Investigation Team.
- 2.6 It is advised that those tasked with administering the Plan have also received adequate Equality/Unconscious Bias training to ensure fairness throughout the process.

### 3. Action to be taken

- 3.1 The Section 151 Officer has overall responsibility for financial stewardship across the Council and as such seeks assurance, through the Audit Manager, that a proper investigation is undertaken.
- 3.2 There is a requirement that all suspicions or concerns in respect of fraud, financial irregularities, theft / loss of property or assets are reported to the Audit Manager, via the Corporate Fraud Investigation Team, without delay.
- 3.3 The action to be taken is detailed below, in respect of **a.** 'Employees and those working on behalf of the council', and **b.** 'Concerns relating to persons external to the Council as follows:

**a. Concerns relating to conduct of employees or those working on behalf of the Council**

- 3.4 **Internal Fraud** - for example, theft of property / assets, exaggerated claims. Investigations will be conducted in accordance with the Council's Counter-Fraud Bribery, and Corruption and Disciplinary Policies.
- 3.5 If you have suspicions or concerns, you should:

- **Note your concerns**  
Record details such as names, descriptions, dates, times, details of conversations and possible witnesses. Time, date and sign your notes.
- **Preserve evidence**  
It is imperative that all available evidence is preserved / secured lawfully and held securely, without alerting individuals who are thought to be involved. Do not recycle, delete, destroy, edit, annotate, or mark electronic or physical evidence.
- **Report your concerns promptly**  
Discuss your concerns with your line manager, or report the matter direct to the Audit Manager or the Section 151 Officer / Corporate Director Resources.

- **Maintain confidentiality**  
Do not tell anyone else about your suspicions;  
Do not approach any of the named individuals;  
Do not carry out an investigation yourself, as this may damage any subsequent investigation and potentially put you at risk.

#### **b. Concerns relating to persons external to the Council**

3.6 **External Fraud** - for example, Council Tax Liability, Council Tax Reduction, Housing and Tenancy frauds (not housing benefit fraud\*).

3.7 If you have suspicions or concerns, you should:

- **Report your concerns promptly**  
Referrals should be submitted to the Corporate Fraud Investigation Team either via existing approved routes, the Council's [Website](#), or by emailing: [fraud@cardiff.gov.uk](mailto:fraud@cardiff.gov.uk). Please provide as much information as possible, to include where known, the name and address of the subject(s) of concern, what it is that they are thought to be doing wrong, how long it has been going on, who else is involved, descriptions of individuals and any other relevant information.

3.8 Whenever possible the Investigating Officer will provide relevant feedback to the referrer (subject to DPA / GDPR considerations).

## **4. Fraud response**

4.1 The Council has a dedicated Corporate Fraud Investigation Team, consisting of professionally trained investigators who focus on financial probity and security and carry out investigations for the prevention and detection of crime.

4.2 It is a legal right to receive services from the Council in English or Welsh according to choice. Correspondence will be received, and investigations will be conducted in accordance with the Welsh Language Standards. Arrangements are in place to communicate with individuals and progress fraud issues and concerns in other languages as required.

4.3 Investigations will be undertaken with consideration for the relevant legislation, regulations, policies, and procedures.

4.4 On completion of the investigation the investigating officer will prepare a full written report setting out the background, findings of the investigation, and recommendations to reduce further exposure if fraud is proven.

4.5 Should a criminal investigation identify that the perpetrator is an employee, normally, at the conclusion of the investigation, Human Resources will be contacted and if appropriate, contact will be made with the employing Directorate. Dependant on the employee's role, there may be a requirement (e.g., Safeguarding) to contact the employing Directorate prior to the conclusion of the criminal investigation.



- 4.6 In all cases of fraud, the Council will vigorously pursue the recovery of property and overpaid monies and will use all means available, including civil sanctions. As appropriate fraudsters will be subject to criminal action which could include prosecution.

## Members of the public

- 4.7 The council encourages members of the public to report suspicions of a breach of security, theft, irregularities concerning cash, stores or other property of the Council, or any suspected irregularity in the exercise of the functions of the Council. If possible, refer to information available on the Council's Fraud web page:

[Your Council/Council Finance/Managing the Council's Finances/Fraud](#)

Alternatively contact the Council's Internal Audit, Corporate Fraud Investigation Team:

Email: [fraud@cardiff.gov.uk](mailto:fraud@cardiff.gov.uk)

Post: Audit Manager  
Internal Audit Section  
Cardiff Council  
County Hall  
Cardiff  
CF10 4UW

## 5. Training and Guidance

- 5.1 The Corporate Fraud Investigation Team will provide face to face and eLearning fraud awareness training, and guidance to employees.
- 5.2 Requests for training, and questions in relation to this plan, should be directed to the Corporate Fraud Investigation Team ([fraud@cardiff.gov.uk](mailto:fraud@cardiff.gov.uk)).

## 6. Review

- 6.1 Internal Audit will conduct a review of this Fraud Response Plan biennially or more frequently if required, to ensure that it reflects changes which may be necessary to strengthen future responses by the Council to fraud, bribery, and corruption, and to ensure that the procedures reflect current best practice.
- 6.2 Reviews will be overseen by the Audit Manager who shall have authority, in consultation with the Corporate Director Resources and Portfolio Cabinet Member, to make any minor amendments to ensure the Plan remains effective. Material and strategic updates to be approved by Cabinet after consideration by the Governance and Audit Committee.

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# Sanction Procedure

Counter-Fraud, Bribery and Corruption



## Document Control

<b>Organisation</b>	Cardiff Council
<b>Title</b>	Sanction Procedure
<b>Author</b>	Audit Manager
<b>Owner</b>	Corporate Director Resources, Section 151 Officer
<b>Review date</b>	Biennially

## Revision History

<b>Revision Date</b>	<b>Revision</b>	<b>Previous Version</b>	<b>Description of Revision</b>
2017	1.0		Initial document
January 2023	1.1	1.0	Reflecting Counter-Fraud, Bribery and Corruption Strategy updates

<b>Contents</b>		<b>Page</b>
1.	Introduction	1
2.	General Principles	2
3.	Scope and Definition	2
4.	Sanctions	3
5.	Criteria	3
6.	Responsibilities	4
7.	Review	5

# 1. Introduction

- 1.1 This procedure is aligned to the Council's Counter-Fraud, Bribery and Corruption Strategy (**LINK**), which communicates a zero-tolerance approach, and encourages and promotes fraud prevention and detection.
- 1.2 The Strategy has a core objective to develop and maintain a culture in which fraud, bribery and corruption are understood across the organisation as unacceptable, for which firm action will be taken to prevent and detect fraud loss, bring fraudsters to account quickly and efficiently, and to recover any losses.
- 1.3 As part of the strategic response to fighting fraud, the Council has communicated how it will pursue and punish fraudsters by using civil sanctions, recovering losses, and supporting the law enforcement response.
- 1.4 It is a legal right to receive services from the Council in English or Welsh according to choice. Correspondence will be received, and investigations will be conducted in accordance with the Welsh Language Standards. Arrangements are in place to communicate with individuals and progress fraud issues and concerns in other languages as required.
- 1.5 This procedure has been written to include, so far as is reasonable, preventative procedures in relation to Corporate Criminal Offence, pursuant to section 45(2) of the Criminal Finances Act 2017.
- 1.6 Examples of how fraud and corruption will be prevented and pursued as part of the Council's robust counter-fraud response are as follows:

Prevent	Pursue
<ul style="list-style-type: none"><li>• Making best use of information and technology</li><li>• Enhancing fraud controls and processes</li></ul>	<ul style="list-style-type: none"><li>• Developing our capability and capacity to punish offenders</li><li>• Use of criminal and civil sanctions Prioritising fraud recovery</li></ul>
<ul style="list-style-type: none"><li>• Developing and maintaining an effective anti-fraud culture</li></ul>	<ul style="list-style-type: none"><li>• Collaboration across geographical and sectoral boundaries</li></ul>
<ul style="list-style-type: none"><li>• Communicating activity and success</li></ul>	<ul style="list-style-type: none"><li>• Learning lessons and closing the gaps</li></ul>

- 1.7 The decision to sanction an individual is a serious step and may have lasting implications for the offender. This Procedure is designed to ensure that all officers involved in any such decisions understand and appreciate the principles that will be taken into account.
- 1.8 There is a requirement for all frauds\* committed against or from within the Council to be reported to the Audit Manager, via the Internal Audit, Corporate Fraud Investigation Team, based within Finance, Resources. ([fraud@cardiff.gov.uk](mailto:fraud@cardiff.gov.uk))

*\*except housing benefit fraud which will be reported to the Department for Work and Pensions.*

- 1.9 Corporate Fraud Investigation Team Investigators are professionally trained and highly experienced. Investigations are undertaken to the criminal standard, utilising best practice.

## 2. General Principles

- 2.1 In recognition of the Council's strategic aims and its status as a responsible steward of public funds, this procedure aims to ensure that persons who commit fraud are dealt with fairly and consistently. Its specific objectives are to:
- ensure that those who commit fraud are punished;
  - assist officers in the selection of the most appropriate sanction;
  - ensure that sanctions are successfully applied;
  - maximise the deterrent effect of successful sanctions;
  - maintain and generate public confidence in and respect for the Council, by helping to ensure that justice is seen as being done.
- 2.2 Each case must be considered on its own merits. When deciding whether to commence a sanction, officers must be fair, independent, and objective. They shall not be affected by improper or undue pressure from any source.
- 2.3 Investigations will be conducted in accordance with the Police and Criminal Evidence Act 1984 and its Codes of Practice, as applicable, and all other relevant legislative and common-law rules.
- 2.4 In accordance with the Corporate Fraud Investigation Team's Publicity Procedure, the Team will work with the Communications and Media Team to seek to generate additional positive publicity for successful counter-fraud activity, to maximise the deterrent effect, and to encourage fraud referrals.
- 2.5 It is advised that those tasked with administering the Procedure have also received adequate Equality/Unconscious Bias training to ensure fairness throughout the process.

## 3. Scope and Definition

- 3.1 This procedure applies to criminal investigations undertaken by the Corporate Fraud Investigation Team and for example, may relate to Council Tax Liability, Council Tax Reduction, Housing, and Procurement investigations.
- 3.2 Due to the size of the organisation and the proactive work undertaken by the Investigation Team, occasionally Council employees may be identified as potential fraudsters. In the first instance the criminal investigation will take precedence, however, advice will be sought from Human Resources as appropriate.

## 4. Sanctions

4.1 There are a number of Criminal / Civil sanctions available to the Council:

- **Prosecution** - criminal proceedings may be brought against offenders and the case heard in Court when there appears to be sufficient evidence of a criminal offence and it is in the public interest to prosecute.
- **Simple Caution** - a “simple” caution is a formal warning that may be given to persons aged 18 or over who admit to committing an offence. This is designed to provide a means of dealing with low-level, mainly first-time, offending without a prosecution. In addition, a simple caution may only be given if there appears to be sufficient evidence to provide a realistic prospect of conviction if the offender were to be prosecuted.

Simple cautions form part of an offender’s criminal record and may be referred to in future legal proceedings and, in certain circumstances, may be revealed as part of a criminal record check.

- **Unlawful profit order** - (Prevention of Social Housing Fraud Act 2013) – the offender is required to pay the landlord an amount representing profit made.
- **Financial penalties** - the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (Wales) Regulations 2013, provides the Council with the ability to impose financial penalties.
- **Overpayment recovery & civil court action** - in all cases of fraud the Council will vigorously pursue the recovery of property and overpaid monies and will use all means available, including civil sanctions.

## 5. Criteria

5.1 Each case is unique and must be considered on its own facts and merits. However, there are general principles that apply to the way in which sanctions are determined and the following will be taken into account:

- the full code test (for which further details are provided below);
- the seriousness of the fraud;
- the extent to which the offending was premeditated and/or planned;
- the extent to which the suspect has benefitted from criminal conduct;
- the loss to the Council;
- whether the suspect has previous criminal convictions and/or out-of-court disposals;
- the age and health of the suspect;
- aggravating / mitigating factors;
- admittance of the offence at interview.



- 5.2 The [Code for Crown Prosecutors](#) gives guidance to prosecutors on the general principles to be applied when making decisions about prosecutions.
- 5.3 All cases must meet the full code test before an Investigator can recommend a prosecution. The full code test has two stages, being the evidential test followed by the public interest test.
- 5.4 In order to pass the evidential test, prosecutors must be satisfied that there is sufficient evidence to provide a realistic prospect of conviction. They must consider what the defence case may be, and how it is likely to affect the prospects of conviction. A case which does not pass the evidential stage must not proceed to a criminal sanction, no matter how serious or sensitive it may be.
- 5.5 In every case where there is sufficient evidence to justify a prosecution or to offer an out-of-court disposal, prosecutors must go on to consider whether a prosecution is required in the public interest. Consideration will be given to:
- how serious is the offence committed;
  - what is the level of culpability of the suspect;
  - what are the circumstances of and the harm caused to the victim;
  - what was the suspect's age and maturity at the time of the offence;
  - what is the impact on the community;
  - is prosecution a proportionate response;
  - do sources of information require protecting.
- 5.6 The decision to prosecute is a serious step that affects suspects, victims, witnesses and the public at large and must be undertaken with the utmost care. It is recognised that prosecuting an offender may send a strong message, reinforcing the Council's stance in respect of protecting the public purse, however, this must be weighed against the burden on the court system and cost to the Council bringing less serious cases before the court.
- 5.7 A strict requirement to repay monies fraudulently obtained is in itself another major deterrent to fraud and will not influence the decision to sanction.

## 6. Responsibilities

- 6.1 Legal Services will normally undertake the role of prosecutor / administer out of court disposals, however, there may be occasions such as collaborating with other external partners when the Crown Prosecution Service or other Local Authority Solicitors fulfil the role.
- 6.2 The Investigating officer will bring to the attention of the Group Auditor (Investigations) all cases that may attract adverse publicity or that require alternative methods of disposal, so that senior management may be notified as appropriate.
- 6.3 Cases that fall within parameters as defined within this procedure will require the Investigating Officer to produce a sanction file in accordance with standard procedures.

- 6.4 The Group Auditor (Investigations) will review the case and consider the appropriateness of a sanction in accordance with this procedure, prior to the referral of the case to Governance and Legal Services.
- 6.5 Governance and Legal Services will review each sanction file received from the Internal Audit Corporate Investigation Team to ensure that there are sufficient grounds to instigate proceedings, taking into account the evidential and public interest test. The delegation to prosecute rests with Governance and Legal Services.

## 7. Review

- 7.1 This procedure will be reviewed every two years, unless legislation or further developments require it to be reviewed before this date. This will ensure the procedure meets its objectives and takes account of good practice developments.
- 7.2 Reviews will be overseen by the Audit Manager who shall have authority, in consultation with the Corporate Director Resources and Portfolio Cabinet Member, to make any minor amendments to ensure the procedure remains effective. Material and strategic updates to be approved by Cabinet after consideration by the Governance and Audit Committee.

# Publicity Procedure

Counter-Fraud, Bribery and Corruption



## Document Control

<b>Organisation</b>	Cardiff Council
<b>Title</b>	Publicity Procedure
<b>Author</b>	Audit Manager
<b>Owner</b>	Corporate Director Resources, Section 151 Officer
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2003	1.0		Initial document
July 2023	1.1	1.0	Reflecting Counter-Fraud, Bribery and Corruption Strategy updates

<b>Contents</b>		<b>Page</b>
1.	Introduction	1
2.	Prevent	1
3.	Implementation	1
4.	Publicity	2
5.	Collaboration	2

## 1. Introduction

- 1.1 This procedure is aligned to the Council's Counter-Fraud, Bribery and Corruption Strategy, which is designed to develop and maintain a culture in which fraud, bribery and corruption are understood across the organisation as unacceptable, for which firm action is and will be taken to prevent and detect fraud loss, bring fraudsters to account quickly and efficiently, and to recover any losses.
- 1.2 The Council wishes to communicate its counter-fraud strategy, policies, and positive action effectively, for assurance to the public that it is taking a firm line on counter-fraud issues and that it has robust and effective procedures in place to tackle fraudulent activity. Tackling fraud is everybody's business. It is often the alertness of staff and the public to indicators of fraud that enables detection to occur, and the Council wishes to encourage this support and to promote mechanisms for reporting suspicions of fraud.
- 1.3 This Policy shall be kept under review by the Audit Manager who shall have authority, in consultation with the Corporate Director Resources and Portfolio Cabinet Member, to make any minor amendments to ensure it remains effective. Material and strategic updates to be approved by Cabinet after consideration by the Governance and Audit Committee

## 2. Prevent

- 2.1 One of the key pillars of activity of counter-fraud effort is 'Prevent', the Council recognises that a key prevention and deterrent measure in the fight against fraud is a programme to communicate counter-fraud activity and successes.

## 3. Implementation

- 3.1 Fraud prevention and investigation is led by the Council's Corporate Fraud Investigation Team, based in the Internal Audit Section. The Team will work with the Council's Communications & Media Team to ensure that a regular programme of publicity is maintained throughout the year, this will include, but not be limited to, an annual Fraud Awareness Week communication campaign. Additionally, a tool kit of promotional material, including leaflets and posters will be available.
- 3.2 On an ongoing basis, advice will be sought from Bilingual Cardiff as appropriate to ensure compliance with the Welsh Language Standards, specifically in relation to translations and language queries.
- 3.3 Fraud awareness staff training will be maintained and delivered through the most appropriate medium across the organisation.

- 3.4 The Corporate Fraud Investigation Team will seek to generate additional, positive bilingual publicity for its successful counter-fraud activity using the press and other advertising media, when appropriate.
- 3.5 Counter-fraud activity will regularly be reported to the Governance and Audit Committee.
- 3.6 It is advised that those tasked with administering the Procedure have also received adequate Equality/Unconscious Bias training to ensure fairness throughout the process.

## 4. Publicity

- 4.1 The Council seeks to promote its policies, performance, and reporting mechanisms to its staff via all available physical and digital means, including notice boards, the intranet, and Share Point. The external website will report on the activities of the Corporate Fraud Investigation Team and encourage referrals from members of the public.
- 4.2 Regular dissemination of information by the Internal Audit Section on policy, performance, and best practice is facilitated through the delivery of fraud awareness training, communication campaigns, newsletters, and the staging of workshops.
- 4.3 The Corporate Fraud Investigation Team will work with the Communications & Media Team to publicise successful sanction activity, fraud drives, and other counter fraud initiatives using the local press and other publicity vehicles.
- 4.4 Advice will be sought from Bilingual Cardiff and the Equalities Team to ensure that publicity materials and messages are targeted appropriately to take into account language and format requirements.
- 4.5 The Council will maximise opportunities to advertise reporting mechanisms, particularly on statutory notifications and mail shots that are likely to be retained by the recipient.

## 5. Collaboration

- 5.1 All opportunities to collaborate with officers across the council and partner agencies to share data and intelligence to prevent and detect fraud will be explored.
- 5.2 As appropriate, the Council will seek to publicise successful counter-fraud activity arising from joint working initiatives.

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# Single Impact Assessment

Cardiff Council

6.1 Appendix F



## 1. Details of the Proposal

**What is the proposal?**

Title: Counter-Fraud, Bribery and Corruption Strategy

**Is this a new proposal or are you amending an existing policy, strategy, project, procedure or service?**

New

Existing

**Directorate/Service Area:**

Resources / Finance

**Who is developing the proposal?**

Name: Chris Pyke

Job Title: Audit Manager, Operational Manager

**Responsible Lead Officer (Director or Assistant Director):**

Chris Lee. Corporate Director Resources

**Cabinet Portfolio:**

Authorisation	
Completed By:	David Hexter
Job Title:	Group Auditor (Investigations)
Date:	6 July 2023
Approved By:	Chris Pyke
Job Title:	Audit Manager

**Document History – do not edit**

*The Single Impact Assessment (SIA) can be strengthened as time progresses, helping shape the proposal. Version control will provide a useful audit trail of how the SIA has developed. Draft versions of the assessment should be retained for completeness, however only the final version will be publicly available. Draft versions may be provided to regulators if appropriate.*

Version	Author	Job Title	Date
1	Fiona Gibson	Senior Corporate Policy Officer	12/10/2022
2	Fiona Gibson	Senior Corporate Policy Officer	12/04/2023

## 2. Overview of the Proposal

### **What action is the Council considering and why?**

*Please provide a detailed outline of the proposal. This information will support your findings in the impact assessments.*

The Counter-Fraud, Bribery and Corruption Strategy is designed to develop and maintain a culture in which fraud, bribery and corruption are understood across the organisation as unacceptable, for which firm action is and will be taken to prevent and detect fraud loss, bring fraudsters to account quickly and efficiently, and to recover any losses.

Reporting Culture - raising awareness of fraud risk and accountability for reporting, through training, communication activities and policy reviews. Members of the public must also know how and when to raise concerns.

Strong Assurance - fraud risks must be understood, monitored and managed, to deliver strong Council-wide assurance on fraud risk management.

Ownership - Everyone working for the Council needs to understand their personal responsibility for supporting counter-fraud risk management. Managers should consider this in Personal Review objective setting.

'Fraud costs the public sector £50.2bn annually, and of this total, £8.8bn is specifically in local government.' The CIPFA Fraud and Corruption Tracker 2020 states that 65.1% of detected/prevented fraud in UK Local Authorities by volume, relates to council tax fraud – individuals inappropriately receiving a discount, exemption, or discount.

The Investigation Team receives referrals from various sources, including members of staff and the public.

### **What are the costs and/or savings?**

*What will the proposal cost and how will it be funded?*

*How might costs be reduced through involvement and collaboration, across Cardiff Council and/or with external stakeholders?*

*Are there savings and how will these be realised?*

Cost neutral

## Impact Assessments

### Which impact assessments do you need to complete to support your proposal?

Further information is included about each assessment at the start of the relevant section.

The [Impact Assessment Screening Tool](#) provides advice tailored to your proposed policy, strategy or project regarding which impact assessments may be required and who to contact to find out more.

The screening tool is an online form with mainly multiple-choice questions which should take less than 10 minutes to complete.

Once the answers have been submitted, an automated email will be sent to you with the recommended next steps and details of who to contact for expert advice.

**Put Yes or No next to each of the impact assessments listed below to indicate which ones are being carried out. For assessments which are not being carried out, please delete the relevant sections on the subsequent pages.**

Impact Assessment	Completed: Y/N
A. Equality Impact Assessment	Yes
B. Child Rights Impact Assessment	No
C. Welsh Language Impact Assessment	Yes
D. Habitats Regulations Assessment	No
E. Strategic Environmental Assessment	No
F. Data Protection Impact Assessment	No
G. Health Impact Assessment	No

For further information on all the above impact assessments including who to contact for advice, please visit the [Policy Portal](#).

# A: Equality Impact Assessment

Guidance in completing this assessment can be accessed [here](#). Please consult the Equality Team for any further assistance with completing this assessment [EqualityTeam@cardiff.gov.uk](mailto:EqualityTeam@cardiff.gov.uk)

Under the Equality Act 2010, “differential impact” means that people of a particular protected characteristic (e.g. people of a particular age) will be significantly more affected by the change than other groups.

## Impact on the Protected Characteristics

### Age

Will this proposal have a **differential impact** [positive/negative] on different age groups?

	Yes	No	N/A
Up to 18 years		✓	
18 - 65 years		✓	
Over 65 years		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the strategy will have a differential impact on younger/older people. The strategy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. The core objectives of the strategy will be beneficial to all, including people of all ages.

### Disability

Will this proposal have a **differential impact** [positive/negative] on disabled people?

	Yes	No	N/A
Hearing Impairment		✓	
Learning Disability		✓	
Long-Standing Illness or Health Condition		✓	
Mental Health		✓	
Neurodiversity		✓	
Physical Impairment		✓	
Substance Misuse		✓	
Visual Impairment		✓	
Other		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the strategy will have a differential impact on disabled people. The strategy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. The core objectives of the strategy will be beneficial to all, including disabled people.

**Gender Reassignment**

Will this proposal have a **differential impact** [positive/negative] on transgender people?

	Yes	No	N/A
Transgender People (Transgender people are people whose gender identity or gender expression is different from the gender they were assigned at birth.)		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the strategy will have a differential impact on transgender people. The strategy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. The core objectives of the strategy will be beneficial to all, including Transgender people.

**Marriage and Civil Partnership**

Will this proposal have a **differential impact** [positive/negative] on marriage and civil partnership?

	Yes	No	N/A
Marriage		✓	
Civil Partnership		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the strategy will have a differential impact on marriage and civil partnership. The strategy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. The core objectives of the strategy will be beneficial to all, including people who are married or in a civil partnership.

## Pregnancy and Maternity

Will this proposal have a **differential impact** [positive/negative] on pregnancy and maternity?

	Yes	No	N/A
Pregnancy		✓	
Maternity		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the strategy will have a differential impact on pregnancy and maternity. The strategy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. The core objectives of the strategy will be beneficial to all, including people who are pregnant or in their maternity period.

## Race

Will this proposal have a **differential impact** [positive/negative] on the following groups?

	Yes	No	N/A
White		✓	
Mixed / Multiple Ethnic Groups		✓	
Asian / Asian British		✓	
Black / African / Caribbean / Black British		✓	
Other Ethnic Groups		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the strategy will have a differential impact in respect of race. The strategy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. The core objectives of the strategy will be beneficial to all, including people from all ethnicities and backgrounds.

### Religion, Belief or Non-Belief

Will this proposal have a **differential impact** [positive/negative] on people with different religions, beliefs or non-beliefs?

	Yes	No	N/A
Buddhist		✓	
Christian		✓	
Hindu		✓	
Humanist		✓	
Jewish		✓	
Muslim		✓	
Sikh		✓	
Other belief		✓	
No belief		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the strategy will have a differential impact on people with different religions, beliefs or non-beliefs. The strategy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. The core objectives of the strategy will be beneficial to all, including people of all faiths and beliefs.

### Sex

Will this proposal have a **differential impact** [positive/negative] on male, female or non-binary persons?

	Yes	No	N/A
Male persons		✓	
Female persons		✓	
Non-binary persons		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the strategy will have a differential impact on men and/or women. The strategy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. The core objectives of the strategy will be beneficial to all, regardless of sex.



### Sexual Orientation

Will this proposal have a **differential impact** [positive/negative] on people with different sexual orientations?

	Yes	No	N/A
Bi		✓	
Gay		✓	
Lesbian		✓	
Heterosexual		✓	
Other		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the strategy will have a differential impact in respect of sexual orientation. The strategy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. The core objectives of the strategy will be beneficial to all, regardless of sexual orientation.

### Socio-economic Duty

Is the change anticipated to reduce or contribute to inequality of outcome as a result of socio-economic disadvantage? (e.g. will the change negatively impact on those on low-incomes or those living in deprived areas?)

	Yes	No	N/A
Socio-economic impact		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the strategy will have a differential impact in respect of Socio-economic Duty. The strategy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. The core objectives of the strategy will be beneficial to all, regardless of Socio-economic status.

## Welsh Language

Will this proposal have a **differential impact** [positive/negative] on the Welsh language?

	Yes	No	N/A
Welsh language	✓		

### Please give details/consequences of the differential impact, and provide supporting evidence, if any.

The Counter-Fraud, Bribery and Corruption Strategy will have a potentially positive impact on the Welsh language as it provides the ability of both the public and staff members to understand and report on matters of fraud in their chosen language.

### What action(s) can you take to address the differential impact?

Through engagement with Bilingual Cardiff, mitigating actions have been incorporated, this includes recognising the importance of the Welsh Language Standards, processes in place to seek advice from Bilingual Cardiff, specifically in relation to translations and language queries. Having existing arrangements to ensure the ability to communicate with individuals and progress fraud issues and concerns in other languages as required.

## Consultation and Engagement

What arrangements have been made to consult/engage with equality/ community organisations, especially those who are representative of those you have identified as being likely to be affected?

A copy of the Counter-Fraud, Bribery and Corruption Strategy has been shared with the Equality Team and Bilingual Cardiff. Discussions ensued and working with Bilingual Cardiff, mitigating factors were developed jointly.

A process of consultation and engagement will take place, with Trade Union consultation taking place prior to Cabinet consideration in October 2023.

## Summary of Actions (Listed in the sections above)

	Actions
Age	Not applicable
Disability	Not applicable
Gender Reassignment	Not applicable
Marriage & Civil Partnership	Not applicable
Pregnancy & Maternity	Not applicable
Race	Not applicable
Religion/Belief	Not applicable
Sex	Not applicable
Sexual Orientation	Not applicable
Socio-economic Impact	Not applicable
Welsh Language	Not applicable

Generic/ Over-Archiving (applicable to all the above groups)	Not applicable
--	----------------

### Next Steps

Any recommendations for action that you plan to take as a result of this Equality Impact Assessment (listed in Summary of Actions) should be included as part of your Service Area's Business Plan to be monitored on a regular basis.

Where the Equality Impact Assessment shows negative impacts, you must append the form to the Cabinet or Officer Decision Report.

On completion of this Assessment, please ensure that the whole form is submitted to the Equality Team mailbox so that there is a record of all assessments undertaken in the Council [EqualityTeam@cardiff.gov.uk](mailto:EqualityTeam@cardiff.gov.uk)

## C: Welsh Language Impact Assessment

Please consult with Bilingual Cardiff for any assistance with completing this assessment  
[Bilingualcardiff@cardiff.gov.uk](mailto:Bilingualcardiff@cardiff.gov.uk)

### Welsh Language Standards 88-97

#### Standard 88

Will this proposal have a **differential impact [positive/negative]** on:

	Yes	No	N/A
The opportunities for persons to use the Welsh language?	✓		
Treating the Welsh language no less favourably than the English language?	✓		

**Please give details/ consequences of the differential impact, and provide supporting evidence, if any.**

The core objectives of the Counter-Fraud, Bribery and Corruption Strategy will be beneficial to all, engagement has been undertaken with Bilingual Cardiff and the Strategy has been reviewed to ensure that the Welsh language is not treated less favourably than the English language.

Working with Bilingual Cardiff mitigating factors were considered and developed jointly.

The Counter-Fraud, Bribery and Corruption Strategy recognises that local authorities in Wales have a statutory duty to comply with the Welsh language standards. A process is in place to ensure that advice is sought at the appropriate time in order to obtain translations and resolve language queries.

Members of the public have a legal right to receive services from the Council in English or Welsh according to their choice. Arrangements are in place to communicate with individuals and progress fraud issues and concerns in other languages as required.

#### Standard 89

Could this proposal be formulated or re-formulated, so that it would have positive effects, or increased positive effects, on:

**The opportunities for persons to use the Welsh language?**

See above

**Treating the Welsh language no less favourably than the English language?**

See above

**Standard 90**

Could this proposal be formulated or re-formulated to ensure that it does not have adverse effects, or a decreased adverse effect, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 91**

When consulting on the proposal, were views considered, and sought, on the effects (both positive and negative) that it would have on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 92**

Did the consultation seek and give consideration to views on how the proposal could have positive, or increased positive effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 93**

Did the consultation seek and give consideration to views on how the proposal could have no adverse effects, or decreased adverse effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 94**

If the proposal includes the awarding of grants, has consideration been given to the guidance presented in Cardiff Council’s Policy on Awarding Grants in Compliance with the Welsh Language Standards with regard to:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 95**

If research was undertaken or commissioned to assist with the development of the proposal, did it give consideration to whether it would have a **differential impact [positive/negative]** on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Standard 96

Did the research undertaken or commissioned to assist with the development of the proposal give consideration to how it could have a positive effect, or increased positive effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Standard 97

Did the research undertaken or commissioned to assist with the development of the proposal give consideration to how it could have no adverse effect, or decreased adverse effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Material and Services

In addition to the impact assessment to ensure that the proposal meets the requirements of the Welsh Language Standards, consideration must also be given to the supporting materials and services that may be required.

These include (please click on the hyperlinks to view detailed information about the requirements under the Welsh Language Standards):

- [Correspondence](#) - receiving and replying (emails, letters, online communication).
- [Telephone](#) – receiving and answering calls.
- [Meetings & Public Events](#) – public meetings or events, group meetings, consultation, individual meetings.
- [Public Messages – electronic – video](#)
- [Signs, Notices & Display Material](#)
- [Publicity & Advertising](#)

- [Producing Public Documents](#) - policies, strategies, annual reports, corporate plans, guidelines, notices, codes of practice, consultation papers, licences, certificates, rules, brochures, leaflets, pamphlets or cards, ticket/vouchers.
- [Producing Forms](#)
- [Reception Services](#)
- [Websites, Apps and Online Services](#)
- [Social Media](#)
- [Self Service Machines](#)
- [Education Training Courses](#)
- [Public Address Announcements](#)

**Are all supporting materials and services compliant with the requirements of the Welsh language standards?**

Yes

### Cardiff Council's Welsh Language Skills Strategy

This strategy may be viewed here and additional guidance documents have been produced to support its implementation:

- [Assessing Welsh Language Skills and Identifying Welsh Essential Roles](#)
- [Recruitment, Selection, and Interview Procedures and the Welsh Language](#)

**Do you have access to sufficient Welsh speaking staff to support the delivery of the proposal in compliance with the requirements of the Welsh language standards?**

Yes

### Next Steps

Where it is considered that a Welsh Language Impact Assessment is required, you must append the form to the Cabinet or Officer Decision Report.

A copy must also be emailed to Bilingual Cardiff [Bilingualcardiff@cardiff.gov.uk](mailto:Bilingualcardiff@cardiff.gov.uk)



# Single Impact Assessment

Cardiff Council

6.1 Appendix F



## 1. Details of the Proposal

<b>What is the proposal?</b>	
Title:	Counter-Fraud, Bribery and Corruption Policy
<b>Is this a new proposal or are you amending an existing policy, strategy, project, procedure or service?</b>	
New	<input type="checkbox"/>
Existing	<input checked="" type="checkbox"/>
<b>Directorate/Service Area:</b>	
Resources / Finance	
<b>Who is developing the proposal?</b>	
Name:	Chris Pyke
Job Title:	Audit Manager, Operational Manager
<b>Responsible Lead Officer (Director or Assistant Director):</b>	
Chris Lee, Corporate Director Resources	
<b>Cabinet Portfolio:</b>	

<b>Authorisation</b>	
Completed By:	David Hexter
Job Title:	Group Auditor (Investigations)
Date:	6 July 2023
Approved By:	Chris Pyke
Job Title:	Audit Manager

**Document History – do not edit**

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<b>Version</b>	<b>Author</b>	<b>Job Title</b>	<b>Date</b>
1	Fiona Gibson	Senior Corporate Policy Officer	12/10/2022
2	Fiona Gibson	Senior Corporate Policy Officer	12/04/2023

## 2. Overview of the Proposal

### **What action is the Council considering and why?**

*Please provide a detailed outline of the proposal. This information will support your findings in the impact assessments.*

The Counter-Fraud, Bribery and Corruption Policy supports the core objective of the Counter Fraud, Bribery and Corruption Strategy, to develop and maintain a culture in which fraud, bribery and corruption are understood across the organisation as unacceptable, for which firm action is and will be taken to prevent and detect fraud loss, bring fraudsters to account quickly and efficiently, and to recover any losses.

In carrying out its functions and responsibilities, the Council seeks to promote a culture of openness and fairness and expects all those who work for and within the Council to adopt the highest standards of propriety and accountability.

The Council fully recognises its responsibility for good financial management so that public money is safeguarded at all times and used appropriately, efficiently and effectively. The prevention, and if necessary, the investigation, of fraud, bribery and corruption is therefore seen as an important aspect of its duties, which it is committed to undertake.

'Fraud costs the public sector at least £50.2bn annually, and of this total, £8.8bn is specifically in local government.' The CIPFA Fraud and Corruption Tracker 2020 states that 65.1% of detected/prevented fraud in UK Local Authorities by volume, relates to council tax fraud – individuals inappropriately receiving a discount, exemption, or discount.

The Investigation Team receives referrals from various sources, including members of staff and the public.

Fraud from the public sector deprives vulnerable citizens of the help and support that they need.

### **What are the costs and/or savings?**

*What will the proposal cost and how will it be funded?*

*How might costs be reduced through involvement and collaboration, across Cardiff Council and/or with external stakeholders?*

*Are there savings and how will these be realised?*

Cost neutral

## Impact Assessments

### Which impact assessments do you need to complete to support your proposal?

Further information is included about each assessment at the start of the relevant section.

The [Impact Assessment Screening Tool](#) provides advice tailored to your proposed policy, strategy or project regarding which impact assessments may be required and who to contact to find out more.

The screening tool is an online form with mainly multiple-choice questions which should take less than 10 minutes to complete.

Once the answers have been submitted, an automated email will be sent to you with the recommended next steps and details of who to contact for expert advice.

**Put Yes or No next to each of the impact assessments listed below to indicate which ones are being carried out. For assessments which are not being carried out, please delete the relevant sections on the subsequent pages.**

Impact Assessment	Completed: Y/N
A. Equality Impact Assessment	Yes
B. Child Rights Impact Assessment	No
C. Welsh Language Impact Assessment	Yes
D. Habitats Regulations Assessment	No
E. Strategic Environmental Assessment	No
F. Data Protection Impact Assessment	No
G. Health Impact Assessment	No

For further information on all the above impact assessments including who to contact for advice, please visit the [Policy Portal](#).

# A: Equality Impact Assessment

Guidance in completing this assessment can be accessed [here](#). Please consult the Equality Team for any further assistance with completing this assessment [EqualityTeam@cardiff.gov.uk](mailto:EqualityTeam@cardiff.gov.uk)

Under the Equality Act 2010, “differential impact” means that people of a particular protected characteristic (e.g. people of a particular age) will be significantly more affected by the change than other groups.

## Impact on the Protected Characteristics

### Age

Will this proposal have a **differential impact** [positive/negative] on different age groups?

	Yes	No	N/A
Up to 18 years		✓	
18 - 65 years		✓	
Over 65 years		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the policy will have a differential impact on younger/older people. The policy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the policy will be beneficial to all, including people of all ages.

### Disability

Will this proposal have a **differential impact** [positive/negative] on disabled people?

	Yes	No	N/A
Hearing Impairment		✓	
Learning Disability		✓	
Long-Standing Illness or Health Condition		✓	
Mental Health		✓	
Neurodiversity		✓	
Physical Impairment		✓	
Substance Misuse		✓	
Visual Impairment		✓	
Other		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the policy will have a differential impact on disabled people. The policy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the policy will be beneficial to all, including disabled people.

**Gender Reassignment**

Will this proposal have a **differential impact** [positive/negative] on transgender people?

	Yes	No	N/A
Transgender People (Transgender people are people whose gender identity or gender expression is different from the gender they were assigned at birth.)		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the policy will have a differential impact on transgender people. The policy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the policy will be beneficial to all, including Transgender people.

**Marriage and Civil Partnership**

Will this proposal have a **differential impact** [positive/negative] on marriage and civil partnership?

	Yes	No	N/A
Marriage		✓	
Civil Partnership		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the policy will have a differential impact on marriage and civil partnership. The policy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the policy will be beneficial to all, including people who are married or in a civil partnership.

## Pregnancy and Maternity

Will this proposal have a **differential impact** [positive/negative] on pregnancy and maternity?

	Yes	No	N/A
Pregnancy		✓	
Maternity		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the policy will have a differential impact on pregnancy and maternity. The policy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Counter Fraud, Bribery and Corruption Strategy, the policy will be beneficial to all, including people who are pregnant or in their maternity period.

## Race

Will this proposal have a **differential impact** [positive/negative] on the following groups?

	Yes	No	N/A
White		✓	
Mixed / Multiple Ethnic Groups		✓	
Asian / Asian British		✓	
Black / African / Caribbean / Black British		✓	
Other Ethnic Groups		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the policy will have a differential impact in respect of race. The policy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council's Counter Fraud, Bribery and Corruption Strategy, the policy will be beneficial to all, including people from all ethnicities and backgrounds.

**Religion, Belief or Non-Belief**

Will this proposal have a **differential impact** [positive/negative] on people with different religions, beliefs or non-beliefs?

	Yes	No	N/A
Buddhist		✓	
Christian		✓	
Hindu		✓	
Humanist		✓	
Jewish		✓	
Muslim		✓	
Sikh		✓	
Other belief		✓	
No belief		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the policy will have a differential impact on people with different religions, beliefs or non-beliefs. The policy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud and Corruption Strategy, the policy will be beneficial to all, including people of all faiths and beliefs.

**Sex**

Will this proposal have a **differential impact** [positive/negative] on male, female or non-binary persons?

	Yes	No	N/A
Male persons		✓	
Female persons		✓	
Non-binary persons		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the policy will have a differential impact on men and/or women. The policy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the policy will be beneficial to all, regardless of sex.



### Sexual Orientation

Will this proposal have a **differential impact** [positive/negative] on people with different sexual orientations?

	Yes	No	N/A
Bi		✓	
Gay		✓	
Lesbian		✓	
Heterosexual		✓	
Other		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the policy will have a differential impact in respect of sexual orientation. The policy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council's Counter Fraud, Bribery and Corruption Strategy, the policy will be beneficial to all, regardless of sexual orientation.

### Socio-economic Duty

Is the change anticipated to reduce or contribute to inequality of outcome as a result of socio-economic disadvantage? (e.g. will the change negatively impact on those on low-incomes or those living in deprived areas?)

	Yes	No	N/A
Socio-economic impact		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the policy will have a differential impact in respect of Socio-economic Duty. The policy supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council's Counter Fraud, Bribery and Corruption Strategy, the policy will be beneficial to all, regardless of Socio-economic status.

## Welsh Language

Will this proposal have a **differential impact** [positive/negative] on the Welsh language?

	Yes	No	N/A
Welsh language	✓		

### Please give details/consequences of the differential impact, and provide supporting evidence, if any.

The Counter-Fraud, Bribery and Corruption Policy will have a potentially positive impact on the Welsh language as it provides the ability of both the public and staff members to understand and report on matters of fraud in their chosen language.

### What action(s) can you take to address the differential impact?

Through engagement with Bilingual Cardiff, mitigating actions have been incorporated, this includes recognising the importance of the Welsh Language Standards, processes in place to seek advice from Bilingual Cardiff, specifically in relation to translations and language queries. Having existing arrangements to ensure the ability to communicate with individuals and progress fraud issues and concerns in other languages as required.

## Consultation and Engagement

What arrangements have been made to consult/engage with equality/ community organisations, especially those who are representative of those you have identified as being likely to be affected?

A copy of the Counter Fraud, Bribery and Corruption Strategy and the Counter Fraud, Bribery and Corruption Policy have been shared with the Equality Team and Bilingual Cardiff. Discussions ensued and working with Bilingual Cardiff, mitigating factors were developed jointly.

A process of consultation and engagement will take place, with Trade Union consultation taking place prior to Cabinet consideration in October 2023.

## Summary of Actions (Listed in the sections above)

	Actions
Age	Not applicable
Disability	Not applicable
Gender Reassignment	Not applicable
Marriage & Civil Partnership	Not applicable
Pregnancy & Maternity	Not applicable
Race	Not applicable
Religion/Belief	Not applicable
Sex	Not applicable
Sexual Orientation	Not applicable
Socio-economic Impact	Not applicable
Welsh Language	Not applicable

Generic/ Over-Arching (applicable to all the above groups)	Not applicable
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### Next Steps

Any recommendations for action that you plan to take as a result of this Equality Impact Assessment (listed in Summary of Actions) should be included as part of your Service Area's Business Plan to be monitored on a regular basis.

Where the Equality Impact Assessment shows negative impacts, you must append the form to the Cabinet or Officer Decision Report.

On completion of this Assessment, please ensure that the whole form is submitted to the Equality Team mailbox so that there is a record of all assessments undertaken in the Council [EqualityTeam@cardiff.gov.uk](mailto:EqualityTeam@cardiff.gov.uk)

## C: Welsh Language Impact Assessment

Please consult with Bilingual Cardiff for any assistance with completing this assessment  
[Bilingualcardiff@cardiff.gov.uk](mailto:Bilingualcardiff@cardiff.gov.uk)

### Welsh Language Standards 88-97

#### Standard 88

Will this proposal have a **differential impact [positive/negative]** on:

	Yes	No	N/A
The opportunities for persons to use the Welsh language?	✓		
Treating the Welsh language no less favourably than the English language?	✓		

**Please give details/ consequences of the differential impact, and provide supporting evidence, if any.**

The core objectives of the Counter Fraud, Bribery and Corruption Policy will be beneficial to all, engagement has been undertaken with Bilingual Cardiff and the Policy has been reviewed to ensure that the Welsh language is not treated less favourably than the English language.

Working with Bilingual Cardiff mitigating factors were considered and developed jointly.

The Counter Fraud, Bribery and Corruption Policy recognises that local authorities in Wales have a statutory duty to comply with the Welsh language standards. A process is in place to ensure that advice is sought at the appropriate time in order to obtain translations and resolve language queries.

Members of the public have a legal right to receive services from the Council in English or Welsh according to their choice. Arrangements are in place to communicate with individuals and progress fraud issues and concerns in other languages as required.

#### Standard 89

Could this proposal be formulated or re-formulated, so that it would have positive effects, or increased positive effects, on:

**The opportunities for persons to use the Welsh language?**

See above

**Treating the Welsh language no less favourably than the English language?**

See above

**Standard 90**

Could this proposal be formulated or re-formulated to ensure that it does not have adverse effects, or a decreased adverse effect, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 91**

When consulting on the proposal, were views considered, and sought, on the effects (both positive and negative) that it would have on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 92**

Did the consultation seek and give consideration to views on how the proposal could have positive, or increased positive effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

### Standard 93

Did the consultation seek and give consideration to views on how the proposal could have no adverse effects, or decreased adverse effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

### Standard 94

If the proposal includes the awarding of grants, has consideration been given to the guidance presented in Cardiff Council's Policy on Awarding Grants in Compliance with the Welsh Language Standards with regard to:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

### Standard 95

If research was undertaken or commissioned to assist with the development of the proposal, did it give consideration to whether it would have a **differential impact [positive/negative]** on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Standard 96

Did the research undertaken or commissioned to assist with the development of the proposal give consideration to how it could have a positive effect, or increased positive effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Standard 97

Did the research undertaken or commissioned to assist with the development of the proposal give consideration to how it could have no adverse effect, or decreased adverse effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Material and Services

In addition to the impact assessment to ensure that the proposal meets the requirements of the Welsh Language Standards, consideration must also be given to the supporting materials and services that may be required.

These include (please click on the hyperlinks to view detailed information about the requirements under the Welsh Language Standards):

- [Correspondence](#) - receiving and replying (emails, letters, online communication).
- [Telephone](#) – receiving and answering calls.
- [Meetings & Public Events](#) – public meetings or events, group meetings, consultation, individual meetings.
- [Public Messages – electronic – video](#)
- [Signs, Notices & Display Material](#)
- [Publicity & Advertising](#)

- [Producing Public Documents](#) - policies, strategies, annual reports, corporate plans, guidelines, notices, codes of practice, consultation papers, licences, certificates, rules, brochures, leaflets, pamphlets or cards, ticket/vouchers.
- [Producing Forms](#)
- [Reception Services](#)
- [Websites, Apps and Online Services](#)
- [Social Media](#)
- [Self Service Machines](#)
- [Education Training Courses](#)
- [Public Address Announcements](#)

**Are all supporting materials and services compliant with the requirements of the Welsh language standards?**

Yes

### Cardiff Council's Welsh Language Skills Strategy

This strategy may be viewed here and additional guidance documents have been produced to support its implementation:

- [Assessing Welsh Language Skills and Identifying Welsh Essential Roles](#)
- [Recruitment, Selection, and Interview Procedures and the Welsh Language](#)

**Do you have access to sufficient Welsh speaking staff to support the delivery of the proposal in compliance with the requirements of the Welsh language standards?**

Yes

### Next Steps

Where it is considered that a Welsh Language Impact Assessment is required, you must append the form to the Cabinet or Officer Decision Report.

A copy must also be emailed to Bilingual Cardiff [Bilingualcardiff@cardiff.gov.uk](mailto:Bilingualcardiff@cardiff.gov.uk)



# Single Impact Assessment

Cardiff Council

6.1 Appendix F



## 1. Details of the Proposal

<b>What is the proposal?</b>	
Title:	Fraud Response Plan

<b>Is this a new proposal or are you amending an existing policy, strategy, project, procedure or service?</b>	
New	<input type="checkbox"/>
Existing	<input checked="" type="checkbox"/>

<b>Directorate/Service Area:</b>	
Resources / Finance	

<b>Who is developing the proposal?</b>	
Name:	Chris Pyke
Job Title:	Audit Manager, Operational Manager

<b>Responsible Lead Officer (Director or Assistant Director):</b>	
Chris Lee, Corporate Director Resources	

<b>Cabinet Portfolio:</b>	

<b>Authorisation</b>	
Completed By:	David Hexter
Job Title:	Group Auditor (Investigations)
Date:	6 July 2023
Approved By:	Chris Pyke
Job Title:	Audit Manager

**Document History – do not edit**

*The Single Impact Assessment (SIA) can be strengthened as time progresses, helping shape the proposal. Version control will provide a useful audit trail of how the SIA has developed. Draft versions of the assessment should be retained for completeness, however only the final version will be publicly available. Draft versions may be provided to regulators if appropriate.*

<b>Version</b>	<b>Author</b>	<b>Job Title</b>	<b>Date</b>
1	Fiona Gibson	Senior Corporate Policy Officer	12/10/2022
2	Fiona Gibson	Senior Corporate Policy Officer	12/04/2023

## 2. Overview of the Proposal

### **What action is the Council considering and why?**

*Please provide a detailed outline of the proposal. This information will support your findings in the impact assessments.*

The Fraud Response Plan defines how the council will respond to allegations, and provides guidance on the steps that should be followed, in the event of a suspicion of fraud, bribery, corruption or financial impropriety, either actual or attempted, within or against the Council.

It is important that we all recognise our personal accountability for managing the risk of fraud, bribery and corruption. To be able to 'acknowledge', 'prevent' and 'pursue' potential instances of fraud we need to work together and each understand the active role we must play.

The plan sets out the approach dealing with suspicions or allegations of fraud, financial impropriety, bribery, and corruption. It is concerned with any act or activity that puts the Council's resources at risk.

The Council fully recognises its responsibility for good financial management so that public money is safeguarded at all times and used appropriately, efficiently and effectively. The prevention, and if necessary, the investigation, of fraud, bribery and corruption is therefore seen as an important aspect of its duties, which it is committed to undertake.

'Fraud costs the public sector at least £50.2bn annually, and of this total, £8.8bn is specifically in local government.' The CIPFA Fraud and Corruption Tracker 2020 states that 65.1% of detected/prevented fraud in UK Local Authorities by volume, relates to council tax fraud – individuals inappropriately receiving a discount, exemption, or discount.

The Investigation Team receives referrals from various sources, including members of staff and the public.

Fraud from the public sector deprives vulnerable citizens of the help and support that they need.

### **What are the costs and/or savings?**

*What will the proposal cost and how will it be funded?*

*How might costs be reduced through involvement and collaboration, across Cardiff Council and/or with external stakeholders?*

*Are there savings and how will these be realised?*

Cost neutral

## Impact Assessments

### Which impact assessments do you need to complete to support your proposal?

Further information is included about each assessment at the start of the relevant section.

The [Impact Assessment Screening Tool](#) provides advice tailored to your proposed policy, strategy or project regarding which impact assessments may be required and who to contact to find out more.

The screening tool is an online form with mainly multiple-choice questions which should take less than 10 minutes to complete.

Once the answers have been submitted, an automated email will be sent to you with the recommended next steps and details of who to contact for expert advice.

**Put Yes or No next to each of the impact assessments listed below to indicate which ones are being carried out. For assessments which are not being carried out, please delete the relevant sections on the subsequent pages.**

Impact Assessment	Completed: Y/N
A. Equality Impact Assessment	Yes
B. Child Rights Impact Assessment	No
C. Welsh Language Impact Assessment	Yes
D. Habitats Regulations Assessment	No
E. Strategic Environmental Assessment	No
F. Data Protection Impact Assessment	No
G. Health Impact Assessment	No

For further information on all the above impact assessments including who to contact for advice, please visit the [Policy Portal](#).

## A: Equality Impact Assessment

Guidance in completing this assessment can be accessed [here](#). Please consult the Equality Team for any further assistance with completing this assessment [EqualityTeam@cardiff.gov.uk](mailto:EqualityTeam@cardiff.gov.uk)

Under the Equality Act 2010, “differential impact” means that people of a particular protected characteristic (e.g. people of a particular age) will be significantly more affected by the change than other groups.

### Impact on the Protected Characteristics

#### Age

Will this proposal have a **differential impact** [positive/negative] on different age groups?

	Yes	No	N/A
Up to 18 years		✓	
18 - 65 years		✓	
Over 65 years		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the plan will have a differential impact on younger/older people. The plan supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the plan will be beneficial to all, including people of all ages.

#### Disability

Will this proposal have a **differential impact** [positive/negative] on disabled people?

	Yes	No	N/A
Hearing Impairment		✓	
Learning Disability		✓	
Long-Standing Illness or Health Condition		✓	
Mental Health		✓	
Neurodiversity		✓	
Physical Impairment		✓	
Substance Misuse		✓	
Visual Impairment		✓	
Other		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the plan will have a differential impact on disabled people. The plan supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the plan will be beneficial to all, including disabled people.

**Gender Reassignment**

Will this proposal have a **differential impact** [positive/negative] on transgender people?

	Yes	No	N/A
Transgender People (Transgender people are people whose gender identity or gender expression is different from the gender they were assigned at birth.)		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the plan will have a differential impact on transgender people. The plan supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the plan will be beneficial to all, including Transgender people.

**Marriage and Civil Partnership**

Will this proposal have a **differential impact** [positive/negative] on marriage and civil partnership?

	Yes	No	N/A
Marriage		✓	
Civil Partnership		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the plan will have a differential impact on marriage and civil partnership. The plan supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the plan will be beneficial to all, including people who are married or in a civil partnership.

## Pregnancy and Maternity

Will this proposal have a **differential impact** [positive/negative] on pregnancy and maternity?

	Yes	No	N/A
Pregnancy		✓	
Maternity		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the plan will have a differential impact on pregnancy and maternity. The plan supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council's Counter Fraud, Bribery and Corruption Strategy, the plan will be beneficial to all, including people who are pregnant or in their maternity period.

## Race

Will this proposal have a **differential impact** [positive/negative] on the following groups?

	Yes	No	N/A
White		✓	
Mixed / Multiple Ethnic Groups		✓	
Asian / Asian British		✓	
Black / African / Caribbean / Black British		✓	
Other Ethnic Groups		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the plan will have a differential impact in respect of race. The plan supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council's Counter Fraud, Bribery and Corruption Strategy, the plan will be beneficial to all, including people from all ethnicities and backgrounds.

### Religion, Belief or Non-Belief

Will this proposal have a **differential impact** [positive/negative] on people with different religions, beliefs or non-beliefs?

	Yes	No	N/A
Buddhist		✓	
Christian		✓	
Hindu		✓	
Humanist		✓	
Jewish		✓	
Muslim		✓	
Sikh		✓	
Other belief		✓	
No belief		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the plan will have a differential impact on people with different religions, beliefs or non-beliefs. The plan supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council's Counter Fraud, Bribery and Corruption Strategy, the plan will be beneficial to all, including people of all faiths and beliefs.

### Sex

Will this proposal have a **differential impact** [positive/negative] on male, female or non-binary persons?

	Yes	No	N/A
Male persons		✓	
Female persons		✓	
Non-binary persons		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the plan will have a differential impact on men and/or women. The plan supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council's Counter Fraud, Bribery and Corruption Strategy, the plan will be beneficial to all, regardless of sex.



### Sexual Orientation

Will this proposal have a **differential impact** [positive/negative] on people with different sexual orientations?

	Yes	No	N/A
Bi		✓	
Gay		✓	
Lesbian		✓	
Heterosexual		✓	
Other		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the plan will have a differential impact in respect of sexual orientation. The plan supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council's Counter Fraud, Bribery and Corruption Strategy, the plan will be beneficial to all, regardless of sexual orientation.

### Socio-economic Duty

Is the change anticipated to reduce or contribute to inequality of outcome as a result of socio-economic disadvantage? (e.g. will the change negatively impact on those on low-incomes or those living in deprived areas?)

	Yes	No	N/A
Socio-economic impact		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the plan will have a differential impact in respect of Socio-economic Duty. The plan supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council's Counter Fraud, Bribery and Corruption Strategy, the plan will be beneficial to all, regardless of Socio-economic status.

## Welsh Language

Will this proposal have a **differential impact** [positive/negative] on the Welsh language?

	Yes	No	N/A
Welsh language	✓		

### Please give details/consequences of the differential impact, and provide supporting evidence, if any.

The fraud response plan will have a potentially positive impact on the Welsh language as it provides the ability of both the public and staff members to understand and report on matters of fraud in their chosen language.

### What action(s) can you take to address the differential impact?

Through engagement with Bilingual Cardiff, mitigating actions have been incorporated, this includes recognising the importance of the Welsh Language Standards, processes in place to seek advice from Bilingual Cardiff, specifically in relation to translations and language queries. Having existing arrangements to ensure the ability to communicate with individuals and progress fraud issues and concerns in other languages as required.

## Consultation and Engagement

What arrangements have been made to consult/engage with equality/ community organisations, especially those who are representative of those you have identified as being likely to be affected?

A copy of the Counter-Fraud, Bribery and Corruption Strategy and this Fraud Response Plan have been shared with the Equality Team and Bilingual Cardiff. Discussions ensued and working with Bilingual Cardiff, mitigating factors were developed jointly. A process of consultation and engagement will take place, with Trade Union consultation taking place prior to Cabinet consideration in October 2023.

## Summary of Actions (Listed in the sections above)

	Actions
Age	Not applicable
Disability	Not applicable
Gender Reassignment	Not applicable
Marriage & Civil Partnership	Not applicable
Pregnancy & Maternity	Not applicable
Race	Not applicable
Religion/Belief	Not applicable
Sex	Not applicable
Sexual Orientation	Not applicable
Socio-economic Impact	Not applicable
Welsh Language	Not applicable

Generic/ Over-Archiving (applicable to all the above groups)	Not applicable
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### **Next Steps**

Any recommendations for action that you plan to take as a result of this Equality Impact Assessment (listed in Summary of Actions) should be included as part of your Service Area's Business Plan to be monitored on a regular basis.

Where the Equality Impact Assessment shows negative impacts, you must append the form to the Cabinet or Officer Decision Report.

On completion of this Assessment, please ensure that the whole form is submitted to the Equality Team mailbox so that there is a record of all assessments undertaken in the Council [EqualityTeam@cardiff.gov.uk](mailto:EqualityTeam@cardiff.gov.uk)

## C: Welsh Language Impact Assessment

Please consult with Bilingual Cardiff for any assistance with completing this assessment  
[Bilingualcardiff@cardiff.gov.uk](mailto:Bilingualcardiff@cardiff.gov.uk)

### Welsh Language Standards 88-97

#### Standard 88

Will this proposal have a **differential impact [positive/negative]** on:

	Yes	No	N/A
The opportunities for persons to use the Welsh language?	✓		
Treating the Welsh language no less favourably than the English language?	✓		

**Please give details/ consequences of the differential impact, and provide supporting evidence, if any.**

The core objectives of the Counter-Fraud, Bribery and Corruption Strategy and Fraud Response Plan will be beneficial to all, engagement has been undertaken with Bilingual Cardiff and the Fraud Response Plan has been reviewed to ensure that the Welsh language is not treated less favourably than the English language.

Working with Bilingual Cardiff mitigating factors were considered and developed jointly.

The Counter-Fraud, Bribery and Corruption Strategy and Fraud Response Plan recognise that local authorities in Wales have a statutory duty to comply with the Welsh language standards. A process is in place to ensure that advice is sought at the appropriate time in order to obtain translations and resolve language queries.

Members of the public have a legal right to receive services from the Council in English or Welsh according to their choice. Arrangements are in place to communicate with individuals and progress fraud issues and concerns in other languages as required.

#### Standard 89

Could this proposal be formulated or re-formulated, so that it would have positive effects, or increased positive effects, on:

**The opportunities for persons to use the Welsh language?**

See above

**Treating the Welsh language no less favourably than the English language?**

See above

**Standard 90**

Could this proposal be formulated or re-formulated to ensure that it does not have adverse effects, or a decreased adverse effect, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 91**

When consulting on the proposal, were views considered, and sought, on the effects (both positive and negative) that it would have on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 92**

Did the consultation seek and give consideration to views on how the proposal could have positive, or increased positive effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

### Standard 93

Did the consultation seek and give consideration to views on how the proposal could have no adverse effects, or decreased adverse effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

### Standard 94

If the proposal includes the awarding of grants, has consideration been given to the guidance presented in Cardiff Council's Policy on Awarding Grants in Compliance with the Welsh Language Standards with regard to:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

### Standard 95

If research was undertaken or commissioned to assist with the development of the proposal, did it give consideration to whether it would have a **differential impact [positive/negative]** on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Standard 96

Did the research undertaken or commissioned to assist with the development of the proposal give consideration to how it could have a positive effect, or increased positive effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Standard 97

Did the research undertaken or commissioned to assist with the development of the proposal give consideration to how it could have no adverse effect, or decreased adverse effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Material and Services

In addition to the impact assessment to ensure that the proposal meets the requirements of the Welsh Language Standards, consideration must also be given to the supporting materials and services that may be required.

These include (please click on the hyperlinks to view detailed information about the requirements under the Welsh Language Standards):

- [Correspondence](#) - receiving and replying (emails, letters, online communication).
- [Telephone](#) – receiving and answering calls.
- [Meetings & Public Events](#) – public meetings or events, group meetings, consultation, individual meetings.
- [Public Messages – electronic – video](#)
- [Signs, Notices & Display Material](#)
- [Publicity & Advertising](#)
- [Producing Public Documents](#) - policies, strategies, annual reports, corporate plans, guidelines, notices, codes of practice, consultation papers, licences, certificates, rules, brochures, leaflets, pamphlets or cards, ticket/vouchers.
- [Producing Forms](#)

- [Reception Services](#)
- [Websites, Apps and Online Services](#)
- [Social Media](#)
- [Self Service Machines](#)
- [Education Training Courses](#)
- [Public Address Announcements](#)

**Are all supporting materials and services compliant with the requirements of the Welsh language standards?**

Yes

### **Cardiff Council's Welsh Language Skills Strategy**

This strategy may be viewed here and additional guidance documents have been produced to support its implementation:

- [Assessing Welsh Language Skills and Identifying Welsh Essential Roles](#)
- [Recruitment, Selection, and Interview Procedures and the Welsh Language](#)

**Do you have access to sufficient Welsh speaking staff to support the delivery of the proposal in compliance with the requirements of the Welsh language standards?**

Yes

### **Next Steps**

Where it is considered that a Welsh Language Impact Assessment is required, you must append the form to the Cabinet or Officer Decision Report.

A copy must also be emailed to Bilingual Cardiff [Bilingualcardiff@cardiff.gov.uk](mailto:Bilingualcardiff@cardiff.gov.uk)



# Single Impact Assessment

Cardiff Council

6.1 Appendix F



## 1. Details of the Proposal

### What is the proposal?

Title: Sanction Procedure

### Is this a new proposal or are you amending an existing policy, strategy, project, procedure or service?

New

Existing

### Directorate/Service Area:

Resources / Finance

### Who is developing the proposal?

Name: Chris Pyke

Job Title: Audit Manager, Operational Manager

### Responsible Lead Officer (Director or Assistant Director):

Chris Lee, Corporate Director Resources

### Cabinet Portfolio:

Authorisation	
Completed By:	David Hexter
Job Title:	Group Auditor (Investigations)
Date:	6 July 2023
Approved By:	Chris Pyke
Job Title:	Audit Manager

**Document History – do not edit**

*The Single Impact Assessment (SIA) can be strengthened as time progresses, helping shape the proposal. Version control will provide a useful audit trail of how the SIA has developed. Draft versions of the assessment should be retained for completeness, however only the final version will be publicly available. Draft versions may be provided to regulators if appropriate.*

Version	Author	Job Title	Date
1	Fiona Gibson	Senior Corporate Policy Officer	12/10/2022
2	Fiona Gibson	Senior Corporate Policy Officer	12/04/2023

## 2. Overview of the Proposal

### **What action is the Council considering and why?**

*Please provide a detailed outline of the proposal. This information will support your findings in the impact assessments.*

The Counter-Fraud and Corruption Sanction Procedure is aligned to the Council's Counter Fraud, Bribery and Corruption Strategy, which communicates a zero-tolerance approach, and encourages and promotes fraud prevention and detection.

The strategy has a core objective to develop and maintain a culture in which fraud, bribery and corruption are understood across the organisation as unacceptable, for which firm action is and will be taken to prevent and detect fraud loss, bring fraudsters to account quickly and efficiently, and to recover any losses.

As part of the strategic response to fighting fraud, the Council has communicated how it will pursue and punish fraudsters by using civil sanctions, recovering losses, and supporting the law enforcement response. In carrying out its functions and responsibilities, the Council seeks to promote a culture of openness and fairness and expects all those who work for and within the Council to adopt the highest standards of propriety and accountability.

The Council fully recognises its responsibility for good financial management so that public money is safeguarded at all times and used appropriately, efficiently and effectively. The prevention, and if necessary, the investigation, of fraud, bribery and corruption is therefore seen as an important aspect of its duties, which it is committed to undertake.

'Fraud costs the public sector at least £50.2bn annually, and of this total, £8.8bn is specifically in local government.' The CIPFA Fraud and Corruption Tracker 2020 states that 65.1% of detected/prevented fraud in UK Local Authorities by volume, relates to council tax fraud – individuals inappropriately receiving a discount, exemption, or discount.

### **What are the costs and/or savings?**

*What will the proposal cost and how will it be funded?*

*How might costs be reduced through involvement and collaboration, across Cardiff Council and/or with external stakeholders?*

*Are there savings and how will these be realised?*

Cost neutral

## Impact Assessments

### Which impact assessments do you need to complete to support your proposal?

Further information is included about each assessment at the start of the relevant section.

The [Impact Assessment Screening Tool](#) provides advice tailored to your proposed policy, strategy or project regarding which impact assessments may be required and who to contact to find out more.

The screening tool is an online form with mainly multiple-choice questions which should take less than 10 minutes to complete.

Once the answers have been submitted, an automated email will be sent to you with the recommended next steps and details of who to contact for expert advice.

**Put Yes or No next to each of the impact assessments listed below to indicate which ones are being carried out. For assessments which are not being carried out, please delete the relevant sections on the subsequent pages.**

Impact Assessment	Completed: Y/N
A. Equality Impact Assessment	Yes
B. Child Rights Impact Assessment	No
C. Welsh Language Impact Assessment	Yes
D. Habitats Regulations Assessment	No
E. Strategic Environmental Assessment	No
F. Data Protection Impact Assessment	No
G. Health Impact Assessment	No

For further information on all the above impact assessments including who to contact for advice, please visit the [Policy Portal](#).

## A: Equality Impact Assessment

Guidance in completing this assessment can be accessed [here](#). Please consult the Equality Team for any further assistance with completing this assessment [EqualityTeam@cardiff.gov.uk](mailto:EqualityTeam@cardiff.gov.uk)

Under the Equality Act 2010, “differential impact” means that people of a particular protected characteristic (e.g. people of a particular age) will be significantly more affected by the change than other groups.

### Impact on the Protected Characteristics

#### Age

Will this proposal have a **differential impact** [**positive/negative**] on different age groups?

	Yes	No	N/A
Up to 18 years		✓	
18 - 65 years		✓	
Over 65 years		✓	

#### Please give details/consequences of the differential impact, and provide supporting evidence, if any.

It is not anticipated that the procedure will have a differential impact on younger/older people. The procedure supports the Council in its duty to protect public resources.

#### What action(s) can you take to address the differential impact?

No action identified. By supporting the core objectives of the Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including people of all ages.

#### Disability

Will this proposal have a **differential impact** [**positive/negative**] on disabled people?

	Yes	No	N/A
Hearing Impairment		✓	
Learning Disability		✓	
Long-Standing Illness or Health Condition		✓	
Mental Health		✓	
Neurodiversity		✓	
Physical Impairment		✓	
Substance Misuse		✓	
Visual Impairment		✓	
Other		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact on disabled people. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including disabled people.

**Gender Reassignment**

Will this proposal have a **differential impact [positive/negative]** on transgender people?

	Yes	No	N/A
Transgender People (Transgender people are people whose gender identity or gender expression is different from the gender they were assigned at birth.)		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact on transgender people. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including Transgender people.

**Marriage and Civil Partnership**

Will this proposal have a **differential impact [positive/negative]** on marriage and civil partnership?

	Yes	No	N/A
Marriage		✓	
Civil Partnership		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact on marriage and civil partnership. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including people who are married or in a civil partnership.

**Pregnancy and Maternity**

Will this proposal have a **differential impact [positive/negative]** on pregnancy and maternity?

	Yes	No	N/A
Pregnancy		✓	
Maternity		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact on pregnancy and maternity. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including people who are pregnant or in their maternity period.

**Race**

Will this proposal have a **differential impact [positive/negative]** on the following groups?

	Yes	No	N/A
White		✓	
Mixed / Multiple Ethnic Groups		✓	
Asian / Asian British		✓	
Black / African / Caribbean / Black British		✓	
Other Ethnic Groups		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact in respect of race. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including people from all ethnicities and backgrounds.

### Religion, Belief or Non-Belief

Will this proposal have a **differential impact** [positive/negative] on people with different religions, beliefs or non-beliefs?

	Yes	No	N/A
Buddhist		✓	
Christian		✓	
Hindu		✓	
Humanist		✓	
Jewish		✓	
Muslim		✓	
Sikh		✓	
Other belief		✓	
No belief		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact on people with different religions, beliefs or non-beliefs. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including people of all faiths and beliefs.

### Sex

Will this proposal have a **differential impact** [positive/negative] on male, female or non-binary persons?

	Yes	No	N/A
Male persons		✓	
Female persons		✓	
Non-binary persons		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact on men and/or women. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, regardless of sex.



### Sexual Orientation

Will this proposal have a **differential impact** [positive/negative] on people with different sexual orientations?

	Yes	No	N/A
Bi		✓	
Gay		✓	
Lesbian		✓	
Heterosexual		✓	
Other		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact in respect of sexual orientation. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, regardless of sexual orientation.

### Socio-economic Duty

Is the change anticipated to reduce or contribute to inequality of outcome as a result of socio-economic disadvantage? (e.g. will the change negatively impact on those on low-incomes or those living in deprived areas?)

	Yes	No	N/A
Socio-economic impact		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact in respect of Socio-economic Duty. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, regardless of Socio-economic status.

## Welsh Language

Will this proposal have a **differential impact** [positive/negative] on the Welsh language?

	Yes	No	N/A
Welsh language	✓		

### Please give details/consequences of the differential impact, and provide supporting evidence, if any.

The Sanction Procedure will have a potentially positive impact on the Welsh language as it provides the ability of both the public and staff members to understand and report on matters of fraud in their chosen language.

### What action(s) can you take to address the differential impact?

Through engagement with Bilingual Cardiff, mitigating actions have been incorporated, this includes recognising the importance of the Welsh Language Standards, processes in place to seek advice from Bilingual Cardiff, specifically in relation to translations and language queries. Having existing arrangements to ensure the ability to communicate with individuals and progress fraud issues and concerns in other languages as required.

## Consultation and Engagement

What arrangements have been made to consult/engage with equality/ community organisations, especially those who are representative of those you have identified as being likely to be affected?

A copy of the Counter-Fraud, Bribery and Corruption Strategy and this Sanction Procedure have been shared with the Equality Team and Bilingual Cardiff. Discussions ensued and working with Bilingual Cardiff, mitigating factors were developed jointly. A process of consultation and engagement will take place, with Trade Union consultation taking place prior to Cabinet consideration in October 2023.

## Summary of Actions (Listed in the sections above)

	Actions
Age	Not applicable
Disability	Not applicable
Gender Reassignment	Not applicable
Marriage & Civil Partnership	Not applicable
Pregnancy & Maternity	Not applicable
Race	Not applicable
Religion/Belief	Not applicable
Sex	Not applicable
Sexual Orientation	Not applicable
Socio-economic Impact	Not applicable
Welsh Language	Not applicable

Generic/ Over-Archiving (applicable to all the above groups)	Not applicable
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### **Next Steps**

Any recommendations for action that you plan to take as a result of this Equality Impact Assessment (listed in Summary of Actions) should be included as part of your Service Area's Business Plan to be monitored on a regular basis.

Where the Equality Impact Assessment shows negative impacts, you must append the form to the Cabinet or Officer Decision Report.

On completion of this Assessment, please ensure that the whole form is submitted to the Equality Team mailbox so that there is a record of all assessments undertaken in the Council [EqualityTeam@cardiff.gov.uk](mailto:EqualityTeam@cardiff.gov.uk)

## C: Welsh Language Impact Assessment

Please consult with Bilingual Cardiff for any assistance with completing this assessment  
[Bilingualcardiff@cardiff.gov.uk](mailto:Bilingualcardiff@cardiff.gov.uk)

### Welsh Language Standards 88-97

#### Standard 88

Will this proposal have a **differential impact [positive/negative]** on:

	Yes	No	N/A
The opportunities for persons to use the Welsh language?	✓		
Treating the Welsh language no less favourably than the English language?	✓		

**Please give details/ consequences of the differential impact, and provide supporting evidence, if any.**

The core objectives of the Counter-Fraud Strategy and Sanction Procedure will be beneficial to all, engagement has been undertaken with Bilingual Cardiff and the Sanction Procedure has been reviewed to ensure that the Welsh language is not treated less favourably than the English language.

Working with Bilingual Cardiff mitigating factors were considered and developed jointly.

The Counter-Fraud Strategy and Sanction Procedure recognise that local authorities in Wales have a statutory duty to comply with the Welsh language standards. A process is in place to ensure that advice is sought at the appropriate time in order to obtain translations and resolve language queries.

Members of the public have a legal right to receive services from the Council in English or Welsh according to their choice. Arrangements are in place to communicate with individuals and progress fraud issues and concerns in other languages as required.

**Standard 89**

Could this proposal be formulated or re-formulated, so that it would have positive effects, or increased positive effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 90**

Could this proposal be formulated or re-formulated to ensure that it does not have adverse effects, or a decreased adverse effect, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 91**

When consulting on the proposal, were views considered, and sought, on the effects (both positive and negative) that it would have on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 92**

Did the consultation seek and give consideration to views on how the proposal could have positive, or increased positive effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 93**

Did the consultation seek and give consideration to views on how the proposal could have no adverse effects, or decreased adverse effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 94**

If the proposal includes the awarding of grants, has consideration been given to the guidance presented in Cardiff Council’s Policy on Awarding Grants in Compliance with the Welsh Language Standards with regard to:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 95**

If research was undertaken or commissioned to assist with the development of the proposal, did it give consideration to whether it would have a **differential impact [positive/negative]** on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Standard 96

Did the research undertaken or commissioned to assist with the development of the proposal give consideration to how it could have a positive effect, or increased positive effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Standard 97

Did the research undertaken or commissioned to assist with the development of the proposal give consideration to how it could have no adverse effect, or decreased adverse effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Material and Services

In addition to the impact assessment to ensure that the proposal meets the requirements of the Welsh Language Standards, consideration must also be given to the supporting materials and services that may be required.

These include (please click on the hyperlinks to view detailed information about the requirements under the Welsh Language Standards):

- [Correspondence](#) - receiving and replying (emails, letters, online communication).
- [Telephone](#) – receiving and answering calls.
- [Meetings & Public Events](#) – public meetings or events, group meetings, consultation, individual meetings.
- [Public Messages – electronic – video](#)
- [Signs, Notices & Display Material](#)
- [Publicity & Advertising](#)
- [Producing Public Documents](#) - policies, strategies, annual reports, corporate plans, guidelines, notices, codes of practice, consultation papers, licences, certificates, rules, brochures, leaflets, pamphlets or cards, ticket/vouchers.

- [Producing Forms](#)
- [Reception Services](#)
- [Websites, Apps and Online Services](#)
- [Social Media](#)
- [Self Service Machines](#)
- [Education Training Courses](#)
- [Public Address Announcements](#)

<b>Are all supporting materials and services compliant with the requirements of the Welsh language standards?</b>
---

Yes
-----

### Cardiff Council's Welsh Language Skills Strategy

This strategy may be viewed here and additional guidance documents have been produced to support its implementation:

- [Assessing Welsh Language Skills and Identifying Welsh Essential Roles](#)
- [Recruitment, Selection, and Interview Procedures and the Welsh Language](#)

<b>Do you have access to sufficient Welsh speaking staff to support the delivery of the proposal in compliance with the requirements of the Welsh language standards?</b>
---

Yes
-----

### Next Steps

Where it is considered that a Welsh Language Impact Assessment is required, you must append the form to the Cabinet or Officer Decision Report.

A copy must also be emailed to Bilingual Cardiff [Bilingualcardiff@cardiff.gov.uk](mailto:Bilingualcardiff@cardiff.gov.uk)



# Single Impact Assessment

Cardiff Council

6.1 Appendix F



## 1. Details of the Proposal

<b>What is the proposal?</b>	
Title:	Publicity Procedure

<b>Is this a new proposal or are you amending an existing policy, strategy, project, procedure or service?</b>	
New	<input type="checkbox"/>
Existing	<input checked="" type="checkbox"/>

<b>Directorate/Service Area:</b>	
Resources / Finance	

<b>Who is developing the proposal?</b>	
Name:	Chris Pyke
Job Title:	Audit Manager, Operational Manager

<b>Responsible Lead Officer (Director or Assistant Director):</b>	
Chris Lee, Corporate Director Resources	

<b>Cabinet Portfolio:</b>	

Authorisation	
Completed By:	David Hexter
Job Title:	Group Auditor (Investigations)
Date:	6 July 2023
Approved By:	Chris Pyke
Job Title:	Audit Manager

**Document History – do not edit**

*The Single Impact Assessment (SIA) can be strengthened as time progresses, helping shape the proposal. Version control will provide a useful audit trail of how the SIA has developed. Draft versions of the assessment should be retained for completeness, however only the final version will be publicly available. Draft versions may be provided to regulators if appropriate.*

Version	Author	Job Title	Date
1	Fiona Gibson	Senior Corporate Policy Officer	12/10/2022
2	Fiona Gibson	Senior Corporate Policy Officer	12/04/2023

## 2. Overview of the Proposal

### **What action is the Council considering and why?**

*Please provide a detailed outline of the proposal. This information will support your findings in the impact assessments.*

The Counter-Fraud, Bribery and Corruption Publicity Procedure supports the core objective of the Council's Counter-Fraud, Bribery and Corruption Strategy, to develop and maintain a culture in which fraud, bribery and corruption are understood across the organisation as unacceptable, for which firm action is and will be taken to prevent and detect fraud loss, bring fraudsters to account quickly and efficiently, and to recover any losses. Everyone working for / representing the Council (employees, agency workers, temporary staff, Members etc.) needs a good awareness of fraud risk and accountability for reporting, through training, communication activities and policy reviews.

The Council wishes to communicate its counter-fraud strategy, policies, and positive action effectively, to provide reassurance to the public that it is taking a firm line on counter-fraud issues and that it has robust and effective procedures in place to tackle fraudulent activity. Tackling fraud is everybody's business.

The Council fully recognises its responsibility for good financial management so that public money is safeguarded at all times and used appropriately, efficiently and effectively. The prevention, and if necessary, the investigation, of fraud, bribery and corruption is therefore seen as an important aspect of its duties, which it is committed to undertake.

'Fraud costs the public sector at least £50.2bn annually, and of this total, £8.8bn is specifically in local government.' The CIPFA Fraud and Corruption Tracker 2020 states that 65.1% of detected/prevented fraud in UK Local Authorities by volume, relates to council tax fraud – individuals inappropriately receiving a discount, exemption, or discount.

### **What are the costs and/or savings?**

*What will the proposal cost and how will it be funded?*

*How might costs be reduced through involvement and collaboration, across Cardiff Council and/or with external stakeholders?*

*Are there savings and how will these be realised?*

Cost neutral

## Impact Assessments

### Which impact assessments do you need to complete to support your proposal?

Further information is included about each assessment at the start of the relevant section.

The [Impact Assessment Screening Tool](#) provides advice tailored to your proposed policy, strategy or project regarding which impact assessments may be required and who to contact to find out more.

The screening tool is an online form with mainly multiple-choice questions which should take less than 10 minutes to complete.

Once the answers have been submitted, an automated email will be sent to you with the recommended next steps and details of who to contact for expert advice.

**Put Yes or No next to each of the impact assessments listed below to indicate which ones are being carried out. For assessments which are not being carried out, please delete the relevant sections on the subsequent pages.**

Impact Assessment	Completed: Y/N
A. Equality Impact Assessment	Yes
B. Child Rights Impact Assessment	No
C. Welsh Language Impact Assessment	Yes
D. Habitats Regulations Assessment	No
E. Strategic Environmental Assessment	No
F. Data Protection Impact Assessment	No
G. Health Impact Assessment	No

For further information on all the above impact assessments including who to contact for advice, please visit the [Policy Portal](#).

## A: Equality Impact Assessment

Guidance in completing this assessment can be accessed [here](#). Please consult the Equality Team for any further assistance with completing this assessment [EqualityTeam@cardiff.gov.uk](mailto:EqualityTeam@cardiff.gov.uk)

Under the Equality Act 2010, “differential impact” means that people of a particular protected characteristic (e.g. people of a particular age) will be significantly more affected by the change than other groups.

### Impact on the Protected Characteristics

#### Age

Will this proposal have a **differential impact** [**positive/negative**] on different age groups?

	Yes	No	N/A
Up to 18 years		✓	
18 - 65 years		✓	
Over 65 years		✓	

#### Please give details/consequences of the differential impact, and provide supporting evidence, if any.

It is not anticipated that the procedure will have a differential impact on younger/older people. The procedure supports the Council in its duty to protect public resources.

#### What action(s) can you take to address the differential impact?

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including people of all ages.

#### Disability

Will this proposal have a **differential impact** [**positive/negative**] on disabled people?

	Yes	No	N/A
Hearing Impairment		✓	
Learning Disability		✓	
Long-Standing Illness or Health Condition		✓	
Mental Health		✓	
Neurodiversity		✓	
Physical Impairment		✓	
Substance Misuse		✓	
Visual Impairment		✓	
Other		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact on disabled people. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including disabled people.

**Gender Reassignment**

Will this proposal have a **differential impact [positive/negative]** on transgender people?

	Yes	No	N/A
Transgender People (Transgender people are people whose gender identity or gender expression is different from the gender they were assigned at birth.)		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact on transgender people. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including Transgender people.

**Marriage and Civil Partnership**

Will this proposal have a **differential impact [positive/negative]** on marriage and civil partnership?

	Yes	No	N/A
Marriage		✓	
Civil Partnership		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact on marriage and civil partnership. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including people who are married or in a civil partnership.

**Pregnancy and Maternity**

Will this proposal have a **differential impact [positive/negative]** on pregnancy and maternity?

	Yes	No	N/A
Pregnancy		✓	
Maternity		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact on pregnancy and maternity. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including people who are pregnant or in their maternity period.

**Race**

Will this proposal have a **differential impact [positive/negative]** on the following groups?

	Yes	No	N/A
White		✓	
Mixed / Multiple Ethnic Groups		✓	
Asian / Asian British		✓	
Black / African / Caribbean / Black British		✓	
Other Ethnic Groups		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact in respect of race. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including people from all ethnicities and backgrounds.

**Religion, Belief or Non-Belief**

Will this proposal have a **differential impact** [positive/negative] on people with different religions, beliefs or non-beliefs?

	Yes	No	N/A
Buddhist		✓	
Christian		✓	
Hindu		✓	
Humanist		✓	
Jewish		✓	
Muslim		✓	
Sikh		✓	
Other belief		✓	
No belief		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact on people with different religions, beliefs or non-beliefs. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, including people of all faiths and beliefs.

**Sex**

Will this proposal have a **differential impact** [positive/negative] on male, female or non-binary persons?

	Yes	No	N/A
Male persons		✓	
Female persons		✓	
Non-binary persons		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact on men and/or women. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council’s Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, regardless of sex.



### Sexual Orientation

Will this proposal have a **differential impact** [positive/negative] on people with different sexual orientations?

	Yes	No	N/A
Bi		✓	
Gay		✓	
Lesbian		✓	
Heterosexual		✓	
Other		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact in respect of sexual orientation. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council's Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, regardless of sexual orientation.

### Socio-economic Duty

Is the change anticipated to reduce or contribute to inequality of outcome as a result of socio-economic disadvantage? (e.g. will the change negatively impact on those on low-incomes or those living in deprived areas?)

	Yes	No	N/A
Socio-economic impact		✓	

**Please give details/consequences of the differential impact, and provide supporting evidence, if any.**

It is not anticipated that the procedure will have a differential impact in respect of Socio-economic Duty. The procedure supports the Council in its duty to protect public resources.

**What action(s) can you take to address the differential impact?**

No action identified. By supporting the core objectives of the Council's Counter Fraud, Bribery and Corruption Strategy, the procedure will be beneficial to all, regardless of Socio-economic status.

## Welsh Language

Will this proposal have a **differential impact** [positive/negative] on the Welsh language?

	Yes	No	N/A
Welsh language	✓		

### Please give details/consequences of the differential impact, and provide supporting evidence, if any.

The Publicity Procedure will have a potentially positive impact on the Welsh language as it provides the ability of both the public and staff members to understand and report on matters of fraud in their chosen language. The Publicity Procedure will also help inform the public about this duty and any successful prosecutions in both Welsh and English.

### What action(s) can you take to address the differential impact?

Through engagement with Bilingual Cardiff, mitigating actions have been incorporated, this includes recognising the importance of the Welsh Language Standards, processes in place to seek advice from Bilingual Cardiff, specifically in relation to translations and language queries. Having existing arrangements to ensure the ability to communicate with individuals and progress fraud issues and concerns in other languages as required.

## Consultation and Engagement

What arrangements have been made to consult/engage with equality/ community organisations, especially those who are representative of those you have identified as being likely to be affected?

A copy of the Counter Fraud, Bribery and Corruption Strategy and the Publicity Procedure have been shared with the Equality Team and Bilingual Cardiff. Discussions ensued and working with Bilingual Cardiff, mitigating factors were developed jointly. A process of consultation and engagement will take place, with Trade Union consultation taking place prior to Cabinet consideration in October 2023.

## Summary of Actions (Listed in the sections above)

	Actions
Age	Not applicable
Disability	Not applicable
Gender Reassignment	Not applicable
Marriage & Civil Partnership	Not applicable
Pregnancy & Maternity	Not applicable
Race	Not applicable
Religion/Belief	Not applicable
Sex	Not applicable
Sexual Orientation	Not applicable
Socio-economic Impact	Not applicable
Welsh Language	Not applicable

Generic/ Over-Archiving (applicable to all the above groups)	Not applicable
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### Next Steps

Any recommendations for action that you plan to take as a result of this Equality Impact Assessment (listed in Summary of Actions) should be included as part of your Service Area's Business Plan to be monitored on a regular basis.

Where the Equality Impact Assessment shows negative impacts, you must append the form to the Cabinet or Officer Decision Report.

On completion of this Assessment, please ensure that the whole form is submitted to the Equality Team mailbox so that there is a record of all assessments undertaken in the Council [EqualityTeam@cardiff.gov.uk](mailto:EqualityTeam@cardiff.gov.uk)

## C: Welsh Language Impact Assessment

Please consult with Bilingual Cardiff for any assistance with completing this assessment  
[Bilingualcardiff@cardiff.gov.uk](mailto:Bilingualcardiff@cardiff.gov.uk)

### Welsh Language Standards 88-97

#### Standard 88

Will this proposal have a **differential impact [positive/negative]** on:

	Yes	No	N/A
The opportunities for persons to use the Welsh language?	✓		
Treating the Welsh language no less favourably than the English language?	✓		

**Please give details/ consequences of the differential impact, and provide supporting evidence, if any.**

The core objectives of the Counter-Fraud, Bribery and Corruption Strategy and Publicity Procedure will be beneficial to all, engagement has been undertaken with Bilingual Cardiff and the Publicity Procedure has been reviewed to ensure that the Welsh language is not treated less favourably than the English language.

Working with Bilingual Cardiff mitigating factors were considered and developed jointly.

The Counter-Fraud, Bribery and Corruption Strategy and Publicity Procedure recognise that local authorities in Wales have a statutory duty to comply with the Welsh language standards. A process is in place to ensure that advice is sought at the appropriate time in order to obtain translations and resolve language queries.

Members of the public have a legal right to receive services from the Council in English or Welsh according to their choice. Arrangements are in place to communicate with individuals and progress fraud issues and concerns in other languages as required.

**Standard 89**

Could this proposal be formulated or re-formulated, so that it would have positive effects, or increased positive effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 90**

Could this proposal be formulated or re-formulated to ensure that it does not have adverse effects, or a decreased adverse effect, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 91**

When consulting on the proposal, were views considered, and sought, on the effects (both positive and negative) that it would have on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

**Standard 92**

Did the consultation seek and give consideration to views on how the proposal could have positive, or increased positive effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
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See above
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**Standard 93**

Did the consultation seek and give consideration to views on how the proposal could have no adverse effects, or decreased adverse effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
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See above
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<b>Treating the Welsh language no less favourably than the English language?</b>
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See above
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**Standard 94**

If the proposal includes the awarding of grants, has consideration been given to the guidance presented in Cardiff Council's Policy on Awarding Grants in Compliance with the Welsh Language Standards with regard to:

<b>The opportunities for persons to use the Welsh language?</b>
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See above
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<b>Treating the Welsh language no less favourably than the English language?</b>
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See above
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**Standard 95**

If research was undertaken or commissioned to assist with the development of the proposal, did it give consideration to whether it would have a **differential impact [positive/negative]** on:

<b>The opportunities for persons to use the Welsh language?</b>
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See above
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<b>Treating the Welsh language no less favourably than the English language?</b>
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See above
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## Standard 96

Did the research undertaken or commissioned to assist with the development of the proposal give consideration to how it could have a positive effect, or increased positive effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Standard 97

Did the research undertaken or commissioned to assist with the development of the proposal give consideration to how it could have no adverse effect, or decreased adverse effects, on:

<b>The opportunities for persons to use the Welsh language?</b>
See above

<b>Treating the Welsh language no less favourably than the English language?</b>
See above

## Material and Services

In addition to the impact assessment to ensure that the proposal meets the requirements of the Welsh Language Standards, consideration must also be given to the supporting materials and services that may be required.

These include (please click on the hyperlinks to view detailed information about the requirements under the Welsh Language Standards):

- [Correspondence](#) - receiving and replying (emails, letters, online communication).
- [Telephone](#) – receiving and answering calls.
- [Meetings & Public Events](#) – public meetings or events, group meetings, consultation, individual meetings.
- [Public Messages – electronic – video](#)
- [Signs, Notices & Display Material](#)
- [Publicity & Advertising](#)
- [Producing Public Documents](#) - policies, strategies, annual reports, corporate plans, guidelines, notices, codes of practice, consultation papers, licences, certificates, rules, brochures, leaflets, pamphlets or cards, ticket/vouchers.
- [Producing Forms](#)

- [Reception Services](#)
- [Websites, Apps and Online Services](#)
- [Social Media](#)
- [Self Service Machines](#)
- [Education Training Courses](#)
- [Public Address Announcements](#)

**Are all supporting materials and services compliant with the requirements of the Welsh language standards?**

Yes

### **Cardiff Council's Welsh Language Skills Strategy**

This strategy may be viewed here and additional guidance documents have been produced to support its implementation:

- [Assessing Welsh Language Skills and Identifying Welsh Essential Roles](#)
- [Recruitment, Selection, and Interview Procedures and the Welsh Language](#)

**Do you have access to sufficient Welsh speaking staff to support the delivery of the proposal in compliance with the requirements of the Welsh language standards?**

Yes

### **Next Steps**

Where it is considered that a Welsh Language Impact Assessment is required, you must append the form to the Cabinet or Officer Decision Report.

A copy must also be emailed to Bilingual Cardiff [Bilingualcardiff@cardiff.gov.uk](mailto:Bilingualcardiff@cardiff.gov.uk)





## **GOVERNANCE & AUDIT COMMITTEE: 28 November 2023**

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### **INTERNAL AUDIT & INVESTIGATION TEAM - PROGRESS REPORT**

#### **REPORT OF THE AUDIT MANAGER**

#### **AGENDA ITEM: 6.2**

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#### **Reason for this Report**

1. The Terms of Reference of the Governance and Audit Committee requires that Members consider:
  - Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
  - Regular reports on the results of the Quality Assurance and Improvement Programme (QAIP).
  - Reports on instances where the internal audit function does not conform to the PSIAS and Local Government Application Note (LGAN) considering whether the non- conformance is significant enough that it must be included in the Annual Governance Statement.
  - The Counter-fraud strategy, actions, and resources.
  
2. A progress report has been prepared to provide the Governance and Audit Committee with an update on the work and performance of the Internal Audit and Investigation Teams. This progress report covers the period from 1 July - 30 September 2023, and follows the updates provided in the last Committee meeting held on 11 July 2023.

#### **Background**

3. The Governance and Audit Committee approved the Audit Charter and the risk-based Audit Plan for 2023/24 on 21 March 2023 respectively. At this time the planned activity of the Investigation Team was also provided for consideration.
  
4. The Internal Audit Progress Report (**Annex 1**) sets out performance in relation to the Internal Audit Plan. It summarises the work performed, the priority recommendations raised, the critical findings, emerging trends, and relevant value for money findings across the Council for the assurance of the Governance and Audit Committee.

5. The Investigation Team Progress Reports (**Annex 2**) focuses on proactive and reactive fraud awareness, detection, and investigation activities, including participation in initiatives, such as National Fraud Initiative (NFI) data matching exercises.
6. As part of progress updates, there is an opportunity to consider emerging risks, issues, and sources of assurance, and to potentially refocus priorities. Prior to presenting to Committee, progress reports are discussed with the Corporate Director Resources.
7. The Internal Audit Section reports to the Audit Manager. To meet the provisions of Public Sector Internal Audit Standards (PSIAS 1100 - Organisational Independence), the Audit Manager is not responsible for managing any functions beyond the Internal Audit and Investigation teams. The Audit Manager reports administratively to the Head of Finance and functionally to the Governance and Audit Committee for audit-related matters. There have been no impairments of independence or objectivity.

## Issues

### a) Audit

8. The introductory sections within **Annex 1** provide background information and refer to the new Global Internal Audit Standards (GIAS) to be published in early 2024 and to take effect during 2025. The PSIAS will be aligned to the GIAS to apply to internal auditing of public sector bodies. Details of the Council's consultation on the draft new Standards, and guidance recommended for the Committee to consider, are provided for Committee awareness at this stage. Further updates and briefings will be provided to Committee as the Standards are published, and when updates are made to the PSIAS which will define public sector application.
9. Section 2.1 'Current Activities' outlines how during quarter two the priorities and approach of the audit team were to deliver a combination of management support through consultation and engagement in high-risk areas, and to progress delivery of assurance engagements from the Audit Plan. Audit work continues to be undertaken predominantly on a desktop basis, although site visits are taking place for establishment audits, to observe the operation of physical controls or operating practices.
10. Section 2.2 'Resources', outlines that two vacant Senior Auditor posts had been appointed to with the post holders each commencing during July. Interviews for two Auditor vacancies were held during July and it is pleasing to report that all posts were appointed to, with the new post holders commencing in October. One post holder was appointed on a full-time basis, and the other post was appointed to on a job share basis, filled by two applicants. Three CIPFA Trainee postholders also commenced in July, with one placed within Internal Audit. Since the appointment to all vacant posts, priority has been given to the development of new staff for their benefit, and for the

longer-term benefit of the audit service overall. This was with the knowledge that providing detailed training and support would impact the capacity of the wider team as audit staff across the team have been involved.

11. Section 2.3 'Annual Plan' proposes adding an assurance audit engagement to the current Audit Plan on 'building repairs and maintenance'. The scope of the audit, as summarised in Appendix B – Audit Plan, is to provide assurance on asset and financial management in the council and school non-domestic estate. The detailed objectives will be developed through audit planning and risk assessment processes. The anticipated time required to complete this audit is 15 days, and accordingly, agreement from the Committee is requested for this audit to be added to the existing Audit Plan. Committee will note that the Audit Plan contains a provision for audit consultancy, and some of this time has been allocated to provide advice and guidance on the 'implementation of new weighbridge software (and associated controls)'. This is further to an open recommendation relating to management developing or replacing the Gatehouse System, used to record weighbridge activity at the Council's Civic Amenity Sites, to address audit trail and reporting limitations.
12. Delivery of the Audit Plan 2023/24 is proportionately lower than the pro rata target as at the end of quarter two, for which the reasons primarily relate to vacant posts being held during quarter one, followed by appointments being made during quarter two for which training, and development have been prioritised as outlined in section 2.2. 'Resources'. The aim is to improve slightly on the proportion of the Audit Plan delivered in quarter three, relative to the prior financial quarters, following the appointment of three new Auditors in October (2 FTEs) as the wider team support their training and development. Attention will then be given to ramping up the delivery of the audit plan in quarter four. At all times audits are allocated on the basis that assurance is maximised and that a sufficient spread of coverage will be achieved in order to mitigate any risk to the provision of a full audit opinion on the Council's control environment at the financial year end.
13. It is positive to report that in the year to date all audit opinions provided were either 'effective' or 'effective with opportunity for improvement'. Section 2.7 'Critical Findings or Emerging Trends (Q2 2023/24)' outlines the findings of the audits that were categorised as high / fundamental system audits in the Audit Plan, that have been reported on at draft stage during the quarter.
14. Proposed performance indicators are set to be realistic and stretching for the financial year within the ongoing environment, as detailed within section 3.2 'Performance'. Audits will be allocated on a basis that provides the greatest assurance and value and mitigates any impairment to the annual opinion of the Audit Manager on the Council's control environment for 2023/24.
15. **Appendix A** shows a list of audits and their reporting status in the current year, as at 30 September 2023, in which 20 new audit engagements have been completed to at

least draft output stage and 22 audit engagements from the prior year have been finalised. The current position for the full Audit Plan is shown in **Appendix B**.

### Audit Recommendations

16. A summary of the audit recommendations and progress at the reporting date are provided within **Appendix C**. Full recommendation trackers on the recommendations open, and those completed since the last committee, are available for Governance and Audit Committee Members via a SharePoint site for information and reference.

### Internal Audit Assurance Update – Adults Housing and Communities

17. The Director of Adults, Housing and Communities has provided the Committee with an update on the completion of Internal Audit recommendations following attendance at Committee in March. The update was circulated to Committee in November and is included within **Appendix D** for completeness.

#### **a) Investigations**

18. Annex 2 outlines the activities of the Investigation Team in the year to date. For the year as a whole there are four hundred and fifty-two chargeable days available based on current resources, indicatively split between strategic (72 days) and operational activities (380 days).
19. Excluding blue badge data, which is not currently available, in respect of all other casework:
  - 89 cases were identified for investigation so far this year, compared to 57 for the same period last year.
  - 56 investigations are ongoing, compared to 55 for the same period last year.
  - 108 investigations have concluded, compared to 84 over the same period last year.
  - £212,273 has been attributed to concluded investigations, compared to £208,431 for the same period last year.
20. In addition to identifying and progressing investigation cases, the team has continued to provide counter-fraud advice, guidance, training, and support across the Council.
21. A number of the cases identified for investigation are generated by participation in the National Fraud Initiative (NFI) data matching exercises run by the Public Sector Fraud Authority and Audit Wales. Details of this work and a consultation on further proposed exercises are provided in the Annex 2, as are brief details of the outcomes of the Waste Management criminal case, which will be considered in more detail as part of agenda item 14.

22. The summary report in Annex 2 provides further details in respect of the above.

### **Legal Implications**

23. There are no legal implications arising from this report.

### **Financial Implications**

24. There are no direct financial implications arising from this report.

## **RECOMMENDATIONS**

25. That the Governance and Audit Committee:

- Note and consider the contents of the Internal Audit and Investigation Team Progress Reports.
- Agree the proposed in-year amendment, to add an assurance audit engagement of 'building repairs and maintenance' to the Audit Plan.

### **CHRIS PYKE AUDIT MANAGER**

The following are attached:

**Annex 1 - Internal Audit Progress - Summary Report**

**Appendix A** Report Status as at 30 September 2023

**Appendix B** Audit Plan

**Appendix C** Recommendations Summary

[Committee Member Link to Recommendation Trackers](#)

**Appendix D** Adults, Housing and Communities – Internal Audit Assurance Update

**Annex 2 - Investigation Team Progress – Summary Report**

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# Resources Directorate Internal Audit Section



## Internal Audit Progress Report (as at 30 September 2023)

<b>INTRODUCTION</b>	<b>2</b>
Background	2
Independence and Objectivity	2
Continuing Professional Development	2
External Peer Assessment	3
New Internal Audit Standards	3
<b>SUMMARY OF WORK PERFORMED</b>	<b>4</b>
Current Activities	4
Resources	7
Annual Plan	8
Critical Findings or Emerging Trends (Q2 2023/24)	9
Value for Money Findings (Q2 2023/24)	12
<b>AUDIT PERFORMANCE AND ADDED VALUE</b>	<b>13</b>
Added Value	13
Performance	14
Benchmarking	15
Audit Plan Delivery	17
Recommendations	17
Internal Audit Update – Adults, Housing & Communities	18
<b>CONCLUSION</b>	<b>18</b>
<b>Appendix A</b>	<b>Report Status as at 30 September 2023</b>
<b>Appendix B</b>	<b>Audit Plan</b>
<b>Appendix C</b>	<b>Recommendations Summary</b>
<b>Appendix D</b>	<b>Adults, Housing and Communities – Internal Audit Assurance Update</b>

Prepared by: Chris Pyke, Audit Manager

# INTERNAL AUDIT PROGRESS REPORT

## 1. INTRODUCTION

### 1.1 Background

The Internal Audit Progress Report sets out performance in relation to the Internal Audit Plan. It summarises the work performed, the priority recommendations raised, the critical findings, emerging trends, and relevant value for money findings.

This progress report covers the period from 1 April – 30 September 2023, and follows the updates provided in the last Committee meeting held on 11 July 2023. This report is structured to provide a summary account of the audit activities, resources, outcomes, and progress made against the Audit Plan 2023/24.

The Audit Plan 2023/24 was approved by Committee on 21 March 2023. The Internal Audit Plan provides the framework for audit work each year and is 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.

### 1.2 Independence and objectivity

The Internal Audit section reports to the Audit Manager. In line with the provisions of the Public Sector Internal Audit Standards (1100), organisational independence is maintained, as the Audit Manager is not responsible for managing any functions beyond the Internal Audit and Investigation teams. The Audit Manager reports administratively to the Head of Finance and functionally to the Governance and Audit Committee for audit-related matters. There have been no impairments of independence or objectivity.

### 1.3 Continuing Professional Development

Auditors have completed their year-end personal reviews and formalised their objectives for 2023/24. Prior to discussing performance, auditors updated their skills assessment in application of the IIA Professional Competencies Framework.

The results of personal reviews and skills assessments informed the year-end Audit Manager's review against the Quality Assurance and Improvement Programme (Standard 1300), from



which a generally strong baseline of knowledge and skills were recognised across the audit team.

#### 1.4 External Peer Assessment

On an annual basis the Audit Manager completes an internal review against the CIPFA Local Government Application Note, which breaks down the conformance requirements of the Public Sector Internal Audit Standards (PSIAS). In addition to internal reviews, the PSIAS requires that external assessments are conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

The latest 5-yearly external assessment was completed and reported to the Governance and Audit Committee in March 2023, led by the Chief Auditor in Monmouthshire / Newport Councils. The assessment reported no partial or non-conformance. One optional action was proposed and has been implemented, relating to the communication of the audit scope and objectives along with the risk, within audit outputs.

#### 1.3 New Global Internal Audit Standards

The PSIAS are derived from International Standards for the Professional Practice of Internal Auditing (ISPPA), established by the Institute of Internal Auditors (IIA). The IIA is reviewing all elements of the International Professional Practices Framework (IPPF) including the ISPPA and will be implementing new replacement Standards.

- The intended timetable is for the new Standards, known as the Global Internal Audit Standards (GIAS), to be published in early 2024 and to take effect during 2025. The PSIAS will be aligned to the GIAS to apply to internal auditing of public sector bodies.
- [Draft proposed Global Internal Audit Standards](#) are available, and have been subject to a [consultation](#) exercise that concluded in May 2023. The Internal Audit Team in Cardiff responded to the consultation questions via the Core UK Cities and the Welsh Chief Auditor Local Authority Groups.
- The International Internal Audit Standards Board has completed its [review](#) of the consultations received. It has reported only low levels of disagreement with the new standards (ranging between 6 and 16 percent on various sections).

The draft Global Internal Audit Standards are organised into five domains as follows:

1. Purpose of Internal Auditing.
2. Ethics and Professionalism.
3. Governing the Internal Audit Function.
4. Managing the Internal Audit Function.
5. Performing Internal Audit Services

A detailed [mapping](#) has been produced to show the changes between the current and proposed new standards, and of particular relevance to the Governance and Audit Committee is the a short [guidance](#) that has been designed to share with the Board, as an introduction to assist its understanding of the Global Internal Audit Standards. Please note that the Governance and Audit Committee represents the 'Board' in Welsh Local Authorities. Of particular relevance to the Governance and Audit Committee is domain 3 of the draft Standards.

Further updates and briefings will be provided to Committee as the Standards are published, and when updates are made to the PSIAS to define public sector application.

## **2. SUMMARY OF WORK PERFORMED**

### **2.1 Current Activities**

During quarter two 2023/24, the priorities and approach of the audit team were to deliver a combination of management support through consultation and engagement in high-risk areas, and to commence the delivery of assurance engagements from the Audit Plan.

The Internal Audit Team has continued to be available to provide advice and guidance on the design and implementation of effective controls, process changes and grant administration, to achieve compliance and control, and arrangements for the effective prevention and detection of fraud.

Following the planned conclusion of the Audit Plan for 2022/23, a number of assurance audit engagements have commenced from the Audit Plan 2023/24. This work continues to be undertaken predominantly on a desktop basis, although site visits are taking place for establishment audits, to observe the operation of physical controls or operating practices.

The table below shows a list of audits and their reporting status in the current year until 30 September 2023, whereby 20 new audit engagements have been completed to at least draft output stage and 22 audit engagements from the prior year have been finalised. A summary of the audit outputs and opinions in the year to date is shown below.

**Figure 1.** Audit outputs and opinions (at 30 September 2023)

Status	Number of completed audits	Opinion				
		Effective	Effective with opportunity for improvement	Insufficient with major improvement needed	Unsatisfactory	No opinion given
Draft	8	4	4	0	0	0
Final	34	7	18	3	1	5
TOTAL	42	11	22	3	1	5
	20	New Audit Engagements completed				
	22	Finalised Audit Engagements from 2022/23				

Since the last reporting period, it is pleasing to report that all draft audit outputs have been issued with opinions of ‘effective’ or ‘effective with opportunity for improvement’.

**Figure 2.** 2023/24 Audit outputs and opinions (at 30 September 2023)

No.	Assurance Audit Engagement	Audit Opinion
1.	Performance Management – Governance and Legal Services	Effective
2.	Performance Management – Children’s Services	
3.	Performance Management – Adults, Housing and Communities	
4.	Performance Management – People and Communities	
5.	Performance Management – Planning, Transport and Environment	
6.	Taxation	
7.	Performance Management – Resources	
8.	Electoral Services	
9.	Information Governance	
10.	Youth Offending Service	Effective with Opp’ for improv’t
11.	Performance Management – Education and Lifelong Learning	
12.	Trade Waste	
13.	Housing Rents	

No.	Assurance Audit Engagement	Audit Opinion
14.	Pest Control	
15.	Planning	
Audit Work with 'No Opinion'		
16.	Joint Committees - Prosiect Gwyrdd	Consultancy, certification, advice and guidance
17.	Joint Committees - Port Health Authority	
18.	Joint Committees - Glamorgan Archives	
19.	Cardiff Further Education Trust Fund 2021/22	
20.	Education Improvement Grant 2022/23	
Concluded Audits from the Prior Year		
21.	School Asset Management - Thematic (Albany)	Effective
22.	Welsh Government Covid Grants - Assurance	
23.	Performance Management – Economic Development	
24.	Resources - Health and Safety (cf. 2022/23)	Effective with opportunity for improvement
25.	Harbour Authority	
26.	Cardiff Dogs Home	
27.	Health and safety - Education	
28.	City Deal 2021/22	
29.	Follow up - Cardiff West Community High School	
30.	Waste Management Enforcement	
31.	Skip Hire	
32.	Eastern High School	
33.	Ethics and Values	
34.	Pensions and Investments	
35.	Asset Management	
36.	Disposal of Land and Buildings	
37.	Complaints and compliments	
38.	Payroll & HR - In-year Testing 2022/23	
39.	Contract Variations	Insufficient with Major Improv't Needed
40.	Directorate PCI - DSS Compliance	
41.	School Asset Management - St Patricks Primary School	
42.	Central Transport Service	Unsatisfactory

Further to the table above, the outputs that were not been given an assurance opinion and the reasons for this were as follows:

**Figure 3.** Completed audits without an assurance opinion (at 30 September 2023)

Audit	Comments
Joint Committees - Prosiect Gwyrdd	Work to support completion of Statement of Accounts, 2022/23
Joint Committees - Port Health Authority	
Joint Committees - Glamorgan Archives	
Cardiff Further Education Trust Fund 2021/22	Vouching spend, accounts and applicable grant use
Education Improvement Grant 2022/23	

The report status for the year to date is shown in **Appendix A**.

## 2.2 Resources

Further to Governance and Audit Committee being advised in July that two vacant Senior Auditor posts had been appointed to, the post holders each commenced during July. In July, Committee was also advised that two Auditor positions became available, arising from one member of the team being promoted to Senior Auditor, and another leaving the team for an opportunity within the Adult Services, Housing and Communities directorate. One of the available posts was subject to a trial for potential redeployment in accordance with HR processes, but after a short time during the trial the officer decided to seek an alternative opportunity in the Council.

Interviews for the two Auditor vacancies were held during July and it is pleasing to report that all posts were appointed to, with the new post holders commencing in October. One post holder was appointed on a full-time basis from Rent Smart Wales, and the other post was appointed to on a job share basis by an external applicant who has previously worked in the Internal Audit Team, and an officer from the Glamorgan Archives. The officer from the Glamorgan Archives will work in both roles at 0.5 FTE (full time equivalent), with mitigations in place to avoid any potential role conflicts.

Further to the update to Committee in July, whereby three CIPFA Trainee postholders were due to commence at the end of July, all three have started their study and placements as planned, with one placed within Internal Audit. CIPFA Trainees are placed across the Finance

Section on a rotation basis, for which there will be resource in Internal Audit during over the 3 years of study for this cohort.

Since the appointment to all vacant posts, priority has been given to the development of new staff for their benefit, and for the longer-term benefit of the audit service overall. This was with the knowledge that providing detailed training and support would impact the capacity of the wider team as audit staff across the team have been involved.

As all operational auditors and the audit assistant record all actual time worked, there is useful management information available for planning, monitoring, and reporting purposes. Timesheet data contained 478 chargeable days in the year to date, against a pro-rata plan of 748 days (the pro rata days are calculated as an even quarterly average of available days for the year as a whole and are therefore affected by vacancies held until staff appointments).

Time is available for audit development purposes, and one Auditor has funding in place to study the Certified Information Systems Auditor (CISA) Qualification with ISACA. To support their development and the delivery of the Audit Plan, it has been arranged for them to shadow and deliver the two ICT audits in the plan alongside a specialist auditor who has been commissioned under contract under the direction of the Audit Manager.

### 2.3 Annual plan

The Committee approved the Audit Plan 2023/24 in its meeting in March 2023 which is contained within Appendix B. Whilst set on an annual basis, the Audit Plan is adaptable and responsive and will be subject to ongoing risk assessment, prioritisation, and review throughout the year to maximise assurance and management support. In-year changes may be introduced where appropriate, to respond to emerging risks and issues as the year progresses.

Following conversations with senior management, it is proposed to add an assurance audit engagement to the current Audit Plan on 'building repairs and maintenance'. The scope of the audit, as summarised in Appendix B – Audit Plan, is to provide assurance on asset and financial management in the council and school non-domestic estate. The detailed objectives will be developed through audit planning and risk assessment processes. The anticipated time

required to complete this audit would be 15 days and, accordingly, agreement from the Committee is requested for this audit to be added to the existing Audit Plan.

The Committee will note that the Audit Plan contains a provision for audit consultancy, and some of this time has been allocated to provide advice and guidance on the 'implementation of new weighbridge software (and associated controls)'. This is further to an open recommendation relating to management developing or replacing the Gatehouse System, used to record weighbridge activity at the Council's Civic Amenity Sites, to address audit trail and reporting limitations.

For the information of the Committee, all audits that were at draft status at the end of 2022/23 are highlighted in 'grey' in order to enable the finalisation of these audits to be tracked, whilst providing a visible separation from the audit engagements contained within the Audit Plan 2023/24.

Delivery of the Audit Plan 2023/24 is proportionately lower than the pro rata target as at the end of quarter two, for which the reasons primarily relate to vacant posts being held during quarter one, followed by appointments being made during quarter two for which training, and development have been prioritised as outlined in section 2.2. 'Resources'.

The aim is to improve slightly on the proportion of the Audit Plan delivered in quarter three, relative to the prior financial quarters, following the appointment of three new Auditors in October (2 FTEs) as the wider team support their training and development. Attention will then be given to ramping up the delivery of the audit plan in quarter four.

At all times audits are allocated on the basis that assurance is maximised and that a sufficient spread of coverage will be achieved in order to mitigate any risk to the provision of a full audit opinion on the Council's control environment at the financial year end. Performance measures are shown in section 3.2 'performance'.

#### 2.4 Critical Findings or Emerging Trends (Q2 2023/24)

During quarter two, it is positive to report that all audit opinions provided were either 'effective' or 'effective with opportunity for improvement'. As there were no impaired assurance opinions over the reporting period, the following paragraphs outline the findings

from the audits that were categorised as high / fundamental system audits in the Audit Plan, that have been reported on at draft stage during the quarter.

An audit of Housing Rents provided an assurance rating of 'effective with opportunity for improvement'. The audit objectives covered assurance on the systems of governance and internal control in respect of rent setting, collection, recovery, and the associated recording and management of housing rents. Core processes around managing housing rent accounts were considered to be effective, with separate teams in place for the setting up of housing rent accounts, the monitoring of accounts, and debt enforcement and with appropriate ICT permissions in place. Rents had been set in accordance with the Welsh Governance guidelines and delegated authority, with write off undertaken, where required, in accordance with Council delegations.

Management have agreed the audit recommendations for improvement, which relate to arrears and debt control, following difficulties in rent account monitoring and arrear collection work, both in the current economic climate and in the context of staff resource gaps resulting from vacancies and sickness. Management have committed to developing a more targeted approach, and an escalation process for managing tenant arrears, to include monitoring the impact of reducing allocation of discretionary housing payments by Welsh Government on arrears, and whether further management processes may be required in this context. Whilst arrears data and graphs have continued to be prepared, a performance indicator for debt collection for current tenants will be reinstated, which was paused during the pandemic, and it has been agreed for this to be widened to also include former tenant arrears. A small number of wider procedural recommendations have also been agreed.

A draft audit report on Taxation has provided an assurance rating of 'effective'. The audit objectives covered assurance on the systems to support effective and compliant VAT administration and reporting, and those to maintain effective tax awareness amongst those responsible for initiating and processing transactions.

Governance systems were considered as effective, to enable the Council to bring its VAT liabilities to account and to recover tax as applicable. Policies and procedures were aligned to relevant legislation and guidance notes had been reviewed in detail by the Councils Tax Advisors. Detailed work instructions were in place for a comprehensive VAT return process



as had been discussed with HMRC, which was further to wider independent advice. VAT returns were supported by detailed working papers and subject to senior officer checks before submitting. There were arrangements to log errors and issues for escalation and intended organisational learning and improvement, and an external tax specialist has been engaged to provide regular ongoing advice, with particular focus being given to the VAT implications of planned schemes of work and projects. Training modules had been developed and were mandatory for relevant staff, and completion rates were high, at 95% in module 1 and 99% in module 2.

An audit of Information Governance provided an assurance rating of 'effective'. The audit objectives covered assurance on the effectiveness of policies and strategies for managing information across the Council, and the systems for records management, responding to information requests, information asset management and record of processing activity arrangements. General assurances have been provided in respect of the audit objectives, as there is a framework of clearly articulated policies containing good coverage of the areas expected within an information governance regime. A new Information Governance Framework is due to be launched to capture the Council's compliance to internal and external Information Governance requirements. There are robust controls for processing and responding to information requests in the central Information Request Service. It was also noted that the Data Protection Officer has a good understanding of the changes proposed in the Data Protection and Digital Information Bill, which the Council is prepared for, and is keeping track of the progression of the bill through legislative stages.

Information governance arrangements within the Council are considered to be mature. The biggest scope for improvement is in respect of digitalisation, at a time where the Council has recently received a report that it commissioned on options for the Digitisation of Archive Records, and it is proposed that management could consider this alongside wider options to support the strategic intentions of the Council's Digital Strategy to be digital by default. Some discrepancies and gaps in the Record of Processing Activity were reported to the Data Protection Officer at the conclusion of the audit, impacted by a glitch that had already been reported to the software provider to be addressed. Management have agreed to review the record with Information Governance Champions once the software matter is resolved.

The final thematic audit review of Directorate Performance Management has concluded. This followed on from:

1. Reviews of Directorate Recovery Planning, which considered how the organisation had adapted, and come through the pandemic. This work, which was delivered through a directorate self-assessment coordinated by Internal Audit, led to some recommendations in terms of performance measures which fed into relevant Directorate Delivery Plans.
2. A corporate level audit of Performance Management, which gave assurance on the corporate framework for performance management which was considered sound.

The directorate-level audit of Performance Management, which related to the Resources Directorate, provided assurance that robust performance arrangements and systems are in place with effective directorate application of the corporate framework from which no recommendations have been raised.

An audit review has been completed of National Fraud Initiative matches which compared current staff on payroll to creditor data. The purpose of this review was for assurance on cases where Council funds were paid to accounts linked to officers of the Council. No fraud or errors were identified. Where employees had not declared an interest or secondary employment, following discussions with relevant managers, advice was given for this to be addressed. No audit opinion is provided on data matching work of this nature, but. no actual conflicts of interest were noted, and the majority of matches were generated from the matching of non-trade creditor data.

## 2.5 Value for Money findings (Q2 2023/24)

The vast majority of audits undertaken by the Internal Audit Team have objectives which cover value for money assurances, from which a general satisfactory level of assurance can be provided for the reporting period.

A draft report has been issued during the financial quarter on value for money in the use of Council vehicles. The audit involved a review of the processes in place for vehicle procurement, allocation, oversight, monitoring and control. The report has provided a draft audit opinion of 'effective, with opportunity for improvement' and has raised a small number of recommendations.

There were general controls in place within in the areas subject to review, but there are opportunities for enhancement in terms of the accessibility and use of available management information for greater assurance on a council-wide basis as summarised below.

- Guidance was considered to be required to support Directorate managers to effectively access the system information available to manage and monitor their fleet of vehicles using the Quartix system. This guidance should facilitate management assurance on vehicle utilisation, driving style and out of hours usage. Once made available, this will be advocated for routine management monitoring.
- A number of vehicle trackers were identified as not being recorded on Quartix (the vehicle tracking system) and there is a recommendation to ensure that Quartix data is complete as far as possible for current fleet.
- A Tranman (fleet management software) Customer Portal is recommended for use to provide Directorates with further details in respect of vehicle and job costs, to enabling more effective monitoring, supplemented with a further breakdown of charges on the recharge spreadsheet for directorates relating to their vehicles.

Further to the above, whilst it was established that there were underlying procurement principles being applied, whereby the majority of vehicles would be procured by way of a leasing arrangement, with any decisions to purchase supported by a process of options appraisals to demonstrate a best value approach, there was no formal procurement strategy in place. It is proposed that a corporate strategy is developed for this purpose.

### **3 AUDIT PERFORMANCE AND ADDED VALUE**

#### **3.1 Added Value**

Relationship Manager meetings have continued to be held on a quarterly basis with Directors and their representatives during 2023/24. Particular focus has been given to understanding the priorities and risks within each management team, and the changes to systems or processes planned or underway, in order to direct audit advice and inform the planning of audit engagements.

Feedback from audit clients has been generally positive with 90% satisfaction and 90% of clients scoring all areas of their audit as good or excellent. Details were provided in the July Committee of the reasons why one audit did not receive satisfactory feedback from the audit client. All other clients reported that their audits added value.

In the audit outputs issued to date (as at 30 September 2023), there have been 57 recommendations made, of which 24 have been agreed through a finalised report. All other recommendations are being considered by audit clients through draft audit outputs. These are summarised below:

**Figure 4.** Recommendations raised and agreed.

Rating	Recommendations made	Recommendations agreed	Recommendations being considered
Red	0	0	0
Red / amber	16	6	10
Amber / green	38	18	20
Green	3	0	3
<b>TOTAL</b>	<b>57</b>	<b>24</b>	<b>33</b>

### 3.2 Performance

As outlined in section 2.1 ('Current Activities'), the priorities and approach of the audit team in the year to date were to deliver a combination of management support through consultation and engagement in high-risk areas, and to commence the delivery of assurance engagements from the Audit Plan 2023/24.

The primary reasons why the audit service is operating at a lower capacity during the quarter are outlined in 2.2 ('Resources'). At the outset of the year, a proposed target for delivery of the Audit Plan is set at 70% and this has been integrated into audit planning and performance management processes. The target is considered to be stretching and achievable, for which the primary reasons for slippage arise from vacant posts at the beginning of the year, followed by the prioritisation given to development new staff following their appointment, for their benefit, and for the longer-term benefit of the audit service overall. This was with the knowledge that providing detailed training and support would impact the capacity of the team.

A number of audits have been finalised from last financial year, as is shown in figure 2, and this has contributed to positive number of finalised audits per auditor. Attention continues to be given to the timely conclusion of draft audit reports.

All draft reports have been issued within four weeks of concluding audit fieldwork in the year to date, and attention will be given to sustaining high performance in this area.

Governance and Audit Committee Members have taken particular interest in performance against the percentage of audit recommendations implemented within the agreed timescale, which has been below target for a number of years. The target of 80% for 2023/24, represents an ongoing expectation of the high delivery of agreed management actions, and an expected improvement of directorate performance from 2022/23. Performance has fallen against this measure in quarter two, and importance of delivering on this target continues to be emphasised with the Senior Management Team.

**Figure 5.** Performance against targets for 2023/24 (to date)

Performance Indicator	2022/23 Outcome	2023/24 Target	Q1 Outcome	Q2 Outcome
The percentage of the Audit Plan completed	52%	70%	12%	24%
The average number of audit productive days per FTE	144	150	28.48	54.21
The average number of finalised audits per FTE	6.64	8	3.07	4.35
The percentage of draft audit outputs delivered within four weeks	91%	90%	100%	100%
The percentage of audit recommendations implemented within the agreed timescale	67%	80%	80%	71%

### 3.3 Benchmarking

The Council participates in audit benchmarking exercises with both Welsh local Authorities and Core UK Cities. A benchmarking exercise has been completed with the Welsh Local Authority group in respect of 2022/23, but not with the Core UK Cities at the current time.

Analysis and information are provided below for the Committee to consider in respect of the Welsh local Authority benchmarking completed. Half of the 22 local authorities in Wales participated, although fewer of the larger and more comparable local authorities to Cardiff responded. Details are provided in the following table, and it is noted that:

- 36% of local authorities reported having a dedicated counter-fraud resource. There is a small dedicated Corporate Investigation Team in Cardiff.
- Whilst all audit work will be of a different scale and scope, Cardiff completed a slightly lower number of audit engagements and assurance reports than the average of respondents. Committee will be aware that there were a number of vacant posts held during the last financial year meaning the proportion of work completed was lower than planned.
- Cardiff had a higher average cost per chargeable day than the average. A number of factors affect chargeability which contributes to the cost per chargeable day. In Cardiff, non-chargeable time includes professional training and development, management duties, Trade Union, and Employee Network responsibilities. A clerical member of the Team also provides valuable support, much of which is non-chargeable, due to the nature of this work.
- Whilst client feedback received over the period was positive, it is noted that Cardiff received a proportionately lower number of responses than the group average. The Audit Manager is making enquiries with peers on the different approaches being taken which could be used to improve the proportion of feedback responses received.

**Figure 6.** Welsh Local Authority benchmarking 2022/23

Measures	Cardiff	Welsh Chief Auditors Group Average
<b>COUNTER FRAUD</b>		
Dedicated anti-fraud team / officer / resource	Yes	36% answered yes
<b>AUDIT PLAN</b>		
No. of assurance reports (i.e., excluding advisory and grant work)	46	52
No. of overall audit engagements	55	58
<b>PRODUCTIVITY</b>		
The percentage of chargeable time (to planned)	87%	90%
<b>COSTS</b>		
Staff costs per directly chargeable day	£402	£299
<b>CUSTOMERS</b>		
The percentage of client surveys returned	50%	77%
The percentage of returned client surveys rated "satisfied" or better	100%	100%

### 3.4 Audit Plan Delivery

In addition to monitoring and managing the numbers of audits delivered, audit engagements are allocated in order to ensure that there is a breadth of assurance by the financial year-end, upon which to provide a complete Audit Manager annual opinion.

As outlined in section 2.1 – Current Activities, twenty audit engagements had been completed as at the end of quarter two 2023/24. The current position for the full Audit Plan 2023/24 is shown in **Appendix B** – Audit Plan.

### 3.5 Recommendations

A summary of the audit recommendations and progress at the reporting date are provided within **Appendix C**. Full recommendation trackers on the recommendations open, and those completed since the last committee, are available for Governance and Audit Committee Members via a SharePoint site for information and reference.

**Figure 7.** Revised recommendation implementation dates and status

Directorate / Audit Category	Number of recommendations with revised dates	Actions now implemented	Actions still open
Fundamental	18	17	1
Corporate	32	21	11
External and grants	12	12	0
Adult Services, Housing & Communities	34	34	0
Children’s Services	26	20	6
Economic Development	52	44	8
Education and Lifelong Learning	84	51	33
Planning Transport and Environment	54	40	14
People and Communities	4	4	0
Resources	79	56	23
Governance and Legal Services	10	10	0
Waste Management	35	32	3
	440	341	99
Schools	212	177	35
<b>TOTAL</b>	<b>652</b>	<b>518</b>	<b>134</b>

**NB** - It should be noted that the table above represents the position as at 30 September 2023, whereas the recommendation tracker appendices show the detailed position against each recommendation at the closest possible date to each Committee meeting.

### 3.5 Internal Audit Assurance Update – Adult Services, Housing and Communities

The Director of Adult Services, Housing and Communities has provided the Committee with an update on the completion of Internal Audit recommendations following attendance at Committee in March. The update was circulated to Committee in November and is included within **Appendix D** for completeness.

#### **4. CONCLUSION**

##### **4.1 Summary**

During quarter two 2023/24, the priorities and approach of the audit team were to deliver a combination of management support through consultation and engagement in high-risk areas, and to progress delivery of assurance engagements from the Audit Plan. It is positive to report that in the year to date, all audit opinions provided were either 'effective' or 'effective with opportunity for improvement'.

It is positive to report that vacant posts have been recruited to, and since appointment, priority has been given to the development of new staff for their benefit, and for the longer-term benefit of the audit service overall. This was with the knowledge that providing detailed training and support would impact the capacity of the wider team as audit staff across the team have been involved.

There will be a focus on increasing the coverage of the Audit Plan in the remainder of the year and audits will be allocated on a basis that provides the greatest assurance and value and mitigates any impairment to the annual opinion of the Audit Manager on the Council's control environment for 2023/24.

At the mid-year stage, there has been some reflection on the Audit Plan and in-year changes are proposed for Committee consideration. Performance information continues to be reviewed at team levels and as part of benchmarking arrangements, for which ongoing consideration is given.



## Report Status (as at 30 September 2023)

Audit Opinion	Audit Area	High Risk Recommendations		Status (If not Final)
		Proposed	Agreed	
Fundamental / High				
Effective	Purchasing Payments and Processing - In-year Testing 2022/23 (c. 2022/23)			Drafts
	Performance Management – People and Communities			Issued
	Information Governance			
	Performance Management – Resources			
	Taxation			
	School Asset Management - Thematic (Albany) (cf. 2022/23)			
	Welsh Government Covid Grants - Assurance (2021/22) (cf. 2022/23)			
	Performance Management – Economic Development (cf. 2022/23)			
	Performance Management – Adults, Housing & Communities			
	Performance Management – Governance and Legal Services			
	Performance Management – Children’s Services			
	Performance Management – Planning, Transport and Environment			
Effective with opportunity for improvement	Whistleblowing Processes (cf. 2022/23)			Drafts
	Income and Debtors (cf. 2022/23)			Issued
	Partnership / Arms-length Assurance (cf. 2022/23)			
	Housing Rents			
	Resources - Health and Safety (cf. 2022/23)			
	Ethics and Values (cf. 2022/23)			
	Pensions and Investments (cf. 2022/23)			
	Asset Management (cf. 2022/23)			
	Health and safety – Education (cf. 2022/23)			
	Complaints and compliments (cf. 2022/23)			
	Payroll & HR - In-year Testing 2022/23 (c. 2022/23)			
	Performance Management – Education & Lifelong Learning			
Insufficient with major improvement needed	Contract Variations (cf. 2022/23)	1	1	
	Directorate PCI - DSS Compliance (cf. 2022/23)	1	1	
	School Asset Management - St Patricks Primary School (cf. 2022/23)	1	1	

Audit Opinion	Audit Area	High Risk Recommendations		Status (If not Final)
		Proposed	Agreed	
Medium				
Effective	Ysgol Bro Edern (cf. 2022/23)			Drafts
	Electoral Services			Issued
Effective with opportunity for improvement	Schools with Surplus Balances – Thematic (cf. 2022/23)			Drafts
	Catering in Opted out schools (cf. 2022/23)			Issued
	Alarm Receiving Centre (cf. 2022/23)			
	Commercial Waste			
	Pest Control			
	Planning			
	Harbour Authority (cf. 2022/23)			
	Cardiff Dogs Home (cf. 2022/23)			
	Follow up - Cardiff West Community High School (cf. 2022/23)			
	Waste Management Enforcement (cf. 2022/23)			
	Skip Hire (cf. 2022/23)			
	Eastern High School (cf. 2022/23)			
	Catering in opted out schools - Mary Immaculate (cf. 2022/23)			
	Catering in opted out schools – Cardiff HS (cf. 2022/23)			
	Catering in opted out schools - Whitchurch HS (cf. 2022/23)			
	Disposal of Land and Buildings (cf. 2022/23)			
Catering in opted out schools - Greenhill School (cf. 2022/23)				
Youth Offending Service				
Unsatisfactory	Central Transport Service (cf. 2022/23)	2	2	
Grants / Accounts / External Bodies				
Effective with Opp' for Improvement	City Deal 2021/22 (cf. 2022.23)			
No assurance opinion given	Joint Committees - Prosiect Gwyrdd	Statement of Accounts Reviews / Certification / Support		
	Joint Committees - Port Health Authority			
	Joint Committees - Glamorgan Archives			
	Education Improvement Grant 2022/23	Vouching spend, accounts and applicable grant use		
	Cardiff Further Education Trust Fund 2021/22			

Audit Category	Risk	Engagement Type	CIPFA Classification	Original audit plan 2022/23	Original Audit Plan 2023/24	Assignment	Days	Audit Scope	National Issue	Audit Output Status 30.09.2023	Audit Opinion						
<b>Fundamental Audits - S151 Assurance</b>																	
Purchasing Payments and Processing	High	Assurance	Chargeable	50	50	In-year Testing 2022/23 (c. 2022/23)	0	Purchases and Payments are compliant, authorised, accurate and timely		Draft Issued	Effective						
						CRSA	5	Purchases and Payments are compliant, authorised, accurate and timely									
						In-year Testing	25										
						Purchasing Cards	20										
Payroll & HR				50	50	In-year Testing 2022/23 (c. 2022/23)	0	As below		Final Issued	Effective with Opportunity for Improvement						
						CRSA	5	Recruitment processes are transparent and robust, leave processes are well governed, only bona fide, authorised and accurate payments are made, with effective prevention, detection and recovery of errors									
						In-year Testing	25										
						Time Recording	20										
Income and Debtors				0	0	Income and Debtors (cf. 2022/23)	0	Operation of appropriate arrangements to record, monitor and recover sundry debts.		Draft Issued	Effective with Opportunity for Improvement						
						3	20	Income and Debtors				20	Operation of appropriate arrangements to record, monitor and recover sundry debts.				
NNDR				0	20	NNDR	20	Business rate collection and control is working effectively and efficiently		Final Issued	Effective with Opportunity for Improvement						
Treasury Management				0	20	Treasury Management	20	Effective treasury management strategy, governance, risk management and monitoring framework									
Main Accounting				0	20	Main Accounting	20	The main accounting system and processes are well controlled and operating effectively									
Asset Management				0	20	Asset Management	20	Effective recording, monitoring, management and control of physical assets									
Housing Rents	0	10	Housing Rents	10	Effective control processes are in place for managing and recovering housing rents												
Pensions and Investments	0	0	Pensions and Investments (cf. 2022/23)	0	Effective compliance and control												
Asset Management	0	0	Asset Management (cf. 2022/23)		Effective recording, monitoring, management and control of physical assets												
Council Tax	20	0															
HB / LHA/ CTRS	20	0															
<b>Total</b>				<b>143</b>	<b>210</b>		<b>210</b>										
<b>Corporate Audit</b>																	
Risk Management	High	Assurance	Chargeable	15	15	Climate Change Risk Management	15	Risk management arrangements are effective and operated consistently				Final Issued	Insufficient with Major Improvement Needed				
Contract Audit						40	40	Contract Variations (cf. 2022/23)						0	Effective contract compliance, control and delivery of objectives		
								Cradle to Grave Audit						20	Effective contract compliance, control and delivery of objectives		
								Framework Agreements		20							
Taxation						20	20	Taxation		20	Effective compliance and control.			Draft Issued	Effective		
Procurement						20	20	Procurement		20	Effective and compliance commissioning and procurement compliance and control arrangements						
Mileage & subsistence						15	15	Mileage & Subsistence		15	Accurate claiming and authorisation for reasonable expenditure.						
Fleet Management						0	20	Fleet Management		20	Effective governance, risk management and control						
ICT Audit						30	30	Directorate PCI - DSS Compliance (cf. 2022/23)		0	Effective co-ordination, risk management and control					Final Issued	Insufficient with Major Improvement Needed
								Backup and Data Recovery		15	Effective governance, risk management and control						
								Cyber Security (Schools) – ICT Managed Technology		15	Effective governance, risk management and control						
National Fraud Initiative						10	10	National Fraud Initiative		10	Data matching counter-fraud exercise					Final Issued	Effective with Opportunity for Improvement
Value for Money studies						30	30	Value for money in use of Council Vehicles		15	Assurance on value for money in use of Council vehicles						
								Value for money in use of Overtime		15	Value for money in use of overtime						
Stores	10	10	Lamby Way Stores	10	Effective and efficient stores management, and stock / equipment control												
Education - SOP	20	20	Education - SOP	20	Delivery of objectives, with effective compliance and control												
Governance Arrangements	20	20	Governance Arrangements TBC	20	Audit of the application of good corporate governance arrangements												
Programmes and Projects	20	20	Programmes and Projects	20	Effective, clear and consistent project governance arrangements.												
System Development	30	30	Provision for System Development	30	Consultation or assurance services, as relevant.												
Wellbeing of Future Generations	0	20	Wellbeing of Future Generations	20	Effective application of Wellbeing of Future Generations requirements.												
Business Continuity	0	20	Business Continuity	20	Effective business recovery and incident management systems.												
Information governance	0	20	Information Governance	20	Effective mechanisms and systems operated in accordance with the data protection act 2018												
Delegation and decision making	20	20	Delegation and decision making	20	Effective application of delegated authority and decision making												
Ethics and values	20	0	Ethics and Values (cf. 2022/23)	0	Policy and process alignment to principles of best practice ethics and values	Final Issued	Effective with Opportunity for Improvement										
Ethics and values - Whistleblowing Processes	0	0	Whistleblowing Processes (cf. 2022/23)	0	Whistleblowing processes are compliant and effective												
Welsh Government Covid Grants				20	0	Welsh Government Covid Grants - Assurance (cf. 2022/23)	0	Sample check of effective compliance and control in administering WG Grants	Y	Final Issued	Effective						
Complaints and Compliments				20	0	Complaints and Compliments (cf. 2022/23)	0	Effective arrangements and systems in place for handling complaints & compliments		Final Issued	Effective with Opportunity for Improvement						
Partnership / Arms-length Assurance				20	0	Partnership / Arms-length Assurance (cf. 2022/23)	0	Effective governance, risk management and control arrangements		Draft Issued	Effective with Opportunity for Improvement						
Health and safety				5	0												
Safeguarding				4	0												
Welsh Government Covid Grants - Assurance				20	0												
<b>Total</b>				<b>409</b>	<b>380</b>		<b>380</b>										
<b>Service Specific Audit</b>																	
Service / Process Consultancy	High	Consultancy	Chargeable	40	30	Provision for Service / Process Consultancy	30	Consultancy support across the Council, as appropriate									
Resources	High	Assurance		60	40	Resources - Health and Safety (cf. 2021/22)	0	Directorate health and safety compliance and risk management.		Final Issued	Effective with Opportunity for Improvement						
						Performance Management	15	Performance management arrangements are effective, and operated consistently.									
						Central Transport Service (cf. 2022/23)	0	Delivery of service objectives with effective compliance and control									
						Alarm Receiving Centre (cf. 2022/23)	0										
						FOLLOW UP - Central Transport Service	10	Delivery of service objectives with effective compliance and control									
	Insurance	15															
Governance and Legal Services	High	Assurance		45	40	Performance Management	10	Performance management arrangements are effective, and operated consistently.	Draft Issued	Effective							
						Electoral Services	20	Delivery of service objectives with effective compliance and control									
						Land Charges	10										
People and Communities	High	Assurance		40	30	Performance Management	15	Performance management arrangements are effective, and operated consistently.	Draft Issued	Effective							
						Community Safety	15	Assurance on compliance with statutory requirements									
Adults, Housing & Communities	High	Assurance		154	125	Performance Management	15	Performance management arrangements are effective, and operated consistently.		Final Issued	Effective						

	Medium					Hubs	10	Assurance on payroll, asset management, information governance, payment and income systems			
						Mental Health Day Services	15	Delivery of service objectives with effective compliance and control			
						Residential Care	15				
						Emergency Duty Team	15				
						Allocations, lettings and voids	20				
						Home Care	15				
						Direct Payments - Children's and Adults	20				
Children's Services	High	Assurance		40	40	Performance Management	15	Performance management arrangements are effective, and operated consistently.		Draft Issued	Effective
	Medium					Youth Offending Service	15	Delivery of service objectives with effective compliance and control		Draft Issued	Effective with Opportunity for Improvement
						Falconwood Children's Home	10				
Economic Development	High	Assurance		100	35	Statutory Compliance	8	Assurance on statutory compliance systems and controls			
						Building Repairs and Maintenance	15	Assurance on asset and financial management in the council and school non-domestic estate			
	Medium					Performance Management (cf. 2022/23)	0	Delivery of service objectives with effective compliance and control		Final Issued	Effective
						Harbour Authority (cf. 2022/23)	0			Final Issued	Effective with Opportunity for Improvement
						Disposal of Land and Buildings (cf. 2022/23)	0			Final Issued	Effective with Opportunity for Improvement
						Cardiff Dogs Home (cf. 2022/23)	0			Final Issued	Effective with Opportunity for Improvement
						Event Management (Cardiff Castle)	7	Delivery of service objectives with effective compliance and control			
						Pest Control	5			Draft Issued	Effective with Opportunity for Improvement
						Commercial Waste	5			Draft Issued	Effective with Opportunity for Improvement
						Facilities Management	10				
Economic Development (Waste Management)				67	30	Waste Management Enforcement (cf. 2022/23)	0			Final Issued	Effective with Opportunity for Improvement
						Skip Hire (cf. 2022/23)	0			Final Issued	Effective with Opportunity for Improvement
						Waste Management Overtime	15				
						Street Cleansing	15				
Education and Lifelong Learning	High	Assurance		182	150	School Asset Management - Albany Primary School (cf. 2022/23)	0	Schools asset management compliance and control.		Final Issued	Effective
						School Asset Management - St Patricks Primary School (cf. 2022/23)	0	Schools asset management compliance and control.		Final Issued	Insufficient with Major Improvement Needed
						Health and Safety (cf. 2022/23)	0	Directorate health and safety compliance and risk management.		Final Issued	Effective with Opportunity for Improvement
	Medium					Performance Management	15	Performance management arrangements are effective, and operated consistently.		Draft Issued	Effective with Opportunity for Improvement
						Ysgol Bro Edern (cf. 2022/23)	0	Audit of systems of governance and internal control within individual school		Draft Issued	Effective
						Eastern High School (cf. 2022/23)	0	Audit of systems of governance and internal control within individual school		Final Issued	Effective with Opportunity for Improvement
						Schools with Surplus Balances - Thematic (cf. 2022/23)	0	Effective compliance and control		Draft Issued	Effective with Opportunity for Improvement
						Catering in Opted out schools (cf. 2022/23) - Corporate Report	0			Draft Issued	Effective with Opportunity for Improvement
						Catering in opted out schools - Mary Immaculate (cf. 2022/23)	0			Final Issued	Effective with Opportunity for Improvement
						Catering in opted out schools - Cardiff HS (cf. 2022/23)	0			Final Issued	Effective with Opportunity for Improvement
						Catering in opted out schools - Whitchurch HS (cf. 2022/23)	0			Final Issued	Effective with Opportunity for Improvement
						Catering in opted out schools - Greenhill School (cf. 2022/23)	0			Final Issued	Effective with Opportunity for Improvement
						FOLLOW UP - Cardiff West Community High School (cf. 2022/23)	0			Final Issued	Effective with Opportunity for Improvement
						School Admissions	15	Effective and well governed arrangements for school admissions			
						Secondary school audits * 4	30	Audits of systems of governance and internal control within individual schools			
						Primary school audits * 3	15				
						Schools VAT Assurance	15	Effective compliance and control			
						Cashless catering in secondary schools	15				
						Governor Services	15				
						Schools Information Management	20				
						Youth Service	10				
Planning, Transportation and Environment	High	Assurance		55	45	Performance Management	15	Performance management arrangements are effective, and operated consistently.		Final Issued	Effective
	Medium					Highways Maintenance	15				
						Planning	15			Draft Issued	Effective with Opportunity for Improvement
<b>Total</b>				<b>783</b>	<b>565</b>		<b>580</b>				
<b>External</b>				<b>Original audit plan 2022/23</b>	<b>Original audit plan 2023/24</b>	<b>Assignment</b>	<b>Days</b>				
External clients	High	Assurance	Chargeable	25	35	City Deal 2021/22 (cf. 2022/23)	0	Scope as per rolling SLA	Y	Final Issued	Effective with Opportunity for Improvement
						City Deal 2022/23	10	Scope as per rolling SLA	Y		
	Low	Certification				Cardiff Further Education Trust Fund 2021/22	0			Final Issued	No opinion
						Cardiff Further Education Trust Fund 2022/23 - tbc	2	Grant certification / statement of accounts work			
						Norwegian Church Preservation Trust 2022/23 - tbc	2			Final Issued	No opinion
						Joint Committees	6			Final Issued	No opinion
						Education Improvement Grant 2022/23 - tbc	15			Final Issued	No opinion
<b>Total</b>				<b>25</b>	<b>35</b>		<b>35</b>				
<b>Contingencies</b>				<b>Original audit plan 2022/23</b>	<b>Original audit plan 2023/24</b>	<b>Assignment</b>	<b>Days</b>				
General Audit	TBC	TBC	Chargeable	10	70	General Audit (provision for carried forward audits / other work)	55	General Audit (provision for carried forward audits / other work)			
<b>Total</b>				<b>10</b>	<b>70</b>		<b>55</b>				
<b>Management</b>				<b>Original audit plan 2022/23</b>	<b>Original audit plan 2023/24</b>	<b>Assignment</b>	<b>Days</b>				
Corporate work – Audit Committee, Audit Wales etc.	Medium	Management	Chargeable	50	50	Corporate work – Audit Committee, Audit Wales etc.	50	Internal Audit management, planning, guidance and support activities.			
Assurance mapping		Management	Chargeable	15	20	Assurance mapping	20				
CRSA development		Management	Chargeable	10	10	CRSA development	10				
Process development		Management	Chargeable	15	15	Process development	15				
Work for Audit Manager		Management	Chargeable	15	30	Work for Audit Manager	30				
Planning, monitoring & reporting		Management	Chargeable	30	30	Planning, monitoring & reporting	30				
Review of financial rules etc.		Management	Chargeable	40	60	Review of financial rules etc.	60				
General advice and guidance		Management	Chargeable	10	20	General advice and guidance	20				
<b>Total</b>				<b>185</b>	<b>235</b>		<b>235</b>				
<b>Total chargeable days</b>				<b>1,555</b>	<b>1,495</b>		<b>1,495</b>				

Directorate / Area	No. of Audits	No. of Red Recs	No. of Red/ Amber Recs	'open recommendations' - by audit assurance rating					'open recommendation' by status			
				No. of Recs Effective	No. of Recs Effective with Opportunity for Improvement	No. of Recs Insufficient with major improvement needed	No. of Recs Unsatisfactory	No. of Recs N/A	No. of Recs with Amended Action Date	No. of Recs where action date has passed	Current target date not yet due	
Economic Development	5	2	4		3	3			6	1	5	1 - overdue action where an update has been requested.
Education & Lifelong Learning - Schools	17	0	36		35	1			24	27	9	5 - overdue actions, where an update is under review by Audit. 13 - overdue actions, where Audit is liaising with the school. 3 - overdue actions, where an update has been requested. 5 - overdue actions, where an update has not been received. 1 - overdue action, where action will be carried forward to follow-up audit.
Education & Lifelong Learning	7	3	10		5	6		2	12	4	9	3 - overdue actions, where evidence is under review by Audit, with view to close action. 1 - overdue action, where further information/evidence requested, in order to close action. 2 - N/A actions related to instance where Directorate was sampled as part of a wider corporate report, and an opinion was not provided at a directorate level.
Corporate Governance (Resources)	2		2		2				1	1	1	1 - overdue action for which an update has not been received.
External and Grants (Resources)	1		2		2				0	1	1	1 - overdue action for which a further audit is commencing and will review the status.
Fundamental (Resources)	1		1		1				0	1	0	1 - overdue action for which an update has not been received.
Other Assurance (Resources)	1		2			2			2	2	0	2 - overdue actions for which an update has not been received.
Resources	5	3	17		3	6	11		15	8	12	7 - overdue actions where an update has been requested. 1 - overdue action where evidence is under review by Audit, with view to close action.
Governance & Legal Services												
Planning, Transport & Environment	8		12		8	2		2	12	5	7	2 - overdue actions for which an update has been requested 2 - overdue actions where a meeting is due 15.11.23 1 - overdue action for which an update has not been received 2 - N/A actions related to instance where Directorate was sampled as part of a wider corporate report, and an opinion was not provided at a directorate level.
People and Communities												
Children's Services	4	2	3			4		1	5	0	5	1 - N/A action related to instance where Directorate was sampled as part of a wider corporate report, and an opinion was not provided at a directorate level.
Adults Social Services, Communities & Housing	1		2		2				0	0	2	
Social Services - General												
<b>TOTALS</b>	<b>52</b>	<b>10</b>	<b>91</b>	<b>0</b>	<b>61</b>	<b>24</b>	<b>11</b>	<b>5</b>	<b>77</b>	<b>50</b>	<b>51</b>	

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## Update on Adults, Housing and Communities Internal Audit Assurance

### Background

In March 2023, the Adults, Housing and Communities directorate presented an update to the Governance and Audit Committee on its control environment, which included the effectiveness of internal assurance controls and the monitoring of implementation of agreed actions.

### Issues

At the time of the update the directorate had 9 audits with open recommendations with 18 outstanding actions (2 red, 9 red/amber, 6 amber green and 1 green).

The Adults, Housing and Communities directorate faced unprecedented challenges during the pandemic and also experienced a post pandemic surge in demand and problems recruiting and retraining staff, both for internal services and also for commissioned services and partners. This had impacted on services and led to some delays in the actioning of audit recommendations.

### Current Position

The table below shows the current position as at October 2023. The audits marked in green are those that have been completed since the Governance and Audit Committee meeting took place on 21<sup>st</sup> March 2023.

Audit	Report Status	Assurance Rating	Total Actions	Completed Actions as at March 2023	Completed Actions March to October 2023	Implementation Status
2023/24						
Housing Rents	Final	Effective with opportunity for improvement	6	0	1	1 action completed, 1 due December 2023 and 4 due February 2024.
Performance Management	Final	Effective	0	0	0	
2022/23						
Housing Benefit - Local Housing Allowance -Council Tax Reduction Scheme	Final	Effective	3	1	2	All actions complete
2021/22						
Joint Equipment Service	Final	Insufficient with major improvement needed	8	6	2	All actions completed

2020/21						
Income and Debtors - People and Communities	Final	Effective with opportunity for improvement	6	5	1	All actions completed
Income & Debtors - Social Services	Final	Effective with opportunity for improvement	3	2	1	All actions completed
Older – Longstanding Recommendations						
Social Services - Health and Safety	Final	Effective with opportunity for improvement	5	4	1	All actions completed
Domiciliary Care	Final	Insufficient with major improvement needed	8	3	5	All actions completed
Deprivation of Liberty Safeguards	Final	Insufficient with major improvement needed	3	1	2	All actions completed
Direct Payments Support Service	Final	Insufficient with major improvement needed	6	4	2	All actions completed
Learning Disabilities	Final	Effective with opportunity for improvement	2	0	2	All actions completed

The only open recommendations relate to an audit that was finalised in October 2023, and all other recommendations have been implemented.

On 3 November 2023, the Committee was issued with a spreadsheet containing the 18 recommendations reported in March which have been subsequently closed.





# Resources Directorate Internal Audit Section

## Investigation Team Progress Report

2023/24

### Planning & Resources

There are four hundred and fifty-two planned chargeable days available for the year based on current resources, indicatively split between strategic (72 days) and operational activities (380 days), as summarised below:

Strategic	Policy and procedure review / planning	25	Days
	Fraud awareness / reporting	23	
	Training development / delivery	10	
	Intelligence sharing / working groups / police liaison	8	
	National Fraud Initiative	6	
Operational	Council Tax Liability (CTL)	130	Days
	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	

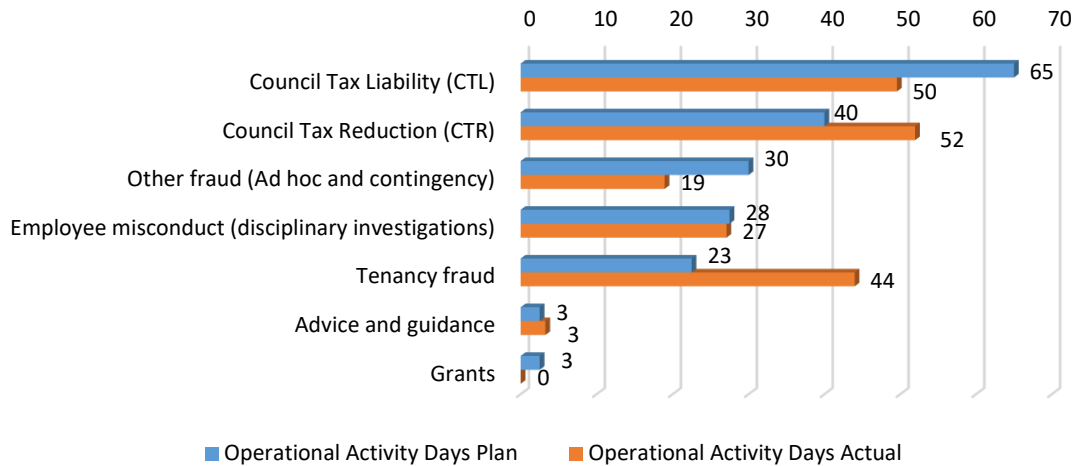
*NB – Audit Manager time is not included within the above apportionment.*

### Activities

In the financial year to 30 September 2023, the team have applied 239 days as follows:



### Operational Activity Days



### Training and Awareness

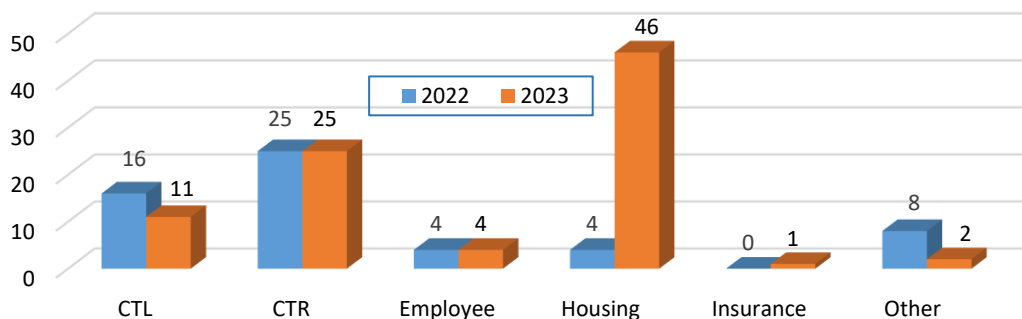
**Mandatory Fraud Awareness training** continues to be delivered. More than six thousand staff and school governors have completed the eLearning or attended a face-to-face session. Face-to-Face workshops have been arranged for the management of staff who do not use PCs for their work so that they can disseminate the Training. A new eLearning module has been developed and is planned to be rolled out in early 2024.

**Anti-Money Laundering eLearning** is in place to reinforce the requirements of the Council’s Anti-Money Laundering Policy. The Money Laundering Reporting Officer (MLRO) is a senior officer in the Internal Audit Section, for reporting, advice and guidance needs.

### Cases Identified for Investigation

Eighty-nine cases have been identified for investigation so far this year, compared to fifty-seven for the same period last year:

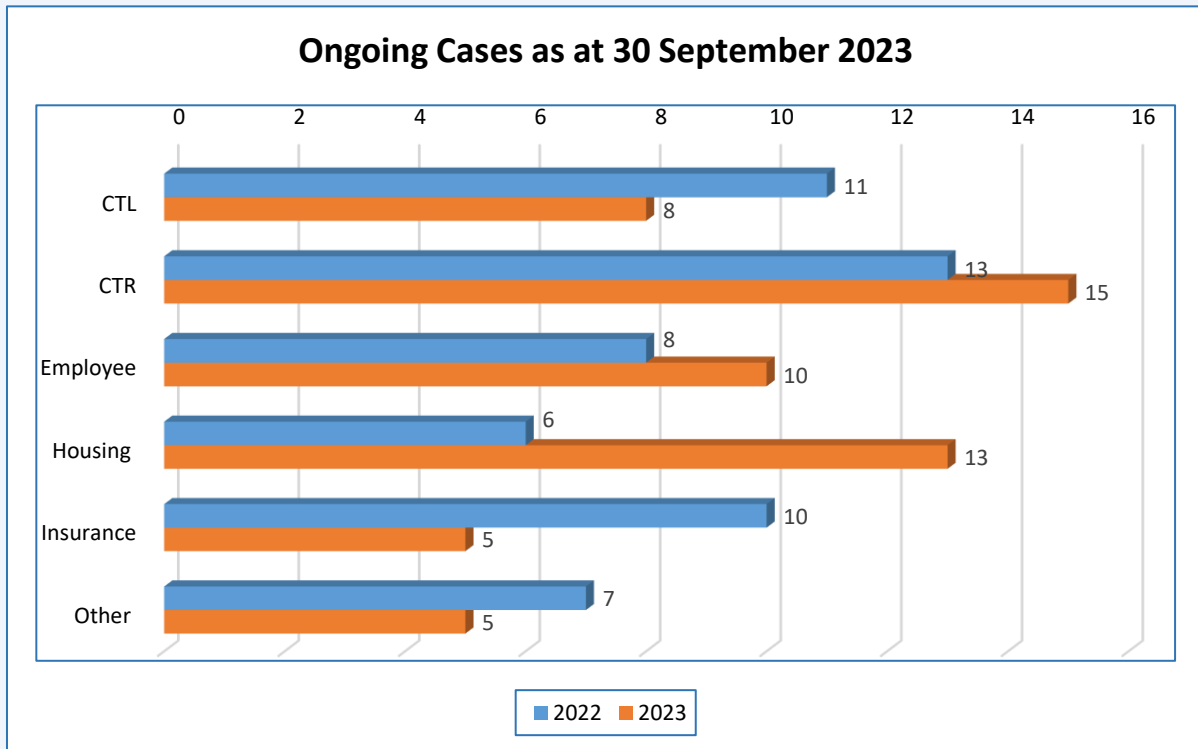
#### Cases identified for Investigation April to September 2023



The cases designated as other this year relate to inappropriate subletting of a Council facility and counterfeit pay and display tickets.

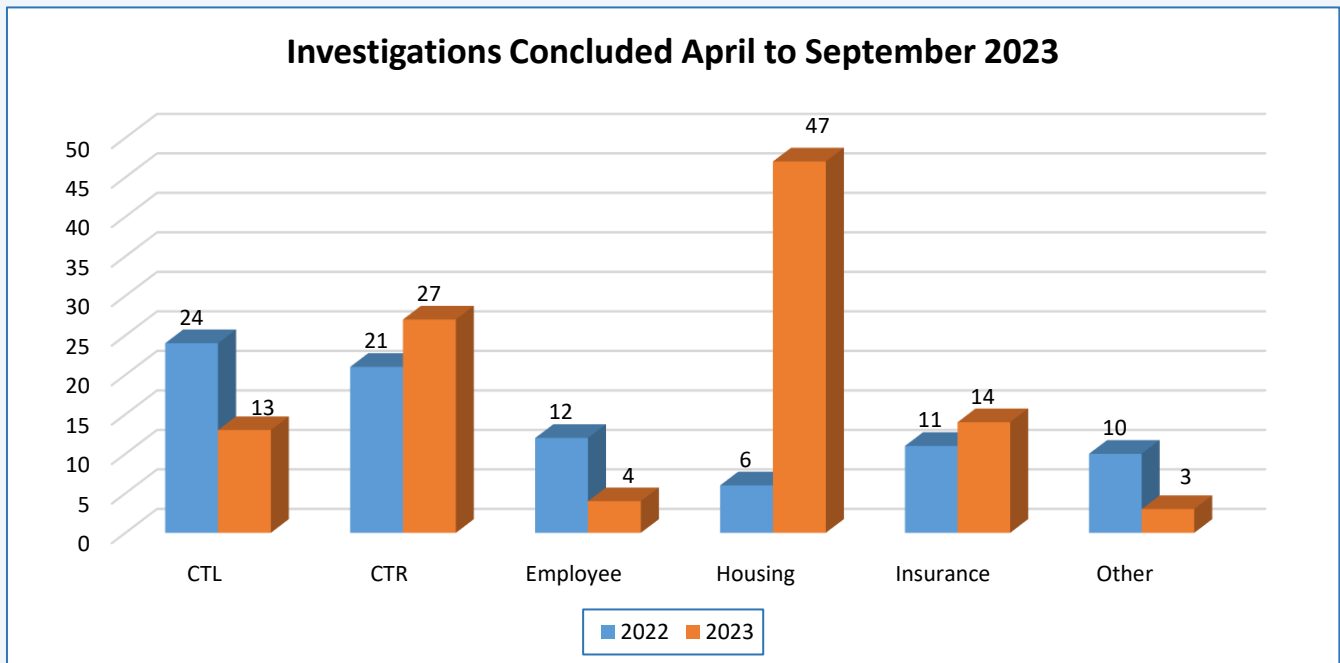
## Ongoing Cases

There are currently fifty-six investigations ongoing, compared to fifty-five, for the same period last year:



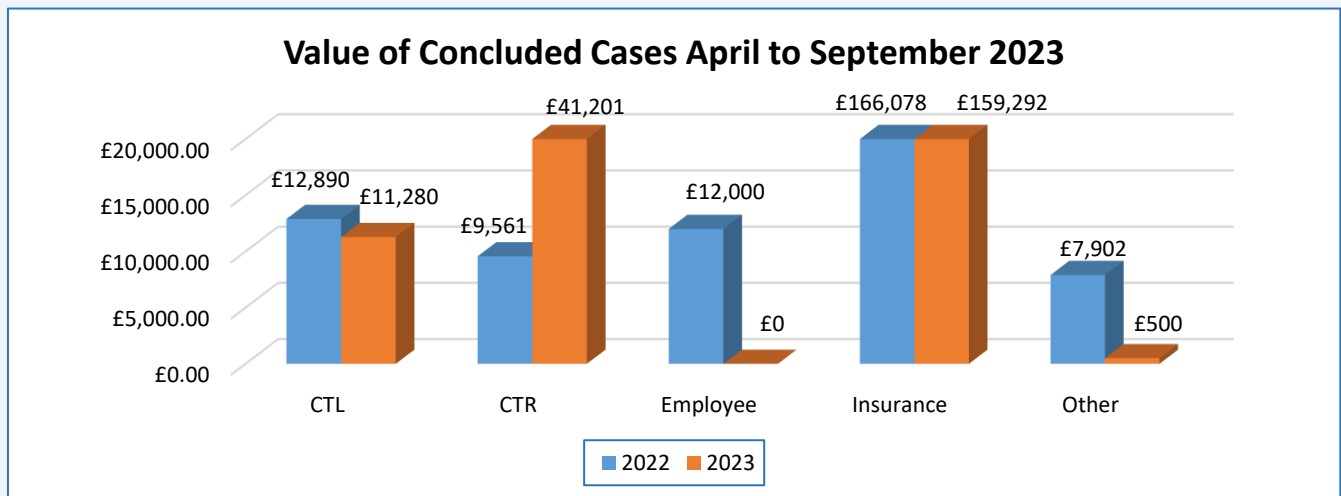
## Concluded Cases

One hundred and eight investigations have concluded so far this year, compared to eighty-four over the same period last year:



## Financial Value

£212,273 has been attributed to concluded cases in the 2023/24 year to date, compared to £208,431 for the same period last year:



- Council Tax Liability investigations typically relate to cases of false information provided to receive a discount, or a failure to declare the occupation of a second adult, when in receipt of a single person discount.
- Council Tax Reduction investigations typically relate to those on low income, in receipt of a discount, failing to declare their income properly.
- Insurance cases relate to contrived, exaggerated, fictitious misrepresented, and staged claims.

## National Fraud Initiative (NFI) - Overview

In addition to investigating referred cases, the team also undertakes various proactive exercises including participating in data matching exercises run by the Public Sector Fraud Authority and Audit Wales.

The National Fraud Initiative (NFI) matches data for the prevention and detection of fraud, by comparing sets of data electronically, such as the payroll or benefit records to other records held by the same or another body. This data is usually comprised of personal information, and matching identifies inconsistencies that require further investigation and allows potentially fraudulent claims and payments to be identified. These exercises generate a substantial volume of matches, and a risk-based approach is taken to prioritise where resources are targeted. The Investigation Team is currently liaising with Council Tax and Housing to assist with the progression of the matches generated for review.

The Investigation Team is currently completing preparations for the submission of Council Tax data for the latest round of data matching.

## NFI - Consultation

The Public Sector Fraud Authority is exploring policy options for local authorities to match adult social data, to help detect and prevent potential fraud and error within adult social care services.

The NFI previously undertook this form of data matching but had to cease in 2020 when changes to healthcare legislation inadvertently meant that they were unable to continue providing matched data to local government. The primary reason for exploring this option is that, from the NFI's most recent

national survey in 2022, a significant majority (93%) of local authority respondents said there was a strong need for adult social care data matching to resume.

As a local authority that provides adult social care provision, Cardiff Council has been formally invited to provide views as part of the consultation process before deciding on next steps. The responses to the consultation are vital and will form the basis for deciding how the NFI pursues the policy option of resuming adult social care data matching.

The Council's NFI Key Contact has consulted with officers in the Housing and Communities Directorate and a response has been submitted to the Public Sector Fraud Authority, Cabinet Office. The response recognises the importance of data matching as a powerful tool to help combat fraud and error.

- NFI Consultation – [link](#)
- NFI Consultation, Cardiff Council response – [link](#)

### **Waste Management Criminal Case**

During 2017 the Investigation Team acted on a referral which alleged misconduct at a Council Civic Amenity site. Potential criminal activity was identified, and the matter was reported to South Wales Police.

The Group Auditor (Investigations) led the internal disciplinary investigation which ran in parallel to the Police investigation and acted as the Single Point of Contact with the Police.

South Wales Police investigated the criminal activity and the CPS reviewed evidence subsequently gathered and sought the permission of the Director of Public Prosecutions to bring this case to trial.

The CPS reported that Cardiff Council lost around £417,000 in tipping fees and A&T (*Skips Ltd*) benefitted to the tune of £238,000. It is estimated that around £175,000 in bribes were paid to the council staff.

Five individuals were sentenced at Swansea Crown Court Thursday 9 November 2023 and details reported by the CPS are contained in the following [Link](#). The Committee is scheduled to consider a more detailed briefing as part of agenda item 14.

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## Cardiff Council – Detailed Audit Plan 2023

Audit year: 2023

Date issued: November 2023

Document reference: 3917A2023



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

# Contents

Introduction	5
Financial statements materiality	8
Significant financial statements risks	11
Other areas of focus	12
Financial statements audit timetable	13
Planned performance audit work	14
Certification of grant claims and returns and statutory audit functions	15
Fee and audit team	16
Audit quality	18
Appendices	
Appendix 1 – key ISA315 changes and impact	19

# 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

## My audit responsibilities

I complete work each year to meet the following duties:

- I audit the Council's financial statements to make sure that public money is being properly accounted for.
- The Council has to put in place arrangements to get value for money for the resources it uses, and I have to be satisfied that it has done this.
- The Council needs to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

## Audit of financial statements

I am required to issue a certificate and report on your financial statements which includes an opinion on their 'truth and fairness' and an assessment as to whether the Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with your financial statements and my knowledge of the Authority.

In addition to my responsibilities for auditing the Council's financial statements, I also have responsibility for:

- certifying a return to the Welsh Government which provides information about the Council to support preparation of Whole of Government Accounts;
- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary);
- auditing Cardiff & Vale of Glamorgan's pension fund accounts (a separate audit plan has been prepared for the audit of the pension fund);
- the audit of Cardiff Harbour Authority's financial statements and Cardiff Port Health Authority, Glamorgan Archives and Prosiect Gwyrdd joint committees; and
- the certification of a number of grant claims and returns as agreed with the funding bodies.

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.

## Performance audit work

I carry out a programme of performance audit work to discharge my duties<sup>1</sup> as Auditor General in relation to value for money and sustainable development.

My local performance audit programme will continue to be delivered through a combination of an Assurance and Risk Assessment Project, bespoke local projects and thematic projects examining risks common to all councils.

The majority of my performance audit work is conducted using INTOSAI auditing standards. The International Organisation of Supreme Audit Institutions is a global umbrella organisation for the performance audit community. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

<sup>1</sup> When we undertake audit work under our statutory powers and duties we may collect information from public bodies that contains some personal data. Our general audit fair processing notice, explains what we do with personal data, and how you can contact our Data Protection Officer.

# Financial statements materiality



## My financial statements audit will concentrate on your risks and other areas of focus

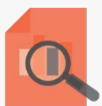
My audit planning has identified the following risks:

### Significant financial statement risk

- Management override of controls

### Other areas of audit focus

- Property, Plant and Equipment – valuation of land, buildings and council dwellings.
- Contingent Liabilities
- Related Parties



## My performance audit will include:

- Assurance and Risk Assessment
- Thematic review – commissioning and contract management
- Thematic review – financial sustainability in local government
- Local work – Highways/Transport



## Group

We will also perform an audit of the Council Group (incorporating the audit of Cardiff Transport Services Ltd)



## Materiality

### Council and Group

Materiality (Council)	£15.1m
Materiality (Group)	£15.4m

Reporting threshold (Council and Group)	£0.8m
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Materiality is calculated using:

- 2022-23 draft accounts gross expenditure of £1,506.2 million (Council) and £1,535.8 million (Group)
- Materiality percentage of 1%

### Cardiff Harbour Authority

Materiality	£3.2m
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Reporting threshold	£0.2m
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Materiality is calculated using:

- 2022-23 draft accounts gross assets of £160.8 million
- Materiality percentage of 2%

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

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:

- Remuneration report £1,000
- Related party disclosures £10,000 (for disclosures relating to individual members)
- Exit Packages and number of officers earning over £60,000 (relating to senior officers – correct banding)
- Remuneration ratio



# 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
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].	The audit team will: <ul style="list-style-type: none"><li>• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li><li>• review accounting estimates for bias; and</li><li>• evaluate the rationale for any significant transactions outside the normal course of business.</li></ul>

# 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><b>Property, Plant and Equipment – valuation of land, buildings &amp; council dwellings</b></p> <p>The Council’s last valuation of its land, building and council dwelling was as at 1 April 2022. There is a risk that due to inflationary pressures and changes in other market conditions, the carrying value of assets reflected in the accounts could be materially different to the current value of assets as at 31 March 2023.</p>	<p>My audit team will review the results of the work performed by the Council to gain assurance that any valuation updates are reasonable and are in line with expectation and professional guidance.</p>
<p><b>Contingent Liabilities</b></p> <p>As reported in previous years, the Council is in ongoing discussions with HMRC, with a view to resolving a purportedly under-declared landfill tax assessment from 1 April 2015. This is a specialised and technical matter. Our discussions with management during the year has confirmed that, currently, this matter remains ongoing and the financial impact of any potential liability is unconfirmed. Due to the ongoing nature of this matter, there is a risk that the Council will need to account for additional liabilities which will need to be correctly disclosed in the financial statements.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>• continue to meet with management to obtain updates on the status of the investigation;</li> <li>• review correspondence with HMRC, the Council’s management expert and any other key documents arising from the investigation; and</li> <li>• ensure any known or potential liabilities as at 31 March 2023, are appropriately accounted for and disclosed within the Council’s financial statements.</li> </ul>
<p><b>Related Party Disclosures</b></p> <p>Over a number of years our audits have identified a number of material omissions of related party disclosures by members.</p>	<p>My audit team will review these disclosures in detail to ensure that they are reasonable, complete and in line with CIPFA Code requirements.</p>

# 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	May 2023	June 2023
2023 Detailed Audit Plan	July to October 2023	November 2023
Audit of financial statements work: <ul style="list-style-type: none"><li>• Audit of Financial Statements Report</li><li>• Opinion on the Financial Statements</li></ul>	November 2023 – January 2024	January 2024

# Planned performance audit work

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

## Exhibit 4: key dates for delivery of planned outputs

Planned output	Work undertaken	Timetable
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.	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
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
Local work – Transport/Highways	Not yet scoped	To be confirmed

We will provide updates on the performance audit programme through our regular updates to Governance and Audit Committee.

# Certification of grant claims and returns, and statutory audit functions

## Certification of grant claims and returns

I have also been requested to undertake certification work on Cardiff Council's grant claims, which I anticipate will include Housing Benefits, Teachers Pension and Non Domestic Rates.

## 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 fee table below. 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 £534,521.

## Exhibit 5: audit fee

This table sets out the proposed audit fee for 2023, by area of audit work, alongside the actual/expected audit fee for last year.

Audit area	Proposed fee (£) <sup>2</sup>	Actual/expected fee last year (£)
Audit of accounts <sup>3</sup>	326,242	283,759
Performance audit work <sup>4</sup>	117,586	112,420 <sup>5</sup>
Grant certification work <sup>6</sup>	68,120	69,787
<b>Sub-total</b>	<b>511,948</b>	<b>461,179</b>
Other financial audit work:		
Cardiff Harbour Authority	16,030	14,017
Cardiff Port Health Authority	2,181	946
Glamorgan Archives Joint Committee	2,181	1,610
Prosiect Gwyrdd Joint Committee	2,181	1,190
<b>Total fee</b>	<b>534,521</b>	<b>483,729</b>

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 Council.

<sup>2</sup> Notes: The fees shown in this document are exclusive of VAT, which is not charged to you.

<sup>3</sup> Payable November 2022 to October 2023.

<sup>4</sup> Payable April 2023 to March 2024.

<sup>5</sup> This is an estimated fee as work is ongoing.

<sup>6</sup> Payable as work is undertaken.

**Our financial audit fee is based on the following assumptions:**

- The agreed audit deliverables set 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 6**.

**Exhibit 6: my local audit team**

Name	Role	E-mail address
Richard Harries	Engagement Director/Audit Director (Financial Audit)	<a href="mailto:richard.harries@audit.wales">richard.harries@audit.wales</a>
Gary Emery	Engagement Director/Audit Director (Performance Audit)	<a href="mailto:gary.emery@audit.wales">gary.emery@audit.wales</a>
Julie Rees	Audit Manager (Financial Audit)	<a href="mailto:julie.rees@audit.wales">julie.rees@audit.wales</a>
Sara-Jane Byrne	Audit Manager (Performance Audit)	<a href="mailto:sara-jane.byrne@audit.wales">sara-jane.byrne@audit.wales</a>
Steve Stark	Audit Lead (Financial Audit)	<a href="mailto:steve.stark@audit.wales">steve.stark@audit.wales</a>
Samantha Clements	Audit Lead (Performance Audit)	<a href="mailto:samantha.clements@audit.wales">samantha.clements@audit.wales</a>

I can confirm that my team members are independent of the Council and your officers.

# 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
<b>More detailed and extensive risk identification and assessment procedures</b>	<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"><li>• information on your organisation's business model and how it integrates the use of information technology (IT);</li><li>• information about your organisation's risk assessment process and how your organisation monitors the system of internal control;</li><li>• 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</li><li>• more detailed discussions with your organisation to support the audit team's assessment of inherent risk.</li></ul>
<b>Obtaining an enhanced understanding of your organisation's environment, particularly in relation to IT</b>	<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"><li>• IT applications relevant to financial reporting;</li><li>• the supporting IT infrastructure (e.g. the network, databases);</li><li>• IT processes (e.g. managing program changes, IT operations); and</li><li>• the IT personnel involved in the IT processes.</li></ul> <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><b>Enhanced requirements relating to exercising professional scepticism</b></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><b>Risk assessments are scalable depending on the nature and complexity of the audited body</b></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><b>Audit teams may make greater use of technology in the performance of their audit</b></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>



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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:  
28 NOVEMBER 2023**

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**CORPORATE RISK MANAGEMENT - QUARTER TWO 2023/24****REPORT OF CORPORATE DIRECTOR RESOURCES AGENDA ITEM: 8.1**

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**Reason for this Report**

1. To update Governance & Audit Committee on the risk management position at quarter two 2023/24 and to highlight any changes from the previous report.
2. The Governance & Audit Committee's Terms of Reference sets out their responsibility:
  - To monitor and scrutinise the effective development and operation of the risk management arrangements within the Council, and
  - To oversee progress in addressing risk-related issues reported to the Committee, such as the Corporate Risk Register (CRR).

**Background**

3. Governance & Audit Committee receives a risk management update each financial quarter with the opportunity to make comments. The last Governance & Audit Committee review was on the 11<sup>th</sup> of July 2023, at which time the risk management position at quarter four 2023/24 was presented. The quarter one 2023/24 update report was not discussed in September, as planned, due the Committee meeting being cancelled.
4. Each Directorate holds a Directorate Risk Register (DRR) and the Senior Management Team (SMT) collectively own a Corporate Risk Register (CRR). The CRR records the main risks to the delivery of corporate objectives and priorities, whilst the DRRs record the key risks to the delivery of Directorate functions and priorities.
5. A risk escalation process is in place, whereby each Director is required to take ownership of all residual (current) risks rated as 'red/amber' and above on their DRR and, at a minimum, to escalate all 'red' residual risks to SMT for collective ownership and review.
6. This reporting process allows SMT to determine if any changes are required to the CRR each quarter. The remaining escalated risks continue to be held on DRRs and are reviewed by SMT each quarter until it is agreed that mitigation is sufficient for risk ownership to transfer back to the Directorate. All escalated DRRs are reviewed by the Corporate Risk Team, to ensure they are relevant for discussion at SMT.

## Issues

- Each Director has worked with their Risk Champion(s) to undertake their quarter two risk management review. The Risk Management Team has also provided advice and guidance on the measurement and reporting of risks. The quarter two risk assessments are presented on the Corporate Risk Register Summary Snapshot (Appendix A) and the Detailed Corporate Risk Register (Appendix B).
- The Risk Management Review process has two tiers (Directorate and Corporate) and the actions at each for quarter four are detailed as follows.

### Directorate Risks

- At the quarter two position, 241 risks were reported from DRRs. All escalated risks and requests for de-escalation were discussed and approved in SMT on the 9<sup>th</sup> of November 2023.
- It was agreed that nineteen Directorate risks would be carried forward as SMT escalated risks at quarter two (Appendix C).

Directorate	Directorate Risks	Risks at SMT Escalation Point
Economic Development (inc Waste)	32	3
Education	22	0
Housing & Communities	25	4
Performance & Partnerships	14	1
Social Services	14	9 (1 shared)
Planning, Transport & Environment	19	1
Resources	96	1
Governance & Legal Services	19	1 (1 shared)
<b>Total</b>	<b>241</b>	<b>19*</b>

\* Includes 1 shared

### Corporate Risks

- SMT collectively reviewed the escalated directorate risks and corporate risk updates at the end of quarter two.
- In October's Governance & Audit Committee an update was provided on the position of RAAC and associated risks. In August 2023, revised guidance from the Health & Safety Executive (HSE) was issued following the collapse of a school roof in Kent which contained RAAC planks in the roof structure. The HSE advised that the use of RAAC planks was at the end of their useful life and that they could collapse without warning. For the quarter two position, the Health & Safety corporate risk includes risk mitigation measures that have been implemented and further controls that are being actioned to manage the risk of RAAC.

13. As part of the risk escalation process, consideration has been given to the Directorate risk in respect to ensuring an effective response to the increasing rise in homelessness. It is proposed that as from Q3 that this risk will be added to the Corporate Risk Register in order to ensure corporate oversight on this potential risk. This risk Homelessness Crisis was considered at the 20 November 2023 Community & Adult Services Scrutiny Committee and a link to the report can be found under backing papers section of this report.
14. A Core Cities risk management working group has recently been set up, and our risk management team are participating in this group. The first piece of work to be undertaken is a comparison of each City's Corporate Risks and once completed this will be shared at a future meeting.

### **Reason for Recommendation**

15. To enable the Governance & Audit Committee to monitor risk management activity and consider the Risk Management Review – quarter two 2023/24.

### **Legal Implications**

16. There are no direct legal implications arising from this report. However, one of the benefits of identifying risk is that mitigation measures may be taken, if appropriate, and consequently successful claims against the Council may be avoided altogether or reduced.

### **Financial Implications**

17. There are no direct financial implications arising from this report. The Corporate Risk Register will be used to guide the Internal Audit Plan and the Council's resource planning processes and forms an important part of the governance arrangements for the Council.

### **RECOMMENDATIONS**

18. Governance & Audit Committee to note and comment upon the risk management activity and the contents of the Corporate Risk Register, and to consider the information given, in the programming of its work.

**Chris Lee**  
**Corporate Director Resources**

The following Appendices are attached:

**Appendix A** - Corporate Risk Register Summary Snapshot – Q2 2023/24  
**Appendix B** - Detailed Corporate Risk Register – Q2 2023/24

*The following background papers have been considered:*

- *Directorate Risk Registers Q2 2023/24*
- [Homelessness Crisis - Report - CASSC 20 November 2023](#)

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# Corporate Risk Register Summary Snapshot Quarter 2 2023/24

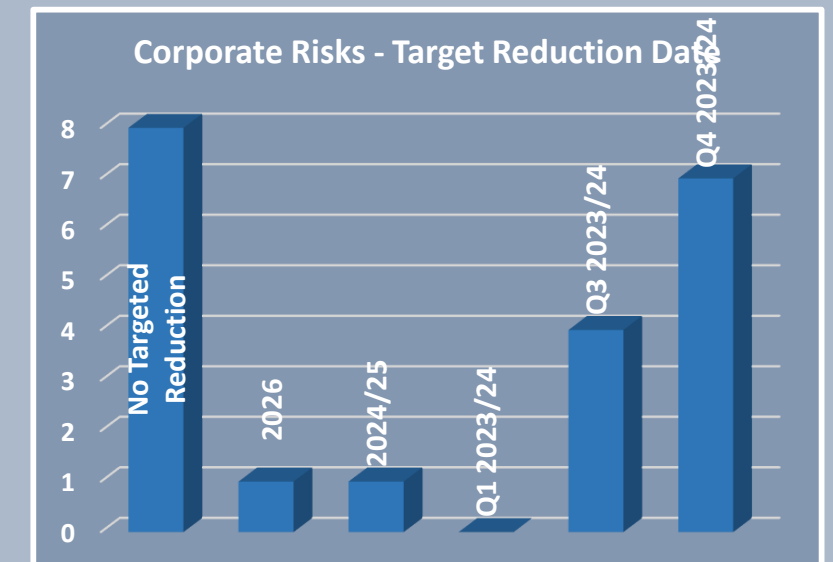
Appendix A

Likelihood	Impact			
	1	2	3	4
A	11	0		
B	6	4		
C				
D				
E				

Likelihood	Impact			
	1	2	3	4
A		2		
B	1	4	1	
C	2	5		
D	3	2	1	
E				

Likelihood	Impact			
	1	2	3	4
A				
B	1	1	1	
C		4	2	
D	4	4	3	
E			1	

Inherent Risk Rating	Corporate Risk Title	Residual Risk		Target Risk	
		Rating	Movement from Q1	Rating	Movement from Q1
A1	Climate Change (Aggregate)	B2	↔	C2	↔
	City Security	B1	↔	B1	↔
	Air Quality & Clean Air Strategy	B2	↔	C3	↔
	Cyber Security	C1	↔	D1	↔
	Budget Monitoring (Control)	C2	↔	D2	↔
	Financial Resilience	C2	↔	C2	↔
	Schools Organisation Programme (Band B)	B2	↔	E3	↔
	Health and Safety	D3	↔	D3	↔
	Statutory Compliance Management in Council Buildings	C2	↔	D3	↔
	Information Governance	D1	↔	D2	↔
B1	Ensuring Access	A2	↔	B3	↔
	Coastal Erosion	B2	↔	C2	↔
	Recycling Performance	C2	↔	D3	↔
	Increase in Demand (Children's Services)	C1	↔	D1	↔
	Education – Schools Delegated Budgets	A2	↔	B2	↔
B2	Business Continuity	D1	↔	D1	↔
	Safeguarding Children & Adults at Risk		↔		↔
	Education Consortium & Attainment	B3	↔	C3	↔
	Legal Compliance	C2	↔	C2	↔
	Performance Management		↔	D2	↔
	Fraud, Bribery and Corruption	D2	↔	D2	↔



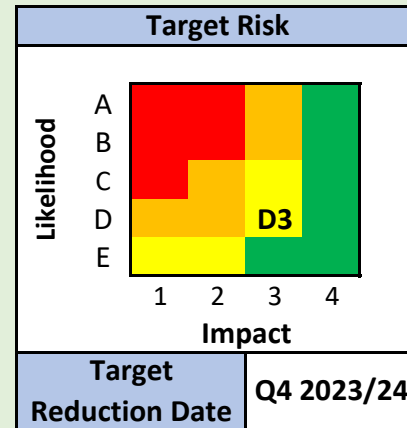
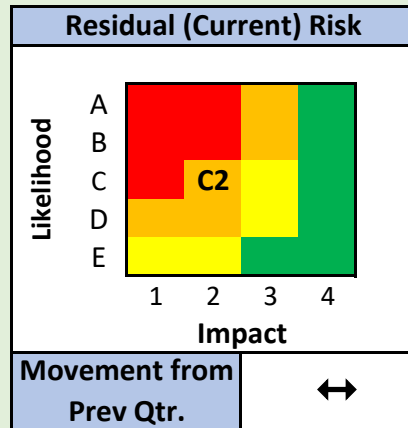
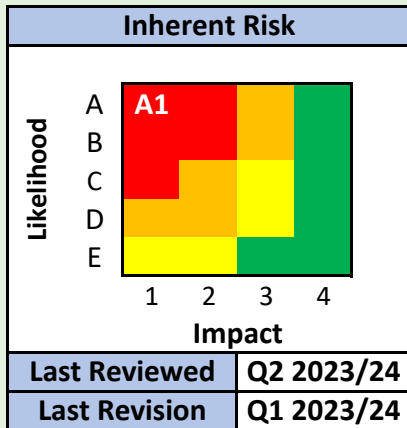
High (Red)	Medium (Red-Amber)
Medium (Amber-Green)	Low (Green)
↓ Decrease from previous quarter	
↔ No change from previous quarter	
↑ Increase from previous quarter	

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# Statutory Compliance Management in Council Buildings

**Description**

Non completion of cyclical statutory inspections or the remedial works arising out of the inspections, required to maintain the premises and related installations in a safe and legally compliant condition.



**Risk Owner(s)**

Neil Hanratty (Donna Jones)	Councillor Russell Goodway Investment & Development
--------------------------------	--

**What we've done/are currently doing to achieve the Residual Risk Rating**

**Contractor**

- Consequential remedial work identified on test certificates.
- Statutory maintenance contracting arrangements in place as specification for statutory obligations testing and new risk based specification for legionella management supported by RAMIS.
- Internal resource reviews review all test certificates, remedial work captured and communicated to client as necessary/applicable
- Statutory Obligations Team continues to provide monitoring and supervision of statutory obligations contractor including contractor training arrangements on Council system. Incorporating latest advice from bodies such as HSE.

**RAMIS IT Software**

- Bi-monthly reporting on statistics to SMT for all to consider any issues / mitigations.
- Continue to ensure the number of Building Managers with training remains appropriate in terms of number and coverage.
- Compliance ratings target set at 80% minimum
- Condition surveys have been completed to maintain our understanding /knowledge of all the Council's land and property holdings.

**What we plan to do to meet target**

**Statutory Compliance**

- Continue to commission investigations / work to complete required compliance testing (and works required) in respect of 'gaps' in compliance identified by reports from RAMIS.  
Q2, 2023/24 update - Gaps in compliance identified and in process of being actioned. **ONGOING**

- Completed a review of arrangements and appointed new Framework contractor for statutory inspections/maintenance for non-domestic Council premises. Under new Framework, tighter controls established within the new contract to ensure good performance. Enhanced governance with Building Managers to ensure essential works are progressed to ensure compliance. Stat Maintenance Team have now moved to SED - moved to SED restructure complete. (now moved to Q4, 2023/24 to align with restructuring critical teams). **Q4 23/24**

- Risk reduction is on target to be reduced as planned for Q4, 2023/24. Work is currently focussed on resolving residual tasks from previous contractor, and delivering on the planned inspection and works programme for 2023/24 - which is on target. **Q4 23/24**

**Potential Impact(s)**

Potential consequences of non-compliance with statutory maintenance:

- Fatalities or serious injuries
- Closure of part or whole of facilities with major disruption to service delivery
- HSE interventions and consequential actions including fines and prosecution;
- Significant additional expenditure requiring realignment of Corporate budgets;
- Temporary relocation of staff
- Temporary loss of operational service
- Invalidation of insurance policy
- Serious adverse impact on reputation
- Damage to fabric of building or other equipment

**Type(s) of Impact**

<ul style="list-style-type: none"> <li>• Service Delivery</li> <li>• Reputational</li> <li>• Legal</li> <li>• Financial</li> </ul>	<ul style="list-style-type: none"> <li>• Health &amp; Safety</li> <li>• Partnership</li> <li>• Community &amp; Environment</li> <li>• Stakeholder</li> </ul>
--	--

**Linked Risks**

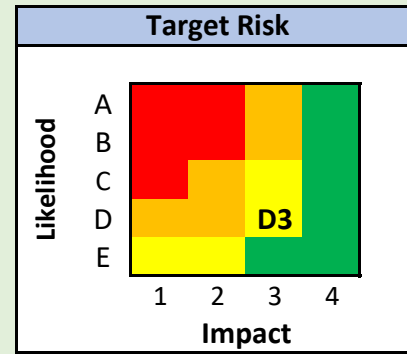
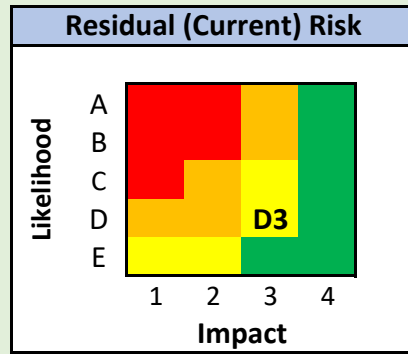
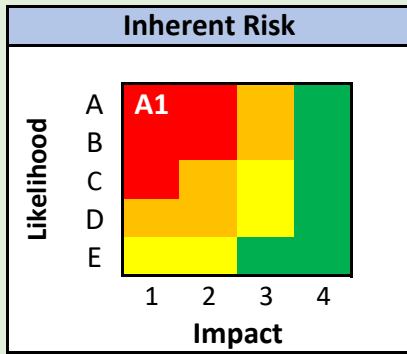
Health & Safety

**Key Indicators / Measures used to monitor the risk**

Compliance stats from the Corporate Health & Safety Team.

# Health & Safety

**Description**  
 Non Compliance with corporate Health and Safety arrangements to control key risks across the Council in line with statutory requirements.



**Risk Owner(s)**

Neil Hanratty (Donna Jones)	Councillor Chris Weaver Finance, Modernisation and Performance
--------------------------------	--

Last Reviewed	Q2 2023/24
Last Revision	Q2 2023/24

Movement from Prev Qtr.	↔
----------------------------	---

Target Reduction Date	N/A
--------------------------	-----

**What we've done/are currently doing to achieve the Residual Risk Rating**

- RAMIS -Reports submitted to Corporate Health & Safety Forum and Senior Management Team. Based on Current HSE National Advice
- Condition Surveys School Buildings - Shared with Schools .
- Insurance fire safety improvements actioned. Including safe operation of the fire suppression system in Lamby Way MRF and Fire Risk Assessment updated.
- Continue Asbestos Training - Online and face to face taking place. Briefing sessions for technical departments and Building Managers to ensure they understand their responsibilities under the Corporate Asbestos Management (CAM) Plan.
- RAAC Inspections - Schools inspections are complete, with no RAAC identified in the schools. RAAC inspections are now being progressed for the remaining Council premise portfolio.

**What we plan to do to meet target**

- Continue to monitor embedding of current controls to reduce the overall risk **ONGOING**
- RAAC Inspection - Work continues to inspect the Council premise portfolio, (non schools), it is anticipated this will be completed by the end of October - **Q3 2023/24**

**Potential Impact(s)**

- Fatalities
- Serious injuries
- Prosecution – fines for corporate body and/or fines/imprisonment for individual
- Civil Claims
- Negative Publicity

**Type(s) of Impact**

- Service Delivery
- Reputational
- Legal
- Financial

**Linked Risks**

Non-completion of Statutory Building Equipment Maintenance

**Key Indicators / Measures used to monitor the risk**

RAMIS is used to monitor statutory risk in relation to premises safety, bi-monthly reporting to SMT, quarterly reporting to Health and Safety Forum.  
 Compliance against annual Corporate H&S Objectives, used to monitor improvement secured in Service Areas, reported to Health and Safety Forum.

# Recycling Performance

Description	Inherent Risk	Residual (Current) Risk	Target Risk	Risk Owner(s)
<p>Failure to meet statutory recycling performance targets within the Waste (Wales) Measure 2010</p> <p>Failure to meet target may lead to Welsh Government imposing fiscal penalty</p>	<p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p> <p style="text-align: center;">Last Reviewed Q2 2023/24 Last Revision Q2 2023/24</p>	<p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p> <p style="text-align: center;">Movement from Prev Qtr. ↔</p>	<p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p> <p style="text-align: center;">Target Reduction Date 2024/25</p>	<p style="text-align: center;"><b>Neil Hanratty</b> (Matt Wakelam)</p> <p style="text-align: center;"><b>Councillor Caro Wild</b> Climate Change</p>

Potential Impact(s)
<p><b>Financial</b></p> <ul style="list-style-type: none"> <li>Penalties</li> <li>Financial costs to improve recycling performance</li> </ul> <p><b>Strategic/ Reputational</b></p> <ul style="list-style-type: none"> <li>Reputational consequence with citizens and key stakeholders</li> </ul>

What we've done/are currently doing to achieve the Residual Risk Rating
<p>Cardiff's Recycling Strategy 2022-2025 Cleaner and Greener</p> <ul style="list-style-type: none"> <li>Recycling Strategy for Cardiff sets out the Council's long-term objectives over the next 3 years and considers economic, social and environmental aspirations, to ensure Cardiff is one of the leading cities in the world for recycling. Strategy was approved at September 22nd 2022 Cabinet meeting; Agreement in principle be given to the programme of change set out in the Recycling Strategy 2022-25: 'Greener and Cleaner' and this report and delegate authority to the Director of Economic Development in consultation with the Cabinet Member for Climate Change to roll-out the phased implementation of the programme including: Agreement in principle be given to the programme of change set out in the Recycling Strategy 2022-25: 'Greener and Cleaner' and this report and delegate authority to the Director of Economic Development in consultation with the Cabinet Member for Climate Change to roll-out the phased implementation of the programme including: <ul style="list-style-type: none"> <li>The phased roll-out of segregated recycling as set out in this report across household properties in Cardiff.</li> <li>The review of residual waste provision to support introduction of measures to increase participation in food waste recycling</li> <li>Undertake further pilot work in relation to Houses of Multiple Occupancy and Flats to improve recycling performance including the testing of communal segregated recycling bins.</li> <li>Review the expansion of kerbside collection services to cover items currently not collected at the kerbside.</li> <li>Enhance and strengthen education and enforcement to deliver improved recycling compliance across household properties in Cardiff.</li> <li>Develop the business case to move from a Material Recovery Facility to a Material Handling Facility required to manage segregated recycling</li> </ul> </li> <li>Improvements to the trade / business waste model to improve recycling and meet new legislative requirements.</li> <li>Identification of wider Council / service area change to value resources and minimise the Council's impact on climate change.</li> </ul> <ul style="list-style-type: none"> <li>the plans to enhance the cleansing service, including the move balanced resourcing and 'same day cleanse' following collections for inner wards be noted.</li> <li>the development of a business case for a future repair and re-use 'superstore' be noted. A further report will be brought regarding the business case.</li> <li>Pilot for segregated recycling commenced 24th Jan 2022 - participation 10,000 properties and is now complete.</li> </ul> <p>Wider Governance &amp; Compliance</p> <ul style="list-style-type: none"> <li>Working in partnership with WG, WRAP &amp; WLGA to deliver the actions within the new Recycling Strategy, Implementation Plan &amp; individual business cases <ul style="list-style-type: none"> <li>segregated recycling modelling and business case</li> <li>material recovery facility to material handling facility, outline design and business case.</li> <li>development of blueprint model for flats, working in partnership with Swansea council</li> <li>trade business waste recycling review in preparation of new legislation</li> </ul> </li> <li>A project team of Cardiff Council, WRAP and Welsh Government meet monthly to discuss business cases and implementation programme</li> <li>Update provided to Welsh Government Officers on current position in terms of recycling performance and programme for improvements as part of the delivery of the Recycling Strategy 2022-25 - complete</li> <li>Response to Minister re 2020/21 recycling performance - Met Minister on February 27th 2023 to discuss below target recycling performance (58.19% against target 64%) - Minister has responded to state no fiscal penalty will be issued for 2020/21. However, Minister recognises underachievement of target and therefore wants to see evidenced improvement going forward.</li> </ul>

What we plan to do to meet target
<p>Cardiff's Recycling Strategy 2022-2025 Cleaner and Greener</p> <ul style="list-style-type: none"> <li>Phase 1 segregated recycling rolled out to 40,000 36,000 properties on 20th February 2024</li> <li>Phase 2 segregated recycling rolled put to further 80,000 properties in June-Aug 2024</li> <li>Outline business case to be developed for a future repair and re-use 'superstore' - officers currently gathering information from similar initiatives in the UK - Q3/Q4 2023/24.</li> <li>Recycling Performance Targets set within the Strategy are: <ul style="list-style-type: none"> <li>2021/22 = 64% - final validated performance for year is 58.19%</li> <li>2022/23 = 64% - final validated performance for year is 61.57%</li> <li>2023/24 = 64% - current performance at Q1 is 63.42%</li> <li>2024/25 = 70%</li> </ul> </li> </ul> <p>Wider Governance &amp; Compliance</p> <ul style="list-style-type: none"> <li>Quarterly meetings with Julie James MS, Minister for Climate Change, and WG to monitor actions to improve recycling performance ONGOING</li> <li>The April 2024 target will not be achieved for implementation and therefore further correspondence will be required with Welsh Government officers following decision by Cabinet supporting the extension of frequency to residual collections</li> </ul>

Type(s) of Impact
<ul style="list-style-type: none"> <li>Reputational</li> <li>Legal &amp; Regulatory</li> <li>Financial</li> </ul>

Linked Risks
<p>Directorate Risk Register risks:</p> <p>RNS 11 - Financial Pressures</p>

Key Indicators / Measures used to monitor the risk
<ul style="list-style-type: none"> <li>Quarterly monitoring recycling % from waste data flow - 23/24: <ul style="list-style-type: none"> <li>Q1= 63.80%</li> <li>Total final validated 22/23= 61.57%</li> <li>Total final validated 21/22= 58.19%</li> </ul> </li> <li>Monthly tonnage monitoring</li> <li>Monthly financial monitoring in each area of waste</li> </ul>

## Schools Organisation Programme (Band B)

Description		Inherent Risk	Residual (Current) Risk	Target Risk	Risk Owner(s)									
<p>Failure to deliver on aspects of the School Organisation Programme, which is significant in value and complex. The programme consists of Band B (£284m) 21st Century Schools, asset management improvement work, ICT and sufficiency projects. The programme of work spans across a number of directorates, requires significant capacity and has significant capital spend.</p>		<p><b>A1</b></p>	<p><b>B2</b></p>	<p><b>E3</b></p>	<p><b>Mel Godfrey</b> (Richard Portas)</p>	<p><b>Councillor Sarah Merry</b> Deputy Leader &amp; Education, Employment &amp; Skills</p>								
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Potential Impact(s)		What we've done/are currently doing to achieve the Residual Risk Rating			What we plan to do to meet target									
<ul style="list-style-type: none"> <li>Opportunities to enhance the school estate, and transform education will be missed</li> <li>Insufficient secondary places in some central and north east areas of the city</li> <li>Insufficient places in ALN settings across the city, leading to costly placement in out of county &amp; private settings</li> <li>School buildings that are not suitable for teaching and learning</li> <li>Further degeneration of school buildings &amp; rise in asset management backlog</li> <li>Project cost and time overruns</li> <li>Risk that school ICT infrastructure fails in the short to medium term and does not support the new curriculum</li> <li>Risk that in the current situation, learners do not have access to ICT equipment to support distance learning</li> </ul>		<ul style="list-style-type: none"> <li>21st Century Schools Band B funding bid was submitted to Welsh Government in July 2017 and the Strategic Outline Case for £284m was approved in November 2017n for investment in new building. Fitzalan build is complete SOP reports for Fitzalan, Doyle Avenue, Cathays and St Mary the Virgin have been considered by Cabinet under Band B. Progression of these schemes was delayed as a result of COVID-19 but are now under way. A review of Band B has been completed and identified the priority projects to progress. Further work is required to establish priorities of investment for next wave (Band C - rolling programme) A draft strategic plan for ALN provision has been submitted to Cabinet in October 2021.</li> <li>The delivery and transition for Fitzalan High School is complete and has been handed over. The demolition of Ty Glas is currently in progress. work on the Fairwater campus has commenced with temporary school in situ.</li> <li>A Cabinet paper has been approved for the temporary and permanent accommodation plans for Emotional Health and Wellbeing Specialist Resource Bases (SRB), the extended Pupil Referral Unit (PRU) and to consult on the Greenhill Secondary Special School expansion. 131 additional ALN places have been implemented for September 2023, 20 further places are planned for 2023/24 following completion of adaptation works.</li> <li>Work is ongoing to make sure that all learners have access to digital devices, network and infrastructure to support mobile and distance learning.</li> <li>Robust governance model, in line with Corporate Landlord approach is in place and is supporting consistent decision making.</li> <li>The resource for the asset renewal programme is not sufficient to fund the needs of the estate to meet the short term sufficiency need, LDP capital requirements, condition and suitability requirements. Data available through the OFD has allowed the asset commissioning group to be more structured to understand resource shortfalls at points in the project lifecycle and across the longer term asset programme generally.</li> <li>Delivering committed projects only and applying for in years WG grants.</li> <li>Cost control has improved through the introduction of strong multi-disciplinary teams, MACE cost consultancy and improved commercial decision making through the Programme Director and Board governance. Also, appointment of Commercial Manager to assess the commercial viability of cost plans and tenders.</li> </ul>			<ul style="list-style-type: none"> <li>Conclude SOP Strategy Discussions <b>Q3 2023/24</b></li> <li>Open a new purpose-built Pupil Referral Unit and Carnegie Centre. <b>Q3 2023/24</b></li> <li>A review of internal resource is underway to address when additional resource is required and restructure is underway <b>Q4 2023/24</b></li> <li>Develop a workforce plan to ensure that programme resource is up to date and capable of delivering asset programme of this scale. <b>Q4 2023/24</b></li> </ul>									
Type(s) of Impact		Linked Risks			Key Indicators / Measures used to monitor the risk									
<ul style="list-style-type: none"> <li>Reputational</li> <li>Legal</li> <li>Financial</li> <li>Social</li> </ul>		<ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Stakeholder</li> <li>Health and Wellbeing</li> <li>Sustainability</li> </ul>			<ul style="list-style-type: none"> <li>Spend against the asset programme in financial year, in accordance with the responsibilities of schools and corporate landlord (Corporate Plan)..</li> <li>Timelines to deliver projects within the SOP programme.</li> <li>New key performance measures which are being developed as part of the overarching SOP Strategy.</li> </ul>									



## Education - Schools' Delegated Budgets

Description	Inherent Risk	Residual (Current) Risk	Target Risk	Risk Owner(s)									
<p>The number of schools with deficit budgets and/or the overall value of deficit budgets increases, or that those schools (particularly in the Secondary sector) with existing deficit budgets do not deliver agreed deficit recovery plans.</p>				<p>Mel Godfrey</p>	<p><b>Councillor Sarah Merry</b> Deputy Leader &amp; Education, Employment &amp; Skills</p>								
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		<b>What we've done/are currently doing to achieve the Residual Risk Rating</b>		<b>What we plan to do to meet target</b>									
		<ul style="list-style-type: none"> <li>For the 2023/24 financial year, 42 schools applied to set deficit budgets. 15 have been agreed and a number require more work with the LA. Aggregate deficit applications - £4.8m. Good progress in year 1 – greater challenge year 2 onwards.</li> <li>The Education Directorate receives regular detailed budget monitoring reports from the LA Financial Services team and manages its budgets within the parameters set by the LA.</li> <li>There is good engagement with schools on financial issues through the well-established School Budget Forum arrangements with all papers and meeting agenda and minutes made available on the Council's website.</li> <li>Officers from Education and Financial Services work with individual schools through Headteachers and Governing Bodies to formulate Medium Term Financial Plans (MTFP) to seek to either balance individual school deficits within four financial years or to ensure that the accumulated deficits were frozen or slowed as much as possible.</li> <li>Officers continue to monitor and challenge those schools in deficit before allowing any additional financial commitments, both staffing and other expenditure.</li> </ul>		<ul style="list-style-type: none"> <li>Continue to work with schools in deficit <b>Ongoing</b></li> <li>Collate individual school budget impact assessments <b>Ongoing</b></li> <li>Following latest School Outturn position, due in early November, conduct a review of current school spending plans to identify Schools facing financial pressures for 2024/25, with a view of identifying mitigating actions in partnership with Schools. <b>Q3 2023/24</b></li> <li>Work with all schools and cluster working and establish an Efficiency Board to have oversight of efficiency gains to school system <b>Ongoing</b></li> <li>SOP Strategy - methodology worked to provide range of options <b>Ongoing</b></li> </ul>									
<b>Potential Impact(s)</b>		<b>Linked Risks</b>		<b>Key Indicators / Measures used to monitor the risk</b>									
<ul style="list-style-type: none"> <li>An overall deficit arising from schools budgets would count against the funding available for the Council</li> <li>Schools with deficit budgets may struggle to adequately fund the resources required to achieve the desired levels of educational attainment</li> <li>Schools with deficit budgets may struggle to adequately fund maintenance of school buildings creating an issue for other budgets, e.g. Capital/SOP Band B</li> <li>Schools that continually fail to address deficit budgets may ultimately require LA intervention, with a corresponding increase required in centralised resources</li> </ul>				<ul style="list-style-type: none"> <li>School budget monitoring position</li> <li>Number of schools setting deficit budgets</li> <li>Final budget balances</li> </ul>									
<b>Type(s) of Impact</b>													
<ul style="list-style-type: none"> <li>Reputational</li> <li>Legal</li> <li>Financial</li> </ul>													

## Education - School Improvement & Attainment

Description	Inherent Risk	Residual (Current) Risk	Target Risk	Risk Owner(s)									
<p>The risk that school improvement is not delivered as planned, in light of changing accountability and assessment arrangements and National Reforms (Curriculum and Additional Learning Needs).</p>	<p><b>B2</b></p>	<p><b>B3</b></p>	<p><b>C3</b></p>	<p><b>Mel Godfrey</b></p>	<p><b>Councillor Sarah Merry</b> Deputy Leader &amp; Education, Employment &amp; Skills</p>								
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	<b>What we've done/are currently doing to achieve the Residual Risk Rating</b>			<b>What we plan to do to meet target</b>									
	<ul style="list-style-type: none"> <li>The number of schools inspected by Estyn in the academic year 2022/2023 was 25. Of these 25 inspected schools, 5 are under Estyn Review, 4 are awaiting official reports, and 2 in category from the previous year. The LA and CSC are supporting these schools and monitoring progress against recommendations. Schools continue to be monitored via the Schools Causing Concern and All Schools Risk processes.</li> <li>The LA and CSC are continuing to support schools in the roll out Curriculum for Wales 2022.</li> <li>Estyn concluded in their full inspection of Cardiff Education Services in February 2022 that there has been a sustained and incremental improvement in Cardiff Education in recent years. Inspection outcomes are strong, especially in the primary sector. Outcomes for outcomes for pupils across key stage 4 have been above or well above expectations in the majority of schools in the three years up to the pandemic. Outcomes for pupils that are eligible for free-school meals (efsm) has generally been above that of the same group nationally.</li> <li>Estyn noted that the LA has established strong working relationships with the regional consortium and there are robust processes for the support and challenge to schools causing concern.</li> </ul>			<ul style="list-style-type: none"> <li>Following the November '21 Inspection, Estyn recommended that the LA ensures that the work of the regional consortium (CSC) is focused appropriately on Cardiff's strategic priorities. Actions to align the work of the LA and CSC more closely will be carried forward into the new Directorate Delivery Plan. <b>Q4 2023/24</b></li> <li>Closely monitor school exclusions and school attendance, paying particular attention to investigating alternatives to exclusions on a case-by-case basis; also by providing further support to families as well as making sure they are more involved in the process.</li> </ul> <p><b>ONGOING</b></p> <ul style="list-style-type: none"> <li>Work with CSC to provide support to schools to develop teaching and learning approaches in line with Curriculum for Wales 2022 and prepare for new assessment arrangements. <b>ONGOING</b></li> <li>Effective systems for quality assuring IDPs and IDP reviews in place and continuing to support schools with ALN Reform. <b>Q4 2023/24</b></li> <li>Enhance processes for All Schools Risk monitoring and Schools Causing Concern. Enhanced governance of ASR and SCC processes reporting each half term to Cabinet Member and CEX. <b>Q4 2023/24</b></li> <li>The Team Around the School approach has been developed and is being piloted in the East and West of the city, to ensure that integrated support is offered to schools where there are specific concerns. COMPLETE Next step is to design audit for schools' accessibility to 'services around the school'. <b>Q3 2023/24</b></li> <li>Two key school improvement posts are currently out to advert – Head of Achievement and Assistant Director. <b>Q4 2023/24</b></li> </ul>									
	<b>Potential Impact(s)</b>	<b>Type(s) of Impact</b>		<b>Linked Risks</b>									
	<ul style="list-style-type: none"> <li>Learners do not reach their full potential</li> <li>Schools are not supported to improve</li> <li>Schools are not able to deliver the new curriculum</li> <li>Impact on Estyn judgements</li> <li>Value for money - CSC</li> </ul>	<ul style="list-style-type: none"> <li>Reputational</li> <li>Legal</li> <li>Financial</li> </ul>		<p>KS4 2018/19 School Performance, Outcomes from Estyn Inspections up to 2020.</p>									



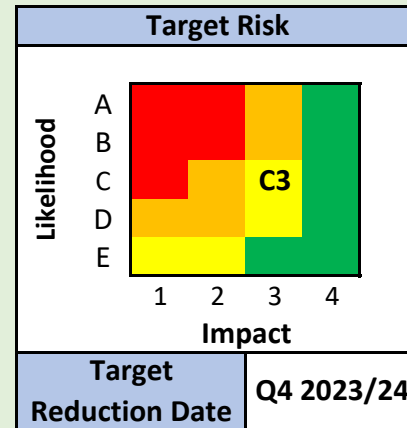
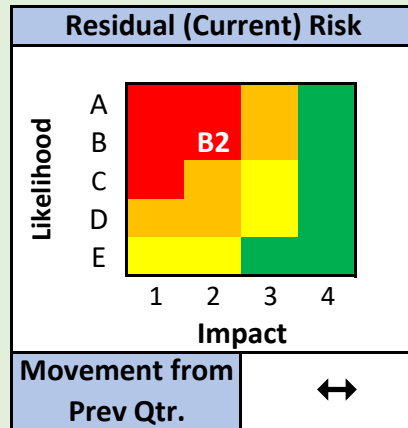
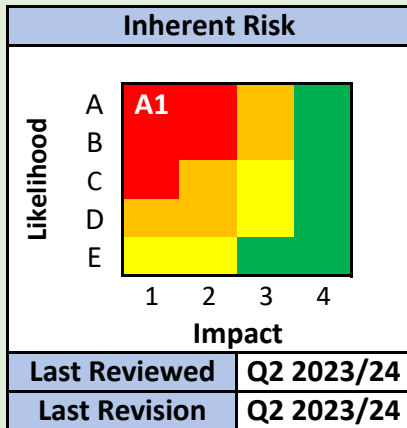
## Ensuring Access

Description		Inherent Risk	Residual (Current) Risk	Target Risk	Risk Owner									
<p>Failure to meet our statutory requirements to provide education to all learners of statutory school age, in particular those with Additional Learning Needs associated with Emotional Health and Wellbeing. Associated safeguarding risks due to vulnerable children not being at school, financial risks due to escalating costs of placements and reputational risk to the Council, evidenced by increasing volume of complaints.</p>		<p><b>A1</b></p>	<p><b>A2</b></p>	<p><b>B3</b></p>	<p><b>Mel Godfrey</b></p>	<p><b>Councillor Sarah Merry</b> Deputy Leader &amp; Education, Employment &amp; Skills</p>								
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Potential Impact(s)		What we've done/are currently doing to achieve the Residual Risk Rating			What we plan to do to meet target									
<p>Increase in OOC spend. Children not in education pending identification of suitable ALN provision. Children and young people who are not in an environment where they can be safeguarded could be at risk of significant harm. Outcomes for young people who requiring provision for their ALN related to EHW do not improve and face difficulties in making a positive transition Post 16. Young people with complex mental health needs do not receive psychological support. Children not in education whilst parents attempt to secure places of choice. Financial impact of providing temporary accommodation. Reputational risk due to public interest groups protesting about available places.</p>		<ul style="list-style-type: none"> <li>Emergency plan (Phase 1) for increasing capacity in the short term developed and implemented. Initially spot purchasing of places with Horizon to provide enhanced tuition. Review of in-house tuition offer to ensure stronger programme for children not in placement providing greater value for money. Identified primary schools with scope to provide places at Baden Powell and Pen Y Bryn. Extended number of places in our Specialist Resource Bases (SRBs) in schools for September 2023 as well as developing extra places in Special schools including Woodlands, Ty Gwyn, Hollies and Riverbank. Extended Pupil Referral Provision (PRU) has been developed, staff appointed, building works commenced with opening proposed for January 2024. Permanent site for extended PRU identified case for investment being developed. Secured additional classes at ACT provision. Monitoring of progress and impact against short term to long term solutions are monitored monthly to the senior education team. Proposal to develop additional ALN across the city to increase places agreed by Cabinet.</li> <li>Maintaining continuous review of pupils who are not in provision to identify specialist provision to accommodate their needs.</li> </ul>			<p>Phase 2:</p> <ol style="list-style-type: none"> <li>1. Work with External Providers                             <ul style="list-style-type: none"> <li>Work with Procurement to specify how to correctly progress with utilising external providers. (ID providers)</li> <li>Establish a 'Best Approach' by testing the market, scope the current provision. Ongoing</li> <li>Establish a list of possible sites, buildings and areas that will meet appropriate need, to lease for the next 5 years at least.</li> </ul> </li> <li>2. Building our own capacity - Prioritisation of ALN provision and places                             <ul style="list-style-type: none"> <li>Long term vision - establish budget parameters for operational capacity and establish long term Management Board for extended PRU Open a new purpose-built Pupil Referral Unit and Carnegie Centre.</li> <li>Develop proposition of Greenhill provision aligned to stresses on the system and gaps in provision, also highlighting long term cost implications. Ongoing</li> </ul> </li> </ol>									
Type(s) of Impact		Linked Risks		Key Indicators / Measures used to monitor the risk										
<p>Safeguarding Legal Financial Social Reputational</p>		<p>Risk to relocation of vulnerable children to Cardiff as part of Children's Service</p>		<p>Numbers of Children Not In Education Provision    Out of County Placement Spend</p>										

# Air Quality & Clean Air Strategy

**Description**

Air quality in Cardiff does not meet statutory requirements set by legislation and continues to have a detrimental impact on health for residents and visitors to Cardiff.



**Risk Owner(s)**

**Andrew Gregory**  
(Jason Bale)

**Councillor Caro Wild**  
Climate Change

**What we've done/are currently doing to achieve the Residual Risk Rating**

RESIDUAL RISK RATING AFTER CURRENT CONTROLS BELOW - B2 = LIKELY/ SIGNIFICANT

Monitoring

- Non-automatic nitrogen dioxide (NO<sub>2</sub>) monitoring sites at 136 locations.
- Data includes monitoring at schools as part of the TRO pilot projects at schools
- There are three live 24/7 monitoring stations:
  - Cardiff Frederick Street: measuring levels of NO<sub>2</sub>, PM<sub>10</sub> & PM<sub>2.5</sub>, SO<sub>2</sub>, CO and O<sub>3</sub>
  - Richard's Terrace, Newport Road: measuring levels of NO<sub>2</sub> & PM<sub>10</sub>
  - Castle Street measuring levels of NO<sub>2</sub> PM<sub>10</sub> and PM<sub>2.5</sub>
- 7 near real time indicative automatic analysers located predominantly in Cardiff's City Centre (5), one in Llandaff within the established AQMA and one in Canton on Lansdowne Road. These sites measure on a 24/7 basis, continuously monitoring for Nitric Oxide, Nitrogen Dioxide, Ozone, PM<sub>10</sub> & PM<sub>2.5</sub>, and does so every 15 minutes
- Additional 47 real time monitors installed across Cardiff, with support of One Planet Funding. This will be a 2 year pilot to assist the Council in improving collection of data including PM<sub>2.5</sub> and PM<sub>10</sub>. Data will be used to assess any additional areas of concern and trends in pollutant levels in existing AQMAs, to help identify and target further interventions.

Air Quality Management Areas (AQMA's)

- Cardiff has 4 existing declared Air Quality Management Areas (AQMA's) all as a result of elevated NO<sub>2</sub> concentrations from road traffic emissions.

Clean Air Plan

- Annual average for Castle Street = 33.8 µg/m<sup>3</sup> for NO<sub>2</sub> for 2022.
- Interim Castle Street Option still being implemented
- Mitigation measures to be detailed to WG if annualised results exceed agreed two threshold values of 35 µg/m<sup>3</sup> and 38 µg/m<sup>3</sup>.
- Construction of Ph1 City Centre West scheme (Wood St & Central Square) – substantially completed with snagging been undertaken. .
- Completion of Bus Retrofitting Programme of 49 buses – buses have been fitted with exhaust technology which reduces NO<sub>x</sub> emissions from the buses by 90%
- WG have approved updated Initial Plan and supported implementation of Option 1. The Minister has confirmed that in principle funding for the scheme will be provided by WG, subject to submission and approval of Final Plan. It is proposed to provide the updated plan within Q3.
- Following WG funding award, progression of EV Infrastructure has commenced on the council EV infrastructure road map, with the baseline assessment having been completed in Q2 2023/24.

Taxi Scheme:

Lease scheme launched January 2022 (note 5 vehicles only at this stage). Licensing Committee have now approved the proposal to remove the Hackney Carriage Limit for new plates to be issued. However this it is restricted that any new hackney carriage licences should only be issued to fully electric vehicles, or wheelchair accessible vehicles that are under 5 years old and meet the Euro 6 emission standard. Further revisions or update of scheme will need to be considered, including potential funding options to support upgrades to cleaner vehicles.

- Clean Air Strategy and Action Plan - A wider Clean Air Strategy and Action Plan has been developed to satisfy the requirements of LAQM. The strategy includes measures that will likely provide further AQ improvements incl AQMAs

**What we plan to do to meet target**

TARGET RISK RATING AFTER ACTIONS BELOW - C3 = POSSIBLE/ MODERATE

**Implement Clean Air Plan**

- Package of measures as detailed in Final Plan:
- Further assessment on Castle Street completed in February/ March and report was presented to Cabinet in April. Results show that Option 1 for all traffic still achieved compliance and owing to wider network impacts will be recommended as preferred option for Cabinet to approve. In Q2 WG provided approval of the updated Initial Plan and in a letter from the Minister, she detailed that funding for the scheme is agreed in principle.
- Subject to final decision being made on funding and approval of final plan the revised programme is anticipated;
  - Q3 2023/24 Commence tender process
  - Q4 2023/24/ Q1 2024/25 Complete tender process an New Cabinet Paper to award tender
  - Q2/3 2024/25 On site (with the road closed - this will be achieving compliance)
  - Q1 2025/26 Completion

**Clean Air Strategy and Action Plan**

- Roll out of measures (subject to grant bids/ funding)
  - Pilot project Non Idling Zones – Work with WG and Active travel team on potential, targeted around schools - Due to resource issues this project has not been fulfilled and will be potentially picked up in 23/24 subject to resources Q4 2023/24
  - Living Walls and other Green Infrastructure – this project has been completed and will be reported in the 2023 APR
  - Progression of EV Infrastructure - the completed road map is expected in Q4 2023/24
  - Review and where necessary update Air Quality Planning Guidance
  - Schools Active Travel - Continued support on TRO projects and expansion of monitoring associated with the project will be further supported as an when more schools come one line. Projects worked on to date in 22/23, will be reported in the 2023 APR
  - Behavioural Change Promotion, Consolidation of a dedicated Behavioural Change Programme linked to the Behavioural Change Strategy to be developed for One Planet Cardiff.

Review of Clean Air Strategy and Action Plan in 2023/2024 Q4 2023/24

**Potential Impact(s)**

**Health & Safety**

- No improvement to health
- Increased burden on health care
- Further deterioration of related health conditions

**Legal & Regulatory / Financial**

- Breach of legal / statutory requirements
- Potential significant financial penalty

**Type(s) of Impact**

- Health
- Regulatory
- Financial
- Strategic

- Reputational

**Linked Risks**

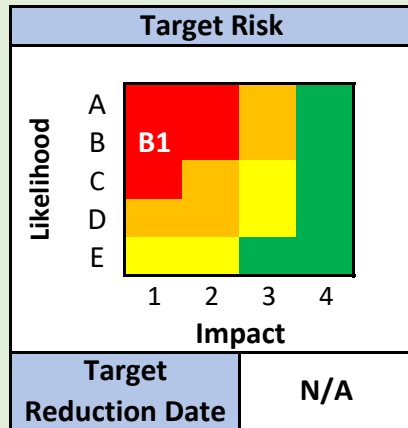
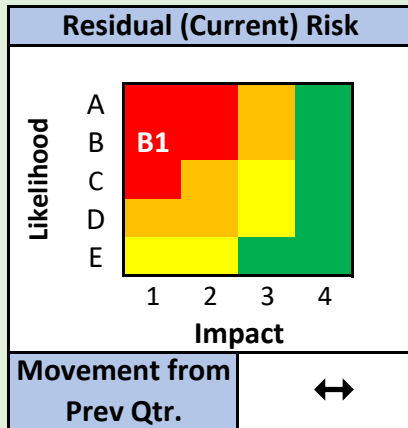
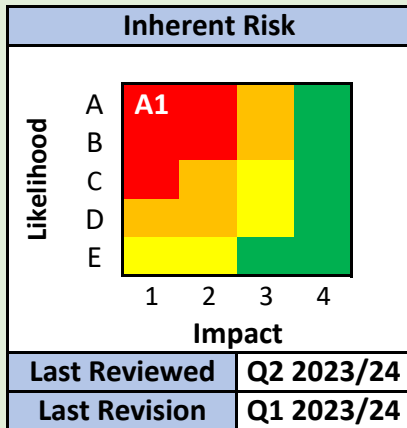
**Key Indicators / Measures used to monitor the risk**

- Implementation Plan for measures (funding dependent)
- Monitoring and Evaluation Plan for Clean Air Plan
- Ongoing monitoring and reporting under LAQM

# City Security

**Description**

Major security-related incident in 'crowded places' as a result of international or domestic terrorism.



**Risk Owner(s)**

**Chris Lee**  
(Gavin Macho)

**Andrew Gregory**

**Councillor Huw Thomas**  
Leader

**What we've done/are currently doing to achieve the Residual Risk Rating**

- All existing identified high-risk, crowded places have been formally assessed
- Some crowded places have an extremely limited and in some cases 'third party managed' access control process to operate them; providing little/no challenge
- CONTEST Protect/Prepare Task & Finish Group maintains the City Gateways Public Realm Enhancement Scheme, with agreed options for suitable PAS 68/69 mitigation for appropriate boundary locations; referred to as 'gateways'
- The work done in the city to address security concerns has been predominantly focused on the provision of physical assets to mitigate against the threat of hostile vehicles
- Areas protected against the threat of hostile vehicles include the Principality Stadium, St Mary Street, Queen Street, St David's Dewi Sant and Cardiff Bay.
- The Cardiff City Centre Access Control Protocol is currently operating at the heightened response level, reflecting the UK National Threat Level; permitting vehicles onto the pedestrianised areas within Cardiff City Centre using strict parameters
- The Government National Terror Risk Rating set by the National Counter Terrorism Office remains at Substantial or an attack is likely.
- Martyn's Law has now passed into the Parliamentary Scrutiny process. The committee's initial opinions were critical of the current draft and questioned both its viability and cost effectiveness. We await with interest the Government's response.
- Cardiff Council Counter Terror Policing Wales and Partners are moving the agenda forward since it is unthinkable, we wait for the legislative process to catch up.
- Our revised position will be that we will move away from geographical responses and instead focus more on Sectors (Retail/Hoteliers/Business/Education) This would allow us to maximise our interaction with existing partnerships.
- The programme will be signed off at the PSPG before being launched in October.
- The continuing weekly/daily liaison between us and our Event Organisers Sporting venues, City Centre etc through City Centre Management, ELP, SAG, licencing etc keep all the issues in play.

**What we plan to do to meet target**

- The PSPG Chair has commissioned a Director led review across all relevant Service areas to assess current operational and tactical arrangements for City Security to see if they are effective. All opportunities for improvement to be captured and costed. **ONGOING**
- The PSPG is broadening its remit by taking on a more comprehensive portfolio of security issues inclusive of Cyber Security, Insider threat and personal security. Training and development being planned, projects managed at director level. **ONGOING**
- Consideration to be given to incorporating structured and strategic conversations about security and counter terrorism into pre application stage of major developments. **ONGOING**
- The PSPG will try to engage with Government to find funding to improve and develop Cardiff's security arrangement. Shovel ready projects ready to go. **ONGOING**
- The Chair of Contest has requested that the PSPG develop a SMART work programme that takes ownership of all its targets. This has been agreed and will be presented to the PSPG in October. Contest will then take on a Scrutiny Role and ensure we deliver on our Targets. **Q3 23/24**

**Potential Impact(s)**

**Immediate / Short-Term**

- Large numbers of fatalities, injuries to public
- Extensive structural damage and/or collapse of buildings
- Closure of roads having impact on transport network and access to businesses and properties.
- Damage/disruption to utilities (gas, electricity, water etc.)
- Immediate impact to core business, retail and sporting district in the centre of Cardiff

**Ongoing / Longer Term**

- Reputational risk due to a public perception Cardiff is an unsafe place
- Area viewed as a risk for potential future business investment.
- Inability to attract major future national and international events (political, sporting etc.)
- Increase in demand for Council services/support for all affected.
- Current economic climate to reduce the effectiveness of any recovery/regeneration of the area.

**Type(s) of Impact**

<ul style="list-style-type: none"> <li>Service Delivery</li> <li>Reputational</li> <li>Legal</li> <li>Financial</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Partnership</li> <li>Community &amp; Environment</li> <li>Stakeholder</li> </ul>
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**Linked Risks**

**Key Indicators / Measures used to monitor the risk**

- National Threat Level and period at level
- No of 'Crowded Places' not protected to PAS 68/69 level

# Climate Change - Biodiversity

**Description**

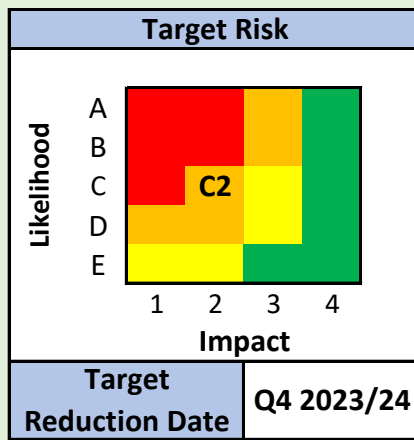
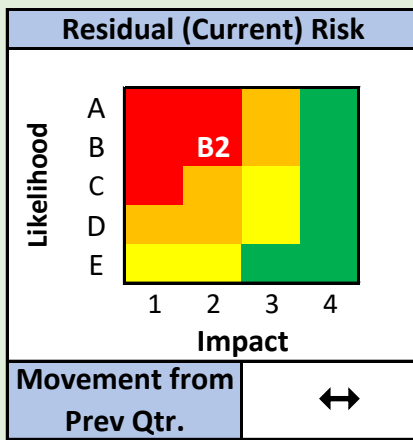
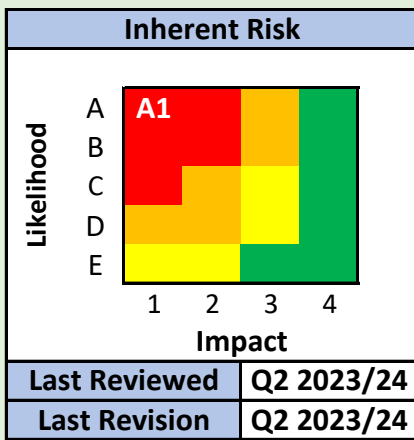
Cardiff is not able to manage the effects of climate change and energy security due to lack of future proofing for key (social and civil) infrastructure and business development.

**Potential Impact(s)**

- Loss of biodiversity leads to reduction in ecosystem resilience, and reduction in ecosystem resilience will compromise the provision of ecosystem services. These are the services or benefits which we gain from the natural environment.
- Ecosystem services include climate change mitigation and adaptation.
- Climate change mitigation includes the sequestration and storage of carbon by plants, especially long-lived species such as trees. Reduction of this ecosystem service makes it harder to reduce net carbon emissions. Annually Cardiff's trees (not including other aspects of green infrastructure) provide ecosystem services worth £3.31 million, of which £1.9 million is in carbon storage and sequestration (iTree Study, Sept 2018).
- Climate change adaptation services include storm water attenuation by vegetation and reduction of surface water volume through evapotranspiration
- Trees, green walls and green roofs allow cooling and shading, thereby mitigating the urban heat island effect which may become more prevalent with a warmer climate.
- Hotter summers also increase risk of aerial pollution through air stagnation, and green infrastructure can remove certain pollutants from the air as well as having a cooling effect.
- The National Priorities of the WG Natural Resources Policy include 'Delivering Nature-based Solutions'. Failure to ensure protection of biodiversity and ecosystem resilience risks failure to deliver these nature-based solutions, which include climate change mitigation and adaptation.

**Type(s) of Impact**

<ul style="list-style-type: none"> <li>Service Delivery</li> <li>Reputational</li> <li>Legal</li> <li>Financial</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Partnership</li> <li>Community &amp; Environment</li> <li>Stakeholder</li> </ul>
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**Risk Owner(s)**

<b>Andrew Gregory</b> (Simon Gilbert/ Jon Maidment)	<b>Councillor Caro Wild</b> Climate Change
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**What we've done/are currently doing to achieve the Residual Risk Rating**

- Cabinet Report of 14/10/21 Recommended the Council sign the Edinburgh Declaration.
- Developed a Biodiversity and Resilience of Ecosystems Duty Forward Plan, to implement the statutory duty to seek to maintain and enhance biodiversity and in doing so to promote ecosystem resilience.
- Undertaken an 'iTree-Eco' study to look at the value of trees in terms of the ecosystem services that they provide.
- Working with neighbouring Local Authorities through the Local Nature Partnership Cymru project to share ideas and best practise for enhancing biodiversity across the City and identifying opportunities for cross-boundary projects to improve habitat and species connectivity and increase ecosystem resilience.
- Contributed to the Central South Wales Area Statement recently published by Natural Resources Wales.
- In June 2023 the Council agreed the Replacement LDP Preferred Strategy for consultation. This Strategy includes Strategic Policy SP19 which aims to ensure the Cardiff's green infrastructure assets are strategically planned and delivered through a green infrastructure network.
- The Coed Caerdydd Project has also resulted in further officer resource to support volunteer activity relating to tree planting and maintenance / aftercare and whereby grant funding has enabled the appointment of a Volunteer Co-ordinator on a fixed term contract up until July 2023.
- Successful appointment of Principal Planner (Ecology) in Q4 2022/23
- Regular meetings of Council "Green Infrastructure Officer Group" including colleagues from Planning, Parks, Drainage, and Public Rights of Way - re-commenced in Q4 2022/23 following appointment of Principal Ecologist post and ongoing
- Further funding has been obtained which has resulted in the LNP Co-ordinator post being extended at full time hours up until 31/3/23. This funding has also enabled the creation of a temporary Community Ranger Post until 31/3/23 to assist with the delivery of Local Places for Nature funded Projects.
- Deliver an enhanced tree planting programme - 2022/23 = 30,264 achieved (target 25,000)
  - 2023/24 - commenced the scoping exercise to inform the 23/24 planting programme and developing an action plan aimed at maximising opportunities for increase tree canopy within the highway / street scene. Investigations are underway to determine street tree planting locations in existing grass verges and retrofit planting locations within hard landscaped street scene.
  - Finalisation of Scoping Exercise / determine Planting Programme for 23/24 completed Q2 2023/24

**What we plan to do to meet target**

- A Habitat Regulations Screening Assessment has been completed on the Replacement LDP Preferred Strategy which was approved by Council in June 2023. Consultation on the Preferred Strategy and the background papers is running for 10 weeks to the 5th October 2023. **Q3 23/24**
- Update the Cardiff Biodiversity and Resilience of Ecosystems Duty Forward Plan, including the Action Plan, in line with legislative requirements - now pushed back to Q1 2024/25 due to resources and competing priorities, including preparation of the Nature Recovery Action Plan (NRAP) and LDP. **Q1 24/25**
- Recruitment of vacant Planner (Ecology) post and consideration of additional resources to enhance the Planning (Green Infrastructure) functions, subject to available candidates and resources.
- Officer attendance at all Wales Planning and Diversity Forum - **Q1, Q2, Q3, Q4 2023/24**
- Seek opportunities for partnership working under the 5 main themes of the South Wales Area Statement (building resilient ecosystems, working with water, connecting people with nature, improving our health, improving our air quality). - **ONGOING**
- Develop the local Nature Recovery Action Plan through the Local Nature Partnership (LNP) - work is progressing well in partnership with the LNP steering group partners e.g. NRW, RSPB, WTSWW. Consultation workshops with the public and interest groups are planned for this summer to feed into the NRAP. **ONGOING**
- Discussions between the Council, Welsh Government and the Wales Council for Voluntary Action concerning LNP grant funding for a further 2 years is ongoing. - Formal confirmation has been received which will see the extension of LNP funding up until 31/3/25.
  - Finalise Scoping Exercise / determine Planting Programme for 23/24 - Q2 2023/24
  - Implement Planting Programme and action plan for maximising opportunities for increasing canopy within the highway / street scene - Q3/4 2023/24.

**Linked Risks**

- Coastal Erosion
- Air Quality
- Business Continuity
- Energy decarbonisation

**Linked Documents**

- <https://www.evaccardiff.co.uk/>
- <https://www.cdp.net/en>

**Key Indicators / Measures used to monitor the risk**

Extent of Green Infrastructure in the City.



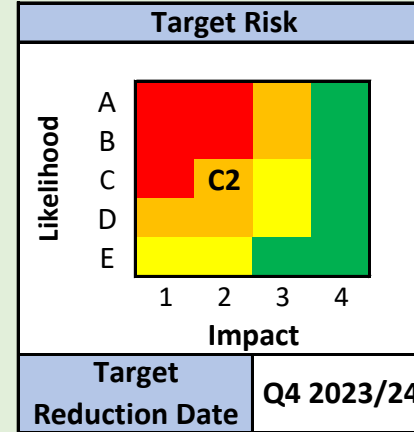
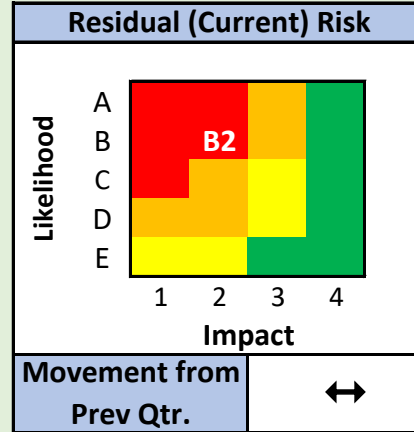
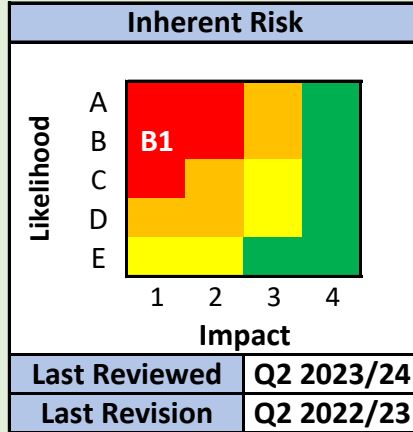
# Climate Change - Energy Security & Decarbonisation

**Description**  
Cardiff is not able to manage the effects of climate change and energy security due to lack of future proofing for key (social and civil) infrastructure and business development.

**Potential Impact(s)**

- Energy security (energy efficiency & decarbonisation of supply)**
- Inconsistent energy supply
  - Increased costs
  - Inability to deliver public services
  - Decrease in economic output
  - Disruption to the supply of utilities
  - Increased transport costs
  - Increased costs for heating / providing services to buildings
  - Increased fuel poverty

Page 313



**Risk Owner(s)**

**Andrew Gregory**  
(Gareth Harcombe/ Liz Lambert)

**Councillor Caro Wild**  
Climate Change

**What we've done/are currently doing to achieve the Residual Risk Rating**

- Energy security (energy efficiency & decarbonisation of supply)**
- Climate Emergency Declared by Council
  - Council approved the final "One Planet Cardiff" Strategy on October 14th 2021 which addresses the Climate emergency and sets a pathway to a carbon neutral Council by 2030.
  - Established internal and external partnership and governance boards to steer our response to the climate emergency.
  - Energy efficiency measures being installed through Re-Fit and Salix projects - Now managed by FM
  - Phase 2 of Re-Fit project finalised and going through due diligence with Salix funding organisations - Schools focus for this tranche
  - NPS Consortium approach to purchasing energy to secure best prices - continuing by Economic Development
  - Lamby Way solar farm complete including the private wire connection to the Welsh Water Waste Treatment Works.
  - District Heat Network - Construction commenced on site in Jan 22 with a 3 year programme to completion
  - Carbon baselining and impact modelling reported to Welsh Govt and included in One Planet Cardiff. This has been used to inform the priorities in the action plan and progress will be monitored and reported annually.
  - Scoping additional carbon reduction projects for future action as part of the One Planet Cardiff project with key target areas confirmed in the One Planet Cardiff Action Plan - Funding secured to develop final business case for two major ne renewables schemes
  - Delivering Low Emission Transport Strategy - approved April 2018 and implementation of action plan underway:
    - first tranche and second phases of residential chargers delivered, and further phases in Council car parks and other residential areas underway - over 70 now installed
    - WG funding secured to install EV chargers at council buildings for small fleet vehicles
    - ULEVTF funding secured to install charging infrastructure in car parks and additional in-year funding awarded to implement Rapid charging infrastructure at Lamby Way depot for 12 electric refuse collection vehicles, and to engage consultant/ specialist to scope/design & specification for renewable connection & switch gear to produce green energy from landfill gas and/or the solar farm.
  - Working with the Cardiff City Region to develop a new domestic retrofit grant scheme using Energy Company Obligation funding. Plans for a major energy retrofit of council owned low-rise domestic blocks also in preparation and Welsh Government ARBED grant funding being targeted at "Hard to Treat" steel framed properties for implementation later this year. Outline of options to accelerate Domestic Retrofit presented to OPC Cex meeting April 23
  - OPC commits to a long term strategy for public engagement and behaviour change to build public resilience and positive action through advice and guidance and based on best practice and observed impact of initiatives elsewhere. This work is guided by advice from the Centre for Climate Change & Social Transformations (CAST) .

**What we plan to do to meet target**

- Energy security (energy efficiency & decarbonisation of supply)**
- Implement and monitor the One Planet Cardiff Strategy with carbon reduction targets and associated action plan for delivery over the to 2030 - Overall target March 2030 with specific project based targets stated in the detailed action plan **ONGOING**
  - Implement schemes to secure low/zero carbon development and retrofit in the Council's Estate - (Strategic Estates/ Schools/ Housing) by 2030
  - Promote and implement the approved policy position to guide new private sector development in the city - Ongoing - Relates to the Planning/development control process **ONGOING**
  - Complete Phase 1 of the Cardiff District Heat Network – by **Q4 2023/24**
  - Develop a pipeline of new renewable generation assets for cabinet approval in 22/23 - by **Q4 2023/24**
  - Deliver Steel Frame Retrofit scheme by Q4 24/25 and work with CCR to finalise arrangements for "LA Flex" Energy Company Obligation funded works and small measures retrofit initiatives by **Q4 23/24**
  - Electric Vehicle strategy - Proposals to convert council fleet to electric being reviewed/ assessed to allow for impact of Covid-19 and changes to requirements/ working practices **ONGOING**
  - Funding secured from Innovate UK to recruit a new post focussed on integrating Climate Change and Carbon reduction into Council's decision making and budget processes. Recruitment undertaken in Q2 2023/24, with programme of action developed by end **Q4 23/24**

**Type(s) of Impact**

- Service Delivery
- Reputational
- Legal
- Financial
- Health & Safety
- Partnership
- Community & Environment
- Stakeholder

**Linked Risks**

Coastal Erosion  
Air Quality  
Business Continuity

**Linked Documents**

<https://www.evaccardiff.co.uk/>  
<https://www.cdp.net/en>

**Key Indicators / Measures used to monitor the risk**

Energy use / renewable energy production of Cardiff Council

# Climate Change - Extreme Weather

**Description**  
Cardiff is not able to manage the effects of climate change and energy security due to lack of future proofing for key (social and civil) infrastructure and business development.

**Potential Impact(s)**

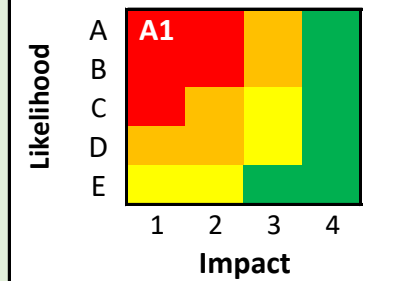
- Loss of life and risk to life
- Damage to infrastructure & utilities
- Service delivery
- Increase in health related issues including air quality
- Blight of development
- Migration of ecosystems

Page 314

**Type(s) of Impact**

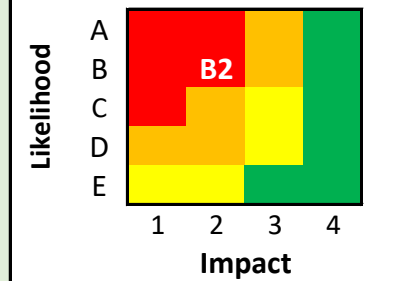
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**Inherent Risk**



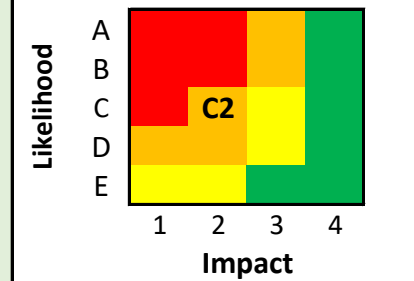
Last Reviewed Q2 2023/24  
Last Revision Q2 2022/23

**Residual (Current) Risk**



Movement from Prev Qtr. ↔

**Target Risk**



Target Reduction Date Q4 2023/24

**Risk Owner(s)**

<b>Andrew Gregory</b> (EMU/Gary Brown)	<b>Councillor Caro Wild</b> Climate Change
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**What we've done/are currently doing to achieve the Residual Risk Rating**

The Council has declared a Climate Emergency

**Extreme Heat**

- Working with Partners in the LRF to warn them of anticipated heatwave impacts upon vulnerable groups and support response to such a risk
- Supporting the enhancement of the public's own resilience through advice and guidance available from the EVAC Cardiff Website

**Extreme Cold/ Snow**

- Implementation of Council's Cold Weather Response Plans
- Winter Service review undertaken to consider the potential impact of Covid-19:
  - concentration made to build resilience into Winter Service as high risk to staff resource due to illness and the requirements of isolation
  - required training and staff rotas put in place, however there is a limited available resource with the required skillsets within the authority
  - investigations into feasibility/ availability of external assistance
  - Winter Service 21/22 delivered in line with statutory requirements

**What we plan to do to meet target**

**Extreme Heat**

- Develop a 20 year heat mitigation strategy for the city. Working with partner agencies and commercial stakeholders to support development of heat reduction programmes. - **2023/24**

- Engage with Welsh Government with in WLGA, and PSB to ensure consistent support in managing this risk ensuring the planning process works for all stakeholders to ensure we develop sustainable planning strategy's for future developments, planning the management of this risk (WG Technical Advice Note (TAN) 15) - a new updated Technical Advice Note TAN 15 is due to be published in June 2023 - postponed due to re-consultation and analysis, unlikely to come into force before end of this year - **Q4 2023/24**

**Extreme Cold/ Snow**

- Investigate further whether external assistance can be utilised/is available to build future resilience - risk remains for disruption to the service next winter if the current pandemic continues/ other new external factors emerge - **2023/24**

**Linked Risks**

Coastal Erosion  
Air Quality  
Business Continuity

**Linked Documents**

<https://www.evaccardiff.co.uk/>  
<https://www.cdp.net/en>

**Key Indicators / Measures used to monitor the risk**

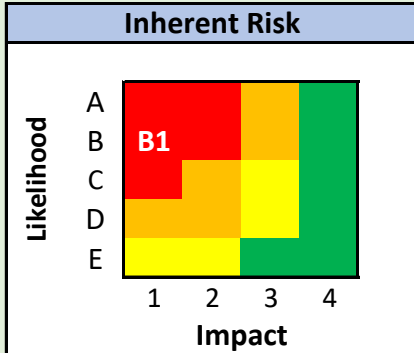
# Climate Change - Flooding

**Description**  
Cardiff is not able to manage the effects of climate change and energy security due to lack of future proofing for key (social and civil) infrastructure and business development.

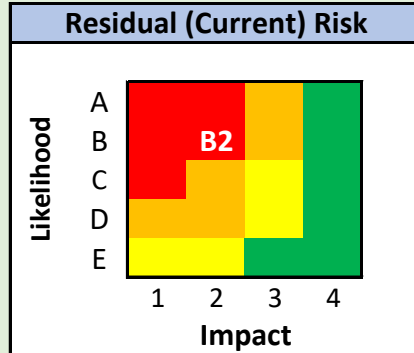
**Potential Impact(s)**

- Flood & Storm**
- Loss of life and risk to life
  - Direct damage to property, utilities and critical infrastructure
  - Blight of Land and Development
  - Disruption to service delivery
  - Contamination and disease from flood and sewer water and flood on contaminated land
  - Increase in health issues
  - Break up of community and social cohesion
  - Increase cost of insurance
  - Migration of ecosystems
  - Associated impacts of river flooding not owned by NRW

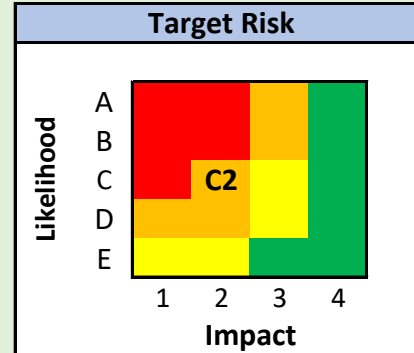
Type(s) of Impact	
<ul style="list-style-type: none"> <li>• Service Delivery</li> <li>• Reputational</li> <li>• Legal</li> <li>• Financial</li> </ul>	<ul style="list-style-type: none"> <li>• Health &amp; Safety</li> <li>• Partnership</li> <li>• Community &amp; Environment</li> <li>• Stakeholder</li> </ul>



Last Reviewed	Q2 2023/24
Last Revision	Q2 2023/24



Movement from Prev Qtr.	↔
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Target Reduction Date	Q4 2023/24
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**Risk Owner(s)**

<p><b>Andrew Gregory</b> (Gary Brown/ Simon Dooley Simon Gilbert/ Stuart Williams)</p>	<p><b>Councillor Caro Wild</b> Climate Change</p>
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**What we've done/are currently doing to achieve the Residual Risk Rating**

The Council has declared a Climate Emergency

**Flood & Storm**

- Working with partners within the Local Resilience Forum (LRF) to support the management of this risk including supporting the emergency response to this risk
- Supporting the enhancement of the public's own resilience through advice and guidance available from the EVAC Cardiff Website
- Implementation of Schedule 3 of the Flood and Water Management Act 2010 requires all new development over 100m2 to implement sustainable drainage, resilient to flooding
- We have introduced Flood Incident Management software to provide better understanding of spatial distribution of flood events filtered by source, and determine priority areas for future flood alleviation schemes to be implemented (subject to WG funding bid opportunities). Successful funding bids were submitted and funding awarded in 20/21 for Business Justification Cases for a number of these schemes, with grant funding also now awarded for 21/22 for continuation of these schemes.
- Applications to WG were successful for grant funding in 2021/22 to support studies and implementation of localised flood prevention schemes.
- Ongoing CCTV and asset capture work taking place in drainage networks to review high risk areas.
- Asset management - Delivery of Flood Management and Coastal Improvement Schemes and rationalise/ prioritise gully maintenance schedule based on the outputs of the Flood Incident Management software - Phase 1 of new gully maintenance schedule completed.
- Highway Asset Management Plan approved by Cabinet in Q4 2022/23 - This captures the asset types, responsibilities and financial challenges.

**What we plan to do to meet target**

**Flood & Storm**

The following actions are ongoing :

- Completion by October 2023 of a draft combined Flood Risk Management Strategy and Flood Risk Management Plan as required by The Flood and Water Management Act (2010) and The Flood Risk Regulations (2009) respectively. The final strategy must be submitted to Welsh Government and published by March 2024 - The flood risk strategy will be delayed past Q3 2023/24 due to resource issues within this specialist area. Recruitment continues with reviews of post grades. Welsh Government have been made aware of the delays being experienced.
- Develop enhanced engagement programme with partners supporting the public in enhancing their own resilience - this will be a key aspect of the above Plan - initial discussions with Dwr Cymru/Welsh Water and Natural Resources Wales (NRW) have taken place, work is ongoing - Target **Q3 2023/24**
- Improve communication on what to do in a flood and raise awareness of risk - as above - initial talks underway to produce a role & responsibilities video, as well as flood safety guidance in co-operation with Dwr Cymru/Welsh Water, NRW and Blue Light organisations **ONGOING**
- Improve the service provided by the SuDS Approval Body (SAB) through additional resource - Recruitment remains unsuccessful, a grade review process is ongoing - **Q4 2023/24**
- Deliver guidance to increase standards and ease of development - in development **Q3 2023/24**

**Flood Risk Management Programme:**

- Phase 2 of new gully maintenance schedule delivered by Q3 2023/24
- The Flood Risk Management Team have been successful in achieving Welsh Government funding to undertake full business case development to identified flood risk areas in the City in 2023/24.
- Funding has been achieved to deliver property level flood protection at a number of locations. Some works have been delivered and others are ongoing during **Q2/3 2023/24**.
- Detailed design has commenced on the Whitchurch flood alleviation scheme (Greener Whitchurch). Consultation with Key Stakeholders and Local Members has commenced and is ongoing.
- Further FBC's are being developed for identified flood risk area in the city

**Linked Risks**

- Coastal Erosion
- Air Quality
- Business Continuity

**Linked Documents**

- <https://www.evaccardiff.co.uk/>
- <https://www.cdp.net/en>

**Key Indicators / Measures used to monitor the risk**

- Storm Events that meet silver & gold emergency intervention
- Annual number of flooded properties and severity (statutory reporting)
- Energy use / renewable energy production of Cardiff Council

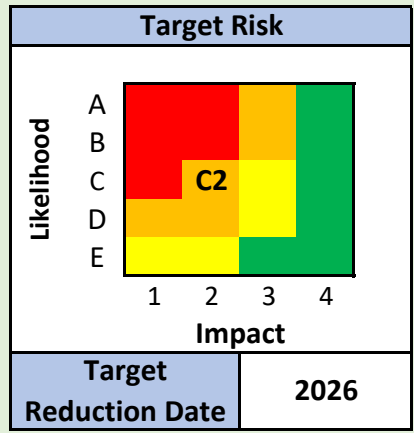
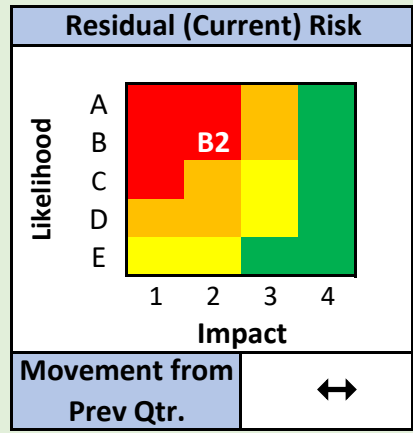
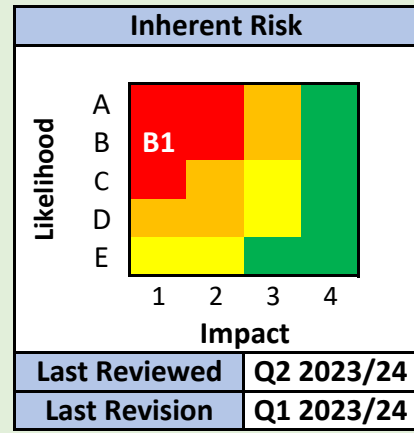
# Coastal Erosion

**Description**  
Breach of current defences resulting in widespread flooding (current defences are ad hoc and are in a very poor condition)

**Potential Impact(s)**

- Continued coastal erosion along the coast threatening the Rover Way Traveller site and critical infrastructure including Rover Way and the Rover Way/Lamby Way roundabout
- Erosion to two decommissioned landfill sites, with risk of releasing landfill material into the Severn Estuary and having significant environmental impacts
- Flood risk to 1,116 residential and 72 non-residential properties over 100 years, including risk to life, property, infrastructure and services
- N.B. the predicted rates of erosion threaten the Rover Way Travellers Site and the adjacent electrical substation within 5 years, and further release of large volumes of unknown tip material from the Frag Tip into the Severn Estuary.

Type(s) of Impact	
<ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Health</li> <li>Reputational</li> <li>Financial</li> </ul>	<ul style="list-style-type: none"> <li>Strategic</li> <li>Service Delivery</li> </ul>



**Risk Owner(s)**

<p><b>Andrew Gregory</b> (Matt Wakelam/ Gary Brown/ Simon Dooley)</p>	<p><b>Councillor Caro Wild</b> Climate Change</p>
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**What we've done/are currently doing to achieve the Residual Risk Rating**

- Incident management arrangements are in place, which whilst not preventative, represent a level of emergency management for a flood and coastal erosion risk event occurring in a significant storm event.  
Coastal Defence Scheme:
- The Flood Risk Management Team are undertaking detailed design for the coastal defence scheme - the necessary works are holistic and cannot be phased, therefore residual risk rating cannot be lowered until the completed construction of the coastal defence scheme in its entirety.
- The inundation risk will be improved by implementing the coastal defence scheme, which will provide defence for a 1 in 200 year severe weather event, plus an allowance for climate change influence of 40%.
- The total costs associated with the Design, Early Contractor Engagement and Construction phases were originally estimated at £10.9m (Welsh Government 75% funding = £8.2m and CCC 25% funding = £2.7m)
- Formal application was submitted to Welsh Government (WG) under the WG Coastal Risk Management Programme and development of the Detailed Design and Full Business Case (FBC) was programmed for completion in May 2020, however was impacted by Covid-19.
- Work ongoing with Emergency Management to formulate interim measures.
- Due to the costs of funding the East side (Lamby Way), that WG will not fund, it has been removed from the scheme. Following completion of scheme the risk to properties will be addressed, however, a risk to significant infrastructure including Lamby Way landfill will remain in place, and is being dealt with as a directorate based risk.

Scheme Delivery Progress update:  
At the request of WG, approval of the full business case and therefore financial confirmation was not provided until 2023/24:

Key steps:

- Approval by Welsh Government of the FBC and funding allocation received Q1 2023/24
- Internal legal and procurement processes completed
- Contract awarded to Knights Brown
- Client (CC)/Contractor pre-contract meetings commenced

**What we plan to do to meet target**

We will be designing & delivering an effective coastal flood protection scheme as a matter of priority - Anticipated construction starting 2023, with completion 2025/26.

Key steps:

- Commence construction - Anticipated on-site commencement date Q3 2023/24 following WG extension of funding programme due to various challenges. **Q3 23/24**

**Linked Risks**

Climate Change risks

**Key Indicators / Measures used to monitor the risk**

- Award of contract for detailed design and Full Business Case - achieved
- Completion of detailed design and Full Business Case by May 2020 & submitted to WG
- Delivery programme of coastal protection scheme



# Performance Management

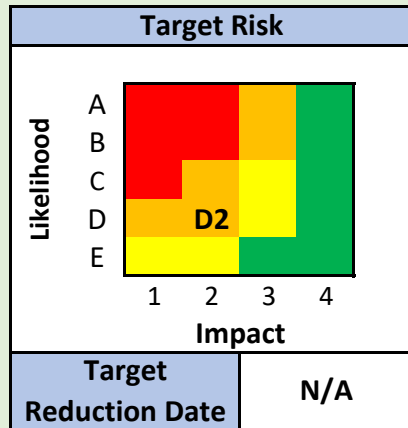
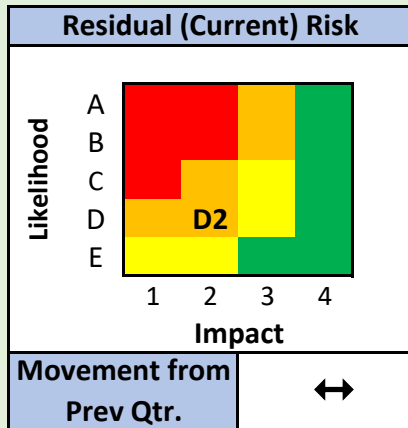
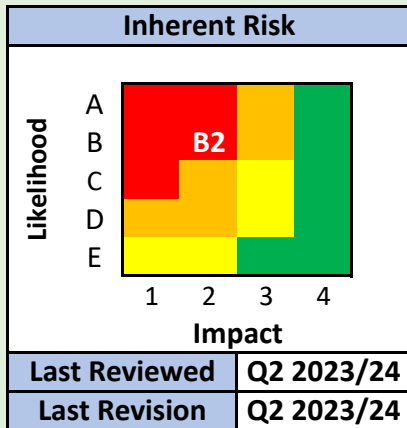
**Description**

The risk that the Council's Performance Management arrangements do not provide timely performance information to allow the Council's political and managerial leadership to effectively deliver corporate priorities, statutory services or performance improvement

Performance Management arrangements are essential for discharging statutory requirements, delivering the administration's priorities and ensuring Council core business is delivered effectively. Weak corporate performance management arrangements heighten the risk of poor performance, service failure, financial overspend or legal non-compliance going unidentified, unchallenged and unresolved.

The Council must therefore maintain a focus on the Key Performance Indicators it has identified within the Corporate Plan as a pointer to overall organisational success. The Council must also ensure that more granular indicators of performance- the Council's Core Data which is managed by individual Directorates- are established and monitored to provide more detailed insight into the drivers of corporate performance.

Changes to the Statutory Performance Requirements have been set out in Local Government & Elections Act, and new processes have been put in place within the Council to embed these requirements in the performance management framework.



**Risk Owner(s)**

**Sarah McGill**  
(Gareth Newell)

**Councillor Chris Weaver**  
Finance, Modernisation and Performance

**What we've done/are currently doing to achieve the Residual Risk Rating**

Audit Wales have undertaken an assessment of the Council's process for setting of well-being objectives while developing the Corporate Plan, and the links to the partnership Well-Being Plan (<https://www.audit.wales/publication/cardiff-council-well-being-objective-setting-examination>). The Audit Wales report was received in June 2023 and contained no recommendations. Audit Wales found that "The Council has used the sustainable development principle to drive the setting of its well-being objectives including good use of data and a strong collaborative approach." The report also concluded that 'the Council has robust arrangements for monitoring its Corporate Plan and wellbeing objectives throughout the year.'

As part of the Council's Internal Audit Programme, an audit of performance management was undertaken in Quarter 1 2023/24 across all Directorates during Quarter 1 2023/24. The purpose of the audit was to provide assurances that there is a sound system of internal control within the area under review. The audit found overall assurance ratings to be effective across the board, with a small number of recommendations provided for improvement, all of which have been accepted with management responses provided.

To inform the Council's Annual Well-Being Report, a series of assurance sessions with the CEX were scheduled where directors presented their directorate self-assessment exercises, all of which informed the development of the Council's statutory self-assessment of performance; the Annual Wellbeing Plan.

The Council's Annual Well-being Report 2023 was formally considered by Performance Panel (which brings together all Scrutiny Chairs) in June and the Policy Review and Performance (PRAP) Scrutiny Committee. The report was also considered Governance & Audit Scrutiny Committee and, in preparation for this this, a briefing session was held with the committee on 21 June 2023 on the performance requirements of the Council. Consideration by the Performance Panel, Policy Review and Performance Scrutiny Committee and Governance and Audit Committee preceded the report being formally considered by Cabinet in July 2023 and Council in September 2023. Performance is also presented via the Corporate Performance Dashboard, which is now available to all Members, as well as the public, as an interactive appendix to the Cabinet Report relating to the Well-being Report.

A number of recommendations on the Report were given by Performance Panel, all of which were either accepted or partially accepted. Governance & Audit Scrutiny Committee and PRAP Scrutiny Committee provided no formal recommendations, expressing their satisfaction with the report and noting the improvements made following recommendations on the previous report in 2022. Governance & Audit Committee stated that in their view "a robust exercise has been completed in which duties have been sufficiently discharged".

**What we plan to do to meet target**

To improve the presentation of performance management information, the Corporate Performance Dashboard now includes the steps and KPIs from the Corporate Plan **2023-26**. Work will continue throughout the year to keep the dashboard up to date with performance updates each quarter.

The dashboard presents the latest updates against every step and KPI from the Council's Corporate Plan in an interactive format that can be filtered by directorate, wellbeing objective, and by scrutiny committee. The Team will continue to collect feedback from users in order to make usability improvements, while also improving how data is stored and managed in the background.

The next Chief Executive Assurance Sessions will be scheduled in Q3 to inform the Mid-Year Self-Assessment Report. **Q3 23/24**

**Potential Impact(s)**

- Council unable to effectively deliver corporate priorities, statutory services or performance improvement
- Failure to comply with performance duties set out in the Wellbeing of Future Generations Act and Local Government and Elections Act.
- Compliance failure leading to external sanctions and reputational damage.

**Type(s) of Impact**

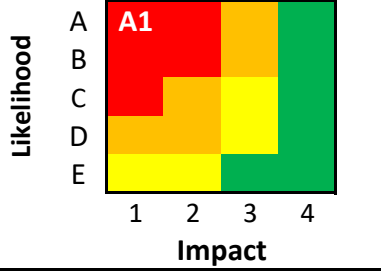
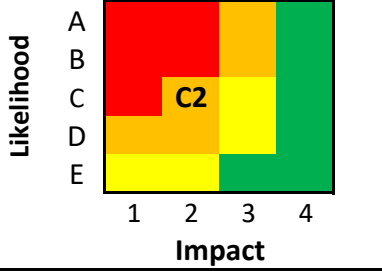
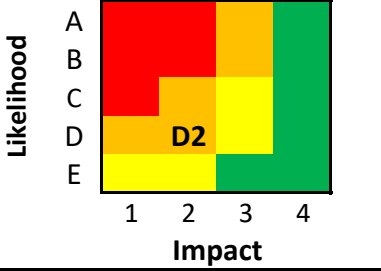
- Service Delivery
- Reputational
- Stakeholder

**Linked Risks**

**Key Indicators / Measures used to monitor the risk**

Quarterly monitoring of corporate plan indicators (159) provide a pointer to organisational health and corporate performance. Corporate Plan indicators are also risk assessed as part of the performance monitoring process.

## Budget Monitoring (Control)

Description	Inherent Risk	Residual (Current) Risk	Target Risk	Risk Owner(s)																
<p>Failure to achieve the budget set, inclusive of budgeted spend and savings across Directorates, with increased use of emergency finance measures and the unplanned drawdown of reserves.</p>	 <table border="1" style="width: 100%; text-align: center; font-size: small;"> <tr><td colspan="2">Last Reviewed</td><td colspan="2">Q4 2022/23</td></tr> <tr><td colspan="2">Last Revision</td><td colspan="2">Q4 2022/23</td></tr> </table>	Last Reviewed		Q4 2022/23		Last Revision		Q4 2022/23		 <table border="1" style="width: 100%; text-align: center; font-size: small;"> <tr><td colspan="2">Movement from Prev Qtr.</td><td style="text-align: center;">↔</td></tr> </table>	Movement from Prev Qtr.		↔	 <table border="1" style="width: 100%; text-align: center; font-size: small;"> <tr><td colspan="2">Target Reduction Date</td><td colspan="2">Q4 2023/24</td></tr> </table>	Target Reduction Date		Q4 2023/24		<p><b>Risk Owner(s)</b></p> <p><b>Chris Lee</b> (Ian Allwood)</p> <p><b>Councillor Chris Weaver</b> Finance, Modernisation and Performance</p>	
Last Reviewed		Q4 2022/23																		
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Movement from Prev Qtr.		↔																		
Target Reduction Date		Q4 2023/24																		
<p><b>Potential Impact(s)</b></p> <ul style="list-style-type: none"> <li>Inability to balance spend against budget, for the financial year</li> <li>Requirement to implement emergency measures to reduce spending during the financial year thus adversely impacting on ability to meet Corporate Plan objectives</li> <li>Requirement to draw down from General Reserves at the year end</li> </ul>	<p><b>What we've done/are currently doing to achieve the Residual Risk Rating</b></p> <ul style="list-style-type: none"> <li>Clear financial procedure rules that reduce the level of risk of financial commitments being identified late in the financial year. The rules clearly set out the roles and responsibilities for budget management and are an area of interest for internal audit.</li> <li>Month 4 Monitoring report indicated an Directorate overspend but with further work required until the end of the year to achieve a balanced position. Management controls have been put in place which include reviews on all vacant posts as well as controls on spend.</li> <li>The Corporate Directors of Resources and People collectively have continued to hold challenge meetings with each individual Director in order to ensure joint understanding of financial matters and any mitigations to be put in place.</li> <li>Regular meetings continue to be held in respect to key overspend areas in Children's Services, Education (Home to School Transport and Economic Development. These meetings are used to identify keep reassures and deliver effective mitigations which at least stems the overspend.</li> <li>Continual regular oversight on short and medium term impacts of price inflation in order to react to changes quickly. There is an increased reliance on Directorate Delivery areas to flag up inflation issues as they arise as they are best placed to see them first.</li> <li>Close working with Service areas in order to identify cost pressures and compensating mitigation strategies that impact on delivery of Capital Programme and repair schedules to ensure works remain within budget. Where those budgets cannot be maintained then consideration of delays / reprofiling of programme are undertaken.</li> <li>Regular review and refresh of key matters / risks in order to ensure focus is maintained in areas of high uncertainty and cost impact as a result of exceptional inflationary pressures that arise</li> </ul>			<p><b>What we plan to do to meet target</b></p> <ul style="list-style-type: none"> <li>2023/24 Month 6 monitoring report scheduled for November 2023</li> <li>2023/24 Month 9 monitoring report scheduled for February 2024 - Underpinning the above reports will be a continued review which will identify any need of mitigations due to overspend pressures, reduction in income or saving proposals not being delivered as anticipated.</li> </ul>																
<p><b>Type(s) of Impact</b></p> <ul style="list-style-type: none"> <li>Service Delivery</li> <li>Reputational</li> <li>Legal</li> <li>Financial</li> </ul>	<p><b>Linked Risks</b></p> <p>Financial Resilience</p>		<p><b>Key Indicators / Measures used to monitor the risk</b></p> <ul style="list-style-type: none"> <li>Monthly Directorate Monitoring reports detailing likely outturn position and performance against savings accepted</li> <li>Review of use of earmarked reserves and balances - Half Yearly</li> <li>Amount of Hardship Support claimed successfully</li> </ul>																	

# Financial Resilience

**Description**

- Failure to deliver a balanced annual budget and a fully informed Medium Term Financial Plan.
- Lack of appropriate mechanisms to identify and manage unexpected financial liabilities.
- The Q1 outlook is that there is a Budget Gap of £113 million for the period 2024/25 to 2027/28.

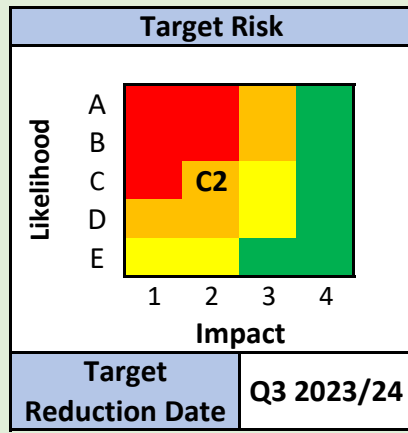
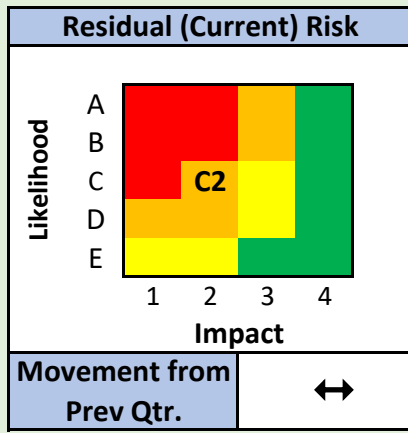
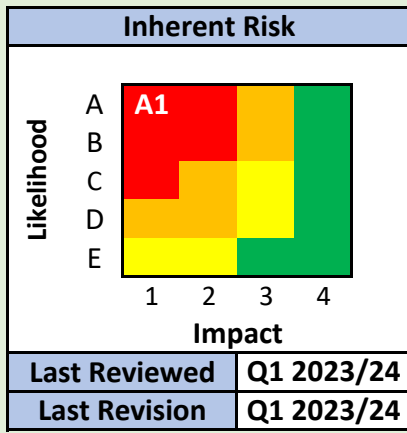
**Potential Impact(s)**

Failing to meet statutory obligations and potential for service delivery to be adversely affected.

- Reputational damage to the Council.
- Needing to draw down significant unplanned amounts from reserves.
- Inability to progress policy initiatives through incomplete Full Business Cases and no forthcoming external funding to bridge any affordability gap
- Inability to manage adverse external factors - e.g. adverse settlements, WG rent policy etc.
- Financial constraints and budget proposals result in unintended consequences such as increased instances of non-compliance and financial impropriety.
- Requirement for significant savings at short notice that are therefore not identified in a coherent, strategic way and which impact on service delivery.
- Level of borrowing limits the ability of future generations to take forward new priorities.
- Reaching the point where a s114 notice is required to be issued by the S151 Officer.

**Type(s) of Impact**

<ul style="list-style-type: none"> <li>• Service Delivery</li> <li>• Reputational</li> <li>• Legal</li> <li>• Financial</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder</li> </ul>
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**Risk Owner(s)**

<p><b>Chris Lee</b> (Ian Allwood)</p>	<p><b>Councillor Chris Weaver</b> Finance, Modernisation and Performance</p>
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**What we've done/are currently doing to achieve the Residual Risk Rating**

**2023/24 and Medium Term**

- Regular monitoring to understand the in-year position and gain early insight into emerging risks that need to be factored into the MTFP work. This includes the identification of earmarked reserves that were either increased during outturn of 2021/22 and those being reviewed to establish level of need reflecting the current priority is balanced budget.
- Engaging and working in partnership with directorates during the budget process to ensure that budget proposals and services are deliverable within timescales and quantum (revenue and capital)
- Mechanisms in place such as Treasury Management Reserve and Financial Resilience Mechanism in order to dampen the impact of a worse than anticipated financial climate / settlements.
- Preparation of Prudential Indicators to help assess the affordability, prudence and sustainability of the capital programme and associated levels of borrowing
- Close alignment with Corporate Plan objectives, to ensure resources are allocated appropriately, and that longer term financial savings are developed in enough time to be realised.
- Annual review of contingent assets and liabilities, and provisions to ensure the Council has adequate cover for emerging liabilities.
- An approved TM Strategy that identifies borrowing interest cost as a significant risk to be managed. Security, Liquidity and Yield in that order to preserve investments.
- A Major Projects accountancy function supporting the identification of key risks / financial issues in relation to large schemes. Targeted accountancy support to Children's Services, VAT and Outside Bodies.
- Maintaining approach to robust financial control mechanisms and strengthening complex / areas of risk through training e.g. VAT.
- Undertaken initial assessment against CIPFA FM code with high level findings. There will be a future need to review and refresh.
- Inclusion within the 2022/23 Budget of a £10 million COVID Contingency Budget to protect the Council's resilience in light of the ending of the Hardship Fund on 31/3/22. This assisted in achieving a balanced outturn position for 2022/23 and provided capacity to facilitate more permanent realignments as part of the 2023/24 Budget Process.
- Established a corporate approach to business case development, approval and post project monitoring to ensure expenditure assumed to pay for itself can do so over its expected life thus providing assurance that financial resilience will not be undermined by projects exceeding their cost parameters.

**What we plan to do to meet target**

**2023/24, 2024/25 and the Medium Term**

- Strengthening links between financial planning and asset management strategies, which consider the current condition of assets and future requirements. **Q2 2023/24**
- Work with Property Service to ensure clear, detailed plans and timescale for delivery of capital receipts targets. **Q2 2023/24**
- Enhance focus on a multi-year position (recognising limitations where settlement information is for one year only.) **Q3 2023/24**
- Review approach to governance and financial monitoring of special purpose vehicles to ensure liabilities and any financial guarantees are understood and are appropriate. **Q2 2023/24**
- Refresh self-assessment against the CIPFA FM code and Balance Sheet Review and develop implementation plan in respect of any findings or recommendations, which provide further financial resilience. **Q3 2023/24**
- Confirm approach and reporting of commercial investments as part of standard monitoring processes and reports. **Q3 2023/24**
- Continue to work within current structures to ensure appropriate governance is undertaken. **ONGOING**
- Regular monitoring of 2023/24 position to gain early insight into risks to factor into medium term planning **ONGOING**

**Linked Risks**

Budget Monitoring (Control)

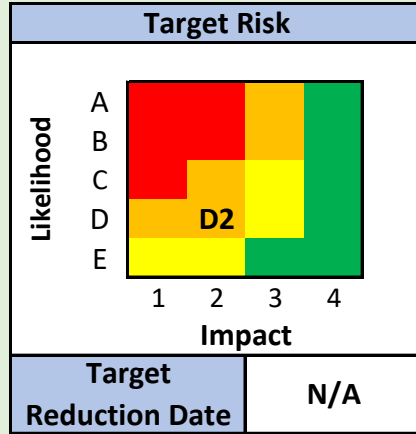
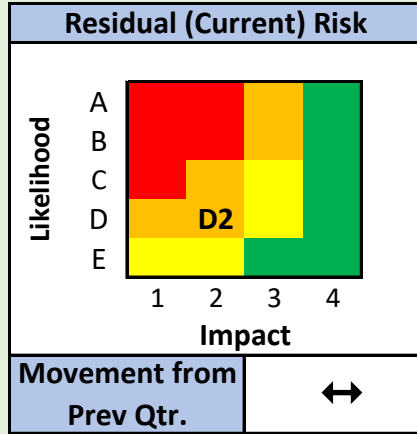
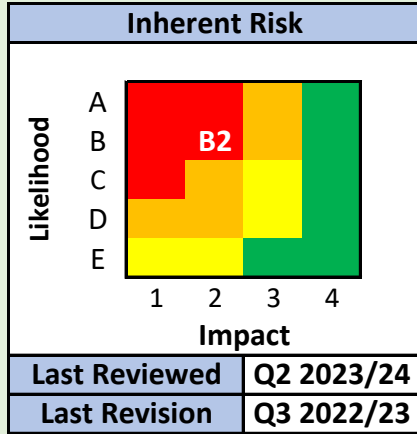
**Key Indicators / Measures used to monitor the risk**

- Financial Snapshot which highlights historical & current performance with regards budget monitoring, achievability of savings, levels of borrowing, and financial ratios.
- Outturn vs Budget: Main budget lines under or overspend as a % of budgeted expenditure.
- Delivery of planned savings: Total (£) unachieved planned savings as a % of total (£) planned savings.
- Use of reserves: 1) Ratio of useable reserves to Net Revenue Budget (NRB), 2) Amount of useable reserves used to balance budget as % of NRB.
- Council tax: 1) Council tax and other income as % of NRB, 2) Council tax collection rates (in-year actual).
- Borrowing: 1) Total commercial investment income as % of total net general fund budget, 2) Total (£) commercial investments and (£ plus%) amount funded from borrowing, 3) Borrowing related to commercial investments as % of General Fund total borrowing, 4) Capital interest costs and MRP as a proportion of NRB.
- Performance against Budget Timetable.
- Frequency / timeliness of engagement with SMT/Cabinet.
- Proportion of Savings Proposals in Realised or at Delivering stage.
- Section 151 Officer Statement in respect of capital strategy, adequacy of reserves and other statutory commentary.
- Consider usefulness of benchmarking data re: financial resilience produced by External Audit Bodies - e.g. Audit Wales

# Fraud, Bribery & Corruption

**Description**

Fraud, financial impropriety or improper business practices increase as internal controls are weakened as resources become severely stretched.



**Risk Owner(s)**

**Chris Lee**  
(Ian Allwood)

**Councillor Chris Weaver**  
Finance, Modernisation and Performance

**What we've done/are currently doing to achieve the Residual Risk Rating**

- The Council communicates a zero-tolerance approach to fraud, bribery and corruption.
- Regular review of relevant policies and procedures e.g. the Fraud, Bribery and Corruption Policy, Anti-Money Laundering Policy and Disciplinary Policy.
- Financial Procedure Rules and Contract Standing Orders and Procurement Rules and training.
- National Fraud Initiative data matching exercises in collaboration with the Cabinet Office and Audit Wales.
- Receipt and dissemination of fraud intelligence alerts from law enforcement agencies.
- Regular counter-fraud updates to the Section 151 Officer, Governance and Audit Committee, Portfolio Cabinet Member and the Chief Executive.
- Governance and Audit Committee review of the risk management, internal control and corporate governance arrangements of the authority.
- Independent assurance from Internal and External Audit on the effectiveness of governance, risk and control.
- Mandatory disciplinary e-learning module for all managers to complete and a programme of mandatory e-learning modules and training for Disciplinary Hearing Chairs, Investigating Officers and Presenting Officers.
- Fraud Publicity Strategy, to publicise the Council's approach to counter fraud work / sanction activity and explain the roles and responsibilities of key parties.
- Counter-Fraud and Corruption Strategy, with associated Fraud Awareness eLearning and face-to-face training rolled out.
- Annual participation in International Fraud Awareness week.
- Investigation Team provision of investigation and counter-fraud advice, guidance and support.
- SMT annual participation in CIPFA fraud tracker assessment and response.
- Revised 'Anti-Money Laundering Policy' approved by Cabinet in Q3 2020/21 and eLearning rolled out to officers with key roles and those working in high-risk areas.
- 'Authorisation and Protocol Requirements for Review of Work Activities' approved by Cabinet in Q4 2020/21.

**What we plan to do to meet target**

- Review the suite of Counter-Fraud Operational Policies alongside the review of the Council's Disciplinary Policy underway. Targeted to conclude during **2023/24**.
- Monitoring and reporting completion rates of mandatory fraud awareness training and anti-money laundering training. **Ongoing**

**Potential Impact(s)**

- Increase in frauds and losses to the Council
- Reputational risk as more frauds are reported
- Increased time investigating suspected fraud cases impacting on capacity

**Key Indicators / Measures used to monitor the risk**

- Mandatory Fraud Awareness eLearning completion and face-to-face attendance rates
- Anti-Money Laundering eLearning completion rates
- Delivery of Fraud Awareness week campaign annually
- Delivery of Policy updates in accordance with associated targets
- Delivery of mandatory investigating officer training and the note taker training
- Timely completion of casework and investigations
- Provision of timely investigation and counter-fraud advice, guidance and support to Directorates
- Adherence to the NFI Security Policy and annual completion of compliance forms

**Type(s) of Impact**

- Service Delivery
  - Reputational
  - Legal
  - Financial
- Stakeholder

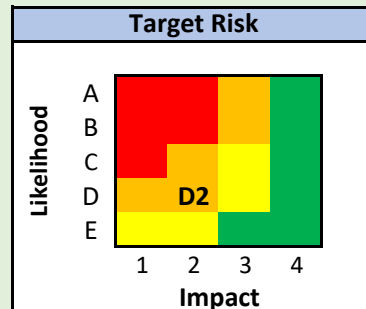
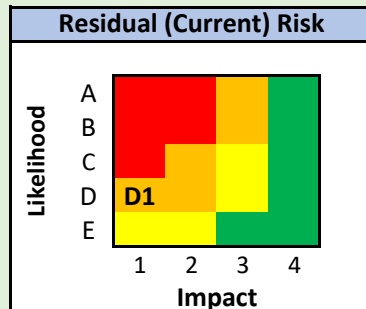
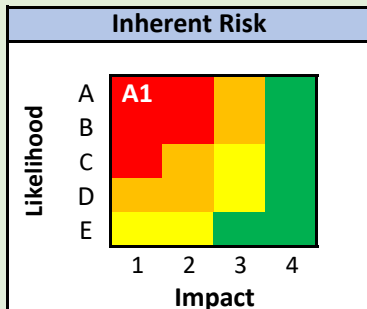
**Linked Risks**



# Information Governance

**Description**

Information handled inappropriately leaves the Council exposed to intervention and financial penalties issued by the Information Commissioner (ICO). This includes information held by Cardiff Schools.



Last Reviewed: Q2 2023/24  
Last Revision: Q2 2023/24

Movement from Prev Qtr. ↔

Target Reduction Date: Q3 2023/24

**Risk Owner(s)**

Chris Lee (Dean Thomas)      Councillor Chris Weaver  
Finance, Modernisation and Performance

**What we've done/are currently doing to achieve the Residual Risk Rating**

- Gold level assurance has been achieved through the annual Cyber Security Plus ISAME Accreditation in September 2022, the next annual accreditation of this process will take place in September 2023
- A quarterly Information Governance Report and briefings of decisions or recommendations are provided on a quarterly basis to the Information Governance & Security Board, along with any concerns and risks from IG risk registers.
- A corporate Information Asset Register is held which details personal data assets held by each Council directorate. The next review scheduled for August 2023.
- Service Level Agreements in place for Schools Information Governance Support (All Cardiff Schools) and where Cardiff Council is the Data Controller for regional services, including Rent Smart Wales, National Adoption Service and Cardiff Capital City Deal.
- Corporate Retention schedule is in place and updated annually in line with any legislative changes or in line with any requests from services to update.
- Information Governance Maturity Model established to monitor risks against areas of information governance to feed into corporate risk status.
- The Digitisation of Paper Records Strategy and associated business process changes are in place with alternative delivery contracts in place to support increased paper storage demands, with processes established to support corporate programmes.
- Data Protection e-learning training available for Council staff to complete. Managers are able to monitor compliance with information provided as part of the Information Governance Board Report.
- An Information Governance Champions Group has been established.
- The Data Protection Officer has established a Data Protection Impact Assessment Panel to ensure that all changes to data processing activities are considered and any risks documented and escalated where necessary.
- Corporate escalation processes embedded to improve directorates failure demand with answering and providing information in respect of FOI requests .
- Support is being provided to Legal Services and HR with ensuring that an appropriate agreement is put in place to manage data protection risks associated with employee information data transfers and handling with TCS.
- Released training and education communications to support schools with their Information Governance responsibilities.
- All Directors have received a copy of the Record of Processing Activity (RoPA) and have been asked to prioritise this review for their respective directorates supported by Information Governance. The ROPA return will be used to support ICT with gathering information on non personal data systems and a review of security and protection linked with Cloud Impact Assessment processes
- A process has been established with procurement to identify new tenders involving personal data. Results from the Pre Tender Reports are then provided to ISB to enable Information Governance & Security Board to have oversight of DPIA's completed against Procurement Contract Awards
- A paper was taken to ISB in relation to compliance with the 12 principles of the Surveillance Camera Code of Practice, A response has also been issued to the Surveillance Camera Code of Practice Annual survey and action plan for improvements will be initiated to improve accountability and compliance with CCTV operations when a response is received
- New training modules on FOI and Data Protection launched to school staff Q2 2023/24

**What we plan to do to meet target**

- Consider options for destruction processes for the Council's Records Centre. **Q3 2023/24**
- Publish an online Publication Scheme taking onward recommendations from the Information Governance & Security Board. **Q3 2023/24**
- An Information Governance Framework will be developed to help provide assurance of IG processes within Directorates. Implement during **Q4 2023/24**
- A new FOI e-learning module is being designed and will be made available via Cardiff Academy. Further training options will be presented to IGSB to decide who the training will be available to **Q3 2023/24**
- Emails and teams retention to be reintroduced Q3 2023/24 - 1 year retention to be achieved by end of **Q4 2023/24**

**Potential Impact(s)**

Leads to the Information Commissioner issuing notices of non-compliance

These could consist of:

- A "Stop Now" Order which would mean that no personal data could be processed by the Council in its entirety
- An Information Notice which would mean that a service would have to provide information in a very limited period thereby impacting on service delivery
- A Decision Notice could be issued as a result of non compliance with an FOI/EIR request which would require information disclosure
- Undertaking which requires an Action Plan of Remedial Measures which would be subject to ICO Audit
- Enforcement Notice requires immediate improvement action to be put in place
- Financial Penalty up to £17.5 million for Higher Level Tier and £8 million for Lower Level Tier breaches of the Data Protection Act.
- Compensation unlimited liability claims for damages as a result of a data breach from individuals.

**Type(s) of Impact**

- Service Delivery
- Reputational
- Legal
- Financial
- Stakeholder

**Linked Risks**

Cyber Security

**Key Indicators / Measures used to monitor the risk**

- Suite of IG Indicators/Service Metrics
- No. of ICO complaints
- No. of FOI /EIR SAR Requests
- No. of individuals trained on Data Protection
- No of Data Protection Impact Assessments being undertaken
- No of data protection breach complaints/claims

# Cyber Security

**Description**

There are 10 areas of potential risk identified within the National Cyber Security Centre cyber risk model. These cover :-

- Risk management
- Engagement and training
- Asset management
- Architecture and configuration
- Vulnerability management
- Identity and access management
- Data security
- Logging and monitoring
- Incident management
- & Supply chain security

<https://www.ncsc.gov.uk/collection/10-steps>

Cardiff uses this framework to continually assess our cyber security maturity level and improve both proactive measures to prevent attacks, and reactive measures to deal with potential incidents

**Potential Impact(s)**

The intent of cyber attackers includes, but is not limited to:

- financial fraud;
- information theft or misuse,
- activist causes to render computer systems intolerable and to disrupt critical infrastructure and vital services.

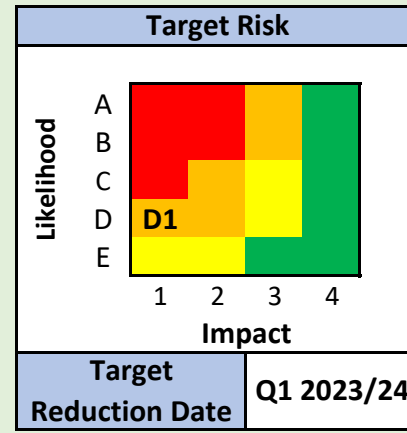
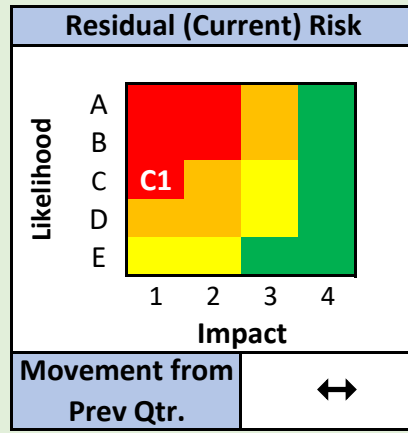
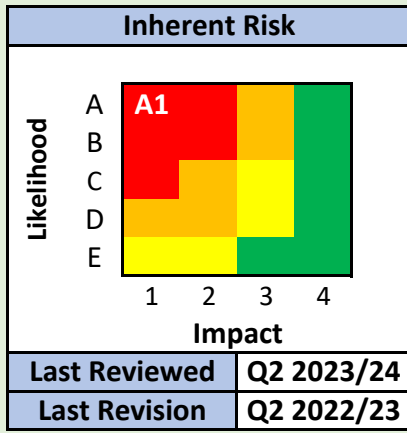
The impact of a cyber-attack / incident has the potential to involve the realisation of the risks associated with:

- An information governance breach (i.e. Stop Now Order, Information Notice, Enforcement Notice, Financial Penalty etc.)
- A business continuity incident – with a potential for major loss of service and legal, health and safety and financial implications.
- A financial / fraud related attack.

A malicious attack could result in loss of confidence from those transacting with the Council (reputation), as well as legal, asset, system, operational and financial implications.

**Type(s) of Impact**

<ul style="list-style-type: none"> <li>• Service Delivery</li> <li>• Reputational</li> <li>• Legal</li> <li>• Financial</li> </ul>	<ul style="list-style-type: none"> <li>• Health &amp; Safety</li> <li>• Stakeholder</li> </ul>
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**Risk Owner(s)**

<p><b>Chris Lee</b> (Phil Bear)</p>	<p><b>Councillor</b> <b>Chris Weaver</b> Finance, Modernisation and Performance</p>
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**What we've done/are currently doing to achieve the Residual Risk Rating**

The principal controls for the high risk areas are as follows:

- Cybersecurity risk assessments
- Audits and remediation of identified issues
- Network access controls
- Implementing cyber security systems & tools to prevent attack
- Active patch management
- Network traffic monitoring
- Incident response planning
- Links to physical security measures
- Attack surface minimisation
- Employee education on cybersecurity best practices and policies
- Supply chain management

**What we plan to do to meet target**

- A continuing focus on improving cyber security processes within the council
- Threat intelligence reporting which will inform any required changes to our cyber security processes and policies
- Liaison with key cyber security agencies to both receive and share information and guidance on best practice
- Monitoring of progress on cyber security improvement actions
- Reporting to relevant internal governance boards on cyber compliance status, threats and risks

**Linked Risks**

Information Governance

**Key Indicators / Measures used to monitor the risk**

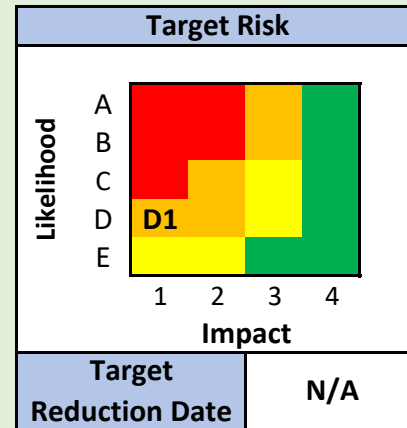
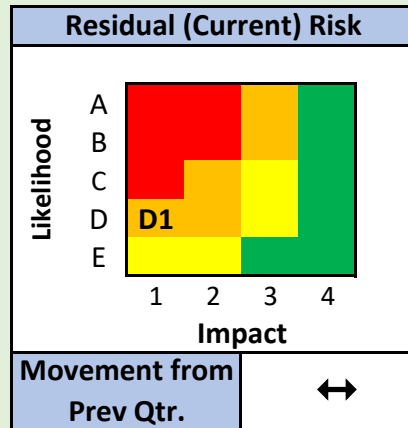
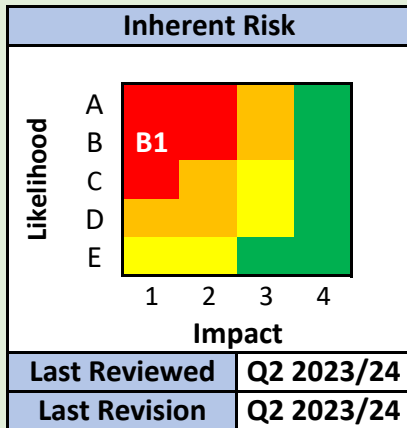
- Threat intelligence from National Cyber Security Centre (NCSC), including national posture and guidance via the National Cyber Security Strategy/Programme
- Threats and risks highlighted by NCSC Cyber Security Information Sharing Partnership (CiSP), Cymru WARP (Warning, Advice and Reporting Point) and Welsh Government/WLGA
- General UK posture and issues raised in national and local media
- Number of compromises - breaches are monitored, investigated and reported back via Information Security Board and where applicable the ICO
- Monthly reporting of number of virus attacks via email blocked

# Business Continuity

**Description**

Large scale incident/loss affecting the delivery of services.

The potential risk is that our most time sensitive activities are not sufficiently resilient and fail, following an incident which impacts on their delivery and that our incident management structure, used in response to internal incidents and external emergencies, also fails in response to an incident.



**Risk Owner(s)**

Chris Lee / Deborah Marles

Councillor Huw Thomas  
Leader

**What we've done/are currently doing to achieve the Residual Risk Rating**

- The Council has a BCM Champion who sponsors BCM at a strategic level
- We have an approved Business Continuity Policy which is aligned to ISO22301:2012
- BCM toolkit is available on CIS or by contacting the Resilience Unit, as the organisation continues its transition to SharePoint.
- The Council employs a Business Continuity Officer who is a qualified ISO22301:2012 lead auditor.
- The Council has a 24 hour Incident Management structure for Gold and Silver Officers.
- Cardiff Council is a member of the Core Cities Business Continuity Group
- Q2 of 2022/2023 saw the council undertake a full review and update of the activities delivered across the council allowing us to focus on the resilient delivery of key activities. This was carried out by Each Directorate Management Team.
- As a result of the Covid-19 pandemic areas were forced to change to a far more agile way of operating with our core ICT requirements changing to support far more agile/home working. The mode of delivery worked exceptionally well and provides the potential for longer-term resilient agile working in, in addition to positively supporting other aims and corporate risks, as long as the ICT that supports this mode of working can be delivered resiliently.
- The Emergency Management Unit has developed an Incident Management Plan (Cardiff Council's Emergency Management Plan) to ensure alignment with ISO22301:2012. This was fully reviewed and updated in 2021
- Internal Audit completed an audit of the Business Continuity Risk in Q4 of 2021/2022 and the assurance statement was "Effective with opportunity for improvement".
- The Resilience Unit supported directorates in looking at supply chain risks following the tragic war in Ukraine, this work will be on going as the risk horizon changes as a result of the conflict.
- The Business Continuity Programme recommenced in Q1 of 2022/2023.
- In Quarter 2 the Resilience Unit initiated a Horizon Scan on energy security and potential issues for the security of gas and electricity provision for Winter of 2022/2023 and how the UK position could impact on key service delivery.
- The Resilience Unit delivered a briefing to the SMT on the emerging risks around the security of energy supplies for winter 2022/2023. As a result SMT asked the Resilience Unit, to carry out targeted work to supporting the wider organisation in some targeted risk and resilience work around this potential risk. This work continued into Q3 to support the resilient deliver of key services should the UK experience risks to energy supply.
- In Q4 2022/23 the Resilience Unit engaged with ICT around future enhancements to delivery of key ICT services this engagement will be ongoing.
- In Q1 of 2023/24 the Resilience Unit reviewed and updated the Councils Emergency Management Plan with the minimal changes necessary to keep the plan current to support our response to an incident that could impact on the Council.

**What we plan to do to meet target**

- The BC Officer is working to develop and enhance individual Directorate response capability to ensure Directorates are in a stronger position to respond to incidents which could impact on the Council and our most time sensitive activities this work is ongoing. This work is on going and cyclical and will be reviewed again in Q3 2023-24.
- The BC officer is continuing a review of 4x4 resources across the council to support our response capability to deal with the potential of winter storms. The next updated review will be carried out in Q3 of 2023/24.
- The Business Continuity Officer will support areas in undertaking targeted work around the emerging Energy security Risk focussed on key Red activities delivered by the council. This work remains on going and under review as the UK risk around energy resilience remains for 2023/2024, targeted work with key service areas remains ongoing with target of Q3 2023/2024.
- The Business Continuity Officer is to engage with ICT to look at the existing ICT resilience in delivery of core services and look at how services will be delivered in 2023/2024 and beyond. Ongoing
- The Resilience Unit is looking to engage with internal stakeholders around current agile working and management of the corporate estate to ensure future workplace office solutions consider resilience as a key factor for supporting delivery of key services as we move into a period of change. Ongoing
- The Resilience Unit is working with ICT around the cyber risk and ensuring we continue to manage this risk effectively. We will review work around this risk in Q4 2023/2024.
- The UK National Risk Register will be published in August 2023. The Resilience Unit will assess this register against council risks and mitigation, this review should be complete by Q3 of 2023/2024.
- Review the Energy Resilience planning for winter 2023 for Electricity generation in the UK associated risks and mitigation, and review the Gas resilience for winter 2023 with associated risks and mitigation. This review should be complete by Q3 of 2023/2024.

**Potential Impact(s)**

- Health and Safety** – potential impact on staff and on the public relying on our most, time sensitive, critical services
- Legal action** -Failure of key services could lead to Legal action against the council
- Financial** - Failure of key services could led to significant financial cost both in terms of Ombudsman action and Enforcement action from regulatory bodies, as well as individual legal action against the corporate body where service failure leads to legal action against us from private claimants
- Reputational** - Impact on key services to the public could lead to significant reputational damage to the organisation
- Stakeholder** – Impact on key stakeholders as result of failure
- Service delivery** – Potential significant impact on service delivery to the public, impact of key services could lead to significant impacts to the public and the corporate body un delivering its services

**Type(s) of Impact**

<ul style="list-style-type: none"> <li>Service Delivery</li> <li>Reputational</li> <li>Legal</li> <li>Financial</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Stakeholder</li> </ul>
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**Linked Risks**

**Key Indicators / Measures used to monitor the risk**

The Red activity BC plan status is reviewed via a report to SMT . Additionally the risk is managed as part of the Corporate Risk Management process via the CRR returns and the BC risk is also audited by Internal Audit . The last Internal Audit of the Business Continuity Risk was in in 2021/2022.

## Increase in Demand (Children's Services)

Description	Inherent Risk	Residual (Current) Risk	Target Risk	Risk Owner(s)									
<p>Failure to effectively manage demand (and respond to increasing demand due to Covid-19), resulting in increase in number of children requiring services and financial pressures this presents.</p>				<p><b>Sarah McGill</b> (Deborah Driffield)</p>	<p><b>Councillor Ashley Lister</b> Children &amp; Families</p>								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Last Reviewed</td> <td>Q2 2023/24</td> </tr> <tr> <td>Last Revision</td> <td>Q2 2023/24</td> </tr> </table>	Last Reviewed	Q2 2023/24	Last Revision	Q2 2023/24	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Movement from Prev Qtr.</td> <td style="text-align: center;">↔</td> </tr> </table>	Movement from Prev Qtr.	↔	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Target Reduction Date</td> <td>Q4 2023/24</td> </tr> </table>	Target Reduction Date	Q4 2023/24		
Last Reviewed	Q2 2023/24												
Last Revision	Q2 2023/24												
Movement from Prev Qtr.	↔												
Target Reduction Date	Q4 2023/24												
Potential Impact(s)		What we've done/are currently doing to achieve the Residual Risk Rating		What we plan to do to meet target									
<ul style="list-style-type: none"> <li>Family breakdown leading to children becoming looked after.</li> <li>Growth in the number of children entering the looked after system and associated costs for the Authority.</li> <li>Insufficient placements to meet need resulting in increase in numbers living outside Cardiff.</li> <li>Challenges in improving outcomes for children leading to children being less likely to achieve their potential and to be fully participating citizens.</li> <li>Delays in issuing care proceedings because of existing capacity in Children's Services and consequential impact on budgets if work needs to be outsourced.</li> <li>Challenges in effectively managing service and financial pressures.</li> <li>Impact of high caseloads on staff and potential increase in social worker turnover.</li> <li>Reliance on newly qualified social workers and non qualified social care practitioners to deal with complex cases and statutory work.</li> <li>Welsh Government programme of work to eliminate profit from the care sector and potential impact on destabilisation of placements.</li> <li>Increase in use of unregulated placements.</li> <li>Inability of Interventions Hub to meet demand for family support leading to delays in response times and / or the need to outsource the service.</li> </ul> <p>N.B. All demand risks carry safeguarding implications.</p>		<ul style="list-style-type: none"> <li>Early Help - Cardiff Family Advice and Support Services for families who do not require statutory services.</li> <li>Interventions Hub - additional resource agreed to manage waiting list and to extend Family Support Service to include out of hours family support.</li> <li>Referrals to services such as Safe Families and Ymbarel made as required to provide support to families.</li> <li>Dedicated worker to focus on young carers in post.</li> <li>Increasing in house residential provision.</li> <li>Option for families to use Direct Payments available (policy reviewed). Potential use for children other than children with disabilities to be considered.</li> <li>Shifting the balance of care and associated workstreams progressing - new operating model (prudent social work) and new practice model (trauma informed and strength based) under development.</li> <li>Children's Services Strategy in place and supported by Workforce Strategy, Accommodation Strategy and Commissioning Strategy to address recruitment and accommodation sufficiency issues and manage the market.</li> <li>4th team implemented in each locality to increase management capacity.</li> <li>OM1 posts provide strategic overview of case management and support services.</li> <li>Working hours are flexible to meet service and personal needs.</li> <li>Provision and analysis of performance information is tailored to meet arising issues.</li> <li>Appropriate use of Welsh Government and other funding streams; and financial planning around how longer term needs will be met.</li> <li>Temporary Resource Assistants recruited for OMs and social workers to test proof of concept - long term arrangements being considered via review of business support.</li> <li>Vulnerability Change Project is reviewing the police mechanism for referrals to Children's Services - with the aim of reducing PPNs on low level cases.</li> <li>Resource Panel in place to oversee decisions regarding placements and review of panels being undertaken.</li> <li>Family Drug and Alcohol Court pilot (to better support parents with drug and alcohol issues through the care proceedings process) under review due to funding issues.</li> <li>Projects to address demand and accommodation sufficiency issues ongoing - one to specifically focus on services for children with disabilities and another to consider the wider cohort of children looked after.</li> <li>Reviewing Hub in place to ensure cases are stepped down (or up) appropriately.</li> </ul>		<ul style="list-style-type: none"> <li>Business processes to be reviewed as part of implementation of Eclipse system <b>2024 - Spring</b>.</li> <li>Work with judiciary re: planned changes to private and public law <b>Q4 2023/24</b>.</li> <li>Review the Early Help offer and consider how this dovetails with the Interventions Hub to ensure that interventions are not being duplicated <b>Q3 2023/24</b>.</li> <li>Implementation of Accommodation Strategy <b>2023-26</b>.</li> <li>Implementation of Workforce Action Plan <b>Q4 2023-24</b>.</li> </ul>									
Type(s) of Impact		Linked Risks		Key Indicators / Measures used to monitor the risk									
<table style="width: 100%;"> <tr> <td style="width: 50%;"> <ul style="list-style-type: none"> <li>Service Delivery</li> <li>Reputational</li> <li>Legal</li> <li>Financial</li> </ul> </td> <td style="width: 50%;"> <ul style="list-style-type: none"> <li>Community &amp; Environment</li> <li>Stakeholder</li> </ul> </td> </tr> </table>		<ul style="list-style-type: none"> <li>Service Delivery</li> <li>Reputational</li> <li>Legal</li> <li>Financial</li> </ul>	<ul style="list-style-type: none"> <li>Community &amp; Environment</li> <li>Stakeholder</li> </ul>	<ul style="list-style-type: none"> <li>Workforce Planning (Social Services)</li> <li>Safeguarding</li> </ul>		<p>Children's Services:</p> <ul style="list-style-type: none"> <li>Contacts 1 - Number of Contacts / Referrals Received</li> <li>CS LAC 3e - Number of children looked after</li> <li>Number of children on the Child Protection Register</li> <li>CH/012 - Percentage of assessments completed for children within statutory timescales</li> </ul>							
<ul style="list-style-type: none"> <li>Service Delivery</li> <li>Reputational</li> <li>Legal</li> <li>Financial</li> </ul>	<ul style="list-style-type: none"> <li>Community &amp; Environment</li> <li>Stakeholder</li> </ul>												



# Safeguarding Children & Adults at Risk

Description	Inherent Risk	Residual (Current) Risk	Target Risk	Risk Owner(s)								
Systemic failure in the effectiveness of the Council's safeguarding arrangements together with other statutory safeguarding partners.	<table border="1" style="margin-top: 5px;"> <tr><td>Last Reviewed</td><td>Q2 2023/24</td></tr> <tr><td>Last Revision</td><td>Q2 2023/24</td></tr> </table>	Last Reviewed	Q2 2023/24	Last Revision	Q2 2023/24	<table border="1" style="margin-top: 5px;"> <tr><td>Movement from Prev Qtr.</td><td style="text-align: center;">↔</td></tr> </table>	Movement from Prev Qtr.	↔	<table border="1" style="margin-top: 5px;"> <tr><td>Target Reduction Date</td><td>N/A</td></tr> </table>	Target Reduction Date	N/A	<p style="text-align: center;"><b>Sarah McGill</b> (Deborah Driffield)</p> <p style="text-align: center;"><b>Councillor Huw Thomas</b> Leader</p> <p style="text-align: center;"><b>Councillor Norma Mackie</b> Adult Services</p> <p style="text-align: center;"><b>Councillor Ashley Lister</b> Childrens Services</p> <p style="text-align: center;"><b>Councillor Chris Weaver</b> Finance, Modernisation and Performance</p>
Last Reviewed	Q2 2023/24											
Last Revision	Q2 2023/24											
Movement from Prev Qtr.	↔											
Target Reduction Date	N/A											

Potential Impact(s)
<ul style="list-style-type: none"> <li>• A child(ren) or adult(s) suffer(s) preventable abuse or neglect which may result in harm or death</li> <li>• Reputation of Council and partners                             <ul style="list-style-type: none"> <li>• Severe adverse publicity</li> </ul> </li> <li>• Potential regulator intervention</li> <li>• Loss of confidence by community in safety of children and adults</li> <li>• Loss of confidence of staff in the overall "safety" of the service, impacting on morale, recruitment and retention</li> <li>• Potential litigation with associated financial penalties</li> <li>• Significant financial implications of formal intervention</li> </ul>

What we've done/are currently doing to achieve the Residual Risk Rating
<p><b>Regional</b></p> <ul style="list-style-type: none"> <li>• Regional Safeguarding Board oversee the safety and well-being of children and young people across the partnership.</li> <li>• Annual RSB plan published outlining key priorities for this year accompanied by strengthening / streamlining governance .</li> </ul> <p><b>Corporate</b></p> <ul style="list-style-type: none"> <li>• Annual plan 2023/24 has been developed and ratified</li> <li>• Corporate Safeguarding Board strengthened with development of Steering Group and appointment of Directorate Lead Officers</li> <li>• Improved data capture and reporting on training compliance allowing targeted action by managers.</li> <li>• Initial Analysis of referral data completed, with further work underway to enable a more granular breakdown.</li> <li>• Recruitment and Selection Policy updated, including additional information on safeguarding</li> <li>• Recommendations of Audit Wales review actioned.</li> <li>• Output of self-assessments have been quality assured and is included and tracked through Directorate Delivery Plans.</li> <li>• Training compliance rates now at 82% across the Council with pilots underway in areas of low compliance.</li> <li>• Work commenced with Procurement team to strengthen safeguarding arrangements in contract award and management.</li> <li>• Positive feedback reviewed from initial paper based pilot - Incremental rollout on going</li> </ul> <p><b>Contextual Safeguarding</b></p> <ul style="list-style-type: none"> <li>• Safeguarding Adolescents from Exploitation model developed, SAFE partnership in place and working effectively.</li> </ul> <p><b>Children's Services (Summary Position)</b></p> <ul style="list-style-type: none"> <li>• Child protection procedures continue to take precedence and children at the highest risk will be prioritised. Operating model is review regularly.</li> <li>• Systems in place to learn lessons from Child Practice Reviews, Adult Practice Reviews and multi agency practitioner forums.</li> <li>• Safeguarding Adolescents From Exploitation (SAFE) approach reframed in light of experience and being implemented city wide.</li> <li>• Quality Assurance Framework in place; learning workshops introduced to complete feedback loop. Action plan in placed.</li> <li>• High Risk Panel facilitates robust and timely multi-agency decision making at senior management level for our highest risk young people reviewed and Terms of Reference being updated.</li> <li>• Practice development group set up with leads allocated to workstreams to shape good practice.</li> <li>• Children's Services and Education working closely, including in the development of locality working and response to the recent issues in Ely / Caerau.</li> <li>• Close partnership working in relation to serious youth violence, including with Violence Prevention Unit and Community Safety is ongoing.</li> <li>• Successful bid for Youth Endowment Funding - for two Preventative &amp; Engagement Service multi-agency teams to tackle criminal exploitation and risks posed to young people and their families.</li> <li>• Revised Supervision process launched following feedback from pilot and a new recording mechanism now in place</li> <li>• Child Sexual Abuse practice leads training programme with Centre of Excellence in place.</li> <li>• Review of escalating concerns process underway to strengthen arrangements and interface with safeguarding procedures and large scale enquiries.</li> <li>• Practice leads appointed in locality teams to support newly qualified staff and improve quality and consistency of practice.</li> <li>• MISPER co-ordinator in post and working with the Police to ensure a consistent approach to missing young people.</li> </ul> <p><b>Adult Safeguarding</b></p> <ul style="list-style-type: none"> <li>• Review of escalating concerns process underway to strengthen arrangements and interface with safeguarding procedures and large-scale enquiries.</li> <li>• Advice / guidance has been produced for family members re: choosing, visiting or concerns about a loved one in a care home</li> <li>• Quality Assurance Frameworks have been included with the DAPL and DPS Framework and this has been implemented.</li> <li>• Contributing to and supporting the regional review of MARACs (domestic abuse, SWOT and Human Trafficking).</li> <li>• Supporting people who hoard and self-neglect and developing sustainable and holistic approaches- Phase 2 commenced.</li> <li>• Young person's MDT launched and is fully operational with performance measures expected in future.</li> <li>• Actions put in place to address low take up of training in front facing services.</li> <li>• Ongoing development and implementation of the Corporate Safeguarding Policy is monitored in line with best practice guidance from Welsh Government.</li> <li>• Consistency in external and internal reporting of Safeguarding referrals embedded.</li> <li>• Developed more robust performance indicators (in line with Welsh Government requirements) and use of the self-assessment Quality Assurance document.</li> </ul>

What we plan to do to meet target
<p><b>Regional Safeguarding Board</b></p> <ul style="list-style-type: none"> <li>• Regional Safeguarding Board Governance arrangements have been reviewed and a new governance structure is being piloted.</li> <li>• Improvements have been made in utilising data to capture the boards performance</li> <li>• A comprehensive risk register has been developed for use at the board, which allows for increased oversight and mitigation of emerging and escalating risks</li> </ul> <p><b>Contextual Safeguarding</b></p> <ul style="list-style-type: none"> <li>• Successful YEF funding application to pilot multi-disciplinary teams to tackle youth violence and exploitation.</li> </ul> <p><b>Corporate Safeguarding</b></p> <ul style="list-style-type: none"> <li>• Targeted training exercise underway with schools catering staff to increase training compliance, due to be completed by Dec 23</li> <li>• Corporate Safeguarding Self Assessment 2023 has been completed by all directorates</li> <li>• KPIs developed for board oversight</li> <li>• Annual Report Published</li> <li>• Training compliance stats now stand at 89%</li> </ul> <p><b>Children's Services</b></p> <ul style="list-style-type: none"> <li>• Strengthen contractual arrangements in relation to safeguarding (Q4 23/24).</li> </ul> <p><b>Adult Services</b></p> <ul style="list-style-type: none"> <li>• Develop whole home large scale enquiry process - to be completed Q4 23/24</li> <li>• Partnership development activity between Learning Disabilities Team, third sector services and Adult Safeguarding to better address incidents of Service User on Service User abuse in supported living services setting target removed as project on hold due to current work pressures. Q4 23/24</li> <li>• Develop and improve our public facing Safeguarding communications to build trust and confidence with the public. Ensure there is consistency in external and internal reporting of Safeguarding referrals - Q2 2023/24</li> </ul>

Type(s) of Impact	Linked Risks	Key Indicators / Measures used to monitor the risk
<ul style="list-style-type: none"> <li>• Service Delivery</li> <li>• Reputational</li> <li>• Legal</li> <li>• Financial</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership</li> <li>• Community &amp; Environment</li> <li>• Stakeholder</li> </ul>	<ul style="list-style-type: none"> <li>• SCC.014 Percentage of initial child protection conferences carried out within statutory timescales during the year</li> <li>• SCC.034 Percentage of child protection reviews carried out within statutory timescales during the year</li> <li>• SSWB 27 Percentage of re-registrations of children on local authority Child Protection Registers</li> <li>• SSWB 28 Average length of time for all children who were on the CPR during the year</li> <li>• Res 15 - Percentage of Council staff completing Safeguarding Awareness Training</li> </ul>

# Legal Compliance

**Description**

Changes in services and staff roles across the Council resulting in:

- gaps in Council wide knowledge of the local authority framework of responsibilities and duties within which we have to operate;
- inability to deliver the services in accordance with all duties and responsibilities due to lack of resource:

In each case leading to increased risk of challenges.

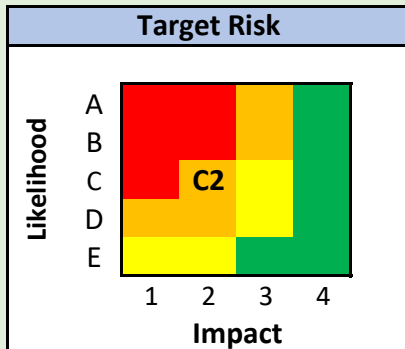
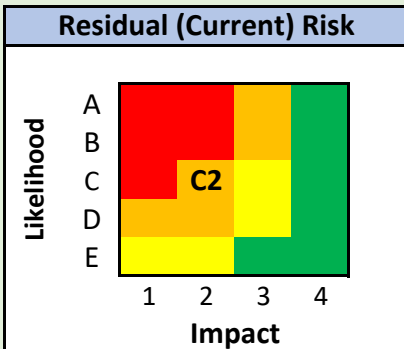
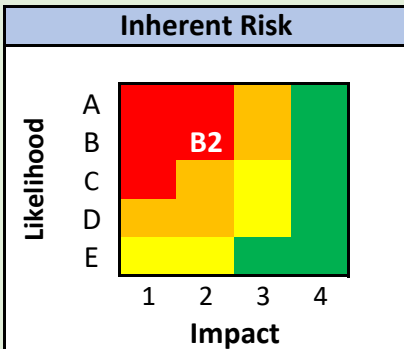
Reduction and changes in front-line services, discretionary and statutory, will lead to increased risks of challenge from users and other stakeholders affected.

**Potential Impact(s)**

- Increase in number of challenges and complaints with consequences in terms of already stretched resources and impact of adverse decisions
- Implementation of decisions delayed due to challenges and potentially fatally disrupted
- Impact on projects if reputation for sound management and implementation of projects is damaged
- Major incident
- Adverse press/media reaction
- Involvement from Welsh Government in terms of performance standards or measures
- Increased costs
- Impact on capacity to deal with proactive legal work

**Type(s) of Impact**

- Service Delivery
- Reputational
- Legal
- Financial



Last Reviewed Q2 2023/24  
Last Revision Q4 2022/23

Movement from prev Qtr ↔

Target Reduction Date N/A

**What we've done/are currently doing to achieve the Residual Risk Rating**

- Professional internal legal and financial advice provided to a high standard.
- Maintaining robust decision-making process by providing legal implications on all Council, Cabinet and Committee reports and Officer Decision Reports at Director level
- Appropriate use of NPS Legal Services by Solicitors Framework to increase resilience where it is necessary to outsource legal work
- Dedicated Corporate teams in specialist areas e.g., equalities, FOI / DPA
- Sharing training/publications received internally to the legal department and when necessary to client departments
- Encourage Directorates to ensure Committee and Cabinet reports are discussed at preliminary stage in development to ensure all legal issues are addressed early through client department relationships
- Decision Making Training to both the Senior Management Forum and the Managers Forum carried out in 2020 and Pre-Election Period and Decision-making Pre and Post the Local Election briefings given to the Senior Managers Forum and the Cardiff Managers Forum in January 2022
- Decision Making training session held for the Environment Directorate managers in Jan 2022
- Decision making training provided to Councillors and Cabinet as part of induction training.

**Linked Risks**

**Risk Owner(s)**

Chris Lee      Councillor Huw Thomas  
Leader

**What we plan to do to meet target**

- Where identified, provide guidance based on standard precedents for use in cases of low value/low risk/repetitive matters to minimise the gaps in Council wide knowledge **ONGOING**
- Provide, if requested, ad-hoc legal training to Directorates to develop knowledge within Directorates of specific statutory functions. **ONGOING**

**Key Indicators / Measures used to monitor the risk**

Number of Judicial Reviews and Number of Successful Challenges



# CARDIFF COUNCIL CYNGOR CAERDYDD

## GOVERNANCE & AUDIT COMMITTEE: 28 NOVEMBER 2023

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### TREASURY MANAGEMENT MID-YEAR REPORT 2023/24

### REPORT OF THE CORPORATE DIRECTOR RESOURCES

### AGENDA ITEM: 9.1

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**Annexes B & C of Appendix 1 of 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 Mid-Year Treasury Management Report before submission to Council in November 2023.

#### Background

3. The report attached at Appendix 1 informs Committee of the Council's Treasury Management activities since 1 April 2023 and the position as at 30 September 2023.

#### Issues

4. In the budget report of February 2010, Council adopted CIPFA's Treasury Management Code by formal acceptance of the Four Clauses of Treasury Management and Treasury Management Policy Statement as Council policy.
5. This report provides a mid-year update of Treasury Management activities as at 30 September 2023. This includes its borrowing and investments at a point in time.
6. Council approved the Treasury Management Strategy for 2023/24 in March 2023. The Treasury Strategy is driven primarily by the Council's overall financial position and approved investment strategy. Whilst there have been significant variations in economic forecasts and variables, no policy changes or changes to limits are deemed required at this stage.
7. The mid-year report and supporting Annexes are attached at Appendix 1, with an updated Treasury Management Strategy to be considered as part of the budget proposals for 2024/25, consistent with updated capital investment priorities approved for the medium term.

## **Reason for Recommendations**

8. To allow Governance and Audit Committee to undertake the scrutiny of Treasury Management in accordance with Council's Treasury Management Policies.

## **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 a year. Whilst there are no direct financial implications arising from this report, the risks involved with treasury management are continuously reviewed in conjunction with the Council's treasury management advisors and forms part of the Council's Medium term Financial Planning process.

## **RECOMMENDATIONS**

12. That the Treasury Management Mid-Year Report for 2023/24 be noted.

**CHRISTOPHER LEE**  
**CORPORATE DIRECTOR RESOURCES**  
**28 November 2023**

The following appendix is attached:  
Appendix 1 – Treasury Management Mid-Year Report 2023/24

# Treasury Management Mid-Year Report 2023/24

Appendix 1

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.





## Introduction

- 1.1 Treasury management activities are the management of an 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.
- 1.2 The Council carries out its treasury management activities in accordance with a Treasury Management Code of Practice for public services, updated by CIPFA in 2021. This requires the Council to set out the policies and objectives of its treasury management activities and adopt four Clauses of Treasury Management (replicated in **Annexe A**).
- 1.3 Treasury Management is an integral part of the Council's Strategic and Financial planning framework. It is important to note that borrowing activities are primarily a consequence of historic and future capital expenditure decisions approved by Council as part of the Council's Capital Investment programme. Treasury activities service the funding of capital expenditure plans which in turn drives the risks and financial impacts on the Council of undertaking borrowing.



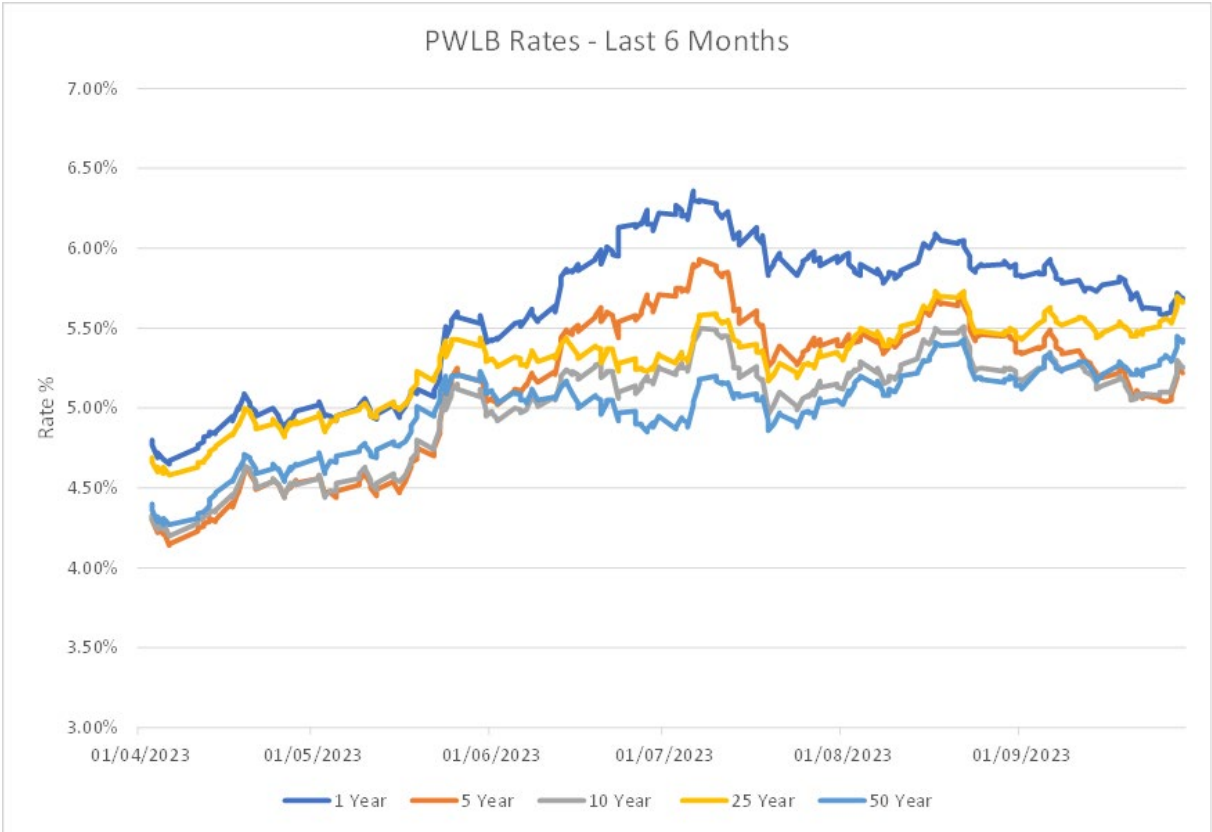
- 1.4 Council received a report in March 2023 on the Council's Treasury Management and Capital Strategy for 2023/24. Governance and Audit Committee has received updates on the position and performance of treasury management and the issues included in the report below. In addition, Council received in October 2023 the Annual Outturn Report for Treasury Management for 2022/23.
- 1.5 In accordance with Council policy, this report provides members with a 2023/24 mid-year update as at 30 September 2023 for the first half of the year and covers:-
  - the economic background to treasury activities
  - investments
  - borrowing
  - debt rescheduling
  - compliance with treasury limits and prudential indicators
  - Treasury Strategy update for remainder of the year.

- 1.6 Treasury Management activities are delegated to the Section 151 Officer, with role of scrutiny of Treasury Management undertaken by the Governance and Audit Committee. The Capital Strategy which determines the investment programme and borrowing need, is scrutinised by the Policy Review and Performance Committee, with the Capital Strategy approved by Council as part of the annual budget process. Annexe E includes a glossary which defines key terms used in this report.

## **Economic Background**

- 2.1 The first half of 2023/24 saw:
- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the cycle of rises.
  - A 0.5% month on month decline in real Gross Domestic Product in July, mainly due to strike action, but an underlying level of weakness.
  - Consumer Price Index (CPI) inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022.
  - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth, as the 3 month year on year growth of average earnings (excluding bonuses) rose to 7.8% in August.
- 2.2 The impact of higher interest rates is expected to see the economy lose momentum and fall into a mild recession. Strong labour demand, fast wage growth and government spending have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further and the phasing out of financial support packages provided by the government during the energy crisis, means real incomes are unlikely to grow strongly. The expectation is that the Bank of England will retain interest rates at 5.25% until the second half of 2024 with Mortgage rates remaining at similar levels for around a year. CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022.
- 2.3 The strength of the labour market continued to ease, with employment in the three months to July falling by 207,000. The supply of labour is still 0.3% below its pre-pandemic February 2020 level. Labour market conditions have not yet fed through to an easing in wage growth as the three-month year on year earnings growth rate rose from 8.4% to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone.
- 2.4 In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The Bank of England has promoted the higher for longer narrative. Their statement did not say that rates have peaked but highlighted that if there was evidence of more persistent inflation pressures “further tightening in policy would be required.”

- 2.5 In the first half of the year, gilt yields, on which Public Works Loan Board lending rates are based, have been on an upward trend due to inflation, interest rate and overall debt level expectations. July saw short-dated Gilt rates peak at their most expensive. The 1-year rate increased to 6.36% and the 5-year rate to 5.93%. Although, in due course, short-dated rate expectations fell, the medium dates shifted higher through August and the 10-year rate pushed higher to 5.51% and the 25-year rate to 5.73%. The 50-year rate was 4.27% on 5<sup>th</sup> April but rose to 5.45% on 28<sup>th</sup> September.
- 2.6 There is 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, however the longer term forecasts indicate a fall in longer term rates to below 4%.
- 2.7 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 loan at the PWLB Certainty Rate, which is gilt rate plus 80 basis points (G+80 bps).



2.8 The chart above highlights the volatility in PWLB borrowing rates, with long term rates at the end of September 2023 being circa 5.5%. Having regard to various uncertain factors, the table below shows the Council’s treasury management advisors last forecasts for bank rate and Public Works Loan Board (PWLB) certainty borrowing rates, based on their current lending policy. The forecasts



are updated periodically. This shows a gradual decrease in bank rate and PWLB lending rates as inflation dampens over the forecast horizon ending on 31st March 2026, however this is caveated by the requirement for the government to issue additional gilts to service its borrowing requirement and continued quantitative tightening being undertaken by the Bank of England. This may keep rates higher and for longer.

	<b>Actual 30/09/23</b>	<b>Mar-24</b>	<b>Mar-25</b>	<b>Mar-26</b>
Bank Rate	5.25	5.25	4.00	2.75
5yr PWLB rate	5.14	5.00	4.20	3.70
10yr PWLB rate	5.29	4.90	4.20	3.60
25yr PWLB rate	5.72	5.20	4.40	3.90
50yr PWLB rate	5.48	5.00	4.20	3.70

## Investment

- 3.1 The management of the Council's cash flows may involve temporary lending of surplus funds to low-risk counterparties or short-term temporary borrowing to manage cash flows, pending receipt of income. This takes place in the wider financial markets or the established inter-local authority market.
- 3.2 The Council's investment priorities remain the security and then liquidity of its Treasury investments. The Council also aims to achieve the optimum return appropriate to these priorities.
- 3.3 The Council invests with financial institutions in accordance with criteria approved in its Treasury Strategy. The categories, names, periods and size limits on this list can be extended, varied or restricted at any time by the Corporate Director Resources under delegated powers. Based primarily on Fitch credit criteria and a number of other factors which the Council considers, lending to these institutions is subject to time and size limits and credit worthiness continues to be carefully monitored.
- 3.4 No changes have been made or are deemed required to be made as part of this report to the list of eligible counterparties or credit worthiness policy included as part of the 2023/24 Treasury Management Strategy approved by Council. This will continue to be reviewed using data from Treasury advisors and will be updated in the 2024/25 Strategy.
- 3.5 Following the introduction of The Markets in Financial Instruments Directive (MiFID) in January 2018, the Council opts to be classified as a professional client rather than a retail client by financial institutions.
- 3.6 Since the strategy was set, investment rates offered on deposits have increased significantly from the position in previous years when investment rates were barely above zero. With gradual increases in bank rate, currently 5.25%, the

level of interest receivable from deposits is forecast to increase as part of the 2023/24 revenue budget monitoring position.

- 3.7 At the 30 September 2023, temporary investments stood at £133.9 million. These temporary funds will fluctuate daily and arise for a number of reasons, including the timing differences between the receipt of grant and other income and the utilisation of these funds on salaries and other operating costs. They also include the level of reserves, provisions, and balances held on behalf of Joint Committees such as City Deal where the Council is Accountable Body (Circa £51.7 million). When approved to do so, any funds held for the latter as accountable body are expected to be transferred to the Corporate Joint Committee. This will assist in identifying and improving the reporting of the Council's own treasury management activities.

**Annexe B** shows with whom these investments were held as at 30 September 2023. All investments are deemed recoverable.

- 3.8 A selection of performance indicators and benchmarking charts, is included in **Annexe C** as follows:-

- **Counterparty exposure** displays actual investment against the maximum permitted directly with an organisation. This demonstrates that we are not exceeding any exposure limits. It should be noted that the Debt Management and Deposit Facility, is effectively placing investments with the Government. The exposure limit is set to match the level of investments held.
- **Remaining maturity profile of investments.** This shows the duration of investments over time.
- **Investments by institution.** This expresses the investments held with different institutions as a percentage of the total and shows diversification is sought where possible.
- **Geographic spread of investments** as determined by the country of origin of relevant organisations. All countries are rated AA and above as per our approved criteria and are licensed to take UK deposits. It should be noted that two credit ranges agencies have placed the UK rating on a negative outlook. Investments are in Sterling only.
- **Investments by Financial Sector.** Most investments continue to be with banks.

- 3.9 The approach of deferring external borrowing by using temporary cash balances will continue to be used as part of the borrowing strategy. Subject to the actual timing of cash inflows and outflows, the level of investment balances are expected to reduce in the latter part of the year, with a minimum liquidity balance to be retained.

- 3.10 Whilst a difficult figure to forecast due to the uncertainty of the markets, cash flows and the number of variables that impact on the figure, the forecast level of overall interest receivable by Cardiff Council from treasury investments for 2023/24 is £4.5 million. This is projected to form part of a surplus for the Capital Financing revenue budget for this financial year. At 30 September 2023, the

average rate on investments held is 5.19%. The return achieved since the start of the year is 4.49%. The Sterling Overnight Index Average rate (SONIA) 7day / 3month of 4.71% / 5.03%. This is expected in a rising interest rate environment, until fixed term deposits mature, to be re-invested at higher rates.

## Borrowing

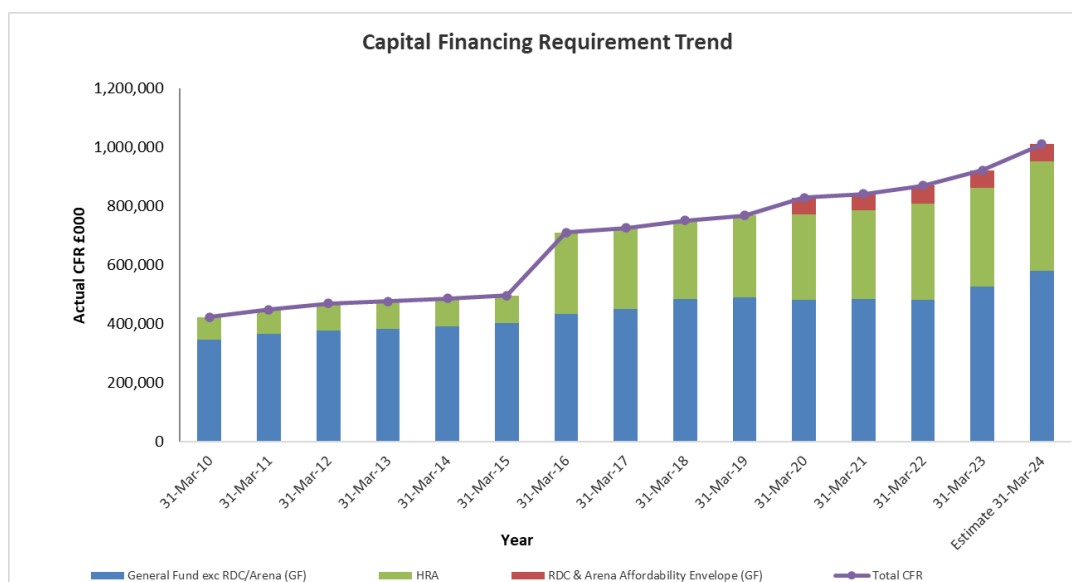
- 4.1 Long term borrowing is undertaken to finance the Council’s Capital Programme. The Council’s strategy Greener, Stronger and Fairer identifies the opportunities facing the city and sets out the response to challenges. Capital projects play an important role in supporting and accelerating the Council’s objectives but must remain affordable, prudent and sustainable, not only in the short term, but also in the medium and long term. The budget report and its capital strategy considered by Council in March 2023 set out the capital investment strategy including major long term development projects such as affordable Council housing; the Indoor Arena; Core Office Strategy and 21st Century Schools. Budget monitoring reports have provided updates of the 2023/24 Capital Programme during the year, with the Capital Strategy, timing and priorities to be updated along with indicators of Affordability, Prudence and Sustainability in the 2024/25 budget proposals. This will inform the updated Treasury Management Strategy for that year.
- 4.2 The main sources of external borrowing currently are the PWLB and the Money Markets, although recent years has seen an increase in repayable loans received from Welsh Government. The Council does not separate General Fund and Housing Revenue Account borrowing as all borrowing is the liability of the Council i.e., borrowing is ‘pooled,’ but this will continue to be reviewed e.g., for major development projects such as the Arena Funding strategy.
- 4.3 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.

<b>Movement</b>	<b>Opening Capital Financing Requirement (CFR)</b>
<b>+</b>	Capital expenditure incurred in year
<b>-</b>	Grants, contributions, reserves and receipts used for capital expenditure
<b>-</b>	Prudent Minimum Revenue Provision and Voluntary Repayment
<b>=</b>	<b>Closing Capital Financing Requirement (CFR)</b>

- 4.4 The CFR forecast is subject to the timing of capital expenditure, capital receipts and new schemes that may be considered for approval in future years. An increasing underlying borrowing requirement will need to be repaid from future revenue budgets either from savings, revenue income or Council Tax and

Housing Rents. It is essential that approvals to increase the underlying the borrowing requirement are considered in parallel with robust asset management planning, established and followed business case processes, robust viability assessment and budgetary control, and a view of affordability and risks over the longer term.

- 4.5 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 for the year and Medium-Term Financial Plan, the CFR is expected to grow in future years to circa £1.5 billion, 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. Projections will be updated in the Capital Strategy for 2024/25 in March 2024 based on updated timing of the Capital investment programme and resources deemed available to fund it.



- 4.6 At 30 September 2023, the Council had £855.6 million of external borrowing predominantly made up of fixed interest rate borrowing payable on maturity.

31 March 2023			30 September 2023	
£m	Rate (%)		£m	Rate (%)
759.7		Public Works Loan Board	756.7	
51.0		Market (Lender Option Borrower Option)	51.0	
44.4		Welsh Government	47.9	
<b>855.1</b>	<b>3.96</b>	<b>Total External Debt</b>	<b>855.6</b>	<b>3.94</b>

Subject to the timing of new borrowing on the year, the estimated total interest payable on borrowing for 2023/24 is £34.9 million which includes an estimate of interest payable by the Housing Revenue Account of circa £14.1 million.

New borrowing undertaken during the first half of the year

- 4.7 During the first half of the year an interest free loan of £4 million was received from Welsh Government in respect to lending the same amount to Cardiff Heat Network Limited. A further loan for this purpose of £4.6 million is also expected to be drawn down by the end of the financial year.

Maturing Loans in year to date

- 4.8 **Annexe D** shows the maturity profile of the Council's borrowing as at 30 September 2023. Maturing loans of £3.5 million have been repaid in the first half of this year with a further £0.9 million due to be repaid by 31 March 2024.
- 4.9 Lender Option Borrower Option (LOBO) products are loans to the Council 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 without penalty.
- 4.10 The Council has six such loans totalling £51 million. 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.
- 4.11 Interest rates on these loans range between 3.81% and 4.35% and details of the loans are shown in the table below.

£m	Rate	Potential Repayment Date	Option Frequency	Full Term Maturity
6	4.28%	21/11/2023	6 months	21/11/2041
6	4.35%	21/11/2023	6 months	21/11/2041
6	4.06%	21/11/2023	6 months	23/05/2067
6	4.08%	04/03/2024	5 years	23/05/2067
22	3.81%	21/11/2025	5 years	23/11/2065
5	4.10%	17/01/2028	6 months	17/01/2078

- 4.12 LOBOs to the value of £24 million are subject to the lender potentially requesting a change in the rate of interest payable in the remainder of the year. Recent increases in market borrowing rates has increased the likelihood of early

repayment, however any risk is a manageable refinancing risk as LOBOs in total, form a relatively low proportion of the Council's current overall borrowing at 3%.

### Borrowing Strategy

- 4.13 As shown in the report above, the interest rates on borrowing, whilst currently elevated and volatile, they are forecast to reduce. This and the fact that borrowing rates are higher than investment rates means that the cost of undertaking and locking into new fixed rate borrowing would have a negative impact on the revenue budget. External borrowing may be deferred to minimise short term costs by using temporary cash balances to meet the Capital Financing Requirement rather than placing in an investment. This is termed 'internal borrowing.' However deferring borrowing is only a short-term measure and could expose the Council to higher borrowing rates and costs in the future. For 2023/24, opportunities for short term external borrowing will be considered in the last quarter of the year.. For future years as the borrowing requirement increases and interest rate volatility stabilises, further short- or long-term external borrowing will be required to ensure there is certainty of interest costs for future years and mitigate risks. The strategy will be updated in March 2024, with updated economic forecasts and in line with an updated capital strategy.
- 4.14 If no further borrowing is undertaken, the value of external loans at 31 March 2024 will be £859 million. At the same point, the Council's need to borrow for capital expenditure purposes, its Capital Financing Requirement (CFR), is currently forecast to be circa £1,009 million (General Fund £637 million and HRA £372 million). Without any further borrowing this financial year internal borrowing would be £150 million. It is likely that the level of internal borrowing will reduce due to receipt of additional external grants towards capital expenditure commitments and also as a result of unforeseen delay in projects assumed to be paid for by borrowing, however at this stage it is assumed external borrowing of £50 million will take place in the last quarter, to keep internal borrowing to a target of 10% of the projected CFR. This is also to ensure a minimum liquidity balance is retained.
- 4.15 In November 2023, the Cabinet also considered a funding strategy for the Indoor arena, which forms part of the increase in the Council's borrowing requirement in future years. Consistent with the overall Treasury strategy the proposed funding strategy for the Arena is to focus on temporary borrowing arrangements during the three year construction phase whilst the Council continues to monitor the interest rate market, with a view to entering into a more long-term borrowing arrangement at a fixed interest rate either a) once Arena is open and operational, or b) at such a time when the s151 officer, in their professional judgement, and after considering the latest treasury management advice, concludes entering into long-term funding arrangements is most appropriate and affordable for the Council.
- 4.16 It should be noted that this project and funding strategy is only part of the overall capital programme and cause of the projected increase in the Capital Financing Requirement to be paid for by borrowing over the next few years. The risks re



interest rates and future levels of borrowing and affordability apply to the whole capital investment programme, including housing and investment to improve other assets. The Capital Programme and affordability of the Capital Programme is assessed annually as part of the update of the Capital Strategy and relevant medium term financial plans of the HRA and General Fund. This also includes a statement from the S151 Officer in respect to affordability, prudence and sustainability of the Capital programme having regard to the revenue budget forecasts and certainty of income in respect to schemes proposed such as this project. The Treasury Management Strategy for 2024/25, will capture agreed commitments as part of an update as part of the budget proposals in March 2024.

- 4.17 The Council is also undertaking a number of projects that involve the Welsh Government providing interest free loans to the Council or an income stream to undertake specified projects such as town centre loans, energy projects and coastal erosion. Welsh Government take no risk in such projects and expect all loans to be repaid. Where the Council is taking on specific loans for the delivery of specified projects, robust business case processes and legal charges if appropriate should be in place to ensure any loans can be repaid following implementation of projects.

## **Debt Rescheduling**

- 5.1 No debt rescheduling, or early repayment of debt has been undertaken to date in 2023/24. The main obstacle remains the level of premium (penalty) that would be chargeable on early repayment by the PWLB. Of the existing PWLB loans of £756.7 million, £753.7 million are eligible for early repayment. However, this would incur a net premium of £57.1 million as at 30 September 2023. 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 the flexibility of Local Authorities to make savings. This remains an obstacle in the ability of local authorities to manage debt more effectively.

- 5.2 Whilst the cost of Premiums can be spread over future years, options for restructuring that have been considered result in an adverse Net Present Value (NPV). Whilst there may have been short terms savings, these were outweighed by potentially longer-term costs and not deemed cost effective.

## **Compliance with treasury limits and prudential indicators**

- 6.1 During the financial year to date, the Council has operated within the treasury limits and prudential indicators set out in the annual Treasury Management Strategy in March 2023. The treasury and capital prudential indicators will be updated as part of the 2024/25 Capital and Treasury Strategies in the Budget Report to Council in March 2024. Affordability of additional investment will need

to be monitored closely as part of the Medium-Term Financial Plan and Housing Revenue Account Business Planning process.

### **Treasury strategy for the remainder of 2023/24**

- 7.1 The Treasury Strategy approved in March 2023 remains valid despite the impact of uncertainty in financial markets and no change is required to indicators or affordability limits approved for the year. The use of temporary cash balances instead of long-term fixed borrowing to pay for capital expenditure in the short term will result in short term savings, however there is a significant borrowing requirement in this and future years. The approach will be reviewed as part of the update of the Treasury Management Strategy for 2024/25.
- 7.2 As set out in the annual report considered by Council in October 2023, key issues to consider for the remainder of 2023/24 include:
- Predicting cash flow forecasts and encouraging the prompt collection of cash balances e.g., submitting and following up grant claims, 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 the last quarter of 2023/24.
  - 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.
  - Ongoing financial market uncertainty.
  - Review of knowledge and skills register for individuals involved in the Treasury management function.
- 7.3 In accordance with the Council's Treasury Management Policy, Council will receive a further update on Treasury Management issues and risks as part of the updated Treasury Management Strategy for the 2024/25 budget in line with any updates to the Capital Investment Programme forecasts.

### **Annexes**

Annexe A – Treasury Management Policy and Four Clauses of Treasury Management

Annexe B – Investments at 30 September 2023

Annexe C – Investment Charts at 30 September 2023

Annexe D – Maturity Analysis of Borrowing as at 30 September 2023

Annexe E – Glossary of Treasury Management terms



**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.

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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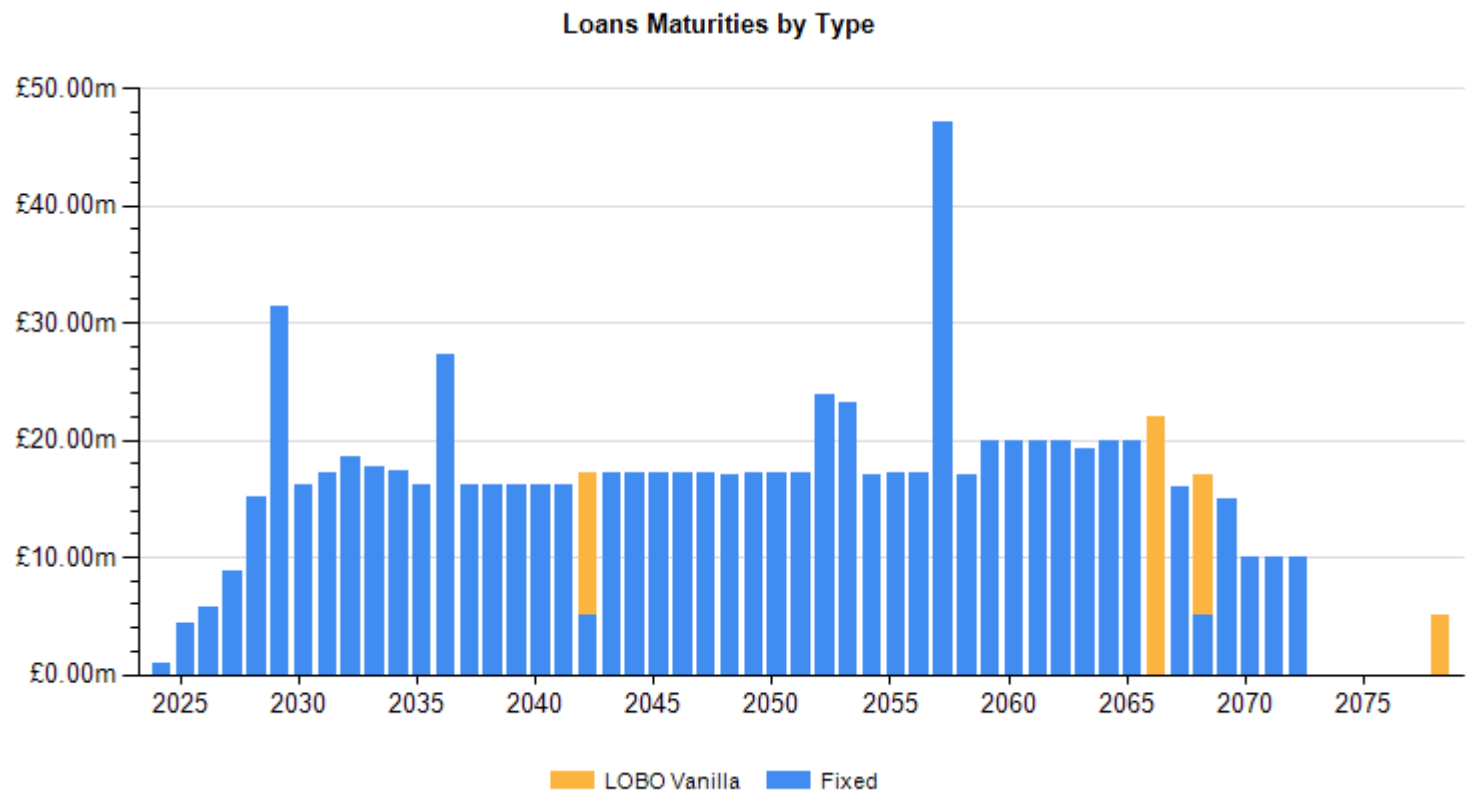
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By virtue of paragraph(s) 14, 21 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

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Maturity Profile of Debt at 30 September 2023



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## **Glossary of Terms - Treasury**

### **Bank Rate**

The rate of interest set by the Bank of England as a benchmark rate for British banks.

### **Bonds**

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**

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**

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 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.

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)**

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**

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**

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)**

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 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)**

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**

Schemes whereby monies from a number of investors are pooled and invested as one portfolio in accordance with pre-determined objectives.

### **Corporate Bonds**

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**

One of the parties involved in a financial transaction with whom the Council may place investments.

### **Counterparty / Credit Risk**

Risk that a counterparty fails to meet its contractual obligations to the Council to repay sums invested.

### **Credit Criteria**

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**

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**

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)**

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**

Debt restructuring is a process that allows an organisation to reduce, renegotiate and undertake replacement debt.

### **Diversification of Investments**

The process of creating a portfolio of different types of financial instruments regarding type, price, risk issuer, location, maturity, etc. to reduce the overall risk of the portfolio as a whole.

### **Duration (Maturity)**

The length of time between the issue of a security and the date on which it becomes payable.

### **External Borrowing**

Money borrowed from outside of the Council.

### **Financial Instrument**

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**

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**

An interest rate that does not change over the life of a loan or other form of credit.

### **Floating Rate Notes**

A money market security paying a floating or variable interest rate, which may incorporate a minimum or floor.

### **Fraud / Error Risk**

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)**

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**

Risk that fluctuations in interest rates could impose extra costs against which the Council has failed to protect itself adequately.

### **Internal Borrowing**

Money borrowed from within the Council, sourced from temporary internal cash balances.

### **Investments**

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)**

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**

The ability of the Council to meet its financial obligations as they fall due.

### **Market Loans**

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**

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)**

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).

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.'

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)**

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**

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**

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)**

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**

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**

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)**

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**

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**

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.

### **Security**

Protecting investments from the risk of significant loss, either from a fall in value or from default of a counterparty.

### **Sovereign Credit Ratings**

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**

The monetary unit of the United Kingdom (the British pound).

### **Term Deposits**

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**

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**

Debt securities issued by a government with a short-term maturity of up to 6 months.

### **UK Government Gilts**

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**

An interest rate that changes in line with market rates.

### **Yield**

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 24 October 2023)

1. Action Plan

Minute No. /Agenda No.	Actions	Timeline	Action Owner
	<b>Finance (Budget)</b>		
	No Outstanding Actions		
	<b>Governance &amp; Risk Management</b>		
	No Outstanding Actions		
	<b>Audit Wales (AW)</b>		
	No Outstanding Actions		
	<b>Internal Audit</b>		
	No Outstanding Actions		
	<b>Treasury Management</b>		
24.10.23	A briefing would be provided to the Committee in respect of borrowing and associated accounting principles, to include the minimum revenue provision.	09.01.24	IA/AH
	<b>Operational Items</b>		
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
	<b>AW Tracker/Other Studies</b>		
	No Outstanding Actions		
	<b>Performance</b>		
	No Outstanding Actions		
	<b>Work Programme</b>		
24.10.23	It was agreed that the next risk management item would provide details on the Council's assessment and mitigation of RAAC risks.	28.11.23	IA
	<b>Outstanding Actions</b>		
	No Outstanding Actions		
	<b>Correspondence</b>		
	No Outstanding Actions		
	<b>Scrutiny Engagement / Letters</b>		
	No Outstanding Actions		

2. Recommendations

Committee Meeting Date	Agenda Item	Recommendation	Date Raised	Management Response	Target Action Date	Status
		No Outstanding Actions				

## 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  
14 November 2023**

### Children and Young People Scrutiny Committee

Committee Date	Agenda/ Minute No	Item Background Papers	Correspondence Following Committee Meeting
Tuesday 17 <sup>th</sup> October 2023	Minute No. 23	<a href="#">School Organisation Planning: Primary School Places to Serve Cathays and Parts of Gabalfa, Heath, Llandaff North and Plasnewydd</a>	<a href="#">Link to Correspondence</a> (pages 3-6)
Tuesday 17 <sup>th</sup> October 2023	Minute No. 24	<a href="#">School Organisation Planning: Fairwater Campus Band B Redevelopment</a> (public letter)	<a href="#">Link to Correspondence</a> (pages 7-9)

### Community and Adult Services Scrutiny Committee

Committee Date	Agenda/ Minute No.	Item Background Papers	Correspondence Following Committee Meeting
Monday 18 <sup>th</sup> September 2023	Minute Item 12	<a href="#">Channel View</a>	<a href="#">Link to Correspondence</a> (Pages 13-14)

## Economy and Culture Scrutiny Committee

Committee Date	Agenda/ Minute No	Item Background Papers	Correspondence Following Committee Meeting
Tuesday 19th September 2023	Minute No. 33	<a href="#">Cabinet Response - Shaping Cardiff's Post Pandemic Recovery</a>	<a href="#">Link to Correspondence</a> (pages 3-4)
Tuesday 19th September 2023	Minute No. 33	<a href="#">Shaping Cardiff's Post Pandemic Recovery Task and Finish Report</a> (Response)	<a href="#">Link to Correspondence</a> (page 5)
Tuesday 19th September 2023	Minute No.32	<a href="#">Cardiff Market Restoration Project</a> (Public Letter)	<a href="#">Link to Correspondence</a> (pages 7-10)
Tuesday 19th September 2023	Minute No. 32	<a href="#">Cardiff Market Restoration Project</a> (Response)	<a href="#">Link to Correspondence</a> (page 11)
Tuesday 19th September 2023	Minute No. 34	<a href="#">Cardiff Capital Region City Deal Joint Overview &amp; Scrutiny Committee (CCRD JOSOC): Proposals In Relation to Scrutiny of the South East Wales Corporate Joint Committee</a>	<a href="#">Link to Correspondence</a> (pages 17-19)
Tuesday 19th September 2023	Minute No. 31	<a href="#">Shared Prosperity Fund</a>	<a href="#">Link to Correspondence</a> (pages 21-23)
Tuesday 24 <sup>th</sup> October 2023	Minute No. 41	<a href="#">St. David's Hall Update</a> (Public Letter)	<a href="#">Link to Correspondence</a> (pages 3-7)

## Environmental Scrutiny Committee

Committee Date	Agenda/ Minute No	Item Background Papers	Correspondence Following Committee Meeting

## Governance & Audit Committee

Committee Date	Agenda/ Minute No	Item Background Papers	Correspondence Following Committee Meeting

## Policy Review and Performance Scrutiny Committee

Committee Date	Agenda/ Minute No	Item Background Papers	Correspondence Following Committee Meeting
Wednesday 18 <sup>th</sup> October 2023	Minute No. 31	<a href="#">Annual Complaints Report 2022/23</a>	<a href="#">Link to Correspondence</a> (pages 3-6)
Wednesday 18 <sup>th</sup> October 2023	Minute No. 29 & 30	<a href="#">C2C Familiarisation Frontline Visit</a> <a href="#">C2C - Customer Focus Presentation</a>	<a href="#">Link to Correspondence</a> (pages 7-10)

## Scrutiny Work Programmes

Committee Date	Agenda/ Minute No	Item Background Papers	Latest Published Work Programme
Tuesday 17th October 2023	Minute No. 25	<a href="#">Children and Young People Scrutiny Committee</a>	<a href="#">Committee Business Report – CYPSC Work Programme 2023/24</a>
Monday 18 <sup>th</sup> September 2023	Minute No. 14	<a href="#">Community &amp; Adult Services Scrutiny Committee</a>	<a href="#">Work Programme 2023/24</a>
Tuesday 11th July 2023	Minute No. 19	<a href="#">Economy &amp; Culture Scrutiny Committee</a>	<a href="#">Work Programming 2023/24</a>
Thursday 6 <sup>th</sup> July 2023	Minute No. 17	<a href="#">Environmental Scrutiny Committee</a>	<a href="#">Committee Business Work Programming Planning 2023/24</a>
Wednesday 20 <sup>th</sup> September 2023	Minute No. 24	<a href="#">Policy Review and Performance Scrutiny Committee</a>	<a href="#">Work Programming 2023/24</a>

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			Cardiff Council - Detailed Audit Plan 2023	Capital Programme Management		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		Cardiff & Vale Pension Fund Audit Plan 2024
	Annual Audit Summary Report		Cardiff & Vale Pension Fund – Detailed Audit Plan 2023		Digital and Performance Information Reports		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
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				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)	Draft Annual Governance Statement 2022/23	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			Sarah McGill – Update on Directorate Control Environment (People & Communities)	TBC - Andrew Gregory – Update on Directorate Control Environment (Planning, Transport and Environment)	TBC - Neil Hanratty – Update on Directorate Control Environment (Economic Development)	TBC - Chief Executive – Update on the Council's Control Environment

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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**GOVERNANCE & AUDIT COMMITTEE: 28 November 2023**

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**WASTE MANAGEMENT POST TRIAL UPDATE****REPORT OF THE CORPORATE DIRECTOR RESOURCES****AGENDA ITEM: 14**

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***Appendix A to this report is not for publication as it contains 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 Terms of Reference of the Governance and Audit Committee include the following duties:
  - Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
  - Review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
  - Monitor the Counter-fraud strategy, actions and resources.

**Background**

2. The following confidential briefing (Appendix A) provides details relating to a large-scale investigation relating to the Waste Management Service.
3. It follows information provided to the Committee after eight individuals were arrested in February 2018 as part of the criminal investigation by the Police.
4. During the active Police investigation, and subsequent trial, limited information could be shared on the alleged fraud. Accordingly, attention was given to providing assurance to the Committee on the Waste Management control environment via Senior Management updates, and reports on the targeted assurance work of the Internal Audit Team. The Committee also received a summary of the internal investigation outcomes.
5. Following trial, sentencing took place on 9 November 2023 at Swansea Crown Court, reporting restrictions were lifted, and the Chair of the Governance and Audit Committee was provided with the appended update. This update is now provided for the information of the wider Committee.

## Issues

6. Appendix A provides details of a serious fraud which saw council employees that no longer work for Cardiff Council, and an agency worker conspire with an external client for personal gain and to defraud the council. The Council alerted the police and assisted the investigation which led to five men being found guilty of offences under the Bribery Act and one found not guilty.
7. Details are provided of the:
  - Internal and police referrals, associated investigations, and outcomes.
  - Asset recovery proceedings being sought by the prosecution and the Council for the loss resulting from the offence.
  - Assurance and advisory work of the Internal Audit Team which has supported the improvement of controls.
  - Details of the interventions that were put in place immediately following arrests.
8. The Committee has previously been advised that a Post-Trial Review would be completed and led by the Section 151 Officer (Corporate Director - Resources).
9. A Terms of Reference will be prepared by the Section 151 Officer with the engagement of the Monitoring Officer and provided to the Committee for consideration in its meeting on 23 January 2024. The outcomes and any recommendations arising from the review will be reported to the Governance and Audit Committee in due course.

## Legal Implications

10. There are no legal implications arising directly from the recommendations of the report.
11. Legal Implications associated with the draft Terms of Reference of the Post Trial Review will be addressed in the 23 January 2024 Committee Report.

## Financial Implications

12. The confidential report outlines the Council's response to protect public resources and uphold the principles in the Counter-Fraud and Corruption Strategy, to include the approach being taken to compensate the Council for the financial loss.

## RECOMMENDATIONS

13. That the Committee considers the Waste Management Post Trial Update and notes the approach being taken for a Post Trial Review and provides any appropriate comments.

**CHRIS LEE**  
**CORPORATE DIRECTOR RESOURCES (SECTION 151 OFFICER)**

The following report is attached:

Appendix A – Waste Management – Post Trial Update (Exempt from publication)



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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