CARDIFF COUNCIL
CYNGOR CAERDYDD

AUDIT COMMITTEE: 13th November 2018

UPDATE ON INTERNAL CONTROL ENVIRONMENT

REPORT OF DIRECTOR, PEOPLE & COMMUNITIES
   **AGENDA ITEM: 4.1**

Reason for this Report

1. This report has been produced in response to the Audit Committee's request for an update on governance and control within the Housing & Communities area of the People & Communities Directorate. This update is also to provide assurance on the implementation of the recommendations made by Internal Audit.

Background

2. Housing & Communities, within the People and Communities Directorate, provides a wide range of services to those who live, work or visit the City of Cardiff. Often these services are for the most vulnerable in Cardiff, whose needs can only be effectively met through joined-up delivery of services both with other Council departments and our partners. Appendix 1 includes the Directorate Delivery Plan that includes the directorate's profile, the self-assessment, delivery of the well-being objectives and strategic priorities.

3. The structure for the directorate is shown below.
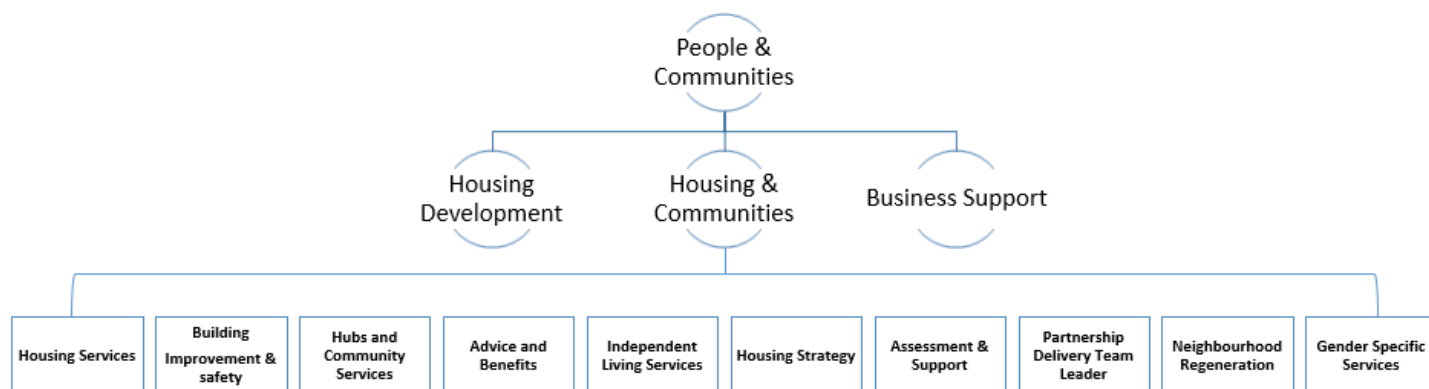
4. Feeding into the overall Directorate Delivery Plan each section has their individual section plan and an example of one of the section plans is attached in appendix 2.

5. There is a full performance management framework in place to monitors the delivery of these services and the most recent A3 core data reporting is attached, as well as the full core data report in appendix 3.

Issues

Management / mitigation of the directorate's risks on the Corporate Risk Register

6. Both Corporate and Operational Risks are reviewed quarterly by the appropriate officer working with the Directorate Risk Champion, then the Corporate Director has sight of all risks before they are submitted to the Council's Principal Risk Officer. The Directorate Risk Champion works closely with the Principal Risk Officer throughout the year to ensure all Risks are appropriately managed. The Directorate has one risk on the Corporate Risk Register, Welfare Reform, which continues to be mitigated through a range of proactive services and will need constant monitor and review following the implementation of Universal Credit Full Service.

7. The Directorate has one escalated Risk, Fire Safety, which sits with Housing & Communities for Council Housing but also with Economic Development as the Corporate Landlord for Council Premises, for all other Council Buildings. Both areas provide updates to the Principal Risk Officer who amalgamates the information and shares it with the Council Senior Management Team.

8. Each Section under Housing & Communities have their own Operational Risk Register, which include the current Risks, with additional tabs to record Risks that have been deleted, escalated or deescalated.

9. Attached in appendix 4, includes the directorates Corporate Risk – Welfare Reform, the escalated risk in regard to Fire as well as an example of the operational risk register for Libraries & Hubs section.

Senior Management Assurance Statement

10. The Senior Management Assurance statement is collated by the Directorate Business Support team and reviewed and signed off by the Corporate Director. The Directorate self-assessment indicates strong application across all areas of governance with Partnership governance, risk management and control as an area identified as mixed application, this reflects the focus given over the last 12 months to the alignment of partnership activity. Detailed programme and project briefs are now available or being developed but under the overall governance of the Public Services Board. The other area identified as mixed is the future generation's considerations as there is still some work to do to embed it at all levels.

11. The Directorate has seen improvements in the recent statement including strong application of Partnership Assurance through Quarterly Partnership Performance Reporting, and embedded monitoring of savings and income target delivery as a result of working very closely with Service Accountants to maintain a clear picture of all budget and spend throughout the year.

Monitoring / implementing recommendations made in Internal Audit reports

12. All completed audits are sent to the Director and officers involved in the audit. Based on the findings the issues raised are either discussed at the People & Communities fortnightly SMT or the Housing & Communities Monthly SMT. Performance against compliance is monitored monthly as part of the core data reporting.

13. Audits completed during 2017/18 and to date in 2018/19 are:

Audit	Status	Assurance rating	Number of recommendations
Commissioning and procurement	Final report issued	Effective with opportunity for improvement	5
Effective decision making	Final report issued	Effective	0
Communities First	Final report issued	Effective	2
Governance	Final report issued	Effective	0
Payroll	Final report issued	Effective with opportunity for improvement	12

14. As at 22nd October 2018 of the 19 recommendations 18 have been completed there remains 1 recommendation that are still in process. Working with internal audit this will continue to be monitored through to completion.

15. It was particularly pleasing that audits in relation to governance and decision making within the directorate were reported as Effective with no recommendations identified. However, it is recognised that the due to the constantly evolving nature of the services that are being provided that these high standards with require continual reviewing to ensure they are maintained.

RECOMMENDATIONS

1. That the Committee notes the contents of the report.

Sarah McGill
Corporate Director for People & Communities
13th November 2018

Appendices

Appendix 1: Directorate Delivery Plan
Appendix 2: Section Plan
Appendix 3: Core Data
Appendix 4: Risks