

AUDIT COMMITTEE: 13th November 2018

UPDATE ON INTERNAL CONTROL ENVIRONMENT

**REPORT OF DIRECTOR, GOVERNANCE AND LEGAL SERVICES AND
MONITORING OFFICER**

AGENDA ITEM: 4.2

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 Governance and Legal Services Directorate. This update is also to provide assurance on the implementation of the recommendations made by Internal Audit.

Background

2. Currently the Directorate has 62.34 FTE posts in Legal Services 21 FTE in Democratic Services. Please see attached current Directorate structure (a proposed restructure of Legal Services is currently underway). The Glamorgan Archives (a shared service funded by six Local Authorities) are a member of the Directorate Management Team and regularly report to the Director. They are governed by the Glamorgan Archives Joint Committee which meets four times a year and is currently serviced by Cardiff Democratic Services.
3. Legal Services is made up of three teams Community, Litigation and Property & Procurement, each managed by an OM. Democratic Services includes, Member & Committee Services, Scrutiny Services and Electoral Services. In addition the Director fulfils the statutory Monitoring Officer role for Cardiff Council and the City Deal Joint Committee. Please see attached structure chart in Appendix 1
4. The work done by the Legal Services department is either statutory work we carry out, for example children's safeguarding, land charges, education admission appeals, planning agreements or discretionary work relating to corporate priorities such as enforcement work, prosecutions or regeneration which the Council has an element of discretion over. Democratic Services supports the decision making processes of the Council and Members carrying out their ward work, and Electoral Services carry out the annual electoral registration canvass and publish the register and deliver elections.
5. The demand for the services provided by the Directorate are driven by legislation and our clients making it difficult to plan and develop a Directorate Delivery Plan in any detail. This was particularly evident for 2018/19 as recruitment was ongoing for two key posts to support the Democratic Services function, Head of Electoral Services and Head of Democratic Services. As a consequence objectives were kept broad to allow the post holders the opportunity to shape services and priorities in due course.

6. Legal Services has been awarded, and works hard to retain, the Law Society Quality Accreditation - Lexcel, and as part of this its practices are regularly reviewed by an external reviewer/assessor. At the recent reassessment Legal Services were found to be compliant with the standard, and no recommendations for areas of improvement were made. In preparation for the Annual Maintenance Visit earlier this year legal services carried out a client satisfaction survey. This found that 89% of our clients are satisfied or more than satisfied with our service.

Issues

(a) Management / mitigation of the directorate's risks on the Corporate Risk Register
Appendix A

7. The Directorate Risk Register is a standing item on the monthly Management Team agenda and the Risk Champion and Performance Lead discusses current risks and emerging risks with Management Team members quarterly in order to update the Directorate Risk Register.
8. The complexity of safeguarding cases being dealt with by Legal Services is growing. During 2017/18 colleagues in Legal Services raised concerns regarding the safeguarding cases, this was discussed with Social Services colleagues and both Directorates agreed a 'joint' risk. This was subsequently escalated and is now on the Corporate Risk Register. Managing the capacity and obtaining sufficient funding to deal with these cases is challenging.
9. In 2017/18 budgets were centralised to enable the Community Team in Legal Services to recruit additional Solicitors to undertake work that had previously been done externally for Social Services. As a consequence of the additional funding, during 2017/18 a recruitment drive took place to fill newly created posts. This was completed by the end of 2017. However, due to staff turnover, recruitment in the Community Team has been ongoing. This is exacerbated by the fact that Solicitors in Cardiff Council are only required to give one months' notice compared to new Solicitors joining the Authority who usually are required to give 2/3 months' notice both in private and other public practice. Consultation has taken place with the trade unions seeking agreement to extend the notice period of newly appointed solicitors to 3 months.
10. Due to both an increase in this work and the fact that the Community Team has rarely had a full complement of staff, workload is high for staff in post and there has continued to be a need to outsource some Legal work. The result of this is a potential overspend of £120,000 projected at month 5 for 2018/19. External spend will continue to be monitored closely throughout the year and a financial pressures bid has been submitted in relation to the 2019/20 budget for additional funding for further post creations in the Community Team.

(b) Senior Management Assurance Statement Appendix B

11. The Senior Management Assurance Statement is discussed twice a year in the Directorate Management Team Meetings which is also attended by the Risk Champion and Performance Lead and the Budget Accountant. The form is then completed, reviewed and signed on behalf of the Directorate by the Director. Budget Monitoring, Risk Management and Performance is always an item on the Directorate Management Team meetings and issues are raised and discussed as necessary. The directorate recognises the importance of, and is paying particular attention to, the integration of its work with the Social Services Directorate in order to ensure there is effective governance in respect of safeguarding

matters from a legal perspective. This is an area of particular focus which is being managed monitored and reviewed through the corporate risk register.

(c) Monitoring / implementing recommendations made in Internal Audit reports

12. During the year, there are regular, quarterly meetings with the Relationship Manager from the Audit team to discuss progress against the agreed plan and any emerging risks that might need to be reviewed during the year. Currently Internal Audit Reports are discussed and actions agreed with relevant managers. Recent example in my directorate include Local Land Charges, Payroll Governance and Partnership and Collaborative Governance.

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

Audit	Status	Assurance rating	Number of recommendations
Land charges	Final report issued	Satisfactory	4
Governance	Final report issued	Effective	0
Payroll	Final report issued	Effective	0

The recommendations made for final reports issued are reported to every meeting of the Audit Committee on the **recommendation tracker** that is attached to the Internal Audit progress report. Managers are contacted before every Audit Committee meeting for an update on the implementation of recommendations, and the recommendations remain on the tracker until managers confirm that they have been fully implemented, at which point they are marked as closed.

13. One of the key priorities for Democratic Services has been to respond to the Wales Audit Office (WAO) Report 'Overview and Scrutiny – fit for the future?' following which an action plan has been developed to address each of the five Proposals for Improvement. However, it is worth noting that the WAO found that our scrutiny function is fit for the future. See Appendix C

RECOMMENDATIONS

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

Davina Fiore, Director of Legal and Governance and Monitoring Officer

13th November 2018

The following Appendix is attached:-

Appendix 1 – Governance and Legal Structure

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

Appendix B – SMAS Mid Year

Appendix C – WAO Review of Scrutiny