

# Document Pack



Mark James LLM, DPA, DCA  
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**FRIDAY, 7 DECEMBER 2018**

**TO: ALL MEMBERS OF THE AUDIT COMMITTEE**

**I HEREBY SUMMON YOU TO ATTEND A MEETING OF THE AUDIT COMMITTEE WHICH WILL BE HELD IN THE CHAMBER, COUNTY HALL, CARMARTHEN. AT 10.00 AM ON FRIDAY, 14<sup>TH</sup> DECEMBER, 2018, FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE ATTACHED AGENDA.**

*Mark James* CBE

**CHIEF EXECUTIVE**



**PLEASE RECYCLE**

<b>Democratic Officer:</b>	<b>Michelle Evans Thomas</b>
<b>Telephone (Direct Line):</b>	<b>01267 224470</b>
<b>E-Mail:</b>	<b>MEEvansThomas@carmarthenshire.gov.uk</b>
<b>Ref:</b>	<b>AD016-001</b>

# **AUDIT COMMITTEE**

**MEMBERSHIP:  
8 COUNCIL MEMBERS AND 1 EXTERNAL VOTING MEMBER**

## **PLAID CYMRU GROUP – 4 MEMBERS**

1. Councillor Kim Broom
2. Councillor Gareth John
3. Councillor Emlyn Schiavone
4. Councillor Elwyn Williams

## **LABOUR GROUP – 2 MEMBERS**

1. Councillor Tina Higgins [Chair]
2. Councillor Bill Thomas

## **INDEPENDENT GROUP – 2 MEMBERS**

1. Councillor Giles Morgan [Vice-Chair]
2. Councillor Edward Thomas

## **EXTERNAL VOTING MEMBER (1)**

**Mrs. Julie James**

# AGENDA

1. APOLOGIES FOR ABSENCE.
2. DECLARATIONS OF PERSONAL INTERESTS.
3. INTERNAL AUDIT PLAN UPDATE 2018/19 5 - 26
4. AUDIT COMMITTEE FORWARD WORK PROGRAMME 27 - 36
5. INTERNAL AUDIT REPORTING AND ESCALATION PROTOCOL 37 - 42
6. 2017/18 INTERNAL AUDIT OF LLANELLI LEISURE CENTRE 43 - 50
7. PROGRESS REPORTS
  - 7.1 SUPPORTING PEOPLE PROGRAMME GRANT UPDATE 51 - 58
  - 7.2 WAO REPORT CONCERNING STRATEGIC COMMISSIONING OF ACCOMMODATION SERVICES FOR ADULTS WITH LEARNING DISABILITIES (MAY 2018) 59 - 64
8. PROGRESS ON REGULATORY REPORT RECOMMENDATIONS 65 - 92
9. TO CONSIDER THE FOLLOWING DOCUMENTS PREPARED BY THE WALES AUDIT OFFICE:-
  - 9.1 CARMARTHENSHIRE COUNTY COUNCIL AUDIT COMMITTEE UPDATE - DECEMBER 2018 93 - 108
  - 9.2 CARMARTHENSHIRE COUNTY COUNCIL - ANNUAL AUDIT LETTER 109 - 116
  - 9.3 WALES AUDIT OFFICE NATIONAL REPORTS 117 - 158
10. MINUTES OF RELEVANT GROUPS TO THE AUDIT COMMITTEE 159 - 170
11. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COMMITTEE HELD ON 28<sup>TH</sup> SEPTEMBER 2018 171 - 178

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## AUDIT COMMITTEE

14<sup>TH</sup> DECEMBER 2018

INTERNAL AUDIT PLAN		
<b>Purpose:</b> Internal Audit Plan 2018/19 Update		
<b>Recommendations / key decisions required:</b> To receive the report.		
<b>Reasons:</b> Regular progress report to be presented to each Audit Committee meeting.		
<b>Relevant scrutiny committee to be consulted:</b> Not Applicable		
<b>Exec Board Decision Required:</b> Not Applicable		
<b>Council Decision Required:</b> Not Applicable		
<b>EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:</b> Cllr D Jenkins (Resources)		
<b>Directorate:</b> Corporate Services  <b>Name of Head of Service:</b> Helen Pugh  <b>Report Author:</b> Helen Pugh	<b>Designations:</b> Head of Revenues and Financial Compliance	Tel No. 01267 246223 E Mail Address: <a href="mailto:HLPugh@carmarthenshire.gov.uk">HLPugh@carmarthenshire.gov.uk</a>

# EXECUTIVE SUMMARY

## AUDIT COMMITTEE 14<sup>TH</sup> DECEMBER 2018

### INTERNAL AUDIT PLAN UPDATE 2018/19

#### BRIEF SUMMARY OF PURPOSE OF REPORT

To provide Members with progress of the Internal Audit Plan. The following Reports are attached:

**REPORT A (i)**      **Internal Audit Plan 2018/19 – Progress Report**

**REPORT A (ii)**      **Internal Audit Plan 2018/19 – Recommendations Scoring Matrix**

**REPORT B**                      **Summary of Completed Final Reports Relating to Key**  
**Financial**                      **Systems (April 2017 to date)**

A Summary of Final Reports for the Key Systems completed during the last Quarter is attached.

1	VAT
2	Council Tax
3	Housing Benefits
4	NNDR

**DETAILED REPORT  
ATTACHED?**

**YES**

## IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: **Helen Pugh** **Head of Revenues and Financial Compliance**

Policy, Crime & Disorder and Equalities NONE	Legal  NONE	Finance  <b>YES</b>	ICT  NONE	Risk Management Issues  NONE	Staffing Implications  NONE	Physical Assets  NONE
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### Finance

Reviews carried out to ensure systems in place comply with the Authority's Financial Procedure Rules.

## CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **Helen Pugh** **Head of Revenues and Financial Compliance**

1. **Scrutiny Committee:** Not Applicable
2. **Local Member(s):** Not Applicable
3. **Community/Town Council:** Not Applicable
4. **Relevant Partners:** Not Applicable
5. **Staff Side Representatives and other Organisations:** Not Applicable

### Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

**THESE ARE DETAILED BELOW**

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Strategic Audit Plan 2017-20	AC 28-03-16	Internal Audit Unit

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INTERNAL AUDIT PLAN 2018/19										
2018/19	% Plan Completion to Date	31.8%		% Target November 2018						55.0%
Job No	Departments	Days Planned	Pre. Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Final Report Issued	Days to Date	Status
	<b>Chief Executive</b>									
1118001	Annual Governance Statement	11	*	N/A	*	*	*		9.9	Draft Report Issued
1118002	PMP Function - Recruitment / Safer Recruitment DBS	8	*	*	*	*			6.0	Field Work Complete
1118003	Ethics	15							0.0	
1118004	Performance Management	8	*	*	*	*	*	*	8.0	Complete
1118005	Whistleblowing	5	*	*	*	*			3.8	Field Work Complete
1118006	Financial Management Other	5	*	*	*	*	*	*	5.0	Complete
	<b>Total Audit Days for Department</b>	<b>52</b>							<b>32.65</b>	
	<b>Information &amp; Communications Audit</b>									
2118001	Computer Assisted Audit Testing(CAATs)	25	*	*	*				0.0	Commenced
2118002	Resource Link	10							0.0	
2118003	Agresso	5							0.0	
2118004	Pensions	6	*	*	*	*	*	*	6.0	Complete
2118005	Revenues/ Benefits / DIPS	8	*	*	*				0.0	Commenced
2118006	Education & Children Services Systems	10							0.0	
2118007	Communities Systems	15							0.0	
2118008	Environment Systems	15							0.0	
2118009	IT Procurement	10	*	*	*	*			7.5	Field Work Complete
2118010	Cloud Computing	10							0.0	
2118011	Collaborative Working	10							0.0	
2118012	Digital Transformation / Agile Working / Information	20							0.0	
2118013	Financial Management Other	6							0.0	
	<b>Total Days Computer Audits</b>	<b>150</b>							<b>13.5</b>	
	<b>Regeneration &amp; Policy</b>									
3118001	Customer Services	10	*	*					0.0	Terms of Reference
3118002	Press Office / Communication	10	*						0.0	Pre Audit Meeting
3118003	Modern Records	10							0.0	
3118004	Property & Estate Management	15							0.0	
3118005	New Funding Programmes (eg ESI)	10	*	*	*	*	*		9.0	Draft Report Issued

INTERNAL AUDIT PLAN 2018/19										
2018/19	% Plan Completion to Date	31.8%		% Target November 2018						55.0%
Page No	Departments	Days Planned	Pre. Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Final Report Issued	Days to Date	Status
3118006	City Deal	10							0.0	
3118007	Wellness Centre	10							0.0	
3118008	Corporate Plan / Business Plans	10	*	*	*	*	*	*	10.0	Complete
3118009	Regeneration Strand 1	10	*						0.0	Pre Audit Meeting
3118010	Regeneration Strand 2	8	*	*	*				0.0	Commenced
3118011	Regeneration Strand 3	8	*	*	*	*	*		7.2	Draft Report Issued
3118012	Regeneration Strand 4	10	*						0.0	Pre Audit Meeting
3118013	Complaints	10	*	*	*	*	*		9.0	Draft Report Issued
3118014	Data Protection	10	*	*	*				0.0	Commenced
3118015	Financial Management Other	5							0.0	
	<b>Grants</b>									
3118016	R&P Third Party Grants	10	*	*	*	*			7.5	Field Work Complete
	<b>Total Audit Days for Department</b>	<b>156</b>							42.7	
	<b>Education &amp; Children</b>									
	<b>School Improvement</b>									
4118001	ERW inc arrangements for EIG & PDG	10							0.0	
	<b>Education Services</b>									
4118002	Challenge Advisors	10							0.0	
4118003	School Improvement	10							0.0	
	<b>Strategic Development</b>									
4118004	Information & Improvement	10							0.0	
4118005	Business Support	10							0.0	
	<b>Curriculum &amp; Well being</b>									
4118006	Education Other Than At School (EOTAS)	5							0.0	
4118007	Families First Grant (Youth)	5	N/A	N/A	N/A	N/A	N/A	N/A	5.0	Complete
4118008	School Consultants	10							0.0	
4118009	Learning Transformation - eg Cynnydd, Cam Nesa	10							0.0	
	<b>Children's Services</b>									
4118010	Corporate Parenting	10	*	*	*				0.0	Commenced
4118011	Family Support	5	*						0.0	Pre Audit Meeting
4118012	Safeguarding	10							0.0	
4118013	Financial Management Other	5	N/A	N/A	*	*	*	*	5.0	Complete
	<b>Schools:</b>									

INTERNAL AUDIT PLAN 2018/19										
2018/19	% Plan Completion to Date	31.8%		% Target November 2018						55.0%
Job No	Departments	Days Planned	Pre. Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Final Report Issued	Days to Date	Status
4118014	Schools DBS	5	*	*	*	*	*		4.5	Draft Report Issued
4118015	Schools Recruitment & Teachers salaries	10	*	*	*	*			7.5	Field Work Complete
4118016	Schools - Monitoring deficits & surpluses	10	*						0.0	Pre Audit Meeting
4118017	School Meals, Free Meals & Primary Free Breakfast Services	10	*	*	*	*	*		9.0	Draft Report Issued
4118018	Schools Questionnaires Q1	8	N/A	N/A	*	*	N/A	N/A	8.0	Complete
4118033	Schools Questionnaires Q2	6	N/A	N/A	*	*	N/A	N/A	6.0	Complete
4118034	Schools Questionnaires Q3	8	N/A	N/A	*				0.0	Commenced
4118035	Schools Questionnaires Q4	8	N/A	N/A	*				0.0	Commenced
4118019	School visits Q1	8	N/A	N/A	*	*			6.0	Field Work Complete
4118036	School visits Q2	6	N/A	N/A					0.0	Terms of Reference
4118037	School visits Q3	8	N/A	N/A					0.0	Terms of Reference
4118038	School visits Q4	8	N/A	N/A					0.0	Terms of Reference
	<b>Grants</b>									
4118020	Post 16	8							0.0	
4118021	Education - EIG - Final Annual Audit	5	N/A	N/A	*	*	*	*	5.0	Complete
4118022	Education - EIG - Q1 Audit	10	N/A	N/A	*	*	*	*	10.0	Complete
4118023	Education - EIG - Q2 Audit	5	N/A	N/A	*	*	*	*	5.0	Complete
4118024	Education - EIG - Q3 Audit	5							0.0	
4118025	Education - EIG - Q4 Audit	5							0.0	
4118026	Education - PDG - Final Annual Audit	5	N/A	N/A	*	*	*	*	5.0	Complete
4118027	Education - PDG - Q1	8							0.0	
4118028	Education - PDG - Q2	5							0.0	
4118029	Education - PDG - Q3	5							0.0	
4118030	Education - PDG - Q4	5							0.0	
4118031	14 to 19 Learning Pathways	10	N/A	N/A	N/A	N/A	N/A	N/A	10.0	Complete
4118032	Youth Work Strategy Grant	10	N/A	N/A	N/A	N/A	N/A	N/A	10.0	Complete
	<b>Total Audit Days for Department</b>	<b>291</b>							<b>96</b>	
	<b>Corporate Services</b>									
5118001	Budget Setting / Delivery of Efficiencies	10	*	*	*				0.0	Commenced
5118002	VAT	8							0.0	
5118003	Treasury Management - Loans	5	*	*					0.0	Terms of Reference
5118004	Housing Benefits	10							0.0	

INTERNAL AUDIT PLAN 2018/19										
2018/19	% Plan Completion to Date	31.8%		% Target November 2018						55.0%
Page No	Departments	Days Planned	Pre. Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Final Report Issued	Days to Date	Status
5118005	Payroll System	15	*	*	*	*			11.3	Field Work Complete
5118006	Creditor Payments	15							0.0	
5118007	Debtors System	15	*	*	*	*			11.3	Field Work Complete
5118008	Cash & Bank	10							0.0	
5118009	Travel & Subsistence System	10	*	*	*				0.0	Commenced
5118010	Deputyships	15	*	*	*	*	*		13.5	Draft Report Issued
5118011	Trust Funds	15	*	*	*	*			11.3	Field Work Complete
5118012	Burry Port Harbour - Accounts Return for WAO	8	*	*	*	*	*	*	8.0	Complete
5118013	Financial Management Other	5	*	N/A	*	*	*	*	5.0	Complete
	<b>Total Audit Days for Department</b>	<b>141</b>							<b>60.3</b>	
	<b>Communities</b>									
6118001	Home Care	10							0.0	
6118002	Residential Care Authority & Private Homes Q1	3	N/A	*	*	*	N/A	N/A	3.0	Complete
6118023	Residential Care Authority & Private Homes Q2	3	N/A	*	*	*	N/A	N/A	3.0	
6118024	Residential Care Authority & Private Homes Q3	2	N/A	*	*				0.0	
6118025	Residential Care Authority & Private Homes Q4	2	N/A						0.0	
6118003	Supported Living	10							0.0	
6118004	Learning Disabilities	5	N/A	*	*	*	N/A	N/A	5.0	Complete
6118005	Safeguarding	10							0.0	
6118006	Affordable Homes	10	*	*	*	*	*		9.0	Draft Report Issued
6118007	Licensing and other fees	10	*	*	*	*	*	*	10.0	Complete
6118008	Museums	10	*	*	*	*	*	*	10.0	Complete
6118009	Libraries	10	*	*	*	*	*	*	10.0	Complete
6118010	Amman Valley Leisure Centre	7							0.0	
6118011	Carmarthen Leisure Centre	9							0.0	
6118012	Llanelli Leisure Centre	9							0.0	
6118013	Pembrey Country Park / MCP / Country Parks	10							0.0	
6118014	Ski Centre	10							0.0	
6118015	Theatres	8	*	*	*	*			6.0	Field Work Complete
6118016	South Area Leisure / Education & Workforce	8	*						0.0	Pre Audit Meeting
6118017	Pendine Outdoor Education Centre	8	*	*					0.0	Terms of Reference
6118018	Llesiant Delta Wellbeing Ltd - LATC	20							0.0	



INTERNAL AUDIT PLAN 2018/19										
2018/19	% Plan Completion to Date	31.8%		% Target November 2018						55.0%
Job No	Departments	Days Planned	Pre. Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Final Report Issued	Days to Date	Status
6118019	Housing Company	20							0.0	
6118020	Financial Management Other	5	*	*	*	*		*	5.0	Complete
6118026	LC Memberships	3							0.0	
	<b>Grants</b>									
6118021	Supporting People	15	*	*	*	*	*	*	15.0	Complete
6118022	Communities	10	*	*	*	*	*	*	10.0	Complete
	<b>Total Audit Days for Department</b>	<b>227</b>							<b>86</b>	
	<b>Environment</b>									
	<b>Property:</b>									
7118001	Property Maintenance	15							0.0	
7118002	Property & Estate Management (sale of assets)	15							0.0	
7118003	Energy Strategy	10							0.0	
	<b>Waste and Environment:</b>									
7118004	Grounds Maintenance	10	*	*	*	*	*		9.0	Draft Report Issued
7118005	Cleansing Services	10	*	*	*	*	*		9.0	Draft Report Issued
	<b>Highways and Transport:</b>									
7118006	Highway Maintenance (incl. Trunk Roads)	10							0.0	
7118007	Other Streetwork	10	*	*	*	*	*		9.0	Draft Report Issued
7118008	Street lighting	10	*	*	*	*	*	*	10.0	Complete
7118009	Parking Inc. Enforcement	8	*	*	*	*	*	*	8.0	Complete
	<b>Planning Services:</b>									
7118010	Local Development Plan	10							0.0	
	<b>Policy &amp; Development Departmental:</b>									
7118011	Management Systems - Total	10							0.0	
7118012	Financial Management Other	5							0.0	
	<b>Grants</b>									
7118013	Environment Departmental Grants	20							0.0	
	<b>Total Audit Days for Department</b>	<b>143</b>							<b>45.0</b>	

INTERNAL AUDIT PLAN 2018/19										
2018/19	% Plan Completion to Date	31.8%		% Target November 2018						55.0%
Page No	Departments	Days Planned	Pre. Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Final Report Issued	Days to Date	Status
	<b>Procurement / Contracts</b>									
8118001	Framework contracts	15	*	*	*				0.0	Commenced
8118002	Specific Projects (new and post contact review)	20	*	*	*	*	*		18.0	Draft Report Issued
8118003	Departmental Contract Management	20							0.0	
8118004	Community Benefits	10							0.0	
8118005	Category Management	10							0.0	
8118006	Financial Management Other	5							0.0	
	<b>Total Audit Days for Department</b>	<b>80</b>							<b>18</b>	
	<b>Total Approved Plan Days</b>	1240	% Complete to Date			31.8%			394.1	
	<b>Mid &amp; West Wales Fire Authority</b>									
9118001		5							0.0	
9118002		5							0.0	
9118003		3							0.0	
9118004		2							0.0	
9218001		5	*	*	*				0.0	Commenced
9218002		5	*	*	*	*	*	*	5.0	Complete
9218003		5							0.0	
9218004		12							0.0	
9218005		6							0.0	
9218006		8	*	*	*				0.0	Commenced
9218007		5							0.0	
9218008		8							0.0	
9218009		1							0.0	
9218010		5							0.0	
9218011		10							0.0	
9218012		10							0.0	
									0.0	
	<b>Total Audit Days for Department</b>	<b>95</b>		% Complete to Date			5.3%		<b>5.0</b>	

INTERNAL AUDIT PLAN 2018/19										
2018/19	% Plan Completion to Date	31.8%		% Target November 2018						55.0%
Job No	Departments	Days Planned	Pre. Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Final Report Issued	Days to Date	Status
	Additional Work Not Included in Original Plan									
2118014	Ceredigion IT	15	*	*	*				0.0	Commenced
1118007	Ceredigion Ethics	15							0.0	
5118014	Wales Pension Partnership	8	*	N/A	*	*	*	*	8.0	Complete
9018032	Financial Grant	10	*	*	*	*	*	*	10.0	Complete
	Total Additional Work	143		% Complete to Date			16.1%		23.0	
	Total Audit Plan Time	1383		% Complete to Date			30.2%		417.1	
	Productivity of Total Audit Plan Days as a Percentage of Approved Plan Days						33.6%			

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INTERNAL AUDIT PLAN 2018/19			REPORTING								
2018/19			Issues								
			No. of 3 * Issues	No. of 2 * Issues	No. of 1 * Issues	Total No. Issues	3*=5	2*=3	1*=1	Score	Assurance Level
Job No	Departments	Status									
	Chief Executive										
1118001	Annual Governance Statement	Draft Report Issued				0	0	0	0	0	
1118002	PMP Function - Recruitment / Safer Recruitment DBS	Field Work Complete				0	0	0	0	0	
1118003	Ethics					0	0	0	0	0	
1118004	Gosod Syml	Complete	0	0	0	0	0	0	0	0	Grant Certificate
1118005	Whistleblowing	Field Work Complete				0	0	0	0	0	
1118006	Rent Smart Wales	Complete	0	0	0	0	0	0	0	0	Grant Certificate
	Total Audit Days for Department										
	Information & Communications Audit										
2118001	Computer Assisted Audit Testing(CAATs)	Commenced				0	0	0	0	0	
2118002	Resource Link					0	0	0	0	0	
2118003	Agresso					0	0	0	0	0	
2118004	Pensions	Complete	0	0	0	0	0	0	0	0	High
2118005	Revenues/ Benefits / DIPS	Commenced				0	0	0	0	0	
2118006	Education & Children Services Systems					0	0	0	0	0	
2118007	Communities Systems					0	0	0	0	0	
2118008	Environment Systems					0	0	0	0	0	
2118009	IT Procurement	Field Work Complete				0	0	0	0	0	
2118010	Cloud Computing					0	0	0	0	0	
2118011	Data Protection					0	0	0	0	0	
2118012	Digital Transformation / Agile Working / Information					0	0	0	0	0	
2118013	Financial Management Other					0	0	0	0	0	
	Total Days Computer Audits										
	Regeneration & Policy										
3118001	Customer Services	Terms of Reference Issued				0	0	0	0	0	
3118002	Press Office / Communication	Pre Audit Meeting				0	0	0	0	0	
3118003	Modern Records					0	0	0	0	0	
3118004	Property & Estate Management					0	0	0	0	0	
3118005	New Funding Programmes (eg ESI)	Draft Report Issued				0	0	0	0	0	
3118006	City Deal					0	0	0	0	0	
3118007	Wellness Centre					0	0	0	0	0	
3118008	Corporate Plan / Business Plans	Complete	0	0	0	0	0	0	0	0	N/A
3118009	Regeneration Strand 1	Pre Audit Meeting				0	0	0	0	0	
3118010	Regeneration Strand 2	Commenced				0	0	0	0	0	
3118011	Regeneration Strand 3	Draft Report Issued				0	0	0	0	0	
3118012	Regeneration Strand 4	Pre Audit Meeting				0	0	0	0	0	
3118013	Complaints	Draft Report Issued				0	0	0	0	0	
3118014	Data Protection	Commenced				0	0	0	0	0	
3118015	Financial Management Other					0	0	0	0	0	
	Grants										
3118016	R&P Third Party Grants					0	0	0	0	0	
	Total Audit Days for Department										
	Education & Children										
	School Improvement										
4118001	ERW inc arrangements for EIG & PDG					0	0	0	0	0	
	Education Services										
4118002	Challenge Advisors					0	0	0	0	0	
4118003	School Improvement					0	0	0	0	0	
	Strategic Development										
4118004	Information & Improvement					0	0	0	0	0	
4118005	Business Support					0	0	0	0	0	
	Curriculum & Well being										
4118006	Education Other Than At School (EOTAS)					0	0	0	0	0	
4118007	Families First Grant (Youth)	Complete	0	0	0	0	0	0	0	0	Grant Certificate
4118008	School Consultants					0	0	0	0	0	
4118009	Learning Transformation - eg Cynnydd, Cam Nesa					0	0	0	0	0	
	Children's Services										
4118010	Corporate Parenting	Commenced				0	0	0	0	0	
4118011	Family Support	Pre Audit Meeting				0	0	0	0	0	
4118012	Safeguarding					0	0	0	0	0	
4118013	Welsh For Adults	Complete	0	0	0	0	0	0	0	0	Grant Certificate
	Schools:										
4118014	Schools DBS	Draft Report Issued				0	0	0	0	0	
4118015	Schools Recruitment & Teachers salaries	Field Work Complete				0	0	0	0	0	
4118016	Schools - Monitoring deficits & surpluses	Pre Audit Meeting				0	0	0	0	0	
4118017	School Meals, Free Meals & Primary Free Breakfast Services	Draft Report Issued				0	0	0	0	0	
4118018	Schools Questionnaires Q1	Complete	0	0	0	0	0	0	0	0	N/A
4118033	Schools Questionnaires Q2	Complete	0	0	0	0	0	0	0	0	N/A
4118034	Schools Questionnaires Q3	Commenced				0	0	0	0	0	
4118035	Schools Questionnaires Q4	Commenced				0	0	0	0	0	
4118019	School visits Q1	Field Work Complete				0	0	0	0	0	
4118036	School visits Q2	Term of Reference				0	0	0	0	0	
4118037	School visits Q3	Term of Reference				0	0	0	0	0	
4118038	School visits Q4	Term of Reference				0	0	0	0	0	
	Grants										
4118020	Post 16					0	0	0	0	0	
4118021	Education - EIG - Final Annual Audit	Complete	0	0	0	0	0	0	0	0	Grant Certificate
4118022	Education - EIG - Q1 Audit	Complete	0	0	0	0	0	0	0	0	Grant Certificate
4118023	Education - EIG - Q2 Audit	Complete	0	0	0	0	0	0	0	0	Grant Certificate
4118024	Education - EIG - Q3 Audit					0	0	0	0	0	
4118025	Education - EIG - Q4 Audit					0	0	0	0	0	
4118026	Education - PDG - Final Annual Audit	Complete	0	0	0	0	0	0	0	0	Grant Certificate
4118027	Education - PDG - Q1					0	0	0	0	0	
4118028	Education - PDG - Q2					0	0	0	0	0	
4118029	Education - PDG - Q3					0	0	0	0	0	
4118030	Education - PDG - Q4					0	0	0	0	0	
4118031	14 to 19 Learning Pathways	Complete	0	0	0	0	0	0	0	0	Grant Certificate
4118032	Youth Work Strategy Grant	Complete	0	0	0	0	0	0	0	0	Grant Certificate

INTERNAL AUDIT PLAN 2018/19						REPORTING					
2018/19			Issues								
			No. of 3 * Issues	No. of 2 * Issues	No. of 1 * Issues	Total No. Issues	3*=5	2*=3	1*=1	Score	Assurance Level
Job No	Departments	Status									
	Total Audit Days for Department										
	Corporate Services										
5118001	Budget Setting / Delivery of Efficiencies	Commenced				0	0	0	0	0	
5118002	VAT					0	0	0	0	0	
5118003	Treasury Management - Loans	Terms of Reference				0	0	0	0	0	
5118004	Housing Benefits					0	0	0	0	0	
5118005	Payroll System	Field Work Complete				0	0	0	0	0	
5118006	Creditor Payments					0	0	0	0	0	
5118007	Debtors System	Field Work Complete				0	0	0	0	0	
5118008	Cash & Bank					0	0	0	0	0	
5118009	Travel & Subsistence System	Commenced				0	0	0	0	0	
5118010	Deputyships	Draft Report Issued				0	0	0	0	0	
5118011	Trust Funds	Field Work Complete				0	0	0	0	0	
5118012	Burry Port Harbour - Accounts Return for WAO	Complete	0	0	0	0	0	0	0	0	Grant Certificate
5118013	Financial Management Other	Complete	0	0	0	0	0	0	0	0	Grant Certificate
	Total Audit Days for Department										
	Communities										
6118001	Home Care					0	0	0	0	0	
6118002	Residential Care Authority & Private Homes Q1	Complete	0	0	0	0	0	0	0	0	N/A
6118023	Residential Care Authority & Private Homes Q2					0	0	0	0	0	
6118024	Residential Care Authority & Private Homes Q3					0	0	0	0	0	
6118025	Residential Care Authority & Private Homes Q4					0	0	0	0	0	
6118003	Supported Living					0	0	0	0	0	
6118004	Learning Disabilities	Complete	0	0	0	0	0	0	0	0	Grant Certificate
6118005	Safeguarding					0	0	0	0	0	
6118006	Affordable Homes	Draft Report Issued				0	0	0	0	0	
6118007	Licensing and other fees	Complete	0	0	0	0	0	0	0	0	High
6118008	Museums	Complete	0	3	0	3	0	9	0	9	Acceptable
6118009	Libraries	Complete	0	2	1	3	0	6	1	7	Acceptable
6118010	Amman Valley Leisure Centre					0	0	0	0	0	
6118011	Carmarthen Leisure Centre					0	0	0	0	0	
6118012	Llanelli Leisure Centre					0	0	0	0	0	
6118013	Pembrey Country Park / MCP / Country Parks					0	0	0	0	0	
6118014	Ski Centre					0	0	0	0	0	
6118015	Theatres	Commenced				0	0	0	0	0	
6118016	South Area Leisure / Education & Workforce	Pre Audit Meeting				0	0	0	0	0	
6118017	Pendine Outdoor Education Centre	Terms of Reference				0	0	0	0	0	
6118018	Lliesiant Delta Wellbeing Ltd - LATC					0	0	0	0	0	
6118019	Housing Company					0	0	0	0	0	
6118020	SP Financials	Complete	0	0	0	0	0	0	0	0	Grant Certificate
	Grants										
6118021	Supporting People	Complete	0	0	0	0	0	0	0	0	Grant Certificate
6118022	Communities	Complete	0	0	0	0	0	0	0	0	Grant Certificate
	Total Audit Days for Department										
	Environment										
	Property:										
7118001	Property Maintenance					0	0	0	0	0	
7118002	Property & Estate Management (sale of assets)					0	0	0	0	0	
7118003	Energy Strategy					0	0	0	0	0	
	Waste and Environment:										
7118004	Grounds Maintenance	Draft Report Issued				0	0	0	0	0	
7118005	Cleansing Services	Draft Report Issued				0	0	0	0	0	
	Highways and Transport:										
7118006	Highway Maintenance (incl. Trunk Roads)					0	0	0	0	0	
7118007	Other Streetwork	Field Work Complete				0	0	0	0	0	
7118008	Street lighting	Complete	0	0	1	1	0	0	1	1	High
7118009	Parking Inc. Enforcement	Complete	0	0	1	1	0	0	1	1	High
	Planning Services:										
7118010	Local Development Plan					0	0	0	0	0	
	Policy & Development Departmental:										
7118011	Management Systems - Total					0	0	0	0	0	
7118012	Financial Management Other					0	0	0	0	0	
	Grants										
7118013	Environment Departmental Grants					0	0	0	0	0	
	Total Audit Days for Department										
	Procurement / Contracts										
8118001	Framework contracts	Commenced				0	0	0	0	0	
8118002	Specific Projects (new and post contact review)	Draft Report Issued				0	0	0	0	0	
8118003	Departmental Contract Management					0	0	0	0	0	
8118004	Community Benefits					0	0	0	0	0	
8118005	Category Management					0	0	0	0	0	
8118006	Financial Management Other					0	0	0	0	0	
	Total Audit Days for Department										
	Total Approved Plan Days										
	Fire										
9118001						0	0	0	0	0	
9118002						0	0	0	0	0	
9118003						0	0	0	0	0	

INTERNAL AUDIT PLAN 2018/19			REPORTING								
2018/19			Issues								
		Status	No. of 3 * Issues	No. of 2 * Issues	No. of 1 * Issues	Total No. Issues	3*=5	2*=3	1*=1	Score	Assurance Level
Job No	Departments										
9118004						0	0	0	0	0	
9218001		Commenced				0	0	0	0	0	
9218002		Complete				0	0	0	0	0	
9218003						0	0	0	0	0	
9218004						0	0	0	0	0	
9218005						0	0	0	0	0	
9218006		Commenced				0	0	0	0	0	
9218007						0	0	0	0	0	
9218008						0	0	0	0	0	
9218009						0	0	0	0	0	
9218010						0	0	0	0	0	
9218011						0	0	0	0	0	
9218012						0	0	0	0	0	
						0	0	0	0	0	
	Total Audit Days for Department										
	Additional Work Not Included in Original Plan										
2118014	Ceredigion IT	Commenced				0	0	0	0	0	
1118007	Ceredigion Ethics					0	0	0	0	0	
5118014	Wales Pension Partnership	Complete	0	0	0	0	0	0	0	0	Grant Certificate
9018032	Financial Grant Advice	Complete	0	0	0	0	0	0	0	0	N/A
	Total Additional Work										
	Total Audit Plan Time										
	Productivity of Total Audit Plan Days as a Percentage of Approved Plan Days										

Assurance Level	Description for Assurance Level	Scores
High	Good controls consistently applied. Low risk of not meeting objectives. Low risk of fraud, negligence, loss, damage to reputation.	0 to 2
Acceptable	Moderate Controls, some areas of non-compliance with agreed controls. Medium / low risk of not meeting objectives. Medium / low risk of fraud, negligence, loss, damage to reputation.	3 to 10 with no 3* recommendations
Low	Inadequate controls. High Risk of not meeting objectives. High risk of fraud, negligence, loss, damage to reputation.	> 10 or including one or more 3* recommendations

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DEPARTMENT <b>Corporate Services</b>	AUDIT REVIEW <b>VAT</b>	AUDIT REF <b>4117004</b>
PLANNED DAYS <b>8</b>	ACTUAL DAYS <b>8</b>	Frequency of Audit <b>ANNUAL</b>

**BACKGROUND**

VAT is a tax on consumption, essentially a 'sales tax'. It is payable by all consumers. Since local authorities are also consumers, when they make purchases of goods and services in order to perform their functions, they may find themselves paying VAT. Equally, when they levy charges, such as for services provided by them, they may have to account for VAT to the Commissioners for Her Majesty's Revenue and Customs (HMRC). However, under EU law, which is ultimately the law governing VAT, the default position is that local authorities – as public bodies – are exempt from paying VAT when they are performing "public functions". Article 13 of the principal VAT Directive states that an "authority governed by public law" is not liable to pay VAT on purchases which it makes to enable it to perform its public functions. Accordingly, any VAT which has been paid, known as "input tax", is recoverable from HMRC.

Similarly, the local authority does not need to add VAT (that is, "output tax") on any charges which it is entitled to make when performing its functions.

However, there are a number of problems which make this area of VAT law notoriously difficult, such as where a local authority is doing something under legal rules *applicable to everyone*; it is unlikely to be exempt. The Authority has staff within its Accountancy Section that deal with all VAT queries and who are responsible for the submission of monthly claims to recover VAT.

The Authority submits monthly claims to HMRC to recover VAT to an average value of approximately £2.0m.

**SCOPE**

The review covered the controls and procedures in operation for VAT to assess the extent to which:

- Recommendations in the previous Internal Audit report have been actioned;
- Adequate guidance / documented procedures exist;
- Appropriate controls and procedures are established to ensure compliance with legislation and HMRC requirements.

**SUMMARY OF RESULTS**

The review of VAT has been assessed as medium risk to the Authority during the audit planning process due to the complex nature of VAT and the volume of income and expenditure transactions processed by the Authority.

It is pleasing to report that expected key controls in respect of the management and administration of VAT are operating to an acceptable standard, with only a couple of issues being identified.

The review identified that the procedures adopted meet statutory, best practice and the Authority's Financial Procedure Rules. Minor improvements are required in order for Internal Audit to place an assurance that systems are operating to a high standard. These improvements have been agreed and are in the process of being implemented by the responsible officers.		
NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	Acceptable
Priority 2 – Strengthen Existing Controls	2	
Priority 3 – Minor Issues	None	

DEPARTMENT <b>Corporate Services</b>	AUDIT REVIEW <b>Council Tax</b>	AUDIT REF <b>4117011</b>
PLANNED DAYS <b>10</b>	ACTUAL DAYS <b>10</b>	Frequency of Audit <b>ANNUAL</b>
<p><b>BACKGROUND</b> The Authority collects approximately £90 million per annum in Council Tax from 87,444 dwellings. The Revenues Service within the Resources Department is responsible for administering the system including the raising of invoices, processing of Council Tax Accounts, the reconciliation of cash and benefits postings and the recovery of arrears.</p> <p><b>SCOPE</b> The audit ensured that procedures had been established and effective controls were in place for:</p> <ul style="list-style-type: none"> <li>- Charging &amp; Valuation Officers Procedures.</li> <li>- Discounts and reliefs.</li> <li>- Collections and refunds.</li> <li>- Performance including performance indicators and reconciliations.</li> <li>- Management arrangements.</li> </ul> <p><b>SUMMARY OF RESULTS</b> The Council Tax System is assessed as medium risk within the Authority's Internal Audit Plan. Although the system is considered fundamental to the Authority's finances, previous reviews have found the service to be well managed with few issues being identified. Based on the results of this review the risk rating will remain as medium.</p> <p>The results of the current review found that, overall, controls were operated to an acceptable standard and there was compliance with agreed practice. For the 2017/18 financial year, the Department was above its collection rate target of 97.1% in collecting 97.57%. In the majority of sample testing carried out, it was apparent that refunds were only repaid to tax payers, and various discounts and relief were only awarded, where entitlement was evident.</p> <p>The reported issue emanating from the audit testing is in relation to the lack of physical inspections. Internal Audit were advised that the main reason for this is due to a lack of resources.</p>		
<b>NUMBER OF RECOMMENDATIONS</b>		<b>OVERALL ASSURANCE</b>
Priority 1- Fundamental Weaknesses	<b>None</b>	<b>Acceptable</b>
Priority 2 – Strengthen Existing Controls	<b>1</b>	
Priority 3 – Minor Issues	<b>None</b>	

DEPARTMENT <b>Corporate Services</b>	AUDIT REVIEW <b>Housing Benefits</b>	AUDIT REF <b>4117010</b>
PLANNED DAYS <b>10</b>	ACTUAL DAYS <b>10</b>	Frequency of Audit <b>ANNUAL</b>
<p><b>BACKGROUND</b></p> <p>The Housing Benefit section within the Corporate Services department calculates the amount of benefits and reductions which may be awarded to households on low income to help with the cost of paying rent and Council Tax.</p> <p>During 2017/18 the Authority paid out approximately £64m with an approximate case load of 19,000 claims. As a consequence the system is considered fundamental to the Authority's finances and is therefore subject to annual review.</p> <p><b>SCOPE</b></p> <p>The review considered the procedures and controls in place in the following areas in order to provide assurance that payments are made appropriately:</p> <ul style="list-style-type: none"> <li>- Documented procedures are in place and are complied with.</li> <li>- Adequate documentation is maintained to support claims.</li> <li>- Accuracy of payments.</li> <li>- Safeguarding resources.</li> </ul> <p><b>SUMMARY OF RESULTS</b></p> <p>The systems and procedures associated with the Housing Benefit System are classed as medium risk to the Authority as recent Internal Audit reviews have determined the service to be well managed with minimal issues identified.</p> <p>From sample testing, it was evident that there are robust systems in place with expected key controls established and operating to an acceptable standard, with only minor issues identified. Relevant information is obtained to ensure payments made are accurate and timely, and there was evidence of monitoring undertaken to ensure compliance with procedures and legislation concerning the payment of Housing Benefit, demonstrating a good control over the function.</p>		
<b>NUMBER OF RECOMMENDATIONS</b>		<b>OVERALL ASSURANCE</b>
Priority 1- Fundamental Weaknesses	<b>None</b>	<b>Acceptable</b>
Priority 2 – Strengthen Existing Controls	<b>None</b>	
Priority 3 – Minor Issues	<b>3</b>	

DEPARTMENT <b>Corporate Services</b>	AUDIT REVIEW <b>NNDR</b>	AUDIT REF <b>4117012</b>
PLANNED DAYS <b>10</b>	ACTUAL DAYS <b>10</b>	Frequency of Audit <b>ANNUAL</b>
<p><b>BACKGROUND</b></p> <p>The Authority is responsible for collecting approximately £60 million in National Non Domestic Rates (NNDR) from 7,327 commercial properties within the Authority's area. The income is remitted to the National Pool for subsequent re-distribution to the Authority by nationally determined formula.</p> <p>The NNDR section is responsible for administering the system, including the raising of invoices, maintenance of accounts and the recovery of arrears up until final legal proceedings.</p> <p><b>SCOPE</b></p> <p>The audit ensured that procedures have been established and effective controls are in place for:</p> <ul style="list-style-type: none"> <li>- Charging &amp; VO Procedures.</li> <li>- Discounts and Reliefs.</li> <li>- Collections and refunds.</li> <li>- Performance including performance indicators and reconciliations.</li> <li>- Management Arrangements.</li> </ul> <p><b>SUMMARY OF RESULTS</b></p> <p>The NNDR System is assessed as medium risk within the Authority's Internal Audit Plan.</p> <p>It was apparent from testing carried out that the procedures for both the Charging and VO (Valuation Office) were found to be robust, also Discounts, Reliefs and Refunds were only awarded where there was evidence of entitlement. The collection rate for the end of year was 99.52% against the All Wales average of 98.09%, resulting in Carmarthenshire being listed as the top performing Council in Wales for the collection of NNDR in 2017/18.</p> <p>There was one minor issue emanating from testing carried out, as the posting receipt for the Business Rates Annual Billing for the 2017/18 financial year could not be located.</p>		
<b>NUMBER OF RECOMMENDATIONS</b>		<b>OVERALL ASSURANCE</b>
Priority 1- Fundamental Weaknesses	<b>None</b>	<b>High</b>
Priority 2 – Strengthen Existing Controls	<b>None</b>	
Priority 3 – Minor Issues	<b>1</b>	

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## AUDIT COMMITTEE

14<sup>TH</sup> DECEMBER 2018

AUDIT COMMITTEE FORWARD WORK PROGRAMME		
<b>Purpose:</b> Identify 2018/19 Audit Committee Agenda Items		
<b>Recommendations / key decisions required:</b> To receive the report.		
<b>Reasons:</b> Annual Forward Work Programme to inform Members of the expected Agenda Items for the 2018/19 Audit Committee Cycle.		
<b>Relevant scrutiny committee to be consulted:</b> Not Applicable <b>Exec Board Decision Required:</b> Not Applicable <b>Council Decision Required:</b> Not Applicable		
<b>EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:</b> Cllr D Jenkins		
<b>Directorate:</b> Corporate Services  <b>Name of Head of Service:</b> Helen Pugh  <b>Report Author:</b> Helen Pugh	<b>Designations:</b> Head of Revenues and Financial Compliance	Tel No. 01267 246223 E Mail Address: <a href="mailto:HLPugh@carmarthenshire.gov.uk">HLPugh@carmarthenshire.gov.uk</a>

# EXECUTIVE SUMMARY

## AUDIT COMMITTEE 14<sup>TH</sup> DECEMBER 2018

### AUDIT COMMITTEE FORWARD WORK PROGRAMME

To provide Members with a Forward Work Programme for the 2018/19 Audit Committee cycle to ensure that all appropriate committees have a published up to date programme owned by the Committee Members.

The following Report is attached:

1. Forward Work Programme

DETAILED REPORT ATTACHED?

YES



## IMPLICATIONS

<b>I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :</b> <b>Signed:</b> <b>Helen Pugh</b> <b>Head of Revenues and Financial Compliance</b>						
Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

## CONSULTATIONS

<b>I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below</b> <b>Signed:</b> <b>Helen Pugh</b> <b>Head of Revenues and Financial Compliance</b>		
<b>1. Scrutiny Committee:</b> Not Applicable <b>2. Local Member(s):</b> Not Applicable <b>3. Community/Town Council:</b> Not Applicable <b>4. Relevant Partners:</b> Not Applicable <b>5. Staff Side Representatives and other Organisations:</b> Not Applicable		
<b>Section 100D Local Government Act, 1972 – Access to Information</b>  <b>List of Background Papers used in the preparation of this report:</b>  <b>THESE ARE DETAILED BELOW</b>		
<b>Title of Document</b>	<b>File Ref No.</b>	<b>Locations that the papers are available for public inspection</b>
Strategic Audit Plan 2018-21	AC 28-03-16	Internal Audit Unit

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## FORWARD WORK PROGRAMME - Audit Committee

Audit Committee 2018/19

Subject area and brief description of nature of report	Lead Department	Responsible Officer	Dec-18	Mar-19	Jul-19	Sep-19
<b>Appointment of Audit Committee:</b> <ul style="list-style-type: none"> <li>Chair</li> <li>Vice Chair</li> </ul>	Corporate Services	Audit Committee			✓	
Annual Audit Report	Corporate Services	Head of Revenues and Financial Compliance			✓	
Forward Work Programme	Corporate Services	Head of Revenues and Financial Compliance	✓	✓	✓	✓
<b>Internal Audit Plan Update</b> <ul style="list-style-type: none"> <li>To receive the progress report</li> <li>To receive the Scoring Matrix for finalised reviews</li> </ul>	Corporate Services	Head of Revenues and Financial Compliance	✓	✓	✓	✓
Internal Audit indicative three year plan	Corporate Services	Head of Revenues and Financial Compliance		✓		
<b>Assurance Reviews:</b> <ul style="list-style-type: none"> <li>Fundamental financial systems</li> <li>3* reports</li> </ul>	Corporate Services	Head of Revenues and Financial Compliance	As required			
Progress Report - Delivery of External Audit Recommendations	Regeneration & Policy	Performance Planning Section	✓			
Progress Report - Delivery of Internal Audit Recommendations	Corporate Services	Head of Revenues and Financial Compliance		✓		
<b>Progress reports as requested by Audit Committee</b> <ul style="list-style-type: none"> <li>Supporting People</li> <li>Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities</li> <li>Museums</li> <li>Leisure Centre</li> </ul>	Communities	Safeguarding & Commissioning Manager				
		Head of Mental Health and Learning Disabilities	✓			
		Head of Leisure	✓			
		Head of Leisure			✓	
Approval of Audit Charter	Corporate Services	Head of Revenues and Financial Compliance	✓			
Approval of Strategies / Rules & Regulations	Corporate Services	Head of Revenues and Financial Compliance	As required			

## FORWARD WORK PROGRAMME - Audit Committee

## Audit Committee 2018/19

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Subject area and brief description of nature of report		Lead Department	Responsible Officer	Dec-18	Mar-19	Jul-19	Sep-19
Approval of Anti-Fraud and Corruption Strategy		Corporate Services	Head of Revenues and Financial Compliance		✓		
Receive the Corporate Risk Register		Corporate Services	Head of Revenues and Financial Compliance		✓		✓
Opportunity for Members to discuss Risks			Risk owners				✓
Statement of Accounts including Annual Governance Statement for Carmarthenshire CC & Dyfed Pension Fund <ul style="list-style-type: none"> <li>To be received</li> <li>To be approved</li> </ul>		Corporate Services	Head of Financial Services			✓	✓
Burry Port Harbour Accounting Statement <ul style="list-style-type: none"> <li>To be received</li> <li>To be approved</li> </ul>		Corporate Services	Head of Financial Services			✓	✓
Audit enquiries to those charged with governance and management for: <ul style="list-style-type: none"> <li>Carmarthenshire CC</li> <li>Dyfed Pension Fund</li> </ul>		Corporate Services	Head of Financial Services				✓
Single Tender Action		Corporate Services	Director of Corporate Services	As required			
Minutes for noting: <ul style="list-style-type: none"> <li>Grants Panel</li> <li>Corporate Governance Group</li> <li>Risk Management Steering Group</li> </ul>		Corporate Services	Head of Revenues and Financial Compliance Head of Financial Services	✓	✓	✓	✓

## FORWARD WORK PROGRAMME - Audit Committee

## Audit Committee 2018/19

Subject area and brief description of nature of report	Lead Department	Responsible Officer	Dec-18	Mar-19	Jul-19	Sep-19
<b>Wales Audit Office:</b>	<b>Corporate Services</b>	<b>Wales Audit Office</b>				
· <b>Audit Plan Update</b>			✓	✓	✓	✓
· <b>Annual Improvement Report</b>						✓
· <b>Financial Statements – ISA260</b> Report presented to those charged with Governance)in relation to the Statement of Accounts for <ul style="list-style-type: none"> <li>o Carmarthenshire CC</li> <li>o Dyfed Pension Fund</li> </ul>						✓
· <b>Letter of Representation</b> <ul style="list-style-type: none"> <li>o Carmarthenshire CC</li> <li>o Dyfed Pension Fund</li> </ul>						✓
· <b>Annual Audit Letter:</b> <ul style="list-style-type: none"> <li>o Carmarthenshire CC</li> <li>o Dyfed Pension Fund</li> </ul>			✓			
· <b>Thematic Study: Well-being of Future Generations - Baseline assessment</b>						
· <b>Thematic Study: Well-being of Future Generations -Scrutiny Review</b>						
· <b>Thematic Study: Service User Review</b>						
· <b>LG Improvement Study - Intermediate Care Fund</b>						
· <b>LG Improvement Study - Using Data Effectively</b>						
· <b>LG Improvement Study - How well do public bodies provide services to rural communities</b>						
· <b>Local Project work</b>						
· <b>Auditor General's fees</b> <ul style="list-style-type: none"> <li>o Financial Audits: <ul style="list-style-type: none"> <li>§ Carmarthenshire CC</li> <li>§ Dyfed Pension Fund</li> </ul> </li> <li>o Performance Audit</li> </ul>				✓		

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**Audit Committee Training / Informal Sessions**

Subject area and brief description of session	Lead Department	Responsible Officer	Dates										
			Feb-16	Jul-17	Autumn '17	Dec-17	Feb-17	Jul-18	Autumn '18	Dec-18	Feb-19	Jun-19	Autumn '19
Audit Committee - Self Assessment	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance	✓		✓								✓
Meeting with Auditors	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance				✓		✓		✓		✓	
Risk Register	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance	✓				✓				✓		
Statement of Accounts & Annual Governance Statement	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance		✓				✓				✓	
Audit Committee Development Session	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance		✓					✓				
Category Management	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance			✓								

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## AUDIT COMMITTEE

14<sup>TH</sup> DECEMBER 2018

<b>INTERNAL AUDIT REPORTING AND ESCALATION PROTOCOL</b>		
<b>Recommendations / key decisions required:</b> To endorse the draft Protocol.		
<b>Reasons:</b> To allow Audit Committee to comment on the content of the draft Protocol.		
<b>Relevant scrutiny committee to be consulted:</b> Not Applicable		
<b>Exec Board Decision Required:</b> Not Applicable <b>Council Decision Required:</b> Not Applicable		
<b>EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:</b> Cllr D Jenkins		
<b>Directorate:</b> Corporate Services  <b>Name of Head of Service:</b> Helen Pugh  <b>Report Author:</b> Caroline Powell	<b>Designations:</b>  Head of Revenues and Financial Compliance  Principal Auditor	Tel No. 01267 246217 E Mail Address: <a href="mailto:capowell@carmarthenshire.gov.uk">capowell@carmarthenshire.gov.uk</a>

## EXECUTIVE SUMMARY

### AUDIT COMMITTEE 14<sup>TH</sup> DECEMBER 2018

#### INTERNAL AUDIT ESCALATION PROTOCOL

The Head of Revenues and Financial Compliance at Carmarthenshire County Council is responsible for the Authority's Internal Audit service. Where Internal Audit reviews are undertaken on functions headed by the Head of Revenues and Financial Compliance, there is a potential conflict of interest arising from reporting lines.

Internal Audit works to the Public Sector Internal Audit Standards which came into force on 1 April 2013. Professional standards require that Internal Audit be independent from management and the activities which it audits. This is essential to Internal Audit's proper conduct and impartial advice to management. The Public Sector Internal Audit Standards require Internal Auditors to conform to a code of ethics; the four principles of the code of ethics are:

- Integrity,
- Objectivity,
- Confidentiality, and
- Competency.

This document sets out the reporting process within the Internal Audit team and the escalation process to follow should a conflict of interest arise, ensuring the code of ethics is adhered to at all times.

DETAILED REPORT  
ATTACHED?

YES

## IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Helen Pugh - Head of Revenues and Financial Compliance

Policy, Crime & Disorder and Equalities NONE	Legal  NONE	Finance  YES	ICT  NONE	Risk Management Issues  NONE	Staffing Implications  NONE	Physical Assets  NONE
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**Finance:** Reviews carried out to ensure systems in place comply with the Authority's Financial Procedure Rules.

## CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Helen Pugh - Head of Revenues and Financial Compliance

- 1. Scrutiny Committee:** Not Applicable
- 2. Local Member(s):** Not Applicable
- 3. Community/Town Council:** Not Applicable
- 4. Relevant Partners:** Not Applicable
- 5. Staff Side Representatives and other Organisations:** Not Applicable

**Section 100D Local Government Act, 1972 – Access to Information**

**List of Background Papers used in the preparation of this report:**

**THESE ARE DETAILED BELOW**

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Strategic Audit Plan 2018-21	AC 28-03-16	Internal Audit Unit

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## **1. INTRODUCTION**

The Head of Revenues and Financial Compliance at Carmarthenshire County Council is responsible for the Authority's Internal Audit service. Where Internal Audit reviews are undertaken on functions headed by the Head of Revenues and Financial Compliance, there is a potential conflict of interest arising from reporting lines.

## **2. PURPOSE**

Internal Audit works to the Public Sector Internal Audit Standards which came into force on 1 April 2013. Professional standards require that Internal Audit be independent from management and the activities which it audits. This is essential to Internal Audit's proper conduct and impartial advice to management. The Public Sector Internal Audit Standards require Internal Auditors to conform to a code of ethics; the four principles of the code of ethics are:

- Integrity,
- Objectivity,
- Confidentiality, and
- Competency.

This document sets out the reporting process within the Internal Audit team and the escalation process to follow should a conflict of interest arise, ensuring the code of ethics is adhered to at all times.

## **3. SCOPE**

This protocol is relevant to the Carmarthenshire County Council Audit Committee, the Executive Board Member for Resources, the Director of Corporate Services, the Head of Revenues and Financial Compliance, the Principal Auditor and the Internal Audit team.

## **4. REPORTING AND ESCALATION**

In line with the job profile of the Principal Auditor, it is the Officer's responsibility to formulate a 3-year strategic audit plan, which is risk based. The Principal Auditor will prioritise, organise and manage the workloads of the Internal Audit team to deliver the plan.

The Principal Auditor is responsible for the review and sign-off of all Internal Audit reviews, considering all aspects of reviews from commencement to Final Report. The Head of Revenues and Financial Compliance will have no involvement in undertaking Internal Audit reviews relating to the Revenues and Financial Compliance Service.

Where Internal Audit reviews are undertaken on functions headed by the Head of Revenues and Financial Compliance, the reports will be issued in the name of the Principal Auditor.

The Final Reports for all audit assignments undertaken by Internal Audit are issued to the Director of Corporate Services, the Audit Committee Chairperson and Vice-Chairperson, the Executive Board Member for Resources, the relevant Department Executive Board Member, the relevant Head of Service and the Leader of the Council.

Should an issue arise within, or require escalating in relation to, the Revenues and Financial Compliance service, the Principal Auditor shall have unfettered access to the Director of Corporate Services.

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## AUDIT COMMITTEE 14<sup>TH</sup> DECEMBER 2018

<b>2017/18 INTERNAL AUDIT OF LLANELLI LEISURE CENTRE</b>		
<b>Recommendations / key decisions required:</b> To receive the report.		
<b>Reasons:</b> The most recent audit report was requested at the September 2018 meeting of the Audit Committee.		
<b>Relevant scrutiny committee to be consulted:</b> Not Applicable		
<b>Exec Board Decision Required:</b> Not Applicable  <b>Council Decision Required:</b> Not Applicable		
<b>EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:</b> Cllr D Jenkins		
<b>Directorate:</b> Corporate Services  <b>Name of Head of Service:</b> Helen Pugh  <b>Report Author:</b> Helen Pugh	<b>Designations:</b> Head of Revenues and Financial Compliance	Tel No. 01267 246223 E Mail Address: <a href="mailto:HPugh@cararthenshire.gov.uk">HPugh@cararthenshire.gov.uk</a>

# EXECUTIVE SUMMARY AUDIT COMMITTEE

14<sup>TH</sup> DECEMBER 2018

## 2017/18 INTERNAL AUDIT OF LLANELLI LEISURE CENTRE

At the 28th September 2018 meeting, the Audit Committee considered a report, which summarised the agreed work and progress to date by the Llanelli Leisure Centre Management Team, to improve its processes following the Internal Audit Summary presented initially to the Audit Committee at its meeting on 15th December 2017, and based on the findings of a broader report in 2016/17.

There had been significant focus on ensuring that Financial Procedure Rules were fully complied with and new technology was being introduced to improve standards and consistency.

It was noted that a more recent Internal Audit report had been undertaken at the facility. The Committee requested that a further update, detailing the 2017/18 Internal Audit that was finalised in August 2018, was presented at the meeting on 14th December 2018.

**DETAILED REPORT  
ATTACHED?**

**YES**



## IMPLICATIONS

**I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :**

**Signed: Helen Pugh - Head of Revenues and Financial Compliance**

Policy, Crime & Disorder and Equalities NONE	Legal NONE	Finance <b>YES</b>	ICT NONE	Risk Management Issues NONE	Staffing Implications NONE	Physical Assets NONE
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**Finance:** Reviews carried out to ensure systems in place comply with the Authority's Financial Procedure Rules.

## CONSULTATIONS

**I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below**

**Signed: Helen Pugh - Head of Revenues and Financial Compliance**

- 1. Scrutiny Committee:** Not Applicable
- 2. Local Member(s):** Not Applicable
- 3. Community/Town Council:** Not Applicable
- 4. Relevant Partners:** Not Applicable
- 5. Staff Side Representatives and other Organisations:** Not Applicable

**Section 100D Local Government Act, 1972 – Access to Information**

**List of Background Papers used in the preparation of this report:**

**THESE ARE DETAILED BELOW**

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Strategic Audit Plan 2018-21	AC 28-03-16	Internal Audit Unit

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DEPARTMENT <b>Communities</b>	AUDIT REVIEW <b>Llanelli Leisure Centre</b>	AUDIT REF <b>5117018</b>
<p><b>BACKGROUND</b></p> <p>Llanelli Leisure Centre offers a wide range of sporting and social activities for the community. Income, which is collected and accounted for by staff at the centre, is mainly generated through charging for these activities. The net approved budget is approximately £553k.</p> <p><b>SCOPE</b></p> <p>A review of Llanelli Leisure Centre was undertaken to ensure that:</p> <ul style="list-style-type: none"> <li>➤ Recommendations in the previous report had been actioned;</li> <li>➤ Expenditure is undertaken in compliance with Financial Procedure Rules;</li> <li>➤ All relevant staff have appropriate Disclosure and Barring Service (DBS) checks;</li> <li>➤ The Direct Debit scheme is adequately administered;</li> <li>➤ Memberships have appropriate supporting documentation; and</li> <li>➤ Till income is properly accounted for.</li> </ul> <p><b>SUMMARY OF RESULTS</b></p> <p>In line with the scope, the results of audit testing were as follows:</p> <p><b>Previous Report Recommendations</b></p> <p>Till Income:</p> <p>Staff training had been undertaken for income recording/reconciliation, resulting in improvements in record keeping in these areas; from the sample testing undertaken, it is pleasing to report that no issues were identified relating to record keeping/income reconciliations.</p> <p>Not all till operators, however, had spot checks undertaken in the previous 12 months as required by the Authority's Financial Procedure Rules.</p> <p>Vending Machines:</p> <p>The emptying of machines is now included on the Duty Supervisor's Calendar, ensuring regular collection of monies. Internal Audit reviewed the records of one vending machine and found them to be satisfactory.</p> <p>Stock:</p> <p>Internal Audit did not undertake a follow-up review of stock control procedures during the 2017/18 audit, due to the agreed action target date not having been met at the time audit work was undertaken. This area will be considered by Internal Audit during the 2018/19 review. The Leisure Centre Manager has since advised Internal Audit that a new management system has been developed to record stock product levels and movements.</p>		

#### Swimming Lessons:

Internal Audit did not undertake a follow-up review of swimming lesson procedures during the 2017/18 audit, due to the agreed action target date not having been met at the time audit work was undertaken. This area will be considered by Internal Audit during the 2018/19 review.

#### Bookings:

At the time of the audit, booking procedures were in the process of being revised, with additional controls being introduced. This area will be considered by Internal Audit during the 2018/19 review.

#### Spot Checks on Facilities:

Sample testing on the record of spot checks undertaken identified no issues.

#### Inventory:

Internal Audit did not undertake a follow-up review of inventory procedures during the 2017/18 audit, due to the agreed action target date not having been met at the time audit work was undertaken. This area will be considered by Internal Audit during the 2018/19 review.

#### Petty Cash:

Review of petty cash procedures identified no issues.

#### Staffing:

Audit testing on a sample of timesheets identified the following issues:

- Some members of staff are submitting timesheets and the authorising officer is a close family member, resulting in a lack of independence.
- Instances where employees were working in excess of 6 hours without taking a break as required by European Legislation.
- Instances of arithmetic errors on timesheets which had been authorised and processed for payment.
- Instances whereby rotas were not always consistent with the overtime / payment claims made. It is acknowledged that rotas alter, however, there is not always a record kept of the alterations made in order that an assurance can be given that claims made are consistent with the hours actually worked by employees.

Internal Audit have since been advised by the Management Team that paper timesheets are no longer in place, with *Resource Link* instead being utilised. Workflows within *Resource Link* will ensure independence. This area will be considered further by Internal Audit during the 2018/19 review.

#### **Expenditure**

It is pleasing to note that testing on a sample of transactions identified that expenditure was in compliance with Financial Procedure Rules.

**DBS Checks**

Testing identified one issue where an employee, whose post required a DBS check, had not received the required check.

**Memberships and Direct Debit Scheme**

Audit testing on a sample of Leisure Centre Members identified that direct debit payments were appropriately collected, as expected.

**Till Income**

Please refer to the above point on Till Income.

From the 2016/17 review, two areas of concern remained outstanding at the time of the 2017/18 audit, namely:

- Timesheet issues; and
- Spot checks on tills.

These issues, along with two further issues, reported in the 2017/18 report are detailed in the table on the following page. The relevant officers have agreed the noted actions to address the findings and recommendations. These actions will be followed up by Internal Audit during the forthcoming 2018/19 audit.

	Summary of Issues	Agreed Actions/Comments
	One employee did not have a Disclosure and Barring Service (DBS) check, which their post required.	Liaise with HR to determine what staff require DBS and review staff portfolio to assess any outstanding actions. Review in progress. Actions being undertaken.
2	Audit testing on a sample of swimming instructors identified that none had evidence of having all the relevant 'essential' qualification criteria as set out in the Job Profile on commencement of employment.	This is currently being reviewed across Sport & Leisure to adopt relevant recommendations. Countywide review in progress. Volunteer posts now in place with appropriate documentation and processes. Level 1/Level 2 elements under review.
3	<p>Testing of 20 processed timesheets identified the following issues:</p> <ul style="list-style-type: none"> <li>Some members of staff are submitting timesheets and the authorising officer for them is a close family member, resulting in a lack of independence.</li> <li>Instances where employees were working in excess of 6 hours without taking a break as required by European Legislation.</li> <li>Instances of arithmetic errors on timesheets which had been authorised and processed for payment.</li> <li>Instances whereby rotas were not always consistent with the overtime / payment claims made. It is acknowledged that rotas alter, however, there is not always a record kept of the alterations made in order that an assurance can be given that claims made are consistent with the hours actually worked by employees.</li> </ul>	<p>Timesheets no longer in operation, all submissions via Resource Link. Any family relations is managed via delegated officer (Budget Manager). Resourcelink flow amended to remove spouse's involvement in approval. All other processes being amended to ensure risk removed.</p> <p>Active Facilities Manager will reiterate employment protocol with authorising officers to ensure management of staff working time; 30 minute breaks to be taken where appropriate. Resource Link allows robust regulation of submissions. Reiterated – robust enforcement and monitoring of inclusion of relevant breaks and accuracy of detail submitted on timesheets.</p> <p>Adjustment to rota structure allows easy amendment and recording of changes, these changes are cross referenced against 'clocking-in cards' and verified before authorisation of payments. Revised, robust process being implemented. Reinforcement training occurring to ensure system being applied effectively.</p>
4	Not all till operators, including casual staff, have had spot checks undertaken in the previous 12 months as required by the Authority's Financial Procedure Rules.	Throughout a 12 month period (financial year), scheduled checks will occur on all designated contracted/casual staff who work on rota within the reception area. Detailed monitoring system in place for all contracted and casual staff unannounced cash-ups – in progress this year to ensure all conducted.

## AUDIT COMMITTEE 14<sup>TH</sup> DECEMBER 2018

SUPPORTING PEOPLE PROGRAMME GRANT UPDATE		
<b>Purpose:</b> To note the progress in the Supporting People Action Plan		
<b>Recommendations / key decisions required:</b> To approve progress and the continued work objectives		
<b>Reasons:</b> A six monthly progress report was requested in the Audit Committee on 6 <sup>th</sup> January 2017		
Exec Board Decision Required	NA	
Council Decision Required	NA	
<b>EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:-</b> Cllr. J Tremlett		
Directorate: Communities		
Name of Head of Service: C Harrison	Designations: Head of Strategic Joint Commissioning	Tel Nos.  E Mail Addresses: Chris.harrison@Pembroke shire.gov.uk
Report Author: C Harrison		

## EXECUTIVE SUMMARY

**AUDIT COMMITTEE  
14<sup>TH</sup> DECEMBER 2018**

### **SUPPORTING PEOPLE PROGRAMME GRANT UPDATE**

#### **BRIEF SUMMARY OF PURPOSE OF REPORT.**

The attached update summarises the work done to date by the Supporting People Team to continue to improve its grant and contract management processes as identified in the Internal Audit of the Supporting People Programme Grant 2016/17.

It is submitted that good progress is being made and will be monitored by the Supporting People Planning Group.

**DETAILED REPORT ATTACHED?**

**YES**



## IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: C Harrison

Head of Strategic Joint Commissioning

Policy, Crime & Disorder and Equalities <b>NONE</b>	Legal <b>NONE</b>	Finance <b>NONE</b>	ICT <b>NONE</b>	Risk Management Issues <b>NONE</b>	Staffing Implications <b>NONE</b>	Physical Assets <b>NONE</b>
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## CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Harrison

Head of Strategic Joint Commissioning

1. Scrutiny Committee - NA
2. Local Member(s) - NA
3. Community / Town Council - NA
4. Relevant Partners - NA
5. Staff Side Representatives and other Organisations - NA

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

**THERE ARE NONE**

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**Audit Committee – 14<sup>th</sup> December 2018**  
**Supporting People Programme Grant Update**

**Introduction**

A six monthly update has been requested by the Audit Committee detailing the progress of improvements to the administration of the Supporting People Programme Grant (SPPG) as identified by Internal Audit in their annual reviews.

**General Issues affecting SPPG**

Since the last update report there have been a number of developments in the proposals for the future of SPPG and other grants that are managed by the local authority that focus on tackling poverty.

On 3<sup>rd</sup> October 2018, the Cabinet Secretary for Finance at the Welsh Assembly Government announced as part of the Draft Budget proposals for 2019/20, the creation of a Homelessness and Support Grant which brings together the Supporting People Programme Grant, Homelessness Prevention Grant and the Rent Smart Wales Enforcement Grant. It is understood that there will be new Terms and Conditions attached to this Grant that will come into being on the 1<sup>st</sup> April 2019. This Grant replaces the original proposal that there would be an Early Intervention and Prevention Support Grant that brought together 10 grants.

It has been stated by Welsh Government Officials that they will be considering the recommendations made in the Welsh Assembly Public Accounts Committee report and that changes will be made to the Guidance that is to be published to accompany the new Grant early in 2019.

The above hopefully gives some context to the environment that the Supporting People Team is working in at present and how this seems to be constantly changing.

**Updates on issues raised in Internal Audit Reports**

The Internal Audit review of the SPPG for 2017/18 was undertaken in July August 2018. It was pleasing to note that the improvements in the grant administration policies and practices made by the Supporting People Team have resulted in an increase in the Post Review Assurance Level to Acceptable. There follows a brief synopsis of the issues identified in the 2017/18 review and an update of the work that has been undertaken to date to remedy these.

1. Monitoring and validation procedures have improved since the previous audit and this has resulted in improved accuracy of the data. Continued improvements should now be made including reminding Partners that their reported outcomes should be properly evidenced.
  - An updated monitoring procedure has now been drafted as per the recommendation. The Supporting People Team will ensure that this is appropriate through consultation with Internal Audit.

2. 9 of the 10 contracts sampled were not signed until after the service commencement date.
  - This has been noted and future contracts will be signed before the commencement of the service.
3. The Audit Certificate requires certification that 'management charges for services are below 10%. From a sample of 10 contracts there was no information regarding management charges for 4 of them.

It is acknowledged that Welsh Government introduced the 10% requirement in 2015 and many contracts are older than this.

- As services are retendered, evidence will be required from bidders that management fees do not exceed 10%.
4. Testing identified incorrect contract values detailed on the Contracts Database.
    - The contract database has now been brought up to date

## **Procurement of SPPG Services**

In response to the specific question that was asked about the procurement of SPPG funded services, it can be confirmed that all SPPG funded services have been procured appropriately and are compliant with the Contract Procedure Rules laid down by Carmarthenshire County Council.

The SPPG Guidance that was issued in June 2013 by Welsh Government states that:

*"New services should be subject to normal procurement practice and regulation, but provided that a robust and regular review regime is practised, it would not be anticipated that SP services would be re-tendered on a routine basis and any re-tendering exercises would normally only take place following a service review."*

There are a number of internal services, 7, that are subject to Memoranda of Understanding that are signed by both commissioner and service provider. The majority of contracts however, 23, are with external service providers. Some of these cover a number of services.

Some contracts were inherited from Welsh Government in 2013. A number of these services have been retendered since then. In 2016, a procurement exercise was undertaken resulting in services that replaced a number of the previously existing floating support contracts. There remain 8 contracts that were inherited that have not yet been retendered. Exceptions have been sought from the Section 151 and Monitoring Officer to the Contract Procedure Rules to provide these services with contracts to enable services to be evaluated. Evaluations would provide a decision as to whether the services are strategically relevant and should be retained and retendered or decommissioned if they are found no longer to be strategically relevant.

The Supporting People Team has sometimes been frustrated in its attempt to retender support services by the implementation of new strategies. This has meant that procurement activities have had to be paused to ensure compliance with the strategy and that planned services contribute to the achievement of corporate goals.

Each year as a part of the audit certification process required by Welsh Government, Internal Audit undertake random sample testing of SPPG payments following these back to the invoice and ultimately to the contract documentation. During the last 3 years it has been noted that contract compliance has improved in each review report.

## **Conclusion**

It is hoped that in the above report, the progress of the Supporting People Team in improving its administration and management of the SPPG has been evidenced. It is also hoped that the query regarding the procurement and contracting of SPPG funded services has been answered.

The Supporting People Team are continuing to work hard to further improve systems and processes to ensure compliance as the SPPG changes into the Housing Support Grant.

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## AUDIT COMMITTEE

14<sup>TH</sup> DECEMBER 2018

<b>WAO REPORT CONCERNING STRATEGIC COMMISSIONING OF ACCOMMODATION SERVICES FOR ADULTS WITH LEARNING DISABILITIES (MAY 2018)</b>		
<b>Purpose:</b> To receive an update regarding the LA's position in relation to the above report.		
<b>Recommendations / key decisions required:</b> <ul style="list-style-type: none"> <li>To receive an update on the recommendations contained in the WAO report presented in the July 2018 Audit Committee</li> </ul>		
<b>Reasons:</b> To ensure that the Audit Committee is fully appraised regarding the Authority's commissioning strategy concerning accommodation for adults with a learning disability.		
<b>Relevant scrutiny committee to be consulted:</b> The Health and Social Care Scrutiny Committee will be reviewing and monitoring the Commissioning strategy and accommodation plan for adults with a learning disability.		
<b>Exec Board Decision Required</b> Not Applicable.		
<b>Council Decision Required</b> Not Applicable.		

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER: Councillor J Tremlett		
<b>Directorate: Communities</b>  <b>Name of Head of Service:</b> Avril Bracey  <b>Report Author:</b> Avril Bracey	<b>Designations:</b> Head of Service, Mental Health, Learning Disabilities and Safeguarding	<b>Tel No.</b> 01267 242492 <b>E Mail Addresses:</b> <a href="mailto:Abracey@carmarthenshire.gov.uk">Abracey@carmarthenshire.gov.uk</a>

**EXECUTIVE SUMMARY  
AUDIT COMMITTEE  
14<sup>TH</sup> DECEMBER 2018**

**WAO REPORT CONCERNING STRATEGIC COMMISSIONING  
OF ACCOMMODATION SERVICES FOR ADULTS WITH  
LEARNING DISABILITIES (MAY 2018)**



In July 2018 the Audit Committee received for consideration a WAO report concerning the strategic commissioning of accommodation services for adults with a learning disability. The report concluded that:

- The approach to commissioning accommodation for people with a Learning Disability is potentially unsustainable
- LA's generally do not have effective arrangements to commission accommodation services for people with a Learning Disability.
- Ineffective evaluation of outcomes for Learning Disability services means LA's are not always able to demonstrate the positive impact of their accommodation choices.

A verbal update was provided regarding the authority's plans to develop accommodation services for adults with learning disability in Carmarthenshire. The Committee agreed that it would be beneficial to have an update on these developments at a future audit meeting. The following is an initial summary of Carmarthenshire's position in response to the WAO report.

Work began during 2017 with the social work teams to identify those individuals with accommodation needs over the next three to five years. As part of the implementation of the Social Service and Wellbeing (Wales) Act, the West Wales Care Partnership (WWCP) led the development of a Market Position Statement and Area Plan which informed the development of a commissioning strategy for adults with a learning disability in Carmarthenshire. This strategy which confirms our strategic commissioning intentions is subject to final consultation and will be published in the spring of 2019.

The WWCP also this year commissioned the Housing LIN to undertake an assessment of the housing and accommodation needs of people with a Learning Disability for the next 10-20 years on a regional footprint. A Housing Need predictor Tool was used to forecast accommodation need at a local and regional level. This quantitative evidence base is to be used as one source of evidence for future planning alongside other sources of data such as qualitative research with people with a Learning Disability and their Carers. Whilst this document will not be available in the spring of 2019 in relation to Carmarthenshire we have emerging themes which are informing our strategic and commissioning priorities such as:

- The majority of adults with a Learning Disability are living at home with family/carers.
- There is an over reliance on residential care
- There is a lack of alternatives to residential care, particularly in rural areas
- Limited home ownership/tenancies
- Limited options for those with complex needs.

We will be using the data from this document to develop a sustainable accommodation plan for adults with a Learning Disability in Carmarthenshire and extending this work to Mental Health.

In the meantime we are collaborating with colleagues in health and housing to progress a number of accommodation projects such as:

- Utilisation of Carmarthenshire's council housing stock
- Stepping down individuals from residential care to supported living
- Working with Registered Social landlords to develop housing options.
- Utilisation of the Integrated Care (Capital) Fund to develop bespoke housing projects locally and regionally.
- Enhancement of the Shared Lives scheme.

In conclusion, reducing the numbers of people in residential care and Commissioning a range of accommodation options to improve outcomes for individuals is a priority for the mental health/learning disabilities division.

As some of the detailed documents referred to in this report are not currently available, the Audit Committee may wish to receive a further update at the next meeting.

<b>DETAILED REPORT ATTACHED?</b>	<b>NO</b>
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## IMPLICATIONS

**I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :**

**Signed:**

**Avril Bracey - Head of Service, Mental Health, Learning Disabilities and Safeguarding**

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

## CONSULTATIONS

**I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below**

**Signed:**

**Avril Bracey - Head of Service, Mental Health, Learning Disabilities and Safeguarding**

**1. Scrutiny Committee:** The Health and Social Care Scrutiny Committee will be reviewing and monitoring the Commissioning strategy and accommodation plan for adults with a learning disability.

**2. Local Member(s)** Not Applicable

**3. Community / Town Council** Not Applicable

**4. Relevant Partners** Not Applicable

**5. Staff Side Representatives and other Organisations** Not Applicable

**Section 100D Local Government Act, 1972 – Access to Information**

**List of Background Papers used in the preparation of this report:**

**WAO Report on accommodation for adults with a Learning Disability May 2018**

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## AUDIT COMMITTEE

14<sup>TH</sup> DECEMBER 2018

### PROGRESS ON REGULATORY REPORT RECOMMENDATIONS

#### Purpose

To outline progress on regulatory report recommendations

#### Recommendations/key decisions required

To receive the report.

#### Reasons:

This report was requested at the 13<sup>th</sup> July 2018 Audit Committee meeting.

To be referred to the Executive Board / Council for decision: N/A

#### Directorates:

Chief Executive's / Corporate Services

#### Names of Heads of Service:

Wendy Walters

Helen Pugh

#### Report Authors:

Robert James

#### Designations:

Director of Regeneration & Policy

Head of Revenues and Financial Compliance

Performance Planning Officer

#### Tel Nos. / E-Mail Addresses:

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# EXECUTIVE SUMMARY

## AUDIT COMMITTEE

14<sup>TH</sup> DECEMBER 2018

### PROGRESS ON REGULATORY REPORT RECOMMENDATIONS

#### Introduction

1. The Council maintains a log of regulatory report recommendations and proposals for improvement.
2. These reports recommendations are addressed in Service Business Plans and Improvement Plans.
3. In a WAO national report on Annual Planning and Reporting in Wales, Carmarthenshire was recognised as a notable exception within Wales for drawing on a wide range of evidence including inspection reports. Sept 2013
4. Recently the Council has added these report recommendations to its Performance Information Monitoring System (PIMS).
5. There are two main types of report
  - National reports. Sometimes recommendations made in these reports will not apply to Carmarthenshire e.g. the best practice being recommended may already be established practice.
  - Local reports
6. This report covers the reports listed in the recent Wales Audit Office Annual Improvement Report on Carmarthenshire County Council, July 2018. This was received by Audit Committee in its 28<sup>th</sup> September 2018 meeting.
7. Some regulatory report recommendations are extremely long and detailed. These have been summarised for the purposes of this report. The original full recommendations can be viewed in the original reports. Links to these are provided at the end of this cover sheet.
8. In a recent Wales Audit Office report on Audit Committee Effectiveness. July 2018, there was a Proposal for Improvement that we should strengthen arrangements for tracking actions taken to address recommendations in regulatory reports.

**DETAILED REPORT  
ATTACHED?**

**YES**

## IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Wendy S Walters, Director of Regeneration & Policy

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	NONE	NONE	NONE	NONE	NONE

### 1. Policy, Crime & Disorder and Equalities

The Wales Audit Office recent review of *Audit Committee Effectiveness* (July 2018) identifies the core functions of the Audit Committee, one of which concerns monitoring... [Link](#)

The report makes 5 Proposals for Improvement one of which concerns tracking progress:-

***P3: Ensure that all Audit Committee members have access to full versions of all internal audit and external regulatory and audit reports, and strengthen arrangements for tracking actions taken to address the recommendations they include.***

### 2. Legal

In our published Well-being Statement we are committed to monitor our Well-being Objective action plans.

**Regarding monitoring Regulatory reports:-**

The Local Government Act (Wales) – Statutory Guidance Paragraph 9.19 – Re: Audit Committees  
*The Audit Committee should also receive the reports from external auditors and follow up their recommendations for the year.* The Local Government Act (Wales) 2011

## CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Wendy S Walters, Director of Regeneration & Policy

**Section 100D Local Government Act, 1972 – Access to Information**

**List of Background Papers used in the preparation of this report:**

Title of Document	File Ref No.	Locations that the papers are available for public inspection
<a href="#">Sept 2013 report on Local Improvement Planning and Reporting in Wales</a>		
Audit Committee Effectiveness- Carmarthenshire County Council- July 2018.		<a href="#">Link</a>
<a href="#">The Local Government Act (Wales) 2011</a>		<a href="#">The Local Government Act (Wales) 2011 Statutory Guidance Chapter 9</a>
<a href="#">Regulatory Recommendations Log</a>		<a href="#">Wales Audit Office website</a> <a href="#">Care Inspectorate Wales (CSSIW) website</a>

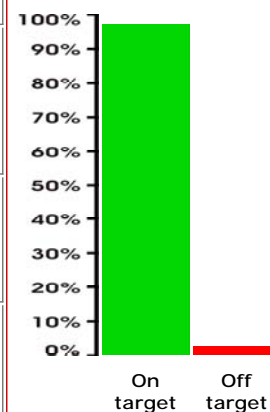
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## Regulatory Recommendations Report at Half Year 2018/19

		Total	On target	Off target	Not reported	Not available	Annual / Not started	% on target	Overall % on target
WAO: Scrutiny: Fit for the Future? Review (June 2018)	Actions	6	6	0	0	N/A	0	100%	100%
WAO: Audit Committee Effectiveness (July 2018)	Actions	5	5	0	0	N/A	0	100%	100%
WAO: Evaluation of the Council's review of people performance management 2017 (April 2018)	Actions	10	10	0	0	N/A	0	100%	100%
WAO/NAT: Savings Planning (March 2017)	Actions	5	5	0	0	N/A	0	100%	100%
WAO/NAT: Public Procurement in Wales (Oct 2017)	Actions	1	1	0	0	N/A	0	100%	100%
WAO/NAT: Good Governance When determining Significant Service Changes (March 2017)	Actions	3	3	0	0	N/A	0	100%	100%
WAO/NAT: Financial resilience of local authorities in Wales 2015-16 (Aug 2016)	Actions	9	9	0	0	N/A	0	100%	100%
WAO/NAT: How Local Government Manages Demand - Homelessness (Jan 2018)	Actions	8	8	0	0	N/A	0	100%	100%
WAO/NAT: Housing Adaptations (Feb 2018)	Actions	8	8	0	0	N/A	0	100%	100%
WAO/NAT: Speak my language: Overcoming language & communication barriers in public services (April 2018)	Actions	1	1	0	0	N/A	0	100%	100%
WAO/NAT: Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities	Actions	6	5	1	0	N/A	0	83%	83%
CSSIW - National Review of Domiciliary Care in Wales CCC (Sept 2016)	Actions	10	9	1	0	N/A	0	90%	90%
CSSIW - Inspection of Children's Services CCC (Aug 2016)	Actions	6	6	0	0	N/A	0	100%	100%
<b>Overall Performance</b>	<b>Actions and Measures</b>	<b>78</b>	<b>76</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>97%</b>	


### Performance against Target




The table below provides a breakdown by organisational structure

			Total	On target	Off target	Not reported	Not available	Annual / Not started	% on target	Overall % on target
Chief Executives	Administration and Law	Actions	7	7	0	0	N/A	0	100%	100%
	People Management	Actions	9	9	0	0	N/A	0	100%	100%
	Regeneration & Policy	Actions	4	4	0	0	N/A	0	100%	100%
Communities	Homes & Safer Communities	Actions	16	16	0	0	N/A	0	100%	100%
	Integrated Services	Actions	11	9	2	0	N/A	0	82%	82%
	Mental Health & Learning Disability	Actions	5	5	0	0	N/A	0	100%	100%
Corporate Services	Financial Services	Actions	10	10	0	0	N/A	0	100%	100%
	Revenue & Financial Compliance	Actions	7	7	0	0	N/A	0	100%	100%
Education & Children	Children's Services	Actions	6	6	0	0	N/A	0	100%	100%
Overall Performance		Actions and Measures	75	73	2	0	0	0	97%	

## OFF TARGET

Objective: CSSIW - National Review of Domiciliary Care in Wales CCC (Sept 2016)			
Outcome: Not defined			
Action	13657	Target date	31/12/2018 (original target 31/01/2017)
Action promised	The Council should ensure that training on the new domiciliary care framework is provided to staff working within the emergency duty service to ensure that they can respond appropriately to any enquires received out of office hours.		
Comment	1. New IAA / Care line being piloted 2. Discussions to be held with the Out of Hours (OOH) Manager regarding Workshops for all staff. Contact has been made with the new OOH Manager.		
Remedial Action	Further discussions to be held once changes are fully implemented.		
Service Head: Chris Harrison		Performance status: Off target	

Objective: WAO/NAT:Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities			
Outcome: Not defined			
Action	13724	Target date	31/12/2018 (original target 31/03/2019)
Action promised	Welsh Government requires local authorities to develop integrated commissioning options with Local Health Board services. The aim is to provide a joined-up and cost-effective approach to the commissioning of services but our review-highlighted weaknesses in current arrangements		
Comment	A Regional Integrated Commissioning and Preventions Board has been established; programme of work has been developed. Key priority areas include: Learning disability, Dementia, Workforce Development, Intermediate Care Fund, Carers and Pooled Budgets.		
Remedial Action	Implement Carmarthenshire Learning Disability Commissioning Strategy.		
Service Head: Chris Harrison		Performance status: Off target	

# ON TARGET

## Objective: CSSIW - Inspection of Children's Services CCC (Aug 2016)

Outcome: Not defined

<b>Action</b>	13661	<b>Target date</b>	31/03/2018
<b>Action promised</b>	Multi-agency arrangements should be established to strengthen operational plans to support effective co-ordination of statutory partner's completion of Joint Assessment Frameworks.		
<b>Comment</b>	<p>Our Action Plan Response: We have extended the Team Around the Family (TAF) approach across the county for 0-25 year olds, clarifying thresholds to help inform families and other agencies to ensure they are able to access the right help at the right time.</p> <p>PROGRESS UPDATE: We have continued to implement the TAF (and JAFF) model across Carmarthenshire with training provided for staff and partner agencies. Processes and paperwork has been streamlined in consultation with partners. The TAF team began the process of upskilling keyworkers with regard to JAFF assessments in order to promote systemic practice and evidence based interventions and supported them via training and practice sharing workshops. TAF has built new links with agencies outside the Family First projects especially in the housing sector; gaining a fourth coordinator via supporting people funding to specialise in housing support.</p>		
<b>Service Head:</b> Stefan Smith		<b>Performance status:</b> On target	
<b>Action</b>	13662	<b>Target date</b>	31/03/2018
<b>Action promised</b>	The local authority should establish effective systems to ensure that thresholds for access to statutory services are understood and consistently applied by staff and partners.		
<b>Comment</b>	<p>Our Action Plan Response: We will develop a thresholds document to clarify thresholds to help inform families and other agencies to ensure they are able to access the right help at the right time.</p> <p>PROGRESS UPDATE: The eligibility document regarding thresholds has been implemented across our region to support consistency of thresholds between preventative and statutory services. In Carmarthenshire threshold meetings take place on a quarterly basis to ensure thresholds are consistent when accepting referrals. We have also undertaken work with the Children's Disability Team and the Transition Team so that all new referrals will be going through the Central Referral Team to further streamline the process and ensure consistency for all children and young people being referred to the department.</p>		
<b>Service Head:</b> Stefan Smith		<b>Performance status:</b> On target	
<b>Action</b>	13663	<b>Target date</b>	31/03/2018
<b>Action promised</b>	The consistency and quality of social work and risk analysis contained in assessments and plans must be improved.		
<b>Comment</b>	<p>Our Action Plan Response: Increase in management oversight and challenge of Assessments and Care and Support plans to ensure they reflect the underpinning principles of the Social Services and Well-being Act (SSWBA).</p> <p>PROGRESS UPDATE: Additional training on the National Outcomes Framework has taken place to assist managers' oversight and challenge, as well as specific training provided for social workers on the completion of assessments in order to improve consistency and quality and risk analysis in assessments and plans</p>		
<b>Service Head:</b> Stefan Smith		<b>Performance status:</b> On target	
<b>Action</b>	13664	<b>Target date</b>	31/03/2018
<b>Action promised</b>	The quality of management oversight of assessment and planning should be strengthened.		
<b>Comment</b>	<p>Our Action Plan Response: Increase in management oversight and challenge of Assessments and Care and Support plans to ensure they reflect the underpinning principles of the Social Services and Well-being Act (SSWBA).</p> <p>PROGRESS UPDATE: Monthly audits are carried out by senior managers and feedback provided to staff about strengths and areas for improvement in assessments. Workshops have provided further opportunities to explore ways of improving the quality of assessments. Arrangement is in place for one of the Signs of Safety trainers in the department to spend time in the assessment teams to increase capacity to undertake family network meetings as these can make a positive contribution to an assessment and shaping a care and support plan for a child. Work is also underway to increase the use of appreciative enquiry in the assessment teams, which should also improve the quality of assessments and is in line with the principles in SSWBA of collaboration and being person-centred.</p>		
<b>Service Head:</b> Stefan Smith		<b>Performance status:</b> On target	
<b>Action</b>	13665	<b>Target date</b>	31/03/2018
<b>Action promised</b>	Strong political and corporate support for children's services must continue to ensure service improvements underway are prioritised and the pace of improvement sustained.		
<b>Comment</b>	<p>Our Action Plan Response: We will review, in light of new guidance, the role of schools, councillors, and partners in view of their corporate parenting role</p> <p>PROGRESS UPDATE: Membership of the corporate parenting panel has been widened and training has been delivered to Councillors and other professionals to ensure everyone is equipped and better able to meet their corporate parenting responsibilities and to ensure improvements are prioritised and sustained. The terms of reference of the MALAC (multi-agency looked after children care</p>		

management group) has been reviewed to focus on outcomes. The corporate parenting team are contributing to a range of in-service training events for schools. Following consultation, recommendations will be embedded in the corporate parenting strategy 2018-2021 which will be formulated this year.			
<b>Service Head:</b> Stefan Smith		<b>Performance status:</b> On target	
<b>Action</b>	13666	<b>Target date</b>	31/03/2018
<b>Action promised</b>	The local authority and partners should continue to work together to develop an integrated approach to delivering information, advice and assistance, preventive services and statutory provision to achieve greater continuity and reduce duplication for children and families accessing these services.		
<b>Comment</b>	<p>Our Action Plan Response: We will continue to develop and implement how Children`s Services provide information, advice and assistance (IAA) to support families, ensuring information is available and easily accessible, and linking with the Dewis system</p> <p>PROGRESS UPDATE: We have been reviewing how we provide Information, Advice and Assistance and access to our services as part of the Mid &amp; West Wales Collaborative children's services programme board, and following a review by Institute of Public Care (IPC) a regional action plan is in place for implementation. The new Family Information Service website went 'live' on 31st March and continue to link with the Dewis system. We are continuing to roll out our 'partnership working with schools' initiative to further promote and publicise the Family Information Service (FIS) to families and professionals throughout the county. Alongside this we are continuing to work in partnership with Flying Start, Families First, job centres and other community groups in order to improve co-ordination of information and reduce duplication, and are currently developing an improved social media presence</p> <p>All Central Referral Team staff successfully completed NVQ's in relation to providing Information, Advice and Assistance.</p>		
<b>Service Head:</b> Stefan Smith		<b>Performance status:</b> On target	

<b>Objective: CSSIW - National Review of Domiciliary Care in Wales CCC (Sept 2016)</b>			
Outcome: Not defined			
<b>Action</b>	13651	<b>Target date</b>	31/12/2016
<b>Action promised</b>	The Council in reviewing the implementation of the new framework has to satisfy itself that providers are delivering on the expectations in place and that people are receiving consistency in the quality of the service, irrespective of which agency is providing the service and the geographical area.		
<b>Comment</b>	<p>Our Action Plan Response: Planned Audit of all contracted Domiciliary Care providers during 2016. For the purpose of this audit, we will focus on the commissioning principles that are set out in the Framework Agreement for Domiciliary Care.</p> <p>THIS HAS BEEN UNDERTAKEN</p>		
<b>Service Head:</b> Neil Edwards		<b>Performance status:</b> On target	
<b>Action</b>	13652	<b>Target date</b>	31/12/2016
<b>Action promised</b>	The Council will need to ensure that any potential future partnership arrangements in joint commissioning, whilst having potential benefits does not weaken or dilute current commissioning arrangements in the council. The Council will need be confident that any collaborative work will strengthen their commissioning arrangements & improve on outcomes		
<b>Comment</b>	The current joint commissioning arrangements are being formalised and a memorandum of understanding is being developed to capture these arrangements. This will include joint governance which will provide assurances relating to the collaborative arrangements.		
<b>Service Head:</b> Chris Harrison		<b>Performance status:</b> On target	
<b>Action</b>	13653	<b>Target date</b>	30/09/2016
<b>Action promised</b>	The Council should consider re-establishing the domiciliary care provider forum, in order to provide a forum for discussion and engagement; this would be welcomed by providers.		
<b>Comment</b>	<p>Our Action Plan Response: 1. Thematic provider days to be arranged 3 x year 2. Domiciliary Care strategic working group established</p> <p>BOTH ACTIONS HAVE BEEN UNDERTAKEN</p>		
<b>Service Head:</b> Neil Edwards		<b>Performance status:</b> On target	
<b>Action</b>	13654	<b>Target date</b>	31/12/2016
<b>Action promised</b>	The Council's capacity in its contract monitoring function should be reviewed. Current staffing capacity does not appear to support the necessary support, monitoring and evaluation required by the new framework.		
<b>Comment</b>	<p>Our Action Plan Response: Currently under review. Business Plan to provide clarity on proposed structure that will ensure adequate capacity within the contract monitoring team.</p> <p>UNDERTAKEN: Additional contract monitoring capacity has been achieved</p>		
<b>Service Head:</b> Neil Edwards		<b>Performance status:</b> On target	
<b>Action</b>	13655	<b>Target date</b>	01/01/2019 (original target 31/12/2016)
<b>Action promised</b>	The establishment of an effective electronic database to support the operations of the commissioning function of the Council, this will ensure that appropriate records are maintained and are accessible by all relevant staff. This would enable a more effective and timely performance evaluation of individual service providers.		
<b>Comment</b>	Discussions being held on a regional basis, this is to ensure that a consistent and cost effective approach is taken to establish a commissioning system that will meet the needs of the business.		
<b>Service Head:</b> Chris Harrison		<b>Performance status:</b> On target	
<b>Action</b>	13656	<b>Target date</b>	30/09/2016
<b>Action promised</b>	A review of the information offered to providers about service users at the Brokerage stage should be reviewed to ensure that this gives sufficient information to enable an informed decision can be made about the provision of the service.		
<b>Comment</b>	<p>Our Action Plan Response: New Assessment care and support plan template introduced which has more detail. Brokerage process has also been reviewed; Brokers are sending relevant information from new care plan to all providers. Positive feedback from providers.</p> <p>PROGRESS UPDATE: This has been undertaken</p>		
<b>Service Head:</b> Neil Edwards		<b>Performance status:</b> On target	
<b>Action</b>	13658	<b>Target date</b>	31/01/2017
<b>Action promised</b>	Further training is provided for providers and staff on the new commissioning framework, as there remains some areas that requires further clarity, specifically roles and responsibilities within the care planning process.		
<b>Comment</b>	<p>Our Action Plan Response: CCC will be introducing one template / format for service delivery plans. Discussion and workshop held in the Provider day on 8th April 2016 Further Workshop to be held with provider managers on 27th June 2016</p>		

	PROGRESS: UNDERTAKEN		
<b>Service Head:</b>	Neil Edwards	<b>Performance status:</b> On target	
<b>Action</b>	13659	<b>Target date</b>	31/10/2016
<b>Action promised</b>	The Council should consider how it continues to support care management staff.		
<b>Comment</b>	Our Action Plan Response: Workshops arranged for all Care Management staff across the 3 localities PROGRESS: UNDERTAKEN		
<b>Service Head:</b>	Neil Edwards	<b>Performance status:</b> On target	
<b>Action</b>	13660	<b>Target date</b>	31/10/2016
<b>Action promised</b>	Care management staff need to ensure that a clear dialogue is established at an early stage with service users and service providers, in order that a clear and realistic understanding regarding service delivery is agreed.		
<b>Comment</b>	Our Action Plan Response: Workshops arranged for all Care Management staff across the 3 localities PROGRESS: UNDERTAKEN		
<b>Service Head:</b>	Neil Edwards	<b>Performance status:</b> On target	

<b>Objective: WAO/NAT:Financial resilience of local authorities in Wales 2015-16 (Aug 2016)</b>			
Outcome: Not defined			
<b>Action</b>	13696	<b>Target date</b>	31/08/2016
<b>Action promised</b>	Local authorities should strengthen their financial-planning arrangements by: developing more explicit links between the Medium Term Financial Plan (MTFP) and its corporate priorities and service plans		
<b>Comment</b>	ALREADY ADDRESSED WITHIN LOCAL WAO REPORT		
<b>Service Head:</b> Wendy S Walters		<b>Performance status:</b> On target	
<b>Action</b>	13697	<b>Target date</b>	31/08/2016
<b>Action promised</b>	Local authorities should strengthen their financial-planning arrangements by: aligning other key strategies such as workforce and asset management plans with the MTFP		
<b>Comment</b>	The Corporate Asset Management Plan (2016 -2019) was fully revised and subsequently adopted by Executive Board. It highlights the Council's property related investment objectives drawn from asset management plans produced by services. These service plans highlight the options available to deal with property requirements and form part of the process of determining priorities for financial planning purposes through capital investment and grant bids. The Strategic Asset Management Unit supports services with their ongoing responsibility to review key property requirements and associated financial impacts.		
<b>Service Head:</b> Wendy S Walters		<b>Performance status:</b> On target	
<b>Action</b>	13698	<b>Target date</b>	31/08/2016
<b>Action promised</b>	Local authorities should strengthen their financial-planning arrangements by: developing comprehensive multi-year fully-costed savings plans which underpin and cover the period of the MTFP, not just the forthcoming annual budget		
<b>Comment</b>	Our Action Plan Response: 3 year savings proposals already prepared  UPDATE PROGRESS: This has been undertaken		
<b>Service Head:</b> Randal Hemingway		<b>Performance status:</b> On target	
<b>Action</b>	13699	<b>Target date</b>	31/08/2016
<b>Action promised</b>	Local authorities should strengthen their financial-planning arrangements by: categorise savings proposals so that the shift from traditional type savings to transformational savings can be monitored over the period of the MTFP		
<b>Comment</b>	Our Action Plan Response: Savings proposals already categorised between 'managerial' and 'policy'  PROGRESS UPDATE: This has been undertaken		
<b>Service Head:</b> Randal Hemingway		<b>Performance status:</b> On target	
<b>Action</b>	13700	<b>Target date</b>	31/12/2017
<b>Action promised</b>	Local authorities should strengthen their financial-planning arrangements by: ensuring timescales for the delivery of specific savings proposals are realistic and accountability for delivery is properly assigned		
<b>Comment</b>	this is embedded in current working practice and considered complete. Budget holders are accountable and delivery timescales are realistic		
<b>Service Head:</b> Randal Hemingway		<b>Performance status:</b> On target	
<b>Action</b>	13701	<b>Target date</b>	31/03/2017
<b>Action promised</b>	Local authorities should develop corporate Income Generation and Charging Policies		
<b>Comment</b>	Approved by Executive Board on 27th March 2017		
<b>Service Head:</b> Chris Moore		<b>Performance status:</b> On target	
<b>Action</b>	13702	<b>Target date</b>	30/09/2017
<b>Action promised</b>	Local authorities should ensure that they have a comprehensive reserves strategy which outlines the specific purpose of accumulated useable reserves and the impact and use of these in the MTFP		
<b>Comment</b>	Our Action Plan Response: The use of Reserves was contained in the MTFP approved by Council on the 22nd February 2017. The developed reserves strategy will be updated to reflect the actual position as at 31st March 2017, and presented to the new Council after the elections.  PROGRESS UPDATE: The MTFP has a clear criteria on the use of reserves which is adhered to. The creation of useable reserves is directed by the S151 officer and is subject to the approval of the Audit Committee, evidencing strong governance and accountability.		
<b>Service Head:</b> Randal Hemingway		<b>Performance status:</b> On target	
<b>Action</b>	13703	<b>Target date</b>	31/08/2016
<b>Action promised</b>	Local authorities should develop Key Performance Indicators to monitor the MTFP		



<b>Comment</b>	Detailed monitoring of the MTFP already undertaken		
<b>Service Head:</b>	Randal Hemingway	<b>Performance status:</b>	On target
<b>Action</b>	13704	<b>Target date</b>	31/03/2018
<b>Action promised</b>	Local authorities should ensure that savings plans are sufficiently detailed to ensure that members are clear as to what the plans are intended to deliver and that the delivery of those plans can be scrutinised appropriately throughout the year		
<b>Comment</b>	this is embedded in business as usual and considered complete		
<b>Service Head:</b>	Randal Hemingway	<b>Performance status:</b>	On target

**Objective: WAO/NAT: Good Governance When determining Significant Service Changes (March 2017)**
**Outcome: Not defined**

<b>Action</b>	13693	<b>Target date</b>	31/03/2017
<b>Action promised</b>	Scrutiny Committees consider taking better advantage of opportunities to challenge service change proposals and decisions.		
<b>Comment</b>	<ul style="list-style-type: none"> <li>- summary proposals are included for consultation</li> <li>- new proposals are transparent</li> <li>- member seminars included "proposal on a page"</li> <li>- scrutiny committees are scheduled after seminars to allow formal scrutiny following member seminars</li> </ul>		
<b>Service Head:</b> Randal Hemingway		<b>Performance status:</b> On target	
<b>Action</b>	13694	<b>Target date</b>	31/03/2018
<b>Action promised</b>	Officers work with councillors to identify the level of information councillors want to see on options for service change, to enhance transparency in the decision making process		
<b>Comment</b>	The November and December 2018 Budget Seminars will be in a revised format for Members. Draft Budgets will be accompanied by Departmental Business Plans in the December / January PERIOD.		
<b>Service Head:</b> Randal Hemingway		<b>Performance status:</b> On target	
<b>Action</b>	13695	<b>Target date</b>	31/12/2017
<b>Action promised</b>	The Council reviews the terms of reference of both the Corporate Governance Group and the Corporate Review Working Group in order to clarify their respective responsibilities for assessing and reviewing governance arrangements		
<b>Comment</b>	<p>The Corporate Governance Group and the Corporate Review Working Group are separate entities: -</p> <ul style="list-style-type: none"> <li>• the former being officer led addressing governance issues and the Annual Governance Statement</li> <li>• the latter addresses constitutional issues at member level and is therefore cross party</li> </ul> <p>Nevertheless we will revisit the groups terms of reference to satisfy ourselves that the different purposes are made clear.purposes are made clear. The groups terms of reference continue to be clear and to satisfy ourselves that the different purposes remain so, we will assess and review the governance arrangements of both Groups when necessary.</p>		
<b>Service Head:</b> Linda Rees Jones		<b>Performance status:</b> On target	

<b>Objective: WAO/NAT:Housing Adaptations (Feb 2018)</b>			
<b>Outcome: Not defined</b>			
<b>Action</b>	13713	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend LAs work with partner agencies (health bodies, housing associations & Care & Repair) to strengthen their strategic focus for the provision of adaptations by: i) setting appropriate strategic objectives; ii) improving quality of information on the demand for adaptations; iii) linking system for managing & delivering adaptations		
<b>Comment</b>	We have strong strategic links with Health, RSLs and Care and Repair with shared outcomes and performance measures. Our strategic links are established through Carmarthenshire Care and Repair Board of Management and our RSL Liaison Group. Senior Local Authority, Health and Local Members are represented. Care and Repair are co-located with our Advice Tenancy Support Team and assist the local authority to deliver home improvement and adaptation services. We operate an established adapted property register which applies across tenure.		
<b>Service Head:</b> Jonathan Morgan		<b>Performance status:</b> On target	
<b>Action</b>	13714	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend delivery organisations provide information on housing adaptations in both Welsh & English, & accessible formats including braille, large fonts, audio versions & other languages. Information should be promoted widely via a range of media including social media, websites & published information, & also through key partners		
<b>Comment</b>	We have undertaken a review of our adaptation services internally. Service users indicated they wanted to speak to a relevant advisors directly and requested face to face contact as opposed to sending application forms and other information. Our advisors now advise applicants via the telephone and via a visit.  We have relevant information in Welsh and English and other languages etc upon request.		
<b>Service Head:</b> Jonathan Morgan		<b>Performance status:</b> On target	
<b>Action</b>	13715	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend that delivery organisations streamline applications by creating single comprehensive application forms covering all organisations within a local- authority area that are available via partners and online.		
<b>Comment</b>	We have established that our Advice and Tenancy Support Team are the point of contact for the advice on adaptation services regardless of tenure. The provision of council and private sector homes are delivered by that team. (RSLs apply to Welsh Government for tenants who require adaptations)  Applications are made via direct contact with the team as opposed to sending out application forms which can lead to delays in delivery.		
<b>Service Head:</b> Jonathan Morgan		<b>Performance status:</b> On target	
<b>Action</b>	13716	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend that: i) WG reviews whether LAs should continue to use the means test for DFGs ii) LAs provide/use home improvement agency services to support iii) disabled & older people to progress DFG applications efficiently iv) delivery organisations work with planning v) delivery organisations use Trusted Assessors vi) WG streamlines PAGs		
<b>Comment</b>	i) Means testing currently forms part of primary legislation and national guidance this would require action from Welsh Government. Removal of the means test would pressure on existing local authority budgets. ii) Agency services support applicants manage the delivery of required improvements. iii) Care and Repair support this function with our own Home Improvement Team who form part of Advice and Tenancy Support. iv) Appropriate protocols are in place within the authority. v) Appropriate staff within our Home Improvement Team have undertaken Trusted Assessor Training. vi) Physical Adaptation Grants apply to RSLs and their tenant's .Welsh Government currently administer these.		
<b>Service Head:</b> Jonathan Morgan		<b>Performance status:</b> On target	
<b>Action</b>	13717	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend delivery organisations: i) introduce formal systems for accrediting contractors to undertake adaptations; ii) use framework agreements and partnered contracts to deliver adaptations; iii) address weaknesses in the contracting of adaptations, iv) develop effective systems v) providing formal feedback		
<b>Comment</b>	Carmarthenshire already have a Registered Builders Scheme for contractors who undertake work on Disabled Facilities Grants. The purpose of the list is too assist clients in selecting an appropriate contractor. For adaptations on our own stock we are currently involved with colleagues within Property Services in finalising a new framework agreement.		
<b>Service Head:</b> Jonathan Morgan		<b>Performance status:</b> On target	
<b>Action</b>	13718	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend that local authorities work with partner agencies (health bodies, housing associations and Care and Repair) to develop and improve joint working to maximise both take-up and the benefits of adaptations in supporting independence by pooling of resources, co-locating staff and creating integrated delivery teams.		
<b>Comment</b>	Our strategic links are established through Carmarthenshire Care and Repair Board of Management and our RSL Liaison Group. Senior Local Authority, Health and Local Members are represented. Care and Repair are co-located with our Advice Tenancy Support Team and assist the local authority to deliver home improvement and adaptation services.		
<b>Service Head:</b> Jonathan Morgan		<b>Performance status:</b> On target	
<b>Action</b>	13719	<b>Target date</b>	31/03/2018

<b>Action promised</b>	To enhance take-up and usage of adaptations with health bodies we recommend that delivery organisations jointly agree and publish joint service standards for delivery of adaptations within each local-authority area		
<b>Comment</b>	The Service Standards on Housing Adaptations have been agreed by the national Housing Adaptations Steering Group and is currently out for consultation. The launch of the consultation took place at the Care and Repair Cymru Annual conference on 26 September 2018 and will run for a 12 week period, closing on 19 December.		
<b>Service Head:</b> Jonathan Morgan		<b>Performance status:</b> On target	
<b>Action</b>	13720	<b>Target date</b>	31/03/2018
<b>Action promised</b>	To effectively manage performance and be able to judge the impact of adaptations, we recommend that the Welsh Government and delivery organisations: set appropriate measures to judge both the effectiveness and efficiency of the different systems for delivering adaptations and the impact on wellbeing and independence of those who receive adaptations		
<b>Comment</b>	There is an existing national performance indicator relating to the delivery of Disabled Facilities Grants where Carmarthenshire were placed in the top quartile last year. We have established local performance measures which are reported as part of our Departmental performance framework Officers of the authority are working with Welsh Government as part of a national working group to review performance and delivery nationally.		
<b>Service Head:</b> Jonathan Morgan		<b>Performance status:</b> On target	

<b>Objective: WAO/NAT:How Local Government Manages Demand - Homelessness (Jan 2018)</b>			
<b>Outcome: Not defined</b>			
<b>Action</b>	13705	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend that local authorities: i) ensure their staff are sufficiently skilled to deal with the new demands of mediating, problem solving, negotiating and influencing with homeless people; and ii) review and reconfigure their services to engage more effectively with homeless and potentially homeless people to prevent homelessness		
<b>Comment</b>	<p>i) Our Housing Advice Team undertook a programme of training as a result of the introduction of the new Housing (Wales) Act in 2015/16. This included improving skills and knowledge involving mediating, problem solving, negotiating etc. This remains a feature of ongoing training and development.</p> <p>ii) Our Housing Advice Team was reshaped after undertaking a "Vanguard" style review of this service area. We have a team of specialist housing advisors who are able to support and advise those people who are homeless or threatened with homelessness.</p>		
<b>Service Head: Jonathan Morgan</b>		<b>Performance status: On target</b>	
<b>Action</b>	13706	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend that local authorities review their funding of homelessness services to ensure that they can continue to provide the widest possible preventative approach needed. Reviews should consider use of Supporting People as well as General Council fund monies to support delivery of the authority's homelessness duties		
<b>Comment</b>	<p>Welsh Government recognised that local authorities would need to build capacity within homelessness services to enable local authorities across Wales to deal with new responsibilities. As result they provided transitional funding. As part of our restructuring of the Housing Advice Service we employed additional specialist staff. These new posts are now funded via General Council Fund.</p> <p>The team have access to financial resources which is used support potential homeless households find accommodation in the private rented sector. This funding is used to provide bonds and rent in advance which otherwise they may not afford.</p> <p>We continue to review our services and have further proposals to support new and train tenants by setting up new pre-tenancy team. The aim of the team ensure tenants are adequately equipped to maintain their tenancy reduce the number of eviction and reduce rent arrears.</p>		
<b>Service Head: Jonathan Morgan</b>		<b>Performance status: On target</b>	
<b>Action</b>	13707	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend that LAs: i) design services to ensure there is early contact with service users; ii) • use 'triage' approaches to identify and filter individuals seeking help to determine the most appropriate response to address their needs; and iii) test the effectiveness of first point of contact services to ensure they are fit for purpose		
<b>Comment</b>	<p>Wales Audit Office visited the Housing Advice Team as part of their review and have highlighted our approach in their report as good practice.</p> <p>i) The Housing Advice Team was restructured to ensure the housing advice we offer is readily accessible. We have put more resources at the points of contact we have with service users.</p> <p>ii) We already employ a triage approach where all service users receive advice at the point of contact. Further case work is then undertaken by specialists employed with in the team or partners if required.</p> <p>iii) We monitor our ability to manage demand at the point of contact. We regularly re-contact service users to establish if their housing issue has been resolved. In addition their views of the services they have received are sought about the services they have received.</p>		
<b>Service Head: Jonathan Morgan</b>		<b>Performance status: On target</b>	
<b>Action</b>	13708	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend that local authorities publish service standards that clearly set out what their responsibilities are and how they will provide services to ensure people know what they are entitled to receive and what they must do for themselves.		
<b>Comment</b>	<p>When we reshaped our Housing Advice Service we asked a range of service users exactly what mattered to them in terms of the service they received. From the feedback we developed a new purpose and value steps.</p> <p>We are developing a new Homelessness Strategy As part of that process we will be undertaking a significant service user engagement exercise. We will use the feedback to review our service standards.</p>		
<b>Service Head: Jonathan Morgan</b>		<b>Performance status: On target</b>	
<b>Action</b>	13709	<b>Target date</b>	31/03/2018
<b>Action promised</b>	To improve current performance we recommend LAs make better use of their websites to help manage demand by: i) testing usability & effectiveness of current website info. ii) increasing & improving range, quality & coverage of web based info. making better use of online applications; & iii) linking more effectively to info from specialist providers		
<b>Comment</b>	The national Housing Adaptations Steering Group has set up a subgroup to look at how delivery organisations publicise the different forms of advice and assistance each organisation offer. The subgroup are to report back to the Steering Group.		
<b>Service Head: Jonathan Morgan</b>		<b>Performance status: On target</b>	
<b>Action</b>	13710	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend that local authorities set out and agree their expectations of partners identifying how they will work together to alleviate homelessness. The agreement should be reviewed regularly and all partners' performance reviewed to identify areas for improvement.		

<b>Comment</b>	<p>We have a common housing choice register with our Housing Association Partners. Our Allocation Policy and procedures was developed with them last year.</p> <p>We have well established service level agreements with key partners (Care and Repair, Walich and Shelter) to assist us in tackling key issues affecting homelessness. Partners are co-located with our Housing Advice Team which improves communication and operational effectiveness.</p>		
<b>Service Head:</b> Jonathan Morgan		<b>Performance status:</b> On target	
<b>Action</b>	13711	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend that local authorities address weaknesses in their equalities monitoring, and ensure that their homelessness service accurately records and evaluates appropriate data to demonstrate equality of access for all service users that the local authority has a duty towards		
<b>Comment</b>	We record a range of information relating equalities on all new enquiries and applications and review this data as part of our approach to improving services.		
<b>Service Head:</b> Jonathan Morgan		<b>Performance status:</b> On target	
<b>Action</b>	13712	<b>Target date</b>	31/03/2018
<b>Action promised</b>	We recommend that local authorities use the checklist set out in Appendix 10 to undertake a self-assessment on services, to help identify options to improve how they can help manage demand.		
<b>Comment</b>	We have undertaken a review of the Housing Advice Service and re-structured the service to account for new demands. We have embraced a significant amount of the issues identified.		
<b>Service Head:</b> Jonathan Morgan		<b>Performance status:</b> On target	

<b>Objective: WAO/NAT:Public Procurement in Wales (Oct 2017)</b>			
Outcome: Not defined			
<b>Action</b>	13672	<b>Target date</b>	30/06/2018
<b>Action promised</b>	We recommend that public bodies review their procurement strategies and policies during 2017-18 and on an annual basis thereafter to ensure that they reflect wider policy and legislative changes and support continuous improvement.		
<b>Comment</b>	Carmarthenshire has a new Procurement Strategy - approved by CMT, PEB, P&R and finally presented in Executive Board on 4th June 2018		
<b>Service Head:</b> Helen Pugh		<b>Performance status:</b> On target	

**Objective: WAO/NAT:Savings Planning (March 2017)**

Outcome: Not defined

<b>Action</b>	13667	<b>Target date</b>	30/06/2018
<b>Action promised</b>	Strengthen financial planning arrangements by: developing explicit links between the MTFP and the Council's corporate planning processes		
<b>Comment</b>	<p>Our Action Plan Response:</p> <ol style="list-style-type: none"> <li>1. We have produced a combined Financial and Performance Plan timetable.</li> <li>2. 2018/19 budget proposals and business plans were again submitted to the same Scrutiny meetings. Nov/Dec 2017</li> <li>3. We will reconfirm our Well-being Objectives and KIOP for 2017/18 with the newly elected Administration following May 2017 Local Government Elections</li> <li>4. We will identify our 2018/19 KIOPs in time to inform Budget Setting (Out turn data available in September)</li> <li>5. We will further develop our impact assessment methodology to inform budget allocations</li> <li>6. We will identify capital and revenue funding allocated to our Well-being Objectives and monitor our resource allocation to these priorities.</li> <li>7. We will revise our Corporate Strategy to: address the requirements of new legislation (WbFG , Social Services, Environment and Planning Acts); Include stronger links to the MTFP; the 5 Ways of Working; Incorporate our Well being Objectives; We will publish this by the statutory deadline of 30th June 2018</li> </ol> <p>PROGRESS UPDATE:</p> <ol style="list-style-type: none"> <li>1. Undertaken</li> <li>2. Undertaken</li> <li>3. Done. The Well-being of Future Generations(Wales) Act required public bodies subject to the Act to publish their Well-being Objectives by March 2017. Following local government elections in May 2017 we reconfirmed these Well-being Objectives with the new Administration. Subsequently one additional Well being Objective was adopted - `Promoting Welsh Language and Culture</li> <li>4. Our Well being Objectives have been presented before the last two years budget setting Seminars</li> <li>5. A draft Integrated Assessment has been prepared, alongside detailed guidance notes for report authors. The Assessment includes questions in relation to the Well-being of Future Generations Act, Equality Act, Welsh Language Measure, UN Convention on the Rights of the Child, the Environment Act and Privacy statements</li> <li>6. Well-Being Report contains detailed information on funding streams allocated to each of our Well Being Objectives.</li> <li>7. In June 2018 the Council published its New Corporate Strategy. This consolidates a number of plans. It brings together four plans 1.our old Corporate Stratgey 2 Our Improvement Plan as required by the Local Government Measure 2009 3 Our Well-being Objectives as required by the Future Generartions Act 2015 and 4. The Ececutive Boards `Moving Forward in Carmarthenshire : The Next 5 Years..... This New Corporate Strategy shows how resources are allocated to our Well-being Objectives.....The Well-being of Future Generations Act</li> </ol>		
<b>Service Head:</b> Wendy S Walters		<b>Performance status:</b> On target	
<b>Action</b>	13668	<b>Target date</b>	30/09/2017
<b>Action promised</b>	Strengthen financial planning arrangements by: including savings plans monitoring reports with the publicly available quarterly financial monitoring reports;		
<b>Comment</b>	savings monitoring will be reported to the relevant scrutiny committees from August monitoring onwards		
<b>Service Head:</b> Randal Hemingway		<b>Performance status:</b> On target	
<b>Action</b>	13669	<b>Target date</b>	31/03/2017
<b>Action promised</b>	Strengthen financial planning arrangements by: ensuring that delivery timescales in business cases are robust		
<b>Comment</b>	See action ID 12469		
<b>Service Head:</b> Randal Hemingway		<b>Performance status:</b> On target	
<b>Action</b>	13670	<b>Target date</b>	31/03/2017
<b>Action promised</b>	Strengthen financial planning arrangements by: finalise and approve the income generation/ charging policy		
<b>Comment</b>	Approved by Executive Board on 27th March 2017		
<b>Service Head:</b> Chris Moore		<b>Performance status:</b> On target	
<b>Action</b>	13671	<b>Target date</b>	30/09/2017
<b>Action promised</b>	Strengthen financial planning arrangements by: approving the developed reserves strategy		
<b>Comment</b>	<p>Our Action Plan Response:</p> <p>The use of Reserves was contained in the MTFP approved by Council on the 22nd February 2017. The developed reserves strategy will be updated to reflect the actual position as at 31st March 2017, and presented to the new Council after the elections.</p> <p>PROGRESS UPDATE:</p> <p>Draft Reserves Strategy was updated in September 2017 and went to Executive Board Meeting on the 5th February 2018.</p>		
<b>Service Head:</b> Chris Moore		<b>Performance status:</b> On target	



**Objective: WAO/NAT:Speak my language: Overcoming language & communication barriers in public services (April 2018)**
**Outcome: Not defined**

<b>Action</b>	13721	<b>Target date</b>	31/03/2019
<b>Action promised</b>	Public bodies are required to ensure that people can access services they need. To take account of the requirements of 2010 Equality Act & other legislation, we recommend that public bodies regularly review accessibility of their services to people who do not speak English or Welsh as a main language including Deaf people who use sign language		
<b>Comment</b>	Consideration of key areas within existing policies and guidance to be undertaken. Updated staff guidance will be prepared in the Autumn 2018.		
<b>Service Head:</b> Wendy S Walters		<b>Performance status:</b> On target	

**Objective: WAO/NAT: Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities**
**Outcome: Not defined**

<b>Action</b>	13722	<b>Target date</b>	31/03/2019
<b>Action promised</b>	We recommend that local authorities continue to focus on preventing people becoming dependent on more expensive placements in care homes by providing effective support at home and a range of step up accommodation by: improving the evaluation of prevention activity so local authorities understand what works well and why;		
<b>Comment</b>	<p>1. We have commissioned a TIC review in relation to the commissioning of residential placements with view to streamlining the process to improve accountability, decision making and funding decisions.</p> <p>2. We are collaborating with colleagues in housing and independent housing providers to develop a range of accommodation schemes.</p> <p>An accommodation project is progressing a range of accommodation options to enable individuals to step down from residential care.</p> <p>3. Carers- We have completed commissioned service with Crossroads to provide information and advice &amp; assistance.</p> <p>4. Carers outreach service in place and wider preventative services for carers/carers offer published on council web site with associated links to other services. Completed, but we are undertaking a review of the web site to consider improvements. A workshop is scheduled in October/ November 2018.</p> <p>5. Designated carers post to raise awareness and provide operational support and advice in relation to carer's assessment with social work teams.</p> <p>6. Carers champions in place in social work teams. This has been completed.</p> <p>7. Respite services offers being extended by utilising WG grant allocation. The Grant has been allocated and a six month summary report has been provided to Welsh Government.</p>		
<b>Service Head: Avril Bracey</b>		<b>Performance status: On target</b>	
<b>Action</b>	13723	<b>Target date</b>	31/03/2019
<b>Action promised</b>	We recommend that local authorities improve their approach to planning services for people with learning disabilities by building on the Regional Partnership Boards population assessments for people with learning disabilities and agreeing future priorities.		
<b>Comment</b>	<p>A Population Needs Assessment has been published. This is available on the West Wales Care Partnership web site.</p> <p>A Regional Learning Disability Programme Group (LDPG) is developing a work plan to reflect key priorities in the Area Plan.</p> <p>2. A draft Carmarthenshire LD Strategy developing on an 'all age' approach so 'slight delay in further engagement. Events to be scheduled.</p> <p>3. Progressing regional housing needs analysis and predictor tool with the Housing Learning Improvement Network (LIN). A draft report developed and being considered in October 2018.</p> <p>4. Collaborating with health to identify joint commissioning opportunities and collaborative approach to funding opportunities e.g. ICF, Transformation Funding via Regional Partnership. LDPG a key priority of the West Wales Care Partnership Board. Developing Strategy is joint with Health.</p>		
<b>Service Head: Avril Bracey</b>		<b>Performance status: On target</b>	
<b>Action</b>	13725	<b>Target date</b>	31/03/2019
<b>Action promised</b>	We recommend LAs do more to involve people with learning disabilities & their carers in care planning & agreeing pathways to further independence by: including them in developing care plans; involving carers & advocacy groups in evaluating quality of services; involving people with learning disabilities in procurement etc		
<b>Comment</b>	<p>1. Service Users and carers were involved in the TIC review of residential placements.</p> <p>2. All service change with respect to Learning Disability are subject to consultation with service users and carers.</p> <p>3. Officers regularly attend service user and carer forums to discuss service improvement and evaluation of services.</p> <p>4. Regional task and finish group in place to recommission advocacy service across West Wales. This group is working with the Advocacy Alliance Group across West Wales and Age Cymru- Golden Thread. Work on going to progress this project. Programme of work includes strategy development, mapping of advocacy services/ contracts and development of future commissioning model.</p> <p>5. Strategies and consultation documents routinely available in easy read versions. Draft Learning Disability strategy has been developed and considered by Scrutiny.</p>		
<b>Service Head: Avril Bracey</b>		<b>Performance status: On target</b>	
<b>Action</b>	13726	<b>Target date</b>	31/03/2019
<b>Action promised</b>	We recommend LAs collaborate with providers, third sector & suppliers in understanding challenges, sharing data, & pooling expertise by: improving the quality range, & accessibility of tendering information; & working with providers to shape local markets		
<b>Comment</b>	<p>1. Regular commissioning/contracting arrangements in place to meet with providers. Programme of contract meetings set throughout the year.</p> <p>2. Market Position Statements for Learning Disabilities (MPS) developed and will be published in the near future. This is awaiting publication.</p> <p>3. Population Needs Assessment and Area plan published which signals key priorities. Completed and available on the West Wales Care Partnership web site.</p>		
<b>Service Head: Avril Bracey</b>		<b>Performance status: On target</b>	
<b>Action</b>	13727	<b>Target date</b>	31/03/2019
<b>Action promised</b>	We recommend that LAs develop a more appropriate set of performance indicators & measures of success to make it easier to monitor & demonstrate impact of service activity by: co-designing measures, service & contract performance indicators with service providers, people with learning disabilities & their carers; etc.		

<b>Comment</b>	<ol style="list-style-type: none"> <li>1. Integrated pathway development and outcomes/ KPI's being developed. LDPG commenting on outcomes framework.</li> <li>2. Contract management and QA processes in place, including the Accommodation and Efficiency programme. Work on-going in this area.</li> <li>3. Regional Finance group in place to consider cost model and share intelligence to inform future commissioning decisions. Work progressing to consider costing options / models and intelligence being considered on a regional basis. All Wales Commissioning Board now set up and have regional representation on this group.</li> <li>4. Provider Performance and Escalating Concerns processes in place. Commissioning leads on provider performance and systems and process in place to drive service improvement.</li> <li>5. Mid and west Wales procurement hub for residential service provides us with intelligence regarding supply and demand and regarding provider costs. This is currently in place.</li> <li>6. Regional Escalating Concerns protocol in place. This is completed.</li> </ol>
<b>Service Head:</b> Avril Bracey	<b>Performance status:</b> On target

<b>Objective: WAO:Audit Committee Effectiveness (July 2018)</b>			
<b>Outcome: Not defined</b>			
<b>Action</b>	13635	<b>Target date</b>	01/12/2018
<b>Action promised</b>	Review the role of Audit Committee in the preparation of the Annual Governance Statement.		
<b>Comment</b>	Training delivered to Audit Committee on 26th October 2018		
<b>Service Head:</b> Helen Pugh		<b>Performance status:</b> On target	
<b>Action</b>	13636	<b>Target date</b>	01/09/2018
<b>Action promised</b>	Strengthen the role of Audit Committee by ensuring the risk register is presented to the committee regularly throughout the year, and where further assurance is required on specific risks that risk owners are invited to the committee to discuss risk mitigation measures.		
<b>Comment</b>	Risk register was presented to Audit Committee in March and September 2018		
<b>Service Head:</b> Helen Pugh		<b>Performance status:</b> On target	
<b>Action</b>	13637	<b>Target date</b>	31/03/2019
<b>Action promised</b>	Ensure that all Audit Committee members have access to full versions of all internal audit and external regulatory and audit reports, and strengthen arrangements for tracking actions taken to address the recommendations they include		
<b>Comment</b>	Discussions with Audit Committee to agree way forward		
<b>Service Head:</b> Helen Pugh		<b>Performance status:</b> On target	
<b>Action</b>	13638	<b>Target date</b>	01/06/2019
<b>Action promised</b>	Improve the information provided to Audit Committee by: ensuring that reports give enough context and background for committee members to understand the key risks and issues; ensuring that reports are more specific about what action the Audit Committee needs to take in order to discharge its core functions		
<b>Comment</b>	Review of reports will be conducted and how we report these to Audit Committee		
<b>Service Head:</b> Helen Pugh		<b>Performance status:</b> On target	
<b>Action</b>	13639	<b>Target date</b>	01/07/2018
<b>Action promised</b>	Complete the implementation of the revised management arrangements for the internal audit function to ensure that potential conflicts of interest are mitigated		
<b>Comment</b>	Our Action Plan Response: Completed - Principal Auditor appointed and in post since June 2018		
<b>Service Head:</b> Helen Pugh		<b>Performance status:</b> On target	

**Objective: WAO:Evaluation of the Council's review of people performance management 2017 (April 2018)**
**Outcome: Not defined**

<b>Action</b>	13640	<b>Target date</b>	31/03/2019
<b>Action promised</b>	Directors/Heads of Service undertake a desk top review of service structures, particularly within high risk customer facing areas, to identify any potential risk areas to reduce the likelihood of similar failings occurring as a result of flat structures		
<b>Comment</b>	Under the Delegated Powers set out in the Council's Constitution, the Chief Executive and Directors have specific responsibility in determining all matters related to staffing and structures. The Corporate Management Team has considered & discussed the recommendations highlighted by the report and has ongoing input into the development of re-structuring or realignment as appropriate. This is an ongoing process to respond to service needs including the delivery of significant of PBB savings. The Corporate Management Team is satisfied that the structures are appropriate to deliver the Council's services. Since the review, work has been undertaken to prioritise those services areas that had been highlighted. This work was ongoing before being highlighted during the Review and is being monitored by HR Business Partners at the relevant Departmental Management Teams.		
<b>Service Head:</b> Paul R Thomas		<b>Performance status:</b> On target	
<b>Action</b>	13641	<b>Target date</b>	31/03/2019
<b>Action promised</b>	Directors/Heads of Service to undertake a desk top risk assessment of dispersed service delivery teams including agile working and remotely located teams as well as teams with a distinct identity or external/individual brand (i.e. Families First) to identify potential risks of disconnection from the corporate organisation.		
<b>Comment</b>	The Leadership & Management Development Framework has been developed and there are various tools and resources available to support capacity & capability when managers have remotely located teams. In terms of agile working, the Learning and Development team now provides a programme of development aimed at supporting managers to manage an agile workforce, this includes tips on how to maintain good communication when managing dispersed teams. In addition IT colleagues are providing relevant IT solutions that ensure managers are able to keep in touch with staff that are working from dispersed locations e.g. Skype for Business, mobile phones		
<b>Service Head:</b> Paul R Thomas		<b>Performance status:</b> On target	
<b>Action</b>	13642	<b>Target date</b>	31/03/2019
<b>Action promised</b>	Building on the existing review of the induction process it is recommended that 'new manager's guide' be developed to complement the new 'employee guide' currently under development. New manager's guide' is to be used during induction to identify areas of training & development to include a checklist for managers - Technical Mngt & People Mngt		
<b>Comment</b>	The Heads of Service Forum has been engaged to support the development of a framework, and an evaluation has been undertaken of the Future Leaders Programme with a view to making it available across a wider organisational base. A range of tools and resources are currently available to underpin the new leadership and management behaviours and the recent Investors in People Review supports the approach for extending leadership and management competencies at all levels. This work will continue to be overseen by the PSGB		
<b>Service Head:</b> Paul R Thomas		<b>Performance status:</b> On target	
<b>Action</b>	13643	<b>Target date</b>	31/03/2019
<b>Action promised</b>	Ensure that managerial training needs identified at induction stage are streamlined into, and reviewed during, the appraisal process.		
<b>Comment</b>	Funding was identified in March 2018 to allow the Council to develop a new "on-boarding" system to be accessed via its HR system, which will allow for customised induction and support for new managers. This piece of work has now been developed and has been presented to senior managers within People Management for their input. The system will provide the ability for staff development to be monitored alongside appraisal discussions.		
<b>Service Head:</b> Paul R Thomas		<b>Performance status:</b> On target	
<b>Action</b>	13645	<b>Target date</b>	31/03/2019
<b>Action promised</b>	Introduce workforce and succession planning as a key element of the Executive Board and Heads of Service Business Plan sessions to reinforce work currently being undertaken by HR business partners and strengthen accountability		
<b>Comment</b>	Workforce planning is an integral element of the business planning process. HR Business Partners have been working with Departmental Management Teams to provide comprehensive workforce data to assist with business and workforce planning. A Toolkit for Managers has previously been developed and briefing sessions for managers have been provided.		
<b>Service Head:</b> Paul R Thomas		<b>Performance status:</b> On target	
<b>Action</b>	13646	<b>Target date</b>	31/03/2019
<b>Action promised</b>	Review the process for creating job profiles in order to increase the focus on behavioural standards/core competencies and reduce task orientated criteria. Develop clear guidelines/support for managers for creating job profiles of this nature.		
<b>Comment</b>	The Heads of Service Forum has been engaged to support the development of the framework, and an evaluation has been undertaken of the Future Leaders Programme with a view to making it available across a wider organisational base. A range of tools and resources are currently available to underpin the new leadership and management behaviours and the recent Investors in People Review supports the approach for extending leadership and management competencies at all levels. This work will continue to be overseen by the PSGB. This can be evidenced by the Evaluation of Future Leaders Programme Development Programme for Heads of Service and the Investors in People Review 2018. Additionally, the Leadership & Management Development Framework has been developed and various tools and resources are available to support capacity & capability in this area. This includes Service areas adopting a Leadership & Management Academy for those aspiring to become leaders/managers. Further work will now be undertaken to extend the organisations competency framework across all levels reflecting the outcomes of the recent Investors in People Review.		

	Again, this can be evidenced by the Leadership & Management Behaviours Competency Framework (UCF), Future Leaders Programme Evaluation and the Investors in People Review 2018. In addition, a more streamlined electronic job profile template has been introduced and guidance for managers has been produced.		
<b>Service Head:</b> Paul R Thomas		<b>Performance status:</b> On target	
<b>Action</b>	13647	<b>Target date</b>	31/03/2019
<b>Action promised</b>	Review the appraisal process to focus on behaviours and core competencies and develop a suite of tools to support managers to flexibly implement appraisal principles within different structures and service profiles		
<b>Comment</b>	There has been a focus on delivering skills based development for managers/supervisors in conducting appraisals, supporting individual performance and development. Service and professional occupational groups have been a priority and the evaluation of this will be measured in the forthcoming post IiP Review. The outcomes and the skills gap to support this measure will be evaluated/monitored through the Investors in People review and the People Strategy Work Stream. This is evidenced by the In-House and commissioned learning and development modules. In addition, the Council's HR system has been further developed to provide managers with an online appraisal tool, which automates the process.		
<b>Service Head:</b> Paul R Thomas		<b>Performance status:</b> On target	
<b>Action</b>	13648	<b>Target date</b>	31/03/2019
<b>Action promised</b>	In line with recommendations of the Internal Audit Review of Declaration of Interests, Gifts and Hospitality 2017, the guidance on declarations of interest should be reviewed and, if appropriate, updated		
<b>Comment</b>	Since the Review, consideration has been given to best practice across Public Sector in Wales and as a result a new draft Employee Code of Conduct Guide and Declaration of Interest Form have been developed for discussion and agreement. IT colleagues have also included the development of an e-form into their work programme, which will be made available to all staff once the content of new form has been agreed. Going forward consideration will need to be given to how the process for declaring interests is publicised to staff.		
<b>Service Head:</b> Paul R Thomas		<b>Performance status:</b> On target	
<b>Action</b>	13649	<b>Target date</b>	31/03/2019
<b>Action promised</b>	All internal audit recommendations to be monitored via PIMS, subject to successful system testing		
<b>Comment</b>	2017/18 reports all within PIMS and continually reviewed.		
<b>Service Head:</b> Helen Pugh		<b>Performance status:</b> On target	
<b>Action</b>	13650	<b>Target date</b>	31/03/2019
<b>Action promised</b>	A risk register to be developed by the People Strategy Group based upon the recommendations made in the report		
<b>Comment</b>	The PSGB has incorporated this into their work programme for consideration and, as it is now being recorded on PIMS, there is no requirement for a bespoke Risk Register.		
<b>Service Head:</b> Paul R Thomas		<b>Performance status:</b> On target	

<b>Objective: WAO:Scrutiny: Fit for the Future? Review (June 2018)</b>			
<b>Outcome: Not defined</b>			
<b>Action</b>	13629	<b>Target date</b>	31/05/2019
<b>Action promised</b>	Review the overview and scrutiny committee structure to ensure it is able to meet current and future challenges		
<b>Comment</b>	This matter was discussed with the Chairs and Vice Chairs of Scrutiny Committees at their Forum meeting of the 31st July. The Report will be considered at the meeting of the Executive Board and Chairs and Vice forum which will be held in October, where we will seek a steer from members on the future Scrutiny Committee Structure.		
<b>Service Head:</b> Linda Rees Jones		<b>Performance status:</b> On target	
<b>Action</b>	13630	<b>Target date</b>	01/06/2018
<b>Action promised</b>	Clarify the role of Executive Board members in the overview and scrutiny committee process, to ensure that committees are undertaking their role in holding the Executive to account.		
<b>Comment</b>	Proposal not accepted: We do not see that further clarification is required		
<b>Service Head:</b> Linda Rees Jones		<b>Performance status:</b> On target	
<b>Action</b>	13631	<b>Target date</b>	31/03/2018
<b>Action promised</b>	Be specific in the reports presented to overview and scrutiny why the committee is receiving the information and how this relates to the role of the scrutiny committee.		
<b>Comment</b>	A revised outcome focussed "Forthcoming Items" template has been produced and agreed by the Chairs and Vice Chairs of Scrutiny Forum and is now in use. This focusses on the reasons for reports to be agenda'd for Scrutiny Committees and allows members to limit the number of agenda items to keep meetings focussed.		
<b>Service Head:</b> Linda Rees Jones		<b>Performance status:</b> On target	
<b>Action</b>	13632	<b>Target date</b>	31/03/2019
<b>Action promised</b>	Ensure that Chairs and committee members control committee agendas by deciding on and agreeing content and prioritising the issues that scrutiny examines, to allow enough time for more effective scrutiny.		
<b>Comment</b>	Chairs were already being consulted on draft agendas, but this is now reinforced by the introduction of a revised "Forthcoming Items" template which allows Chairs and Committees to prioritise business.		
<b>Service Head:</b> Linda Rees Jones		<b>Performance status:</b> On target	
<b>Action</b>	13633	<b>Target date</b>	31/03/2019
<b>Action promised</b>	Identify and implement further ways to encourage greater public involvement in overview and scrutiny		
<b>Comment</b>	The Chairs and Vice Chairs Forum agreed a new Scrutiny Communications Strategy at its meeting of the 31st July 2018. This Strategy aims to raise the profile of scrutiny internally and externally through promotion, encouraging public debate and greater involvement by the public. The Forum has also decided to write to town and community councils annually seeking suggestions on their forward work programme.		
<b>Service Head:</b> Linda Rees Jones		<b>Performance status:</b> On target	
<b>Action</b>	13634	<b>Target date</b>	01/05/2019
<b>Action promised</b>	Put in place arrangements for assessing the effectiveness and impact of overview and scrutiny		
<b>Comment</b>	Arrangements for assessing the effectiveness and impact of scrutiny committees is being worked on. Amongst the proposals are to take a report to the Democratic Services Committee on scrutiny self-assessment.		
<b>Service Head:</b> Linda Rees Jones		<b>Performance status:</b> On target	

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## AUDIT COMMITTEE 14<sup>TH</sup> DECEMBER 2018

### CARMARTHENSHIRE COUNTY COUNCIL AUDIT COMMITTEE UPDATE – DECEMBER 2018

#### Recommendations / key decisions required:

To receive the Wales Audit Office report noted above.

#### Reasons:

The Wales Audit Office carries out both financial audit and performance audit work at the Council. This report summarises the progress on their audit work as at December 2018.

Relevant scrutiny committee to be consulted: N/A

Exec Board Decision Required: No

Council Decision Required: No

#### EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:

Cllr David Jenkins

#### Directorate:

Corporate Services

#### Report Author:

Wales Audit Office

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WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Wales Audit Office Work Programme - Update to the Audit Committee – **Carmarthenshire County Council**

Audit year: 2018

Date issued: December 2018

Document reference: 959A2018-19

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

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

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

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## About this document

- 1 This document provides the Audit Committee of Carmarthenshire County Council (the Council) with an update on current and planned Wales Audit Office work. It covers financial and performance audit work together with information on the Auditor General's programme of local government related studies.

## Audit plan

- 2 The dates we presented our audit plan for 2018 is set out in [Exhibit 1](#).

[Exhibit 1: audit plan.](#)

Area of work	Current status
Audit Plan 2018	Presented to Audit Committee 23 March 2018

## Financial audit update

- 3 The majority of our financial audit work included in our 2018 audit plan is complete. We are continuing to work on the 2017-18 grant claim and return audits and these will be completed by the end of the calendar year.
- 4
- 5 [Exhibit 2](#) provides members of the Audit Committee with a brief overview of progress against the planned financial audit key outputs and milestones set out in our 2018 audit plan.

[Exhibit 2: financial audit update](#)

Planned output	Scope	Current status
<b>Financial Statements 2017-18</b>	Audit of the Council's 2017-18 financial statements.	Opinion September 2018.
<b>Whole of Government Accounts 2017-18</b>	Audit of the Councils 2017-18 whole of government accounts	Opinion September 2018.
<b>Certification of Grants 2017-18</b>	Certification of grants and returns 2017-18	Audit work to be completed by 31 December 2018.
<b>Annual Audit Letter</b>	Report summarising our 2017-18 financial audit work.	Report on the agenda for December 2018 audit committee

## Performance audit update

- 6 Exhibit 3 summarises the progress of the performance audit work set out in the 2017 audit plan and provides a brief overview of progress against the planned performance outputs and milestones set out in our 2018 audit plan.

### Exhibit 3: performance audit update

Topic	Scope	Status	Timescale
<b>Performance audit work - 2018 audit plan</b>			
<b>Improvement audit and assessment work including improvement planning and reporting audit</b>	Audit of discharge of duty to publish an improvement plan, and to publish an assessment of performance.	Complete – certificates issued	Improvement Plan certificate issued July 2018

Topic	Scope	Status	Timescale
			Assessment of Performance certificate issued November 2018
<b>Assurance and Risk Assessment</b>	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.	Work planned to be undertaken throughout the audit year to inform the 2019-2020 audit programme.	No written output. Meeting with Corporate Management Team to discuss outcomes and plans for next year's audit arranged for January 2019
<b>Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations</b>	Examination of the extent to which the Council has acted in accordance with the sustainable development principle when taking steps to meet one or more of its wellbeing objectives. The 'step' that is being reviewed is 'We [the Council] will increase the range of physical activity opportunities available for children, and target those at higher risk of inactivity, using activities such as swim sessions (Free, Splash, School, Wave, Skills Clubs), Actif Play and Storytime, Actif Passport to Physical Literacy, Dragon Multi-Skills and Sport, 5x60 and Focus Sport activity developments.'	Work underway. First workshop held with the Council November 2018. Second workshop to take place December 2018.	Report by March 2019.
<b>Thematic Review - Corporate Safeguarding Arrangements</b>	Review of the effectiveness of corporate safeguarding arrangements, building on the study previously undertaken by the Auditor General in this area.	Timing of the work to be agreed with the Council.	To be agreed with the Council.



Topic	Scope	Status	Timescale
<b>Service User Perspective Review</b>	<p>This project will test the service-user interface at all authorities. The review will evaluate what it feels like (as a member of the public) to deal with council services, involving a selection of services and scenarios.</p> <p>Carmarthenshire County Council has a Transformation, Innovation and Change (TIC) Programme. One element of this programme is the Digital Transformation Project. Part of this project is focused on 'channel shift'. Our work will review the effectiveness of the Council's approach to the channel shift project. It will also seek to gain a service user perspective on the elements of the channel shift project that are focused on service users.</p>	<p>Work underway. Phase one: fieldwork on the Council's approach to channel- shifting services on-line (complete).</p> <p>Phase two: service user survey currently running on-line.</p>	<p>Survey open November 2018- January 2019 (timeline may be extended depending on number of responses received). Reporting by end of March 2019.</p>
<b>Review of Risk Management Arrangements</b>	A review of the Council's arrangements to identify, manage and monitor risks.	Draft project brief issued to the Council June 2018.	To be agreed with the Council.
<b>Annual improvement Report</b>	Annual report summarising the audit work undertaken in the last year, which also includes a summary of the key findings from reports issued by 'relevant regulators'.		Report by July 2019.

## WAO Local Government Improvement Studies

The Wales Audit Office also undertakes a programme of local government studies funded from the Welsh Consolidated Fund, which lead to national reports rather than local reports. **Exhibit 4** summarises the present position on the programme of studies currently underway.

## Exhibit 4: local government improvement studies programme of work

Topic	Scope	Status	Timescale
<b>2017-18 Local Government Improvement Studies – 2017 audit plan</b>			
<b>Services to rural communities</b>	<p>This review assessed how well public bodies are working together to assess needs, identify priorities, deliver and maintain the provision of key operational services to meet the needs of people in rural communities.</p> <p>Carmarthenshire CC was one of 11 fieldwork sites in this study.</p>	<p>This review examined the changing face of rural Wales and looked at the demographic challenges in providing council services to dispersed communities.</p> <p>We found that councils are not yet finding sustainable ways to help rural communities overcome the challenges they face. We have called on local authorities in Wales to think and act differently to sustain services in rural communities.</p>	<p>Report published 13 November 2018</p> <p><a href="http://www.audit.wales/publication/local-government-services-rural-communities">http://www.audit.wales/publication/local-government-services-rural-communities</a></p>
<b>Provision of Local Government Services to Rural Communities: Community Asset Transfer</b>	<p>This document complements the Auditor General's report on Local Government Services to Rural Communities, published in November 2018. It highlights and summarises the study findings specifically relating to Community Asset Transfers (CATs)</p>	<p>This document is a learning resource for local authorities to help them improve their approach to CATs in rural areas, although the approaches we highlight also have relevance for authorities in urban areas. Equally, some of the 'urban' good practice case studies</p>	<p>Report published 13 November 2018</p> <p><a href="https://audit.wales/publication/provision-local-government-services-rural-communities-community-asset-transfer">https://audit.wales/publication/provision-local-government-services-rural-communities-community-asset-transfer</a></p>

Topic	Scope	Status	Timescale
		highlighted throughout the report have relevance to 'rural' areas.	
<b>How local government uses data</b>	This review will identify how well local authorities are currently performing in collecting, analysing and using data to support decision making and the use of resources.	Data tool questionnaires were distributed to all councils in October 2017. Currently drawing conclusions.	National report due to be published in the 3rd/4 <sup>th</sup> quarter of 2018.
<b>2018-19 Local Government Improvement Studies – 2018 audit plan</b>			
<b>First point of contact assessments under the Social Services and Well-being Act</b>	The study will review the first point of contact and assessments for adult social care.	Scoping and project set up.  Carmarthenshire CC will be one of five fieldwork sites in this study.	National report due to be published in the 3rd/4 <sup>th</sup> quarter of 2018.
<b>Tackling Violence Against Women, Domestic Abuse and Sexual Violence</b>	Our review will focus on determining whether local authorities and their partners are effectively working together to prevent gender-based violence and domestic abuse, and protecting all of the people involved.	Scoping and project set up.  Carmarthenshire CC will not be a fieldwork site in this study.	National report due to be published in 3rd/4 <sup>th</sup> quarter of 2018.
<b>Planning Service: Improving the Wellbeing of Wales</b>	Our review will provide independent assurance that planning authorities are supporting sustainable development and delivering for the future long-term	Scoping and project set up.  Carmarthenshire CC will not be a fieldwork site in this study.	National report due to be published in the 3rd/4 <sup>th</sup> quarter of 2018.

Topic	Scope	Status	Timescale
	wellbeing of their communities and for Wales.		

## WAO National Studies

- 8 The Audit Committee may also be interested in the WAO national studies programme that are related to local government. Exhibit 5 provides information on our national studies that have relevance to local authority organisations.

### Exhibit 5: local authority-related national studies

Topic	Findings	Status
<b>Integrated care fund</b>	The review will examine if the Integrated Care Fund is being used effectively to deliver sustainable services that achieve better outcomes for service users. Interviews will be undertaken with a selection of officers on each of the Regional Partnership Boards and Welsh Government officials.	National report due to be published January 2019.
<b>Youth services</b>	This project is part of a joint programme of work with Estyn, HIW and CSSIW. The WAO work will involve a factual description of the well-being of young people based on the available data. Our report will also highlight key lessons for the Welsh Government to learn in taking an	Report due Winter 2018-19 (currently in fieldwork).

Topic	Findings	Status
	integrated approach to improving the well-being of young people.	
<b>Managing the impact of Brexit on the Rural Development Programme in Wales</b>	<p>This report focuses on 'Rural Development funding' under the Welsh Government's Rural Communities - Rural Development Programme (RDP)</p> <p>This report considers whether the Welsh Government is effectively managing the risks and opportunities for the Rural Development Programme posed by Brexit.</p>	<p>Published 22 November 2018</p> <p><a href="https://audit.wales/publication/managing-impact-brexit-rural-development-programme-wales">https://audit.wales/publication/managing-impact-brexit-rural-development-programme-wales</a></p>
<b>Waste Management in Wales: Municipal Recycling</b>	<p>This review looked at municipal recycling, focussing on performance against the recycling targets.</p> <p>We found that more collaboration has helped make recycling methods more consistent and encouraged participation, although waste management service costs show surprising variation. Weight-based statutory targets have driven a much improved recycling rate over time but could better reflect wider sustainability considerations.</p>	<p>Published 15 November 2018</p> <p><a href="http://www.audit.wales/publication/waste-management-wales-municipal-recycling">http://www.audit.wales/publication/waste-management-wales-municipal-recycling</a></p>
<b>National Fraud Initiative in Wales 2016-18</b>	<p>This report summarises the findings of the biennial National Fraud Initiative in Wales for the period 1 April 2016 to 31 March 2018.</p> <p>The latest National Fraud Initiative (NFI) exercise has been one of the most successful to date – uncovering £5.4 million of fraud and overpayments across public services in Wales, compared with £4.4 million the last time. The Auditor General's report, reveals that more than £35 million of fraud and overpayments have been found in Wales since the scheme began in 1996.</p>	<p>Published 22 October 2018</p> <p><a href="http://www.audit.wales/publication/national-fraud-initiative-wales">http://www.audit.wales/publication/national-fraud-initiative-wales</a></p>

Topic	Findings	Status
<b>Procuring Residual and Food Waste Treatment Capacity</b>	<p>Welsh Government programme 'well-managed' but some councils who've opted out are still reliant on landfill.</p> <p>A Welsh Government procurement programme to help councils set up food and residual waste contracts has been well-managed, according to a report published today by the Auditor General for Wales. But, several councils have opted out of the Programme, generally at a higher cost for residual waste treatment, and some are still reliant on landfill.</p>	<p>Published 11 October 2018</p> <p><a href="https://audit.wales/publication/procuring-residual-and-food-waste-treatment-capacity">https://audit.wales/publication/procuring-residual-and-food-waste-treatment-capacity</a></p>



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



## AUDIT COMMITTEE 14<sup>TH</sup> DECEMBER 2018

### CARMARTHENSHIRE COUNTY COUNCIL ANNUAL AUDIT LETTER

#### Recommendations / key decisions required:

To receive the Wales Audit Office Annual Audit Letter for Carmarthenshire County Council for 2017/18.

#### Reasons:

The Auditor General is the auditor for Carmarthenshire County Council and this letter summarises the key messages arising from the work carried out to discharge his statutory responsibilities under the Public Audit (Wales) Act 2004.

Relevant scrutiny committee to be consulted: n/a

Exec Board Decision Required No

Council Decision Required No

**EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:-** Cllr David Jenkins

#### Directorate:

Corporate Services

**Report Author:** Wales Audit Office

## EXECUTIVE SUMMARY

### AUDIT COMMITTEE 14<sup>TH</sup> DECEMBER 2018

#### CARMARTHENSHIRE COUNTY COUNCIL ANNUAL AUDIT LETTER

##### BRIEF SUMMARY OF PURPOSE OF REPORT.

The Auditor General is the auditor for Carmarthenshire County Council and this letter summarises the key messages arising from the work carried out to discharge his statutory responsibilities under the Public Audit (Wales) Act 2004.

DETAILED REPORT ATTACHED?

YES

## IMPLICATIONS

The report is a Wales Audit Office Report and any implications are detailed within the report.

I confirm that other than those implications listed below there are no implications for the Authority arising from this report. If necessary, the Authority will need to respond to implications arising from the report where applicable.

Signed: **Randal Hemingway** Head of Financial Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

## CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below:

Signed: **Randal Hemingway** Head of Financial Services

1. Scrutiny Committee – N/A
2. Local Member(s) – N/A
3. Community / Town Council – N/A
4. Relevant Partners – N/A
5. Staff Side Representatives and other Organisations – N/A

**Section 100D Local Government Act, 1972 – Access to Information**

**List of Background Papers used in the preparation of this report:**

**THERE ARE NONE**

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Please contact us in Welsh or English.

Cysylltwch â ni'n Gymraeg neu'n Saesneg.

Cllr Emlyn Dole  
Leader  
Carmarthenshire County Council  
County Hall  
Jail Hill  
Carmarthen  
SA31 1JP

**Reference:** 943A2018-19

**Date issued:** 7 December 2018

Dear Cllr Dole

## Annual Audit Letter – Carmarthenshire County Council and Dyfed Pension Fund 2017-18

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 and my reporting responsibilities under the Code of Audit Practice.

### The Council complied with its responsibilities relating to financial reporting

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and

- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This code is based on International Financial Reporting Standards. On 28 September 2018 I issued unqualified audit opinions on the Council's and Dyfed Pension Fund's accounting statements confirming that they present a true and fair view of the Council's and Pension Fund's financial position and transactions. I issued a certificate confirming that the audit of both sets of financial statements had been completed on the same date. My report and certificate are contained within the individual Statement of Accounts.

The key matters arising from both accounts audits were reported to members of the Audit Committee on 28 September 2018.

**I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, but significant financial challenges remain**

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed under the Local Government (Wales) Measure 2009. The Auditor General has highlighted areas where the effectiveness of these arrangements could be improved in his Annual Improvement Report 2017-18 which was issued to the Council in August 2018.

**Local authorities in Wales face significant financial challenges.**

Austerity funding remains the most significant challenge facing all local government bodies in Wales and these financial pressures are likely to continue for the medium term. There will continue to be uncertainty over the UK's relationship with Europe and this will have an impact on Welsh Public Services following Brexit.

In 2017-18 the Council set a net expenditure revenue budget of £334.4 million. The 2017-18 financial statements showed an out-turn position for 2017-18 of £331.9 million. The surplus of £2.5 million was put into reserves, with £2 million set aside for a new Swansea Bay city deal reserve. This continues a trend of the Council delivering year-end underspends and to achieve these the Council has demonstrated that it has consistently delivered on its cost reduction plans that have been in place in recent years.

The 2017-18 financial statements confirm that the Council's general fund had increased by £479,000 to £9.7 million as at 31 March 2018 and since 1 April 2016 earmarked reserves had increased by £15 million to £81.1 million. This increase in reserve levels places the Council in a relatively strong financial position for the future financial challenges and these reserves will be used to help support the capital expenditure programme the Council has approved.

For 2018-19, the Council has set a budget of £351.5 million. This assumes the achievement of efficiency savings totalling £8.3 million and a 4.45% Council Tax increase. At 30 June 2018 the Council was forecasting a revenue budget overspend of £3 million for the financial year after allowing for a drawdown from departmental reserves of £600,000. In February 2018 the Council approved a five-year capital programme totalling £199 million, of which £62.2 million was to be incurred in 2018-19.

Financial challenges remain over the coming years across the Local Government sector and the Council's Medium Term Financial Plan agreed in February 2018 identifies a total of £17.2 million of savings for 2019-20 and 2020-21. In 2019 we will undertake a more detailed review of the Council's continuing work on meeting their financial challenges.

**My work to date on certification of grant claims and returns has not identified any issues that would impact on the accounts or key financial systems**

My ongoing work to date on certification of grant claims and returns has not identified significant issues that would impact on the financial statements or key financial systems. A more detailed report on my grant certification work will follow in 2019 once this year's programme of certification work is complete.

The financial audit fees for 2017-18 are currently expected to be slightly less than those set out in the Annual Audit Plans and we will consider this as part of our planning for 2018-19 and will report the out-turn to you in the Audit Plan.

Yours sincerely



**Richard Harries**

**For and on behalf of the Auditor General for Wales**

cc. Mark James, Chief Executive

Chris Moore, Chief Finance Officer

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## AUDIT COMMITTEE

14<sup>TH</sup> DECEMBER 2018

WALES AUDIT OFFICE NATIONAL REPORTS	
<b>Recommendations / key decisions required:</b> To receive and note the Wales Audit Office reports.	
<b>Reasons:</b> To receive the Wales Audit Office reports.	
<b>Relevant scrutiny committee to be consulted:</b> N/A	
<b>Exec Board Decision Required</b>	No
<b>Council Decision Required</b>	No

<b>EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:</b> Cllr David Jenkins		
Wales Audit Office Report		

## EXECUTIVE SUMMARY

### AUDIT COMMITTEE 14<sup>TH</sup> DECEMBER 2018

#### WALES AUDIT OFFICE NATIONAL REPORTS

##### BRIEF SUMMARY OF PURPOSE OF REPORT:

To receive the Wales Audit Office National report relating to:

- Managing the impact of Brexit on the Rural Development Programme in Wales

The following Wales Audit Office National reports have also been recently published:

- Waste Management in Wales: Municipal Recycling  
Published 15 November 2018  
<http://www.audit.wales/publication/waste-management-wales-municipal-recycling>
- Local Government services to rural communities  
Published 13 November 2018  
<http://www.audit.wales/publication/local-government-services-rural-communities>
- Provision of Local Government Services to Rural Communities: Community Asset Transfer  
Published 13 November 2018  
<https://audit.wales/publication/provision-local-government-services-rural-communities-community-asset-transfer>
- National Fraud Initiative in Wales 2016-18  
Published 22 October 2018  
<http://www.audit.wales/publication/national-fraud-initiative-wales>
- Procuring Residual and Food Waste Treatment Capacity  
Published 11 October 2018  
<https://audit.wales/publication/procuring-residual-and-food-waste-treatment-capacity>

DETAILED REPORT ATTACHED?

YES

## IMPLICATIONS

The report is a Wales Audit Office Report and any implications are detailed within the report.

I confirm that other than those implications listed below there are no implications for the Authority arising from this report. If necessary, the Authority will need to respond to implications arising from the report where applicable.

Signed: Head of Financial Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

## CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below:

Signed: Head of Financial Services

1. Scrutiny Committee – N/A
2. Local Member(s) – N/A
3. Community / Town Council – N/A
4. Relevant Partners – N/A
5. Staff Side Representatives and other Organisations – N/A

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE

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Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Managing the Impact of Brexit on the Rural Development Programme for Wales



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU





This report has been prepared for presentation to the National Assembly under the Government of Wales Act 1998.

The Wales Audit Office study team comprised Alice Rushby, Daniel King, Jennie Morris, Adam Marshall, Lucy Evans, Mark Jeffs, Chris Pugh and Seth Newman under the direction of Richard Harries.

**Auditor General for Wales  
Wales Audit Office  
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CF11 9LJ**

The Auditor General is independent of the National Assembly and government. He examines and certifies the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies. He also has the power to report to the National Assembly on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use of, their resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

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.

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**Mae'r ddogfen hon hefyd ar gael yn Gymraeg.**

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# Summary report

## Summary

- 1 The European Union's Common Agricultural Policy (CAP) provides funding to support farmers, the countryside and rural communities. It has two 'pillars'. Pillar 1, called the European Agricultural Guarantee Fund (EAGF), is a direct payment to subsidise farmers amounting to approximately £211 million<sup>1</sup> annually. Pillar 2, called the European Agricultural Fund for Rural Development (EAFRD), is delivered through a Rural Development Programme designed by each UK administration and approved by the European Commission (EC). This report focuses on this element of 'Rural Development funding' under the Welsh Government's Rural Communities - Rural Development Programme (RDP)<sup>2</sup>.
- 2 Since 2000, Wales has been eligible for €1,143m (approximately £972 million) of EU Rural Development funding. Wales is eligible for around £522 million under the current round which forms the 2014-2020 Rural Development Programme, although EU rules mean Wales would actually have until 2020 to commit<sup>3</sup>, and until 2023 to spend and claim the funding<sup>4</sup>. The Welsh Government currently plan to contribute an additional £252 million of 'co-financing'<sup>5</sup> taking the the overall value of the current programme to £774 million.

- 1 For the purposes of this report we have used GBPs throughout. Where values were only available in Euros we have used the Welsh Government's current planning exchange rate – 0.85 GBP to 1.00 Euro. Exchange rates will have varied over time, and so there may be variations in the same values quoted elsewhere.
- 2 [gov.wales/docs/drah/publications/170705-wales-rdp-2014-2020-document.pdf](https://gov.wales/docs/drah/publications/170705-wales-rdp-2014-2020-document.pdf)
- 3 For this report, we mean that the funding is committed to a specific project following approval by the Welsh Government and signed acceptance of the grant offer letter by the project sponsor.
- 4 The RDP includes annual allocations of funding across the programme period (2014-2020), which total the full value of the EAFRD funds. The annual allocations cannot be exceeded but the Welsh Government have a further three years (known as N+3 or decommitment principle) from each allocation within which they can commit, spend and claim the funds. N+3 targets are cumulative and rise each year to 100% of funding which must be spent by 2023.
- 5 'Co-financing' is the domestic funding provided by the Welsh Government to deliver the Rural Development Plan in Wales. EC Regulations stipulate a maximum and minimum percentage of funding that can come from the EC depending on the type of funding, the type of scheme and the location of the beneficiary of funding. Within these parameters, the exact percentage of domestic and EC funding is put forward by the UK administration, agreed by the EC and set out in their Rural Development Programme.

- 3 The EU has set six overall priorities for the funding. These are underpinned by generic EU ‘focus areas’ and ‘measures’ through which the priorities will be achieved (**Box 1**). The Welsh Government produces a Rural Development Programme document which sets out how it will use the funding to achieve these priorities. The Welsh Government sets up a range of schemes, which farmers or organisations can apply to. Each successful application becomes a project for the purposes of the EU rules. **Part 2** of this report sets out the process in more detail.

#### Box 1 – Rural Development Programme 2014-2020 structure

EU Priorities	<p>Member States and regions draw up their rural development programmes based on the needs of their territories and ensuring that at least four of the following six common <b>EU priorities</b> are addressed:</p> <ul style="list-style-type: none"><li>• fostering knowledge transfer and innovation in agriculture, forestry and rural areas;</li><li>• enhancing the viability and competitiveness of all types of agriculture, and promoting innovative farm technologies and sustainable forest management;</li><li>• promoting food chain organisation, animal welfare and risk management in agriculture;</li><li>• restoring, preserving and enhancing ecosystems related to agriculture and forestry;</li><li>• promoting resource efficiency and supporting the shift toward a low-carbon and climate-resilient economy in the agriculture, food and forestry sectors; and</li><li>• promoting social inclusion, poverty reduction and economic development in rural areas.</li></ul>
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### Box 1 – Rural Development Programme 2014-2020 structure

Focus Areas	The rural development priorities are broken down into 'focus areas'. For example, the priority on resource efficiency includes focus areas 'reducing greenhouse gas and ammonia emissions from agriculture' and 'fostering carbon conservation and sequestration in agriculture and forestry'. Within their RDPs, Member States or regions set quantified targets against these focus areas. They then set out which measures they will use to achieve these targets and how much funding they will allocate to each measure.
EU Measures	The RDP sets out a selection of measures drawn from the Rural Development Regulation to address the EU priorities and focus areas. A measure is a set of specific activities or investment, eg investment in physical assets.
Welsh Government Schemes	Schemes are devised by the Welsh Government (or other member state or region) to satisfy the EU measures. A scheme is essentially a framework of activities set by the Welsh Government designed to achieve the generic EU measures. These are translated into 'scheme rules' advertised to individuals or organisations to apply for funding under the specific scheme.
Applicants' Projects	Applications for specific projects are submitted to the Welsh Government who assess the proposed activities against the scheme rules and accept or reject the project.

## Exhibit 1 – key facts about the 2014-2020 Rural Development Programme

### EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT



= £522 MILLION



= £252 MILLION



#### Knowledge transfer and innovation\*

- Innovation and cooperation
- Links with research and innovation
- Lifelong learning and vocational training



#### Competitiveness

£97M      £65M  
Total Expenditure      EU Grant

- Farms performance, restructuring and modernisation
- Entry of skilled/younger farmers



#### Food chain and risk management

£87M      £53M  
Total Expenditure      EU Grant

- Agri-food chain integration and quality



#### Ecosystems management

£329M      £250M  
Total Expenditure      EU Grant

- Biodiversity's restoration, preservation and enhancement
- Water management
- Soil erosion and soil management



#### Resource efficiency and climate

£68M      £40M  
Total Expenditure      EU Grant

- Energy use efficiency investment
- Renewable energy and waste management investment
- Greenhouse gas and ammonia emissions reduction
- Carbon conservation and sequestration



#### Social inclusion and local development

£165M      £97M  
Total Expenditure      EU Grant

- Diversification and job creation
- Improved services/infrastructure
- Improved ICT



#### Technical assistance

£31M      £17M  
Total Expenditure      EU Grant

- Audit and controls
- Evaluation and monitoring

\*Note: This priority is considered cross cutting.

The allocation under priorities 2-6 contributes to the achievement of Priority 1 targets.

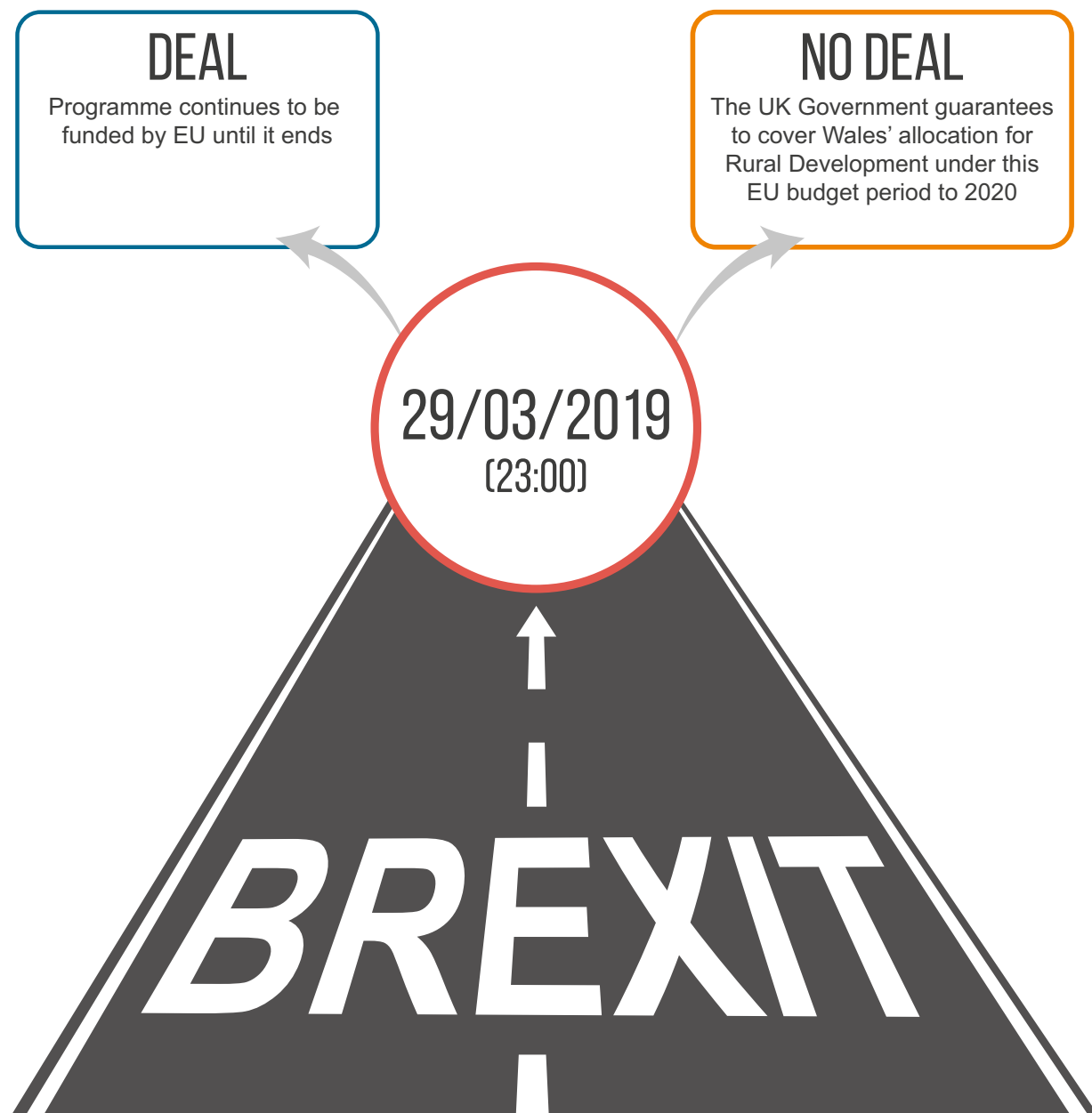
Figures based on first modification of RDP extant at time of publication,  
converted at an exchange rate of €1: £0.8

Source: Welsh Government website

- 4 On 23 June 2016, the UK voted in a referendum to leave the European Union. In March 2017, the UK Government served notice of its intention to leave the EU. In line with the two-year timetable set out under EU law, the UK will leave the EU at 11pm on 29 March 2019.
- 5 The impact of Brexit on the EU Rural Development Funding depends on whether the UK leaves the EU with a 'deal' or not. EU law allows for the UK and EU to agree a 'Withdrawal Agreement' which sets out the terms of the UK's departure. In March 2018, the UK and EU published a draft Withdrawal Agreement. The draft Withdrawal Agreement set out a range of areas where the UK and EU agree as well as some key areas of disagreement. Among the areas of agreement are that the UK will continue to participate in the 2014-2020 EU Rural Development Programme until its end.
- 6 On 14 November 2018 the UK and EU published a revised draft Withdrawal Agreement. However, at the time of drafting the revised agreement has not been formally approved by the EU or the UK, and there remains a chance that the UK will leave the EU without a Withdrawal Agreement. In a no deal scenario, Wales will have to rely on a UK Government guarantee, announced in October 2016<sup>6</sup>, to replace EU funding for projects that have been 'signed before the UK leaves the EU'. During drafting of this report, in late July 2018, the UK Government announced that it was then extending its guarantee of EU funding to cover Rural Development Programme contracts signed before the end of December 2020. **Exhibit 2** sets out at a high level the two key scenarios – 'deal' and 'no deal'.

6 In August 2016, the UK Government announced an initial guarantee to fund projects signed before the Chancellor's Autumn Statement. The October 2016 announcement preceded the Autumn Statement and extended the guarantee to all projects signed before the UK leaves the EU.

Exhibit 2 – UK/EU Withdrawal agreement – latest deal and no deal scenarios for Rural Development Programme in Wales



- 7 This report considers whether the Welsh Government is effectively managing the risks and opportunities for the Rural Development Programme posed by Brexit.
- 8 **Appendix 1** sets out our audit methods. This report focuses at a high level on the key risks. We have not reviewed the overall management of the programme in depth. Nor have we reviewed the Welsh Government's broader response to the risks and opportunities of Brexit.
- 9 The report is structured around the key risks to EU funding and opportunities as a result of Brexit. **Exhibit 3** sets out the key risks and opportunities and our conclusions in relation to how the Welsh Government is managing them.

**Exhibit 3 – key risks and opportunities related to EU Rural Development Funds in Wales as a result of Brexit**

Risk/ opportunity	Conclusion
Key risk: that Wales loses out substantially on funding.	The Welsh Government faced financial risk had the UK Government not amended the terms of its post Brexit funding guarantee.
Key risk: that the Welsh Government does not have robust governance and control arrangements in place to effectively manage the Rural Development Programme through Brexit.	The Welsh Government has checks and balances to ensure that it complies with strict EU rules, but needs to strengthen scrutiny and risk management of the overall RDP.
Key opportunity: to apply lessons learnt from years of managing the EAFRD fund in Wales to any replacement scheme.	The future of agricultural funding post-Brexit is unclear but the Welsh Government are trying to shape debate and have set out what they want future arrangements to look like.



- 10 We make the following key recommendations for the Welsh Government:
- a The current scrutiny arrangements for the management and delivery of the RDP should be improved. A scrutiny forum should allow sufficient attention for the detailed consideration of the programme by informed and engaged members based on clear and accurate information. In particular, the reporting and consideration of 'commitments' should be clear.
  - b Risk management arrangements for the RDP should be clarified and documented so that officers and departments understand their responsibilities and to ensure that all risks with the RDP, and in particular in the context of Brexit, are appropriately identified and managed.
- 11 In addition to the recommendations made above, there are also some key issues for the Department to continue to manage even with the extension of the guarantee:
- a keeping in view wider economic changes, including in relation to Brexit, and adapting the programme where necessary in response;
  - b Increasing the rates of commitment, working with potential project sponsors to address concerns, including around the availability of match-funding;
  - c Increasing the rate of spending by encouraging projects to submit their claims for EU funding more promptly;
  - d Working with beneficiaries to minimise project underspends that could result in funding being lost to Wales;
  - e Recruiting and retaining staff at a time where there is significant uncertainty about some of the roles within the Department, and potentially increased workload as a result of an increase in the pace of project assessments;
  - f Sustaining robust checks and balances; and
  - g Ensuring that during the transition to any replacement for rural development funds, the Department's expertise is retained either in the replacement programme or in the wider Welsh public service.

## Part 1

The Welsh Government faced financial risk had the UK Government not amended the terms of its post-Brexit funding guarantee



- 1.1 This part of the report looks at how the Welsh Government has been managing the risk that Wales loses EU funding as a result of Brexit. In particular it looks at the deal or no deal scenarios for Brexit. In the deal scenario we consider the impact of the draft Withdrawal Agreement and any residual risks to EU funding. In the no deal scenario, we look at the risks associated with the UK Government's previous guarantee to fund projects that have been signed at the point of Brexit (29 March 2019), and the consequences of the 24 July 2018 UK Government announcement extending the guarantee to cover the full allocation. In the no deal scenario, we also look at the wider UK funding position and the risk that the UK has to fund projects that could have been claimed from the EU by the Welsh Government.

## The Welsh Government initially took steps to speed up the programme to maximise EU funding but later relied on the UK funding guarantee

- 1.2 Under EU rules the Welsh Government has until the end of December 2023 to spend and claim the full allocation of £522 million in EU funding. The Welsh Government originally planned to commit all funding to signed projects by December 2020 so that it then had the three years between 2020 and 2023 to spend and claim it back from the EU.
- 1.3 Following the EU referendum in July 2016, the Welsh Government sped up the pace of commitment in order to claim as much EU funding as possible by the time of Brexit in March 2019. They did this by opening more schemes and increasing the percentage of EU funding for some schemes.

- 1.4 Under EU rules, the Welsh Government can set some of the rates for the proportion of EU funding. The maximum EU funding that can be used on schemes ranges from 53% to 90% dependent on the location of the beneficiary, the type of funding and the activity being funded. Rather than set different funding rates for each scheme, at the start of the programme the Welsh Government initially set a flat-rate of 43% funding from the EU across all schemes funded by mainstream EAFRD. After a 'lessons learned' exercise following the previous programme it considered a flat-rate to be a lower risk option, given that the EU can impose significant financial penalties across the whole programme if the funding rates as set are not adhered to. In 2016, in response to the referendum result, the Welsh Government increased the flat-rate EU funding rate from 43% to 53%. This was the highest rate that could be applied to all claims. Higher rates for certain measures and beneficiaries are allowable within EC regulation, but continuation of a flat-rate was considered preferable by the Welsh Government to reduce the risk of it applying the incorrect rate and having financial penalties applied by the EC.
- 1.5 In October 2016 the UK Government announced its funding guarantee. This pledged to replace EU funding for all projects committed to by the Welsh Government at the point of Brexit. The Welsh Government could have continued to open more schemes and increase EU funding rates further in order to draw down EU money at a faster rate, but chose not to. The Welsh Government's preference was that the RDP should run over the time frame as it was originally planned and to rely on the UK government guarantee to fund it. The Welsh Government considered that there were difficulties with expediting the programme to claim more EU funding. These difficulties are set out in **Box 2** below.

## **Box 2 – factors that the Welsh Government state limited their ability to further expedite the Rural Development programme**

### **A potential reduction in the size of the RDP**

The Welsh Government considered that increasing EU co-financing rates further would have reduced the size of the overall programme. That is, by claiming EU funding at a higher rate, the EU pot would have been exhausted more quickly. While the value of the EU pot would have remained the same, the co-financing element by the Welsh Government would have been smaller because it would have contributed a smaller proportion to each claim paid.

The overall impact of this would have been less money spent on the RDP. However, the Welsh Government did not consider whether there were other ways that they could have spent the same amount of money outside of the RDP in order to both maximise EU funding and maintain the same level of benefit for rural development in Wales.

### **Risk of weakened controls**

The Welsh Government considered that there was an increased risk of internal financial controls being compromised and schemes being less robust or claims ineligible. This in turn could have led to financial penalties and clawbacks by the EU.

### **Limited staff resource**

A lack of capacity within the Welsh Government's Scheme Management Unit has stifled the ability to open and administer more schemes. As at March 2018 there was a backlog of 132 projects still in appraisal stage.

### **Competition limitations**

Given the regulatory requirement for the programme to be competitive, the Welsh Government does not have any projects held under consideration which can be called upon in order to quickly commit funds.

## Box 2 – factors that the Welsh Government state limited their ability to further expedite the Rural Development programme

### Planning of co-financing

All of the co-financing in the programme comes from the Welsh Government. However, it does not commit to its co-financing budget for the lifetime of the programme (including N+3 years). Co-financing is set on an annual basis, alongside the wider Welsh Government budget. The amount of co-financing available tends to be the same from year-to-year and does not match the known patterns of the programme, with spend lower in the early years and rising at later points. As such, the co-financing has tended to be underspent early in the programme but becomes a potential barrier later in the programme. The Welsh Government has been reluctant to open new schemes that would cover future years, without certainty that the necessary co-financing will be available.

- 1.6 As of March 2018, the Welsh Government had committed almost two-thirds of the EU funding (£378 million).

### Exhibit 4 – position of the 2014-2020 EU funding for the RDP at end of March 2018





- 1.7 The Welsh Government had plans to take it to what it considered to be 100% commitment by March 2019 to maximise the UK funding guarantee. All EU funding was allocated to Intermediate Bodies. Intermediate bodies are internal departments of the Welsh Government that take managerial responsibility for delivering a series of schemes under the RDP. The Intermediate Bodies had a pipeline of schemes worth £109 million of which £83.9 million would not be committed to signed projects before March 2019. The Welsh Government did not seek to clarify whether such a commitment to an internal department without an underlying signed project would fit the terms of the UK Government's funding guarantee until November 2017.
- 1.8 It is too early to judge the likely impact of the funding in terms of the benefits it achieves and whether the original expectations or targets will be met. The Welsh Government measures and reports progress against a wide range of detailed measures. **Exhibit 5** sets out the key performance measures that the Welsh Government reports having achieved by the end of March 2018.

**Exhibit 5 – the Welsh Government's key indicators for the EAFRD programme as at 31 March 2018**

	Progress	Target
Physical area supported	689,186 hectares	688,000 hectares
People in training	6,400	13,000
Agricultural holdings supported	882	3,773

Source: Welsh Government data

## If there is a Withdrawal Agreement, EU funding will continue largely unchanged so there is a limited risk of Wales losing out substantially

- 1.9 If the draft Withdrawal Agreement is agreed between the UK and EU, then under the terms of the draft Withdrawal Agreement, Wales will continue to be able to participate in the 2014-2020 programme until its end. In accordance with EU rules the Welsh Government has plans in place to commit all EU funding to signed projects by December 2020 and to spend and claim all funding by the end of the programme in 2023.
- 1.10 Even with a Withdrawal Agreement in place, Wales could lose out on some funding if projects underspend. The Welsh Government has the option to mitigate this risk by overcommitting funds. Given the uncertainty of future funding the Welsh Government may need to be more cautious about over-commitment, thereby increasing the risk that it is unable to balance out and redistribute underspends. For each 1% of the value of the EU funding underspent, Wales would lose around £5.2 million.

## There was a significant risk of Wales losing out on funding in a no deal scenario until the UK Government very recently extended its guarantee

Under the previous terms of the UK Government guarantee, there was a significant risk of Wales losing funding if there is no Withdrawal Agreement in March 2019

- 1.11 If the UK leaves the EU without a deal in March 2019, EU funding to Wales will stop. The UK Government's guarantee in October 2016 said that it would replace funding for 'all structural and investment projects' that have been 'signed before the UK leaves the EU'. As previously drafted, the guarantee only covered funding for projects approved by 29 March 2019.



- 1.12 The Welsh Government had allocated all EU funding to Intermediate Bodies, which it expected to be covered by the UK Government guarantee. Of this, £83.9 million would not be committed to individual projects by March 2019. As reported above the Welsh Government did not begin to seek clarification on whether the terms of the guarantee would include the use of Intermediate Bodies until November 2017. The UK Government produced a draft guidance note on the detail of the guarantee in June 2018 and this confirmed that the intermediate body commitment would not fall within the scope of the guarantee. As a result there was a significant risk that Wales would have lost the £83.9 million unless the Welsh Government could have rapidly developed new schemes or signed-up projects in a very short space of time.
- 1.13 There could also have been losses to Wales due to a lack of flexibility to move funds around between projects and schemes after Brexit. In a programme of this size, some projects and schemes will inevitably spend less than they planned. Under EU rules, the Welsh Government has some flexibility to redirect underspends at a scheme or project level to other projects and schemes up to the end of the programme period. However, it was not clear that the UK Government guarantee, which was specifically related to approved projects, would allow such flexibility to move funding beyond the point at which the projects had been approved and the funding guaranteed. Therefore, any underspends could have been lost to Wales.

**The UK Government has recently extended the guarantee with the new terms significantly reducing the risk of Wales losing funding in a no deal scenario**

- 1.14 In February 2018, the UK Government's Department for Environment, Agriculture and Rural Affairs produced a White Paper on the future of agriculture after Brexit. The White Paper referred to a Conservative Government manifesto commitment and stated that 'we will maintain the same cash total funding for the sector until the end of this parliament: this includes all EU and Exchequer funding provided for farm support under both Pillar 1 and Pillar 2 of the current CAP. This commitment applies to each part of the UK'. Taken literally, the White Paper appeared to offer a blanket guarantee that Wales would get the full allocation under the current RDP. However, Welsh Government officials confirmed with the UK Government that it only related to new funding after 2020, not the current round. Therefore, at that point the UK Government guarantee to fund projects approved by March 2019 still stood.

- 1.15 On 24 July 2018, the UK Government announced that it was extending its guarantee of EU funding to cover all projects signed before end of December 2020. As drafted, this extension of the guarantee significantly reduces the risks associated with both not committing funding and underspends in a no deal scenario. However, the precise impact will become clearer as the UK Government sets out further details on how the guarantee will work in practice.
- 1.16 The Welsh Government Rural Development division along with the Welsh European Funding Office (WEFO) attempted to try to clarify the UK Government's interpretation of the guarantee. **Box 3** sets out the areas where WEFO on behalf of the Welsh Government had asked for further detail. The UK Government intends to produce updated guidance on the extended guarantee in the near future, which we understand will address some of the issues that were raised. Ultimately, the scope of the guarantee is a decision for the UK Government.

### **Box 3 – key areas where WEFO has sought clarity over the UK Government guarantee**

#### **Project/scheme variation flexibility**

Will the UK Government permit variations to agreed projects committed at 29 March 2019 and still regard varied commitments to be covered by the guarantee?

#### **Impact on other funding**

Can the UK Government confirm the guarantee will not impact on any other funding earmarked for Wales?

#### **Overall value of guarantee**

How and when will the UK Government determine whether there is a Sterling value of the ceiling on its guarantee?

#### **Regulations**

What existing EU regulations does the UK Government expect to retain and what audit and inspection process will be required post Brexit?

#### **Cut-off point**

Will the UK Government meet any amounts that are in the system at the point of Brexit?

#### **Technical assistance**

Will the UK Government continue to fund WEFO staffing and other training, advice and support costs under the guarantee?

## There is a wider risk to the UK funding position in a no- deal scenario

- 1.17 Although this report focuses on the risks to Wales, there is a wider risk to the UK funding position in a no- deal scenario. In a no- deal scenario, the gap in funding the programme would be covered by the UK Government. The size of that gap depends in part on the amount of EU funding that Wales (and other parts of the UK) can draw down from the EU before Brexit. To draw down funding from the EU, projects first need to spend the money then submit a claim to the Welsh Government. The Welsh Government then pay the claimant and draw down the funding from the European Union.
- 1.18 At the start of the programme the EU set out their overall funding budget to the Welsh Government in annual allocations from 2015 to 2020. These allocations are the maximum amounts that Welsh Government can draw down in that year. The N + 3 rule then allows the allocation to be claimed up to three years after. Beyond the three years that funding is lost. To date the Welsh Government have met all N + 3 targets and no funding has been lost.
- 1.19 In a typical programme it is usual for annual allocations not to be fully used within the year, and for member states to make use of the N + 3 periods to claim their full funding. However, given Brexit, and in the event of a no- deal scenario this timetable for claiming EU funds will shorten considerably to March 2019. At the end of 2018, the Welsh Government intends to have claimed £192 million (43%) of the £445 million cumulative EU allocations available to them by that date. It is therefore almost certain that three months later Wales will not have been able to draw down the total EU allocation available to them before Brexit in March 2019.
- 1.20 In [paragraph 1.5](#) above we report the Welsh Government's view that there were logistical difficulties and risks in expediting the programme in order to maximise the funding coming from the EU prior to Brexit. These included potential limitations in Welsh Government resources to deliver more schemes or the availability of Welsh Government co-financing.
- 1.21 It is difficult to be sure exactly how much more the Welsh Government could have spent had it chosen to accelerate the programme, but it is clear that in a no deal scenario the amount of funding that will need to come from UK, rather than EU sources, is likely to be higher as a result of the Welsh Government's decision not to expedite the programme.

## Part 2

The Welsh Government has checks and balances to ensure that it complies with strict EU rules, but needs to strengthen scrutiny and risk management of the overall RDP





2.1 This part of the report considers the arrangements in place to:

- a ensure that projects only use money in line with EU rules; and
- b monitor progress with the overall programme.

## The Welsh Government has checks and balances to ensure that it complies with strict EU rules

2.2 The Rural Development Programme document sets out how the Welsh Government matches its priorities to those of the EU funding programme. In developing the Rural Development Programme, the Welsh Government chooses which EU 'measures' it will adopt and how much of the available funding it will allocate to each. Once the Rural Development Programme document is approved by the EU, the Welsh Government sets up specific schemes to deliver the activities outlined in the RDP. Each scheme must directly match at least one EU measure. Several of the schemes, such as Glastir, are well established and have been run under previous funding rounds. All schemes are subject to Ministerial approval and must demonstrate that they are aligned to both the EU priorities and the Welsh Government's own objectives.

2.3 Each scheme has its own set of criteria. For most schemes farmers or organisations need to apply through an expression of interest. Officials then review the applications to determine whether they meet the criteria. The Welsh Government has streamlined the application process and provides clear instructions and guidance to applicants. The Welsh Government also offers considerable administrative support to potential applicants.

2.4 The Welsh Government has sought to learn and apply lessons from previous programmes. Following the completion of the last RDP 2007-2013, the Welsh Government met with a number of stakeholders and carried out a public consultation to gather views on the strengths and weaknesses of the programme. This identified areas of good practice to continue, and areas for improvement which were factored into the design of the current RDP arrangements. This included the creation of a specific 'Scheme Management Unit' (SMU) to streamline the set up and administration of applications and claims, and a simplification of the financial structure of the programme to make the administration of funding clearer and easier.

- 2.5 Under EU Regulations, the Welsh Government must comply with a series of control standards. These standards cover a range of issues, including ensuring that EU funding is only awarded and spent on things that the EU deems eligible. The Wales Audit Office reviews the Welsh Government controls over Rural Development Funding every year to provide assurance over the compliance with the required standards<sup>7</sup>. The controls are also subject to periodic review by the EU. If the Welsh Government cannot demonstrate that its controls meet the required EU standards, it could result in financial penalties being imposed by the EU.
- 2.6 The Wales Audit Office concluded in 2015, 2016 and 2017 that in general, the Welsh Government complied with the EC control standards. In 2016 and 2017 the Wales Audit Office reported one area for improvement where officers were making administrative mistakes in interpreting scheme rules and determining the eligibility of claims for funding. In response to the Wales Audit Office findings, the Welsh Government implemented an action plan of training and guidance for officers. Our 2018 audit will follow up whether this action plan has been successful.

## There is scope to strengthen oversight and risk management of the overall RDP

- 2.7 Risk management arrangements in relation to the RDP are not coordinated, with responsibilities divided within the Welsh Government. The Rural Development Division is tasked with managing operational risks, the Brexit liaison team manage the risks associated with the Brexit interface with UK government, and the Welsh Government Finance Department consider financial risks. No central risk management arrangements are in place to bring all risks associated with the RDP and Brexit together and our work identified that the arrangements are not fully understood by officials. As such, there is a possibility that key risks are not captured and considered. For example, whilst the Welsh Government officers understood some of the risks associated with the UK Government's guarantee, the detailed considerations of the risks to the Welsh Government's financial position and the delivery of the RDP is not documented on any of the relevant risk registers.

<sup>7</sup> Article 5(3) and 6 of Commission Implementing Regulation (EU) No 908/2014 sets out the requirement for member states to appoint a 'Certification Body' to audit their annual agricultural fund accounts and internal controls and report their findings to the EC. The Wales Audit Office work in a consortium of UK auditors to provide this Certification Body function to the UK member state. The Wales Audit Office deliver the Welsh Government element of the audit.

- 2.8 The Programme Monitoring Committee (PMC), which comprises independent members and officials from the EU, oversees the overall programme alongside the EU Structural Funds programme. We found that the level of scrutiny of the Rural Development Funding at the PMC is limited in comparison to EU Structural Funds.
- 2.9 PMC members have themselves expressed concern over their lack of detailed understanding of the Rural Development Funding. The financial and management information regarding the progress of the RDP that the Welsh Government provides to the PMC is unclear and sometimes inaccurate. For example, the term ‘commitment’ is used to describe three scenarios:
- commitments made to scheme EOI windows and other activities;
  - commitments to projects underpinned by a signed contract with a beneficiary; and
  - commitments to projects underpinned by a signed contract with a beneficiary with the exception of annual payments where only the current year’s payment is included once the claim has been received (the definition used for some EC returns).
- 2.10 The Welsh Government recognises some of the limitations of PMC to offer robust scrutiny of the management and delivery of RDP and has taken some steps to improve matters. It has offered training to PMC members to help them better understand the rural Development Funding but take up by PMC members has been limited. They have also recently made PMC papers available to members in advance of meetings to give them more time consider the progress of the RDP.



## Part 3

It is not yet clear what will replace European Union agricultural funds post-Brexit but the Welsh Government is trying to shape debate



- 3.1 This part of the report looks at emerging plans for replacing EU agricultural funds post-Brexit. This section does not comment on the merits of the plans. At the time of drafting this report, the Finance Committee of the National Assembly for Wales is holding an inquiry into the replacement of EU funds, and the Welsh Government has published a Green Paper consultation document, 'Brexit and our land: Securing the future of Welsh farming'<sup>8</sup>. We have set out the position of the UK Government and the Welsh Government on the future of agricultural funds at the time of drafting. Ultimately, the question of which tier of government is responsible for any replacement scheme is a political and constitutional matter to be resolved between the UK Government and the devolved governments.

## The UK Government has set out a broad vision for agriculture in England and a transition phase but recognises that devolved governments will decide their own priorities

- 3.2 In February 2018, the UK Government published a consultation paper<sup>9</sup> setting out its ambitions for the future of farming and the environment after the UK leaves the EU. This consultation paper included reference to a Conservative government manifesto commitment to provide devolved administrations with an annual budget for farm support equal to the annual average cash total for farm support under both pillars across the 2014-2020 programme. It will be for the UK Government and devolved administrations to determine how to spend that money.
- 3.3 The paper does not comment on the level of funding after 2022. Evidence presented by the Minister for Agriculture to the House of Commons Welsh Affairs Committee in May 2018<sup>10</sup> also made it clear that the total level of UK funding for agricultural support post-2022 has yet to be confirmed.

8 Welsh Government, **Brexit and our land: Securing the future of Welsh farming**, July 2018

9 Department for Environment, Food and Rural Affairs, **Health and harmony: the future of food, farming and the environment in a Green Brexit**, February 2018.

10 House of Commons Welsh Affairs Committee, **Brexit: priorities for Welsh agriculture**, July 2018

- 3.4 The UK Government's consultation closed on 8 May 2018 and it has subsequently introduced an Agriculture Bill that sets out its vision for Agricultural policy that distinguishes it from the European Union's Common Agricultural Policy. The Bill had its second reading in the House of Commons on 10 October 2018. Whilst the UK Government's position is that its vision for future Agricultural policy could work for the whole of the UK it recognises that devolution provides Wales with the powers to decide its own priorities. However, the consultation paper also referred to the possible establishment of common frameworks where necessary in order to enable a well-functioning internal market across the United Kingdom, compliance with international obligations and protection of common resources.
- 3.5 In addition to the Agriculture Bill, the UK Government intends to develop a UK Shared Prosperity Fund. This may apply to non-agricultural schemes currently funded from the RDP. Further details around the UK Shared Prosperity Fund and the Welsh Government response to this are included in our recently published report, [Managing the impact of Brexit on EU Structural Funds](#).<sup>11</sup> The Welsh Government has set out its vision for agricultural policy in Wales post Brexit and wants full control and funding to be devolved.
- 3.6 In February 2018, the Cabinet Secretary for Environment and Rural Affairs outlined a vision for future land management in Wales, to address economic realities, help prepare for Brexit and integrate land use with the Welsh Government's broader ambitions in the Well-Being of Future Generations and Environment Acts. They are summarised in a set of five principles ([Box 4](#)) to underpin reform in Wales.

#### Box 4 – the Welsh Government's principles for change

- keep farmers, foresters and other land managers on the land
- food production is vital
- a need for a prosperous and resilient Welsh land management industry whatever the nature of Brexit
- future support will focus on delivering additional public goods
- all land managers should be able to access new schemes

Source: Welsh Government

<sup>11</sup> [Managing the impact of Brexit on EU Structural Funds](#), paras 3.2- 3.5.

- 3.7 Building on these principles, in July 2018, the Welsh Government set out its own proposals for agricultural policy after the UK leaves the EU in **Brexit and our land: Securing the future of Welsh farming**. The proposals seek views on:
- a new land management programme consisting of an economic resilience scheme and a public goods scheme to replace the CAP; and
  - how the specific schemes that will deliver the support should be designed.
- 3.8 The paper sets out the Welsh Government's objection to any reduction in funding as a result of the UK leaving the EU, which would jeopardise its ability to support the activities that are currently funded through EAFRD and EAGF. The Welsh Government is calling for a new, rules-based system of replacement funding, which ensures the allocation of resources within the UK is based on relative need and not the Barnett Formula<sup>12</sup>.
- 3.9 In setting out its thinking on the future of agricultural funding, the Welsh Government has sought to learn lessons from its experience of managing agricultural funds for rural development and proposes a phased transition plan to move from old to new schemes by 2025. The Welsh Government's policy paper is clear that the EU's common agricultural policy does not do enough to deliver the required outcomes for Wales and outlines a case for bespoke support in Wales. The paper also outlines that future UK frameworks (**paragraph 3.3**) must recognise that Wales' land is different and that its communities and sectors are different and allow flexibility to make policies reflecting the unique context in Wales.
- 3.10 The Welsh Government is engaging with stakeholders to obtain views on its proposals through an online consultation and a series of open meetings being held until 30 October 2018. It intends to bring forward details proposals by spring 2019 and publish legislation by the end of the Assembly term.

<sup>12</sup> The Barnett formula is a system for allocating grants to Northern Ireland, Scotland and Wales. A full explanation can be found in our **Guide to Welsh Public Finances**, July 2018



# Appendices

Appendix 1 – Audit methods

Appendix 2 – List of schemes



# Appendix 1 – Audit methods

## Document review and data analysis

We reviewed a wide range of documentation including:

- Welsh Government guidance documents
- Independently commissioned reviews of the Programmes
- European Commission audits
- Wales Audit Office external audits of Agricultural Funds accounts and control systems
- Financial and performance data provided by the Welsh Government
- Ministerial briefings
- Minutes from various meetings including the Programme Monitoring Committee

## Interviews

We have discussed the administration of the programmes with Welsh Government senior officials and held a series of interviews to discuss emerging findings and clarify key aspects of the programmes.

## Observations

We attended and carried out observations at the December 2017 and May 2018 Programme Monitoring Committee meetings.

## Appendix 2 – List of schemes

Scheme	Purpose
<b>Farm Business Grant Scheme</b>	Helps farmers to improve economic and environmental performance of their agricultural holdings. The grant provides a financial contribution towards capital investments in equipment and machinery.
<b>Sustainable Production Grant Scheme</b>	Helps farmers develop more sustainable, profitable and resilient farm businesses. The grant provides a financial contribution towards capital investments in equipment and facilities that relate to: <ul style="list-style-type: none"> <li>• Animal health and welfare</li> <li>• Crop storage</li> <li>• Production housing and handling</li> <li>• Renewable energy production</li> <li>• Soil and crop management</li> </ul>
<b>Food Business Investment Scheme</b>	Provides support to primary producers of agricultural products and businesses that do first and/or second stage processing activities in Wales.
<b>Cooperation and Supply Chain Development Scheme</b>	Supports the development of new products, practices, processes and technologies in the agriculture, forestry and food sectors.
<b>Sustainable Management Scheme</b>	Supports collaborations aimed at improving natural resources and benefits they provide including reducing greenhouse gas emissions and improving business and community resilience to the impacts of climate change.
<b>Rural Community Development Fund</b>	Grants primarily to community-based organisations for a wide range of activities to help meet local needs and strengthen communities.

<b>Scheme</b>	<b>Purpose</b>
<b>Timber Business Investment Scheme</b>	Supports improvements in value of forests, for example by enabling woodland management activities, timber harvesting and/or in-forest or small-scale timber processing.
<b>Co-operative Forest Planning Scheme</b>	Supports a range of activities aimed at encouraging planning and creation of broadleaved and conifer woodland.
<b>European Innovation Partnership Wales</b>	Supports the development of research and innovation in agriculture and woodlands.
<b>LEADER</b>	Supports local development and capacity building in rural communities.
<b>Knowledge Transfer and Innovation Scheme</b>	Supports the development of a more professional, profitable, diverse and resilient land based sector targeting farming and forestry businesses.
<b>Rural Business Investment Scheme</b>	Support projects that offer clear benefits to the food and drink industry.
<b>Glastir</b>	Scheme designed to deliver specific environmental goods and services aimed at combating climate change, improving water management & maintaining and enhancing biodiversity.





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## AUDIT COMMITTEE

14<sup>TH</sup> DECEMBER 2018

<b>MINUTES OF RELEVANT GROUPS TO THE AUDIT COMMITTEE</b>		
<b>Recommendations / key decisions required:</b> Minutes to be received.		
<b>Reasons:</b> Terms of Reference for the Audit Committee stipulate that minutes of Risk Management Steering Group to be received by the Audit Committee along with information regarding arrangements on Corporate Governance and Financial arrangements		
<b>Relevant scrutiny committee to be consulted:</b> Not Applicable		
<b>Exec Board Decision Required:</b> Not Applicable <b>Council Decision Required:</b> Not Applicable		
<b>EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:</b> Cllr D Jenkins		
<b>Directorate:</b> Corporate Services  <b>Name of Head of Service:</b> Helen Pugh  <b>Report Author:</b> Helen Pugh	<b>Designations:</b> Head of Revenues and Financial Compliance	<b>Tel No.</b> 01267 246223 <b>E Mail Address:</b> <a href="mailto:HLPugh@carmarthenshire.gov.uk">HLPugh@carmarthenshire.gov.uk</a>

## EXECUTIVE SUMMARY

### AUDIT COMMITTEE 14<sup>TH</sup> DECEMBER 2018

#### MINUTES OF RELEVANT GROUPS TO THE AUDIT COMMITTEE

To provide Members with minutes from supporting Governance Groups for information.

The following Minutes are attached:

1. Grants Panel Minutes – 19<sup>th</sup> September 2018
2. Risk Management Steering Group – 23<sup>rd</sup> November 2018

DETAILED REPORT ATTACHED?

YES

## IMPLICATIONS

**I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :**

**Signed: Helen Pugh - Head of Revenues and Financial Compliance**

Policy, Crime & Disorder and Equalities <b>NONE</b>	Legal <b>NONE</b>	Finance <b>NONE</b>	ICT <b>NONE</b>	Risk Management Issues <b>NONE</b>	Staffing Implications <b>NONE</b>	Physical Assets <b>NONE</b>
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## CONSULTATIONS

**I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below**

**Signed: Helen Pugh - Head of Revenues and Financial Compliance**

- 1. Scrutiny Committee :** Not Applicable
- 2. Local Member(s) :** Not Applicable
- 3. Community / Town Council :** Not Applicable
- 4. Relevant Partners :** Not Applicable
- 5. Staff Side Representatives and other Organisations :** Not Applicable

**Section 100D Local Government Act, 1972 – Access to Information**

**List of Background Papers used in the preparation of this report:**

**THERE ARE NONE**

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**MINUTES OF THE GRANTS PANEL MEETING HELD ON  
19<sup>th</sup> SEPTEMBER 2018 IN RESOURCES CONFERENCE ROOM, COUNTY  
HALL.**

**PRESENT:** Randal Hemingway, Head of Financial Services  
Helen Pugh, Head of Revenues & Financial Compliance  
Nia Thomas, Chair of PWG, Education & Children's Services (Revenue)  
Alan Howells, Chair of PWG, Environment  
Les James, Chair of PWG, Community Services  
Caroline Powell, Principal Auditor, Internal Audit (IA)  
Delyth Thomas, Grants Compliance Officer (GCO)  
Kate Havard, Financial Audit Team Leader, Wales Audit Office (WAO)

**APOLOGIES:** Stuart Walters, Economic Development Manager  
Simon Davies, Chair of PWG, Education & Children's Services  
(Capital)  
Helen Morgan, Economic Development Manager

	SUBJECT	ACTION
1.0	<p><b><u>Minutes of the last meeting</u></b></p> <ul style="list-style-type: none"> <li>The minutes were agreed.</li> </ul>	
2.0	<p><b><u>Matters Arising</u></b></p> <ul style="list-style-type: none"> <li>The Internal Audit report of the Environmental &amp; Sustainable Development Directorate Revenue Grant is still at draft stage.</li> <li>Issues were reported in the last Grants Panel meeting on the Flying Start grant funded project. An update on progress has been fed back to the Education &amp; Children's Services (Revenue) PWG meeting and to Grants Panel confirming that following structural changes put in place these have been now been resolved.</li> <li>Confirmation to be sought from the Director of Corporate Services and Director of Regeneration &amp; Policy on whether City Deal needs to be a regular item on the Grants Panel agenda.</li> </ul>	<p>HP</p> <p>RH</p>
3.0	<p><b><u>Wales Audit Office - Update</u></b></p> <ul style="list-style-type: none"> <li>An update on the audits of the claims and returns for 2017/18 was provided by WAO:             <ul style="list-style-type: none"> <li>Housing Benefits, Teachers Pension and NDR audits are ongoing with no issue to report to date.</li> </ul> </li> </ul>	

	SUBJECT	ACTION
	<ul style="list-style-type: none"> <li>○ the audits of the Communities First grant and Pooled Budgets have commenced.</li> <li>• The audit of the Summary Statement of Certified Welsh Government Grants is in progress and needs to be completed by 31<sup>st</sup> October 2018. The Welsh Independent Living Grant which was included on the statement is no longer subject to audit. WAO to confirm if there are any outstanding queries to which they have not yet received a response.</li> <li>• WAO anticipate that all audits will be completed by 30<sup>th</sup> November 2018.</li> <li>• Where WG grants are required to be audited by both IA and WAO, the WAO Technical Team are currently working with WG to review the audit requirements to ensure that there is no duplication. This issue will also be referred to the Welsh Treasurers Group and WLGA.</li> </ul>	<p>KH</p> <p>RH</p>
4.0	<p><b><u>Internal Audit - Update</u></b></p> <ul style="list-style-type: none"> <li>• The audits of the Education Improvement Grant and the Pupil Deprivation Grant for 2017/18 needs to be completed by 21<sup>st</sup> September 2018 in order to meet the WAO audit deadline of 30<sup>th</sup> September 2018 for ERW. It is noted that the Authority has only recently received the Authority's claim from ERW for auditing.</li> <li>• The audits of the Supporting People and Rent Smart Wales projects have been completed and are awaiting certification.</li> <li>• The audits of Homelessness Transitional Funding, Enable (Support for Independent Living) and Homelessness Prevention Grant are still ongoing but the WG deadlines will be met.</li> <li>• Following the audit of Supporting People, it is reported that there was an underspend on the project for 2017/18. Currently there is an opportunity to vire money between projects within the Tackling Poverty Programme, however this needs to be actioned in October/November 2018 which is considered too early to assess the need to</li> </ul>	



	SUBJECT	ACTION
	<p>vire any monies. It has been agreed that WG be contacted regarding this and whether it can be agreed to vire monies at a later date instead.</p> <ul style="list-style-type: none"> <li>The chairpersons of the PWGs have been requested to remind project managers to read the Terms &amp; Conditions of grants and to pay attention to the audit requirements as a number of grant funded projects that require an audit certificate by IA have been submitted late for auditing.</li> <li>A request has been made to the chairpersons of the PWGs to let IA know if there are any grant funded projects that they want IA to review. A number of days have been allocated in the Audit Plan to carry out this work.</li> </ul>	<p>NT/RH</p> <p>All Chairs</p> <p>All Chairs</p>
5.0	<p><b><u>Project Working Groups – Update</u></b></p> <ul style="list-style-type: none"> <li>Minutes of PWG meetings were circulated to Grants Panel members for: <ul style="list-style-type: none"> <li>Education &amp; Children’s Services (Revenue): 13/5/18 &amp; 20/7/18</li> <li>Chief Executives: 23/1/18 &amp; 27/3/18</li> </ul> </li> </ul>	
6.0	<p><b><u>New &amp; Proposed Projects</u></b></p> <ul style="list-style-type: none"> <li>WG have awarded PDG Access which is a replacement for the former School Uniform Grant.</li> <li>WG have agreed in principle a capital grant award for Reducing Infant Classes Sizes. The Authority is currently awaiting for the award letter and Terms &amp; Conditions.</li> </ul>	
7.0	<p><b><u>Grants Register 2018/19</u></b></p> <ul style="list-style-type: none"> <li>A list of all grants awarded to the Authority was presented to Grants Panel. A request was made to the chairpersons of the PWGs to confirm the grants awarded within their service area and should there be any changes required to forward these details to the GCO.</li> </ul>	All Chairs

	SUBJECT	
	<ul style="list-style-type: none"> <li>Concerns were raised that the Authority is still waiting to receive details of the 2018/19 grant allocation and the terms &amp; conditions for Education Improvement Grant and the Pupil Deprivation Grant from ERW. As a result schools have not received details of their allocation for the year.</li> <li>Clarification to be sought if the Intergrated Care Fund should be considered as a grant and included on the grants register.</li> </ul>	<p>□</p>
8.0	<p><b><u>AOB</u></b></p> <ul style="list-style-type: none"> <li>Within the WG Terms &amp; Conditions there is a funding pre-condition stating that the Authority needs to provide the following:  <i>documentary evidence that the signatories who have signed this letter on your behalf are duly authorised to do so</i>  It has been agreed that the GCO contact the Legal Section so that a letter be issued with the extract from the Authority's constitution with details of the post holders who have delegated authority to sign the acceptance of grant.</li> <li>A training session to be arranged for officers within Education &amp; Children's Services who have not had grants compliance training previously.</li> </ul>	<p>DT</p> <p>DT/CP</p>
9.0	Date of next meeting – 2:00pm on 14 <sup>th</sup> November 2018 Resources Conference Room County Hall	

## RISK MANAGEMENT STEERING GROUP

### Minutes of Meeting held at Meeting Room 2, Municipal Buildings, Llandeilo Friday, 23rd November 2018.

<b>Members Present:</b>			
Helen Pugh (Chair)	Corporate Services	Head of Revenues and Financial Compliance	HLP
Cllr David Jenkins	Executive Board Member (Corporate Services)	Executive Board Risk Champion	DJ
Jonathan Fearn	Environment	Chair of Property & Liability Risks Working Group	JF
Simon Davies	Education & Children	Education & Children Risk Champion	SD
Julie Standeven	Corporate Services	Principal Risk Officer	EJS
Richard Stradling	Communities	Communities (Leisure) Risk Champion	RS
Jackie Bergiers	Chief Executive's	Lead Business Partner (H&S)	JB
John M Williams	Chief Executive's	ICT Operational Delivery Manager	JMW

Item No	Subject	Action
<b>1.</b>	<b>Apologies</b> Stephen G Pilliner – Chair of Transport Risks Working Group Alan Howells – Environment Risk Champion Adryan Jones – Strategic Advisor (H&S), Chief Executive's Richard Davies – Principal Officer, Communities Sue P John – School Organisation and Admissions Manager, Education & Children Kelvin Howell – Building Manager (Minor Works), Environment Nicola J Evans – Business Support Manager, Regeneration & Policy	
<b>2.</b>	<b>Minutes of Last Meeting</b> The Minutes of the Risk Management Steering Group Meeting held at Parc Dewi Sant on Wednesday, 4th July 2018, were confirmed as a true record.	
<b>2.1</b>	<b>Matters arising from Risk Management Steering Group Minutes.</b>	
<b>2.1.1</b>	<b>Fire Management Review</b> HLP advised that discussions ongoing with <i>Rescue 365</i> to consider review options. Possible other options include: <ul style="list-style-type: none"> <li>• Peer Review</li> <li>• Framework Contractors</li> <li>• H&amp;S Consultant</li> <li>• Internal Audit Review</li> </ul>	

<b>2.1.2</b>	<b>Claims Statistics</b> Claims statistics to be included as Agenda item at next meeting of the Group.	<b>EJS</b>
<b>3.</b>	<b>Minutes of Contingency Planning Working Group Meeting – 6<sup>th</sup> November 2018</b> The Minutes were noted.	
<b>3.1</b>	<b>Matters arising from Contingency Planning Working Group Minutes</b>	
<b>3.1.1</b>	<b>Business Impact Analysis / Business Continuity Plans</b> CPWG members to be reminded that review of BIAs and BC Plans to be completed by 14 <sup>th</sup> December 2018.	<b>EJS</b>
<b>3.1.2</b>	<b>IT Priority Systems</b> CPWG members to be reminded that all departments need to consider how they would continue to provide services in the event of an IT Systems failure. Target Date : 14 <sup>th</sup> December 2018	<b>EJS</b>
<b>3.1.3</b>	<b>Corporate / Service Risk Registers</b> HLP advised that <ul style="list-style-type: none"> <li>the Corporate Risk Register was received by Audit Committee on 28<sup>th</sup> September 2018.</li> <li>The 2018 Corporate Risk Register to be reviewed by Corporate Management Team – February 2019</li> <li>Service Risk Registers to be reviewed as part of the Business Planning Process – Target Date : 30<sup>th</sup> November 2018</li> <li>Wales Audit Office to complete a review of the Council's Risk Management arrangements</li> <li>Safeguarding Risk Register is administered by the Performance, Analysis and Systems Unit of the Communities Department</li> </ul>	
<b>4.</b>	<b>Minutes of Property &amp; Liability Risks Working Group Meeting – 26<sup>th</sup> October 2018</b> The Minutes were noted.	
<b>4.1</b>	<b>Matters arising from Property &amp; Liability Risks Working Group Minutes</b>	
<b>4.1.1</b>	<b>QE High</b> The School have confirmed the successful completion of Phase 1 of the installation of Open Plan Toilets. Report and bid for Phase 2 to be considered at next meeting of RMSG.	
<b>4.1.2</b>	<b>Alarm Receiving Centre</b> EJS to discuss with the Council's Brokers the transfer of the Careline service to a Local Authority Trading Company. Update to be provided at next meeting.	<b>EJS</b>
<b>4.1.3</b>	<b>Ysgol Gwenllian</b> A request had been made by the School for the Group to review its decision to reject the bid to rebuild a section of the boundary wall. It was agreed that the Group's decision be upheld as this was a maintenance issue and did not fall within the remit of the RMSG.	

<b>5.</b>	<b>Minutes of Transport Risks Working Group Meeting – 8<sup>th</sup> November 2018</b> The minutes were noted.	
<b>5.1</b>	<b>Matters arising from Transport Risks Working Group Minutes</b>	
<b>5.1.1</b>	<b>Traffic Management Review of School Sites</b> JB advised that the review is ongoing following the completion of the <i>Whole Site Risk Assessment</i> by Schools. Update to be provided at next meeting.	<b>SD/JB</b>
<b>6</b>	<b>Minutes of CCTV Officer Working Group Meeting – 8th June 2018</b> The minutes were noted.	
<b>6.1</b>	<b>Matters arising from CCTV Officer Working Group Minutes</b>	
<b>6.1.1</b>	HLP advised that progress is being made to complete the Corporate CCTV Policy and Register. Regulation of Investigatory Powers Act (RIPA) training being arranged.	
<b>7</b>	<b>Bids for Financial Assistance</b>	
<b>7.1</b>	<b>CEX – ICT – Digital Transformation Project Officer</b> This bid related to the funding for a post of Digital Transformation Project Officer for 1 year to focus on information management. It was agreed that the Corporate Bid (i.e 100% of the estimated cost) be approved in principle, subject to the successful outcome of the pilot currently underway.	
<b>7.2</b>	<b>COMM – Extension of RM Bid 344 – Digitising of Museum Management Records – Documentation Assistant</b> This bid related to the funding of a Documentation Assistant post within the Carmarthenshire Museum Service for the purpose of digitising a backlog of museum management records and auditing collections. It was agreed that the Departmental Bid (i.e. 50% of the estimated cost) be approved.	
<b>7.3</b>	<b>COMM – Purchase of Lone Working GPS/Man-Down System for Pembrey Country Park</b> This bid related to the purchase of a Lone Working GPS/Man-Down System for use by the Ranger Team at Pembrey Country Park. It was agreed that the Departmental Bid (i.e. 50% of the estimated cost) be approved.	
<b>7.4</b>	<b>E&amp;C – St John Lloyd School</b> This bid related to the provision of fencing at the School. It was agreed that the Departmental Bid (i.e. 50% of the estimated cost) be approved.	
<b>7.5</b>	<b>E&amp;C – Ysgol Llanddarog</b> This bid related to the provision of fencing at the School. It was agreed that the Departmental Bid (i.e. 50% of the estimated cost) be approved.	
<b>7.6</b>	<b>E&amp;C – Ysgol Llechyfedach</b> This bid related to the provision of pedestrian gates at the School. It was agreed that the Departmental Bid (i.e. 50% of the estimated cost) be approved.	

<b>7.7</b>	<b>E&amp;C – Bryngwyn School</b> This bid related to the provision of safety barriers at the main entrance of the School. It was agreed that the Departmental Bid (i.e. 50% of the estimated cost) be approved.	
<b>7.8</b>	<b>E&amp;C – Ysgol Y Ddwylan</b> This bid related to the installation of a sterile main entrance/foyer at the School. It was agreed that the Group were unable to approve or reject this bid based on the information provided to date. School to monitor the position for 3 months following the implementation of <i>Parent Pay</i> and provide a report to the next meeting of the Group. JB to provide details to be recorded by the School.	
<b>8</b>	<b>Any Other Business</b>	
<b>8.1</b>	<b>School Bids for consideration – Revised Procedure</b> It was agreed that all future bids from Schools must be submitted via the School Organisation and Admissions Manager.	
<b>8.2</b>	<b>Insurance Tender – 2019</b> HLP advised that the Council’s insurance policies will be the subject of a tender exercise at the 2019 renewal	
<b>9</b>	<b>Next Meeting</b> Date to be advised.	

## AUDIT COMMITTEE

Friday, 28 September 2018

**PRESENT:** Councillor T.M. Higgins (Chair)

**Councillors:**

K.V. Broom, G.H. John, A.G. Morgan, E.M.J.G. Schiavone, B. Thomas, E.G. Thomas and D.E. Williams

**In attendance from the Wales Audit Office:**

Mr J. Garcia and Ms A. Lewis

**The following Officers were in attendance:**

C. Moore, Director of Corporate Services  
N. Edwards, Safeguarding & Commissioning Manager  
R. Hemingway, Head of Financial Services  
I. Jones, Head of Leisure  
H. Pugh, Head of Revenues and Financial Compliance  
P.R. Thomas, Assistant Chief Executive (People Management & Performance)  
A. Williams, Head of Waste and Environmental Services  
D. Llewellyn, Modernisation Programme Manager  
G. Morgan, Head of Democratic Services  
N Thomas, Senior Outdoor Recreation Manager  
A. Wood, HR Strategic Manager  
S Owens, Active Facilities Manager  
M.S. Davies, Democratic Services Officer.

**Chamber, County Hall, Carmarthen: 10.00 am - 1.30 pm**

**1. APOLOGIES FOR ABSENCE**

An apology for absence was received from Mrs. J. James.

**2. DECLARATIONS OF PERSONAL INTERESTS**

There were no declarations of personal interest.

**3. INTERNAL AUDIT PLAN 2018/19 UPDATE**

The Committee considered a report which provided a progress update on the implementation of the Internal Audit Plan 2018/19. Part A(i) of the report provided a progress report on the Audit Plan 2018/19 and Part A(ii) provided a recommendations scoring matrix.

Officers agreed to take on board a concern relating to the high turnover of Challenge Advisors working within ERW.

**UNANIMOUSLY RESOLVED** that the 2018/19 Internal Audit Plan update be received.

**4. AUDIT COMMITTEE FORWARD WORK PROGRAMME**

The Committee considered the Annual Forward Work Programme which detailed expected Agenda Items for the 2018/19 Audit Committee Cycle.

**UNANIMOUSLY RESOLVED that the Forward Work Programme be received.**

**5. COASTAL FACILITIES ACTION PLAN UPDATE**

The Committee considered an update on the Coastal Facilities Action Plan which summarised the agreed work and progress to date by the Coastal Facilities Team to improve its processes following the Internal Audit Summary presented to the Audit Committee meeting on 22<sup>nd</sup> March 2016.

Staff were thanked for the work being undertaken.

**UNANIMOUSLY RESOLVED to approve progress and the continued work objectives.**

**6. WALES AUDIT OFFICE REPORT EVALUATION OF THE COUNCIL'S REVIEW OF PEOPLE PERFORMANCE MANAGEMENT**

Further to Minute 12.1 of the last meeting the Committee received an update on the progress being made in addressing the 9 recommendations which had emerged from the Council's Review of People Performance Management. This was being monitored by the People Strategy Governance Board (PSGB) which was chaired by the Director of Education & Children. The Board had been charged with developing a detailed action plan and work had been undertaken to prioritize those areas that had been highlighted such as Waste and Leisure.

**UNANIMOUSLY RESOLVED**

**6.1 that the report be received and the progress being made be noted;**

**6.2 that an annual progress report be submitted to the Committee.**

**7. LLANELLI LEISURE CENTRE ACTION PLAN UPDATE**

The Committee considered a report which summarised the agreed work and progress to date by the Llanelli Leisure Centre Management Team to improve its processes following the Internal Audit Summary presented initially to the Audit Committee at its meeting on 15<sup>th</sup> December 2017 [minute 3 thereof refers] and based on the findings of a broader report in 2016/17. There had been significant focus on ensuring that Financial Procedure Rules were fully complied with and new technology was being introduced to improve standards and consistency. It was noted that a more recent Audit Report had been undertaken at the facility.

**UNANIMOUSLY RESOLVED**

**7.1 that the report be received and progress be noted;**

**7.2 a further update be presented to the Committee at its meeting scheduled for 14<sup>th</sup> December 2018.**



## 8. CORPORATE RISK REGISTER

In accordance with Minute 7 of its meeting held on the 23<sup>rd</sup> March, 2018 the Committee received for consideration a report on the Corporate Risk Register and specifically the risks relating to Delivery of the Authority's waste management and recycling obligations (including meeting Landfill Targets). The Head of Waste and Environmental Services referred to the high percentage of recyclable materials, including a significant amount of food waste, still being placed in black bin bags as a consequence of which a behavioural change programme had been instigated involving a team of officers knocking on doors to remind households of the purpose and correct use of the blue/black bin bag collections and the arrangements for food waste disposal. In addition, the commodity markets and outlets for recycled materials remained uncertain with the effects of the ban on some materials by China affecting cost and capacity in general. However, this situation would continue to be monitored for appropriate alternative solutions when needed.

**UNANIMOUSLY RESOLVED, on the basis that the Committee was reassured that the risks in terms of waste management and recycling obligations were being mitigated, that the Report be received.**

## 9. MANAGING DEMAND WITHIN INTEGRATED SERVICES FOR OLDER PEOPLE AND PHYSICAL DISABILITIES

The Committee considered a report detailing the range of initiatives employed to deliver efficiency savings within Integrated Services and manage demand within budget, which had been achieved for the last 3 years. It was emphasised that there was no single solution and a multi-pronged approach was necessary including Electronic Call Monitoring, Releasing Time 2 Care and Right Sizing of Packages. There was also a rising demand for services with referrals in 2018 up by around 12%, and periods of exceptionally high demand in the quarter January – March and August 2018. Domiciliary care demand, in particular, had been steadily increasing by 62 clients over the last 15 months and there was a risk overall that it would become increasingly challenging to continue to make efficiency savings against rising demographic pressures.

**UNANIMOUSLY RESOLVED, on the basis that the Committee was reassured that the risks were being mitigated, that the report be received.**

## 10. SICKNESS ABSENCE UPDATE REPORT

The Committee considered a report which provided the 2017/18 end of year position in relation to sickness absence. The data indicated that since 2016/17 there had been an overall reduction in the number of days lost per full time equivalent (FTE) - reducing from 10.76 days in 2016/17 to 10.15 days during 2017/18. The overall target of 9.6 days per FTE however, which had been set by the Corporate Management Team to support a reduction in absence, had not been met. The report also provided information in relation to the initiatives introduced during the year to support attendance management within schools and council departments.

The Assistant Chief Executive [People Management] advised that since preparing the above report he had been able to ascertain that some of these initiatives were paying dividends as the number of F/T days lost per FTE in 2018/9 Qtr.1 was 2.16 compared with 2.39 for Qtr.1 in 2017/18.

**UNANIMOUSLY RESOLVED**, on the basis that the Committee was reassured that the risks were being mitigated in that the Policy and Resources Scrutiny Committee had taken the issue of sickness absence on board, that the report be received.

## **11. DOCUMENTS PREPARED BY THE WALES AUDIT OFFICE:-**

### **11.1. WALES AUDIT OFFICE LOCAL REPORTS**

The Committee considered Wales Audit Office local reports related to:

- Overview and Scrutiny – Fit For the Future?;
- Audit Committee Effectiveness;
- Annual Improvement Report 2017-18.

The Democratic Services Manager commented that the WAO report on 'Overview and Scrutiny – Fit For the Future?' had been considered by the Chairs and Vice Chairs Scrutiny Forum on the 31<sup>st</sup> July 2018 which had made a number of recommendations particularly in the area of 'information' reports and the committee cycle. These were due to be considered further at the next meeting of the Executive Board & Scrutiny Committee Chairs and Vice Chairs.

Members were reminded that they would have an opportunity to consider the findings of the WAO report on 'Audit Committee Effectiveness' at an informal session to be arranged in due course.

**UNANIMOUSLY RESOLVED** that the Wales Audit Office Local Reports be received.

### **11.2. CARMARTHENSHIRE COUNTY COUNCIL AUDIT OF FINANCIAL STATEMENTS REPORT**

#### **DURATION OF MEETING**

At 1.00 p.m. during consideration of this item, the Committee's attention was drawn to Corporate Procedure Rule 9 'Duration of Meeting' and the fact the meeting had been underway for three hours. It was therefore

**UNANIMOUSLY RESOLVED** that Corporate Procedure Rules be suspended to allow for the consideration of the remaining agenda items.

The Committee received the Audit of Financial Statements for Carmarthenshire County Council for 2017-18 which summarised the findings from the audit undertaken. The Committee noted that the report set out the Auditor General's views on whether the financial statements give a true and fair view of the financial position of Carmarthenshire County Council at 31<sup>st</sup> March 2018.

As a result the Wales Audit Office intended to issue an unqualified audit report on the Carmarthenshire County Council financial statements as soon as the Letter of Representation had been received.

The Committee expressed its thanks to the Director of Corporate Services and his staff for their hard work and commitment in the preparation of the County Council's accounts.

**UNANIMOUSLY RESOLVED that the report be received.**

### **11.3. DYFED PENSION FUND AUDIT OF FINANCIAL STATEMENTS REPORT**

The Committee received for consideration the report of the Wales Audit Office on the audit undertaken of the Dyfed Pension Fund Accounts which considered whether the financial statement gave a true and fair view of the financial position of the Dyfed Pension Fund at 31<sup>st</sup> March, 2018 and its income and expenditure during that year.

The Committee's attention was drawn to the detailed report where the Wales Audit Office found that there were no misstatements identified in the financial statements which remained uncorrected. A number of minor misstatements had been corrected by management. As a result the Wales Audit Office intended to issue an unqualified audit report on the Dyfed Pension Fund financial statements as soon as the Letter of Representation had been received.

The Chair thanked all the staff involved in supporting the Dyfed Pension Fund on this excellent achievement.

**UNANIMOUSLY RESOLVED that the report be received.**

## **12. LETTER OF REPRESENTATION:**

### **12.1. CARMARTHENSHIRE COUNTY COUNCIL**

The Committee was advised that in accordance with the Statement of Auditing Standards (SAS440 – Management Representations), the Wales Audit Office required a Letter of Representation to be prepared on an annual basis by the Authority's Section 151 Officer and signed by the aforesaid Officer and the Chair of the Audit Committee. In addition, the Wales Audit Office required the Committee responsible for approving the accounts under Regulation 8 of the Accounts and Audit Regulations to formally acknowledge the response of the Section 151 Officer.

**UNANIMOUSLY RESOLVED that the Letter of Representation to the Wales Audit Office prepared by the Section 151 Officer be acknowledged.**

## **12.2. DYFED PENSION FUND**

The Committee was advised that in accordance with the Statement of Auditing Standards (SAS440 – Management Representations) the Wales Audit Office required a Letter of Representation to be prepared on an annual basis by the Authority's Section 151 officer and signed by the by the aforesaid Officer and the Chair of the Audit Committee. In addition, the Wales Audit Office required the Committee responsible for approving the accounts under Regulation 8 of the Accounts and Audit Regulations to formally acknowledge the response.

**UNANIMOUSLY RESOLVED that the Letter of Representation to the Wales Audit Office prepared by the Section 151 Officer be acknowledged.**

## **13. AUDIT ENQUIRIES TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT:**

### **13.1. CARMARTHENSHIRE COUNTY COUNCIL**

The Committee had been circulated with a report detailing responses to requests made by the Wales Audit Office [WAO] of both management and the Audit Committee in order for the WAO to meet the requirements set out in International Standards on Auditing (ISAs) to formally seek the Authority's documented consideration and understanding on a number of governance areas that impact on the audit of the financial statements. These considerations were relevant to both the Council's management and 'those charged with governance' (the Audit Committee). The information provided informed the WAO's understanding of the Council and its business processes and supported the WAO's work in providing an audit opinion on the 2017-18 financial statements.

**UNANIMOUSLY RESOLVED to approve the responses to the requests made by the Wales Audit Office of both management and the Audit Committee as detailed in the report.**

### **13.2. DYFED PENSION FUND**

The Committee had been circulated with the Authority's responses to the Welsh Audit Office on a number of governance areas that impacted on the audit of the financial statements. These considerations were relevant to both the Dyfed Pension Fund's management and 'those charged with governance' (the Audit Committee). The information provided informed the WAO's understanding of the Dyfed Pension Fund and its business processes and supported its work in providing an audit opinion on the 2017-18 financial statements.

**UNANIMOUSLY RESOLVED to approve the responses to the requests made of both management and the Audit Committee as detailed in the report.**

**14. CARMARTHENSHIRE COUNTY COUNCIL STATEMENT OF ACCOUNTS 2017/2018**

In accordance with the provisions of the Accounts and Audit (Wales) Regulations 2014, the Committee received for approval the post-audit Statement of Accounts 2017/18 in respect of Carmarthenshire County Council. The Statement brought together all the financial transactions of the Authority for the year, and also detailed the Authority's assets and liabilities as at 31<sup>st</sup> March, 2018.

The Chair thanked all the officers involved in the production of an excellent set of accounts.

**UNANIMOUSLY RESOLVED that the Statement of Accounts 2017/18 for Carmarthenshire County Council post audit be approved.**

**15. DYFED PENSION FUND STATEMENT OF ACCOUNTS 2017-2018**

In accordance with the provisions of the Accounts and Audit (Wales) Regulations 2014, the Committee received for approval the post-audit Statement of Accounts 2017/18 in respect of the Dyfed Pension Fund. The Statement brought together all the financial transactions of the Pension Fund for the year, and detailed its assets and liabilities as at 31<sup>st</sup> March, 2017.

The Committee expressed its appreciation to all the officers involved in the production of an excellent set of accounts.

**UNANIMOUSLY RESOLVED that the Statement of Accounts 2016/17 for the Dyfed Pension Fund) post audit be approved.**

**16. BURRY PORT HARBOUR FINANCIAL STATEMENT 2017-18**

The Committee considered a report on the Burry Port Harbour 2017/18 Annual Return – External Audit Report. The Committee was advised that in accordance with requirements of Section 42 of the Harbours Act 1964 statutory harbour authorities were required to prepare an annual statement of accounts relating to the harbour activities.

**UNANIMOUSLY RESOLVED that the accounting statement for Burry Port Harbour for 2017-18 be received.**

**17. WALES PENSION PARTNERSHIP FINANCIAL STATEMENT 2017-18**

The Committee considered the Accounting Statement for Wales Pension Partnership for 2017-18 which the Council was required to approve in compliance with the Accounts and Audit (Wales) Regulations 2014. Carmarthenshire County Council had the administrative responsibility for the Wales Pension Partnership.

**UNANIMOUSLY RESOLVED that the Accounting Statement for Wales Pension Partnership for 2017-18 be received.**

**18. RISK MANAGEMENT AND CONTINGENCY PLANNING STRATEGY 2018-2022**

The Committee considered the draft Risk Management and Contingency Planning Strategy 2018-2022 the aim of which was to have a framework in place so that risk management and contingency planning played a key role in supporting the delivery of the aims of the Council's Corporate Strategy and Carmarthenshire's Well-Being Plan for the next 4 years.

**UNANIMOUSLY RESOLVED** that the Strategy be endorsed.

**19. MINUTES OF RELEVANT GROUPS TO THE AUDIT COMMITTEE**

**UNANIMOUSLY RESOLVED** that the minutes of the Risk Management Steering Group held on the 4<sup>th</sup> July 2018 be received.

**20. MINUTES - 13TH JULY 2018**

**UNANIMOUSLY RESOLVED** that the minutes of the meeting of the Audit Committee held on the 13<sup>th</sup> July, 2018 be signed as a correct record.