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Mark James LLM, DPA, DCA
Prif Weithredwr,
Chief Executive,
Neuadd y Sir, Caerfyrddin. SA31 1JP
County Hall, Carmarthen. SA31 1JP

TUESDAY, 15 MARCH 2016

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 2.00 PM. ON TUESDAY, 22ND MARCH, 2016** FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE ATTACHED AGENDA

Mark James

CHIEF EXECUTIVE



PLEASE RECYCLE

Democratic Officer:	Martin S. Davies
Telephone (direct line):	01267 224059
Fax:	(01267) 224911
E-Mail:	MSDavies@carmarthenshire.gov.uk
Ref:	AD016-001

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

PLAID CYMRU GROUP 3 MEMBERS

1. Councillor H.A.L. Evans
2. Councillor G.B. Thomas
3. Councillor D.E. Williams

LABOUR GROUP 3 MEMBERS

1. Councillor C.P. Higgins
2. Councillor J.D. James
3. Councillor W.G. Thomas

INDEPENDENT GROUP 2 MEMBERS

1. Councillor A.G. Morgan
2. Councillor E.G. Thomas

EXTERNAL VOTING MEMBER

Sir David Thomas Rowell Lewis

AGENDA

1. APOLOGIES FOR ABSENCE
2. DECLARATIONS OF PERSONAL INTERESTS
3. INTERNAL AUDIT PLAN UPDATE 2015/16 5 - 22
4. INTERNAL AUDIT PLAN 2016/17 & PLANNED COVERAGE 2017/19 23 - 38
5. PROGRESS REPORT - SUPPORTING PEOPLE GRANT 39 - 46
6. TO CONSIDER THE FOLLOWING DOCUMENTS PREPARED BY THE WALES AUDIT OFFICE:-
 - 6 .1 AUDIT COMMITTEE UPDATE MARCH 2016 47 - 50
 - 6 .2 CARMARTHENSHIRE COUNCIL - AUDIT PLAN 2016 51 - 68
 - 6 .3 DYFED PENSION FUND - AUDIT PLAN 2016 69 - 78
7. CODE OF CORPORATE GOVERNANCE 79 - 92
8. MINUTES OF THE CORPORATE GOVERNANCE GROUP HELD ON THE 3RD DECEMBER, 2015 93 - 96
9. MINUTES OF THE RISK MANAGEMENT STEERING GROUP HELD ON 22ND DECEMBER, 2015 97 - 100
10. MINUTES OF THE GRANTS PANEL MEETING HELD ON 6TH JANUARY, 2016 101 - 104
11. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON THE 18TH DECEMBER, 2015 105 - 108

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Audit Committee 22nd March 2016

Subject: Internal Audit Plan	
Purpose: Internal Audit Plan 2015/16 Update	
Recommendations / key decisions required:	
To receive the report	
Reasons: Regular progress report to be presented to each Audit Committee meeting	
Relevant scrutiny committee to be consulted: Not Applicable	
Exec Board Decision Required	Not Applicable
Council Decision Required	Not Applicable

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr D Jenkins		
Directorate: Corporate Services	Designations: Head of Audit, Risk & Procurement	Tel No.01267 246217 E Mail Address: PSexton@carmarthenshire.gov.uk
Name of Head of Service: Phil Sexton		
Report Author: Helen Pugh	Audit & Risk Manager	Tel No. 01267 246223 E Mail Address: HLPugh@carmarthenshire.gov.uk

EXECUTIVE SUMMARY
Audit Committee
22nd March 2016

SUBJECT

INTERNAL AUDIT PLAN UPDATE 2015/16

1. 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 2015/16 - Progress Report

REPORT A(ii) Internal Audit Plan 2015/16 - Recommendations Scoring Matrix

REPORT B Summary of Completed Final Reports 2015/16 Relating to Key Financial Systems (April 2015 to date)

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

1	Treasury Management
2	Investments – Dyfed Pension Fund
3	Pensions Payroll
4	Payroll

REPORT C – Priority 1 Recommendations Relating to Reviews of Other Systems and Establishment Audits

This Section includes Reviews completed since April 2015 where Systems have one or more Fundamental Control Weaknesses or involve Reviews which the Chair of Audit Committee and the Audit & Risk Manager have agreed should be brought to the Committee

1	Leisure Facilities at Pembrey Country Park and Millennium Coastal Park
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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: Phil Sexton Head of Audit, Risk & Procurement

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: Phil Sexton Head of Audit, Risk & Procurement

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 2014-17	AC 28-03-14	Internal Audit Unit

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INTERNAL AUDIT PLAN 2015 / 2016										
2015/16	% Plan Completion to Date	74.0%		% Target February 2016					85.0%	
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
	Chief Executive									
1115001	Partnership Arrangements	8	*	N/A	N/A	N/A	N/A	N/A	8	Complete
1115002	Customer Services	6	*	*	*	*	*	*	5.4	Draft Report Issued
1115003	Press Office/communication	6	*	*	*	*	*	*	5.4	Draft Report Issued
1115004	Annual Governance Statement	8	*	*	*	*	*	*	7.2	Draft Report Issued
1215001	HR Function	10	*	*	*	*	*	*	9	Draft Report Issued
1215002	Modern Records	6	*	*	*	*	*	*	6	Complete
1215003	Declaration of Interest	10	*	*	*	*	*	*	9	Draft Report Issued
1315001	Financial Management Other (TIG)	10	*	*	*	*	*	*	10	Complete
	Total Audit Days for Department	64							60	
	Education & Children									
2115001	Modernising Education Provisions (see Job 6615007)	6	*	*	*	*	N/A	N/A	6	Complete
2215001	Information Management	6							0	
2315001	Admissions	6	*	*	*	*	*	*	6	Complete
2315002	Governor Support	5	*	*	*	*	*	*	5	Complete
2315003	School Meals	10	*	*	*	*	*	*	9	Draft Report Issued
2315004	Catering Services	6							0	
2315005	Teachers starters & leavers	6	*	*	*	*	*	*	5.4	Draft Report Issued
2415001	Adoption & Fostering	6	*	*	*	*	*	*	4.5	Field Work Complete
2415002	Family Support	6							0	
2415003	Partnering / Procurement	6							0	
2415004	Residential Care	6	*	*	*	*	*	*	4.5	Field Work Complete
2415005	Safeguarding	6	*	*	*	*	*	*	0	Terms of Reference Issued
2515001	Financial Management Other									
	Total Audit Days for Department	75							40.4	
	Grants									
3115001	Physical Regeneration	10	*	*	*	*	*	*	0	Terms of Reference Issued
3115002	Business Development	5	*	*	*	*	*	*	4.5	Draft Report Issued
3115003	Community Funding	10	*	*	*	*	*	*	0	Commenced
3115004	Third Party Grants Monitoring	8	*	*	*	*	*	*	7.2	Draft Report Issued
3215001	Education - Arrangements for EIG	5	*	*	*	*	*	*	4.5	Draft Report Issued
3215002	SCHH	5							0	
3215003	Resources	5	*	*	*	*	*	*	3.75	Field Work Complete
3315001	Foundation Stage	6	*	*	*	*	*	*	6	Complete
3315002	DCELLS Post 16	5	*	*	*	*	*	*	5	Complete
3315003	Bus operators Grant	5	*	*	*	*	*	*	5	Complete
3315004	Communities 2.0	6	*	*	*	*	*	*	6	Complete
3315005	Supporting People	15	*	*	*	*	*	*	15	Complete
3315006	LSB - Development Officer	10	*	*	*	*	*	*	10	Complete
3315007	LSB - Regional Collaboration	10	*	*	*	*	*	*	10	Complete
3415001	Financial Management Other									
	Total Audit Days for Department	105							76.95	

INTERNAL AUDIT PLAN 2015 / 2016										
2015/16	% Plan Completion to Date	74.0%		% Target February 2016						85.0%
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
	Resources									
4115001	Main Accounting	15	*	*	*	*			11.25	Field Work Complete
4115002	VAT	8	*	*	*	*	*		7.2	Draft Report Issued
4115003	Capital Accounting incl.Fixed Asset Register	15							0	
4115004	Treasury Management	7	*	*	*	*	*	*	7	Complete
4115005	Investments	7	*	*	*	*	*	*	7	Complete
4115006	Pensions Payroll System	8	*	*	*	*	*	*	8	Complete
4115007	Housing Benefits	10							0	
4115008	Council Tax	10	*	*	*	*	*		9	Draft Report Issued
4115009	NNDR	10	*	*	*	*	*		9	Draft Report Issued
4115010	Payroll System (Cars CC staff & Teachers)	25	*	*	*	*	*	*	25	Complete
4115011	Creditor Payments	20	*	*	*	*	*		18	Draft Report Issued
4115012	Debtors System	20							0	
4115013	Cash Receipting	8	*	*	*	*	*	*	8	Complete
4115014	Banking	8	*	*	*	*	*	*	8	Complete
4115015	Travel & Subsistence System	10	*	*	*	*	*		0	Commenced
4115016	Trust Funds	12	*	*	*	*	*	*	12	Complete
4215001	Asset Transfer	8	*						0	Pre Audit Meeting
4215002	Property Management	8							0	
4215003	Estate Management - HRA Garages & Land holdings	8							0	
4215004	Provision / livestock markets	8	*						0	Pre Audit Meeting
4315004	Financial Management Other	10	*	*	*	*	*	*	10	Complete
	Total Audit Days for Department	235							139.45	
	Community Services									
5115001	Tenant Involvement	8	*	*	*	*			6	Field Work Complete
5115002	Tenancy Mgt	10	*	*	*	*	n/A	N/A	10	Complete
5115003	Voids (incl Building Service involvement)	13	*	*	*	*	*	*	13	Complete
5115004	Travellers Sites	4	*	*	*	*	*	*	4	Complete
5115005	Affordable Homes	6	*	*	*	*	*	*	6	Complete
5115006	Rents	8	*	*	*	*	*	*	8	Complete
5115007	HRA	8	*	*	*	*	*	*	8	Complete
5215001	Contract Management/Partnerships	10	*	*	*	*			7.5	Field Work Complete
5215002	Home Care	15	*	*	*				0	Commenced
5215003	Meal provision	10	*	*	*	*	*	*	10	Complete
5215004-A	Residential Care - Authority Care Homes	6	*	*	*	*	*	*	6	Complete
5215004-B	Residential Care - Private Care Homes	6	*	*	*	*	*	*	5.4	Draft Report Issued
5215005	Financial assessments and Collections	7	*	*	*	*	*	*	7	Complete
5215006	Deputyship	10	*	*	*	*			7.5	Field Work Complete
5215007	Learning Disabilities	10	*	*	*				0	Commenced
5215008	Safeguarding	5	*	*	*				0	Commenced
5215009	Supporting People	8	*	*	*	*	*	*	8	Complete
5215010	Care Line	6	*	*	*	N/A	N/A	N/A	6	Complete
5315001	Licensing and other fees	6	*	*	*	*	*	*	6	Complete
5415001	Theatres	8	*	*	*	*	*		7.2	Draft Report Issued
5415002	Heritage Services	8	*	*	*	*	*		7.2	Draft Report Issued
5415003	Libraries	8	*	*	*	*	N/A	N/A	8	Complete
5415004	Amman Valley	5	*	*	*	*	*		4.5	Draft Report Issued
5415005	Carmarthen	5	*	*	*	*	*	*	5	Complete
5415006	Llanelli	5	*	*	*	*			3.75	Field Work Complete
5415007	South Area Leisure / Education & Workforce	13	*	*	*	*			9.75	Field Work Complete
5415008	Arrangements for Leisure Trust Status	5							0	
5415009	Countryside Access	5							0	
5415010	Pembrey Country Park / MCP / Counrty Parks	15	*	*	*	*	*	*	15	Complete
5415011	Ski Slope Mngt and Operational	5	*	*	*	*	*	*	5	Complete
5515001	Financial Management Other (Safeguarding - extra)	14	*	*	*	*	*	*	14	Complete
	Total Audit Days for Department	252							197.8	

INTERNAL AUDIT PLAN 2015 / 2016										
2015/16	% Plan Completion to Date	74.0%		% Target February 2016					85.0%	
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
Environmental Services										
6115001	Building Maintenance (excl Housing voids)	6	*	*	*				0	Commenced
6115002	Procurement	8	*	*	*				0	Commenced
6115003	Grounds Maintenance	8	*	*	*	*	*	*	8	Complete
6215001	Highway Maintenance (incl. Trunk Roads)	8	*	*	*				0	Commenced
6215002	Waste Services	8	*	*	*	*	*		7.2	Draft Report Issued
6215003	Other Streetwork	6	*	*	*	*	*	*	6	Complete
6215004	Street Lighting	5	*	*	*	*	*	*	5	Complete
6215005	Cleansing Services	8	*	*	*	*			6	Field Work Complete
6315001	Community transport	5	*	*	*	*			3.75	Field Work Complete
6315002	Parking inc Enforcement	5	*	*	*	*	*	*	5	Complete
6315003	Management systems (task)	8	*	*	*				0	Commenced
6415001	Conservation	5	*	*	*	*	*	*	5	Complete
6515001	Financial Management Other	10	*	*	*	*	*	*	10	Complete
Total Audit Days for Department		90							55.95	
Procurement / Contracts										
6615001	Departmental Contract Management	10	*	*	*	*			7.5	Field Work Complete
6615002	Contract Partnering Selection	10	*	*	*	*			7.5	Field Work Complete
6615003	Capital Grant Management	10	*	*	*				0	Commenced
6615004	Framework contracts	15	*	*	*	*			11.25	Field Work Complete
6615005	Dinefwr Reorganisation	8	*	*	*				0	Commenced
6615006	Carmarthenshire Homes Standard	8	*						0	
6615007	MEP	8	*	*	*				0	Commenced
6615008	New residential home Carmarthen	8	*	*	*	*	*	*	8	Complete
6615009	Carmarthen West Link Road	7	*	*	*	*			5.25	Field Work Complete
6615010	Leisure - Museum garden scheme	8	*	*	*	*	n/a	n/a	8	Complete
6615011	Stradey Phase 1	8	*	*	*	*	n/a	n/a	8	Complete
6715001	Financial Management Other	15	*	*	*	*	*	*	15	Complete
Total Audit Days for Department		115							70.5	
Computer Audit										
4415001	IT Procurement	15	*	*	*	*	*		13.5	Draft Report Issued
4415002	Corporate File Plan	10	*	*	*	*	*		9	Draft Report Issued
4415003	Cloud Computing	10	*	*	*				0	Commenced
4415004	Data Protection	10	*	*	*	*	*		9	Draft Report Issued
4415005	Computer Assisted Audit Testing(CAATs)	22	*	*	*	*	*		19.8	Draft Report Issued
4415006	NFI	35	*	*	*	*	n/a	n/a	35	Complete
4415007	- Agresso Developments	8	*	*	*	*	n/a	n/a	8	Complete
4415008	Pensions	8	*	*	*	*	*	*	8	Complete
4415009	-Revenues/ Benefits / DIPS	9	*	*	*	*	*		8.1	Draft Report Issued
4415010	- Payment Cards	10	*	*	*	*	*	*	10	Complete
4415011	Resources / WWEC - Grants Matrix system	10	*	*	*	*	n/a	n/a	10	Complete
4415012	Other Systems - Total Mobile	13	*	*	*	*	*		11.7	Draft Report Issued
4515001	Financial Management Other	4	*	*	*	*	*	*	4	Complete
Total Audit Days for Department		164							146.1	

INTERNAL AUDIT PLAN 2015 / 2016										
2015/16	% Plan Completion to Date	74.0%		% Target February 2016					85.0%	
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
	School Audits									
	Primary Schools									
2615001	Maesybont C.P. School.	3	*	*	*	*	*		2.7	Draft Report Issued
2615002	Ysgol Gynradd Y Tymbl	3	*	*	*	*	*		2.7	Draft Report Issued
2615003	Pontiets C.P. School	3	*	*					0	Terms of Reference Issued
2615004	Betws C.P. School	3	*	*	*	*	*	*	3	Complete
2615005	Ysgol Gynradd Tycroes	3	*	*	*	*	*		2.7	Draft Report Issued
2615006	Ysgol Gynradd Parcyrhun	3	*	*	*	*	*		2.7	Draft Report Issued
2615007	Llansadwrn	3	*	*	*	*	*		2.7	Draft Report Issued
2615008	Talley C.P. School	3	*	*	*	*	*		2.7	Draft Report Issued
2615009	Cwrt Henry	3	*	*	*	*	*		2.7	Draft Report Issued
2615010	Ysgol Rhys Pritchard	3	*	*	*	*	*	*	3	Complete
2615011	Llys Hywel Whitland	3	*	*	*	*	*	*	3	Complete
2615012	Ysgol Gynradd Brynsaron	3	*	*	*	*	*		2.7	Draft Report Issued
2615013	Llangennech Junior School	3	*	*	*	*	*		2.7	Draft Report Issued
2615014	Hendy C.P. Mixed School	3	*	*	*	*	*		2.7	Draft Report Issued
2615015	Brynamman Primary School	3	*	*	*	*	*	*	3	Complete
2615016	Abermant	3	*	*	*	*	*		2.7	Draft Report Issued
2615017	Parc Y Tywyn School	3	*	*	*	*	*		2.7	Draft Report Issued
2615018	Pembrey	3	*	*	*	*	*		2.7	Draft Report Issued
2615019	Ysgol Beca	3	*	*	*	*	*	*	3	Complete
2615020	Ysgol Gynradd Hafodwenog	3	*	*	*	*	*		2.7	Draft Report Issued
2615021	Llandeilo C.P. School	3	*	*	*	*	*		2.7	Draft Report Issued
2615022	Y.G. Cynwyl Elfed	3	*	*	*	*	*		2.7	Draft Report Issued
2615023	Halfway C.P. School.	3	*	*	*	*	*		2.7	Draft Report Issued
2615024	Pwll C.P. Mixed School	3	*	*	*	*	*		2.7	Draft Report Issued
2615025	Ysgol Y Castell	3	*	*	*	*	*	*	3	Complete
2615026	Penygroes C.P. School	3	*	*	*	*	*		2.7	Draft Report Issued
2615027	Ysgol Gynradd Nantgaredig	3	*	*	*	*	*		2.7	Draft Report Issued
2615028	Ysgol Gymraeg Gwenllian	3	*	*	*	*	*	*	3	Complete
2615029	Ysgol Dewi Sant, Llanelli.	3	*	*	*	*	*		2.7	Draft Report Issued
2615030	Stebonheath C.P. School	3	*	*	*	*	*		2.7	Draft Report Issued
2615031	Ysgol Y Ddwylan	3	*	*	*	*	*		2.7	Draft Report Issued
2615032	Ysgol y Fro	3	n/a	n/a	n/a	n/a	n/a	n/a	3	Complete
2615033	Carreg Hirfaen Foundation School	3	*	*	*	*	*	*	3	Complete
2615034	Ysgol Cae'r Felin	3	*	*	*	*	*		2.7	Draft Report Issued
2615035	Ysgol Y Bedol	3	*	*	*	*	*		2.7	Draft Report Issued
2615036	Ysgol Brynteg	3	*	*	*	*	*		2.7	Draft Report Issued
2615037	Pentip VA School	3	*	*	*	*	*		2.7	Draft Report Issued
	Primary Schools Totals	111							99.9	
	Secondary Schools									
2715001	Ysgol Bro Dinefwr	7	*	*	*	*	*		6.3	Draft Report Issued
2715002	Dyffryn Amman	7	*	*	*	*	*		6.3	Draft Report Issued
2715003	Dyffryn Taf	7	*	*	*	*	*	*	7	Complete
2715004	Ysgol Gyfun Emlyn	7	*	*	*	*	*		6.3	Draft Report Issued
2715005	Bro Myrddin	7	*	*	*	*	*	*	7	Complete
2715006	Coedcae	7	*	*	*	*	*		6.3	Draft Report Issued
2715007	St John Lloyd	7	*	*	*	*	*		6.3	Draft Report Issued
	Secondary Schools Totals	49							45.5	
	Total Audit Days for Department	160							145.4	
	Total Approved Plan Days	1260							933	
	Additional Work Not Included in Original Plan									
	SEG - School Effectiveness Grant	15	*	*	*	*	*	*	15.0	Complete
	WEG - Welsh in Education Grant	15	*	*	*	*	*	*	15.0	Complete
	14 to 19 Learning Pathways	8	*	*	*	*	*	*	8.0	Complete
	Pupil Deprivation Grant	15	*	*	*	*	*	*	15.0	Complete
	EIG additional work (quarterly audits and year end)	25	*	*	*	*	*	*	25.0	Complete
	Pembrey Country Park / MCP / Country Parks	43	*	*	*	*	*	*	43.0	Complete
	Ski Slope Mngt and Operational	12	*	*	*	*	*	*	12.0	Complete
	Waste	30	*	*	*	*	*	*	27.0	Draft Report Issued
	Total Additional Work	163							160.0	
	Total Audit Plan Time	1423							1092.6	
	Productivity of Total Audit Plan Days as a Percentage of Approved Plan Days								86.7%	

INTERNAL AUDIT PLAN 2015 / 2016				Reporting Scores					
2015/16				No. of 3	No. of 2	No. of 1	Total No. Issues	Score	Assurance Level
Job No	Departments	Days Planned	Status	* Issues	* Issues	* Issues			
	Chief Executive								
1115001	Partnership Arrangements	8	Complete				0	0	
1115002	Customer Services	6	Draft Report Issued				0	0	
1115003	Press Office/communication	6	Draft Report Issued				0	0	
1115004	Annual Governance Statement	8	Draft Report Issued				0	0	
1215001	HR Function	10	Draft Report Issued				0	0	
1215002	Modern Records	6	Complete	0	0	0	0	0	High
1215003	Declaration of Interest	10	Draft Report Issued				0	0	
1315001	Financial Management Other	10	Complete	0	0	0	0	0	N/A
	Total Audit Days for Department	64							
	Education & Children								
2115001	Modernising Education Provisions	6	Complete	0	0	0	0	0	N/A
2215001	Information Management	6					0	0	
2315001	Admissions	6	Complete	0	0	1	1	1	High
2315002	Governor Support	5	Complete	0	2	0	2	6	Acceptable
2315003	School Meals	10	Draft Report Issued				0	0	
2315004	Catering Services	6					0	0	
2315005	Teachers starters & leavers	6	Draft Report Issued				0	0	
2415001	Adoption & Fostering	6	Field Work Complete				0	0	
2415002	Family Support	6					0	0	
2415003	Partnering / Procurement	6					0	0	
2415004	Residential Care	6	Field Work Complete				0	0	
2415005	Safeguarding	6	Terms of Reference Issued				0	0	
2515001	Financial Management Other						0	0	
	Total Audit Days for Department	75							
	Grants								
3115001	Physical Regeneration	10	Terms of Reference Issued				0	0	
3115002	Business Development	5	Draft Report Issued				0	0	
3115003	Community Funding	10	Commenced				0	0	
3115004	Third Party Grants Monitoring	8	Draft Report Issued				0	0	
3215001	Education - Arrangements for EIG	5	Draft Report Issued	0	0	0	0	0	N/A
3215002	SCHH	5					0	0	
3215003	Resources	5	Field Work Complete				0	0	
3315001	Foundation Stage	6	Complete	0	0	0	0	0	Acceptable
3315002	DCELLS Post 16	5	Complete	0	0	0	0	0	N/A
3315003	Bus operators Grant	5	Complete	0	0	0	0	0	N/A
3315004	Communities 2.0	6	Complete	0	0	0	0	0	N/A
3315005	Supporting People	15	Complete	1	0	0	1	5	Low
3315006	LSB - Development Officer	10	Complete	0	0	0	0	0	Low
3315007	LSB - Regional Collaboration	10	Complete	0	0	0	0	0	Low
3415001	Financial Management Other						0	0	
	Total Audit Days for Department	105							
	Resources								
4115001	Main Accounting	15	Field Work Complete				0	0	
4115002	VAT	8	Draft Report Issued				0	0	
4115003	Capital Accounting incl.Fixed Asset Register	15					0	0	
4115004	Treasury Management	7	Complete	0	0	0	0	0	High
4115005	Investments	7	Complete	0	0	0	0	0	High
4115006	Pensions Payroll System	8	Complete	0	0	0	0	0	High
4115007	Housing Benefits	10					0	0	
4115008	Council Tax	10	Draft Report Issued				0	0	
4115009	NNDR	10	Draft Report Issued				0	0	
4115010	Payroll System (Cars CC staff & Teachers)	25	Complete	0	1	0	1	3	Acceptable
4115011	Creditor Payments	20	Draft Report Issued				0	0	
4115012	Debtors System	20					0	0	
4115013	Cash Receipting	8	Complete	0	1	1	2	4	Acceptable
4115014	Banking	8	Complete	0	0	0	0	0	High
4115015	Travel & Subsistence System	10	Commenced				0	0	
4115016	Trust Funds	12	Complete	0	0	0	0	0	Acceptable
4215001	Asset Transfer	8	Pre Audit Meeting				0	0	
4215002	Property Management	8					0	0	
4215003	Estate Management - HRA Garages & Land holdings	8					0	0	
4215004	Provision / livestock markets	8	Pre Audit Meeting				0	0	
4315004	Financial Management Other	10	Complete	0	0	0	0	0	N/A
	Total Audit Days for Department	235							

Job No	Departments	Days Planned	Status	No. of 3 * Issues	No. of 2 * Issues	No. of 1 * Issues	Total No. Issues	Score	Assurance Level
Community Services									
5115001	Tenant Involvement	8	Field Work Complete				0	0	
5115002	Tenancy Mgt	10	Complete	0	0	0	0	0	N/A
5115003	Voids (incl Building Service involvement)	13	Complete	0	0	0	0	0	N/A
5115004	Travellers Sites	4	Complete	0	0	0	0	0	High
5115005	Affordable Homes	6	Complete	0	4	2	6	14	Low
5115006	Rents	8	Complete	0	0	0	0	0	
5115007	HRA	8	Complete	0	2	0	2	6	Acceptable
5215001	Contract Management/Partnerships	10	Field Work Complete				0	0	
5215002	Home Care	15	Commenced				0	0	
5215003	Meal provision	10	Complete	0	4	0	4	12	Acceptable
5215004-A	Residential Care - Authority Care Homes	6	Complete	0	2	3	5	9	Acceptable
5215004-B	Residential Care - Private Care Homes	6	Draft Report Issued				0	0	
5215005	Financial assessments and Collections	7	Complete	0	0	0	0	0	High
5215006	Deputyship	10	Field Work Complete				0	0	
5215007	Learning Disabilities	10	Commenced				0	0	
5215008	Safeguarding	5	Commenced				0	0	
5215009	Supporting People	8	Complete	0	0	0	0	0	N/A
5215010	Care Line	6	Complete	0	0	0	0	0	N/A
5315001	Licensing and other fees	6	Complete	0	0	0	0	0	High
5415001	Theatres	8	Draft Report Issued				0	0	
5415002	Heritage Services	8	Draft Report Issued				0	0	
5415003	Libraries	8	Complete	0	0	0	0	0	N/A
5415004	Amman Valley	5	Draft Report Issued				0	0	
5415005	Carmarthen	5	Complete	0	2	1	3	7	Acceptable
5415006	Llanelli	5	Field Work Complete				0	0	
5415007	South Area Leisure / Education & Workforce	13	Field Work Complete				0	0	
5415008	Arrangements for Leisure Trust Status	5					0	0	
5415009	Countryside Access	5					0	0	
5415010	Pembrey Country Park / MCP / Counrty Parks	15	Complete	3			3	15	Low
5415011	Ski Slope Mngt and Operational	5	Complete		0	0			
5515001	Financial Management Other	14	Complete	0	0	0	0	0	N/A
Total Audit Days for Department		252							
Environmental Services									
6115001	Building Maintenance (excl Housing voids)	6	Commenced				0	0	
6115002	Procurement	8	Commenced				0	0	
6115003	Grounds Maintenance	8	Complete	0	0	0	0	0	N/A
6215001	Highway Maintenance (incl. Trunk Roads)	8	Commenced				0	0	
6215002	Waste Services	8	Draft Report Issued				0	0	
6215003	Other Streetwork	6	Complete	0	0	0	0	0	High
6215004	Street Lighting	5	Complete	0	3	0	3	9	Acceptable
6215005	Cleansing Services	8	Field Work Complete				0	0	
6315001	Community transport	5	Field Work Complete				0	0	
6315002	Parking inc Enforcement	5	Complete	0	0	0	0	0	High
6315003	Management systems (task)	8	Commenced				0	0	
6415001	Conservation	5	Complete	0	2	0	2	6	Acceptable
6515001	Financial Management Other	10	Complete	0	0	0	0	0	N/A
Total Audit Days for Department		90							
Procurement / Contracts									
6615001	Departmental Contract Management	10	Field Work Complete				0	0	
6615002	Contract Partnering Selection	10	Field Work Complete				0	0	
6615003	Capital Grant Management	10	Commenced				0	0	
6615004	Framework contracts	15	Field Work Complete				0	0	
6615005	Dinefwr Reorganisation	8	Commenced				0	0	
6615006	Carmarthenshire Homes Standard	8					0	0	
6615007	MEP	8	Commenced				0	0	
6615008	New residential home Carmarthen	8	Complete	0	0	0	0	0	High
6615009	Carmarthen West Link Road	7	Field Work Complete				0	0	
6615010	Leisure - Museum garden scheme	8	Complete	0	0	0	0	0	N/A
6615011	Stradey Phase 1	8	Complete	0	0	0	0	0	N/A
6715001	Financial Management Other	15	Complete	0	0	0	0	0	N/A
Total Audit Days for Department		115							

Job No	Departments	Days Planned	Status	No. of 3 * Issues	No. of 2 * Issues	No. of 1 * Issues	Total No. Issues	Score	Assurance Level
Computer Audit									
4415001	IT Procurement	15	Draft Report Issued				0	0	
4415002	Corporate File Plan	10	Draft Report Issued				0	0	
4415003	Cloud Computing	10	Commenced				0	0	
4415004	Data Protection	10	Draft Report Issued				0	0	
4415005	Computer Assisted Audit Testing(CAATs)	22	Draft Report Issued				0	0	
4415006	NFI	35	Complete	0	0	0	0	0	N/A
4415007	- Agresso Developments	8	Complete	0	0	0	0	0	N/A
4415008	Pensions	8	Complete	0	0	0	0	0	High
4415009	-Revenues/ Benefits / DIPS	9	Draft Report Issued				0	0	
4415010	- Payment Cards	10	Complete	0	0	0	0	0	N/A
4415011	Resources / WWEC - Grants Matrix system	10	Complete	0	0	0	0	0	N/A
4415012	Other Systems - Total Mobile	13	Draft Report Issued				0	0	
4515001	Financial Management Other	4	Complete	0	0	0	0	0	N/A
Total Audit Days for Department		164							
School Audits									
Primary Schools									
2615001	Maesybont C.P. School.	3	Draft Report Issued				0	0	
2615002	Ysgol Gynradd Y Tymbl	3	Draft Report Issued				0	0	
2615003	Pontiets C.P. School	3	Terms of Reference Issued				0	0	
2615004	Betws C.P. School	3	Complete	0	0	0	0	0	High
2615005	Ysgol Gynradd Tycroes	3	Draft Report Issued				0	0	
2615006	Ysgol Gynradd Parcyrhun	3	Draft Report Issued				0	0	
2615007	Llansadwrn	3	Draft Report Issued				0	0	
2615008	Talley C.P. School	3	Draft Report Issued				0	0	
2615009	Cwrt Henry	3	Draft Report Issued				0	0	
2615010	Ysgol Rhys Pritchard	3	Complete	0	0	0	0	0	High
2615011	Llys Hywel Whitland	3	Complete	0	1	2	3	5	High
2615012	Ysgol Gynradd Brynsaron	3	Draft Report Issued				0	0	
2615013	Llangennech Junior School	3	Draft Report Issued				0	0	
2615014	Hendy C.P. Mixed School	3	Draft Report Issued				0	0	
2615015	Brynamman Primary School	3	Complete	0	0	0	0	0	High
2615016	Abernant	3	Draft Report Issued				0	0	
2615017	Parc Y Tywyn School	3	Draft Report Issued				0	0	
2615018	Pembrey	3	Draft Report Issued				0	0	
2615019	Ysgol Beca	3	Complete	0	0	1	1	1	High
2615020	Ysgol Gynradd Hafodwenog	3	Draft Report Issued				0	0	
2615021	Llandeilo C.P. School	3	Draft Report Issued				0	0	
2615022	Y.G. Cynwyl Elfed	3	Draft Report Issued				0	0	
2615023	Halfway C.P. School.	3	Draft Report Issued				0	0	
2615024	Pwll C.P. Mixed School	3	Draft Report Issued				0	0	
2615025	Ysgol Y Castell	3	Complete	0	0	1	1	1	High
2615026	Penygroes C.P. School	3	Draft Report Issued				0	0	
2615027	Ysgol Gynradd Nantgaredig	3	Draft Report Issued				0	0	
2615028	Ysgol Gymraeg Gwenllian	3	Complete	0	0	0	0	0	High
2615029	Ysgol Dewi Sant, Llanelli.	3	Draft Report Issued				0	0	
2615030	Stebonheath C.P. School	3	Draft Report Issued				0	0	
2615031	Ysgol Y Ddwylan	3	Draft Report Issued				0	0	
2615032	Ysgol y Fro	3	Complete	0	0	0	0	0	N/A
2615033	Carreg Hirfaen Foundation School	3	Complete	0	2	2	4	8	Acceptable
2615034	Ysgol Cae'r Felin	3	Draft Report Issued				0	0	
2615035	Ysgol Y Bedol	3	Draft Report Issued				0	0	
2615036	Ysgol Brynteg	3	Draft Report Issued				0	0	
2615037	Pentip VA School	3	Draft Report Issued				0	0	
Primary Schools Totals		111							
Secondary Schools									
2715001	Ysgol Bro Dinefwr	7	Draft Report Issued				0	0	
2715002	Dyffryn Amman	7	Draft Report Issued				0	0	
2715003	Dyffryn Taf	7	Complete	0	1	0	1	3	Acceptable
2715004	Ysgol Gyfun Emlyn	7	Draft Report Issued				0	0	
2715005	Bro Myrddin	7	Complete	0	2	2	4	8	Acceptable
2715006	Coedcae	7	Draft Report Issued				0	0	
2715007	St John Lloyd	7	Draft Report Issued				0	0	
Secondary Schools Totals		49							
Total Audit Days for Department		160							
Total All Audits		1260							

Job No	Departments	Days Planned	Status	No. of 3* Issues	No. of 2* Issues	No. of 1* Issues	Total No. Issues	Score	Assurance Level
Additional Work Not Included in Original Plan									
	SEG - School Effectiveness Grant	15	Complete	0	0	0	0	0	N/A
	WEG - Welsh in Education Grant	15	Complete	0	0	0	0	0	N/A
	14 to 19 Learning Pathways	8	Complete	0	0	0	0	0	N/A
	Pupil Deprivation Grant	15	Complete	0	0	0	0	0	N/A
	EIG additional work (quarterly audits and year end)	25	Complete	0	0	0	0	0	N/A
	Pembrey Country Park / MCP / Country Parks	43	Complete	3	0	0	3	15	Low
	Ski Slope Mngt and Operational	12	Complete						
	Waste	30	Draft Report Issued				0	0	
	Total Additional Work	163							
	Total Audit Plan Time	1423							
	Productivity of Total Audit Plan Days as a Percentage of Approved Plan Days								

SCORING METHODOLOGY

Star Rating	Weighting
3* Issue	5 Points
2* Issue	3 Points
1* Issue	1 Point

ASSURANCE LEVEL - BASED ON NUMBER OF RECOMMENDATIONS AND WEIGHTING

Scores	Assurance Level
0 to 2	High
3 to 10 with no 3* recommendations	Acceptable
11 & over or including 1 or more 3* recommendations	Low

PRE AUDIT RISK LEVEL

ASSESSMENT BASED ON A RANGE OF RISKS INCLUDING - BUSINESS, REPUTATIONAL AND FRAUD

POST AUDIT RISK LEVEL

ASSESSMENT BASED ON THE RESULTS OF THE REVIEW AND TAKING INTO ACCOUNT THE PRE AUDIT

DEPARTMENT RESOURCES	AUDIT REVIEW Treasury Management	AUDIT REF 4115004
PLANNED DAYS 7	ACTUAL DAYS 7	Frequency of Audit ANNUAL
BACKGROUND		
<p>The Treasury & Pension Investments section monitors the daily cash-flow and banking transactions of the Authority to identify funds that are surplus to immediate requirements. The surpluses are lent to various organisations known as Counter Parties. The Treasury Management section within the Resources Department carries out the functions of managing the investments and borrowing of the Authority on a daily basis. Treasury Management is a fundamental system of the Authority and is therefore, subject to annual review, as part of the ongoing Internal Audit Strategic Plan.</p>		
SCOPE		
<p>The review covered the controls and procedures in place for the management and administration of Treasury Management to assess the extent to which the Authority's Financial Procedure Rules are being fully complied with and adequate controls exist over investments and loans raised. In particular the following areas were reviewed:</p> <ul style="list-style-type: none"> • Adequate procedures exist for the Administration of Treasury Management; • Loans and borrowing comply with the Treasury Management Policy; • Adequate authorisation controls and contingency arrangements exist; • Interest calculations are accurate and appropriately recorded; • Adequate fidelity cover is provided for officers involved in loans management and accounting; • Appropriate treasury management information is made available to relevant officers / management 		
SUMMARY OF RESULTS		
<p>The results from testing illustrate that the procedures for the management and administration of the Treasury Management function continue to operate to a high standard.</p> <p>As a result the risk to the Authority remains as low.</p>		
NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	High
Priority 2 – Strengthen Existing Controls	None	
Priority 3 – Minor Issues	None	

DEPARTMENT RESOURCES	AUDIT REVIEW Investments – Dyfed Pension Fund	AUDIT REF 4115005
PLANNED DAYS 7	ACTUAL DAYS 7	Frequency of Audit ANNUAL

BACKGROUND

The Treasury & Pension Investments Section within the Corporate Services Department carries out the function of managing investment issues in relation to the Dyfed Pension Fund and the Dyfed Welsh Church Fund. As at 30th September 2015, the market value of the Dyfed Pension Fund was £1,765 million whilst the value of the Dyfed Welsh Church Fund was £3.12 million.

SCOPE

The review covered the controls and procedures in operation to ensure that:

- Investment transactions are properly authorised and recorded;
- Independent reconciliations between the investment register, the Financial Management System and bank statements are carried out;
- Investments are made and performance is reported in accordance with the Statement of Investment Principles (SIP);
- Performance of investments are monitored on a regular basis;
- Payments of balances held on the Dividend Income Statements are promptly transferred

GENERAL OPINION

The results from testing illustrate that the procedures for the management and administration of the Investments function continue to operate to a high standard.

As a result the risk to the Authority remains as low.

NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	High
Priority 2 – Strengthen Existing Controls	None	
Priority 3 – Minor Issues	None	

DEPARTMENT RESOURCES	AUDIT REVIEW Pensions Payroll	AUDIT REF 4115006
PLANNED DAYS 7	ACTUAL DAYS 7	Frequency of Audit ANNUAL

BACKGROUND

The Pension's Section within the Resources Department is responsible for the payment of pensions to members of the Dyfed Pension Fund. Carmarthenshire County Council is the statutorily appointed Administering Authority for the Dyfed Pension Fund. It administers the benefits and invests the assets of the Fund. Carmarthenshire County Council also acts as the administrator for the unfunded Police and Fire pension schemes for Dyfed Powys Police Authority, Mid & West Wales Fire and Rescue Service and North Wales Fire and Rescue Service respectively. The Fund's LGPS membership base consists of approximately 39,000 members (as at 31st March 2015) from 50 plus employing authorities. Given the number of pensioners paid through the system and the values involved, the system is considered fundamental to the Authority.

SCOPE

The review was to ascertain that procedures and internal controls for the administration of the Pensions System and associated payments comply with approved Policies and that the Pension Fund is effectively managed and that payments are made to eligible pensioners. The audit sought to ensure that procedures have been established and effective controls are in place to ensure:

- there are adequate, documented, procedures in place which are complied with;
- effective controls exist over payments made to Pensioners;
- Exception reports are generated and reviewed with queries dealt with appropriately;
- Access to standing data processing and programmes is restricted to appropriate personnel and amendments are properly authorised;
- The payroll system is regularly reconciled to the main accounting system

GENERAL OPINION

Current procedures are considered to be robust with expected key controls established and operating to a good standard. In addition, procedures were well documented and available to all support staff, and there was adequate evidence of monthly monitoring being undertaken to ensure compliance with Authority Policy. As a result it can be reported that the Pension's Section demonstrates good control over the function. As a result the risk to the Authority remains as low.

NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	High
Priority 2 – Strengthen Existing Controls	None	
Priority 3 – Minor Issues	None	

DEPARTMENT RESOURCES	AUDIT REVIEW Payroll	AUDIT REF 4115010
PLANNED DAYS 15	ACTUAL DAYS 15	Frequency of Audit ANNUAL

BACKGROUND

The Authority pays over 9,000 employees amounting to approximately £196m. Payroll is a centralised function and the Authority has an integrated Payroll and HR system operated through “Resource Link”.

The system is classified as high risk given the value and volume of transactions.

SCOPE

The review covered the internal controls within the Payroll System for the payment of salaries and wages to ensure that:

- Recommendations from the previous audit report have been implemented;
- There are adequate documented procedures in place which are adhered to;
- Exception reports are generated and reviewed with queries dealt with appropriately;
- Access to standing data processing and programmes is restricted to appropriate personnel and amendments are properly authorised;
- Time-sheets, overtime claims, advance payments, SSP, etc. have been properly authorised and data entered correctly;
- Appropriate BACS controls exist;
- The payroll system is regularly reconciled to the main accounting system;
- Individual departments verify the accuracy of employee standing data.

GENERAL OPINION

From the testing undertaken it is apparent that many expected key controls have been established and are operating to a good standard. It is very pleasing to report that the last certification exercise carried out is complete with a 100% response rate. The sample of employee deduction, sickness and maternity forms reviewed had all been appropriately authorised and calculated correctly. Payroll control reconciliations were up to date and well maintained. There was however issues identified in relation to processing timesheets which need addressing prior to an overall positive evaluation being attained.

NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	Adequate
Priority 2 – Strengthen Existing Controls	1	
Priority 3 – Minor Issues	None	

DEPARTMENT Communities	AUDIT REVIEW Leisure facilities at Pembrey Country Park and Millennium Coastal Park (MCP)	AUDIT REF 5415010
PLANNED DAYS	ACTUAL DAYS	Frequency of Audit Annual

Background

The Review covered the Leisure facilities at Pembrey Country Park and Millennium Coastal Park including Pembrey Country Park, Millennium Coastal Park, Burry Port Harbour and Ski Centre. These facilities generate significant levels of income from a range of activities and are, therefore, considered high risk to the Authority. The following lists the approved budget for 2015/16:

	Expenditure £	Income £	Net £
Pembrey Country Park	348,551	-548,902	-200,351
Millennium Coastal Park	1,156,239	-97,910	1,058,329
Burry Port Harbour	516,277	-177,917	338,360
Ski Centre	517,532	-338,898	178,634

Due to the historic issues at the various facilities the new Director requested a full review of arrangements in place on taking over the responsibility for Leisure.

Scope

The review covered the controls and procedures in place for the management and administration of Pembrey Country Park, Burry Port Harbour, Millennium Coastal Park and the Ski Centre to assess the extent to which the Authority's Financial Procedure Rules and approved policies were being fully complied with and properly managed.

General Opinion

The review of these Leisure facilities has been assessed as high risk during the audit planning process due to the recommendations made in previous Internal Audit Reports and taking account of the overall budget for the facilities. Based on the results of this review the risk rating will remain as high.

Summary of Results

This review found that there were a number of weaknesses in the areas tested in particular:

Non compliance with Financial Procedure Rules (including contract and quotation procedure rules and Transport & Engineering Unit Policy):

- The Authority’s procurement arrangements have not been fully complied with
- Procedures for collecting and accounting for income need to be improved to minimise the risk of monies being misappropriated
- Procedures for accounting for assets need to be improved to minimise the risk of assets being stolen or misused, and to ensure that maintenance programmes are adhered to
- The management and administration of agreements / leases for private enterprises need to be improved / tightened to clarify responsibilities and maximise income
- Procedures for the use of facilities by third parties need to be improved

Risk Management and Business Continuity Strategy:

- Health & safety issues have been identified that may present a risk for the Authority and its employees;

Employee issues:

- Staff working hours including TOIL arrangements are not always being recorded and are not being managed at an appropriate level
- Employee Declaration of Interests were not being completed appropriately

In summary there was a general non compliance with a range of the Authority’s established procedures

RECOMMENDATION

The issues identified this must be addressed as a matter of urgency.

Target Date – Ongoing

RESPONSIBLE OFFICER – Ian Jones

RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	3	LOW
Priority 2 – Strengthen Existing Controls		
Priority 3 – Minor Issues		

Audit Committee 22nd March 2016

Subject: Internal Audit Plan

Purpose: Internal Audit Plan 2016/17 & Planned Coverage for 2017/19

Recommendations / key decisions required:

To approve the Annual Internal Audit Plan for 2016/17 and to confirm the planned coverage for 2017/19

Reasons:

It is essential that audits are planned using a structured risk based approach. A three year rolling programme provides assurance of adequate audit coverage and provides the flexibility to deal with changes to systems within the Authority

Relevant scrutiny committee to be consulted:

Not Applicable

Exec Board Decision Required Not Applicable

Council Decision Required Not Applicable

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr D Jenkins

Directorate:
Corporate Services

Name of Head of Service:
Phil Sexton

Report Author:
Helen Pugh

Designations:
Head of Audit, Risk &
Procurement

Audit & Risk Manager

Tel No.01267 246217

E Mail Address:
PSexton@carmarthenshire.gov.uk

Tel No. 01267 246223

E Mail Address:
HLPugh@carmarthenshire.gov.uk

EXECUTIVE SUMMARY
Audit Committee
22nd March 2016

SUBJECT

INTERNAL AUDIT PLAN

The Audit Plan was compiled using risk assessment principles and taking into account changes in services. The adoption of a three year rolling programme provides assurance of the adequacy of audit coverage and allows the flexibility to deal with changes to systems within the Authority. The Plan assumes full staffing within the Section of 9.4 FTE staff.

The following reports are attached for approval

REPORT A Internal Audit Plan 2016/17 – Summary of Resources Available

REPORT B Internal Audit Plan 2016/19 – Detailed Listing of Planned Reviews

**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: Phil Sexton Head of Audit, Risk & Procurement

Policy and Crime & Disorder	Legal	Finance	ICT	Risk Management Issues	Organisational Development	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: Phil Sexton Head of Audit, Risk & Procurement

1. Local Member(s) N/A
2. Community / Town Council N/A
3. Relevant Partners N/A
4. 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:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Strategic Audit Plan 2016-18	AC 28-03-14	Internal Audit Unit

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INTERNAL AUDIT PLAN 2016/19 - SUMMARY

	2016/19 Planned (Days)	2017/18 Indicative (Days)	2018/19 Indicative (Days)
GENERAL AUDIT (see Internal Audit Plan Detailed Listing of General Audits)	851	857	836
PROCUREMENT/CONTRACT AUDIT (see Internal Audit Plan Detailed Listing of General Audits)	110	121	120
COMPUTER AUDIT (see Internal Audit Plan Detailed Listing of General Audits)	145	146	150
SCHOOLS Secondary Schools*7days*1 visit every 2 years Primary Schools*3 days*1 visit every 3 years 2 Special Schools*5 days*1 visit every 2 years (see Internal Audit Plan Detailed Listing of Audits)	154	136	154
TOTAL AUDIT DAYS FOR GENERAL, PROCUREMENT/CONTRACT, COMPUTER & SCHOOL REVIEWS	1260	1260	1260
EXTERNAL CONTRACTS			
Mid & West Wales Fire Rescue Service <i>See Note 1</i>	35	35	35
FRAUD / INVESTIGATIONS (Incorporating pro active work and investigation) <i>See Note 2</i>	100	100	100
FOLLOW UP OF PREVIOUS AUDITS <i>See Note 3</i>	30	30	30
DEPARTMENTAL TRAINING <i>See Note 4</i>	20	20	20
MAINTENANCE OF RULES & PROCEDURES, POLICIES, STRATEGIES, AUDIT MANUAL REVIEW <i>See Note 5</i>	30	30	30
ANNUAL GOVERNANCE STATEMENT <i>See Note 6</i>	20	20	20
GENERAL CONTINGENCY <i>See Note 7</i>	100	100	100
TOTAL DAYS AUDIT DAYS	1595	1595	1595

Note 1 – M&WW Fire Service	This is an external contract undertaken under a Service Level Agreement. Days and reviews are agreed annually with the Treasurer to Mid and West Wales Fire and Rescue.
Note 2 – Fraud	Financial Procedure Rules require that all suspicions of Fraud are referred to the Head of Audit, Procurement and IT. Proactive work is currently undertaken through Computer Assisted Audit Techniques, Analytical Review and National Fraud Initiative.
Note 3 – Follow Up	Recommendations made as part of a review are recorded in an Audit Recommendations Data Base. Each recommendation has a risk factor, a named officer and a date of implementation, these are periodically reviewed to ensure implementation.
Note 4 - Training	Staff from Internal Audit provide training for School Governors, Headteachers and School Improvement Officers on finance and control issues. Training is provided for School Meals staff and managers. Corporate training is also provided to Grant Project Managers as part of an awareness initiative linked issues flagged during the WAO report on Grant Claims and also a corporate course "Finance for non Financial Managers".
Note 5 – Rules & Procedures, Policies, Strategies, Audit Manual etc	These require updating periodically to reflect changes in legislation, systems etc. This year Financial Procedure Rules will be reviewed
Note 6 – Annual Governance Statement	The Annual Governance Statement is included in the Statement of Accounts and is a statutory requirement. The Authority has established a Corporate Governance Group which includes Members and Officers, which reviews the effectiveness of Governance within the Authority. This forum will agree the Annual Governance Statement and periodically review the Code of Corporate Governance. The Head of Audit, Procurement and IT co-ordinates the preparation of the Annual Governance Statement.
Note 7 – General Contingency	Time is included for the "unexpected" which cannot be built into the plan e.g. Special Reviews following an incident or significant concern

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INTERNAL AUDIT PLAN 2016-18

<i>Department</i>	2016/17 Plan	2017/18 Indicative	2018/19 Indicative
Chief Executive			
<u>Regeneration & Policy</u>			
Corporate Strategy/Policy Making	8	8	
Partnership Arrangements	8	10	●
Customer Services			●
Call Centre	5		
Translation Services		8	
Community Safety		5	
Press Office/communication			●
Print Commissioning	5		
Annual Governance Statement	8	8	●
Electoral Services		8	
Coroners / other services	3		
Registrars	8		
<u>People Management & Performance</u>			
HR Function	10	10	●
Health & Safety		10	
Modern Records			●
Staffing Policies	8		
Declaration of Interest	3		●
<u>Administration & Law</u>			
Democratic Advice and Support	5		
<u>Financial Management Other</u>			
	5	8	●
TOTAL AUDIT DAYS FOR DEPARTMENT	76	75	

Education & Children

Improvement & Skills

Community Learning	3		●
Youth Support Service	8	8	●

Strategic Development

Information Management	6		●
Admissions		6	
School Meals / Catering Services	10	10	●

Education Services

Additional Learning Needs	8		●
School Improvement	5		●

Schools Organisation	5	6	
Modernising Education Provisions		8	●
School Support		10	
Governor Support		8	
Teachers starters & leavers	6	6	●
<u>Children's Services</u>			
Adoption & Fostering			●
Child Support	6		
Family Support	6		
Partnering / Procurement	6	6	●
Residential Care			●
Education Welfare	6		●
Safeguarding	10	10	●
<u>Financial Management Other</u>			
	5	8	

TOTAL AUDIT DAYS FOR DEPARTMENT	90	86	
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Grants

Economic Development/Physical

Regeneration

Physical Regeneration	10	5	●
Business Development	5	5	●
Community Funding	8		●
Grants Monitoring		12	●
Sponsorship/Tourism/Marketing		7	

Departmental Grants

	15	15	●
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Specific Grants

Foundation Stage	6	5	●
DCELLS Post 16	5	5	●
Bus operators Grant	5		
School Uniform		5	●
Supporting People	15	15	●
Education - EIG - Q1 Audit	5	5	●
Education - EIG - Q2 Audit	5	5	●
Education - EIG - Q3 Audit	5	5	●
Education - EIG - Q4 Audit	5	5	●
Education - EIG - Final Annual Audit	5	5	●
Education - PDG	15	15	●

Financial Management Other

	5	8	
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TOTAL AUDIT DAYS FOR DEPARTMENT	114	122	
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Corporate Services

Audit, Risk and Procurement

Risk Management 10

Finance

Main Accounting 15 15 ●

VAT 8 8 ●

Capital Accounting incl.Fixed Asset

Register 15 15 ●

Treasury Management 7 7 ●

Investments 7 7 ●

Pensions Payroll System 8 8 ●

Housing Benefits 10 10 ●

Council Tax 10 10 ●

NNDR 10 10 ●

Payroll System 22 25 ●

Creditor Payments 20 20 ●

Debtors System 20 20 ●

Cash Receipting 8 8 ●

Banking 8 8 ●

Travel & Subsistence System 10 10 ●

Trust Funds 10 12 ●

Financial Management Other 5 8 ●

TOTAL AUDIT DAYS FOR DEPARTMENT 203 201

Corporate Property (to be allocated to relevant Dept)

Asset Disposal/Acquisition 8 ●

Asset Transfer 8 ●

Property Management 8 8 ●

Estate Management 8 8 ●

Provision / livestock markets 8 8 ●

TOTAL AUDIT DAYS FOR DEPARTMENT 24 40

Communities

Housing Services

Home Improvements & Repairs:

Disability/Adaptations/Renewals/ARBED 10 ●

Houses for Homes 8 ●

Housing Services:

Tenant Involvement 5 ●

Tenancy Mgt 8 5 ●

Voids 8 10 ●

Homelessness	8		
Travellers Sites			
Affordable Homes		8	●
<i>Income:</i>			
Rents	8	8	●
HRA	8	8	●
<u>Adult Social Care</u>			
Contract Management/Partnerships	10	10	●
Direct Payments	10		●
Home Care	10	10	●
Meal provision			●
Residential Care Authority & Private Homes	10	10	●
Service User Assets		5	
Financial assessments and Collections		5	
Deputyship		5	
Care Plans		5	
Day Care	10		●
Learning Disabilities	7	5	
Transport	8	5	
Joint equipment store		5	
Safeguarding	10	10	●
Supporting People	8	6	●
Care Line			●
<u>Public Protection</u>			
Licensing and other fees		5	
Public Health / Protection	6		●
<u>LEISURE and SPORT</u>			
Arts and Culture			
Arts Development	5		
Theatres			●
Cultural: Oriel Myrddin	5		
Dylan Thomas		5	
St Clears Craft Centre		5	
Heritage Services	6		●
Libraries	6		●
Leisure Centres:			
Amman Valley	5	5	●
Carmarthen	5	5	●
Llanelli	5	5	●
West Area Leisure / Strategic Link for Sport		20	
South Area Leisure / Education & Workforce			●

East Area Leisure / NERS / Marketing	20		
Health & Safety		5	
Local Authority Partnership		5	

Leisure Other:

Arrangements for Leisure Trust Status	5	5	●
Pendine School Camp		5	
Countryside Access			●
Partnerships	5		

Countryside:

Pembrey Country Park / MCP / Country			
Parks	15	15	●
Ski Centre	5	5	●
Burry Port Harbour	5	5	●

<u>Financial Management Other</u>	5	8	
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TOTAL AUDIT DAYS FOR DEPARTMENT	244	228	
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Environmental Services

Building Services

Building Maintenance	10	10	●
Procurement	5	8	●
Grounds Maintenance	8	8	●
Urban Parks	8		●

Street Scene

Highway Maintenance (incl. Trunk Roads)	8	8	●
Waste Services	8	8	●
Trade Waste	5	5	●
Other Streetwork		5	
Street Lighting		5	
Cleaning Services		5	
Enforcement		5	

Transport

Public transport	7		●
School & College Transport	5		●
Community transport		5	
Parking inc Enforcement		5	
Fleet/Plant Management	7	5	
Traffic Management	7		●
Road Safety	7		●
Management systems (task)		5	

Planning Services

Development Control	5		•
Building Control	5		•
Conservation		5	
s106 Agreements		5	

<u>Financial Management Other</u>	5	8	
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<u>TOTAL AUDIT DAYS FOR DEPARTMENT</u>	100	105	
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<u>TOTAL AUDIT DAYS FOR ALL DEPARTMENTS</u>	851	857	
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PROCUREMENT/CONTRACTS

Corporate Reviews

Departmental Contract Management		10	•
Departmental Procurement Revenue			
Contracts	7	10	•
Corporate Procurement	15	15	•
Asset Management	15	10	•

CONTRACTS

Pre Contract

Contract Partnering Selection		8	•
Capital Grant Management		8	•

Current Contract

Cost Mangement		5	
Framework contracts	15	10	•

Specific Projects

Capital Maintenance	18	18	
MEP & sample of specific projects / post contracts	10		
	15	12	•

<u>Post Contract</u>	10	10	•
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<u>Financial Management Other</u>	5	5	•
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<u>TOTAL AUDIT DAYS FOR PROCUREMENT/CONTRACTS</u>	110	121	
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Computer Audit

General

Asset Management (Central/Other)		12	•
Collaborative Working		12	•
Security of Information	15		•

IT Procurement			•
Corporate File Plan			•
Cloud Computing			•
Operating Systems	15		
Data Protection			•
Social Media	5		
Internet Security	10		
Licensing	10		
Communications	10		
Networks inc WiFi		15	
Business Continuity Planning		15	
Computer Assisted Audit Testing(CAATs)	25	25	•
Installations			
Active Directory			
NFI		30	
<u>Departmental Applications</u>			
Resources			
- Agresso Developments	8	8	•
Pensions		8	
-Revenues/ Benefits / DIPS		8	
- Resource Link	10		•
- Payment Cards	5	8	
Resources / WWEC - Grants Matrix system			
Education			
- Education & Children Services	12		•
- Schools			
Social Care & Housing	12		•
Technical Services			
Other Systems - Total Mobile	3		•
<u>Financial Management Other</u>	5	5	

TOTAL AUDIT DAYS FOR COMPUTER AUDIT	145	146
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School Audits

Primary Schools

Meithryn Rhydaman	3		
Cefneithin C.P.	3		
Drefach C.P. School.		3	
Maesybont C.P. School.			•
Llechyfedach C.P. School	3		
Ysgol Gynradd Y Tymbl			•
Ysgol Gynradd Gorslas	3		
Cross Hands C.P. School.		3	
Llangain C.P. School.		3	
Peniel C.P. School.		3	
Bancffosfelin C.P. School.		3	

Gwynfryn C.P. School.	3	
Carway C.P. School.	3	
Pontiets C.P. School		•
Ysgol Gynradd Ponthenri	3	
Bancyfelin C.P. School	3	
Meidrim C.P. School	3	
Bro Banw	3	
Saron C.P. School	3	
Betws C.P. School		•
Ysgol Gynradd Tycroes		•
Ysgol Gynradd Parcyrhun		•
Blaenau C.P. School	3	
Nantygroes C.P. School		•
Ysgol Gynradd Llanedi	3	
Ysgol Gynradd Ffairfach	3	
Talley C.P School		•
Cwrt Henry		•
Llangadog C.P. School	3	
Llansadwrn		
Ysgol Rhys Pritchard		•
Ysgol Gynradd Llanwrda	3	
Ysgol Gynradd Bro Brynach	3	
Llys Hywel Whitland		•
Ysgol Gynradd Brynsaron		•
Ysgol G. Llanpumsaint	3	
Ysgol G. Mynyddygarreg	3	
Johnstown C.P. School	3	
Ysgol Y Dderwen, Carmarthen	3	
Llanmiloe C.P. School	3	
Bryn C.P. School	3	
Ysgol Gynradd Bynea	3	
Dafen C.P. School	3	
Y Felin (Felinfoel)	3	
Five Roads C.P. School	3	
Llangennech Infants School	3	
Llangennech Junior School		•
Hendy C.P. Mixed School		•
Furnace C.P. School	3	
Copperworks Infant & Nursery School	3	
Maes y Morfa	3	
Old Road C.P. Primary School	3	
Lakefield C.P. School.	3	
Ysgol Llanstephan	3	
Ysgol Gynradd Llannon	3	
Ysgol Brynsierfel, Llanelli.	3	
Brynamman Primary School		•
Abernant		•
Myrddin C.P. School	3	
Llangunnor C.P. School.	3	

Trimsaran C.P. School. (Juniors).		3	
Swiss Valley C.P. School.	3		
Parc Y Tywyn School			•
Pembrey			•
Ysgol Gymraeg Rhydaman	3		
Ysgol Beca			•
Llandybie C.P. School	3		
Ysgol Gynradd Hafodwenog			•
Ysgol Gymraeg Teilo Sant, Llandeilo.		3	
Ysgol Llanybydder	3		
Llandeilo C.P. School			•
Y.G. Cynwyl Elfed			•
Halfway C.P. School.			•
Pwll C.P. Mixed School			•
Penygaer C.P. School.		3	
Ysgol Y Castell			•
Penygroes C.P. School			•
Ysgol Gynradd Nantgaredig			•
Ysgol Gymraeg Gwenllian			•
Ysgol Dewi Sant, Llanelli.			•
Pontyberem C.P. School.		3	
Bigyn C.P. School.		3	
Stebonheath C.P. School			•
Burry Port Community School	3		
Ysgol Y Ddwylan			•
Richmond Park C.P. School.		3	
Ysgol Griffith Jones		3	
Ysgol y Fro			•
Carreg Hirfaen Foundation School			•
Ysgol Cae'r Felin			•
Ysgol Y Bedol			•
Ysgol Brynteg			•
Ysgol Wirfoddol Abergwili	3		
Tremoilet V.C.P.	3		
Laugharne V.C.P. School	3		
Ys Gynradd Wirfoddol Llanddarog	3		
Ferryside V.C.P. School			•
Ysgol Gynradd Wirfoddol Llanllwni	3		
St. Mary's R.C.P. School. Llanelli.		3	
St. Mary's R.C.P. School, Carmarthen.		3	
Ysgol Wirfoddol Penboyr	3		
Pentip V.A. C.I.W. Primary			
Model V.A.P. School.		3	

Primary Schools - Total Days	105	87
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Secondary Schools

YSGOL BRO DINEFWR		7
DYFFRYN AMMAN		7
DYFFRYN TAF		7

GLANYMOR	7		•
YSGOL GYFUN EMLYN		7	
BRO MYRDDIN		7	
COEDCAE		7	
STRADE	7		•
BRYNGWYN	7		•
MAES Y GWENDRAETH	7		•
Q.E. HIGH SCHOOL	7		•
ST JOHN LLOYD		7	
Secondary Schools - Total Days	35	49	
<i>Special Schools</i>			
RHYDGORS	7		•
HEOL GOFFA	7		•
Special Schools - Total Days	14	0	
TOTAL DAYS FOR SCHOOL AUDITS	154	136	
TOTAL ALL AUDITS	1260	1260	

Audit Committee 22nd March 2016

Subject	Supporting People	
Purpose:	To note the progress in the Supporting People Action Plan	
Recommendations / key decisions required:	To approve progress and the continued work objectives.	
Reasons:	A quarterly progress report was requested in the Audit Committee meeting on 10 th July 2015	
Relevant scrutiny committee to be consulted	N/A	
EXECUTIVE BOARD / COUNCIL / COMMITTEE:	N/A	
Scrutiny Committee recommendations / comments:		
Exec Board Decision Required	NA	
Council Decision Required	NA	
EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr. Jane Tremlett		
Directorate: Communities		
Name of Head of Service:	Designations: Head of Strategic Joint Commissioning	Tel Nos.
C Harrison		E Mail Addresses:
Report Author: C Harrison		Chris.harrison@pembrokeshire.gov.uk

EXECUTIVE SUMMARY
Audit Committee
22nd March 2016

SUBJECT

Supporting People Programme Grant update

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

The attached report summarises the work done to date by the Supporting People Team to continue to improve its grant and contract management processes as identified by the Audit and Risk Manager in the Audit Committee meeting on 10th July 2015.

It is submitted that good progress is being made and will be monitored by the Supporting People Planning Group chaired by the Director of Community Services.

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 NONE	Legal NONE	Finance NONE	ICT NONE	Risk Management Issues NONE	Staffing Implications NONE	Physical Assets NONE
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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

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:

N/A

Title of Document	File Ref No.	Locations that the papers are available for public inspection
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Audit Committee Update – Supporting People Programme Grant

22nd March 2016

Introduction

In the last Audit Committee meeting on 18th December 2015 a brief update report was presented to show the progress that had been made by the Supporting People Team on the two key issues raised by the Internal Audit of the Supporting People Programme Grant for 13/14.

During this meeting the Audit and Risk Manager highlighted the weaknesses that were identified in the 2014/15 Audit of the Supporting People Programme Grant.

This update seeks to evidence the work that has been done since the last Audit Committee meeting and seeks to re-assure members that the work is progressing in a planned and timely way.

Progress to date

Progress is being made by the Supporting People Team on all the 4 elements that were agreed in the Status Report. However, this needs to be seen in the context of the wider Supporting People Programme Grant (SPPG) issues faced by the Welsh Government and Carmarthenshire County Council.

The British Government's Comprehensive Spend Review delayed the Welsh Government's budget announcement which had a knock-on effect on the announcement of the SPPG award for 2016/17. It was pleasing however that no cuts were announced for the SPPG though the Supporting People Team had invested much time in preparing for cuts that were widely expected to be between 5% and 20%.

The following is a brief summary of the actions completed to date:

1. Floating Support projects –Work on the tender has been ongoing with 2 market engagement events being undertaken. A number of service providers, both existing and new, have attended these events. This tender exercise has proved to be a complex one with TUPE arrangements being the main issue to be resolved. Meetings have taken place with colleagues in Legal Services and Corporate Procurement to resolve issues as they have arisen. The new locality based floating support service will now be tendered in April 2016, as opposed to January 2016, with new contract arrangements being in place in late Summer 2016.
2. Jointly funded supported living projects – Work is currently being undertaken as part of the Accommodation and Efficiency Programme around these services.
3. Older people alarm services –An evaluation of these services is nearing completion. Service users in have been consulted regarding the service and whether it is valued.

This will provide evidence for the report that will now be written for consideration by the Supporting People Planning Group on 12th April 2016.

4. Remaining services (Domestic Abuse, Homelessness, Young People and Substance Misuse static projects) - The prioritisation exercise as described in the last update is ongoing. It was suggested by the Supporting People Planning Group, in the meeting on 1st February 2016, that the Supporting People Team meet with the strategic leads of their services. This work has been completed and a report will be submitted to the Planning Group on 12th April. This will help the Supporting People Team timetable a schedule of tendering for these services. This process has already highlighted some services that are no longer strategically relevant which are to be considered for decommissioning.

The programme of contract review meetings is ongoing with a number of meetings scheduled for April and May 2016. These will be accompanied by monitoring visits to test eligibility for funding and also outcomes achieved.

The concept of the SPURS Gateway system was introduced in the last update. Work is continuing with colleagues in Pembrokeshire and Ceredigion so that Carmarthenshire can join the system early in 2016/17. There have been some teething problems with the system but most of these have now been resolved. As stated in December's update, this is seen as an important step for Carmarthenshire's Supporting People Team to take because this system will help with evidencing eligibility for SPPG funding as only those who have declare a housing related support need will be able to access SPPG funded projects. This is not in any way a replacement for good quality, on-site monitoring information but it does give an initial indication of eligibility.

Since the last Audit Committee, much work has been done to resolve the financial administration issues highlighted. Meetings have been held with the Senior Business Support Manager to discuss the parameters of the financial administration and monitoring required for the SPPG. To this end a member of staff is to be recruited to undertake the payments to service providers. This will release a more experienced member of the Team to undertake some financial monitoring of service providers. It has been agreed that the transfer of responsibilities will take place in April 2016. This will coincide with a full review of the grant administration procedures that the Supporting People Team currently uses to enable a more comprehensive system to be put into place in 2016/17. This can only improve the administration of the SPPG.

In the interim period, the invoice processing has had to be undertaken by the Temporary Team Leader – Supporting People. This has not been an ideal situation but in the absence of an alternative solution this has had to be prioritised over some of the Team's other work.

Conclusion

It is hoped that this report shows the progress that the Supporting People Team has made since the last Audit Committee meeting and the commitment remains to improve the administration and management of the SPPG in line with the standards expected by Carmarthenshire County Council.

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Carmarthenshire County Council Audit Committee Update – March 2016

Financial audit work 2015-16 – Dyfed Pension Fund

Activity	Scope	Status
Audit Plan	Plan of financial audit work for 2015-16.	Audit Committee March 2016.
Financial Statements/Annual Audit Letter	Audit of the Pension Fund's 2015-16 financial statements and Annual Audit Letter.	Audit Committee September 2016.

Financial audit work 2015-16 – Carmarthenshire County Council

Activity	Scope	Status
Certification of Grants and Returns 2014-15	Summary of grants and returns certification work 2014-15.	Audit Committee July 2016.
Audit Plan 2016	Plan of financial audit work for 2015-16.	Audit Committee March 2016.
Financial Statements 2015-16	Audit of the Council's 2015-16 financial statements.	Audit Committee September 2016.
Annual Audit Letter	Report summarising our 2015-16 financial audit work.	Audit Committee December 2016
Certification of Grants and Returns 2015-16	Summary of grants and returns certification work 2015-16.	Audit Committee March 2017

Performance work 2015-2016 - Carmarthenshire County Council

Activity	Scope	Status
Audit Plan	Plan of performance audit work for 2015-16.	Audit Committee March 2016
Corporate Assessment	Review of the Council's capacity and capability to deliver continuous improvement.	Report Issued January 2016
Improvement Plan Audit – 2015-2016	Audit of the discharge of the Council's duty to publish an improvement plan.	July 2015 – complete certificate issued
Assessment of performance	Audit of the discharge of the Council's duty to publish an assessment of performance.	July 2015 – complete certificate issued
Performance Review	Assessment of performance in relation to two of the Council's Key Improvement Priority Areas.	Fieldwork complete – informs Annual Improvement Report (issued in draft for factual accuracy check)
Financial Management and Financial Position Summary - 2	Further work on our financial management arrangements following up our 2014-2015 review, and looking forward to 2016-2017 budget setting and savings proposals. There will also be a focus on reserves position.	Issued – January 2016
Governance and Performance Reviews – all inform the Corporate Assessment Report.	Human Resources Review. Information technology Review. Information Management Review. Asset Management Review. Partnership Review.	Complete – Informs Corporate Assessment
Local Project	Review of the application of Equalities impact Assessment in relation to Council	January-February 2016 – moved to March 2016.

	improvement priorities	
LG Improvement Study 1 – Council funding of third-sector services	Project brief issued	Fieldwork underway
LG Improvement Study 2 - The strategic approach of councils to income generation and charging for services	Project brief issued	Fieldwork complete
National Study – The effectiveness of local community safety partnerships	Project Brief Issued	Fieldwork complete report being drafted

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Archwilydd Cyffredinol Cymru
Auditor General for Wales



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

2016 Audit Plan

Carmarthen County Council

Audit year: 2015-16

Issued: March 2016

Document reference: 256A2016

Status of document

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This document was produced by Richard Harries, Jason Garcia and Jeremy Evans.

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Performance work in last year's audit outline still in progress	14
National value-for-money studies	15

2016 Audit Plan

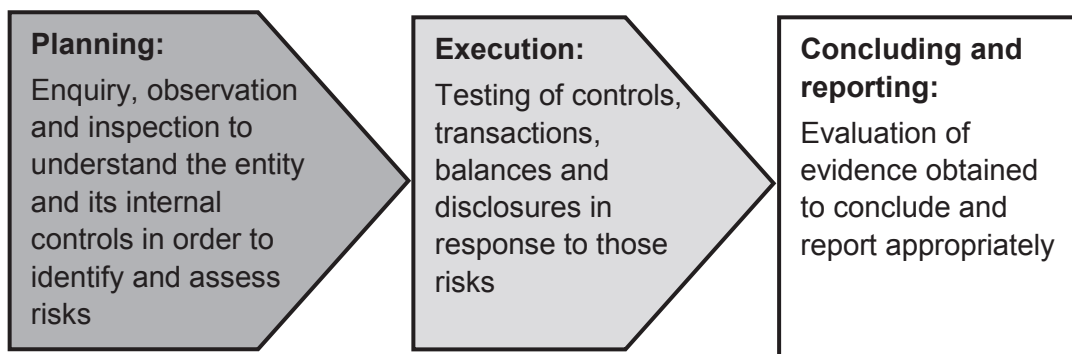
Summary

1. As your external auditor, my objective is to carry out an audit which discharges my statutory duties as Auditor General and fulfils my obligations under the Public Audit (Wales) Act 2004, the Local Government (Wales) Measure 2009 (the Measure), the Local Government Act 1999, and the Code of Audit Practice, namely to:
 - examine and certify whether your financial statements are ‘true and fair’;
 - assess whether you have made proper arrangements for securing economy, efficiency and effectiveness in the use of resources;
 - audit and assess whether you have discharged duties and met requirements of the Measure; and
 - undertake studies to enable me to make recommendations for improving economy, efficiency and effectiveness or for improving financial or other management arrangements.
2. The purpose of this plan is to set out my proposed work, when it will be undertaken, how much it will cost and who will undertake it.
3. There have been no limitations imposed on me in planning the scope of this audit.
4. My responsibilities, along with those of management and those charged with governance, are set out in [Appendix 1](#).

Financial audit

5. It is my responsibility to issue a certificate and report on the financial statements which includes an opinion on their ‘truth and fairness’.
6. I also consider whether or not Carmarthenshire County Council (the Council) has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if the Annual Governance Statement does not comply with requirements.
7. [Appendix 1](#) sets out my responsibilities in full.
8. The audit work I undertake to fulfil my responsibilities responds to my assessment of risks. This understanding allows me to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the financial statements as a whole. My audit approach consists of three phases as set out in [Exhibit 1](#).

Exhibit 1: My audit approach



9. The risks of material misstatement which I consider to be significant and which therefore require special audit consideration, are set out in **Exhibit 2**, along with the work I intend to undertake to address them.

Exhibit 2: Financial audit risks

Financial audit risk	Proposed audit response
<p>Risk of Management Override</p> <p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; and • evaluate the rationale for any significant transactions outside the normal course of business.
<p>Revenue recognition</p> <p>There is also a potential risk across all public sector entities of misstatement due to fraud or error in revenue recognition and, as such, is treated as a significant risk.</p>	<p>My audit team will evaluate if there is a risk and if so which types of revenue give rise to such risks, obtain an understanding of the Council’s related controls relevant to such risks and focus its testing on the timing and value of revenue where appropriate.</p>
<p>Compliance with International Financial Reporting Standards</p> <p>There is an inherent risk within any financial statements that they do not comply with International Financial Reporting Standards (IFRS) and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.</p>	<p>We will carry out detailed audit testing on all material balances and transactions. We will also continue to work with the finance department to agree the most appropriate presentation for the financial statements.</p>
<p>Financial Challenges</p> <p>In a period of financial constraint, there are risks that governance arrangements may be weakened, for example, as a result of the</p>	<p>My audit team will carry out a detailed review of the arrangements for the production of the Annual Governance Statement. In doing this</p>

Financial audit risk	Proposed audit response
<p>departure of key staff from the organisation. It is important, therefore, that the Council report, in their Annual Governance Statements, how they are mitigating this risk, for example, by ensuring the existence of:</p> <ul style="list-style-type: none"> robust internal financial controls such as comprehensive standing orders and financial regulations, strong budgetary control and effective Internal Audit; the operation of recognised standards of financial conduct; arrangements to ensure that the Council only enters into transactions where there is specific legal provision for them to do so; and well-established and understood procedures to prevent and detect fraud and corruption. 	<p>we will also consider the work of others including Internal Audit and other regulators where appropriate.</p>
<p>Organisational restructuring</p> <p>There is a risk that, due to organisational changes and reductions in support staff numbers, internal controls could be weakened. These controls need to be operating effectively to ensure the accuracy, regularity and lawfulness of transactions.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> test key controls in main financial systems including the main accounting system and closedown procedures and, where necessary, underlying systems, such as debtors, creditors, payroll, treasury management and fixed assets.
<p>Council House revaluation</p> <p>The Council is revaluing its Council housing stock in 2015-16 and there is a risk that the financial statements will not adequately disclose the correct revised valuations.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> assess the methodology being used to revalue the Housing stock and conclude on the reasonableness of the approach; and review the disclosures made in the accounts to ensure that the agreed methodology has been correctly implemented.
<p>Capital Projects</p> <p>There are a number of material capital projects ongoing in 2015-16. There is a risk that the financial statements will not reflect all work completed up to 31 March 2016 and that the financing of the expenditure will not be correctly accounted for.</p>	<p>My audit team will undertake tests to gain assurance that asset valuations, financing and capital commitments are correctly reflected in the financial statements.</p>
<p>Whole of Government Accounts</p> <p>Consolidation packs are required to support the consolidation of public sector resource accounts, which may be inconsistent with the audited financial statements.</p>	<p>My audit team will carry out testing of the consolidation pack to ensure that it accurately reflects the audited financial statements.</p>

-
10. I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes, but adopt a concept of materiality. For 2014-15 our materiality level was approximately £6 million and this will be revised following receipt of the 2015-16 draft financial statements. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Audit Committee prior to completion of the audit.
 11. For reporting purposes, I will treat any misstatements below a 'trivial' level (the lower of five per cent of materiality or £100,000) as not requiring consideration by those charged with governance and therefore I will not report them.
 12. My fees are based on the following assumptions:
 - information provided to support the financial statements is timely, to the quality expected and has been subject to quality assurance review;
 - appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;
 - all appropriate officials will be available during the audit;
 - you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me; and
 - Internal Audit's planned programme of work is complete and management has responded to issues that may have affected the financial statements.
 13. In addition to my responsibilities in respect of the audit of the Council's statutory financial statements set out above, I am also required to certify a return to the Welsh Government which provides information about the Council to support preparation of Whole of Government Accounts. We understand that the audit requirements for this are currently being reviewed and we will update in you in due course should these change.

Certification of grant claims and returns

14. I have been requested to undertake certification work on the Council's grant claims and returns. The specific claims and returns to be audited are to be confirmed with the Council's officers in April 2016.
15. My audit fee for this work is set out in [Exhibit 4](#).

Other work undertaken

16. I am also responsible for the independent examination of Burry Port Harbour Authority's 2015-16 financial statements.
17. My audit fee for this work is set out in [Exhibit 4](#).

Performance audit

18. The components of my performance audit work are shown in **Exhibit 3** and have been designed in order to help deliver the high-level objectives set out in our 2013-2016 corporate strategy (www.audit.wales/publication/wales-audit-office-corporate-strategy-2013-2016).

Exhibit 3: Components of my performance audit work



19. Local government in Wales is going through an unprecedented period of change. Austerity continues to bite, audited bodies will be required to adopt the principle of sustainable development from April 2016, and the draft Local Government (Wales) Bill proposes fewer councils and a renewed performance framework. The Minister for Public Services has publicly stated that he would like to see a refreshed audit regime in advance of the legislative timetable with a view to supporting change. In January this year the Minister advised me of a substantial reduction in the grant that subsidises my local government performance audit work under the Measure.
20. However, for 2016-17 the Measure will still be in place, and I will still need to examine whether authorities will meet their duty to make arrangements for continuous improvement. The challenge for me in these uncertain times is to balance my existing, new and proposed statutory duties with the need to continue to undertake meaningful, risk-based and proportionate audits and assessments.
21. In spring 2016 I will be engaging in a consultation with public service bodies on how I can best discharge my various duties whilst striking the most appropriate balance and adding value by:
- providing assurance on the governance and stewardship of public money and assets;
 - offering insight on the extent to which resources are used wisely in meeting people's needs; and
 - identifying and promoting ways by which the provision of public services may be improved.

22. Taking all these factors into consideration, I am presently unable to be specific about my programme of performance audit work in local government. I am working through the practicalities of designing an appropriate programme of work, and examining the implications of the reduction in grant funding with a view to ensuring, as far as I am able, that there is little adverse impact on local authorities through fees.
23. As soon as practical, I will write to confirm my 2016-17 programme of work.
24. The performance audit projects included in last year's Audit Plan, which are either still underway or which have been substituted for alternative projects in agreement with you, are set out in [Appendix 3](#).

Fee, audit team and timetable

Fee

25. The Wales Audit Office does not generate profits on fees. Legislation requires that the fees charged may not exceed the full cost of exercising the function to which the fee relates. The fee rates are set at a level to recover that full cost. My fee rates have been held static for 2016 and my audit teams will continue to look for efficiencies in their audits and welcome working with you constructively on this.
26. Your estimated fee for 2016 is set out in [Exhibit 4](#). This fee has remained unchanged from the fee set out in the 2015 audit plan.

Exhibit 4: Audit fee

Audit area	Proposed fee 2015-16 £	Proposed fee 2014-15 £	Actual fee 2014-15 £
Financial audit work ¹	£184,000	£183,995	£186,995
Performance audit work	£116,000*	£116,382	£116,382
Grant certification work	£90,000	£165,000	£166,000
Other financial audit work			
• Burry Port Harbour Authority	£2,000	£2,000	£2,000
Total audit fee	£392,000	£467,377	£471,377

* In light of paragraphs 18-22, this is an indicative fee

Notes:

¹ Planning will be ongoing, and changes to my programme of audit work and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Council.

27. Further information on my fee scales and fee setting can be found on the Wales Audit Office website at: www.audit.wales/about-us/fee-scales-and-fee-setting.

Audit team

28. The main members of my team, together with their contact details, are summarised in [Exhibit 5](#).

Exhibit 5: My team

Name	Role	Contact number	E-mail address
Richard Harries	Engagement Director and Engagement Lead – Financial Audit	02920 320500	richard.harries@audit.wales
Jane Holownia	Engagement Lead – Performance Audit	02920 320500	Jane.holownia@audit.wales
Jason Garcia	Financial Audit Manager	01267 224489 07854 022649	jason.garcia@audit.wales
Julie Owens	Financial Audit Team Leader	01267 224489 07581 499092	julie.owens@audit.wales
Jeremy Evans	Performance Audit Manager	07825 052861	Jeremy.evans@audit.wales
Helen Keatley	Performance Audit Lead	07866 20177	Helen.keatley@audit.wales

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

Timetable

30. I will provide reports, or other outputs as agreed, to the Council covering the areas of work identified in this document. My key milestones are set out in [Exhibit 6](#).

Exhibit 6: Timetable

Planned output	Work undertaken	Report finalised
2016 Audit Plan	January 2016 – March 2016	March 2016
Financial accounts work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on Financial Statements• Financial Accounts Memorandum• Summary Grants audit report	February – December 2016	September 2016 September 2016 November 2016 March 2017

Planned output	Work undertaken	Report finalised
Performance work: I am presently unable to be specific about my programme of performance audit work in local government.	April 2016 to March 2017	As soon as practical, I will write to confirm my 2016-17 programme of work.
2017 Audit Plan	January – March 2017	March 2017

Future developments to my audit work

31. The Well-being of Future Generations (Wales) Act 2015 (the Act) requires me to have undertaken an examination in each of the public bodies specified within the Act and to have provided a report to the National Assembly, by 2020.
32. As referred to in paragraph 21, I will be consulting on my proposed response to the Act in spring 2016. This consultation will feature a commitment to engage and work collaboratively with public bodies in developing an audit approach which is rigorous, meaningful and proportionate. I propose using 2016-17 as a transition year during which my teams work with a limited number of public bodies to develop and test my approach.
33. As we confirm our audit approaches and respond to continuing consultation from the Welsh Government, we will be talking to audited bodies about the implications for their fees from 2017-18 onwards and will be exploring alternative funding models with the next National Assembly's Finance Committee.

Appendix 1

Respective responsibilities

Financial audit

As amended by the Public Audit (Wales) Act 2013, the Public Audit (Wales) Act 2004 sets out my powers and duties to undertake your financial audit. It is my responsibility to issue a certificate and report on the financial statements which includes an opinion on:

- Their 'truth and fairness', providing assurance that they:
 - are free from material misstatement, whether caused by fraud or error;
 - comply with the statutory and other applicable requirements; and
 - comply with all relevant requirements for accounting presentation and disclosure.
- The consistency of information in the Annual Report with the financial statements.

I must also state by exception if the Annual Governance Statement does not comply with requirements, if proper accounting records have not been kept, if disclosures required for remuneration and other transactions have not been made or if I have not received all the information and explanations I require.

The Public Audit (Wales) Act 2004 requires me to assess whether Carmarthenshire County Council (the Council) has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources. To achieve this, I consider:

- the results of the audit work undertaken on the financial statements;
- the Council's system of internal control, as reported in the Annual Governance Statement and my report thereon;
- the results of other work carried out including work carried out under the Local Government (Wales) Measure 2009 (the Measure), certification of claims and returns, and data-matching exercises;
- the results of the work of other external review bodies where relevant to my responsibilities; and
- any other work that addresses matters not covered by the above, and which I consider necessary to discharge my responsibilities.

The Public Audit (Wales) Act 2004 sets out the rights of the public and electors to inspect the Council's financial statements and related documents, to ask me, as the Appointed Auditor questions about the accounts and, where appropriate, to challenge items in the accounts. I must also consider whether in the public interest, I should make a report on any matter which comes to my notice in the course of the audit.

My audit work does not relieve management and those charged with governance of their responsibilities which include:

- the preparation of the financial statements and Annual Report in accordance with applicable accounting standards and guidance;
- the keeping of proper accounting records;
- ensuring the regularity of financial transactions; and

-
- securing value for money in the use of resources.

Management agrees to provide me with:

- access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- additional information that I may request from management for the purpose of the audit; and
- unrestricted access to persons within the Council from whom I determine it necessary to obtain audit evidence.

Management will need to provide me with written representations to confirm:

- that it has fulfilled its responsibilities for the preparation of the financial statements;
- that all transactions have been recorded and are reflected in the financial statements;
- the completeness of the information provided to me for the purposes of the audit; and
- to support other audit evidence relevant to the financial statements or specific assertions in the financial statements if I deem it necessary or if required by ISAs.

Performance audit

The Measure places a general duty on improvement authorities to 'make arrangements to secure continuous improvement in the exercise of [their] functions'. It also places specific requirements on authorities to set improvement objectives, and to publish annual improvement plans and assessments of performance. Improvement authorities are defined as county and county borough councils, national park authorities, and fire and rescue authorities.

The Measure also requires me to carry out an improvement assessment for each improvement authority every year, to determine whether the authority is likely to comply with its general duty and requirements of the Measure. The Auditor General must also carry out an audit of whether the authority has discharged its improvement planning and reporting duties.

The Auditor General may also in some circumstances carry out special inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22). The Auditor General will summarise audit and assessment reports in his published Annual Improvement Report (under section 24). This will also summarise any reports of special inspections.

Appendix 2

Performance work in last year's audit outline still in progress

Performance audit project	Status
Review of the application of Equalities Impact Assessment in relation to Council improvement priorities.	Scoping - fieldwork expected late March.

Appendix 3

National value-for-money studies

The Council may also be interested in the national value-for-money examinations which I undertake, some of which will be of particular relevance to, and may involve evidence gathering across, local government. These studies are funded by the National Assembly. Reports are presented to the National Assembly's Public Accounts Committee to support its scrutiny of public expenditure and potentially support scrutiny by other National Assembly committees.

The table below covers all of the value-for-money studies work currently programmed. The programme includes all-Wales summaries of audit work undertaken locally in the NHS and reactive examinations into specific issues of public concern that have been raised with me. In addition to the work outlined below, I may decide during the year to prepare other national reports summarising local audit work or based on the findings of reactive examinations.

Further updates on my programme of value-for-money studies will be provided to you within the regular progress reports prepared by my team.

Topic	Anticipated publication timeframe
Welsh Government acquisition and ownership of Cardiff Airport	Late January 2016
The development of Natural Resources Wales	Early February 2016
Operating theatres	February 2016
Impact of private practice on NHS provision	February 2016
Wales Life Sciences Investment Fund	March 2016
Welsh Government responses to audit recommendations (memorandum for the Public Accounts Committee)	Spring 2016
Coastal flood and erosion risk management	Spring 2016
Rail services	Spring 2016
Governance of the National Library of Wales	Spring 2016
Welsh Government oversight of further education institutions' finances and delivery	Autumn 2016

Topic	Anticipated publication timeframe
Public procurement (including development of the National Procurement Service)	Winter 2016
Early intervention and behaviour change	Spring/summer 2017 ¹
Welsh Government interventions in local government	TBC ²

I have been considering over recent months the inclusion in my programme of a number of new studies on:

- The NHS Wales Informatics Service
- Capital investment in schools (21st Century schools programme) and school places
- Further education finances
- Waste management
- The Supporting People programme
- Access to public services for people whose first language may not be English or Welsh and those who may be disadvantaged without access to specialist interpretation services

With the exception of the further education study, referred to in the table above, firm plans for these new studies are yet to be confirmed, although initial scoping work is underway.

¹ My programme of good practice work includes a project that will aim to explore the range of behaviour change work across Welsh public services and opportunities to improve practice, deliver better outcomes for citizens, and achieve better value for money. The project will include a range of engagement events and the development of a community of practice to share learning and experience. I anticipate that the information and evidence gathered through this work will support the production of a report on this topic, although this is unlikely to be a traditional audit report and it would not be prepared until the first half of 2017.

² Plans for this work have been under review in light of the Welsh Government commissioned review of the Anglesey intervention by the Public Policy Institute for Wales, and also to consider the implications for the work of plans for local government reform.

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru



2016 Audit Plan

Dyfed Pension Fund

Audit year: 2015-16

Issued: March 2016

Document reference: 257A2016

Status of document

This document has been prepared for the internal use of Dyfed Pension Fund as part of work to be performed in accordance with statutory functions.

No responsibility is taken by the Auditor General or the staff of the Wales Audit Office in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

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.

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2016 Audit Plan

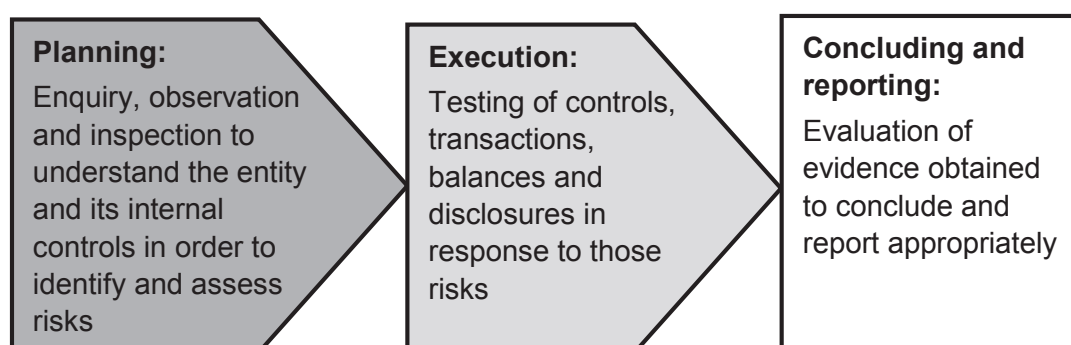
Summary

1. As your external auditor, my objective is to carry out an audit which discharges my statutory duties as Auditor General and fulfils my obligations under the Code of Audit Practice to examine and certify whether Dyfed Pension Fund (the Pension Fund) accounting statements are 'true and fair'.
2. The purpose of this plan is to set out my proposed work, when it will be undertaken, how much it will cost and who will undertake it.
3. There have been no limitations imposed on me in planning the scope of this audit.
4. My responsibilities, along with those of management and those charged with governance, are set out in [Appendix 1](#).

Audit of Pension Fund accounts

5. It is my responsibility to issue a report on the accounting statements which includes an opinion on their 'truth and fairness'. This provides assurance that the accounts:
 - are free from material misstatement, whether caused by fraud or error;
 - comply with statutory and other applicable requirements; and
 - comply with all relevant requirements for accounting presentation and disclosure.[Appendix 1](#) sets out my responsibilities in full.
6. The audit work I undertake to fulfil my responsibilities responds to my assessment of risks. This understanding allows us to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the Pension Fund accounts as a whole. My audit approach consists of three phases as set out in [Exhibit 1](#).

Exhibit 1: My audit approach



7. The risks of material misstatement which I consider to be significant and which therefore require special audit consideration, are set out in **Exhibit 2**, along with the work I intend to undertake to address them.

Exhibit 2: Financial audit risks

Financial audit risk	Proposed audit response
<p>Management override</p> <p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; and • evaluate the rationale for any significant transactions outside the normal course of business.
<p>Investment Management</p> <p>The systems and records of the investment managers generate account entries made to the Pension Fund Account and Net Assets Statement.</p> <p>The investment managers provide internal controls reports on the investments held on behalf of the Pension Fund. These are independently audited and provide the Pension Fund with assurance on a wide range of controls, eg valuation of the investment portfolio held.</p> <p>There is a risk that the internal controls reports will not be available for assurance purposes, and/or cover all our required audit assertions.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • assess the investment managers as a service organisation; • check that investments have been made in accordance with the Statement of Investment principles; • obtain direct confirmation from the investment managers and custodian of year-end investment balances and holdings; and • assess whether the investment manager's internal control reports for all investment managers provide assurance over a wide range of relevant controls, including valuation of investments held.
<p>Cash at Bank</p> <p>Administering authorities are required to maintain a separate bank account for the pension fund.</p> <p>However, it is acceptable for an authority to enter into pooling arrangements with the pension fund, provided there is a clear and comprehensive agreement between the two parties regarding the matter, and where it is in the pension fund's best interests to do so.</p> <p>There is a risk that the Council does not have appropriate arrangements in place regarding pooled investments with Dyfed Pension Fund.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • ensure the existing protocol is compliant with the LGPS (Management and Investment of Funds) Regulations 2009; the pooling agreement must be clear in terms of making joint money market investments with external third parties and that the risks and rewards of the pooled investments are equitably shared between the Authority and the Pension Fund; and • undertake a programme of substantive audit testing procedures for the year-end cash balance.

Financial audit risk	Proposed audit response
<p>Unquoted investment assets</p> <p>Year-end valuations of unquoted property investments are provided by investment managers which are based upon forward looking estimates and judgements and industry guidelines. As there is no quoted market price, there is a greater risk for the reasonableness of valuation bases of these investments.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> confirm the investment valuations to audited financial statements; and seek additional assurance over the valuation basis from controls assurance reports where available.
<p>Financial Statements Production</p> <p>The timetable for producing the financial statements remains demanding.</p> <p>Management will need to ensure that appropriate arrangements for the preparation and oversight of robust financial statements, in addition to good quality working papers, are provided on the commencement of the audit, with both having been subject to appropriate senior management review.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> provide support and advice wherever possible without compromising our independence; provide an audit deliverables report to assist in the preparation of relevant working papers in support of the financial statements; review closedown plans to assess that arrangements are in place to produce robust financial statements within the prescribed timetable; and agree a timetable for the audit and certification of the financial statements.
<p>Benefits payable</p> <p>The LGPS has been subject to significant reform over recent years leading to changes in the benefit structure of the scheme, with transitional arrangements in place for those within 10 years of retirement at the dates of these reforms. These changes, along with the complexity of the benefit structure, increase the risk that benefits may be inaccurately calculated which could lead to many years of incorrect payments.</p>	<p>My audit team will assess the risks of inaccurate calculation of pension entitlements and undertake further testing as appropriate.</p>
<p>Governance arrangements</p> <p>The Public Service Pensions Act (PSPA) 2013 introduced a number of changes to public service pension schemes, including a number of key changes impacting on the governance of these schemes from 1 April 2015. One key change is the requirement to create a 'Local Pension Board' whose role is to assist the scheme manager (administering authority) comply with LGPS regulations and to ensure effective governance, although with no day-to-day role in scheme administration. There is a risk that administering authorities are not</p>	<p>My audit team will assess whether the administering authority has governance arrangements in place that comply with the requirements of the 2013 Act.</p>

Financial audit risk	Proposed audit response
complying with the requirements of the 2013 Act.	

8. I do not seek to obtain absolute assurance that the Pension Fund accounting statements are true and fair, but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Pension Panel and to the Audit Committee, as those charged with governance for Carmarthenshire County Council (the Council), as the administering authority of the Pension Fund as a whole, prior to completion of the audit.
9. For reporting purposes, I will treat any misstatements below a 'trivial' level (the lower of five per cent of materiality or £100,000) as not requiring consideration by those charged with governance and therefore I will not report them.
10. My fees are based on the following assumptions:
 - information provided to support the financial statements is timely, to the quality expected and has been subject to quality assurance review;
 - appropriate accommodation and facilities are provided to enable my audit team to deliver my audit in an efficient manner;
 - all appropriate officials will be available during the audit;
 - you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me; and
 - Internal Audit's planned programme of work is complete and management has responded to issues that may have affected the financial statements.

Pension Fund annual report

11. In addition to including the pension fund accounts in their main accounting statements, administering authorities are required to publish a pension fund annual report which must include the pension fund accounts.
12. I am required to read the Pension Fund annual report and consider whether the information it contains is consistent with the audited Pension Fund accounts included in the Council's main accounting statements.
13. I also issue an audit statement confirming the consistency of the accounts included in the annual report with the audited Pension Fund accounts.

Fee, audit team and timetable

Fee

14. Your estimated fee for 2016 is set out in [Exhibit 3](#).

Exhibit 3: Audit fee

Audit area	Proposed fee for 2016 (£)	Actual fee for 2015 (£)
Audit of pension fund accounts	£29,000	£28,958

15. Planning will be ongoing, and changes to my programme of audit work and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Director of Corporate Services (S151 Officer).
16. Further information on my fee scales and fee setting can be found on the Wales Audit Office website at: www.audit.wales/about-us/fee-scales-and-fee-setting.

Audit team

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

Exhibit 4: My team

Name	Role	Contact number	E-mail address
Richard Harries	Engagement Lead – Financial Audit	02920 320460 / 07789 397018	richard.harries@audit.wales
Jason Garcia	Financial Audit Manager	01267 224489 / 07854 022649	jason.garcia@audit.wales
Julie Owens	Financial Audit Team Leader	01267 224489 / 07581 499092	julie.owens@audit.wales

18. I can confirm that my team members are all independent of the Pension Fund and its officers. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.

Timetable

19. I will provide reports, or other outputs as agreed, to the Pension Panel and Audit Committee, covering the areas of work identified in this document. My key milestones are set out in Exhibit 5.

Exhibit 5: Timetable

Planned output	Work undertaken	Report finalised
2016 Audit Plan	January – March 2016	March 2016
Financial accounts work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on Financial Statements	June – August 2016	September 2016

Appendix 1

Respective responsibilities

The Council is the administering authority of the Pension Fund. This Audit Plan has been prepared to meet the requirements of auditing standards and proper audit practices. It provides the Council with an outline of the financial audit work required for the Pension Fund accounts.

As amended by the Public Audit (Wales) Act 2013, the Public Audit (Wales) Act 2004 sets out my powers and duties to undertake your financial audit. It is my responsibility to issue a certificate and report on the Pension Fund accounting statements which includes an opinion on their 'truth and fairness', providing assurance that they:

- are free from material misstatement, whether caused by fraud or error;
- comply with the statutory and other applicable requirements; and
- comply with all relevant requirements for accounting presentation and disclosure.

My audit work does not relieve management and those charged with governance of their responsibilities which include:

- the preparation of the financial statements and Annual Report in accordance with applicable accounting standards and guidance;
- the keeping of proper accounting records;
- ensuring the regularity of financial transactions; and
- securing value for money in the use of resources.

Management agrees to provide me with:

- access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- additional information that I may request from management for the purpose of the audit; and
- unrestricted access to persons within the authority from whom I determine it necessary to obtain audit evidence.

Management will need to provide me with written representations to confirm:

- that it has fulfilled its responsibilities for the preparation of the financial statements;
- that all transactions have been recorded and are reflected in the financial statements;
- the completeness of the information provided to me for the purposes of the audit; and
- to support other audit evidence relevant to the financial statements or specific assertions in the financial statements if I deem it necessary or if required by ISAs.

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru

Audit Committee 22nd March 2016

Subject: Code of Corporate Governance

Purpose: To approve the updated Code of Corporate Governance and Terms of Reference for the Corporate Governance Group

Recommendations / key decisions required:

Audit Committee be invited to approve the updated:

- i) Code of Corporate Governance
- ii) Terms of Reference for Corporate Governance

Reasons:

To present the documents for approval by the Audit Committee

Relevant scrutiny committee to be consulted:

Not Applicable

Exec Board Decision Required Not Applicable

Council Decision Required Not Applicable

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr D Jenkins

<p>Directorate: Corporate Services</p> <p>Name of Head of Service: Phil Sexton</p> <p>Report Author: Helen Pugh</p>	<p>Designations: Head of Audit, Risk & Procurement</p> <p>Audit & Risk Manager</p>	<p>Tel No.01267 246217</p> <p>E Mail Address: PSexton@carmarthenshire.gov.uk</p> <p>Tel No. 01267 246223</p> <p>E Mail Address: HLPugh@carmarthenshire.gov.uk</p>
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EXECUTIVE SUMMARY
Audit Committee
22nd March 2016

SUBJECT

Code of Corporate Governance

The Audit Committee are responsible for reviewing and assessing the Corporate Governance arrangements within the Authority and for making reports and recommendations on the adequacy and effectiveness of those arrangements to the Authority

The new Code of Governance was approved at the County Council meeting on 13th June 2012, and has recently been reviewed and updated by the Corporate Governance Group. The Code of Corporate Governance formalises the Governance arrangements within the Authority, which enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Governance Framework (The Code of Corporate Governance) comprises the systems, processes and cultures and values by which the Authority is directed. Also it focuses on the activities through which the Council engages with and leads the Community

The Code of Corporate Governance recognises and formalises the standard to which the Authority operates to in a single over-arching document.

The Local Government Measure 2011 ***“gives the Audit Committee the function of reviewing and assessing the Corporate Governance arrangements and making reports and recommendations on the adequacy and effectiveness of those arrangements to the Authority.”***

Each year, the Chief Executive and Leader of Council are required to prepare an Annual Governance Statement (AGS) reviewing and assessing the extent to which an adequate Corporate Governance Framework exists within the Authority. This is included within the Annual Statement of Accounts which is approved by the Audit Committee.

The Annual Governance Statement measures the extent to which the aims and objectives of the adopted Code of Governance have been adequately met and identifies any areas where further attention is required.

DETAILED REPORT ATTACHED ?

YES : Updated Code of Governance and Terms of Reference for the Corporate Governance Group

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: Phil Sexton Head of Audit, Risk & Procurement

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: Phil Sexton Head of Audit, Risk & Procurement

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
Code of Corporate Governance	AC 22-3-16	Internal Audit Unit

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CODE OF CORPORATE GOVERNANCE

Introduction

1. This Code sets out Carmarthenshire County Council's approach to achieving and maintaining good corporate governance. It follows guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), and also takes account of the Welsh Assembly Government's 'citizen-centred governance principles for Wales'.

2. Carmarthenshire County Council (the Council) is by nature, a complex organisation which affects the lives of all citizens in the area: As well as providing a diverse range of services, it also works with partner organisations who provide other public services. The Council's aims and priorities reflect these responsibilities.

3. The Council sees Corporate Governance as "***doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.***" It comprises the systems and processes, and also the culture and values, by which the Council is directed and controlled and how it accounts to and engages with its citizens.

4. Strong, transparent and responsive governance enables the Council to put citizens first by pursuing its aims and priorities effectively, and by underpinning them with appropriate mechanisms for managing performance and risk. In order to maintain citizens' confidence, these mechanisms must be sound and be seen to be sound.

The Governance Framework comprises the systems and processes, and cultures and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Governance Principles

5. The Council operates through a governance framework that brings together its legislative responsibilities and management processes with six core governance principles based on those developed by the Independent Commission on Good Governance in Public Services in 2004. These are:

- i. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area;
- ii. Members and officers working together to achieve a common purpose with clearly defined functions and roles in order to achieve the best possible outcomes for citizens;

- iii. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- iv. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk in order to foster innovation;
- v. Developing the capacity and capability of members and officers to be effective; and
- vi. Engaging with local people and other stakeholders to ensure robust public accountability.

6. The Council commits itself to each of these principles. The schedule shows how this will be achieved.

Monitoring, Review and Changes

7. The Council's commitment to good corporate governance includes the application, development and maintenance of this Code. The Leader and Chief Executive are responsible for the regular review of the governance systems and processes that are in place to ensure that they are applied and are effective and meet the aspirations and deliver the requirements of the Code of Governance. The results of this review are contained in an Annual Governance Statement which is reported to the Audit Committee and then published with the Annual Statement of Accounts.

8. The Corporate Governance Group comprising key officers will co-ordinate manage and report on the governance arrangements of the Authority. Where the reviews of the governance arrangements reveal possible gaps or weaknesses, action will be agreed that will ensure improved governance. Agreed action plans emanating from the reviews will be monitored for implementation.

The Group comprises:

- Deputy Leader – Resources
- Deputy Leader – Communities
- Audit Committee Chair (Observer)
- Director of Corporate Services (s.151 Officer)
- Head of Administration & Law (Monitoring Officer)
- Head of Financial Services
- Assistant Chief Executive (Regeneration & Policy)
- Assistant Chief Executive (People Management & Performance)
- Head of Audit, Risk & Procurement
- Audit & Risk Manager

9. Independent sources of assurance concerning the Code's suitability and effectiveness include Internal Audit, External Audit, the work of the Council's Standards Committee and the Scrutiny Function.

10. Any changes that are required to this Code resulting from its review or from changes in legislation or recommended best practice will be submitted to the Audit Committee for approval.

SCHEDULE

Principle 1: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

We will therefore:

- focus on the diverse needs of citizens and service users and exercise strategic leadership by developing and clearly communicating our purpose, vision and intended outcomes .
- ensure that users receive a high quality of service whether directly, in partnership, or by commissioning,
- ensure that best use is made of resources and that taxpayers and service users receive excellent value for money

by:

- developing and promoting our purpose and vision, reviewing them on a regular basis, and considering the implications for the way the authority is run
 - ensuring that our partnerships are underpinned by a common understanding and purpose which is shared by all partners
 - communicating our activities, achievements, financial position and performance
 - promoting equality of opportunity, combating discrimination and harassment and promoting good community relations
- deciding how the quality of service for users is to be measured and making sure that we have the information needed to review quality effectively and regularly
 - having in place effective arrangements to identify and deal with failures in service delivery
- deciding how value for money is to be measured and making sure that we have the information needed to review value for money and performance effectively
- measuring the environmental impact of policies, plans and decisions
- working constructively with partner organisations to deliver improved services

Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles in order to achieve the best possible outcomes for citizens.

We will therefore:

- ensure that there is effective leadership throughout the authority and specify clearly the roles and responsibilities of

by:

- setting out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually, and the authority's approach towards putting this into

the executive and non-executive functions and also the scrutiny function

➤ ensure that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard

➤ ensure that relationships between the authority, its partners and the public are clear so that each knows what to expect of the other

practice

➤ setting out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers

■ having in place a scheme of delegation and reserve powers within the constitution, which includes a formal schedule of those matters specifically reserved for collective decision of the authority and which takes account of relevant legislation, and by ensuring that it is monitored and updated when required

➤ the Chief Executive being responsible and accountable to the authority for all aspects of operational management

➤ having protocols in place which ensure that the Leader and Chief Executive negotiate and agree their respective roles early in the relationship and which maintain a shared understanding of the roles

➤ a senior officer being responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control

➤ a senior officer being responsible to the authority for ensuring compliance with agreed procedures and all applicable statutes

■ having in place protocols to ensure effective communication between members and officers in their respective roles

■ setting out the terms and conditions for remunerating members and officers and an effective structure for managing the process

■ having in place effective mechanisms to monitor service delivery

■ developing our vision, strategic plans, priorities and targets through robust mechanisms, which include consultation with the local community and other key stakeholders, and by articulating and disseminating them clearly

■ having in place governance arrangements for partnerships which:

- clarify the roles of members both individually and collectively in relation to the partnership and to the authority,
- clearly set out the legal status of the partnership,
- make clear the extent to which representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions

Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

We will therefore:

- ensure that members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance

- ensure that organisational values, and particularly the corporate values of equality and sustainability, are put into practice and are effective

by:

- requiring the authority's leadership to set a tone for the organisation by creating a climate of openness, support and respect

- defining and communicating through codes of conduct and protocols the standards of conduct and personal behaviour expected of our members and staff, of work between members and staff and between the authority, its partners and the community.

- having in place arrangements which prevent our members and employees being influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders, and appropriate processes to ensure that the arrangements continue to operate in practice

- developing and maintaining shared values, including leadership values, for both the organisation and staff and which reflect public expectations, and by communicating these with members, staff, the community and partners

- designing systems and processes in conformity with appropriate ethical standards, and by monitoring their continuing effectiveness in practice

- maintaining an effective standards committee

- using our shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority

- agreeing values for partnerships against which decision making and actions can be judged, and

which are demonstrated by partners' behaviour both individually and collectively

Principle 4: Taking informed and transparent decisions, which are subject to effective scrutiny and managing risk in order to foster innovation.

We will therefore:

➤ be rigorous and transparent about how decisions are taken and listen and act on the outcome of constructive scrutiny

➤ have good – quality information, advice and support to ensure that services are delivered effectively and are what the community wants / needs

➤ ensure that effective risk management is in place

➤ use its legal powers to the full benefit of the citizens and communities in their areas

by:

■ maintaining an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall

■ having in place open and effective mechanisms for documenting evidence for decisions and by recording the criteria, rationale and considerations on which decisions are based

■ having in place arrangements to safeguard members and employees against conflicts of interest and effective processes to ensure that they continue to operate in practice

■ having in place an effective audit committee whose role is independent of the executive and scrutiny functions

■ ensuring that effective, transparent and accessible arrangements are in place for dealing with complaints

■ ensuring that those making decisions, whether for the authority or partnerships, are provided with information that is fit for the purpose – relevant, timely and giving clear explanations of technical issues and their implications

■ ensuring that proper professional advice is available on matters that have legal or financial implications and recorded well in advance of decision

■ embedding risk management into the culture of the authority, where members and managers at all levels recognising that risk management is part of their jobs

■ maintaining effective arrangements for whistleblowing which are easily accessible to officers, staff and all those contracting with or appointed by the authority.

■ actively recognising the limits of lawful activity due to, for example, the ultra vires doctrine, but also striving to utilise our statutory powers to the full benefit of our communities

■ recognising the limits of lawful action and observing both the specific requirements of legislation and the general responsibilities placed on authorities by public law

- observing all specific legislative requirements placed upon the authority, as well as the requirements of general law, and in particular, by integrating the key principles of good administrative law – rationality, legality and natural justice – into our procedures and decision making processes

Principle 5: Developing the capacity and capability of members and officers to be effective.

We will therefore:

- ensure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles

- develop the capability of people with governance responsibilities and evaluate their performance, as individuals and as a group.

- encourage new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal

by:

- providing induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis
- the statutory officers having the skills, resources and support necessary to perform effectively and by disseminating a clear understanding of their roles throughout the authority
- assessing the skills required by members and officers and committing the authority to develop these skills to enable roles to be carried out effectively
- developing skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed
 - ensuring that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and by agreeing an action plan which might, for example, aim to address any training or development needs
- having in place effective arrangements in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority
- ensuring that career structures are in place for members and officers to encourage participation and development

Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability

We will therefore:

- exercise leadership through a robust scrutiny function which

by:

- making clear throughout all the authority and to all staff and the community to whom the

effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships

➤ take an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning

➤ make best use of human resources by taking an active and planned approach to meet responsibility to staff

authority is accountable and for what

➤ considering those institutional stakeholders to whom the authority is accountable and assessing the effectiveness of the relationships and any changes required

➤ producing an annual report on the activity of the scrutiny function

■ ensuring that clear channels of communication are in place with all sections of the community and other stakeholders, and by having in place monitoring arrangements to ensure that they operate effectively

■ holding meetings in public unless there are good reasons for confidentiality

■ ensuring that arrangements are in place to enable the authority to engage with all sections of the community effectively, that these recognise that different sections of the community have different priorities, and by establishing explicit processes for dealing with these competing demands

■ establishing a clear policy on the types of issues we will meaningfully consult on or engage with the public and service users about, including a feedback mechanism to demonstrate what has changed as a result

■ publishing an annual improvement plan giving information on the authority's vision, strategy, plans and financial statements as well as information about outcomes, achievements and the satisfaction of service users in the previous period

■ ensuring that the authority as a whole is open and accessible to the community, service users and our staff, and that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so

■ developing and maintaining a clear policy on how staff and their representatives are consulted and involved in decision making

CORPORATE GOVERNANCE GROUP

TERMS OF REFERENCE

Objectives

The Corporate Governance Group has been established to review the adequacy of the Authority's Governance Arrangements and ensure that an appropriate Governance Framework operates.

To review the adequacy of the **Code of Corporate Governance** and where necessary recommend changes to the Audit Committee.

To draft an **Annual Governance Statement (AGS)** for approval by the Leader and Chief Executive. The AGS will be included within the **Annual Statement of Accounts**.

To monitor the implementation of improvements to the Authority's Governance Arrangements including the implementation of the **AGS Action Plan**.

To consider amendments to the Governance arrangements due to changes to Statutory or other Guidance.

To lead on the promotion, communication and monitoring of Governance issues.

To consider relevant reports in relation to Governance from Auditors and Regulators.

To ensure that Good Governance is promoted and communicated across the Authority.

Quarterly Meetings

The aim is to meet quarterly subject to there being adequate business to conduct. The meetings will be arranged by Democratic Services.

(Minutes of the CGG are to be forwarded to the Audit Committee)

Membership

The Corporate Governance Group will include the following:

- Deputy Leader (Resources)
- Deputy Leader (Communities)
- Audit Committee Chair (Observer)
- Director of Corporate Services (s151 officer)
- Assistant Chief Executive (Regeneration & Policy)
- Assistant Chief Executive (People Management & Performance)
- Head of Administration & Law
- Head of Financial Services
- Head of Audit, Risk & Procurement
- Audit and Risk Manager
- HR Manager

Minutes of the Corporate Governance Group

3rd December 2015 @ 11am

Democratic Services Committee Room, County Hall

Present:	
Cllr Pam Palmer (PP)	Executive Board Member (Communities)
Cllr David Jenkins (DJ)	Executive Board Member (Resources)
Paul Thomas (PT)	Assistant Chief Executive
Phil Sexton (PS)	Head of Audit, Risk & Procurement
Linda Rees Jones (LRJ)	Head of Administration and Law
Owen Bowen (OB)	Chief Accountant
Alison Wood (AW)	HR Manager
Wendy Walters (WW)	Assistant Chief Executive
Helen Pugh (HP)	Audit & Risk Manager

Apologies:	
Cllr Calum Higgins (CH)	Chair of Audit Committee (Observer)
Chris Moore (CM)	Director Corporate Services
Noelwyn Daniel (ND)	Performance & Information Manager

Item No	Discussion / Action	Responsible Officer
1	Apologies As noted above	
2	<p>Minutes of Last Meeting / Matters Arising The Minutes of the last Meeting held on 7th September 2015 were approved as correct.</p> <p>Matters arising / outstanding from previous minutes:</p> <p>Grants Panel – Follow up on DJ’s suggestion at Audit Committee that Chair of Audit should attend the Grants Panel as an Observer. The Audit Committee were supportive of this proposal. The request stemmed from the ongoing concerns about the grants issues reported by WAO.</p> <p>LRJ to follow up once Terms of Reference for Grants Panel is forwarded on to her for consideration.</p> <p>Action outstanding:</p> <ul style="list-style-type: none"> • LRJ to consider proposal with reference to the Constitution – LRJ to then advise on the way forward <p>AOB – request that this Group’s minutes and papers use</p>	<p style="text-align: center;">PS / LRJ</p> <p style="text-align: center;">LRJ</p>

	<p>moderngov.com. HP followed this up with Democratic Services and was informed that this facility is not currently available to roll out to all meetings yet.</p> <p>Action:</p> <ul style="list-style-type: none"> • HP to keep in touch with Democratic Services. Once moderngov.com is available for use to ensure Corporate Governance Group minutes and Agendas are processed through moderngoc.com 	HP
3	<p>Code of Corporate Governance</p> <p>Draft Code of Corporate Governance reviewed:</p> <p>Amendments required: Minor amendments required in Section 8</p> <p>Principle 3 – reference to Whistleblowing – Constitutionally this is the responsibility of the Standards Committee. However, relevant statistics and figures could be brought to this group for information. Agreed no further changes required to the Whistleblowing section within the Code of Corporate Governance.</p> <p>Action</p> <ul style="list-style-type: none"> • HP to amend Section 8 	HP
4	<p>Corporate Governance Group Terms of Reference</p> <p>Reference to Whistleblowing within CGG’s TOR was discussed. Agreed action:</p> <ul style="list-style-type: none"> • Existing wording re Whistleblowing is appropriate • LRJ to discuss links between CGG and Chair of Standards • Trends etc to be reported to this Group <p>General feedback: the Group were informed that the recent WAO review of our Whistleblowing arrangements confirmed that CCC have good arrangements in place and are considered to be exemplar practice</p>	LRJ
5	<p>AGS – Action Plan</p> <p>Outstanding actions:</p> <p><u>2013/14 No 3</u>– Modular Constitution – LRJ confirmed that the Modular Constitution is considered each time a change to the Constitution is required. Action complete.</p> <p><u>2014/15 No1</u> – WW working with the new Administration to develop a 5 Year Forward Work Programme and priorities for the Council – Prelim Executive Board to agree on Forward Programme</p> <p><u>2014/15 No 2</u> WW responding to the Corporate Assessment undertaken by Wales Audit Office during 2015/16 – Report due</p>	

	<p>January 2016. Action plan will then be agreed in New Year.</p> <p><u>2014/15 No 3</u> - Implement the Governance Review decisions approved by Council – Now complete – Taken to Full Council on 9th September 2015</p> <p><u>2014/15 No 4</u> - Ensure that 100% of Managers complete the Whistleblowing E-learning module – Not complete - PT agreed to email all Directors to remind staff of the need to complete the training</p> <p><u>2014/15 No 5</u> - Implement new Pensions Board – Completed</p> <p><u>2014/15 No 6</u> - Responding to the new EU General Data Protection Regulation (GDPR) (as a replacement to the Data Protection Act 1998) – ongoing</p> <p><u>2014/15 No 7</u> - Review the WAO Grant Certification Report 2013/14 and implement any agreed actions – Grants Panel has followed up the issues with relevant Project Managers.</p> <p><u>2014/15 No 8</u> - Monitor progress with implementing improvements in the management of Supporting People Grant – Quarterly update reports to Audit Committee - ongoing</p>	
6	<p>WLG A Report Actions Update</p> <p>Council resolved to adopt on 9th September 2015</p>	
7	<p>WAO Corporate Assessment Update</p> <p>Report expected to be issued January 2016</p> <p>Action:</p> <ul style="list-style-type: none"> • Update from ND at next meeting 	ND
8	<p>Any Other Business</p> <p>Chair of Group – Elected Members to agree Chair</p>	

	<p>Request for an officer studying CIPFA Corporate Governance Course to attend a CGG meeting as an “Observer” to aid with his studies. It was agreed to invite GM to the next meeting – to support his CPD.</p> <p>No other issues / Meeting closed @ 12:00pm</p>	
	<p><i>Date of next meeting:</i> 10th March 2016 at 2:30pm All Meetings in the Democratic Services Committee Room, County Hall</p>	

Agenda Item 9

RISK MANAGEMENT STEERING GROUP

**Minutes of Meeting held at
Conservatory West, Building 8, Parc Dewi Sant
Tuesday, 22nd December 2015.**

Members Present:			
Phil Sexton (Chair)	Resources	Head of Audit, Risk & Procurement	PS
Cllr David Jenkins	Executive Board Member (Resources)	Executive Board Risk Champion	DJ
Jonathan Fearn	Resources	Chair of Property & Liability Risks Working Group	JF
Stephen Pilliner	Environment	Chair of Transport Risks Working Group	SP
Helen Pugh	Resources	Risk Champion	HLP
Alan Howells	Environment	Risk Champion	AH
Richard Davies	Communities	Principal Officer	RD
Julie Standeven	Resources	Principal Risk Officer	EJS
Jenna Smith	Marsh UK Ltd	External Risk Partner	JS

Item No	Subject	Action
1.	Apologies Lyn Walters – Communities Risk Champion Richard Stradling – Communities (Leisure) Risk Champion Heidi Font – Chief Executive’s Risk Champion	
2.	Minutes of Last Meeting The Minutes of the Risk Management Steering Group Meeting held at Parc Dewi Sant on Wednesday, 23rd September 2015, were confirmed as a true record.	
3.	Matters arising from Risk Management Steering Group Minutes.	
3.1	Risk Management & Business Continuity Strategy PS advised that a new Risk Management & Business Continuity Strategy will be developed for the period 2016-19 and will include issues such as :- <ul style="list-style-type: none"> • Cyber/Data Risks • Contract Management Risks • Partnership Risks • Extending access to the Risk Web Software to Executive Board Members JS to provide information in relation to Cyber Risks.	JS

4.	Minutes of Property & Liability Risks Working Group Meeting – 10th December 2015 The minutes were noted.	
4.1	Matters arising from Property & Liability Risks Working Group Minutes:	
4.1.1	E&CS – Supply & installation of Thermostatic Mixing Valves Works underway and will be completed during the 2015/16 financial year.	
4.1.2	Security & Fire Alarms Sub-group to be established by March 2016 to complete gap analysis and prioritise areas for concern.	
4.1.3	School Fencing Property Services review underway – update to be provided at next meeting.	JF
5.	Minutes of Transport Risks Working Group Meeting – 16th December 2015 The minutes were noted.	
5.1	Matters arising from Transport Risks Working Group Minutes:	
5.1.1	Drug & Alcohol Misuse Review ongoing – update to be provided at next meeting.	
5.1.2	Driver Licence Checks SP advised that the Guidance Note issued by the Director of Communities for driver licence checking to be used as best practise.	
5.1.3	Driver Handbook SP advised that Driver Handbook training pilot at QE High School was successful and will be rolled out to other schools.	
5.1.4	MV Statistics As at 31 st October 2015 the annualised accident rate was 23%. JS confirmed that this compares very favourably for a commercial fleet and links to the pro-active work of the Transport Division working with Departments over the years to introduce a range of Risk Management initiatives. PS highlighted that the accident rate was 43.8% prior to the various interventions and initiatives (circa 2000).	
6.	Risk Management Bid Review / Update Review of outstanding bids to be completed at 2015/16 financial year end. Update to be provided at next meeting.	
7.	Bids for Financial Assistance	
7.1	E&C - Extension of RM Bid 316 – Ysgol Rhydygors – Fencing RM Bid 316 for £5,552 (50% of the estimated gross cost of £11,104) was approved at the Risk Management Steering Group meeting held on 26 th March 2015. A revised bid for £10,500 (50% of the estimated gross cost of £21,000) was submitted and approved by the Chair of the Risk Management Steering Group on 10 th November 2015.	
7.2	E&C – Stebonheath C P School – Fencing This bid related to the provision of boundary fencing at Stebonheath C P School. It was agreed that the Departmental Bid for £2,266 (50% of the estimated gross cost of £4,532) be approved.	

7.3	<p>E&C – Ysgol Gyfun Emlyn – Fencing This bid related to the provision of safeguarding and security improvements at Ysgol Gyfun Emlyn. It was agreed that the Departmental Bid for £9,829 (50% of the estimated gross cost of £19,657) be approved.</p>	
7.4	<p>RES - Risk Management – Bump Cards This bid related to the production and supply of “<i>bump cards</i>” for Corporate vehicles which provide all relevant details to the 3rd Party in the event of an accident. Such details speed up the claims process and limit the scope for escalating bills for hire cars and inconvenience to all parties. It was agreed that the Corporate Bid be approved in principle subject to confirmation of the final cost.</p>	
8.	<p>Any Other Business None</p>	
9.	<p>Next Meeting Date to be advised</p>	

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Agenda Item 10

MINUTES OF THE GRANTS PANEL MEETING HELD ON 6th JANUARY 2016 IN THE RESOURCES CONFERENCE ROOM, COUNTY HALL		
DATE: 7th January 2016		
PRESENT: Owen Bowen, Interim Head of Financial Services Helen Morgan, Interim Economic Development Manager Helen Pugh, Audit & Risk Manager Delyth Thomas, Grants Compliance Officer (GCO) Simon Davies, Chair of PWG – Education & Children’s Services Les James – Chair of PWG – Community Services		
APOLOGIES: Geraint Norman, Audit Manager, Wales Audit Office (WAO) Stuart Walters, Interim Economic Development Manager Alan Howells, Chair of PWG - Environment		
	SUBJECT	ACTION
1.0	<u>Minutes of the last meeting</u> <ul style="list-style-type: none"> The minutes were agreed. 	
2.0	<u>Matters Arising</u> <ul style="list-style-type: none"> The draft report regarding the lessons learnt exercise on Carmarthenshire Local Service Board (LSB) projects is still to be finalised. The final report will be presented in the next Grants Panel meeting. A review is currently being undertaken at a corporate level on procurement arrangements across the Authority. Email to be sent to all officers as a reminder/awareness of the procurement processes. A working group is to be set up to review the current third party grants process and to implement improvements where needed. A welcome was made to the Chairs of the PWGs who are now members of Grants Panel. 	 HM HP OB/SW
3.0	<u>Wales Audit Office - Update</u> <ul style="list-style-type: none"> There are currently 6 project claim audits that are still yet to be finalised: <ul style="list-style-type: none"> Sustainable Waste Management – the authority is waiting for WAO to forward the qualification letter Coast Protection – audit completed. Qualification letter to be agreed by Director of Environment Communities First – qualification letter agreed by Assistant Chief Executive SRA Crosshands East – qualification letter 	Page 101

	SUBJECT	ACTION
	<p>received from WAO. VAT query has been resolved. Information relating to the payment for 'off-site habitat conservation & management', as a requirement of planning permission, is due to be forwarded to WAO</p> <ul style="list-style-type: none"> ○ SRA Kidwelly – qualification letter with the authority to be agreed by Assistant Chief Executive ○ Regional Transport Fund – audit queries still ongoing <ul style="list-style-type: none"> ● Grants Panel had been previously informed by WAO that Welsh Government (WG) had introduced a £10k threshold for any issues that need to be reported to WG as part of the grants auditing process. Any issues identified under the £10k threshold are reported internally to the local authority. <p>WG has since clarified that only individual issues over £10k should be reported to WG unless the auditor believes the issue is systemic. However there have been teething problems and an element of confusion about this which has resulted in a few issues under the £10k threshold being reported to WG</p> <ul style="list-style-type: none"> ● A number of qualification letters had been sent by WAO to WG without sign off by the appropriate Head of Service or Director. 	
4.0	<p><u>Internal Audit Office (IA) - Update</u></p> <ul style="list-style-type: none"> ● All 2014/15 grant certification work by IA has been completed. ● As a requirement by ERW, IA, undertake a claim review for the Education Improvement Grant. The third quarterly claim for 2015/16 is due to be returned w/e 8th January 2016. The project is deemed high risk and there is a minimum audit requirement to check 20% of transactions. ● The 2014/15 audit of Supporting People has been completed and has identified the same issues as the previous year. There is a requirement to provide quarterly updates on progress to Audit Committee. Review of the project is on-going and improvements have been noted. 	

	SUBJECT	ACTION
	<ul style="list-style-type: none"> • Summary report has been sent to the project manager on the audit of the LSB projects. • As part of the grants review to be undertaken by IA for 2015/16 the following projects have been selected: <ul style="list-style-type: none"> ○ Pooled Budgets ○ Major Repairs Allowance ○ NRW Grants ○ Foundations in Heritage • Grants Panel reviewed training to project staff when a new grant is awarded. An email to be sent to the Accountancy Sections to request where new financial codes are set up for grant schemes that the GCO is informed in order to assess training needs for those officers involved. 	OB
5.0	<p><u>Project Working Groups – Update</u></p> <ul style="list-style-type: none"> • Minutes from the Project Working Groups for Education & Children Services (Cap) 24/11/15 were received. 	
6.0	<p><u>Convergence</u></p> <ul style="list-style-type: none"> • All Convergence projects have now ended. • An up to date schedule of grant income outstanding to the Authority for Convergence and RDP schemes was presented to the meeting: <ul style="list-style-type: none"> ○ Grant income in respect of all of the RDP projects has been received ○ Convergence projects where the Authority is lead - approximately £10.4m is still outstanding ○ Convergence projects where the Authority is a partner – approximately £514k outstanding <p>The Authority’s understanding is that WEFO will need to make these payments by 31/3/2016. Where there are issues outstanding the Authority is working to resolve these as soon as possible.</p>	

	SUBJECT	ACTION
7.0	<p><u>New Funding Programmes</u></p> <ul style="list-style-type: none"> • During an annual event held by WEFO, it was announced that for the Wales & The Valleys Programme over half of the grant monies have been committed. The majority of the monies have been allocated to schemes where WG are the lead body. • A number of these projects will be rolled out to the local authorities as delivery partners but progress is slow. WEFO will need to report a certain level of spend by an agreed date. If this is not achieved then this could result in WEFO returning some of its funding to the European Commission. 	
8.0	<p><u>AOB</u></p> <ul style="list-style-type: none"> • WEFO recently conducted a review of the audit trails in respect of the Authority's payroll system for the new European Structural & Investment Fund Programme (ESI). WEFO confirmed full audit trail were in place and satisfactory for the quarterly verification checks and future audits undertaken on the ESI Programme. A letter received from WEFO was circulated to members of Grants Panel, detailing the evidence the Authority will need to provide as part of the verification checks undertaken by WEFO. 	
9.0	<ul style="list-style-type: none"> • Date of next meeting – 10th March 2016 9:30am Resources Conference Room, County Hall 	

AUDIT COMMITTEE Agenda Item 11

FRIDAY, 18TH DECEMBER, 2015

PRESENT: Councillor C.P. Higgins [Chair]

Councillors:

H.A.L. Evans, J.D. James, A.G. Morgan, E.G. Thomas, G.B. Thomas and D.E. Williams

Also Present as an Observer:

Councillor D.M. Jenkins – Executive Board Member for Resources

In attendance from the Wales Audit Office:

Mr G. Norman

The following officers were in attendance:

Mr C. Moore	-	Director of Corporate Services
Mr P. Sexton	-	Head of Audit, Risk & Procurement
Miss H. Pugh	-	Audit & Risk Manager
Mr N. Edwards	-	Safeguarding & Commissioning Manager
Mr A. Jones	-	Procurement & Contracting Officer
Mrs M. Evans Thomas	-	Democratic Services Officer

Chamber, County Hall, Carmarthen - 10.00 a.m. - 10.50 a.m.

1. APOLOGIES

Apologies for absence were received from Councillor W.G. Thomas and Sir David Lewis [External Voting Member].

2. DECLARATIONS OF PERSONAL INTERESTS

There were no declarations of personal interest.

3. INTERNAL AUDIT PLAN UPDATE 2015/16

The Committee considered a report providing an update on progress made on the implementation of the Internal Audit Plan 2015/16. Part A of the report provided a progress report on the Audit Plan 2015/16 and a recommendations scoring matrix whilst Part B provided a summary of completed final reports for 2015/16 relating to key financial systems (April 2015 to date).

The following issue was raised on the report:-

- Concern was expressed that unannounced spot-checks on cashiers undertaking cash receipting are currently only scheduled on an annual basis as it was felt that such checks should be undertaken on a more frequent basis. The Director of Corporate Resources explained that the process was historic and highlighted that the cashiers system was currently being reviewed and was being changed significantly. This would provide the perfect opportunity to amend existing practices including frequency of undertaking unannounced cash-ups of cashiers. He added that he would

provide the Committee with an update at the next meeting.

RESOLVED that, for monitoring purposes, the 2015/16 Internal Audit Plan update be received.

4. SUPPORTING PEOPLE - PROGRESS REPORT

Further to the meeting of the Audit Committee held on 10th July, 2015 (minute 5 refers) the Committee received for consideration a progress report on the operation of the Supporting People Programme.

The report summarised the work undertaken to date by the Supporting People team to improve its grant and contract management processes as identified by the Audit and Risk Manager at the meeting held on 10th July, 2015.

It was noted that progress was being made and would be monitored by the Supporting People Planning Group which was chaired by the Director of Community Services.

The following issue was raised on the report:-

- Disappointment was expressed that some of the improvements were being introduced at a slower rate than anticipated. It was felt that if improvements are suggested by the Audit Committee then these should be implemented immediately and not piecemeal. The Audit & Risk Manager explained that the Communities Department had taken the opportunity to undertake a comprehensive review of the services they deliver, which ones are needed, which ones meet the needs of the electorate etc. A lot of work had been undertaken to date and the Committee should see significant progress by the next meeting. The Safeguarding & Commissioning Manager assured the Committee that this issue was being given high priority by the Communities Department.

RESOLVED that progress on the Supporting People Action Plan be noted.

5. WALES AUDIT OFFICE REPORTS

The Chair welcomed to the meeting Mr Geraint Norman of the Wales Audit Office.

5.1. AUDIT COMMITTEE UPDATE - DECEMBER 2015

The Committee considered a report providing an update on the audit work undertaken on the Authority by the Wales Audit Office since the last meeting.

RESOLVED that the report be received.

5.2. ANNUAL AUDIT LETTER

The Committee received the Annual Audit Letter which had been prepared by the Appointed Auditor in line with his statutory responsibilities under the Public Audit (Wales) Act 2004 and the Code of Audit Practice.

The Annual Audit Letter covered the work carried out by the WAO since the

previous letter was issued and summarised the key issues which the Appointed Auditor considered should be brought to the Authority's attention.

RESOLVED that the report be received.

6. MINUTES OF THE CORPORATE GOVERNANCE GROUP

RESOLVED that the minutes of the meeting of the Corporate Governance Group held on the 7th September, 2015 be received.

7. MINUTES OF THE RISK MANAGEMENT STEERING GROUP MEETING HELD ON THE 23RD SEPTEMBER, 2015.

RESOLVED that the minutes of the meeting of the Risk Management Steering Group held on the 23rd September, 2015 be received.

8. MINUTES

It was pointed out that the name Mr R. Stradling had been erroneously included instead of Mr R. Harries in the list of officers in attendance from the Wales Audit Office on the front page of the minutes and also under minute no. 5.

RESOLVED that, subject to the above-mentioned amendments, the minutes of the meeting of the Audit Committee held on the 30th September, 2015 be signed as a correct record.

CHAIR

DATE

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