

Agenda



Governance and Audit Committee

Date: Thursday, 31 March 2022

Time: 5.00 pm

Venue: Microsoft Teams Live Event

To: Mr J Baker (Chair) Councillors H Thomas, M Whitcutt, G Giles, P Hourahine, R White, R Mogford, J Jordan and R Hayat

Item

- 1 Apologies for Absence
- 2 Declarations of Interest
- 3 Minutes of the Last Meeting 27 January 2022 (Pages 3 - 14)
- 4 Annual Corporate Self Assessment (Pages 15 - 20)
- 5 Corporate Risk Register (Quarter 3) (Pages 21 - 74)
- 6 Audit Wales Annual Audit Summary 2021 (Pages 75 - 94)
- 7 Internal Audit - Progress against Audit Plan 2021/22 Quarter 3
(Pages 95 - 106)
- 8 Internal Audit Charter- Revised and Updated (Pages 107 - 128)
- 9 Audit Wales Annual Audit Plan 2022 (Pages 129 - 146)
- 10 Work Programme (Pages 147 - 150)
- 11 Date of Next Meeting
26 May 2022 at 5pm
- 12 Live Event
[Please click on the link to watch the Live Event](#)

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Date of Issue: Thursday, 24 March 2022

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Draft Minutes

Governance and Audit Committee

Date: 27 January 2022

Time: 5:00pm

Venue: Microsoft Teams Live Event

Present: Mr. J. Baker (Chair), Councillors G. Giles, P. Hourahine, J. Jordan, H. Thomas.

In attendance: Andrew Wathan (Chief Internal Auditor), Dona Palmer (Audit Manager), Gareth Lucey (Audit Wales), Jan Furtek (Acting Audit Manager), Paul Flint (Performance & Risk Business Partner), Ramim Khan (Audit Wales), Robert Green (Assistant Head of Finance), Rhys Cornwall (Strategic Director – Transformation & Corporate Centre), Mark Howcroft (Assistant Head of Finance), Meirion Rushworth (Head of Finance).

Samantha Schanzer (Governance Support Officer), Pamela Tasker (Governance Support Officer)

1. Apologies for Absence

Councillor R. Mogford, Councillor M. Whitcutt and Councillor R. White

2. Declarations of Interest

None

3. Minutes of the Last Meeting

Agreed:

The minutes from the last meeting of 11 November 2021 were confirmed as a true record.

4. Corporate Risk Register (Quarter 2)

The Council's Corporate Risk Register monitors those risks that may prevent the Council from achieving its Corporate Plan or delivering services to its communities and service users in Newport.

The Chair reiterated to the Committee that it was not their role to query the scoring of the risks but the process around the risks.

The report was presented to the Committee by the Strategic Director – Transformation & Corporate Centre.

Main Points:

The Strategic Director stated that looking back to July to September 2021 there were a few significant potential risks the organisation were dealing with at that time. One of these was the post EU transition period and Brexit and implications associated with that, as well as the Delta variant risk due to the start of the new school term.

- Within the service plans there were 46 specific risks across its eight service areas with some changes, with a closed risk associated with the strategic development plan as a result of corporate committee arrangements. There was a new risk associated with the replacement Local Development Plan.
- For the Corporate Risk Register there were 18 risks, with Covid escalating and deescalating in relation to infection rates etc.
- Pressure on community services also depended on the risks associated with Covid and how that was managed.
- Increased risk with Brexit and the HGV drivers shortage which carried on into Quarter 3.
- Reduction in safeguarding was a risk due to the organisations self-assessment that was undertaken.

Questions:

Councillor Hourahine enquired about the risk against Brexit and whether it was a blunt tool to define where the risks actually were as there was a difficulty in recruiting for care workers for care homes and it was noted that recruitment was sought in the community.

The Strategic Corporate Director explained that outside of this period, but due to the Omicron variant and the pressures on social care, there was a range of interventions to manage this ongoing risk. This was not to do with Brexit but within each service plan there were risks and workforce planning where there had been a lot of work in the organisation on this. This looked at the current workforce and future workforce retention, training, and activities, and in each service plan there was a section as to how those problems were tackled.

Councillor Giles stated that ALN and SEN issues along with school budgets were ongoing but were not as serious as once thought which was impressive. Councillor Giles gave thanks to the Authority and all the schools for their hard work. Councillor Giles requested an update on schools and ALN and SEN issues and commented on the post covid picture and what this would look like as some financial issues of schools were somewhat alleviated.

The Strategic Corporate Director stated that the schools finance cost pressures were an ongoing issue, and this was a huge piece of work led by Finance colleagues and Education who were working with schools to alleviate budget pressures which was very successful so far. This was a huge effort from officers and schools. In relation to the SEN and ALN challenges this was around the new legislation with new requirements and operational challenges.

The overall budget position for schools was interesting due to increasing pressures in schools and Welsh Government had provided a hardship fund in place to support this. The biggest impact has been through collaboration between Finance colleagues and Education.

Councillor Giles asked as to whether there were concerns regarding the loss of the additional payment this year and what would happen as a result of this.

The Head of Finance stated that the ending of the hardship fund on the 31 March 2022 was a concern but was mitigated by the settlements being good for local governments. Work was ongoing with Cabinet and the Leader to put together a risk mitigation plan to manage the inevitable cost that was in the system as well as loss of income as normality won't return on 1st April. It would need to be sufficient and robust and maybe next year there may be some permanent changes, but it was too early to say at present.

The Chair noted that on page 32 of the pack in relation to Ash Die Back Disease, this showed 20 as an inherent risk score. The Chair stated that they did not want to query the score but with so many trees cut down should there be a change of direction in the score.

The Performance & Risk Business Partner confirmed that the score would be coming down over the next couple of quarters and this would be monitored.

The Chair commented on page 42 and the inherent risk score showed score of 25 but the matrix showed a score of 20 and whether the dot was in the right place.

The Performance & Risk Business Partner confirmed that the score confirmed the direction of travel was coming down.

Agreed:

The Governance and Audit Committee noted the report.

5. Capital & Treasury Management Strategy

The purpose of this report was to gather the Committee's views and responses to the Council's draft Capital and Treasury Management Strategies. These views and responses would then be reported to both Cabinet and Council, to inform their respective considerations of these documents.

The report was presented to the committee by the Assistant Head of Finance, and it was explained that this was the last year of the Capital Strategy Programme and there would be a more fundamental review next year as the new programme was developed.

Main Points:

- There were 2 additional years added to cover schemes that extended beyond 2023 such as the 21st century schools Band B programme which was a multi-year programme that extended beyond the next financial year.
- The report was brought to the Governance and Audit Committee for consideration and comment and then Cabinet and full Council for sign off which was the process followed.
- This was a long-term document covering a 10-year period and beyond in some cases and it was required of the team to underpin all considerations with the 3 main objectives of affordability, prudence, and sustainability, and they were critical within the decisions that were taken in conjunction with this report.
- In the Head of Finance comments, it was noted that one of the main aims was to limit the growth and debt funded Capital Expenditure e.g., expenditure funded by borrowing. Internal borrowing capacity would reduce over time and the way that the MRP policy worked, the charges would increase over time.
- On page 3 there were two sections that gave an overview of the two strategies, what their main purpose was and how they were set out within the prudential code.
- In terms of the main highlights, the 7 years in total was £288 million which included £2.4 million of currently uncommitted borrowing headroom and in 2022-2023 we were looking at a spend in excess of £100 million which was a significant challenge for the Council to achieve.
- £77.5 million was anticipated to be funded through borrowing with £43.1 million was still to be incurred.
- Within the report, the prudential indicators- the two critical ones were the external borrowing limits and the authorised limit in the operational boundary. They were derived from the Capital Programme and at £271 million and £192 million respectively, excluding PFI's and leases. This reflected an increase on the limits that were currently in place in this financial year and that just underlies our position as a net borrower going forward.
- Table 3 contained the capital financing costs that we have budgeted for within the Council's revenue budget which were still relatively high and were reduced in proportion of the Councils overall revenue budget going forward. This was mainly due to the positive settlement that's being received this year, and the indicative settlements that we've had from the next two years, but it ultimately showed the ultimate impact debt funded Capital Expenditure had on an authority's finances.
- The Council needed to develop a new Capital programme where the CFR did not grow overall.
- There were two scenarios as part of this work, one with an annual borrow debt fund expenditure of **£5.5 million** a year and one scenario of **£7.5 million** a year and these both showed that they either reduce or stabilised the CFR.
- However even with these two scenarios the capital financing cost would continue to rise for reasons already noted.
- Part of developing the new programme would be to review the governance structure around how schemes get added to the programmes, making it more robust and limit the amount of slippage being reported.

- In terms of the Capital Strategy there have been changes to the prudential code and the Treasury Management code, both of which were being finalized and published at the moment. There was one specific requirement in relation to the Prudential Code, which is that local authorities would now be precluded from undertaking borrowing where the sole aim of that borrowing is to yield from that. There was no real impact on Newport and there were no plans of that nature at the moment but if there were plans, they would not be able to be taken forward.
- There were sections in the report on the borrowing strategy and investment strategy where net borrowing requirement over the medium-term was the preferred strategy to maximize internal borrowing, deferring the need to undertake actual borrowing for as long as possible, but where relevant, borrowing in advance of need would be considered, with the aim to secure low interest rates and balance that against the risk of borrowing too early and incurring unnecessary interest costs. We also needed to consider the current interest rates on short term borrowing, which were low at the moment, to ensure a balanced portfolio.
- In terms of investments, it was needed to maintain an investment balance of £10 million to retain our professional client status, with the overall aim to strike a balance between risk and reward with consideration given to a diversification of investments to try and ensure that balance was achieved.

The Head of Finance mentioned that next year a local indicator was being introduced which was debt funded capital expenditure which was set at £2.4 million to take us to the end of the Capital Programme. This would mean a limit next year on new borrowing commitments. In terms of the new programme the intention was to set commitments next year where two scenarios were modelled which stabilised borrowing revenues. However, they did not stabilise revenue costs which would continue to increase. Limits would be set to stabilise the CFR. As previously indicated, there were two scenarios of £5.5 million a year and £7.5 million a year and the Head of Finance stated that it was their intention to recommend that a limit was set for the programme period somewhere in that area.

Questions:

Councillor Hourahine asked about the extension of 2 years on the Capital Expenditure Programme and was this brought about because this was planned or had it happened due to underperformance within the Council of these programmes.

The Head of Finance explained that the 21st Century schools programme ran in a slightly different period than the Council's own Capital Programme but there had been slippage as well.

Councillor Hourahine felt that this needed to be addressed by tighter programme management.

The Chair referred to the budgeted spend of £100 million and that there was a risk that this would not be spent and that over the last 5-7 years we always underspend our Capital Programme by about 20-30% every year. The Chair noted that following on from the last statement, if we were struggling to hit our expected spend again this

year what was happening with programme management around capital cost as it was a continuous problem and it was affecting what the strategy would be for this document.

The Chair asked what the Council was doing to get better project management in this area.

The Assistant Head of Finance (RG) stated that there was a recognition that there needed to be a review of the governance arrangements and that in some cases there were capacity challenges, staff numbers etc and this was a challenge that was given consideration and was discussed recently. With the senior management restructure that's being undertaken and the Executive Board now being in place there were stronger structures around the management and the oversight of the Capital Programme. It was therefore anticipated that the risk would be reduced going forward with a more robust process in place to try to avoid a placeholder approach to putting schemes into the programme, so the schemes were ready and deliverable, and the profile was accurate and realistic.

The Head of Finance added that the governance arrangements were being reviewed over the whole piece and across the Authority as management structures were being filled. The Capital Programme and delivery were part of this review and would need to be strengthened.

The Chair suggested that if there was slippage, the capacity issue would need to be referred to in the accounts at that stage as the slippage was being recorded again and from the readers point of view it gave more context.

The Chair commented that the paper was a reactive rather than a proactive document where it was a strategy and method of funding. The Chair stated that they felt that a strategy should be how much debt do we want to carry. For example, the authorised limit was around the £300 million mark which was our maximum borrowing. The Chair stated that it seemed to imply that we wanted to be below £220 million but on the other hand our Capital Programme was £100 million so the strategy should be saying we could go up to £220 million but as a Council we don't want to exceed whatever the appropriate level was. Therefore, the Chair stated that we should be driving what the capital plan should be set at and not the other way around.

The Chair commented that in the report itself that on page 73-paragraph 12 they questioned the first sentence and what it meant; "It should be noted that the two limits described above only place a theoretical limit on borrowing that can be undertaken to fund new capital expenditure, if there is evidence of slippage occurring across the programme."

The Assistant Head of Finance stated that they were trying to say that the way that we currently calculate both the authorised limit, and the operational boundary was based on the Capital Programme that they were looking to deliver but slippage was a common occurrence, and it can be significant at times. Due to slippage the authorised limit was not achieved, and it was felt that was a lot of latitude for additional borrowing that exceeded the programme. Another measure of control was

required in terms of borrowing and that the borrowing headroom was itself an indicator so if the amount of debt funded expenditure was increased then this itself needed to be approved.

The Chair recommended that this paragraph needed to be reworded.

Councillor Giles noted that it was an interesting discussion and that their experience with Plan B Capital Expenditure was match funded which caused great difficulties as it was funded to what we could afford. Councillor Giles noted that there were developers who added unexpected large costs which were not always planned for. Councillor Giles added their thanks to the team for the report.

Actions:

For the Assistant Head of Finance to amend page 73-paragraph 12 as advised by the Chair.

Agreed:

The Governance and Audit Committee noted the report.

6 Lessons Learned 2020/21

This report is to provide the Governance & Audit Committee with an update from the exit meeting with Audit Wales which reflected upon the 2020-21 Statement of Accounts audit process, and whether practices could be amended to benefit the 2021-22 Statement of Accounts process.

The report was presented by the Assistant Head of Finance who confirmed that the Statement of Accounts 2020/2021 were signed off in November 2021, but refinements were acknowledged and corrected.

The changes made were reflected in the working papers which automatically go through into the 2021-22 process.

- The focus on the Audit meeting looked at what went well and what could be improved, information sharing aspects and how the team could better meet the statutory audit timescales. Covid flexibilities made the accounts more difficult, but it was recognised that those flexibilities may soon not exist.
- Auditors have time commitments for other audits and as a result of the Audit meeting there was a consideration by the local authority as to whether there was a look to prepare the accounts with auditor availability or to push to close with early time scales.
- It was noted about the delay to reserves approval which was covid related. The Covid grant itself which was a lot of money involved around £30 million funding to be allocated to particular services.
- It was noted this was a good audit process and it was good to be challenged to meet the May deadline and that it was sensible to work to statutory guidelines.
- It was a small team but very resilient under pressures which was a risk the Council needed to appreciate.

Questions:

Councillor Hourahine stated that as it was a small team what availability was there in the whole finance system to allocate staff where they were most needed.

The Head of Finance noted that this was a very technical piece of work, and the Assistant Head of Finance stated a certain expertise was needed for certain things such as the presentation of a 160-page document following the international financial reporting standards.

The Assistant Head of Finance explained that certain closing jobs were shared out in the team but with a team of 4 that inherent challenge and capacity was present.

The Head of Finance confirmed that the entire accountancy team were all involved and there was a central team which brought it all together with the Assistant Head of Finance, alongside one capital accountant and a finance business partner. The work was very technical, and this level of knowledge was not available to everyone in accountancy. Everyone was involved in the end process. Resilience was a problem, and this was concerning but with resources that were there the team did the best they could.

The Chair agreed that this problem was everywhere and noted that it was good to have a Lessons Learned document which was great to have. The Chair agreed that it was necessary to go to the end of May deadline and it was correct to stick to this as there was less risk doing it that way.

Agreed:

The Governance and Audit Committee noted the report

7. SO24 / Waiving of Contract SO's: Quarterly report reviewing Cabinet / CM urgent decisions or waiving Contract SO's (Quarter 3, October to December 2021)

This report provided details of decisions on the use of Standing Order 24 (decisions taken urgently) or the Waiving of Contract Standing Orders for the above period. In consideration of this report, Members were reminded that they are not questioning the merits of the decisions taken but were focussing on why decisions were taken as urgent or why contract standing orders needed to be waived.

The report was presented by the Chief Internal Auditor who explained that this was a regular report to Committee and SO24 allowed Cabinet Members or Cabinet to make urgent decisions without going through the normal consultation process.

During the last quarter there was one report that was submitted which was in relation to a Standard Order 24 and the Committee needed to assure themselves that the reason for pushing through the SO24 was justifiable which would lead to good governance.

The Chief Internal Auditor explained that their role was to review the decision schedule and the report which was included in the papers and to identify the reason for the urgent decision.

The Chief Internal Auditor stated that in his opinion the justification for the urgency of the decision was not explicit or recorded in the report and there was no timeline included around budget or options.

The Chief Internal Auditor informed the Committee that he was not recommending for the Cabinet Member to be called in to the Committee, but they would suggest that the Committee consider requesting the Cabinet Member to provide a written response as to why it was appropriate to use SO24 on this occasion.

The Chair agreed with the recommendation and stated that further information was needed.

Agreed:

For the Chief Internal Auditor to request the Cabinet Member to provide a written response to the Governance and Audit Committee to explain the use of SO24.

8. Internal Audit Unsatisfactory Audit Opinions (6 monthly report)

This report was presented to Committee by the Chief Internal Auditor.

This report was about the opinions that the team issued, and it gave the Committee an update on the progress on the Unfavourable opinions that were issued.

Main Points:

- During 2018/19, 48 audit opinions had been issued; 10 were Unsatisfactory, 1 was Unsound.
- During 2019/20, 32 audit opinions had been issued; 6 were Unsatisfactory, none were Unsound.
- During 2020/21, 29 audit opinions had been issued; 1 was Unsatisfactory, none were Unsound.
- During 2021/22 (to 30-9-21), 9 audit opinions had been issued; none were Unsatisfactory or Unsound.

This was a promising way forward as the number of unfavourable opinions were reducing. Members can see improvements have been made and there was a commitment made to follow up on any Unfavourable opinions and report back to the Committee the secondary opinion which could be positive or negative.

- In some case there have been 2 consecutive Unfavourable opinions then Committee have called in the relevant Head of Service to challenge the individual as to why little action was taken and to make those improvements.
- In 2015-16 Paragraph 6 of the report, 34 audit opinions were issued; 8 of which were deemed to be *Unsatisfactory*; one was noted in the summary as

table as the 7 previous reports have been followed up and more favourable opinions were issued and have been duly reported to the Committee.

- Table 6 showed the Joint Venture- Newport Norse which was Unsatisfactory some years ago. There have been some delays in getting this report in terms of follow up. Follow up was started in 2021, continued into 2022 and a new opinion was issued which was reported to be more favourable and this would be reported back to the Committee in due course.
- In 2016/17, 35 audit opinions were issued; 5 were deemed to be Unsatisfactory, 1 was Unsound. One report has not yet been followed up. This was an SRS issue and the previous 4 Unsatisfactory reports and one Unsound have been followed up by a more favourable opinion. SRS and the Digital Team have engaged with a consultant to identify a gap analysis and an update would be provided to the Committee in due course.
- Paragraph 8 stated that in 2017/18, 40 audit opinions were issued; 6 were deemed to be Unsatisfactory, none were Unsound. 4 out of the 6 have been followed up; 3 of which have resulted in a more favourable audit opinion. Two reports have not yet been followed up. In relation to the Preferred Catering Contractor this was not yet picked up as the school were yet to engage with a new contract.
- In 2018/19, 48 audit opinions had been issued; 10 were deemed to be Unsatisfactory, 1 was deemed to be Unsound. 6 audits have been followed up which resulted in more favourable opinions. The outstanding opinions were shown in the table. Adoption Allowances were being followed up in this current financial year. Commercial & Industrial Property Portfolio was originally Unsatisfactory, and the final report was issued in March 2021 which was an improved opinion of Reasonable. Highways has seen an improved opinion of Reasonable. Vehicle Tracking System & Usage was previously Unsatisfactory, this has not yet been followed up as they were implementing a new tracking system. Trips and Visits have had a follow up undertaken and the Committee have previously called in the Head of Service who gave assurances that things would improve. There was a delay in this follow up due to Covid/Pandemic school closures. Caerleon Comprehensive was Unsatisfactory and due to Covid this was not followed up as of the 30th September 2021. However, this was subsequently followed up and the report would be submitted to the Committee at a future meeting.
- In 2019/20, 32 audit opinions had been issued; 6 were deemed to be Unsatisfactory, none were deemed to be Unsound. 3 audits have been followed up which has resulted in more favourable opinions. Taxi Contracts were to be followed up in this Quarter 4 of 2021/22. Corporate Governance was to be followed up in 2022/23 next financial year. Kinships have received 2 consecutive Unsatisfactory opinions and the Head of Children and Young People was called in to give assurances that things would improve. A follow up was completed which improved the opinion to Reasonable. Children & Families Imprest Account was originally Unsatisfactory with the final report issued in August 2021 which was a better Reasonable opinion. Gwent Music Support had an Unsatisfactory report and discussions have been ongoing with their service manager, a follow up was not carried out but advice was issued and post Covid a follow up Audit would be completed.
- In 2020/21, 29 audit opinions had been issued; 1 was deemed to be Unsatisfactory, none were deemed to be Unsound.

- In 2021/22, to September 2021, 9 audit opinions have been issued; no audit reports have been issued with an Unsatisfactory or Unsound audit opinion.
- Managers have a commitment to make the changes that were suggested, and the managers put their own management actions to address their issues and it was up to the operational managers to move this forward.

Questions:

Councillor Giles stated that it appeared that everything was quite detailed and was very efficient. They stated that some opinions were familiar, and some were unexpected. Councillor Giles also noted that there were a lot of covid aspects and asked whether there were any examples to explain how services were affected.

The Chief Internal Auditor confirmed that the main audit areas affected were our schools and not being able to carry out site visits due to Covid restrictions and school closures. The Audit Team would work with schools and Head Teachers, and they would have a controlled risk self-assessment to be sent out to them to make sure adequate controls were in place. With other service areas the focus was on frontline provision during the pandemic rather than audit which was acknowledged.

Councillor Hourahine remarked on the summary sheet which mentioned audit opinions as this was touched on this before. Councillor Hourahine requested for there to be an indication in the summary tables of when the team were next able to visit as this would be helpful e.g., 2018/2019 opinions.

The Chief Internal Auditor stated that they would take this on board and stated that the information was captured in the tables, and it depends on when the job appeared on the Audit cycle as other risks come on board which may take priority. In relation to the follow up to an Unfavourable report a follow up would be completed within 12 months but sometimes this could be accommodated.

Agreed:

The Governance and Audit Committee noted the report

9. Work Programme

The Chief Internal Auditor requested the Internal Audit Charter to go on the agenda for the 31st March 2022 Committee.

Audit Wales requested for Audit Wales Annual Audit Plan 2022 to go on the agenda for the 31st March 2022 Committee.

Audit Wales stated that Audit Wales Annual Report on Grants Works 2021-22 Draft may be on March's Committee but this would need to be confirmed.

10 Date of Next Meeting

31 March 2022 @ 5pm



Report

Governance and Audit Committee

Part 1

Date: March 2022

Subject Local Government & Elections (Wales) Act 2021 – Corporate Self-Assessment

Purpose To provide the Council's Governance and Audit Committee an overview of the Council's approach to completing its annual Corporate Self-Assessment as per the Local Government & Elections (Wales) Act 2021.

Author(s) Strategic Director - Transformation and Corporate
Head of Law & Regulation
Head of People, Policy and Transformation

Ward All Wards

Summary The Local Government and Elections (Wales) Act 2021 requires local authorities in Wales to undertake a Self-Assessment of its governance and performance.

Following Welsh Government guidance, the proposal is that the Council will integrate its Self-Assessment into the Council's Annual Corporate Report whilst also considering the findings and assessments completed in other statutory annual reports. This assessment will enable the Council to reflect on where it has performed well and where further improvements can be made. An action plan will be reported and monitored to ensure the Council makes continuous improvement on the delivery of its services.

Proposal For the Governance and Audit Committee to provide comments and recommendations on the Council's proposed approach in completing its annual Corporate Self-Assessment.

Action by Executive Board and Corporate Management Team

Timetable Immediate

This report was prepared after consultation with:

- Executive Board
- Corporate Management Team

Signed

Background

In February 2021, the Local Government and Elections (Wales) Act (the Act) received Royal Assent and replaced the previous Local Government (Wales) Act 1994. One of the requirements in the Act is for local authorities in Wales to:

- Conduct an annual self-assessment of performance; and
- Conduct periodic review to provide an external, expert perspective on performance.

For the purpose of this report for Committee consideration the focus will be on the Council's approach to undertaking an annual self-assessment. There is ongoing work to finalise the approach Councils will take towards periodic external reviews also known as Peer Reviews. The approach that the Council will take will be reported in a future report to the Governance and Audit Committee.

To support the implementation of these new requirements, the Welsh Government published guidance for local authorities to consider and adopt the best approach to suit its own governance and performance monitoring requirements. A link to the Welsh Government guidance can be found [here](#). In summary:

1. **Keep performance under review** – ensuring that the Council is exercising its functions effectively; using its resources economically, efficiently, and effectively; and that governance arrangements are effective for securing these areas.
2. **Duty to consult on performance** – ensuring that Councils consult with local people, businesses operating in Newport, Council staff and Trade Unions.
3. **Duty to report on performance** – demonstrating the extent to which the Council has performed in the previous financial year, the action it intends to take or has taken to meet and increase upon performance requirements.

The Council will have to report its Self-Assessment to the Auditor General for Wales, Her Majesty's Chief Inspector of Education and Training in Wales and Welsh Minister's including Care Inspectorate Wales.

The Act allows all local authorities to determine the best approach they wish to take and the appropriate format for the assessment to be published. Before the self-assessment is published, there is a requirement for the views of the Council's Governance and Audit Committee to:

- Ensure the self-assessment has been completed in accordance with the Act.
- Reviewing the draft report, its conclusions, and actions; and
- Proposing recommendations for changes to the assessment.

The Act also states that the report must be published four weeks after the final approval of its preferred approach.

Newport City Council Self-Assessment Approach

Over the last nine months Newport Council has been researching and discussing with other local authorities and Welsh Local Government Association (WLGA) on the best approach to take in undertaking the Corporate Self-Assessment. In developing the Council's approach, three options were considered by senior officers which included:

1. Undertaking a standalone self-assessment of the Council's Governance and performance requesting service areas to self-assess each of their areas and overall corporate governance.
2. Integrating the self-assessment into the Council's Annual Governance Statement (AGS) as this report already assesses the effectiveness and efficiency of the Council's governance, performance and use of resources.
3. Integrating the self-assessment into the Council's annual Corporate Well-being Report (Annual Report) to assess the overall performance and governance of the organisation.

Following a review of the three options, the preferred approach is option 3 (integration with the Annual Report) as the best approach to undertake a self-assessment within the resources of the Council. This considers the additional resource and time required with the other two options to comply with the Act and also the duplication with other statutory reports e.g. Annual Governance Statement, Director of Social

Services Report etc produced by the Council in relation to governance, assessment of performance and compliance with statutory duties.

The integration of the self-assessment into the Annual Report is the preferred option as:

1. The Annual Report includes an assessment of performance against performance measures and an overall assessment of what the Council has delivered in the previous financial year.
 - a. Where measures are underperforming, commentary is provided outlining the reason(s) and where further action is being taken to improve performance.
 - b. The report links into the End of year Service Plan reviews that are completed by each service area and subject to Performance Scrutiny Committee review.
2. The Annual Report integrates and links into other statutory annual reports that are produced by the Council which includes (not exclusive):
 - a. Annual Governance Statement
 - b. Strategic Equalities Annual report
 - c. Welsh Language Annual report
 - d. Director of Social Services Annual Report
 - e. Annual Statement Accounts
 - f. Corporate compliments, comments, and complaints
 - g. Annual Digital and Information Report
3. The Report includes how the Council has consulted and engaged with the City's residents, businesses and staff on key strategic decision making and its performance.

A copy of the last Annual Report can be found [here](#).

To comply with the new requirements in the Act and guidance, several enhancements will be made to the Annual Report but also to other statutory annual reports to support the Council's overall assessment:

- The Annual Report will state how the Report supports the requirements of the Act and enables the Council to effectively self-assess its performance.
- The Annual Report will be more self-reflective and challenging in what it has achieved and where further improvements can be made.
- Inclusion of additional assessment and coverage on the effectiveness of the Council's corporate governance and performance management.
- Widen the coverage of how the Council has effectively engaged and consulted with the key stakeholders (residents, businesses, staff, and Trade unions) outlined in the Act.
- Incorporate and include an action plan outlining how it will improve its governance and corporate performance. The recommendations and actions from other statutory reports will be included and subject to monitoring by the Council's service areas.

Governance and Scrutiny

The Act and guidance state it is at the discretion of each local authority to determine the approach and format which its Self-Assessment is completed. One stipulation in the Act is that the Self-Assessment is reviewed by the local authorities' Governance and Audit Committee (GAC) and that it is formally approved by the Council's Cabinet and/or Council. Once approved it must be published within 4 weeks (in Welsh and English).

At Newport City Council, service areas undertake quarterly monitoring and reporting of their performance, and risk management. Mid and End of Year reviews of service area performance is reported to the council's Performance Scrutiny Committees and Cabinet. In addition, performance and risk are subject to regular senior officer reviews including deep dives into underperforming areas or where risks are not being mitigated effectively.

The Council's performance scrutiny committees will continue their review of service area performance as well as undertaking reviews into specific areas delivered by the Council. For the Council's Annual Report, both GAC and the Overview and Scrutiny Management Committees responses / recommendations will be

taken into consideration before the final version is approved by the Council's Cabinet and published. For clarity the role of each Committee will be:

- **Governance and Audit Committee** – To ensure the self-assessment has been completed in accordance with the Act; reviewing the draft report, its conclusions, and actions; and proposing recommendations for changes to the assessment.
- **Overview and Scrutiny Management Committee** – To review the Annual Report and to scrutinise the performance of the Council in the last financial year ensuring the Council is meeting its Well-being goals and strategic priorities.

Next Steps

The recommendations from the Governance and Audit Committee will be considered in the review of the Council's approach. A report will be presented at Cabinet with a report also presented to the Council's Democratic Services Committee for information.

The draft Annual Report / Corporate Self-Assessment 2021/22 will be drafted and in Quarter 1 and presented to the Council's GAC, Overview and Scrutiny Management Committee and Cabinet in Quarter 2. The final report will be published within 4 weeks of the Cabinet approval and will be available in Welsh and English. Feedback and lessons learned from the development of the first publication will be considered and improvements made to future reports.

The Council will also update its Planning, Performance and Risk Management Framework and its supporting Planning and Performance Policy to incorporate the new requirements of the legislation. The framework and policies will be presented at a future Governance and Audit Committee in 2022/23.

Financial Summary (Capital and Revenue)

The implementation of the new requirements in the Act will be made within existing resources of the Council.

Risks

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Non-compliance with the Local Government & Elections Act	M	L	The Approach outlined in the report will mitigate against non-compliance with the Act.	Director for Corporate and Transformation

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

- Corporate Plan 2017-22

Options Available and considered

1. Governance and Audit Committee to provide comments and recommendations on the Council's approach to the Self-Assessment note the contents of this report and the approach that the Council will undertake to comply with the new requirements set in the Local Government & Elections Act 2021.
2. Governance and Audit Committee do not accept the contents of the report and require further information to support the Council's approach proposed.

Preferred Option and Why

Option 1 is the preferred option and Officers will consider any feedback received in relation to report presented.

Comments of Chief Financial Officer

There will be no budgetary impact as a result of this report which merely requests that the Governance and Audit Committee provide comments and recommendations on the Council's proposed approach in completing its annual Corporate Self-Assessment. Any actions required as a result of the self assessment process will need to be dealt with through the budget setting process and Medium Term Financial Plan.

Comments of Monitoring Officer

There are no specific legal issues arising from the report. The Governance & Audit Committee is being asked to consider and comment on the proposed arrangements for developing and publishing the annual self-assessment performance report, building-on the current Annual Corporate Well-being Report. The Local Government & Elections (Wales) Act 2021 has removed the previous statutory duty under the Local Government (Wales) Measure 2009 for councils to secure continuous improvement in the delivery of services. The continuous improvement duty has been replaced by a more flexible performance self-assessment process which requires the Council to keep under review the extent to which it is exercising its functions effectively, using its resources economically, efficiently and effectively and has in place effective governance arrangements to secure these performance requirements. As part of that self-assessment process, the Council is required to produce an annual self-assessment report, setting out its conclusions on the extent to which it has met these performance requirements and any actions it intends to take, or has already taken, to increase performance. The annual self-assessment process will require consultation with a number of key stakeholders, including the public, local businesses, Council staff and trade unions. Governance & Audit Committee have a new statutory role under the 2021 Act in relation to this performance self-assessment process and will be required to review the annual draft self-assessment and can make recommendations for changes to the conclusions or action contained in the draft report. How the Council develops and publishes the annual self-assessment performance report is a matter for the Council to determine but, of the available options, it has been agreed that utilising the Annual Corporate Well-being Report would be the most appropriate way of discharging this duty, as it already encompasses most of the evidence-based requirements for the self-assessment process.

Comments of Head of People, Policy and Transformation

The new requirements in the Local Government and Elections (Wales) Act 2021 provides an opportunity for the Council to improve the reporting and assessment on the effectiveness of the Council to its stakeholders in the city. Over the last 4 years the Council has been making steady progress to improving its governance and performance reporting and this new requirement provides the next evolution stage to this work.

The Well-being of Future Generations Act and other statutory duties has been at the centre of how the Council plans the delivery of its services, monitor its performance, and manages the risks of the Council. The Council's Executive Board and Corporate Management Team have been consulted throughout its development and accept the approach outlined in this report. However, as this is the first year of reporting, the Council also accepts that continuous improvements will be made to the overall self-assessment process in the Council.

Scrutiny Committees

An information report will be provided to the Council's Democratic Services Committee for consideration following approval from the Council's Cabinet.

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**

The requirements set out in the Local Government and Elections Act have integrated the Wellbeing of Future Generations Act in its guidance and legislation. The final report published will be integrated into the Council's Corporate Annual Report which provides an overview of the Council's performance in delivering its Well-being Goals and strategic priorities.

- **Equality Act 2010 / Socio-economic Duty**

There is no requirement to undertake an FEIA which has already been considered by the Welsh Government in the development of the guidance and consultation with local authorities and other affected groups.

For the purpose of the Corporate Self-Assessment the Council will integrate the Council's annual reports on the Equality Act and Welsh Language Measure.

Consultation

The Council has consulted with the Executive Board and Corporate Management Team on the proposed approach that the Council will undertake.

Background Papers

Welsh Government Guidance on Performance and Governance Self-Assessment

Dated: 8th March 2022

Report

Governance and Audit Committee

Part 1

Date: 31 March 2022

Subject Quarter 3 2021/22 Corporate Risk Register Update

Purpose To present an update of the Corporate Risk Register for the end of quarter 3 (1st October to 31st December 2021).

Author Director of Transformation and Corporate
Head of People, Policy and Transformation

Ward All

Summary The Council's Corporate Risk Register monitors those risks that may prevent the Council from achieving its Corporate Plan or delivering services to its communities and service users in Newport.

At the end of quarter three, the Council had 44 risks across its eight service areas. Two service area risks were closed at the end of quarter 3 with no new risks being included.

Eighteen of the 47 risks were recorded in the Council's Corporate Risk Register and considered to have a significant impact on the achievement of the Council's objectives and statutory obligations. At the end of quarter three, there were no risks closed or escalated from the service area risk registers. Overall, there are 10 Severe risks (risk scores 15 to 25); 5 Major risks (risk scores 7 to 14); 2 Moderate risks (risk scores 4 to 6); and one low risk (1-3) that are outlined in the report.

The role of the Governance and Audit Committee is to review and monitor the corporate governance and risk management arrangements in place, with comments and recommendations of the Committee on risk process considered by Cabinet.

Proposal The Governance and Audit Committee is asked to consider the contents of this report and assess the risk management arrangements for the Authority, providing any additional commentary and/or recommendations to Cabinet.

Action by Executive Board, Corporate Management Team and Heads of Service

Timetable Immediate

This report was prepared after consultation with:

- Executive Board
- Corporate Management Team

Signed

Background

The Wellbeing of Future Generations (Wales) Act 2015, requires Newport City Council to set Wellbeing Objectives in its Corporate Plan 2017-22. With any Corporate Plan there will be risks that may prevent the Council from achieving its objectives. The Council's Risk Management Policy and Corporate Risk Register enables the Council to effectively identify, manage and monitor those risks to ensure that the Council realises its Plan and ensure service delivery is provided to its communities and citizens. In July 2020 the new Risk Management Policy for 2020-22 was approved by the leader of the Council. This policy is attached as part of the background papers of this report for reference.

The Local Government and Elections (Wales) Act 2021 changes the role and responsibilities of the Council's Governance and Audit Committee in relation to the performance and governance arrangements of authority and other constitutional changes. In April 2021, the Council's Democratic Services agreed to update the terms of reference of the Governance and Audit Committee to reflect these changes in the Act. The role and responsibilities of the Governance and Audit Committee remains the same in the review and assessment of the Council's corporate governance and risk management arrangements in place with comments and recommendations of the Committee on risk process considered by Cabinet.

The Council has set up a working group to review and implement the new legislative requirements over the next year.

Covid-19 / Post EU Transition, Newport City Council Response

Throughout the last year, Newport City Council has continued to focus on supporting front-line services, protecting lives and minimising the spread of Covid-19. As part of the Council's Civil Contingencies arrangements, the Council's Gold Command group consisting of Heads of Service and Chief Executive to monitor the situation; and to manage emerging operational / community risks. This group also links into the wider Strategic Coordination Group and Welsh Government structures and these arrangements remain in place at the time of this report.

Similarly, the Council has continued to monitor the situation following the UK leaving the EU and the Single Market. The Post EU Transition risk score presented in this report reflects the position at the time (31st December 2021).

Risk Management Process

In Newport City Council risks that may prevent or impact on the delivery of our services is continuously monitored and managed at all levels of the organisation. The following diagram below summarises how risks are continuously managed in Newport City Council.

There are many different sources of risks, such as civil contingencies, health & safety, service delivery and projects throughout the organisation where risks to the delivery of the Corporate Plan, or services might be identified and included on the Council's risk register. New risks identified to be included on the register must be assessed and evaluated to determine their risk scores (Inherent / Residual / Target), existing controls that are in place and where further mitigating controls are required to respond and reduce the overall impact of the risk to the Council. To assess risk scores Newport City Council uses a standard 5x5 matrix that is commonly adopted across Welsh and English local authorities. Appendix 1 of this report shows a heat map of the Council's corporate risks using this matrix.



All risks identified must be initially agreed by the Head of Service. If the residual risk score is 15 or above or if the Head of Service considers the risk to have an impact on the delivery of services / achievement of objectives in Council, it is escalated to the Council's Corporate Management Team (CMT) to determine whether it is included on the Council's Corporate Risk Register or if the risk should be managed by the relevant service area(s).

All risks are recorded in the Council's 'Management Information Hub'. Every quarter, risk owners, and risk action owners are required to assess and provide an update on the risk score and mitigating actions in place. Any risk that has escalated to 15 or above is automatically escalated and requires the Directors team to consider whether it should be included on the Corporate risk register or if they are satisfied that the responsible owner and mitigating actions are effective to be managed within the service area / team.

As risk mitigating actions are completed and the risk is reduced to meet the target risk score, an assessment will be undertaken by the risk owner to determine whether the risk is closed and if the risk mitigation actions have been sufficient to mitigate the overall risk. For risks on the Corporate Risk Register this responsibility would fall onto the Risk Owner and CMT to determine if the risk can be closed.

Quarter Three risk update

Service areas' have aligned the objectives and actions in the 2021/22 service plans with the [Council's Strategic Recovery Aims](#). Service areas also continue to consider any new and/or emerging risks that are impacting on the delivery of their services.

At the end of quarter three (to 31st December 2021), service areas had recorded 44 risks (including Corporate Risks) recorded in their risk registers.

Service Area	Q3 Risks	Risk Scores Increased since Q2	Risk Scores Decreased since Q2	No Change since Q2	New Risks (Since Q2)	Closed Risks (Since Q2)
Adult & Community Service	3	0	0	3	0	0
Children & Young People Service	3	0	0	3	0	0
City Services	6	0	1	5	0	0
Education	7	0	1	6	0	0
Finance	5	0	2	3	0	0
Law & Regulation	2	0	0	2	0	1

Service Area	Q3 Risks	Risk Scores Increased since Q2	Risk Scores Decreased since Q2	No Change since Q2	New Risks (Since Q2)	Closed Risks (Since Q2)
People & Business Change	12	0	1	11	0	0
Regeneration, Investment & Housing	6	0	1	5	0	1
Total	44	0	6	38	0	2

Closed Service Area Risks

At the end of quarter 3, two risks were closed in the following service areas:

Risk	Service Area	Q3 Risk Score	Target Risk Score	Reason
Transfer of Land Charges to Land Register	Law & Regulation	5	6	The transfer of land registry funded through government grant and the Council will receive an additional transitional payment as compensation to mitigate its impact. As the risk has achieved its target risk score the Head of Service has closed this risk.
Children and Communities Grant (CCG)	Regeneration Investment & Housing	3	5	Newport Council received confirmation of funding over the next three years from Welsh Government. As the risk has achieved its target risk score, the Head of Service has agreed for the risk to close.

Corporate Risk Register Update (Quarter 3)

The role of the Corporate Management Team (CMT) is to determine whether the risk should be included on the Corporate Risk Register for monitoring or if the risk should remain in the service area(s) because of sufficient management action being undertaken to manage the overall risk.

At the end of quarter three, the Council's Corporate Risk Register included 18 of the 44 risks that are considered to pose the most risk to the delivery of Council services and achievement of its Corporate Objectives. The 18 Corporate Risks consisted of:

- 10 Severe risks (15 to 25)
- 5 Major Risks (7 to 14)
- 2 Moderate Risk (4 to 6)
- 1 Low Risk (1 to 3).

Full list of Corporate risks are and can be found in appendix 1:

- COVID-19 Pandemic Outbreak (Cross-cutting, led by People & Business Change)
- Stability of Social Services Providers (Adult & Community Services)
- Highways Network (City Services)
- Educational Out of County Placements (Education Services)
- Pressure on Adult & Community Services (Adult & Community Services)
- Ash Die Back Disease (City Services)

- Pressure on the delivery of Children Services (Children & Young People Services)
- Demand for Additional Learning Needs (ALN) and Special Educational Needs (SEN) support (Education Services)
- Balancing the Council's Medium-Term budget (Finance Services)
- Schools Finance / Cost Pressures (Education Services / Finance Services)
- Cyber Security (People & Business Change)
- Pressure on Housing & Homelessness Service (Regeneration, Investment & Housing)
- Post EU Transition (Cross Cutting, led by People & Business Change)
- City Centre Security and Safety (City Services / People & Business Change)
- In year financial management (Finance Services)
- Climate Change (Cross Cutting, led by Regeneration, Investment & Housing)
- Newport Council's Property Estate (Regeneration, Investment & Housing)
- Safeguarding (Cross Cutting, led by Children & Young People Services)

Change in direction of risk score (Quarter Three)

In comparison to the quarter two Corporate risk register, there were no new and/or escalated risks, and no risks were closed. No risks de-escalated back into service area registers for monitoring. At the end of quarter three, two risks had decreased, and 16 risks had remained the same as quarter two. The table below highlights those risks where there has been a change in direction between quarter three and two. These risks are:

Risk	Service Area Cabinet Member	Q2 Risk Score	Q3 Risk Score	Commentary
Ash Die Back Disease	Deputy Leader & Cabinet Member for City Services & Member Development	20	16	Still an issue with potentially major impacts, however management programme of survey and removal is in place, so risk is reducing each month. Works will continue throughout 2022 and risk re-assessed each quarter.
Balancing the Council's medium-term budget	Leader of the Council / Cabinet	16	9	Between Q2 and Q3, the Council has received its provisional 2022/23 funding settlement figure from Welsh Government. In addition, indicative funding allocations for the following two financial years were also received. The 2022/23 settlement figure was more positive than anticipated, meaning that the Council does not have a funding gap to address in 2022/23. As well as this, the indicative figures for 2023/24 and 2024/25, when inserted into the Medium-Term Financial Plan, result in an overall medium term budget position that is broadly balanced. Whilst there is a risk that additional pressures will emerge, which could result in a budget gap, the challenge of balancing the medium-term budget is seemingly more achievable than previously assumed.

Appendix 1 - Quarter 3 Corporate Risk Heat Map and Risk Profile
Appendix 2 of this report is the Council's Corporate Risk Register.

Financial Summary

There are no direct costs associated with this report.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
The Council does not achieve its objectives as corporate level risks are not adequately managed and monitored.	M	L	Risk Management Strategy has been adopted and mechanisms are in place to identify, manage and escalate emerging and new risks / mitigation strategies. Audit Committee oversight of risk management process.	Directors, Heads of Service and Performance Team

*Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Corporate Plan 2017-22
Strategic Recovery Aims
Service Plans 2021/22

Robust risk management practices increase the chances that all the Council's priorities and plans will be implemented successfully.

Options Available and considered

1. To consider the contents of this report and assessment of the risk management arrangements for the Authority, providing any additional commentary and/or recommendations to Cabinet.
2. To request further information or reject the contents of the risk register

Preferred Option and Why

1. Option 1 is the preferred option with recommendations raised by the Audit Committee to be considered and reported to Cabinet and Officers in accordance with the Council's Constitution.

Comments of Chief Financial Officer

There are no direct financial implications arising from this report. The corporate risk register forms an important part of the governance and budget setting arrangements for the council and the risk register is used to guide the internal audit plan.

It is noted that overall, the corporate risk register remains largely unchanged since the second quarter with no new or escalated risks and none closed or de-escalated back to the service areas, but three have decreased and 15 remained the same. The register will continue to be monitored closely and any increasing risk scores that may lead to financial pressures without mitigation will be reflected in established ongoing revenue and capital monitoring and MTFP arrangements.

It should be noted that the risk score in relation to balancing the Council's medium term budget has been reduced between quarters two and three. The reasons for this are explained in the body of the report, however it should be noted that this is a rolling risk and, therefore, whilst the current medium term outlook is more positive than previously modelled, there remains scope for the position to deteriorate, particularly if unforeseen financial pressures emerge.

Comments of Monitoring Officer

There are no specific legal issues arising from the report. As part of the Council's risk management strategy, the corporate risk register identifies those high-level risks that could impact upon the Council's

ability to deliver its corporate plan objectives and essential public services. The report confirms that there have been no significant changes in the risk profile during the third quarter of this year, with no additional risks being added to the corporate risk register and no risks being de-escalated back to the service areas. For the most part, the individual risk scores have also remained the same, with only 3 of the 18 risk scores being decreased. Governance & Audit Committee are responsible for reviewing and assessing the Council's risk management, internal control and corporate governance arrangements. The identification of corporate risks within the risk register and monitoring the effectiveness of the mitigation measures are matters for Cabinet

Comments of Head of People, Policy and Transformation

Risk Management in the Council is a key area to implementing Wellbeing of Future Generations Act (Wales) 2015 and provides assurance over our control and governance arrangements in the Council.

The report provides an overview of the Council's risk management processes in place to manage internal and external risks that could impact on the delivery of the Corporate Plan and statutory duties. External factors such as Covid are managed through the council's business continuity arrangements. As prescribed in the Council's Risk Management Policy, the Council's Cabinet and senior officers operate an evidence-based approach to decision making considering all opportunities and risks to the Council, its services and service users.

Comments of Cabinet Member

The Council's quarter three Corporate Risk Register has been reported to the Council's Cabinet on 9th March 2022. The Chair of Cabinet has been consulted and has agreed that this report goes forward to Audit Committee for consideration with Audit Committee comments and recommendations reported back to Cabinet in the next quarters update.

Local issues

None.

Scrutiny Committees

Not Applicable. Audit Committee have a role in reviewing and assessing the risk management arrangements of the Authority.

Fairness and Equalities Impact Assessment

Not applicable as this report is not seeking any strategic decisions or policy changes with its purpose to update GAC on the previous risk register.

Wellbeing of Future Generations (Wales) Act 2015

Under the Wellbeing of Future Generations Act (Wales) 2015 and its 5 ways of working principles this report supports:

Long Term – Having effective risk management arrangements will ensure that the opportunities and risks that will emerge consider the long term impact on service users and communities.

Preventative – Identifying opportunities and risks will ensure the Council is able to implement necessary mitigations to prevent or minimise their impact on Council services and service users.

Collaborative – The management of risk is undertaken throughout the Council and officers collaborate within service areas, Corporate Management Team and the Council's Cabinet to ensure decisions are made in a timely manner and are evidence based.

Involvement – The Council's Risk Management process involves officers across the Council's service areas and Cabinet Members.

Integration – Risk Management is being integrated throughout the Council and supports the integrated Planning, Performance and Risk Management Framework. The Framework ensures that planning activities consider the opportunities and risks to their implementation and overall supports the delivery of the Council's Corporate Plan and legislative duties.

Consultation

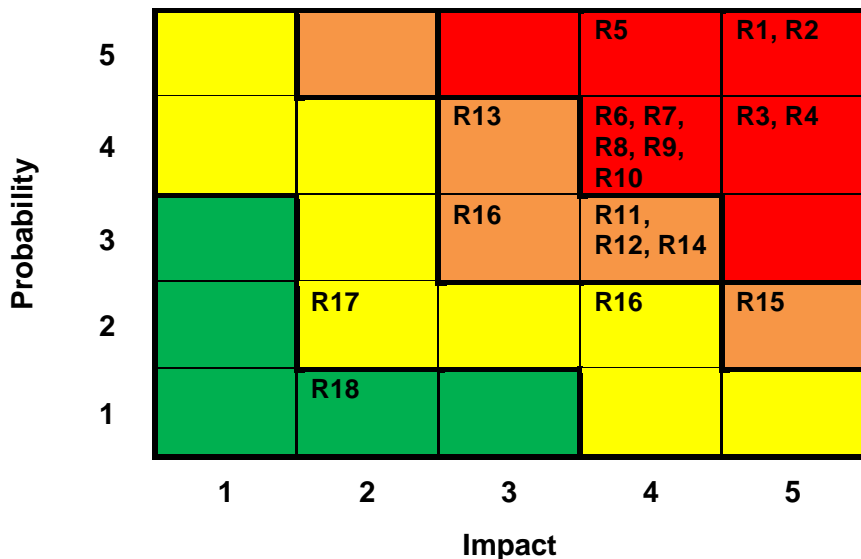
As above, the Risk Register is considered by Audit Committee and Cabinet.

Background Papers

Risk Management Policy 2020-22 v1
Q2 Risk Cabinet Report, December 2021
Covid Strategic Recovery Aims

Dated: 24th March 2022

Appendix 1 - Quarter 3 Corporate Risk Heat Map



Corporate Risk Heat Map Key (Quarter 3 2021/22)	
R1 - Stability of Social Services Providers	R10 - Newport Council's Property Estate
R2 - Pressure on Adult & Community Services	R11 - Schools Finance / Cost Pressures
R3 - Highways Network	R12 - Educational Out of County Placements
R4 - COVID-19 Pandemic Outbreak	R13 - Climate Change
R5 - Pressure on the delivery of Children Services	R14 - Post EU Transition
R6 - Ash Die Back Disease	R15 - City Centre Security and Safety
R7 - Demand for ALN and SEN support	R16 - Balancing the Council's Medium-Term budget
R8 - Cyber Security	R17 - Safeguarding
R9 - Pressure on Housing and Homelessness Service	R18 - In year financial management

Risk Score Profile between Quarter 4 2020/21 and Quarter 3 2021/22

* Information on Cabinet portfolios added to the report to improve alignment with portfolios.

Risk Reference	Risk	Lead Cabinet Member(s) *	Risk Score Quarter 4 2020/21	Risk Score Quarter 1 2020/21	Risk Score Quarter 2 2020/21	(Current) Quarter 3 2021/22	Target Risk Score
R1	Stability of Social Services Providers	Cabinet Member for Social Services	25	25	25	25	6
R2	Pressure on Adult & Community Services	Cabinet Member for Social Services	20	20	25	25	10
R3	Highways Network	Deputy Leader and Cabinet Member for City Services & Member Development	20	20	20	20	15
R4	COVID-19 Pandemic Outbreak	Leader of the Council /Cabinet	20	15	20	20	6
R5	Pressure on the delivery of Children Services	Cabinet Member for Social Services	20	20	20	20	6
R6	Ash Die Back Disease	Deputy Leader & Cabinet Member for City Services & Member Development	20	20	20	16	6
R7	Demand for ALN and SEN support	Cabinet Member for Education and Skills	12	16	16	16	6
R8	Cyber Security	Cabinet Member for Assets and Community	16	16	16	16	10
R9	Pressure on Housing and Homelessness Service	Leader of the Council	16	16	16	16	6

Risk Reference	Risk	Lead Cabinet Member(s) *	Risk Score Quarter 4 2020/21	Risk Score Quarter 1 2020/21	Risk Score Quarter 2 2020/21	(Current) Quarter 3 2021/22	Target Risk Score
R10	Newport Council's Property Estate	Cabinet Member for Assets and Community	16	16	16	16	9
R11	Schools Finance / Cost Pressures	Leader of the Council /Cabinet Member for Education and Skills	12	12	12	12	6
R12	Educational Out of County Placements	Cabinet Member for Education and Skills	12	12	12	12	5
R13	Climate Change	Cabinet Member for Sustainable Development	9	9	12	12	10
R14	Post EU Transition	Leader of the Council / Cabinet	8	8	12	12	10
R15	City Centre Security and Safety	Deputy Leader and Cabinet Member for City Services and Member Development	10	10	10	10	8
R16	Balancing the Council's Medium-Term budget	Leader of the Council / Cabinet	16	16	16	9	10
R17	Safeguarding	Cabinet Member for Social Services	6	6	4	4	4
R18	In year financial management	Leader of the Council / Cabinet	3	3	3	2	6

Glossary

This document provides an explanation of terminology used in this report and supporting documents.

Risk Appetite – the amount of risk that Newport City Council is willing to seek or accept in the pursuit of the Council's long term objectives.

Inherent Risk Score – The level of risk in the absence of any existing controls and management action taken to alter the risk's impact or probability of occurring.

Residual Risk Score – The level of risk where risk responses i.e. existing controls or risk mitigation actions have been taken to manage the risk's impact and probability.

Target Risk Score – The level of risk (risk score) that Newport City Council is willing to accept / tolerate in managing the risk. This is set in line with the Council's overall risk appetite.

Risk Mitigation Action – Actions identified by the Risk Owner to respond to the risk and reduce the impact and probability of the risk of occurring.

Risk Mitigation Action (Red Progress Score) – Significant issue(s) have been identified with the action which could impact on the ability of the action meeting its completion date. Immediate action / response is required resolve its status.

Risk Mitigation Action (Amber Progress Score) – issue(s) have been identified that could have a negative impact on the action achieving its completion date. Appropriate line manager(s) should be informed and where necessary action taken.

Risk Mitigation Action (Green Progress Score) – The action is on course for delivering to the agreed completion date and within the agreed tolerances.

How the Council Assesses Risk

An assessment of the likelihood and impact of risk is important to measure, compare and monitor risks to ensure efficient use of resources and effective decision making. This assessment is carried out using the risk matrix as described below.

Risk Assessment Matrix

A Corporate Risk Register will contain the high level risks for the whole authority. To differentiate between these high level risks a 5x5 risk assessment matrix will be applied. The matrix is shown below and further detail is included in appendix 3.

Risks are scored using the scoring system for probability and impact and assigned a rating based on the tolerances set out in the matrix below

Impact Matrix

Score	Description	Impact Measures						
		Strategic / Policy	Operational / Business Continuity	Financial	Governance / Legal / Regulatory	Health & Safety	Reputational	Project Delivery / Savings / Benefits
5	Severe	Failure of a key strategic objective	Serious organisational / service failure that has direct impact on stakeholders including vulnerable groups. Service disruption over 5+ days.	<u>Corporate / Project</u> Unplanned and/or additional expenditure disturbance. Capital > £1M Revenue >£1M	Legislative / Regulatory breach resulting in multiple litigation / legal action taken on the Council (linked to Financial / Reputational Impacts).	Multiple major irreversible injuries or deaths of staff, students, or members of public. (Linked to Financial / Reputational Impacts)	Severe and persistent National media coverage. Adverse central government response, involving (threat of) removal of delegated powers. Officer(s) and / or Members forced to Resign.	Project status is over 12 months from anticipated implementation date. Project(s) do not deliver the major benefits / savings identified in business case. This is linked to Financial / Strategic / Reputational Impacts
4	Major	Severe constraint on achievement of a key strategic objective	Loss of an important service(s) for a short period that could impact on stakeholders. Service disruption between 3-5 days.	<u>Corporate / Project</u> Unplanned and/or additional expenditure disturbance. Capital > £0.5M - £1.0M Revenue >£0.5M-£1M	Serious legislative breach resulting in intervention, sanctions and legal action. (Linked to Financial / Reputational Impacts)	Major irreversible injury or death of staff, student or member of public. (Linked to Financial / Reputational Impacts)	Adverse publicity in professional / municipal press, affecting perception / standing in professional /local government community Adverse local and social media publicity of a significant and persistent nature.	Project status is 6 to 12 months over from anticipated implementation date. Project(s) do not deliver major benefits / savings identified in business case. This is linked to Financial / Strategic / Reputational Impacts
3	Moderate	Noticeable constraint on achievement of a key	Loss and/or intermittent disruption	<u>Corporate / Project</u>	Significant legislative breach resulting in investigation.	Major reversible injury to staff, student or member of	Adverse local publicity /	Project status is 1 to 6 months over from

Score	Description	Impact Measures						
		Strategic / Policy	Operational / Business Continuity	Financial	Governance / Legal / Regulatory	Health & Safety	Reputational	Project Delivery / Savings / Benefits
		strategic objective / Service Plan objective.	of a service between 2-3 days.	Unplanned and/or additional expenditure disturbance. Capital = £0.25M - £0.5M Revenue = £0.25M to £0.5M Revenue = £0.25M to £0.5M	(Linked to Financial / Reputational Impacts)	public. Not life threatening. (Linked to Financial / Reputational Impacts)	local public opinion including social media. Statutory prosecution of a non-serious nature.	anticipated implementation date. There is significant reduction on delivery of benefits / savings identified in business case. This is linked to Financial / Strategic / Reputational impacts.
Page 34 2	Low	Constraint on achievement of Service Plan objective that does not impact on Corporate Strategy	Brief disruption of service that has a minor impact on the delivery of a service. Service disruption 1 day.	<u>Corporate / Project</u> Unplanned and/or additional expenditure disturbance. Capital = £0.1M - £0.25M Revenue = £0.1M – £0.25M	Moderate impact leading to warning and recommendations.	Some minor reversible injuries. (Linked to Financial / Reputational Impacts)	Contained within Directorate Complaint from individual / small group, of arguable merit	Project status is 1 to 4 weeks over from anticipated implementation date. There is minor reduction on delivery of benefits / savings identified in business case. This is linked to Financial / Strategic / Reputational impacts.
1	Very Low	Constraint on achievement of Service / Team Plan objective	Minor disruption of a non-critical service.	<u>Corporate / Project</u> Unplanned and/or additional expenditure disturbance. Capital < £100k	No reprimand, sanction or legal action.	Some superficial injuries. (Linked to Financial / Reputational Impacts)	Isolated complaint(s) that are managed through the corporate complaints process and service area.	Project status is 1 week over from anticipated implementation date. There is insignificant / no impact on delivery of

Score	Description	Impact Measures						
		Strategic / Policy	Operational / Business Continuity	Financial	Governance / Legal / Regulatory	Health & Safety	Reputational	Project Delivery / Savings / Benefits
				Revenue <£100k		Reputational Impacts)		benefits / savings identified in business case. This is linked to Financial / Strategic / Reputational impacts.

Probability

Score	Probability	Criteria
5	Very likely 75% +	<p>Systematic Risks – Local evidence indicating very high probability of occurrence if no action / controls are in place. Risk is highly likely to occur daily, weekly, monthly, quarterly.</p> <p>Emerging Risks – National and Global evidence indicating very high probability of occurrence on local communities if no action / controls are taken. Risks are highly likely to occur within the next 5 years.</p>
4	Likely 51-75%	<p>Systematic Risks – Local evidence indicating high probability occur in most circumstances with near misses regularly encountered e.g. once or twice a year.</p> <p>Emerging Risks – National and Global evidence indicating high probability of occurrence on local communities if no action / controls are taken. Risks are likely to occur within the next 5-10 years.</p>
3	Possible 26-50%	<p>Systematic Risks – Local evidence indicating distinct possibility with circumstances regularly encountered and near misses experienced every 1-3 years.</p> <p>Emerging Risks – National and Global evidence indicating distinct probability of occurrence on local communities if no action / controls are taken. Risks are likely to occur within the next 10-15 years.</p>
2	Unlikely 6-25%	<p>Systematic Risks – Local evidence indicating low to infrequent near misses experienced every 3 + years.</p> <p>Emerging Risks – National evidence indicating low probability of occurrence on local communities if no action / controls are taken. Risks are likely to occur within the next 16-25 years.</p>
1	Very Unlikely	<p>Systematic Risks – Local evidence indicating risk has rarely / never happened or in exceptional circumstances.</p> <p>Emerging Risks – National evidence indicating very low probability of occurrence on local communities if no action / controls are taken. Risks are likely to occur within the next 16-25 years.</p>

Systematic Risks – Risks that are known or are becoming part of social, cultural, economic and environmental systems that govern our lives.

Emerging Risks – Risks that are further away, less defined and early stage of being known about.

Corporate Risk Register

2021/22 Quarter 3 Update

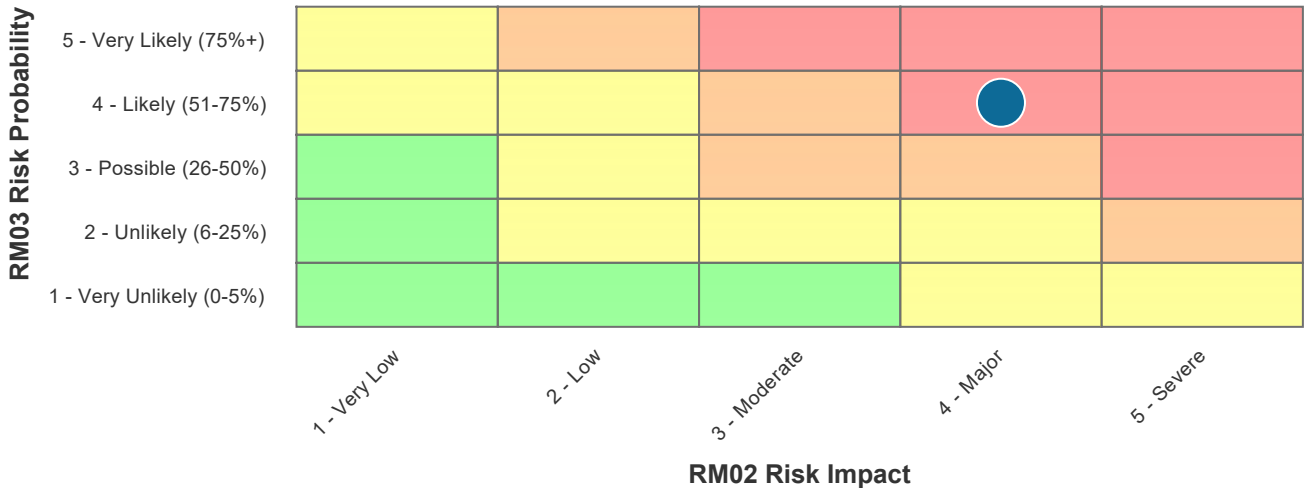


Ash Die Back Disease

Short Description	Ash Die back disease will affect tree population in Newport. The disease has already been identified in Newport and could kill the majority of Ash trees in the authority. The impact of no action will be significant numbers of tree failures that could see an increase in the number of people harmed by trees and property claims.
Risk Owner	Joanne Gossage
Overseeing Officer	Head of Streetscene and City Services
Lead Cabinet Member(s)	Deputy Leader & Cabinet Member for City Services & Member Development
Linked Theme	Theme : Thriving City
Linked Corporate Objective	<ul style="list-style-type: none"> WBO 2. Economic Growth & Regeneration WBO 4. Cohesive & Sustainable Communities



20 **6**
Inherent Risk Score Target Risk Score




Direction of Risk

	DoR	Comment
Ash Die Back Disease	📌	Ongoing removal works across the city following survey findings

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Increase & Improve Newport's Urban Tree Coverage	Increase and improve Newport's urban tree coverage.	★
<input checked="" type="checkbox"/> Undertake works removing Ash trees owned by NCC	To undertake works removing diseased Ash trees that are owned by NCC.	★

Balancing the Council's Medium Term Budget

Short Description	To meet the Council's requirement of reducing the gap between Council spend and Budget allocation over the next 3-5 years
Risk Owner	Robert Green
Overseeing Officer	<ul style="list-style-type: none"> ■ Chief Executive ■ Head of Finance
Lead Cabinet Member(s)	Leader of the Council & Cabinet Member for Economic Growth & Investment
Linked Theme	<ul style="list-style-type: none"> ■ Theme : Aspirational People ■ Theme : Modernised Council ■ Theme : Thriving City ■ Theme: Resilient Communities (Community) ■ Theme: Resilient Communities (Social Care)
Linked Corporate Objective	<ul style="list-style-type: none"> ■ WBO 1. Skills, Education & Employment ■ WBO 2. Economic Growth & Regeneration ■ WBO 3. Healthy, Independent & Resilient ■ WBO 4. Cohesive & Sustainable Communities

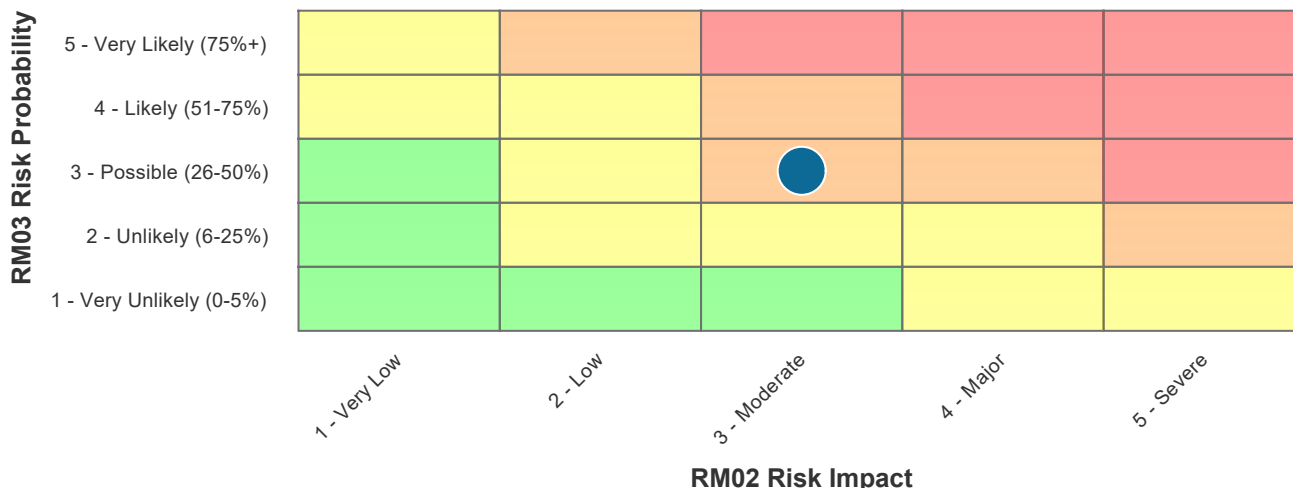
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Balancing the Council's Medium Term Budget

31 DEC 21

16
Inherent Risk Score

10
Target Risk Score



Direction of Risk

	DoR	Comment
Balancing the Council's Medium Term Budget	↓	No change to the risk score for this quarter.

There are no actions associated with this Risk

City Centre Security & Safety

Short Description	Significant incidents of deliberate acts that pose hazards to people in surrounding areas; structural damage; business continuity; damage/disruption to infrastructure and utilities; and reputational and economic impact.
Risk Owner	Tracy McKim
Overseeing Officer	Strategic Director - Place
Lead Cabinet Member(s)	Deputy Leader & Cabinet Member for City Services & Member Development
Linked Theme	Theme : Thriving City
Linked Corporate Objective	<ul style="list-style-type: none"> WBO 2. Economic Growth & Regeneration SRA 2. Supporting the Environment & the Economy

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City Centre Security & Safety

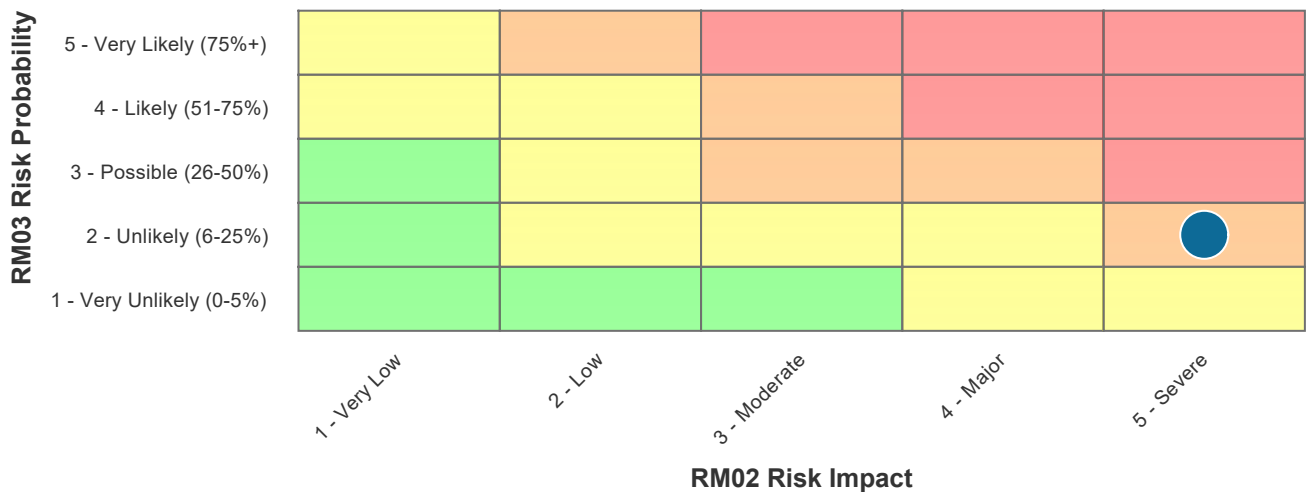
31 DEC 21

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Inherent Risk Score



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Target Risk Score



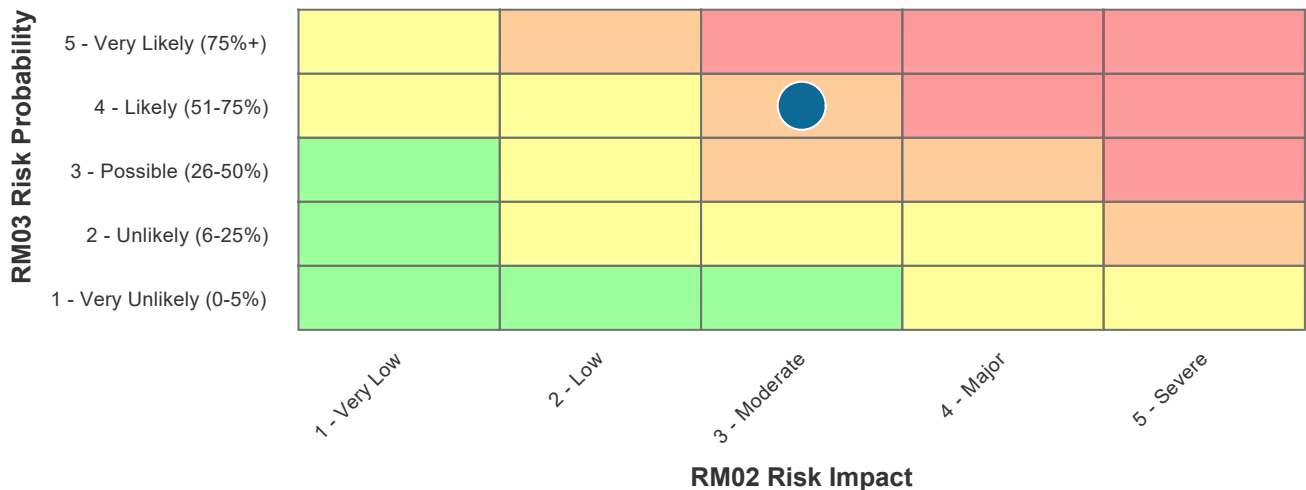
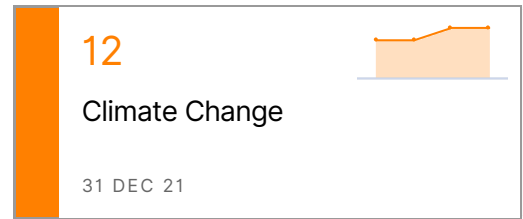
Direction of Risk

	DoR	Comment
City Centre Security & Safety	➔	No change reported.

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> City Centre Training to Businesses	Training for those businesses operating within the city centre that may be affected by significant incidents – Gwent Police will lead on the training with the use of NCC channels to promote and raise initial awareness of the scheme.	
<input checked="" type="checkbox"/> Co-ordinated evac arrangements	Co-ordinated evacuation arrangements for the city centre – NCC will be working with all partner organisations such as the emergency services and private business within the city centre to construct a co-ordinated evacuation system.	

Climate Change

Short Description	Scientific evidence indicates that the global climate is warming and is changing the environment that we live in Wales and in Newport. The cause of this change is through emissions produced by industry, vehicles, households and businesses. Newport has 11 Air Quality Management Areas which monitor air quality and since they were in place we have been in breach.
Risk Owner	Ross Cudlipp
Overseeing Officer	Chief Executive
Lead Cabinet Member(s)	Cabinet Member for Sustainable Development
Linked Theme	<ul style="list-style-type: none"> ▪ Theme : Modernised Council ▪ Theme: Resilient Communities (Community) ▪ Theme : Thriving City
Linked Corporate Objective	<ul style="list-style-type: none"> ▪ WBO 2. Economic Growth & Regeneration ▪ WBO 3. Healthy, Independent & Resilient



Direction of Risk

	DoR	Comment
Climate Change	➔	Good progress has been made. A NCC organisational Climate Change Plan has been drafted and is out to public consultation currently. The next stage is to work with Public Service Board partners to develop a Newport wide climate plan.

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Develop a Long Term Fleet Strategy	Development of a long term Fleet Strategy that will support the Council's Carbon Management Plan to be net carbon neutral.	?
<input checked="" type="checkbox"/> Develop Localised Air Quality Management Plans	Local Air Quality Management - develop localised plans under the Council's Sustainable Travel Strategy to meet statutory requirements for Action Plans. Actions to be generated by the Sustainable Travel Group.	★
<input checked="" type="checkbox"/> Ebbw West Solar Farm Development	Ebbw West Solar Farm Development	●
<input checked="" type="checkbox"/> Select Building Decarbonisation Partner & Complete Phase of Works on NCC Estate	Select a building decarbonisation delivery partner (Via RE:Fit) and complete a phase of decarbonisation works on the NCC estate.	●
<input checked="" type="checkbox"/> Support LAEP Pilot and decarbonisation action plan for Newport	Support the completion of the Welsh Government supported Local Area Energy Plan (LAEP) pilot to develop a decarbonisation action plan for the City of Newport in collaboration with NCC Policy, Partnership and Involvement team and external stakeholders.	★
<input checked="" type="checkbox"/> Support NCC Climate Change Group and development of Climate Strategy	Support the NCC Climate Change Group in the development of an organisation climate strategy	★
<input checked="" type="checkbox"/> Support NCC Fleet decarbonisation	Support NCC Fleet Decarbonisation via the correct implementation of charging infrastructure and associated energy systems.	★

Covid 19 Pandemic Outbreak

Short Description	The Corona Virus (COVID 19) pandemic has put at risk the operational ability of the Council to deliver its services, support vulnerable people across Newport and the economic impact to the local and wider economy. Potential mitigations carried out in line with the Chief Medical Officer's advice and Welsh/UK Government guidance.
Risk Owner	Tracy McKim
Overseeing Officer	Chief Executive
Lead Cabinet Member(s)	Leader of the Council & Cabinet Member for Economic Growth & Investment
Linked Theme	
Linked Corporate Objective	<ul style="list-style-type: none"> ■ WBO 1. Skills, Education & Employment ■ WBO 2. Economic Growth & Regeneration ■ WBO 3. Healthy, Independent & Resilient ■ WBO 4. Cohesive & Sustainable Communities ■ SRA 1. Supporting Education and Employment ■ SRA 2. Supporting the Environment & the Economy ■ SRA 3. Supporting Health & Well-being of Citizens ■ SRA 4. Supporting Citizens post Covid-19

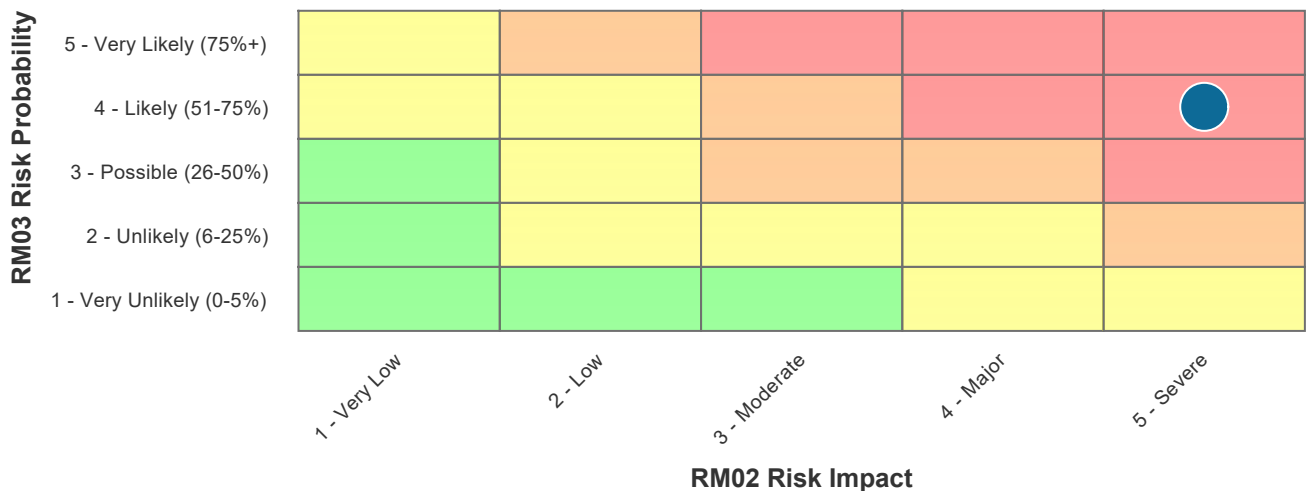


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Inherent Risk Score

6

Target Risk Score



Direction of Risk

	DoR	Comment
Covid 19 Pandemic Outbreak	➔	Following return to schools we have seen increased case rates, whilst government restrictions have eased. The vaccination programme seems to be alleviating the most severe of illnesses but high rates of infection are prevalent in our communities and are impacting on staffing levels and school attendance.

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Civil Contingencies Response to COVID-19 Pandemic	Manage and deliver the Civil Contingencies response to the COVID-19 pandemic	●
<input checked="" type="checkbox"/> Develop a Community Impact Assessment	Develop a community impact assessment to understand the impact that Covid 19 pandemic and resultant lockdown has had on Newport's Communities	✔
<input checked="" type="checkbox"/> Develop a follow up to the Community Impact Assessment	Develop a follow up to the community impact assessment to understand the impact that Covid 19 pandemic and further lockdown restrictions has had on Newport's Communities.	★
<input checked="" type="checkbox"/> New Normal Project - RAG	Building on the lessons learned from the Covid-19 crisis undertake further work to enable the workforce to able to work more flexibly from Council offices, home and other locations securely and safely. Collaborating with Newport Norse, Facilities and Health & Safety to ensure Council offices meet the necessary WG and Covid secure requirements. Collaborating with SRS to ensure officers and Members are able to work remotely using digital solutions and appropriate equipment. Developing HR policies and procedures that will support the wellbeing and development of the organisation's staff.	★
<input checked="" type="checkbox"/> Undertake Analysis of Future Demands Post Covid	To ensure that PBC has an efficient, effective structure to meet future demands.	●

Cyber Security

Short Description	Management and security of the Council's ICT systems to protect personal and sensitive data from theft and loss whilst also maintaining business continuity and integrity of our systems.
Risk Owner	Mark Bleazard
Overseeing Officer	Chief Executive
Lead Cabinet Member(s)	Cabinet Member for Community and Resources
Linked Theme	Theme : Modernised Council
Linked Corporate Objective	

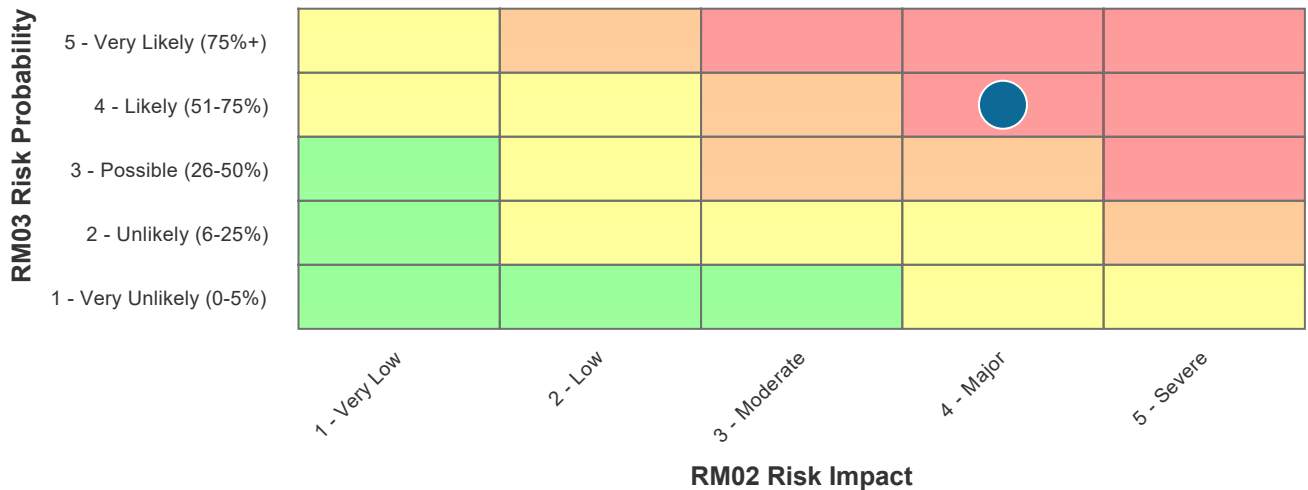


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Inherent Risk Score

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Target Risk Score



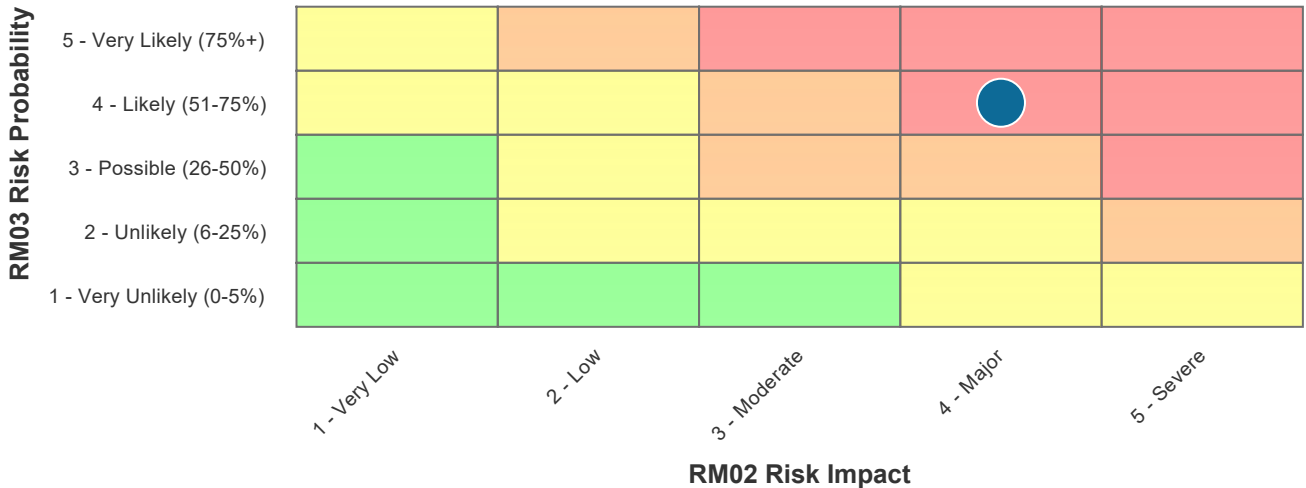
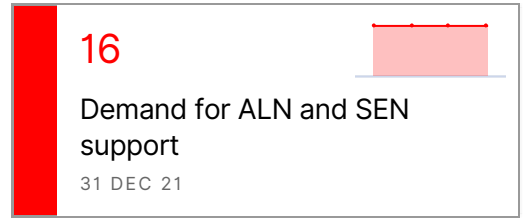
Direction of Risk

	DoR	Comment
Cyber Security	➔	Cyber security risks may be reduced to some extent in future as a result of the implementation of a Security Operation Centre (SOC) and a Security Information and Event Management (SIEM) system that has commenced implementation over a number of months. However, even with the measures the council has in place in partnership with the Shared Resource Service (SRS), significant risks remain around cyber security.

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Develop a Digital Strategy	Development of a new Digital Strategy that supports the future direction of IT services and infrastructure of the Council.	★
<input checked="" type="checkbox"/> Implementation of a Policy Management System	To explore and purchase a Policy Management System that will ensure staff across the business undertake necessary training before being able to access IT systems.	★
<input checked="" type="checkbox"/> SRS / NCC Business Continuity & Disaster Recovery	Disaster Recovery and business continuity processes between the Council and SRS will be reviewed and updated. These processes will be subject to regular testing with findings and recommendations fed back to the Council's Information Governance Group to ensure the necessary action(s) are completed.	★
<input checked="" type="checkbox"/> Using and Securing Data in line with the Digital Strategy 2021-22	Using and Securing Data in line with the Digital Strategy by ensuring effective use of data and information governance processes.	★

Demand for ALN and SEN support

Short Description	Funding to cover Additional Learning Needs (ALN) and Special Education Needs (SEN) provision across the city is insufficient and does not meet the demand of increasing need.
Risk Owner	Katy Rees
Overseeing Officer	Chief Education Officer
Lead Cabinet Member(s)	Cabinet Member for Education and Skills
Linked Theme	Theme : Aspirational People
Linked Corporate Objective	<ul style="list-style-type: none"> ■ WBO 1. Skills, Education & Employment ■ WBO 3. Healthy, Independent & Resilient ■ SRA 1. Supporting Education and Employment



Direction of Risk

	DoR	Comment
Demand for ALN and SEN support	➔	A new ALN funding formula was agreed by School's Forum which will be implemented in 2022-23. This included a percentage 'protected budget' for these schools who would see the largest increase / decrease of funding in order to stabilise and mitigate risk of deficient budgets as a result of ALN transformation. During the Spring Term 2022, presentations and Q&A literature will be provided to all schools to inform of the roll-out prior to indicative budgets being released to all schools by Education Finance prior to financial year end.

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Create a sustainable model of delivery for children with ALN provided with timely intervention	In liaison with finance, partners and schools create a sustainable model of delivery to ensure children with ALN are provided with timely intervention within a prescribed budget without year on year fluctuation.	★
<input checked="" type="checkbox"/> Develop and implement a joint ALN and Admissions process	To develop and implement a joint ALN and Admissions process regarding allocation of school placements based on parental preference to safeguard and minimise appeals processes.	✔
<input checked="" type="checkbox"/> Estyn Rec 2 - Work with Partners to Embed the Learn Well Plan	(Estyn Rec 2) Work with partners to embed the priorities of the Learn Well Plan which focuses on improving the attainment of vulnerable groups.	★
<input checked="" type="checkbox"/> Estyn Rec 5 - Ensure Appropriate Welsh Medium Provision is in Place for ALN Pupils	(Estyn Rec 5) Ensure that Welsh Medium (WM) provision is established to support pupils with Additional Learning Needs	★
<input checked="" type="checkbox"/> Review availability of provision for all pupils with Additional Learning Needs.	Review with relevant regional partners what provision is available and required to ensure all pupils with ALN have the opportunities to return to study up to age 25.	★
<input checked="" type="checkbox"/> Review the staffing resources to implement the demands of ALN & Educational Tribunal Act.	To review the staffing resources needed to implement the demands of the Additional Learning Needs (ALN) and Educational Tribunal Act 2018.	✔


Educational Out of County Placements

Short Description	Limited access to Newport City Council (NCC) provision for pupils who require complex and specialist placements which results on a reliance on Out of County (OOC) placements both day and residential.
Risk Owner	Katy Rees
Overseeing Officer	Chief Education Officer
Lead Cabinet Member(s)	Cabinet Member for Education and Skills
Linked Theme	Theme : Aspirational People
Linked Corporate Objective	<ul style="list-style-type: none"> WBO 1. Skills, Education & Employment SRA 1. Supporting Education and Employment

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Educational Out of County Placements

31 DEC 21

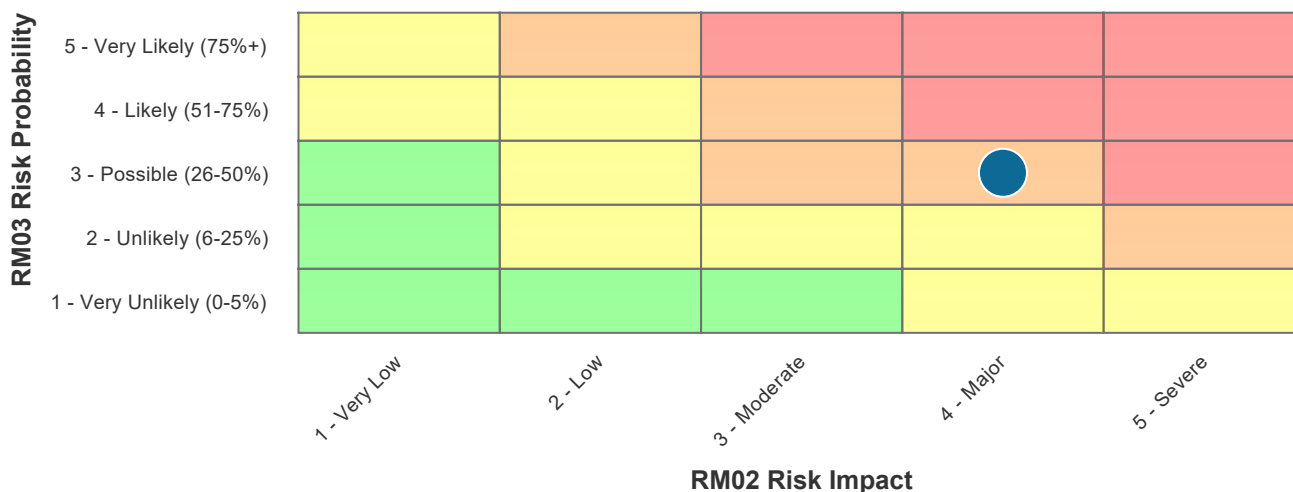


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Inherent Risk Score



5

Target Risk Score



Direction of Risk

DoR	Comment
➔	There continues to be a reduction of OOC placements annually. As of April 2021, there were 106 OOC placements which has reduced to 83 as of 31.12.2021. This number has remained consistent with the closing number as of the end of the Summer Term 2021 due to some placements ceasing during this period along with a small number of new starters OOC. Projections for the remainder of the 2021-22 Financial Year identify that the initial projections regarding number of closing placements at year end will be exceeded.

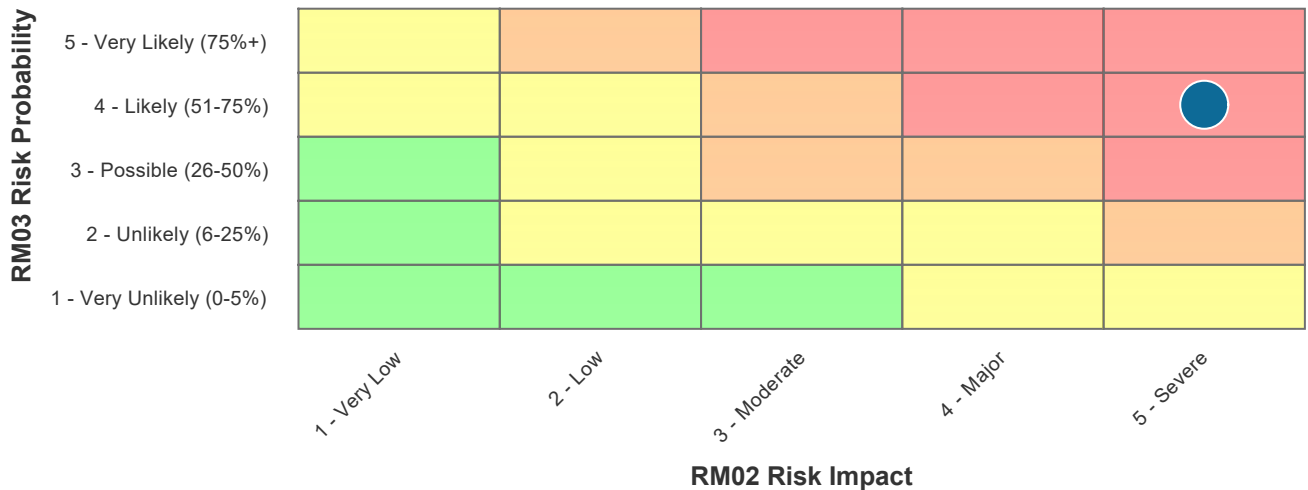
Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Create a sustainable model of delivery for children with ALN provided with timely intervention	In liaison with finance, partners and schools create a sustainable model of delivery to ensure children with ALN are provided with timely intervention within a prescribed budget without year on year fluctuation.	
<input checked="" type="checkbox"/> Extend Provision Within the City to Accommodate a Greater Range of Needs	To extend specialist provision within the city to accommodate needs identified through data trend analysis, ensuring that pupils are placed where their learning is best supported which will reduce the need for Out of County placements. To continue to redevelop and extend provision within the city to accommodate a greater range of needs, ensuring that pupils are placed where their learning is best supported which will reduce the need for Out of County placements.	

Highways Networks

Short Description	Failure to recognise current levels of under investment in the whole life of the city's highway network assets in the medium to long term will continue to compound existing maintenance backlog figures.
Risk Owner	Steve Davies
Overseeing Officer	Head of Streetscene and City Services
Lead Cabinet Member(s)	Deputy Leader & Cabinet Member for City Services & Member Development
Linked Theme	Theme : Thriving City
Linked Corporate Objective	<ul style="list-style-type: none"> ■ WBO 2. Economic Growth & Regeneration ■ WBO 3. Healthy, Independent & Resilient ■ SRA 2. Supporting the Environment & the Economy ■ SRA 3. Supporting Health & Well-being of Citizens



20 **15**
Inherent Risk Score Target Risk Score



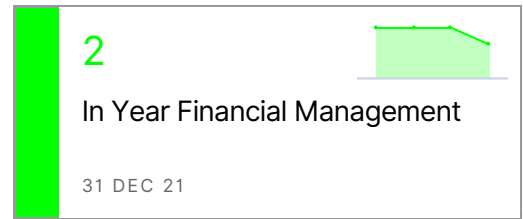
Direction of Risk

	DoR	Comment
Highways Networks	➔	No change from the last period.

There are no actions associated with this Risk

In Year Financial Management

Short Description	This relates to the in year management of budgets and risk profiling of service areas / activities that are forecasting end of year overspends.
Risk Owner	Robert Green
Overseeing Officer	<ul style="list-style-type: none"> Chief Executive Head of Finance
Lead Cabinet Member(s)	Leader of the Council & Cabinet Member for Economic Growth & Investment
Linked Theme	
Linked Corporate Objective	<ul style="list-style-type: none"> WBO 1. Skills, Education & Employment WBO 2. Economic Growth & Regeneration WBO 3. Healthy, Independent & Resilient WBO 4. Cohesive & Sustainable Communities

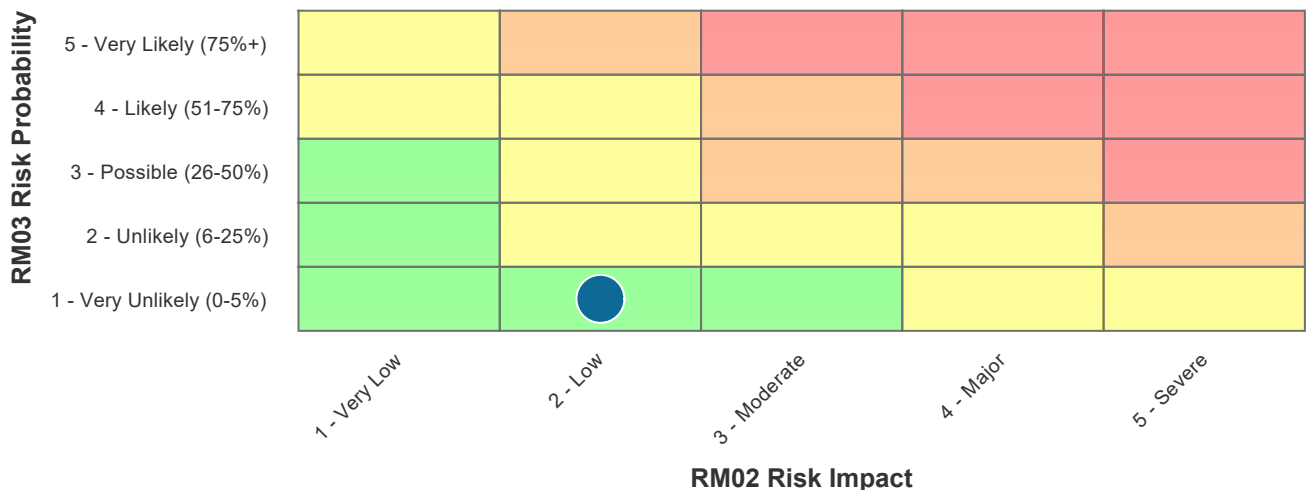


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Inherent Risk Score




6

Target Risk Score



Direction of Risk

	DoR	Comment
In Year Financial Management	📈	The current monitoring position reflects an overall underspend and the probability of an underspend at the end of the financial year 2021/22 emerging is relatively high.

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Cabinet Member and Senior Officers to reduce overspending in Social Care	There continue to be overspends reported in Social Care in 2020/21, Cabinet Members and Senior Officers to address these.	
<input checked="" type="checkbox"/> Improve the Council's Ability to Complete Processes Within Timescales	Ongoing challenge of existing processes and timetables. Requires 'buy-in' from senior management and service areas. Timetable updated with processes completed in shorter timescales with some year-end tasks being completed in year.	
<input checked="" type="checkbox"/> Work with Audit Wales to Assess Which Accountancy Audits can be Completed in 2020-21	Work alongside Audit Wales to assess which areas of work accountancy can complete early in the year and can be audited before draft stage.	

Newport Council's Property Estate

Short Description	NCC has a significant property estate covering over 170 buildings (circa) such as the Civic Centre, Telford Depot, schools etc. The Council has to ensure the estate is maintained to required standards to enable access, safety, security and in the long term sustainable for staff and residents to use.
Risk Owner	Daniel Cooke
Overseeing Officer	<ul style="list-style-type: none"> ▪ Chief Executive ▪ Head of People & Business Change ▪ Head of Regeneration, Investment and Housing
Lead Cabinet Member(s)	Cabinet Member for Assets
Linked Theme	Theme : Modernised Council
Linked Corporate Objective	<ul style="list-style-type: none"> ▪ SRA 2. Supporting the Environment & the Economy ▪ SRA 3. Supporting Health & Well-being of Citizens ▪ WBO 2. Economic Growth & Regeneration ▪ WBO 3. Healthy, Independent & Resilient

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Newport Council's Property Estate

31 DEC 21

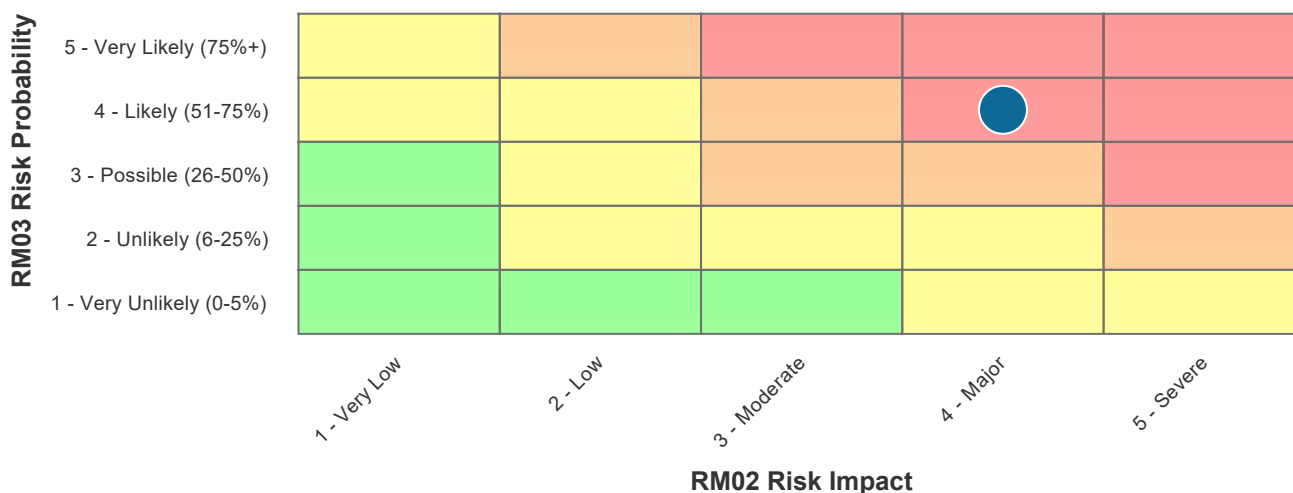


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Inherent Risk Score

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Target Risk Score



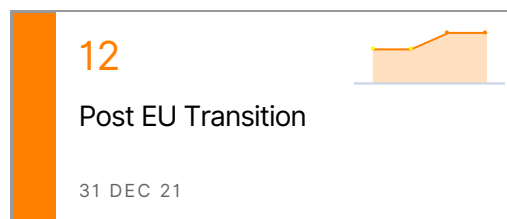
Direction of Risk

	DoR	Comment
Newport Council's Property Estate	➔	There have been no changes in the estate or Councils actions to result in a change to this risk score.

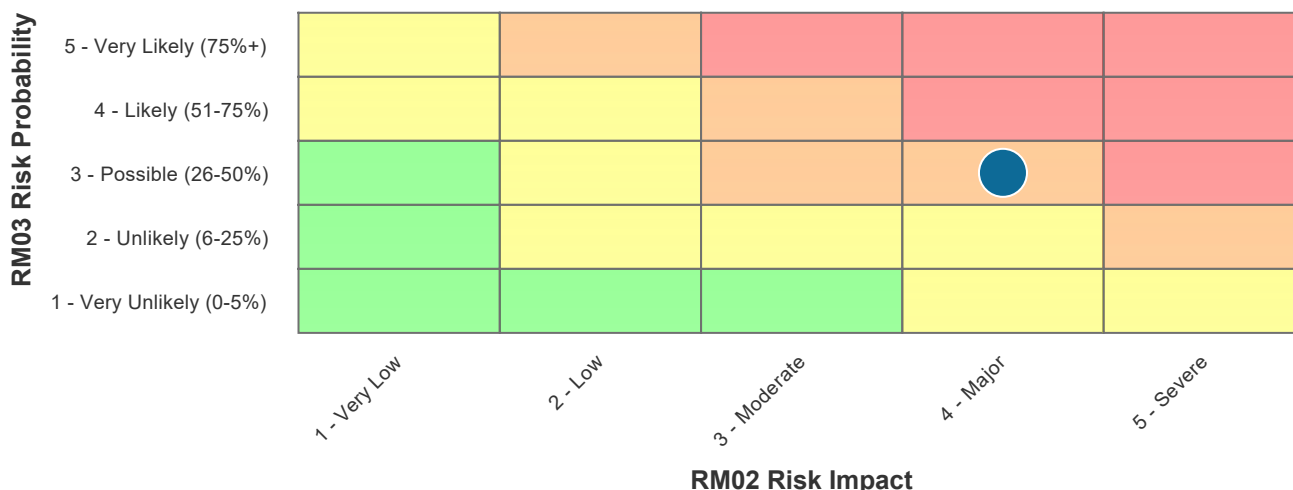
Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Create and Develop the Civic Centre Operational Groups	Create and develop the Civic Centre Operational Groups	✔
<input checked="" type="checkbox"/> Delivery of the Annual Capital Maintenance Programme	The delivery of the Council's annual Capital maintenance programme to maintain and improve the Council's property estate.	✔
<input checked="" type="checkbox"/> Develop a balanced strategy for the future of the Civic Centre	In response to financial, environmental, legal sustainability and social pressures we need to develop a balanced strategy for the future preservation and transformation of the Civic Centre.	●
<input checked="" type="checkbox"/> Develop Contract Management Arrangements with Newport Norse	Develop contract management arrangements with Newport Norse.	★
<input checked="" type="checkbox"/> Develop The Civic Centre Maintenance Backlog Prioritisation Schedule	Develop and update a Civic Centre maintenance backlog prioritisation schedule.	✔
<input checked="" type="checkbox"/> Ensure NCC Properties & Assets are of Strategic Value	Ensure that the property and assets held by NCC sustain and support the corporate plan through the Strategic Asset Management Plan (SAMP).	★
<input checked="" type="checkbox"/> Ensure there are Accountable & Responsible Premise Managers in all NCC premises	Adherence to the Corporate Landlord Policy and ensuring that all Premises Managers are accountable and responsible.	★
<input checked="" type="checkbox"/> Establish the Civic Centre Investment Requirements for NCCs 'New Normal'	Establish the Civic Centre investment requirements to provide a suitable office environment for NCCs "new normal".	★
<input checked="" type="checkbox"/> Estate Rationalisation Programme	A programme of estate rationalisation to see which properties and assets are of strategic value to the Council and those that can be designated for alternative use.	★

Post EU Transition

Short Description	The UK Government and EU have now agreed an agreement following the UK withdrawal from the EU on December 31st 2020. There are potential impacts on supplies and services in the short to medium term due to new trade and immigration rules, which may result in an impact on supply of good/services and could have a business/economic impact. There are also potential and on-going community cohesion issues.
Risk Owner	Tracy McKim
Overseeing Officer	Chief Executive
Lead Cabinet Member(s)	Leader of the Council & Cabinet Member for Economic Growth & Investment
Linked Theme	
Linked Corporate Objective	<ul style="list-style-type: none"> ▪ SRA 2. Supporting the Environment & the Economy ▪ WBO 1. Skills, Education & Employment ▪ WBO 2. Economic Growth & Regeneration ▪ WBO 3. Healthy, Independent & Resilient ▪ WBO 4. Cohesive & Sustainable Communities






16 10
 Inherent Risk Score Target Risk Score



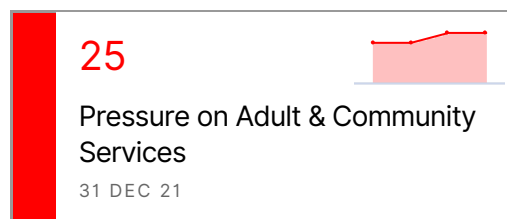
Direction of Risk

	DoR	Comment
Post EU Transition	➔	Following the implementation of an agreement with the EU we are beginning to see pressures developing around the supply of labour (most notably HGV drivers and care staff) which is partly affected by Brexit and Covid 19. We are monitoring increasing costs of supplies and services.

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Contribute towards Welsh Government's Nation of Sanctuary Plan.	To develop an Integration Strategy for Newport, focusing on our approach to asylum seekers, refugees and migrants and contributing to Welsh Government's Nation of Sanctuary Plan.	
<input checked="" type="checkbox"/> Develop a follow up to the Community Impact Assessment	Develop a follow up to the community impact assessment to understand the impact that Covid 19 pandemic and further lockdown restrictions has had on Newport's Communities.	
<input checked="" type="checkbox"/> Support the Council's Brexit Task and Finish Group 2021-22	Support the Council's Brexit Task and Finish Group in making preparations for post European Union arrangements for the Council and Newport.	

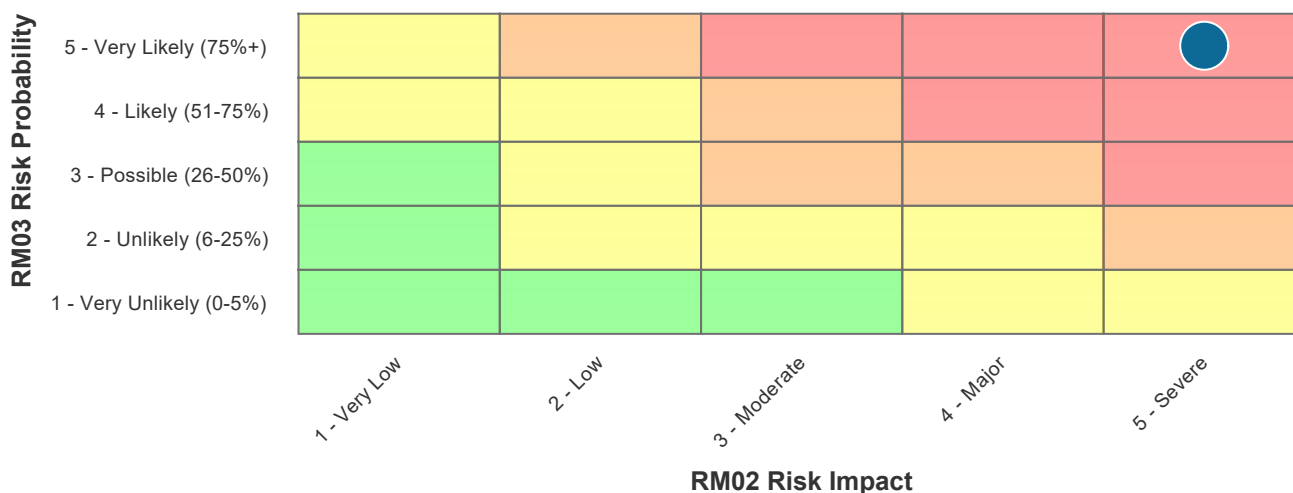
Pressure on Adult & Community Services

Short Description	<p>There is increased pressure on Adult Services to deliver services to adults with complex and long lasting needs.</p> <p>With an increase in demand / volume of referrals and care packages the Council has seen an increase in costs whilst in the context of tightening budgets.</p> <p>There are also additional statutory requirements to safeguard adults in our care and prevent risk of harm, injury or a loss of life.</p>
Risk Owner	Jenny Jenkins
Overseeing Officer	Head of Adult and Community Services
Lead Cabinet Member(s)	Cabinet Member for Social Services
Linked Theme	Theme: Resilient Communities (Social Care)
Linked Corporate Objective	<ul style="list-style-type: none"> WBO 3. Healthy, Independent & Resilient SRA 3. Supporting Health & Well-being of Citizens







20 **10**

Inherent Risk Score Target Risk Score



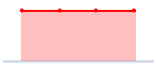
Direction of Risk

	DoR	Comment
Pressure on Adult & Community Services	➔	No change this quarter.

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Assess Impact of Covid 19 on Long Term Sustainability of Service Providers	Assess the impact of Covid 19 on the long term future sustainability of service providers ensuring that the market is able to offer sufficient market capacity and diversity.	
<input checked="" type="checkbox"/> Continue to Develop First Contact as a Multi-Agency & Disciplinary Team	To continue to develop First Contact as a multi-agency, multi-disciplinary team effectively managing demand. This includes the integration of the Frailty service into the First Contact Team.	
<input checked="" type="checkbox"/> Improve Support Available for Young People with Learning Disabilities	To improve the support available for young people with learning disabilities to transition from Children Services into Adults Services.	
<input checked="" type="checkbox"/> Integrate Regional Home First Initiative into Hospital Pathway	To develop and effectively integrate the Regional Home First initiative into the hospital pathway and to further align patient flow processes within hospital discharge.	

Pressure on Housing & Homelessness Services

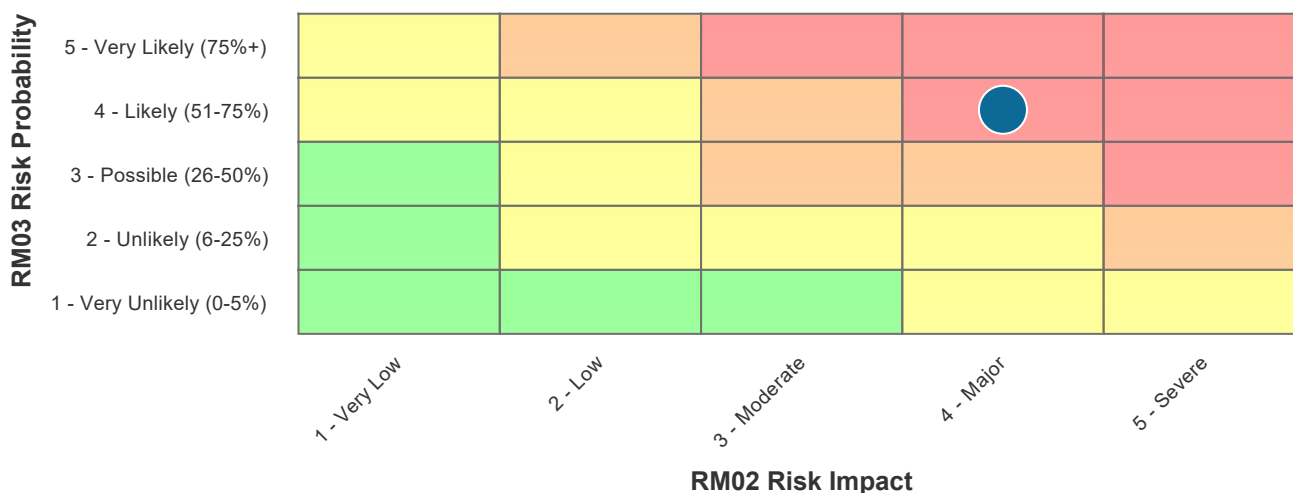
Short Description	Increased pressures being faced by the Council's housing service during the Covid-19 pandemic to support people that are presenting at risk of becoming homeless, those persons sleeping rough and those experiencing difficulties in their accommodation.
Risk Owner	Katherine Howells
Overseeing Officer	<ul style="list-style-type: none"> Chief Executive Head of Regeneration, Investment and Housing
Lead Cabinet Member(s)	Leader of the Council & Cabinet Member for Economic Growth & Investment
Linked Theme	<ul style="list-style-type: none"> Theme: Resilient Communities (Community) Theme : Thriving City
Linked Corporate Objective	<ul style="list-style-type: none"> WBO 4. Cohesive & Sustainable Communities SRA 2. Supporting the Environment & the Economy SRA 4. Supporting Citizens post Covid-19 WBO 2. Economic Growth & Regeneration WBO 3. Healthy, Independent & Resilient

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Pressure on Housing & Homelessness Services

31 DEC 21

20 6
 Inherent Risk Score Target Risk Score



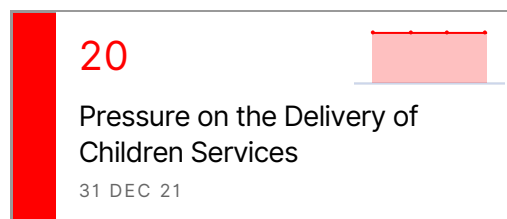
Direction of Risk

	DoR	Comment
Pressure on Housing & Homelessness Services	➔	The authority is still following WG guidance in relation to accommodating homeless persons. Currently over 350 households accommodated in temporary accommodation.

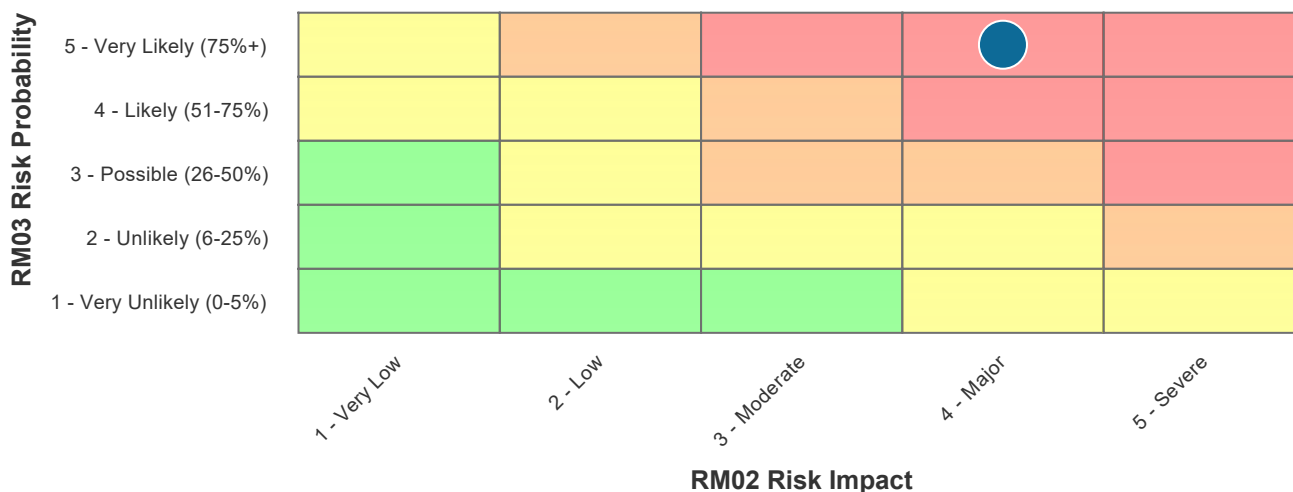
Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Carry Out Research Into Extent & Nature of Private Rented Sector Accommodation	Carry out further research into the extent and nature of private rented sector accommodation in Newport.	★
<input checked="" type="checkbox"/> Develop Strategy Framework for Private Sector Housing	Develop a strategy framework for private sector housing, bringing together the Adaptations Policy, Private Sector Leasing scheme, Housing Loans Policy	★
<input checked="" type="checkbox"/> Manage & Maintain Common Housing Register & Housing Options Service 2021-22	Manage and maintain the Common Housing Register and Newport Housing Options service in 2021/22.	★
<input checked="" type="checkbox"/> Produce a Housing Prospectus for Newport	Produce a housing prospectus for Newport in line with Welsh Government guidance.	✔
<input checked="" type="checkbox"/> Produce Updated Gypsy Traveller Accommodation Assessment	Produce an updated Gypsy Traveller Accommodation Assessment.	★
<input checked="" type="checkbox"/> Review Gwent Homelessness Strategy	Review of Gwent Homelessness Strategy.	★
<input checked="" type="checkbox"/> Review the Community Housing Protocol	Review of the Community Housing Protocol to ensure that it remains fit for purpose and delivers the expected outcomes.	★
<input checked="" type="checkbox"/> Undertake a review of the Housing Allocation Policy	Undertake a review of the Housing Allocation Policy.	●

Pressure on the Delivery of Children Services

Short Description	Increased pressure on Children Services to manage increase in volume of referrals / cases of children with complex needs. This is in the context of budgets not being able to meet increase in costs to provide the necessary care and front-line staff being able to manage high volume and complex caseloads.
Risk Owner	Sally Jenkins
Overseeing Officer	Chief Executive
Lead Cabinet Member(s)	Cabinet Member for Social Services
Linked Theme	<ul style="list-style-type: none"> Theme : Aspirational People Theme: Resilient Communities (Social Care)
Linked Corporate Objective	<ul style="list-style-type: none"> WBO 3. Healthy, Independent & Resilient SRA 3. Supporting Health & Well-being of Citizens



20 **6**
Inherent Risk Score Target Risk Score



Direction of Risk

	DoR	Comment
Pressure on the Delivery of Children Services	➔	Referrals in September were at the highest level recorded. There were particular pressure points after weekend resulting in considerable pressure at the beginning of each week. In addition work from private court cases is increasing. The complexity of the presenting work is immensely challenging. Moving cases through and to the world of earlier interventions is proving challenges because of the waiting lists in these areas and the number of referrals being received for mental health support for children and families.

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Complete & Implement Welsh Government Recommendations for LAC Reduction	Completion and implementation of Welsh Government action plan to work towards reducing the numbers of looked after children	★
<input checked="" type="checkbox"/> Continue Development of Residential Provision	Continue with the development of the residential provision (including Windmill Farm) across Newport in order to increase the number of children who can be cared for safely in Newport	●
<input checked="" type="checkbox"/> Continue the Work Started with GDAS to Base Multi-agency Staff in Front line Teams	Continue the Work Started with GDAS to Base Multi-agency Staff in Front line Teams	★
<input checked="" type="checkbox"/> Continuing to Increase Housing Options for Care Leavers	Increased housing options for care leavers. Currently Newport has a limited range of choices for housing for care leavers especially with a range of suitable support. This action will seek to address this gap. Work has already commenced and will continue.	●
<input checked="" type="checkbox"/> Develop a Sustainable Model to Deliver Local and Multi-Agency Response to All Age Safeguarding	To develop a sustainable model to deliver a consistent, coordinated, local and multi-agency response to all age safeguarding, early intervention and prevention at the front door of CS. This work will involve the consideration of systems, processes and resources of partner agencies to develop a model that reflects contributions from key agencies.	★
<input checked="" type="checkbox"/> Explore Sustainability Options for the Early Intervention Project within the Prevention' Team 21/20	Explore sustainability options for the Early Intervention Project within the Preventions Team for post March 2021.	★
<input checked="" type="checkbox"/> Review our Existing Arrangements for Family Time to Improve the Offer for Children & Families	In light of the learning during lockdown we will review our existing arrangements for family time to improve the offer for children and families: i) To develop a comprehensive framework of all aspects of family time; ii) Continue to deliver family time virtually as a positive for families.	★

Safeguarding Risk

Short Description	To ensure the Council safeguards adults, children and carers as part of its statutory duty.
Risk Owner	Mary Ryan
Overseeing Officer	<ul style="list-style-type: none"> Chief Education Officer Chief Executive Head of Adult and Community Services Head of Children and Family Services Head of Regeneration, Investment and Housing
Lead Cabinet Member(s)	Cabinet Member for Social Services
Linked Theme	Theme: Resilient Communities (Social Care)
Linked Corporate Objective	<ul style="list-style-type: none"> WBO 3. Healthy, Independent & Resilient SRA 3. Supporting Health & Well-being of Citizens

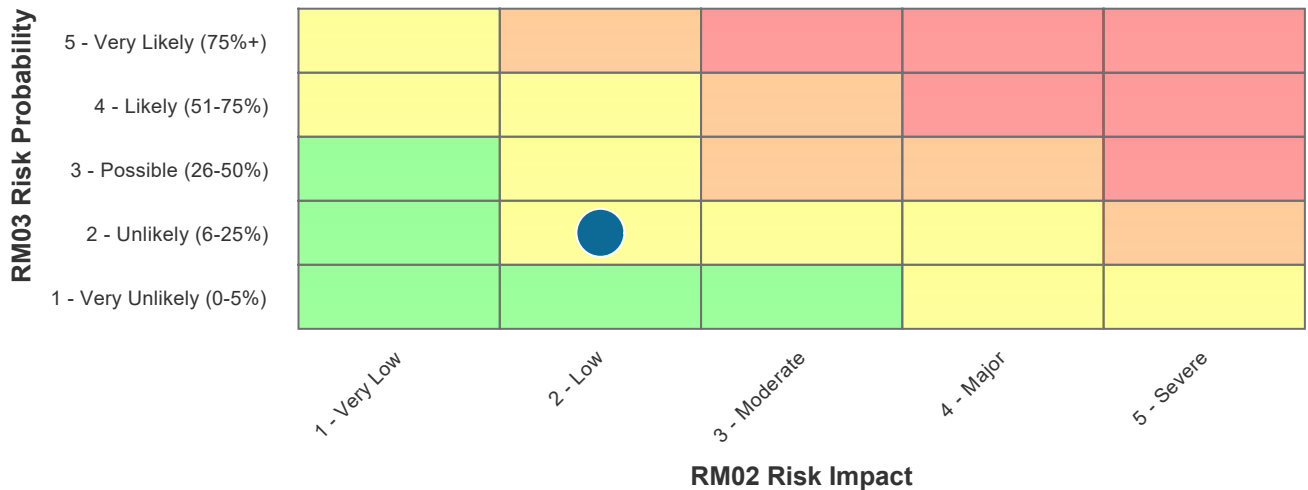


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Inherent Risk Score







4

Target Risk Score



Direction of Risk

	DoR	Comment
Safeguarding Risk	➔	Due to the completion of the whole council self assessment safeguarding audit, the risk has reduced due to all areas having completed the self-assessment audit tool and are clear on service responsibilities and processes.

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Build on Contextual Safeguarding Research	Build on work on Contextual harm and exploitation, safeguarding research, and embed new approaches to understanding, and responding to young people's experiences of significance.	
<input checked="" type="checkbox"/> Complete & Deliver Actions Agreed in Post Safeguarding Joint Inspection Action Plan	Complete and deliver actions agreed in the post safeguarding joint inspection action plan	
<input checked="" type="checkbox"/> Delivery of Safeguarding Programmes 2020-22	Deliver safeguarding programmes and measures that protect citizens from victimisation and to measure the impact of regulatory interventions.	
<input checked="" type="checkbox"/> Embed the implementation of the new national 'safeguarding toolkit' for schools.	Embed the implementation of the new national 'safeguarding toolkit' for schools.	
<input checked="" type="checkbox"/> Empower Citizens Through the Adult Safeguarding Process	To continue to support and empower citizens through the adult safeguarding process.	
<input checked="" type="checkbox"/> To implement new processes for Liberty Protection Safeguards.	Mental capacity Act requires the authority to implement the deprivation and liberty safeguards for citizens of Newport. We have an established regional and local process to delivery on DoLS. However, the legislation changes in October 2020 requiring the Council to have processes in place for the new LPS Liberty Protection Safeguards. This action is to implement the new process for the Council.	

Schools Finance / Cost Pressures

Short Description	In year cost pressures of schools are not met resulting in increased deficit budgets
Risk Owner	Deborah Weston
Overseeing Officer	<ul style="list-style-type: none"> Chief Education Officer Chief Executive
Lead Cabinet Member(s)	<ul style="list-style-type: none"> Cabinet Member for Education and Skills Leader of the Council & Cabinet Member for Economic Growth & Investment
Linked Theme	Theme : Aspirational People
Linked Corporate Objective	WBO 1. Skills, Education & Employment

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Schools Finance / Cost Pressures

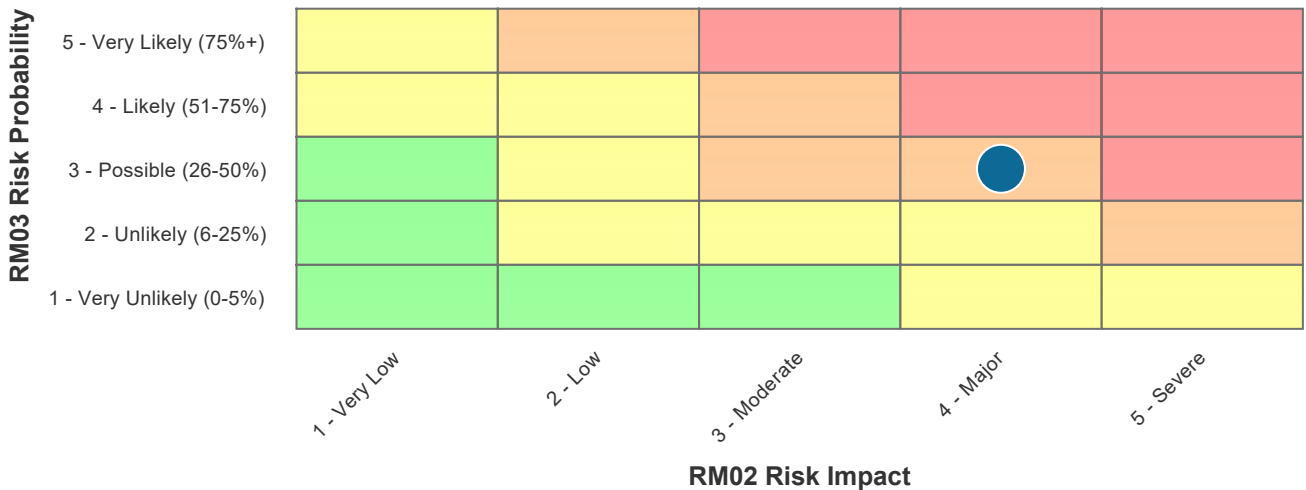
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Inherent Risk Score




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Target Risk Score



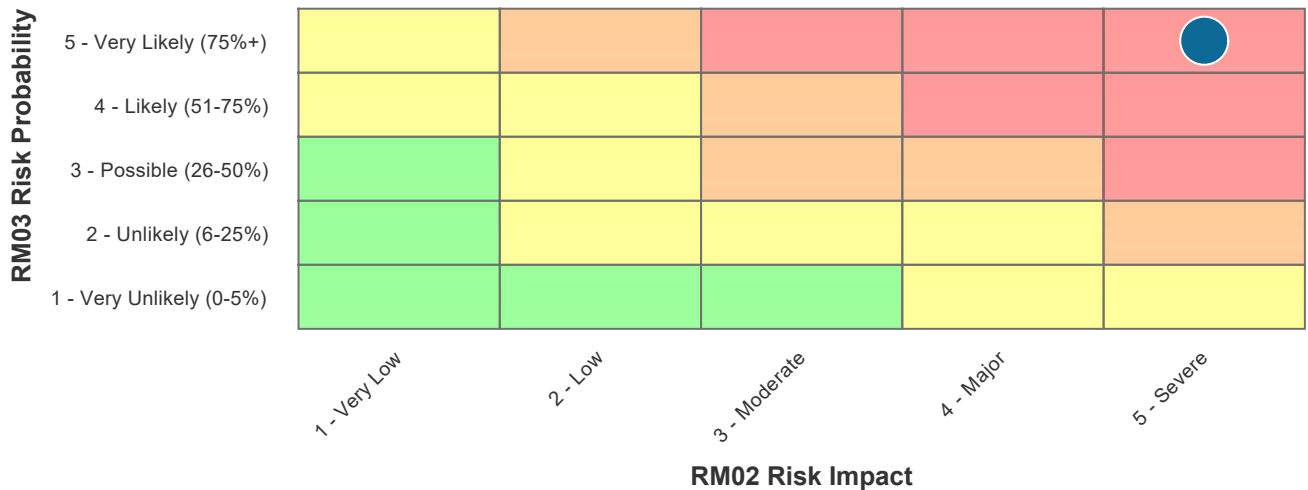
Direction of Risk

	DoR	Comment
Schools Finance / Cost Pressures	➔	<p>Deborah Weston:</p> <p>There are now only three schools with a licenced deficit agreed for the 2021/22 financial year. Two of these schools are projecting an in-year surplus and a return to a closing surplus position by the end of the 2023/24 financial year. In terms of other schools, Headteachers have been asked to outline reasons for any in-year overspends in the current financial year, with a view to identifying whether these costs are recurrent or one-off, and using this as an early warning around schools who may project closing deficits in future financial years. Detailed analysis will continue over the autumn term.</p>

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Managing School Budget	The local authority will monitor school budgets to ensure that Headteachers and Governing Bodies are: a) Maintaining a balanced budget; b) Addressing in year overspends to reduce the risk of moving in to deficit positions; c) Where deficit budgets occur, deficits are licensed with full recovery plans. d) Where in year deficits are still arising following substantial review, further mitigation may be through the medium term financial plan.	
<input checked="" type="checkbox"/> Monitor In-Year School Budgets to Ensure Budgets are Managed Effectively	Monitor In-year School budgets to ensure budgets are: • Managed effectively and taking necessary actions to prevent overspending. Effectively taking necessary actions to prevent overspending. Schools that have deficit budget recovery plans are implementing the necessary actions to reduce their overall budget deficits.	
<input checked="" type="checkbox"/> Monitoring of Primary, Secondary & Special Schools In-Year Budgets	Monitoring of primary, secondary and special schools in-year budgets: • To prevent overspending and take necessary mitigating action(s). Schools with deficit budget recovery plans are implementing the necessary actions to reduce their budget deficits	


Stability of Social Services Providers

Short Description	The Council requires support from external providers to deliver care packages for children and adults (residential / Non Residential). The current marketplace for external providers is volatile due to the increasing costs to provide care, maintain homes, staffing meeting legislative and regulatory requirements.
Risk Owner	Jenny Jenkins
Overseeing Officer	Head of Adult and Community Services
Lead Cabinet Member(s)	Cabinet Member for Social Services
Linked Theme	Theme: Resilient Communities (Social Care)
Linked Corporate Objective	<ul style="list-style-type: none"> WBO 3. Healthy, Independent & Resilient SRA 3. Supporting Health & Well-being of Citizens



Direction of Risk

	DoR	Comment
Stability of Social Services Providers	➔	No change this quarter.

Action Name	Action Description	Dec 2021
<input checked="" type="checkbox"/> Assess Impact of Covid 19 on Long Term Sustainability of Service Providers	Assess the impact of Covid 19 on the long term future sustainability of service providers ensuring that the market is able to offer sufficient market capacity and diversity.	

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Report

Governance and Audit Committee

Part 1

Date: 31 March 2022

Subject Newport Annual Audit Summary 2021

Purpose To provide an informative summary of Newport City Council Annual Audit Summary 2021.

Author Director of Transformation and Corporate
Head of People, Policy & Transformation

Ward All

Summary As part of the programme of regulatory activity, in accordance with the Well-being for Future Generations Act 2015, Audit Wales undertakes a programme of work to ensure the Council is discharging its duties under the Act.

The Annual Audit Summary produced by Audit Wales provides an overview of audit work completed in 2020/21 at Newport Council and how the Audit Wales fulfilled its duties undertaking continuous improvement, audit of accounts, value for money, and sustainable development. The Report also includes an overview of planned Audit Wales work for 2021/22.

Proposal For the Governance and Audit Committee to consider and note the contents of this report from Audit Wales.

Action by Executive Board
Corporate Management Team

Timetable Immediate

Signed

Background

As part of the programme of regulatory activity in accordance with the Well-being of Future Generations (Wales) Act 2015, Audit Wales undertakes a programme of work to ensure the Council is fulfilling its duties under the Act. Purpose of the report is to demonstrate the work carried out by Newport City Council since the last Annual Audit Summary issued in March 2021.

Report Overview

To meet the Auditor General's duties, Audit Wales assesses the Councils financial statements and determines whether arrangements have been put into place to secure value for money. Audit Wales findings and conclusions are summarised below:

Audit of Newport City Councils 2020-21 statement of Accounts:

- The Auditor General gave an unqualified true and fair opinion on the Council's financial statements on 16th November 2021.
- The Council's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent to the financial statements prepared by the Council.
- The quality of the draft statements presented for audit on 6th July 2021 was mainly good.
- Several changes were made to the Council's financial statements arising from the audit work, which were reported to the Governance and Audit Committee (GAC) in the Audit of Financial Statements Report in November 2021.
- In addition to the Auditor General's responsibilities for auditing the Council's financial statements, there is also a responsibility for the certification of several grant claims and returns. Work is still ongoing, and Audit Wales will report the outcome of this work in greater detail to the GAC once completed.
- The Auditor General issued the certificate confirming the audit of accounts for 2020-21 has been completed.

Continuous improvement:

- The Auditor General certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2020-21, as saved by an order made under the Local Government and Elections (Wales) Act 2021.
- Audit Wales noted a reduced reference to comparative performance information, although recognising that the COVID-19 pandemic led to the suspension of some national data collection.
- The ability to compare data and performance with other organisations will continue to be an important aspect of arrangements to secure value for money, and a challenge for councils as they continue to implement requirements relating to self-assessment as required in the Local Government and Elections (Wales) Act 2021.

Financial Sustainability

- Audit Wales concluded Newport City Council has a good understanding of its financial position.
- Newport City Council recognises the need to transform its service delivery for future sustainability, however further work is required to design and implement these changes.

Discretionary Services (April 2021)

- Financial pressures have led Councils to reduce spending and cutting services, however the pandemic has demonstrated local government services are essential to keeping the public safe.
- Audit Wales recognised the demand for some essential services is continuing to increase, and several Councils are not confident that they can effectively deliver these services in the face of rising and complex demand.
- Audit Wales recommends that Councils need to take the opportunity to refresh, reevaluate and reset what they do and learn from the pandemic, to build a stronger and better future.

Planned work for 21-22

Audit Wales reviewed the key challenges and opportunities that faced the Council. These could impact on the Council's ability to meet its legal as regards to the sustainable development principle and the use of its resources. The largest risk and issue facing the Council and the wider public sector during 2021-22 is COVID-19. Audit Wales have shaped their work to provide re-assurance and support the Council through this period. The planned work for 2021-22 includes:

Assurance and risk assessment including a focus on:

- The Local Government and Elections Act (Wales) 2021
- Recovery planning
- Carbon reduction plans
- Self-assessment arrangement
- Financial position

Full detail of the report can be found:

Appendix 1 – Newport City Council Summary 2021 (English)

Appendix 2 – Newport City Council Summary 2021 (Welsh)

Financial Summary (Capital and Revenue)

Not applicable. There are no direct costs associated with this report.

Risks

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Newport City Council does not implement recommendations and actions from Audit Wales.	M	L	Audit Wales reports and recommendations are implemented as necessary by the relevant service area.	Director for Corporate and Transformation

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

[Corporate Plan 2017-22](#)

Options Available and considered

1. Governance and Audit Committee to consider and note the contents of the report.
2. Governance and Audit Committee to request further information or reject contents of the report.

Preferred Option and Why

1. Governance and Audit Committee to consider and note the contents of the report.

Comments of Chief Financial Officer

There are no direct financial implications arising from this report, which takes a retrospective view of work completed by Audit Wales over the last year. The report is for information only and captures viewpoints and information that will have largely been reported previously, for example the audit of the 2020/21 Statement of Accounts. It is positive that the report acknowledges the Council's sound understanding of its financial position and resilience, as well as the good quality of the draft statements that were presented for audit in July 2021.

Comments of Monitoring Officer

There are no specific legal issues arising from the report, which presents the Annual Audit Summary of the Council audit work completed by Audit Wales in 2020/21. The Annual summary includes all of the statutory audit work carried out during the last completed financial year, including the audit of accounts, and their assessments of how the Council is meeting its duties to secure value for money, continuous improvement and sustainable development in accordance with the Well-being of Future Generations Act 2015. The report is being presented to Governance & Audit Committee for information, given its role in overseeing the Council's external audit arrangements and its systems of internal control, financial management and corporate governance.

Comments of Head of People, Policy & Transformation

Newport Council welcomes this report from Audit Wales and its assessment on the effectiveness of governance, finance, and performance arrangements in the Council. The work undertaken by Audit Wales provides necessary assurances and areas for improvement by the Council to implement. The challenges and opportunities faced by the Council will be considered as part of the development work for the Council's Corporate Plan and future risk assessments. There are no HR implications in this report.

Scrutiny Committees

Not applicable. Information report only.

Fairness and Equality Impact Assessment:

Not applicable as this report is an information only report for the Governance and Audit Committee.

- **Wellbeing of Future Generation (Wales) Act**

The review undertaken by Audit Wales was completed in compliance with the Well-being of Future Generation (Wales) Act. The findings and recommendations from Audit Wales consider the principles of the Act providing assurances that the Council has due regard for sustainable development and the five ways of working.

- **Equality Act 2010**

Not applicable as this is an information only report for the Governance and Audit Committee.

- **Socio-economic Duty**

Not applicable as this is an information only report for the Governance and Audit Committee

- **Welsh Language (Wales) Measure 2011**

Audit Wales are committed to implementing and maintaining the Welsh Language Standards. The standards promote and facilitate the Welsh language and ensure that the Welsh language is not treated less favourably than the English Language in Wales. Audit Wales promotes the Welsh language through various situations and services to the public, audited bodies, and stakeholders.

Consultation

Not applicable. Information report only.

Background Papers

Not applicable.

Dated: 24th March 2022

Newport City Council Annual Audit Summary 2021

This is our audit summary for Newport City Council. It shows the work completed since the last Annual Audit Summary, which was issued in March 2021. Our audit summary forms part of the Auditor General for Wales' duties.



More information about these duties can be found on our [website](#).

About the Council

Some of the services the Council provides



Key facts

The Council is made up of 50 councillors¹ who represent the following political parties:

- Welsh Labour 31
- Welsh Conservative 12
- Newport Independent Party 4
- Welsh Liberal Democrats 2
- Independent 1

The Council spent £290.8 million on providing services² during 2020-21, the tenth-highest spending of the 22 unitary councils in Wales.

¹ Source: [About the council | Newport City Council](#)

² We define spending on services as the cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest.

Key facts

As at 31 March 2021, the Council had £101.5 million of usable financial reserves³. This is equivalent to 34.9% of the Council's annual spending on services, the fifth-highest percentage of the 22 unitary councils in Wales⁴.

Newport City has 23 (24%) of its 95 areas deemed the most deprived 10% of areas in Wales, this is the highest of the 22 unitary councils in Wales⁵.

The population living within the area of Newport City Council is projected to increase by 11.9% between 2020 and 2040 from 155,796 to 174,290, including a 3.6% increase in the number of children, an 8.5% increase in the number of the working-age population and a 34.3% increase in the number of people aged 65 and over⁶.

The Auditor General's duties

We completed work to meet the following duties

- **Continuous improvement**

The Council also had to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General had to assess whether the Council met these requirements during 2020-21.

- **Audit of Accounts**

Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.

- **Value for money**

The Auditor General examines whether the Council has put in place arrangements to get value for money for the resources it uses, and he has to be satisfied that it has done this.

- **Sustainable development principle**

Public bodies need 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.

³ We define useable financial reserves as reserves usable for revenue costs, where the purpose is not protected by law. This is the total of the general fund, earmarked reserves and schools balances. It excludes Housing Revenue Account reserves, capital receipts and capital grants unapplied.

⁴ Source: 2020-21 Statement of Accounts

⁵ An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

⁶ Source: Stats Wales



We continue to recognise the huge strain on public services and to work in a way that seeks to reduce the impact on public bodies' response to COVID-19, while still meeting our statutory duties.



To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.

What we found

Audit of Newport City Council's 2020-21 Statement of Accounts

Each year we audit the Council's financial statements.

For 2020-21:

- the Auditor General gave an unqualified true and fair opinion on the Council's financial statements on 16 November 2021.
- the Council's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Council and with our knowledge of the Council.
- the quality of the draft statements presented for audit on 6 July 2021 was generally good.
- a number of changes were made to the Council's financial statements arising from our audit work, which were reported to the Governance and Audit Committee in our Audit of Financial Statements Report in November 2021.
- in addition to the Auditor General's responsibilities for auditing the Council's financial statements, he also has responsibility for the certification of a number of grant claims and returns. Our work is still ongoing and we will report the outcomes of this work in more detail to the Governance and Audit Committee once it is complete.
- the Auditor General issued the certificate confirming that the audit of accounts for 2020-21 has been completed.

Our work in response to the COVID-19 pandemic

In response to the COVID-19 pandemic, we changed the approach and focus of our performance audit work in local government and other bodies. Below is a summary of some of the work we have undertaken in response to the pandemic across a number of sectors, much of which is of relevance to local government.

We undertook a project to support public sector efforts by sharing learning through the pandemic. The project aims to help prompt some thinking, and practise exchange. [Further information is available on our website.](#)

In March 2021, we published a [national report](#) setting out an overview of progress to date on Test, Trace, Protect in Wales. In December 2020, we also published some [observations](#) of the Auditor General on the procurement and supply of PPE during the COVID-19 pandemic, followed by a [report](#) in April 2021. In June 2021, we also published our [report](#) on the rollout of the COVID-19 vaccination programme in Wales.

Continuous improvement

The Auditor General certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2020-21, as saved by an order made under the Local Government and Elections (Wales) Act 2021.

As part of our examination of councils' performance assessments covering the 2020-21 financial year, we noted a reduced reference to comparative performance information, although we recognise that the pandemic led to the suspension of some national data collection. The ability to compare data and performance with other organisations will continue to be an important element of arrangements to secure value for money and will be a challenge for councils to consider particularly as they continue to implement the requirements relating to self-assessment set out in the Local Government and Elections Act (Wales) 2021.

Financial sustainability

During 2020-21, we examined the financial sustainability of each council in Wales. In Newport City Council we concluded that the Council has a good understanding of its financial position and recognises the need to transform its service delivery for future sustainability, although further work is required to design and implement these changes.

We also published two national summary reports: the [first report](#) in October 2020 and the [second report](#) in September 2021.

Recovery planning

During 2020-21, we reviewed the arrangements that each council in Wales was putting in place to support recovery planning. We undertook this work on an ongoing basis, providing real-time and ongoing feedback where appropriate.

Other inspectorates

We also took into account the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response. On 4 November 2021, CIW issued an [Assurance Check 2021 letter](#) to the Council.

CIW and Healthcare Inspectorate Wales published their joint National review of the use of Deprivation of Liberty Safeguards (DoLS) in Wales. They identified a number of key findings and recommendations in the [full report](#).

In November 2021, CIW also published its [national overview report of assurance checks in Wales](#) and [Let me flourish](#), a national review of early help, care and support and transition for disabled children in Wales.

Estyn inspected local schools in Newport and the [reports](#) are on its website.

Estyn did not undertake an inspection of Local Government Education Services in Newport during 2020-21.

Local government studies

As well as local work at each council, each year we also carry out studies across the local government sector to make recommendations for improving value for money. Since the last annual improvement report, we have published the following reports:

Discretionary services (April 2021)

Financial pressures have led to councils reducing spending and cutting services, but the pandemic has shown local government services are essential to keeping people safe and healthy. We focussed on how councils define services, the systems and processes they have used to review services and how robust these are. Demand for some essential services is continuing to increase and councils are not confident that they can continue to deliver these services in the face of this rising and complex demand. Councils need to take the opportunity to refresh, reevaluate and reset what they do and to learn from the pandemic to build a better future. Our [report](#) was published in April 2021.

Regenerating town centres in Wales (September 2021)

Between 1950 and 1980, local authorities prioritised regeneration of town centres creating new and greater retail space. However, past policy choices, changing consumer expectations and technological advances are now adversely affecting many Welsh town centres. And the pandemic has created challenges for local government and central government, with one in seven shops on Welsh high streets now empty, despite the Welsh Government investing and leveraging in £892.6 million in the last seven years. Local authorities do not have the capacity to respond to this situation and are not always using the powers they have to help regenerate towns. To deliver the best local outcomes, policies and joint working need to be aligned and integrated, and resources prioritised on town centres. Our [report](#) was published in September 2021.

Planned work for 2021-22

We also looked at the key challenges and opportunities facing the Council. These could have an effect on the Council's ability to meet its legal obligations in relation to the sustainable development principle and the use of its resources.

The most significant risk and issue facing councils and the wider public sector during 2021-22 continues to be the COVID-19 pandemic. We have shaped our work to provide assurance and challenge in a way which helps to support the Council through this period. Our planned work for 2021-22 includes:

- Assurance and risk assessment including a focus on:
 - The Local Government and Elections Act (Wales) 2021
 - Recovery planning
 - Carbon reduction plans
 - Self-assessment arrangements
 - Financial position
- Springing Forward – as the world moves forward, learning from the pandemic, this review looks at how effectively councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
- Improvement reporting audit

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks, and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government and Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission, and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

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

This document is also available in Welsh.

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Cyngor Dinas Casnewydd

Crynodeb Archwilio Blynyddol 2021

Dyma ein crynodeb archwilio ar gyfer Cyngor Dinas Casnewydd. Mae'n dangos y gwaith a gwblhawyd ers y Crynodeb Archwilio Blynyddol diwethaf, a gyhoeddwyd ym mis Mawrth 2021. Mae ein crynodeb archwilio yn rhan o ddyletswyddau Archwilydd Cyffredinol Cymru.

Ceir rhagor o wybodaeth am y dyletswyddau hyn ar ein [gwefan](#).



Ynglŷn â'r Cyngor

Rhai o'r gwasanaethau y mae'r Cyngor yn eu darparu



Ffeithiau allweddol

Mae gan y Cyngor 33¹ o gynghorwyr sy'n cynrychioli'r pleidiau gwleidyddol canlynol:

- Llafur Cymru 31
- Ceidwadwyr Cymreig 12
- Plaid Annibynnol Casnewydd 4
- Democratiaid Rhyddfrydol Cymru 2
- Annibynnol 1

Gwariodd y Cyngor £290.8 miliwn ar ddarparu gwasanaethau² yn ystod 2020-21, y gwariant isaf o'r 22 o gynghorau unedol yng Nghymru.

¹ Ffynhonnell: [Ynglŷn â'r cyngor | Cyngor Dinas Casnewydd](#)

²Rydym yn diffinio gwariant ar wasanaethau fel cost gwasanaethau a godir ar y gronfa gyffredinol o'r Dadansoddiad Ariannu Gwariant, namyn costau unrhyw wasanaethau a ariennir o'r Cyfrif Refeniw Tai, gan ychwanegu praeseptau, arddellau a llosg ar ddyledion.

Ffeithiau allweddol

O ran y sefyllfa ar 31 Mawrth 2021, roedd gan y Cyngor £101.5 miliwn o gronfeydd ariannol wrth gefn defnyddiadwy³. Mae hyn yn cyfateb i 34.9% o wariant blynyddol y Cyngor ar wasanaethau, y 13eg ganran uchaf o'r 22 o gynghorau unedol yng Nghymru⁴.

Mae 23 (24%) o'r 95 o ardaloedd yn Ninas Casnewydd yn rhai yr ystyrir eu bod ymhlith y 10% o ardaloedd mwyaf amddifad yng Nghymru, dyma'r uchaf o'r 22 o gynghorau unedol yng Nghymru⁵.

Rhagamcanir y bydd poblogaeth ardal Cyngor Dinas Casnewydd yn cynyddu 11.9% rhwng 2020 a 2040 o 155,796 i 174,290, gan gynnwys cynnydd o 3.6% yn nifer y plant, cynnydd o 8.5% yn nifer y boblogaeth o oedran gweithio a chynnydd o 34.3% yn nifer y bobl 65 mlwydd oed neu hŷn.⁶

Dyletswyddau'r Archwilydd Cyffredinol

Fe wnaethom gwblhau gwaith i gyflawni'r dyletswyddau canlynol

- **Gwella'n barhaus**

Roedd rhaid i'r Cyngor hefyd sefydlu trefniadau i wneud gwelliannau parhaus, gan gynnwys cynlluniau ac adroddiadau cysylltiedig, ac roedd yn rhaid i'r Archwilydd Cyffredinol asesu a wnaeth y Cyngor ateb y gofynion hyn yn ystod 2020-21.

- **Archwilio'r Cyfrifon**

Bob blwyddyn mae'r Archwilydd Cyffredinol yn archwilio datganiadau ariannol y Cyngor i wneud yn siŵr y rhoddir cyfrif priodol am arian cyhoeddus.

- **Gwerth am arian**

Mae'r Archwilydd Cyffredinol yn archwilio pa un a yw'r Cyngor wedi sefydlu trefniadau i gael gwerth am arian am yr adnoddau y mae'n eu defnyddio, a rhaid iddo fod wedi'i argyhoeddi ei fod wedi gwneud hyn.

³ Rydym yn diffinio cronfeydd ariannol wrth gefn defnyddiadwy fel cronfeydd wrth gefn y gellir eu defnyddio ar gyfer costau refeniw, lle nad yw'r diben wedi'i ddiogelu gan y gyfraith. Mae hyn yn golygu cyfanswm y gronfa gyffredinol, cronfeydd wrth gefn wedi'u clustnodi a balansau ysgolion. Nid yw'n cynnwys cronfeydd wrth gefn y Cyfrif Refeniw Tai, derbyniadau cyfalaf a grantiau cyfalaf heb eu defnyddio.

⁴ Ffynhonnell: Datganiad Cyfrifon 2020-21

⁵ Diffinnir ardal yn y cyd-destun hwn fel 'Ardal Gynnyrch Ehangach Haen Is'. Ffynhonnell: StatsCymru

⁶ Ffynhonnell: StatsCymru

- **Yr egwyddor datblygu cynaliadwy**

Mae angen i gyrff cyhoeddus gydymffurfio â'r ddyletswydd datblygu cynaliadwy wrth bennu eu hamcanion llesiant a chymryd camau i'w cyflawni. Rhaid i'r Archwilydd Cyffredinol asesu i ba raddau y maent yn gwneud hyn.



Rydym yn parhau i gydnabod y straen enfawr ar wasanaethau cyhoeddus ac i weithio mewn ffordd sy'n ceisio lleihau'r effaith ar ymateb cyrff cyhoeddus i COVID-19, gan ddal i gyflawni ein dyletswyddau statudol.



I gyflawni dyletswyddau'r Archwilydd Cyffredinol rydym yn cwblhau prosiectau penodol, ond rydym hefyd yn dibynnu ar waith archwilio arall, a gwaith cyrff rheoleiddio megis Arolygiaeth Gofal Cymru ac Estyn (yr arolygiaeth addysg). Rydym yn cymryd canfyddiadau ein gwaith archwilio i ystyriaeth wrth asesu pa un a yw'r Cyngor wedi sefydlu trefniadau i sicrhau gwerth am arian. Caiff ein canfyddiadau a'n casgliadau eu crynhoi isod.

Yr hyn a ganfuom

Archwiliad o Ddatganiad o Gyfrifon 2020-21 Cyngor Dinas Casnewydd

Bob blwyddyn rydym yn archwilio datganiadau ariannol y Cyngor.

Ar gyfer 2020-21:

- rhoddodd yr Archwilydd Cyffredinol farn ddiamed bod datganiadau ariannol y Cyngor yn gywir a theg ar 16 Tachwedd 2021.
- cafodd Datganiad Llywodraethu Blynyddol ac Adroddiad Naratif y Cyngor eu paratoi yn unol â Chod CIPFA a chanllawiau perthnasol. Roeddent hefyd yn gyson â'r datganiadau ariannol a baratowyd gan y Cyngor ac â'n gwybodaeth ni am y Cyngor.
- roedd ansawdd y datganiadau drafft a gyflwynwyd i'w harchwilio ar 6 Gorffennaf 2021 yn dda ar y cyfan.
- fe wnaed nifer o newidiadau i ddatganiadau ariannol y Cyngor a gododd o'n gwaith archwilio, gyda'r rheiny'n cael eu dwyn i sylw'r Pwyllgor Llywodraethu ac Archwilio yn ein Hadroddiad ar yr Archwiliad o'r Datganiadau Ariannol ym mis Tachwedd 2021.
- yn ogystal â chyfrifoldebau'r Archwilydd Cyffredinol am archwilio datganiadau ariannol y Cyngor, mae ganddo gyfrifoldeb hefyd am ardystio nifer o hawliadau am grantiau a ffurflenni grantiau. Mae ein gwaith yn parhau a byddwn yn adrodd yn fanylach ar ganlyniadau'r gwaith hwn i'r Pwyllgor Llywodraethu ac Archwilio unwaith y bydd wedi'i gwblhau.
- cyhoeddodd yr Archwilydd Cyffredinol dystysgrif a oedd yn cadarnhau bod yr archwiliad o'r cyfrifon ar gyfer 2020-21 wedi cael ei gwblhau.

Ein gwaith mewn ymateb i bandemig COVID-19

Mewn ymateb i bandemig COVID-19, fe newidiom ni ddull a phwyslais ein gwaith archwilio perfformiad mewn llywodraeth leol a chyrrff eraill. Isod ceir crynodeb o rywfaint o'r gwaith yr ydym wedi'i wneud mewn ymateb i'r pandemig ar draws nifer o sectorau, y mae cryn dipyn ohono'n berthnasol i lywodraeth leol.

Fe gynhaliom ni brosiect i ategu ymdrechion y sector cyhoeddus trwy rannu gwersi a ddysgwyd trwy'r pandemig. Nod y prosiect yw ysgogi rhywfaint o feddwl, a chyfnewid ymarfer. Ceir rhagor o wybodaeth ar ein gwefan.

Ym mis Mawrth 2021, fe gyhoeddod ni adroddiad cenedlaethol a oedd yn nodi trosolwg o'r cynnydd hyd yma o ran Profi, Orlhain, Diogelu yng Nghymru. Ym mis Rhagfyr 2020, fe wnaethom hefyd gyhoeddi rhai o arsylwadau'r Archwilydd Cyffredinol ar gaffael a chyflenwi Cyfarpar Diogelu Personol yn ystod pandemig COVID-19, ac yna adroddiad ar hynny ym mis Ebrill 2021. Ym mis Mehefin 2021, fe wnaethom hefyd gyhoeddi ein hadroddiad ar gyflwyno rhaglen frechu COVID-19 yng Nghymru.

Gwella'n barhaus

Fe wnaeth yr Archwilydd Cyffredinol ardystio bod y Cyngor wedi cyflawni ei ddyletswyddau sy'n weddill dan Fesur Llywodraeth Leol (Cymru) 2009 ar gyfer blwyddyn ariannol 2020-21, fel y'u harbedwyd gan orchymyn a wnaed dan Ddeddf Llywodraeth Leol ac Etholiadau (Cymru) 2021.

Fel rhan o'n harchwiliad o asesiadau cynghorau o'u perfformiad ar gyfer blwyddyn ariannol 2020-21, fe wnaethom nodi bod llai o gyfeirio at wybodaeth gymharol am berfformiad er ein bod yn cydnabod bod y pandemig wedi arwain at atal gwaith i gasglu peth data ar lefel genedlaethol am y tro. Bydd y gallu i gymharu data a pherfformiad â sefydliadau eraill yn dal i fod yn elfen bwysig o drefniadau i sicrhau gwerth am arian a bydd yn her i gynghorau ei ystyried yn enwedig wrth iddynt barhau i weithredu'r gofynion sy'n ymwneud â hunanasesu a nodir yn Neddf Llywodraeth Leol ac Etholiadau (Cymru) 2021.

Cynaliadwyedd ariannol

Yn ystod 2020-21, fe wnaethom archwilio cynaliadwyedd ariannol pob cyngor yng Nghymru. Yng Nghyngor Dinas Casnewydd, daethom i'r casgliad bod gan y Cyngor ddealltwriaeth dda o'i sefyllfa ariannol ac mae'n cydnabod yr angen i drawsnewid ei ddarpariaeth o wasanaethau ar gyfer cynaliadwyedd yn y dyfodol, er bod angen gwneud rhagor o waith i gynllunio a gweithredu'r newidiadau hyn.

Fe wnaethom hefyd gyhoeddi dau adroddiad cryno cenedlaethol: yr adroddiad cyntaf ym mis Hydref 2020 a'r ail adroddiad ym mis Medi 2021.

Cynllunio adferiad

Yn ystod 2020-21, fe wnaethom adolygu'r trefniadau yr oedd pob cyngor yng Nghymru yn eu rhoi ar waith i gefnogi cynllunio adferiad. Fe wnaethom y gwaith hwn yn barhaus, gan ddarparu adborth amser real a pharhaus lle bo hynny'n briodol.

Arolygiaethau eraill

Fe wnaethom hefyd ystyried canfyddiadau Archwiliadau Sicrwydd a gwblhawyd gan Arolygiaeth Gofal Cymru (AGC) ac adroddiadau Estyn yn ogystal ag unrhyw gamau dilynol a gymerwyd gan y Cyngor mewn ymateb. Ar 4 Tachwedd 2021, cyhoeddodd AGC [lythyr](#) Gwiriad Sicrwydd 2021 i'r Cyngor.

Fe gyhoeddodd AGC ac Arolygiaeth Gofal Iechyd Cymru eu hadolygiad Cenedlaethol ar y cyd o ddefnyddio'r Trefniadau Diogelu rhag Colli Rhyddid yng Nghymru. Nodwyd nifer o ganfyddiadau ac argymhellion allweddol yn yr [adroddiad llawn](#).

Ym mis Tachwedd 2021, fe wnaeth AGC hefyd gyhoeddi ei [hadroddiad trosolwg cenedlaethol o archwiliadau sicrwydd yng Nghymru a Gadewch imi ffynnu](#), adolygiad cenedlaethol o gymorth cynnar, gofal a chefnogaeth a threfniadau pontio ar gyfer plant anabl yng Nghymru.

Arolygodd Estyn ysgolion lleol yng Nghasnewydd ac mae'r [adroddiadau](#) ar ei wefan.

Ni wnaeth Estyn gynnal arolygiad o Wasanaethau Addysg Llywodraeth Leol yng Nghasnewydd yn ystod 2020-21.

Astudiaethau llywodraeth leol

Yn ogystal â gwaith lleol ym mhob cyngor, bob blwyddyn rydym hefyd yn cynnal astudiaethau ar draws y sector llywodraeth leol i wneud argymhellion ar gyfer gwella gwerth am arian. Ers yr adroddiad gwella blynyddol diwethaf, rydym wedi cyhoeddi'r adroddiadau canlynol:

Gwasanaethau dewisol (Ebrill 2021)

Mae pwysau ariannol wedi peri i gynghorau ostwng gwariant a thorri gwasanaethau, ond mae'r pandemig wedi dangos bod gwasanaethau llywodraeth leol yn hanfodol i gadw pobl yn ddiogel ac yn iach. Fe wnaethom ganolbwyntio ar sut y mae cynghorau'n diffinio gwasanaethau, y systemau a'r prosesau y maent wedi'u defnyddio i adolygu gwasanaethau a pha mor gadarn yw'r rhain. Mae'r galw am rai gwasanaethau hanfodol yn dal i gynyddu ac nid yw cynghorau'n hyderus y gallant barhau i ddarparu'r gwasanaethau hyn yn wyneb y galw cynyddol a chymhleth hwn. Mae angen i gynghorau achub ar y cyfle i adnewyddu, ailgloriannu ac ailosod yr hyn y maent yn ei wneud a dysgu o'r pandemig i greu dyfodol gwell. Cyhoeddwyd ein [hadroddiad](#) ym mis Ebrill 2021.

Adfywio canol trefi yng Nghymru (Medi 2021)

Rhwng 1950 a 1980, fe wnaeth awdurdodau lleol roi blaenoriaeth i adfywio canol trefi gan greu mannau adwerthu newydd a mwy. Fodd bynnag, mae dewisiadau polisi blaenorol, disgwyliadau newidiol defnyddwyr a datblygiadau technolegol bellach yn effeithio'n andwyol ar ganol sawl tref yng Nghymru. Ac mae'r pandemig wedi creu heriau i lywodraeth leol a'r Llywodraeth ganolog, gydag un siop ymhob saith ar strydoedd mawr Cymru bellach yn wag, er bod Llywodraeth Cymru wedi buddsoddi ac ysgogi buddsoddiadau gwerth £892.6 miliwn yn y saith mlynedd ddiwethaf. Nid oes gan awdurdodau lleol y capasiti i ymateb i'r sefyllfa hon ac nid ydynt wastad yn defnyddio'r pwerau sydd ganddynt i helpu i adfywio trefi. I gyflawni'r deilliannau lleol gorau, mae angen i bolisiau a threfniadau cydweithio gael eu halinio a'u hintegreiddio, ac mae angen i adnoddau gael eu blaenoriaethu ar ganol trefi. Cyhoeddwyd ein [hadroddiad](#) ym mis Medi 2021.

Gwaith sydd yn yr arfaeth ar gyfer 2021-22

Fe wnaethom hefyd fwrw golwg ar yr heriau a chyfleoedd allweddol sy'n wynebu'r Cyngor. Gallai'r rhain gael effaith ar allu'r Cyngor i gyflawni ei rwymedigaethau cyfreithiol mewn perthynas â'r egwyddor datblygu cynaliadwy a'r modd y mae'n defnyddio'i adnoddau.

Y risg a'r mater mwyaf arwyddocaol sy'n wynebu cynghorau a'r sector cyhoeddus ehangach o hyd yn ystod 2021-22 yw pandemig COVID-19. Rydym wedi trefnu ein gwaith i ddarparu sicrwydd a her mewn ffordd sy'n helpu i gefnogi'r Cyngor trwy'r cyfnod hwn. Mae ein gwaith arfaethedig ar gyfer 2021-22 yn cynnwys:

- Sicrwydd ac asesu risg gan gynnwys pwyslais ar y canlynol:
 - Deddf Llywodraeth Leol ac Etholiadau (Cymru) 2021
 - Cynllunio adferiad
 - Cynlluniau lleihau carbon
 - Trefniadau hunanasesu
 - Sefyllfa ariannol
- Llamu Ymlaen – wrth i'r byd symud yn ei flaen, gan ddysgu o'r pandemig, mae'r adolygiad hwn yn ystyried pa mor effeithiol y mae cynghorau'n cryfhau eu gallu i drawsnewid, addasu a pharhau i ddarparu gwasanaethau, gan gynnwys y rhai a ddarperir mewn partneriaeth gyda rhanddeiliaid allweddol a chymunedau.
- Archwiliad o adrodd ar wella.

Mae'r Archwilydd Cyffredinol yn annibynnol ar y llywodraeth, ac fe'i penodir gan Ei Mawrhydi'r Frenhines. Mae'r Archwilydd Cyffredinol yn gwneud ei waith gan ddefnyddio staff ac adnoddau eraill a ddarperir gan Swyddfa Archwilio Cymru, sy'n fwrdd statudol a sefydlwyd at y diben hwnnw ac i fonitro a chynghori'r Archwilydd Cyffredinol. Caiff Swyddfa Archwilio Cymru ei dwyn i gyfrif gan y Senedd.

Mae'r Archwilydd Cyffredinol yn archwilio cyrff llywodraeth leol yng Nghymru, gan gynnwys awdurdodau unedol, yr heddlu, awdurdodau tân ac achub, parciau cenedlaethol a chynghorau cymuned. Mae hefyd yn cynnal astudiaethau o werth am arian mewn llywodraeth leol, yn asesu cydymffurfiaeth â'r gofynion sy'n weddill o Fesur Llywodraeth Leol (Cymru) 2009 a gall gynnal arolygiadau arbennig dan Ddeddf Llywodraeth Leol ac Etholiadau (Cymru) 2021.

Y tu hwnt i lywodraeth leol, yr Archwilydd Cyffredinol yw archwilydd allanol Llywodraeth Cymru a'r cyrff cyhoeddus a noddir ganddi ac sy'n gysylltiedig â hi, Comisiwn y Senedd a chyrrff y Gwasanaeth Iechyd Gwladol yng Nghymru.

Archwilio Cymru yw'r enw cyfunol anstatudol ar gyfer Archwilydd Cyffredinol Cymru a Swyddfa Archwilio Cymru, sy'n endidau cyfreithiol ar wahân sydd â'u swyddogaethau cyfreithiol eu hunain, fel a ddisgrifir uchod. Nid yw Archwilio Cymru yn endid cyfreithiol.

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

Mae'r ddogfen hon hefyd ar gael yn Saesneg.

Report

Governance & Audit Committee

Part 1

Date: 31 March 2022

Subject Internal Audit – Progress against audit plan 2021/22
Quarter 3

Purpose To inform Members of the Council’s Governance & Audit Committee of the Internal Audit Section’s progress against the 2021/22 agreed audit plan for the first 9 months of the year by providing information on audit opinions given to date and progress against key performance targets.

Author Chief Internal Auditor

Ward General

Summary The attached report identifies that the Internal Audit Section is making progress against the 2021/22 audit plan and internal performance indicators.

Covid-19 has impacted on Internal Audit and its ability to deliver services as intended; site visits to establishments are currently not being undertaken on a regular basis although this should become easier as Covid-19 restrictions ease.

The original audit plan was based on 1084 audit days.

Proposal 1) The report be noted by the Council’s Governance & Audit Committee

Action by The Governance & Audit Committee

Timetable Immediate

This report was prepared after consultation with:

- Chief Financial Officer
- Monitoring Officer
- Head of People and Business Change

Signed

Background

1. This report aims to inform Members of the Governance & Audit Committee of progress of work undertaken by the Internal Audit Section of the Council against the agreed audit plan. Progress against the audit plan for the first 9 months of the year will be reported along with the performance of the team for that period.
2. The report gives Members assurance (or otherwise) on the adequacy of the internal control environment operated within the Council by providing the audit opinions on work undertaken at the end of Q3.

Internal Audit Staffing

3. The team currently operates with an establishment of 8 audit staff. At the start of the year there were 7 audit staff in the team; support is being provided by an external internal audit provider.
4. In order to take account of the budget savings contribution and the delayering exercise required by senior management following the job evaluation exercise, the Internal Audit team was restructured and reduced in numbers in 2016/17.
5. The relationship with Monmouthshire County Council (for sharing of the Chief Internal Auditor) continues.

Public Sector Internal Audit Standards (PSIAS)

6. The Public Sector Internal Audit Standards (PSIAS) (IIA) came into force from April 2013 (updated March 2017) which the team needs to ensure it is compliant with as it carries out work in line with the Audit Plan. These standards replace the former Code of Practice for Internal Audit within Local Government (CIPFA).
7. A requirement of the PSIAS is for the Internal Audit team to be externally assessed once every five years to ensure compliance with these Standards. The Welsh Chief Auditors' Group proposed an option of a peer review in order to meet the requirements of this external assessment, which has been agreed by respective S 151 Officers of local authorities in Wales. Newport's peer review took place in 2017/18; the outcome being that the team is generally compliant with the Standards, with no significant areas of non-compliance; this is the highest standard of compliance. The next review will take place at the end of 2023.

Audit Plan & The Impact of Covid-19

8. The 2021/22 Audit Plan was agreed by the Governance & Audit Committee on the 27th May 2021 and was originally based on 1084 audit days with 64 opinion related jobs.
9. The pandemic struck Wales mid February, early March 2020. The majority of Council staff were advised to work from home from the 18th March 2020, where they could. This meant the Internal Audit Team had to change the way it operated for the year end and for the start of the new financial year. This has continued into 2021/22.
10. Generally in Q1 of our audit plan the team are finalising reports in draft at year end, completing audit jobs which were ongoing at year end but draft reports had not been issued, picking up carried forward jobs from the previous year and starting new year audit jobs. In order to undertake audit work effectively and efficiently we need the co-operation of service managers and the staff in their

service areas to accommodate site visits (where necessary), meetings and provide relevant documentation.

11. Internal Audit staff currently work from home.
12. In 2019/20 external resources were brought in to undertake audit jobs which could not be completed in house due to a vacancy and a long term illness. This support has continued into 2021/22 to ensure appropriate audit coverage in the year.

Performance

13. The Audit Section's performance is measured against planned work, which incorporates externalities like special investigations, financial advice and financial regulations training. Where actual time taken for the review exceeds planned time there will be an impact on the audit plan. Ad-hoc reviews requested by management cannot be planned for but will have an immediate impact on the achievement of the audit plan; we will endeavour to minimise these throughout the year. The section has been involved with some special investigations so far this year but if this increases significantly it could have an impact on this year's achievement of the audit plan; there have also been a few unplanned reviews.
14. The section's performance is measured against performance indicators set and agreed by the Welsh Chief Auditors' Group. Performance against these indicators is reported to the Governance & Audit Committee on a quarterly basis; the targets for each of the indicators are set internally by the Chief Internal Auditor.
15. The performance for Quarter 3 2021/22 is summarised below with the detail shown at **Appendix A**:
 - a. 42% of the original audit plan has been achieved so far which is below the target of 50%;
 - b. The promptness of issuing draft reports (comparing timescale between finalising all fieldwork and issuing the draft report to management) averages at 6 days, well within the target time of 10 days;
 - c. The promptness of report finalisation (comparing timescale from meeting with client to discuss issues raised in the draft report to issue of finalised report to management) averages 3 days which is within the target time of 5 days.
16. 13 out of 14 2020/21 audit reviews which were in draft as at 31/03/21 have now been finalised.
17. A vacancy / secondment provision was taken into account in the planning stage which related to the Chief Internal Auditor's work with Monmouthshire and a vacant post. The team took on additional external professional support to enable it to achieve the 2019/20 audit plan and carried this through to 2020/21 and 2021/22.
18. The main reasons for the team's current performance is that we have an ongoing long term sickness which is being covered from within the team, so overall resources have been reduced; our external provider has been unable to provide us with additional support on top of what has already been agreed; we have not been able to undertake the majority of site visit related audits due to current restrictions; the Principal Auditor vacancy was not filled during the year.
19. However, audit work has been re-prioritised where possible and the team have projected that closer to 70% of the agreed plan will be completed by the year end.

20. Inevitably there will be some overruns on reviews undertaken within the team which may result in not as many reviews being undertaken as were planned for the year. Some planned work may be deferred by service managers to either later in the year or the following financial year.
21. From time to time the team does get involved with additional non-planned audit work which can result in special investigations.

Quality Control

22. On completion of all audit reviews, an evaluation questionnaire is sent out to the service manager with the final report. This gives the manager who has been audited an opportunity to comment on the audit review itself, confirming (or not) that it was of benefit to their service and that the main risks had been covered; the staff, their approach, constructiveness and helpfulness; the report, covering the benefits of discussing the draft report, whether the balance was right via the inclusion of strengths and weaknesses, whether management comments were correctly reflected and if the report format was easy to follow. These questionnaires are returned in confidence to the Chief Internal Auditor who will assess the comments and address any criticisms. Generally, there has been positive feedback from service managers via these questionnaires; this will continue to be collated throughout the year and fed into the annual audit report for 2021/22.

Financial Training

23. In the Audit Section's continued efforts to ensure that Council's assets are safeguarded and to provide assurance to management that their internal controls are robust, further training specifically on financial regulations and contract standing orders will be offered to all service areas. This course is available on a self-nomination basis, bimonthly, as part of the Corporate Training Programme. Feedback from staff who have previously attended courses has been positive. 8 training sessions have been held so far this year, via MS Teams, with others planned.

Audit Opinions 2021/22

24. Audit opinions issued so far in 2021/22 are shown at **Appendix B**. Definition of audit opinions currently given is shown at **Appendix D**.
25. 18 jobs completed to at least draft report stage by 31 December 2021 warranted an audit opinion: 6 x *Good*, 11 x *Reasonable*, 1 x *Unsatisfactory*, no *Unsound* audit opinions. In addition, 5 grant claim audits have been undertaken during the year; all resulting with an *Unqualified*, opinion. Other work completed related to the Annual Governance Statement, NFI and the provision of financial advice and financial regulations training (**Appendix C**).
26. The audit opinion relates to the adequacy of internal controls within the system or establishment being reviewed. The opinion is derived from the balance of strengths and weaknesses identified from evidence obtained, and testing undertaken, during the audit. Where the auditor believes that any issues identified are the result of a deliberate action and may be in breach of the Disciplinary Code or Employee Code of Conduct, further investigations will be carried out and action taken as appropriate.

Service Management Responsibilities

27. Heads of Service and service managers are responsible for addressing any weaknesses identified in internal systems and demonstrate this by incorporating their agreed actions into the audit reports. When management sign off the reports they are accepting responsibility for addressing the issues identified within the agreed timescales.

28. Although Heads of Service are responsible for implementing and maintaining adequate internal controls within service areas, operational managers are responsible for working within those controls and for ensuring compliance with Council policies and procedures. All reports, once finalised, are sent to the respective Heads of Service for information and appropriate action where necessary.

Follow up audit reviews

29. Where *Unsatisfactory* or *Unsound* opinions are issued, they are followed up within a twelve month timescale to ensure that the agreed actions have been taken by management and that the internal control systems are improved. These are reported separately to this Governance & Audit Committee on a six-monthly basis.

Financial Summary

30. There are no financial issues related to this report.

Risks

31. If the plan is not completed due to a lack of resource in the team, the Chief Internal Auditor may have to qualify his year end assurance opinion provided to the Governance & Audit Committee.

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Audit Plan not completed	L	L	Audit work will be prioritised ; Have enquired with external provider but they cannot currently provide additional resources to support the team	Chief Internal Auditor

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

32. Giving management assurance on systems in operation gives them confidence that there is sound financial management in place, that more effective services can be provided and the risk of theft, fraud and corruption is minimised. Better service provision, looking after the public pound makes our City a better place to live for all our citizens, hence Improving People’s Lives.

Options Available

33. This is a factual progress report and therefore there are no specific options to be considered. The quarterly reports provide a mechanism for monitoring the performance and progress of the Internal Audit team and the adequacy of the Council’s internal control environment to ensure the public pound is spent wisely and appropriately and that fraud, theft and corruption is minimised.

34. The Governance & Audit Committee is asked to note progress on delivery of the audit plan and audit opinions given to date and ask questions, make observations and recommendations, as necessary.

Preferred Option and Why

35. N/A

Comments of Chief Financial Officer

36. I can confirm that I have been consulted and have no additional comments.

Comments of Monitoring Officer

37. There are no legal implications. The report has been prepared in accordance with the Council's internal audit procedures and the Performance Management framework. The progress made to date in delivering the objectives set out in the approved Audit Plan highlights the effectiveness of the work undertaken by this service area in ensuring that adequate and effective internal financial controls are in place.

Comments of Head of People, Policy and Transformation

38. This report presents an updated position on the delivery of the Internal Audit Plan and its activity during quarter 3. The role of Internal Audit provides assurance that the Council's corporate governance arrangements are operating effectively and efficiently to manage governance, internal control and risk management. This work also supports the Council's overall assessment that it is delivering its statutory duties and has the necessary arrangements to deliver its Corporate Plan 2017-22 contributing towards the Well-being of Future Generations Act 2015. There are no direct human resources impact from this report, but the Council's Human Resources team are supporting the team with its ongoing resource issues.

Comments of Cabinet Member

39. N/A

Local issues

40. N/A

Scrutiny Committees

41. N/A

Equalities Impact Assessment and the Equalities Act 2010

42. The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who

share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

43. As this is a progress report on performance and audit opinions there is no need for an Equalities Impact Assessment. All audits are undertaken in a non-discriminatory manner.

Wellbeing of Future Generations (Wales) Act 2015

44. The role of Internal Audit supports the Council in complying with the principles of the Wellbeing Act and providing assurance on the activities undertaken across the Council. In compiling this report the principles of this Act have been considered:

Long term - The Internal Audit workload is based on an annual operational plan supported by a 5 year strategic plan that is aligned to the Council's Corporate Plan.

Prevention - Internal Audit identify strengths and weaknesses within the control environment of Newport City Council; addressing the weaknesses gives management the opportunity of preventing gaps in service provision getting worse. This should also minimise the potential for fraud, theft, loss or error.

Integration - Internal Audit opinions provide an objective opinion on the adequacy of the Council's corporate governance, internal control and risk management environment in operation and support sound stewardship of public money.

Collaboration - Internal Audit work in collaboration with operational managers to develop an appropriate action plan in order to address identified concerns.

Involvement - Heads of Service and Senior Managers are invited to contribute to the audit planning process each year in order to prioritise audit resources. The involvement of the Governance & Audit Committee provides assurance and oversight of an effective internal audit provision to carry out its duties.

Consultation

45. N/A

Background Papers

46. N/A

Dated:

Appendix A

Newport City Council Internal Audit Service Performance Indicators

2020/21	2020/21 Target	1 st Qtr 20/21	2 nd Qtr 20/21	3 rd Qtr 20/21	4 th Qtr 20/21	Comments
Proportion of planned audits complete	82%	N/A	24%	42%	78%	Quarterly performance
Directly chargeable time against total time available	50%	N/A	N/A	N/A	N/A	Quarterly performance
Directly chargeable time against planned	100%	N/A	N/A	N/A	N/A	Quarterly performance
Proportion of Special Reviews responded to within 5 working days	100%	N/A	N/A	N/A	N/A	Cumulative figures
Number of sessions provided to train staff in all Service Areas on best financial practice	8	N/A	1	2	6	Cumulative figures
Staff turnover rate (number of staff)	0	N/A	0	0	0	Quarterly performance
Promptness of draft report issue (end of fieldwork to draft report issue date)	10 days	N/A	3 days	6 days	8 days	Cumulative figures
Promptness of report finalisation (date of client meeting to final report issue date)	5 days	N/A	2 days	2 days	3 days	Cumulative figures

2021/22	2021/22 Target	1 st Qtr 21/22	2 nd Qtr 21/22	3 rd Qtr 21/22	4 th Qtr 21/22	Comments
Proportion of planned audits complete	82%	20%	30%	42%		[Profiled Target Q3 50%]
Directly chargeable time against total time available	50%	57%	55%	53%		Quarterly performance
Directly chargeable time against planned	100%	78%	75%	78%		Quarterly performance
Proportion of Special Reviews responded to within 5 working days	100%	100%	100%	100%		Cumulative figures
Number of sessions provided to train staff in all Service Areas on best financial practice	8	2	5	8		Cumulative figures
Staff turnover rate (number of staff)	0	0	0	0		Quarterly performance
Promptness of draft report issue (end of fieldwork to draft report issue date)	10 days	7 days	6 days	6 days		Cumulative figures
Promptness of report finalisation (date of client meeting to final report issue date)	5 days	5 days	4 days	3 days		Cumulative figures

Appendix B
Opinions as at 31 December 2021, Qtr 3

Good	6
Reasonable	11
Unsatisfactory	1
Unsound	0
Total	18
Unqualified	5

Internal Audit Services - Management Information for 2021/22
Q3

Job number	Service Area	Section or Team	Job Title	Risk Rating / Priority	Opinion given
P2122-P3	Finance	Income Collection	National Non Domestic Rates (NDR)	Medium	Good
P2122-P39	Law & Regulation	Legal	Insurances	Medium	Good
P2122-P42	Law & Regulation	Public Protection	Licensing (Taxi)	Medium	Good
P2122-P48	RI&H	Development Services	Building Control	Medium	Good
P2122-P58	City Services	Highways & Engineering	Street Works	Medium	Good
P2122-P84	People & Bus Change	Policy & Partnership	Covid-19 Response	High	Good
P2122-P2	Finance	Accountancy	Place & Corporate Accountancy	Medium	Reasonable
P2122-P4	Finance	Strategic Procurement	Gateway Process (incl. Excepted Contracts)	High	Reasonable
P2122-P23	Children & Young People Serv	Resources	Forest Lodge	Medium	Reasonable
P2122-P24	Children & Young People Serv	Resources	Oaklands (Replaced Rose Cottage)	Medium	Reasonable
P2122-P27	Children & Young People Serv	General	Children & Families Imprest Account (Follow-Up) 2020/21	High	Reasonable
P2122-P28	Children & Young People Serv	General	Control Risk Self-Assessments	Medium	Reasonable
P2122-P50	RI&H	Housing, Regeneration & Property	Newport Norse (Joint Venture) Follow Up 2020/21	High	Reasonable


Job number	Service Area	Section or Team	Job Title	Risk Rating / Priority	Opinion given
P2122-P56	City Services	Highways & Engineering	Highways (Follow-up) 2020/21	High	Reasonable
P2122-P57	City Services	Highways & Engineering	SDR Contract	Medium	Reasonable
P2122-P65	Education Serv	Inclusion	Pupil Exclusions	Medium	Reasonable
P2122-P68	Education Serv	Nursery Schools	Kimberley Nursery Closure / Amalgamation	Medium	Reasonable
P2122-P54	City Services	Customer Services	Housing Benefits	High	Unsatisfactory
P2122-P33	Adult & Comm Serv	Service Development & Commissioning	Housing Support Grant	Medium	Unqualified
P2122-P34	Adult & Comm Serv	Service Development & Commissioning	Homelessness Prevention (Rough Sleeping) Grant	Medium	Unqualified
P2122-P43	Law & Regulation	Public Protection	Scambusters Grant Claim 2020/21	Medium	Unqualified
P2122-P66	Education Serv	Education Grants	Education Improvement Grant (SIG) 2020/21	Medium	Unqualified
P2122-P67	Education Serv	Education Grants	Pupil Development Grant 2020/21	Medium	Unqualified

Appendix C

Non Opinion work 2021/22 Q3

Job number	Service Area	Section or Team	Job Title
P2122-P7	Finance	General	Annual Governance Statement
P2122-P9	Finance	General	Financial Advice
P2122-P18	People & Bus Change	General	Financial Advice
P2122-P19	People & Bus Change	General	Financial Regulations Training
P2122-P29	Children & Young People Serv	General	Financial Advice
P2122-P37	Adult & Comm Serv	General	Financial Advice
P2122-P45	Law & Regulation	General	Financial Advice
P2122-P52	RI&H	General	Financial Advice
P2122-P62	City Services	General	Financial Advice
P2122-P79	Education Serv	General	Control Risk Self-Assessments
P2122-P80	Education Serv	General	Schools Financial Regulations Training / Cluster Meetings
P2122-P81	Education Serv	General	Financial Advice

INTERNAL AUDIT SERVICES – OPINION DEFINITIONS

	GOOD	Well controlled with no critical risks identified which require addressing; substantial level of assurance.	Green
	REASONABLE	Adequately controlled although risks identified which may compromise the overall control environment; improvements required; reasonable level of assurance.	Yellow
	UNSATISFACTORY	Not well controlled; unacceptable level of risk; changes required urgently; poor level of assurance.	Amber
	UNSOUND	Poorly controlled; major risks exists; fundamental improvements required with immediate effect.	Red

Unqualified	<p>The Financial Statement is free from material misstatement and presents fairly the activities of the organisation.</p> <p>The terms and conditions of the grant funding have been complied with.</p>
Qualified	<p>There is a lack of supporting information or documentation to verify that that figures quoted in the Financial Statement fairly represent the activities of the organisation.</p> <p>The terms and conditions of the grant funding have not been fully complied with.</p>

Report

Governance & Audit Committee

Part 1

Date: 31 March 2022

Subject Internal Audit Charter– Revised and updated

Purpose This report aims to make Members of the Governance and Audit Committee aware of the Council's Internal Audit Charter in order to enable them to make an informed decision to approve The Charter in line with the expectations of the Public Sector Internal Audit Standards (PSIAS). The purpose of this Charter is to define what Internal Audit at Newport City Council is and explain its purpose, authority and responsibility.

This Charter has been written in accordance with Standard 1000 of the Public Sector Internal Audit Standards (PSIAS) which came into force from April 2013.

Author Chief Internal Auditor

Ward General

Summary The attached report is the updated Internal Audit Charter for the Council's Internal Audit Team. The Charter was last approved by Audit Committee in December 2015 so this revision takes into account of PSIAS update in 2017, inclusion of an Internal Audit Mission, reference to the new Executive Board and Strategic Directors within the Council and reference to the new Governance and Audit Committee.

Proposal The report be noted and approved by the Council's Governance & Audit Committee.

Action by The Governance & Audit Committee

Timetable Immediate

This report was prepared after consultation with:

- Chief Financial Officer
- Monitoring Officer
- Head of People and Business Change

Signed

Background

1. This report aims to make Members of the Governance and Audit Committee aware of the Council's Internal Audit Charter in order to enable them to make an informed decision to approve The Charter in line with the expectations of the Public Sector Internal Audit Standards (PSIAS).
2. The purpose of this Charter is to define what Internal Audit at Newport City Council is and explain its purpose, authority and responsibility.
3. This Charter has been written in accordance with Standard 1000 of the Public Sector Internal Audit Standards (PSIAS) which came into force from April 2013.
4. The Public Sector Internal Audit Standards 2013 (PSIAS) states the mission of internal audit is:
“ to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.”
and defines Internal Audit as:
“... an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”
5. A professional, independent and objective Internal Audit service is one of the key elements of good governance.
6. Internal Audit has specific responsibilities and rights of access to people and documents written into the Council's Financial Regulations which are included within The Charter, along with its objectives, roles and responsibilities, the staff involved and how it demonstrates its organisational independence. The expectations and responsibilities of the Chief Internal Auditor are also included within The Charter.
7. The Charter reinforces the point that Internal Audit provides assurance to Members and Senior Management and should not be involved with operational matters of service delivery. It includes an important reference to the Code of Ethics for those working within the team in that they need to conform with the principles of Integrity, Objectivity, Confidentiality and Competence and have due regard to the 'Seven Principles of Public Life (Nolan Principles)' when undertaking their duties.
8. The expectations of how Internal Auditors will approach their work in terms of due professional care, integrity, independence, impartiality is written into The Charter; the work itself being delivered through an Audit Strategy and an Annual Audit Plan. The reporting and quality assurance processes are also included, along with how relationships with the team's stakeholders will be developed.
9. Dealing with Fraud and Irregularities is an important part of what the Internal Audit Team does in order to safeguard public money; it is important to include this aspect of its work within The Charter. How the Internal Audit Team will be resourced and continually developed through training has also been included within The Charter.
10. The intention is to maintain The Charter as a working document, which from time to time, will need to be refreshed and updated. The Charter was last approved by Audit Committee in December 2015; this update takes account of the PSIAS update in 2017, inclusion of an Internal Audit Mission, reference to the new Executive Board and Strategic Directors within the Council and reference to the new Governance and Audit Committee.

11. The Internal Audit Charter will therefore be reviewed periodically by the Chief Internal Auditor and presented to Senior Management and the Audit Committee for approval in future. The next review will be in 2025.

Financial Summary

12. There are no financial issues related to this report.

Risks

13. If the plan is not completed due to a lack of resource in the team, the Chief Internal Auditor may have to qualify his year end assurance opinion provided to the Governance & Audit Committee.

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Audit Plan not completed	L	L	Audit work will be prioritised ; Have enquired with external provider but they cannot currently provide additional resources to support the team	Chief Internal Auditor

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

14. Giving management assurance on systems in operation gives them confidence that there is sound financial management in place, that more effective services can be provided and the risk of theft, fraud and corruption is minimised. Better service provision, looking after the public pound makes our City a better place to live for all our citizens, hence Improving People's Lives.

Options Available

15. This is a factual progress report and therefore there are no specific options to be considered. The quarterly reports provide a mechanism for monitoring the performance and progress of the Internal Audit team and the adequacy of the Council's internal control environment to ensure the public pound is spent wisely and appropriately and that fraud, theft and corruption is minimised.

16. The Governance & Audit Committee is asked to note progress on delivery of the audit plan and audit opinions given to date and ask questions, make observations and recommendations, as necessary.

Preferred Option and Why

17. N/A

Comments of Chief Financial Officer

18. I can confirm that I have been consulted and have no additional comments.

Comments of Monitoring Officer

19. There are no legal issues arising from the report, which simply advises the Committee of updated changes to the Council's Internal Audit Charter to reflect the PSIAS update in 2017, the inclusion of an Internal Audit Mission Statement, and references to the new senior management governance structure and the new terms of reference of Governance and Audit Committee.

Comments of Head of People, Policy and Transformation

20. The Internal Audit Charter is an important document for Newport Council outlining their roles and responsibilities providing independent assurance, advice and guidance in the delivery of its statutory duties. The Charter enables the Council's Internal Audit team and stakeholders across the Council to understand how Internal Audit provides assurances on the effectiveness and efficiency of Council services and delivery of its strategic objectives in the Corporate Plan meeting its Well-being of Future Generations Act requirements. There are no direct human resources impact from this report.

Comments of Cabinet Member

21. N/A

Local issues

22. N/A

Scrutiny Committees

23. N/A

Equalities Impact Assessment and the Equalities Act 2010

24. The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
25. As this is a progress report on performance and audit opinions there is no need for an Equalities Impact Assessment. All audits are undertaken in a non-discriminatory manner.

Wellbeing of Future Generations (Wales) Act 2015

26. The role of Internal Audit supports the Council in complying with the principles of the Wellbeing Act and providing assurance on the activities undertaken across the Council. In compiling this report the principles of this Act have been considered:

Long term - The Internal Audit workload is based on an annual operational plan supported by a 5 year strategic plan that is aligned to the Council's Corporate Plan.

Prevention - Internal Audit identify strengths and weaknesses within the control environment of Newport City Council; addressing the weaknesses gives management the opportunity of preventing gaps in service provision getting worse. This should also minimise the potential for fraud, theft, loss or error.

Integration - Internal Audit opinions provide an objective opinion on the adequacy of the Council's corporate governance, internal control and risk management environment in operation and support sound stewardship of public money.

Collaboration - Internal Audit work with delivered in collaboration with operational managers to develop an appropriate action plan in order to address identified concerns.

Involvement - Heads of Service and Senior Managers are invited to contribute to the audit planning process each year in order to prioritise audit resources. The involvement of the Governance & Audit Committee provides assurance and oversight of an effective internal audit provision to carry out its duties.

Consultation

27. N/A

Background Papers

28. N/A

Dated:

Appendix A





NEWPORT

CITY COUNCIL

CYNGOR DINAS

CASNEWYDD

INTERNAL AUDIT CHARTER 2022

Version: 2 – Draft
Author: Andrew Wathan, Chief Internal Auditor

Approved by: Governance and Audit Committee
Date Approved:
Date of Next Review: March 2025

Version Control:

Version	Details	Approved by & Date
1	Original	Audit Committee, December 2015
2	Revised and updated, taking account of changes to Public Sector Internal Audit Standards (2017).	Governance and Audit Committee, TBC

INTERNAL AUDIT CHARTER

1 Introduction

- 1.1 The purpose of this Charter is to define what Internal Audit is and explain its mission, authority, responsibility and position within Newport City Council.
- 1.2 This Charter has been written in accordance with Standard 1000 of the Public Sector Internal Audit Standards (PSIAS) and sets out how the Internal Audit Section will discharge its duties in compliance with the PSIAS. Compliance with the PSIAS is mandatory for all internal audit providers and is based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF).
- 1.3 For the purposes of internal audit activity the following terms are defined as follows:

Board	Governance & Audit Committee
Senior Management	The Executive Board which is made up of the Chief Executive Strategic Director Transformation & Corporate Strategic Director Social Services Strategic Director Environment & Sustainability

2 Mission, Definition, Authority and Scope of Internal Audit

Mission and Definition

- 2.1 The Public Sector Internal Audit Standards 2017 (PSIAS) confirms the mission of internal audit is:
“ to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.”
- 2.2 The Standards define Internal Audit as:
“... an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”
- 2.3 A professional, independent and objective Internal Audit service is one of the key elements of good governance.

Authority

- 2.4 The authority of the internal audit function is derived from legislation. The requirement for an internal audit function for local authorities is implied by Section 151 of the Local

Government Act 1972, which required that authorities shall *'make arrangements for the proper administration of their financial affairs and shall ensure that one of their officers has responsibility for the administration of those affairs'*. The Accounts and Audit (Wales) Regulations 2014 requires that *'A relevant body (Newport City Council) must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control'*.

2.5 Newport City Council has delegated these responsibilities to the Head of Finance.

2.6 Financial Regulations (March 2016) section 5.4 states:

To ensure that internal auditors have the authority to:

- enter at all reasonable times on any Council premises or land without prior notice;
- have access to all records, documents, computer programs and files and correspondence relating to any financial and related transactions of the Council;
- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of the Council to produce cash, stores or any other Council property under their control or such items in their custody as an officer of the Council which are the property of other persons;
- secure and prevent access to any equipment and records subject to an immediate report to the relevant Head of Service or Strategic Director.

Scope

2.7 The scope of Internal Audit work is to determine whether the Council's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed;
- Interaction with the various governance groups occurs as needed;
- Significant financial, managerial, and operating information is accurate, reliable, and timely;
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- Resources are acquired economically, used efficiently, and adequately protected;
- Programmes, plans, and objectives are achieved;
- Quality and continuous improvement are fostered in the Council's control process;
- Significant legislative or regulatory issues impacting the Council are recognised and addressed appropriately; and

- Opportunities for improving management control, profitability and the Council's image may be identified during audits. They will be communicated to the appropriate level of management.

Our scope of work may include audit activity both within Newport City Council (NCC) and on functions that NCC has delegated or contracted out.

2.8 The scope of Internal Audit allows for unrestricted coverage of the Authority's activities in order to review, report and provide the appropriate assurance based on its reviews to the Governance and Audit Committee. Internal Audit shall also have unrestricted access to all records, property and assets deemed necessary by auditors in the course of an audit. In addition, Internal Audit, will have unrestricted access to:-

- the Governance and Audit Committee
- the Chief Executive
- the Leader of the Council
- Members of the Council
- individual chief officers
- all Authority employees.

2.9 Such access to records, assets and personnel may be limited to certain named individuals as agreed with the Chief Internal Auditor where highly sensitive or confidential information is involved.

2.10 Internal Audit is known as the 3rd line of defence within an organisation, with operational management controls being the 1st, risk management and compliance the 2nd. Each line has its own role in the Authority to ensure that risks are appropriately managed and identified. Internal Audit's unique role is to provide assurance to the strategic management that is objective and independent of management about the controls in place to manage risk.

3 Objectives

3.1 Internal Audit's main objectives are to:

- provide a high quality, independent and objective audit service that effectively meets the Council's needs, adds value, improves operations and helps protect public resources;
- provide assurance to management that the Council's operations are being conducted in accordance with external regulations, legislation, internal policies and procedures;
- to ensure the objectives of the Council are being met;
- provide a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes;
- provide advice and support to management to enable an effective control environment to be maintained;
- promote an anti-fraud, anti-bribery and anti-corruption culture within the Council to aid the prevention and detection of fraud;

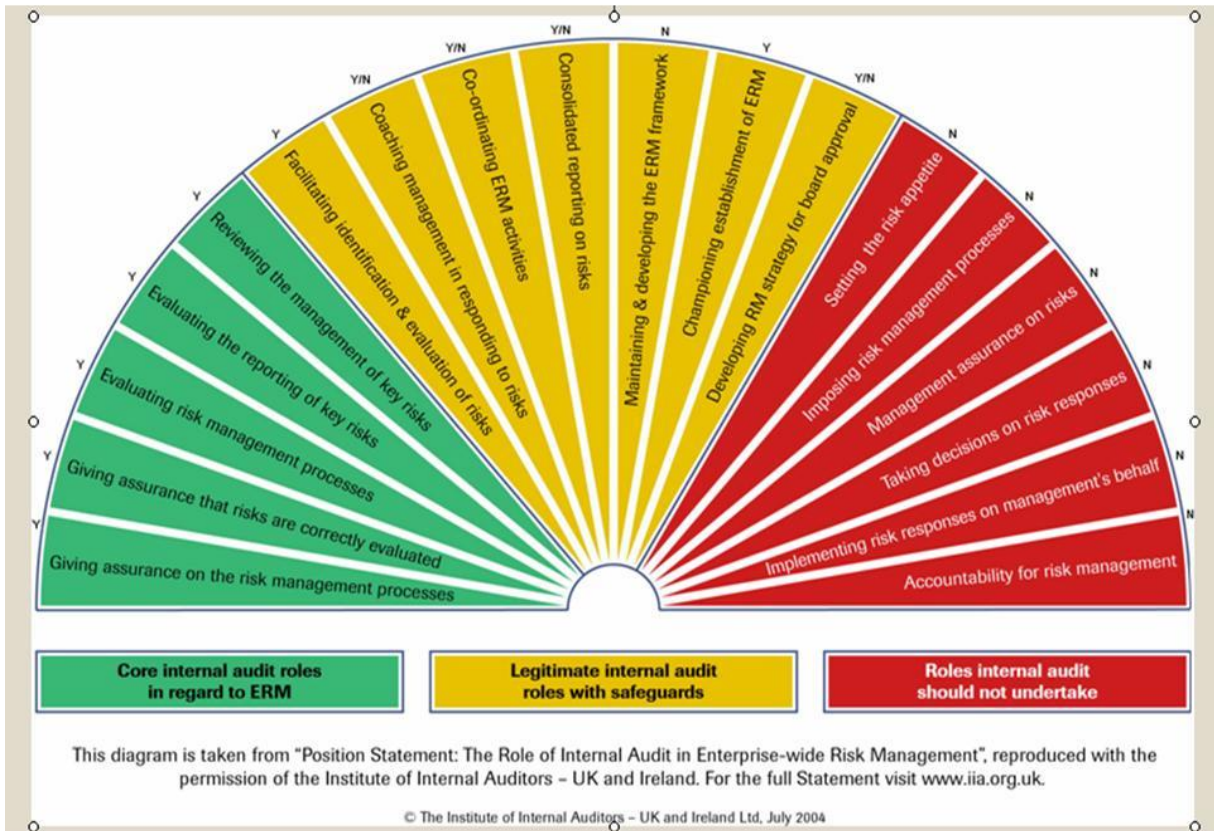
- investigate allegations of fraud, bribery, corruption and other irregularities; and
- to liaise with the police and other relevant agencies where criminal activities are suspected.

4 Roles & Responsibilities

4.1 To meet Internal Audit objectives, internal auditors are responsible for:

- reviewing and assessing the soundness, adequacy and reliability of financial and non-financial management systems and operations;
- reviewing and assessing the effectiveness of internal controls;
- assessing the appropriateness of management action for improvement, where appropriate;
- reviewing and assessing procedures to check that the Council's assets and interests are adequately protected and risks are identified and effectively managed;
- checking for compliance with legislation, Council policies and procedures;
- promoting and assisting the Council in the effective use of resources;
- ensuring governance and risk management processes are effective and robust; and
- undertaking independent investigations into allegations of fraud and irregularity in accordance with Council policies and procedures and relevant legislation.

4.2 The diagram below illustrates the sorts of roles that Internal Audit can play, providing the necessary safeguards are in place:



4.3 The internal audit activity must assess and make appropriate recommendations and or agree management actions to improve the organisation's governance processes for:

- making strategic and operational decisions
- overseeing risk management and control
- promoting appropriate ethics and values within the organisation
- ensuring effective organisational performance management and accountability
- communicating risk and control information to appropriate areas of the organisation, and
- co-ordinating the activities of and communicating information among the board, external and internal auditors, other assurance providers and management.

Provision of the Internal Audit Function

4.4 The Internal Audit Function is provided 'in house' and consists of the Chief Internal Auditor, 2 Audit Managers, 3 Principal Auditors and 2 Auditors. The team comprises of professionally qualified and part qualified accountants and auditors (CIPFA, ACCA, IIA, AAT). The Chief Internal Auditor operates in collaboration with a neighbouring local authority dividing his time on a 50:50 basis between Newport City Council and Monmouthshire County Council.

Organisational Independence and Objectivity

- 4.5 PSIAS Standard 1100 states that the Chief Internal Auditor must report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities. The Chief Internal Auditor will confirm to the Governance and Audit Committee, at least annually, the organisational independence of the internal audit activity.
- 4.6 Organisational independence is effectively achieved when the Chief Internal Auditor reports functionally to the Governance and Audit Committee. The Governance and Audit Committee is required to:
- approve the Internal Audit Charter;
 - approve the risk based Internal Audit Plan;
 - receive communications from the Chief Internal Auditor on the internal audit activity's performance relative to its plan and other matters;
 - make appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scopes or resource limitations.
- 4.7 Members of the Internal Audit Team annually declare any potential conflicts of interests and do not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment.
- 4.8 Where Internal Audit provide consultancy services, the work will be organised in ways to ensure independence will not be impaired where they subsequently audit that area.

Management Structure

- 4.9 Internal Audit is part of the Finance Service Area, with the Chief Internal Auditor reporting directly to the Head of Finance (nominated S151 Officer). However, in order to maintain its independence Internal Audit has a right of access to the Chief Executive and/or the Leader of the Council and/or the Chair of the Governance and Audit Committee should circumstances warrant it. The Chief Internal Auditor also reports in his own name. Internal Audit does not carry out any non-audit functions and has operational independence.
- 4.10 The Chief Internal Auditor is responsible:
- in managerial terms to the Head of Finance;
 - for the performance of the Internal Audit Service to the Governance and Audit Committee;
 - for providing a level of assurance, or otherwise, to the Governance and Audit Committee and the Executive Board.
- 4.11 The Chief Internal Auditor's responsibilities to the Governance and Audit Committee include:
- keeping under review and periodically presenting for approval the Internal Audit Charter;
 - presenting and obtaining approval of the risk-based annual Internal Audit Plan;
 - reporting quarterly on the work undertaken by Internal Audit;

- reporting any serious weaknesses found in the internal control systems, governance or risk, and any instances where corrective action has not been taken by management;
- reporting any instances where responses to audit reports have not been received within a reasonable timescale of the issue of draft and/or final audit reports, and any instances where agreed management actions have not been implemented within an acceptable time period;
- providing an annual Internal Audit report, including an opinion of the overall adequacy and effectiveness of the Council's internal control environment;
- the annual report must also include a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme; and

4.12 The Governance and Audit Committee's responsibilities are in accordance with the Committee's terms of reference as set out in the Council's Constitution.

5 Code of Ethics

5.1 The Internal Audit Service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) 2017 by:

- ensuring that all internal auditors conform to the Code of Ethics principles of integrity, objectivity, confidentiality and competency;
- implementing the Attribute and Performance Standards as detailed in Section 7 of the Standards.

5.2 Internal Audit staff are required to make an annual affirmation of their knowledge of, and compliance with, the PSIAS Code of Ethics and must also have regard to The Committee on Standards in Public Life's *Seven Principles of Public Life* (the Nolan Principles).

6 Service Standards

What can be expected from Internal Audit:

6.1 Internal Auditors will, at all times, exercise due professional care, act with integrity and take a professional, reliable, independent and innovative approach to their work. It is essential that auditors are impartial so that when an audit opinion is requested it will be unbiased and based upon the facts available. Should a situation arise where impartiality could be questioned, then another auditor will be assigned to undertake the task concerned.

- 6.2 The Chief Internal Auditor and individual members of the Internal Audit team are responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work.
- 6.3 Where an auditor was previously employed within a service/area subject to audit then the Chief Internal Auditor will ensure that the auditor concerned is not assigned audits in that area until an appropriate amount of time has lapsed.

Audit Strategy

- 6.4 The Chief Internal Auditor prepares a risk-based audit strategy and translates this into a five-year plan that shows cyclical coverage of audits across all service areas. Where there is a difference between the strategy/plan and resources available, this will be reported to the Governance and Audit Committee.

Annual Audit Plan

- 6.5 To implement the audit strategy, an annual audit plan is established using a risk-based assessment methodology. Planning is informed by review of the Authority's Corporate Risk Register and of Council and Cabinet minutes as well as the Audit Strategy. The plan determines in broad terms the resources and skills needed, and is used for allocating auditors' work. Should the plan indicate a need for additional resources, this will be discussed with the Head of Finance. Heads of Service / Managers are consulted on the audit plan during the planning process and asked if there are any areas or work they wish specifically to be incorporated into the audit coverage. The plan is flexible and includes a contingency to allow for changes in priorities, emerging risks, ad hoc projects, fraud and irregularity, etc.
- 6.6 The Chief Internal Auditor may rely on the work of other assurance and consultancy service providers having first satisfied himself of their competency, objectivity and due professional care. Where such reliance is placed on the work of others, however, the Chief Internal Auditor is still accountable and responsible for ensuring that appropriate support is available for any conclusions and opinions reached.
- 6.7 The Annual Internal Audit Plan is reported to, considered and approved by the Governance and Audit Committee.
- 6.8 During the year, the Chief Internal Auditor must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes,

systems, and controls. Any material changes in the Audit Plan as a result will be reported to the Governance and Audit Committee.

What is expected from operational managers and staff?

6.9 Managers and staff should co-operate with the auditors, for example:

- Agreeing audit scopes promptly prior to the commencement of audit fieldwork;
- Providing Internal Audit with full support and co-operation, including complete access to all records, data, property and personnel relevant to the performance of their responsibilities at all levels of operations, without unreasonable delay;
- Responding to the draft internal report, including provision of management responses to issues raised, within the timescale requested by the Audit Team, normally 10 days. Where a response is not forthcoming a reminder will be issued. However, if a response is not received then the matter may be referred up to the next level of management, and ultimately to the Head of Service, Strategic Director, Chief Executive or Governance and Audit Committee, as appropriate;
- Implementing agreed audit recommendations or management actions in accordance with the agreed timescales;
- Updating Internal Audit with progress made on audit recommendations and agreed management actions;
- Informing Internal Audit of proposed changes and developments in processes and systems and newly identified significant risks;
- promptly notifying the Chief Internal Auditor where they believe fraud, corruption or bribery may have occurred within the organisation'

6.10 Managers and staff are encouraged to feedback any comments which would help improve the future delivery of internal audit services during the audit and through the client audit evaluation questionnaire issued at the conclusion of each audit.

7 Reporting

Audit Reports

7.1 All audit assignments will be the subject of formal reports or memoranda. Where appropriate, draft reports will be sent to the managers responsible for the area under review for agreement of the factual accuracy of findings. After agreement, the final reports will be issued to the relevant Head of Service and Strategic Director.

7.2 Audit reports:

- present the findings based on a risk assessment e.g. critical, significant and moderate risk, together with control strengths identified during the audit (Appendix 1)
- are balanced, showing strengths and weaknesses identified from the evidence obtained during the audit work

- include an action plan showing the agreed management actions and the target date for implementation
- give an opinion of the system / establishment of internal control as at the time of the audit based on the findings (Appendix 1)
- define the circulation of the draft and the final reports
- will be issued on behalf of the Chief Internal Auditor.

7.3 Audit report circulation/reporting structure:

- Operational managers (and Headteachers) receive a draft report for discussion followed by the final report
- Heads of Service (and for schools, Chairs of Governors) and Strategic Directors will receive a copy of all final reports within their service area
- The Executive Board (including the Chief Executive) will receive a copy of all quarterly update reports presented to the Governance and Audit Committee and can request individual reports as required.

Reporting Standards

- 7.4 Upon completion of audits, draft audit reports are internally quality reviewed and issued to the relevant line managers for them to confirm the accuracy of the audit findings. Managers are invited to discuss the report and asked to provide their response to the critical and significant risk weaknesses raised in the draft report. For agreed management actions, dates for action or implementation are recorded in the report and the action plan. The managers' responses are recorded in the final report.
- 7.5 In accordance with professional standard (2500 Monitoring Progress), follow-up audits are undertaken to ensure that the agreed controls and actions have been implemented by management, or that risks of not doing so have been accepted.
- 7.6 Any agreed management actions not implemented within a reasonable timescale and any 'critical risk' weaknesses that are not accepted will be reported to the Governance and Audit Committee for their consideration of any action necessary in accordance with the Committee's terms of reference.
- 7.7 Internal Audit works to the reporting quality standards benchmarked by the Welsh Chief Internal Auditors' Group, which include the timely issue of draft and final audit reports.
- 7.8 Agreed action plans within final reports will be followed-up within 12 months of the date issue of the final audit report, to ensure that the agreed audit recommendations or management actions have been implemented.

8 Quality Assurance

- 8.1 The Chief Internal Auditor will maintain a process of review of the Internal Audit Service to provide reasonable assurance that its work conforms with the relevant standards and to the requirements of this document. Internal assessments will include:
- ongoing monitoring of the performance of the service including ensuring there is adequate supervision of work performed
 - periodic self-assessments on how the service meets the requirements of the Public Sector Internal Audit Standards
- 8.2 External assessments of the Internal Audit Service will be undertaken once every five years, in accordance with the PSIAS. The latest external assessment was completed in March 2018, hence the deadline for the next review is March 2023. The Governance and Audit Committee is encouraged to oversee the external assessment process and the outcome of each assessment will be reported promptly to them.
- 8.3 Internal auditors are required to enhance their knowledge, skills and other competencies through continuing professional development which is supported by Audit Management.
- 8.4 All audit reports are reviewed by a senior member of audit staff prior to issue. All Unsatisfactory or Unsound reports are reviewed by the Chief Internal Auditor. All reports are issued in the name of the Chief Internal Auditor.

9 Relationships

- 9.1 General - in all of these relationships the person(s) concerned will be treated with respect, courtesy, politeness and professionalism. Any confidential or sensitive issues raised with, or reported to, Internal Audit staff will be dealt with in an appropriate manner. Where issues could cause embarrassment to the Council, the appropriate manager will be advised immediately so that the issue can be addressed without delay.
- 9.2 Internal - the main contacts are with: Council employees, operational managers, Heads of Service, Strategic Directors and the Chief Executive. Internal auditors will ensure that they explain to the person(s) concerned the purpose of the audit and the various stages that the audit will follow. Internal Audit will agree with the manager concerned the timing and scope of the audit and the circulation of the audit report.
- 9.3 The Internal Audit Team will maintain an up to date intranet page on the Council's intranet site which will include the IA Plan, IA Charter, staff profiles along with a brief explanation of the audit process.
- 9.4 Councillors – the main means of communication between Internal Audit and Councillors is via the Governance and Audit Committee which meets approximately 7 times per year.
- 9.5 External – Internal Audit will liaise with the external auditors in order to:
- foster a co-operative and professional working relationship
 - minimise the incidence of duplication of effort

- ensure appropriate sharing of information
- co-ordinate the overall audit effort

10 Fraud & Irregularities

- 10.1 The Chief Internal Auditor is responsible for reviewing and updating the Council's Anti-Fraud, Bribery and Corruption Strategy and for promoting an anti-fraud culture within the Council. This is achieved by the following:
- specific detailed testing in high risk areas
 - participation in the Cabinet Office National Fraud Initiative (NFI) data matching exercise
 - investigation of areas of concern identified through routine audits, reported to management or via the Council's Whistleblowing Policy, where appropriate.
- 10.2 Heads of Service / operational managers are responsible for managing risks in order to prevent fraud, irregularity, waste of resources, etc. Internal Audit will assist service colleagues to effectively manage these risks.
- 10.3 However, no level of controls can guarantee that fraud will not occur, even when the controls are performed diligently with due professional care.
- 10.4 Where there is evidence or reasonable suspicion that a fraud or irregularity has occurred, then this must be reported immediately to Internal Audit. All cases will be dealt with in accordance with the Council's *'Anti-Fraud, Bribery and Corruption Strategy'* and *'Whistleblowing Policy'*.

11 Audit Resources

- 11.1 Ideally, the staffing structure of Internal Audit will comprise a mix of qualified, technician, trainee and auditor posts with a mix of professional specialisms to reflect the varied functions of the Section.
- 11.2 As far as is practicable, Internal Audit will not participate in the day-to-day operation of any systems of internal control. However, in strict emergency situations only, audit personnel may be called upon to carry out non-audit work on a short-term basis. Where this is the case the Chief Internal Auditor will implement safeguards to limit any potential impairments of independence or objectivity.
- 11.3 Internal Audit may also provide consultancy services, such as providing advice on implementing new systems and controls or being asked to be part of a project team. However, any significant consulting activity not already included in the Audit Plan and which might affect the level of assurance work undertaken will be reported to the Governance and Audit Committee.
- 11.4 Members of the Internal Audit team will be expected to contribute to the general management and conduct of business through membership of working groups and participation in ad hoc exercises.

12 Audit Training

- 12.1 Internal auditors will continue to enhance their knowledge, skills and other competencies through continuing professional development (Standard 1230).
- 12.2 The Chief Internal Auditor will carry out a continuous review of the development and training needs of all audit personnel and will arrange in-service training covering both internal and external courses. This will complement the Council's performance management 'Check in' process.
- 12.3 The Internal Audit Team will continue to co-ordinate regional training for internal auditors across South Wales internal audit teams on behalf of the Welsh Chief Auditors Group. An annual training programme will be proposed and delivered where resources allow.
- 12.4 NCC's Internal Audit Team will be encouraged to attend this training programme along with training provided through other sources such as the Institute of Internal Auditors.

13 Review

- 13.1 The Internal Audit Charter will be reviewed every three years by the Chief Internal Auditor and presented to the Executive Board and the Governance and Audit Committee for approval. The next renewal date will be March 2025.

APPENDIX 1

Categories of Audit Findings:

RATING	DESCRIPTION
CRITICAL	Major risk to the system.
SIGNIFICANT	Unacceptable risk.
MODERATE	Risk partially mitigated but should still be addressed.

Audit Opinions

	GOOD (Green)	Well controlled with no critical risks identified which require addressing; substantial level of assurance.
➔	REASONABLE (Yellow)	Adequately controlled although risks identified which may compromise the overall control environment; improvements required; reasonable level of assurance.
	UNSATISFACTORY (Amber)	Not well controlled; unacceptable level of risk; changes required urgently; poor level of assurance.
	UNSOUND (Red)	Poorly controlled; major risks exists; fundamental improvements required with immediate effect; unacceptable level of assurance.

2022 Audit Plan – Newport City Council & Newport City Council Group

Audit year: 2021-22

Date issued: March 2022

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2022 Audit Plan

About this document

- 1 This document sets out the work I plan to undertake during 2022 to discharge my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

My duties

- 2 I complete work each year to meet the following duties.

Audit of financial statements

- 3 Each year I audit the Newport City Council's (the Council) and Newport City Council Group's (the Group) financial statements to make sure that public money is being properly accounted for.

Value for money

- 4 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.

Sustainable development principle

- 5 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.

Impact of COVID-19

- 6 The COVID-19 pandemic has had an unprecedented impact on the United Kingdom and the work of public sector organisations.
- 7 While Wales is currently at Coronavirus Alert Level 0, Audit Wales will continue to monitor the position and will discuss the implications of any changes in the position with your officers.

Audit of financial statements

- 8 It is my responsibility to issue a certificate and report on the financial statements. This includes:
 - an opinion on the on the 'truth and fairness' of the Council's and Group's financial statements for the financial year ended 31 March 2022; and

- an assessment as to whether the Councils and Group's Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with the financial statements and with my knowledge of the Council and Group.
- 9 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 and Group 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);
 - the examination of the Greater Gwent Crematorium Joint Committee's annual return for the year ended 31 March 2022;
 - the certification of a number of grant claims and returns as agreed with the funding bodies.
- 10 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 will be reported to the Governance and Audit Committee prior to completion of the audit.
- 11 Any misstatements below a trivial level (set at 5% of materiality) I judge as not requiring consideration by those charged with governance and therefore will not report them.
- 12 There have been no limitations imposed on me in planning the scope of this audit.
- 13 I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#), along with further information about my work.

Audit of financial statements risks

- 14 The following table sets out the significant risks I have identified for the audit of the Council and Group.

Exhibit 1: financial statement audit risks

This table summarises the key financial statement audit risks identified at the planning stage of the audit.

Audit risk	Proposed audit response
Significant risks	
<p>Management override of controls 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 240.31-33].</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; and • evaluate the rationale for any significant transactions outside the normal course of business.
Other audit risks	
<p>Impact of COVID-19 - resources Although COVID-19 restrictions have now been removed, there have been ongoing pressures on staff resource and of remote working that may impact on the preparation, audit and publication of accounts. There is a risk that the quality of the accounts and supporting working papers e.g. around estimates and valuations, may be compromised leading to an increased incidence of errors. Quality monitoring arrangements may be compromised due to timing issues and/or resource availability.</p>	<p>My audit team will discuss your closedown process and quality monitoring arrangements with the accounts preparation team and make arrangements to monitor the accounts preparation process. We will help to identify areas where there may be gaps in arrangements.</p>

Audit risk	Proposed audit response
<p>Impact of COVID-19 – funding streams</p> <p>The COVID-19 pandemic will have a significant impact on the risks of material misstatement and the shape and approach to my audit. The Welsh Government has made available various funding streams to the Council. In some cases, these monies provide financial support to the Council itself. In other cases, the funds have been administered by the Council, making payments to third parties on behalf of the Welsh Government. The amounts involved are material to the accounts.</p> <p>Examples of audit risks include:</p> <ul style="list-style-type: none"> • incorrect accounting treatment for COVID-19 funding, ie principal or agency arrangements; • fraud/error risks; • potential year-end valuation uncertainty; and • estimation of accrued annual leave provisions. 	<p>My audit team will review the funding streams received from the Welsh Government and confirm the appropriate accounting treatment with the Council.</p>
<p>Impact of COVID-19 - disclosures</p> <p>Last year I included an ‘Emphasis of matter’ paragraph in my audit report, drawing attention to material valuation uncertainty in the financial statements in respect of the valuation of land and buildings and investment properties. This uncertainty arose from the COVID-19 pandemic, and my audit opinion was not modified in respect of these matters. However, it remains possible that similar disclosures may be required this year.</p>	<p>My audit team will review the asset valuer’s year-end reports and consider the impact on my audit of any reported material valuation uncertainties.</p>
<p>Cardiff Capital Region City Deal</p> <p>City deals are arrangements negotiated with government that give greater accountability for actions in return for new powers to help encourage growth</p>	<p>Liaising closely with other local council auditors, my audit team will:</p> <ul style="list-style-type: none"> • monitor progress with the City Deal project and carry out early

Audit risk	Proposed audit response
<p>and jobs. The Cardiff Capital Region City Deal (the City Deal) involves ten local authorities.</p> <p>The authorities have established a joint committee (the Regional Cabinet) to oversee delivery of a range of programmes designed to increase connectivity and to improve physical and digital infrastructure over 20 years.</p> <p>There will be a number of accounting issues to address, including consolidation of the joint committee into the Council's accounts.</p>	<p>work, as necessary, to assess the existing and proposed financial and governance arrangements;</p> <p>and</p> <ul style="list-style-type: none"> consider work undertaken by HM Treasury to scrutinise the effectiveness of the region's governance arrangements.
<p>McCloud judgement</p> <p>In 2015 the Government introduced reforms to public sector pensions, meaning that most public sector workers were moved into new pension schemes. In December 2018, the Court of Appeal ruled that the 'transitional protection' arrangements amounted to unlawful discrimination.</p> <p>Consultations on proposed remedies closed in October 2020 and the UK Government have set out their proposed approach in response via Ministerial Statements, although full details of how the remedy is to be implemented are yet to be fully set out.</p> <p>Once confirmed, the impact of the remedy is likely to have a significant impact on the Council's proposed pension liabilities.</p>	<p>In conjunction with management, my audit team will continue to monitor developments regarding the McCloud judgement and any proposed remedies, as well as any impacts these could have on the 2021-22 financial statements.</p>

Performance audit

- 15 In addition to my Audit of Financial Statements I also carry out a programme of performance audit work to discharge my duties as Auditor General as set out in paragraphs 4 and 5 in relation to value for money and sustainable development.
- 16 In response to the pandemic, I adopted a flexible approach to my performance audit work both in terms of topic coverage and methodology. This enabled me to respond to the fast-moving external environment and provide more real-time feedback in a range of formats.
- 17 For 2022-23, I intend to continue this approach to help enable my work to be responsive and timely, and where possible to share learning more quickly. As part of this approach, I anticipate that a significant proportion of my local performance audit programme will continue to be delivered through the Assurance and Risk Assessment Project, that will be ongoing throughout the year.
- 18 Given the high degree of commonality in the risks facing councils I also intend to deliver a number of thematic projects examining risks common to all councils.
- 19 During 2020-21, I consulted public bodies and other stakeholders on how I will approach my duties in respect of the Well-being of Future Generations (Wales) Act 2015 from 2020-2025.
- 20 In March 2021, I wrote to the public bodies designated under the Act setting out my intentions, which include:
- carrying out specific examinations of how public bodies have set their well-being objectives; and
 - integrating my sustainable development principle examinations of steps to meet well-being objectives with my national and local audit programmes.
- 21 My auditors are liaising with the Council to agree the most appropriate time to examine the setting of well-being objectives.
- 22 The examination of steps to meet well-being objectives will be conducted as part of work set out in this audit plan and successive audit plans, leading up to my statutory report under the Act in 2025.
- 23 For 2022-23 my performance audit work at the Council is set out below.

Exhibit 2: Performance Audit Programme 2022-23

This table summarises the performance audit programme for 2022-23:

Performance audit programme	Brief description
Assurance and Risk Assessment	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle</p> <p>The project is likely to focus in particular on:</p> <ul style="list-style-type: none"> • financial position; • capital programme management; • use of performance information – with a focus on service user feedback and outcomes; and • setting of well-being objectives.
Thematic review - unscheduled care	<p>We intend to undertake a cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.</p>
Thematic review – to be confirmed	<p>Details of this thematic work to be confirmed following the consultation referred to in paragraph 24 below.</p>
Local audit work	<p>To be confirmed following discussions with the Council over the course of the 2022-23 financial year.</p>

- 24 In March 2022, I published a [consultation](#) inviting views to inform our future audit work programme for 2022-23 and beyond. In particular, it considers topics that may be taken forward through our national value for money examinations and studies and/or through local audit work across multiple NHS, central government and local government bodies. As we develop and deliver our future work programme, we will be putting into practice key themes in our new five-year strategy, namely:

- the delivery of a strategic, dynamic, and high-quality audit programme; supported by
 - a targeted and impactful approach to communicating and influencing.
- 25 The possible areas of focus for future audit work that we set out in the consultation were framed in the context of three key themes from our Picture of Public Services analysis in autumn 2021, namely: a changing world; the ongoing pandemic; and transforming service delivery. We also invited views on possible areas for follow-up work.
- 26 We will provide updates on the performance audit programme through our regular updates to the Governance and Audit Committee.

Certification of grant claims and returns

- 27 I have also been requested to undertake certification work on the Council's grant claims, which I anticipate will include Housing Benefits, Teachers Pension and NDR returns, along with a statement of money transfers from NHS bodies under the NHS (Wales) Act 2006.
- 28 In respect of the 2020-21 certification of Grants and Returns, we will produce a separate report which summarises the more significant and/or recurring issues identified when undertaking grant certification work in 2020-21. This report will be completed following the conclusion of our work on the 2020-21 Housing Benefit Subsidy return.

Statutory audit functions

- 29 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.
- 30 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, audit team and timetable

- 31 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided in accordance with a timescale to be agreed taking into account the impact of COVID-19, to the quality expected and have been subject to a robust quality assurance review;
 - information provided to support the financial statements is in accordance with the agreed audit deliverables document;
 - when we are able to resume on-site activities, appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;
 - all appropriate officials will be available during the audit;
 - you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me; and
 - Internal Audit's planned programme of work is complete and management has responded to issues that may have affected the financial statements.
- 32 If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee

- 33 As set out in our [Fee Scheme 2022-23](#), our fee rates for 2022-23 have increased by 3.7% as a result of the need to continually invest in audit quality and in response to increasing cost pressures.
- 34 The estimated fee for 2022 is set out in **Exhibit 3**. This represents a 3.5% increase compared to your total actual 2021 fee, in line with the above increase in fee rates.

Exhibit 3: audit fee

This table sets out the proposed audit fee for 2022, by area of audit work, alongside the actual audit fee for last year.

Audit area	Proposed fee (£) ¹	Actual 2021 fee (£)
Audit of accounts ²	198,380	191,900
Performance audit work ³	106,848	103,090
Other financial audit work ⁴	1,244	1,244
Total fee	306,472	296,234

- 35 As noted in paragraph 29, our grant certification work for 2020-21 is ongoing. We will produce a separate report which summarises any significant issues and will update the Council on the proposed fee for 2021-22, as well as the actual fee for 2020-21.
- 36 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.
- 37 Further information can be found in my [Fee Scheme 2022-23](#).

Audit team

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

Exhibit 4: my audit team

This table lists the members of the local audit team and their contact details.

Name	Role	Contact number	E-mail address
Anthony Veale	Engagement Director	029 2032 0585	anthony.veale@audit.wales

¹ The fees shown in this document are exclusive of VAT, which is not charged to you.

² Payable November 2021 to October 2022.

³ Payable April 2022 to March 2023.

⁴ Payable as examination work is completed on the Greater Gwent Crematorium Joint Committee Annual Return.

Name	Role	Contact number	E-mail address
Gareth Lucey	Audit Manager (Financial Audit)	029 2082 9398	gareth.lucey@audit.wales
Ramim Khan	Audit Lead (Financial Audit)	029 2032 0632	ramim.khan@audit.wales
Timothy Buckle	Audit Manager (Performance Audit)	029 2032 0653	timothy.buckle@audit.wales
Martin Gibson	Audit Lead (Performance Audit)	029 2032 0617	martin.gibson@audit.wales

39 I can confirm that team members are all independent of you and your officers. In addition, I am not aware of any potential conflicts of interest that we need to bring to your attention.

Timetable

40 The key milestones for the work set out in this plan are shown in **Exhibit 5**.

41 The Public Audit (Wales) Act 2004 provides electors with the right to ask questions and to make objections to the Authority's accounts to the Auditor General. The rights to ask questions and make objections at audit are linked to electors' rights to inspect the accounts that are also set out in the 2004 Act.

Exhibit 5: audit timetable

Planned output	Work undertaken	Report finalised
2022 Audit Plan	February – March 2022	March 2022

Planned output	Work undertaken	Report finalised
Audit of Financial statements work: <ul style="list-style-type: none"> • Audit of Financial Statements Report • Opinion on Financial Statements • Financial Accounts Memorandum 	February – October 2022	October 2022 ⁵ October 2022 November 2022
Performance audit work	Timescales for individual projects will be discussed with the Council and detailed within the specific project briefings produced for each piece of work.	
Grants certification work	November 2022 to January 2023	March 2023
Other financial audit work <ul style="list-style-type: none"> • Examination of Greater Gwent Crematorium Joint Committee 	October 2021	October 2021
Annual Audit Summary	November 2022	December 2022

⁵ The statutory deadline for certification of local government accounts is July 2022. However, legislation allows for over-runs where appropriate notification is made on the Council website, and this approach was followed for the 2019-20 and 2020-21 accounts and audit. The Welsh Government has confirmed that for the 2021-22 accounting year, it expects all Council accounts to be certified by the end of November 2022.



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



Report

Governance and Audit Committee

Part 1

Date: 31 March 2022

Subject Draft Work Programme

Purpose To report the details of this Committee’s work programme.

Author Democratic & Services Officer

Ward General

Summary The purpose of a forward work programme is to help ensure Councillors achieve organisation and focus in the undertaking of enquiries through the Governance & Audit Committee function. This report presents the current work programme to the Committee for information and details the items due to be considered at the Committee’s next two meetings.

Proposal **The Committee is asked to endorse the proposed schedule for future meetings, confirm the list of people it would like to invite for each item, and indicate whether any additional information or research is required.**

Action by Governance and Audit Committee

Timetable Immediate

Background

The purpose of a forward work programme is to help ensure Councillors achieve organisation and focus in the undertaking of enquiries through the Governance & Audit Committee function. Attached at Appendix 1 is the forward work programme for this Committee. Below are the items scheduled to be presented at the Committee’s next two meetings. Committee Members are asked to endorse this schedule, confirm the list of people they would like to invite for each item, and indicate whether any additional information or research is required.

26 May 2022
Appointment of Chairman
Treasury Management Year End Report 2021/2022
Corporate Risk Register Quarter 4
Annual Report on Compliments, Comments and Complaints Management 2022
Audit Wales and Regulatory Bodies 6-month update

SO24/Waiving of Contract SOs: Quarterly report reviewing Cabinet/CM urgent decisions or waiving Contract SOs (Quarter 4, January to March)
Audit Wales Annual Report on Grants Works 2021-22 Draft
Internal Audit Annual Report 2021-2022
Internal Audit Annual Plan 2022-2023
Annual Governance Statement (draft statement)

28 July 2022
Corporate Risk Register (Quarter 1 April to June)
Statement of Accounts 2020/21
Audit of Financial Statements Report 2021/22
SO24/Waiving of Contract Sos: Quarterly report reviewing Cabinet/CM urgent decisions or waiving Contract Sos (Quarter 1, April to June)
Member Development Self Evaluation Exercise
Referrals to Audit Committee

Comments of Chief Financial Officer

There will be financial consequences for some of the reviews undertaken. These will be commented upon as the reports are presented. The preparing and monitoring of the work programme is done by existing staff for which budget provision is available.

Comments of Monitoring Officer

I have no comments, as there are no legal implications.

Staffing Implications: Comments of Head of People and Business Change

There are no staffing implications within this report. Any staffing implications of the reviews in the work programme will need to be addressed in individual reports.

Background Papers

None.

Appendix 1

(Audit Committee to meet every other month unless circumstances dictate otherwise)

29 September 2022
Progress Against Internal Audit Plan 2022/23 Quarter 1
Audit Wales and Regulatory Bodies 6-month update
Audit of Financial Statements Report 2021/22
Audit Enquiries Letter 2021/22
Referrals to Governance and Audit Committee

27 October 2022

Internal Audit Plan 2020/21– Progress (Quarter 2)

SO24/Waiving of Contract SOs: Quarterly report reviewing Cabinet/CM urgent decisions or waiving Contract SOs (Quarter 2, July to September)

Corporate Risk Register (Quarter 2)

Treasury Management Report

Lessons Learned 2021/22

26 January 2023

Internal Audit Plan – Progress (Quarter 3)

Financial Memorandum on the 2021-22 Financial Audit

Internal Audit Unsatisfactory Audit Opinions (6 monthly report)

Annual Report on Compliments, Comments and Complaints Management 2023

Referrals to Audit Committee

30 March 2023

WAO Annual Report on Grants Works 2022-23

Annual Corporate Self Assessment

Audit Wales and Regulatory Bodies 6-month update

Annual Governance Statement (draft statement)

Referrals to Audit Committee

25 May 2023

Appointment of Chairman

Treasury Management Year End Report 2022/2023

Corporate Risk Register Quarter 4

Annual Report on Compliments, Comments and Complaints Management update

SO24/Waiving of Contract SOs: Quarterly report reviewing Cabinet/CM urgent decisions or waiving Contract SOs (Quarter 4, January to March)

Audit Wales Annual Report on Grants Works 2022-23 Draft

Internal Audit Annual Report 2022-2023

Internal Audit Annual Plan 2023-2024

Referrals to Audit Committee

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