

Pecyn Dogfennau



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

DYDD GWENER, 15 MAWRTH 2019

AT: HOLL AELODAU'R PWYLLGOR ARCHWILIO

YR WYF DRWY HYN YN EICH GALW I FYNYSCHU CYFARFOD
O'R **PWYLLGOR ARCHWILIO** SYDD I'W GYNNAL YN **SIAMBR**,
NEUADD Y SIR AM 10.00 YB AR DYDD GWENER, 22AIN
MAWRTH, 2019, ER MWYN CYFLAWNI'R MATERION A
AMLINELLIR AR YR AGENDA SYDD ATODEDIG.

Mark James DYB

PRIF WEITHREDWR



AILGYLCHWCH OS GWELWCH YN DDA

Swyddog Democrataidd:	Kevin Thomas
Ffôn (Llinell Uniongyrchol):	01267 224027
E-bost:	kjthomas@sirgar.gov.uk
Cyf:	AD016-001

PWYLLGOR ARCHWILIO

**AELODAETH:
8 AELOD O'R CYNGOR AC 1 AELOD ALLANOL Â PHLEIDLAIS**

GRŴP PLAID CYMRU – 4 AELOD

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

GRŴP LLAFUR – 3 AELOD

1. Y Cynghorydd Deryk Cundy
2. Y Cynghorydd Tina Higgins [Cadeirydd]
3. Y Cynghorydd Bill Thomas

GRŴP ANNIBYNNOL – 1 AELOD

1. Y Cynghorydd Giles Morgan [Is-Gadeirydd]

AELOD Â PHLEIDLAIS ALLANOL (1)

Mrs. Julie James

AGENDA

1. YMDDIHEURIADAU AM ABSENOLDEB.
2. DATGANIADAU O FUDDIANNAU PERSONOL.
3. CYNLLUN ARCHWILIO MEWNOL 5 - 22
4. CYNLLUN ARCHWILIAD MEWNOL BLYNYDDOL 2019/20 & BWRIEDIR EI GYNNWYS YN 2020-22 23 - 32
5. BLAENRHAGLEN GWAITH PWYLLGOR ARCHWILIO 33 - 40
6. PENTREF LLESIANT A GWYDDOR BYWYD LLANELLI 41 - 68
7. COFRESTR RISG CORFFORAETHOL 69 - 88
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 - 8.3 ADRODDIAD LLEOL SWYDDFA ARCHWILIO CYMRU 127 - 142
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Mae'r dudalen hon yn wag yn fwriadol

PWYLLGOR ARCHWYLIO

22 Mawrth 2019

Y Pwnc: Cynllun Archwilio Mewnol Y Pwrpas: Y diweddaraf ynghylch ar Cynllun Archwilio Mewnol 2018/19		
Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen: I dderbyn yr adroddiad.		
Y Rhesymau: Cyflwynir adroddiad cynnydd yn rheolaidd bob tro mae'r Pwyllgor Archwilio yn cyfarfod.		
Ymgynghorwyd â'r pwyllgor craffu perthnasol : AMHERTHNASOL		
Angen i'r Bwrdd Gweithredol wneud penderfyniad: AMHERTHNASOL Angen i'r Cyngor wneud penderfyniad: AMHERTHNASOL		
YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO: Cynghorydd David Jenkins		
Y Gyfarwyddiaeth: Gwasanathau Corfforaethol Enw Pennaeth y Gwasanaeth: Helen Pugh Awdur yr Adroddiad: Helen Pugh	Swyddi: Pennaeth Refeniw a Chydymffurfio Ariannol	Rhif ffôn: 01267 246223 Cyfeiriad e-bost: HLPugh@sirgar.gov.uk

EXECUTIVE SUMMARY

Audit Committee

22nd March 2019

SUBJECT

INTERNAL AUDIT PLAN UPDATE 2018/19

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

REPORT B Summary of Completed Final Reports Relating to Key Financial Systems

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

1	Treasury Management
2	Creditors
3	Payroll
4	School Recruitment and Teachers Salaries

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

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

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

Finance

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

CONSULTATIONS

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

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

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

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

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

THESE ARE DETAILED BELOW

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

Mae'r dudalen hon yn wag yn fwriadol

INTERNAL AUDIT PLAN 2018/19										
2018/19	% Plan Completion to Date	65.5%		% Target February 2019						85.0%
Job No	Departments	Days Planned	Pre-Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Final Report / Grant Issued	Days to Date	Status
	Chief Executive									
1118001	Annual Governance Statement	11	*	N/A	*	*	*	*	11.0	Complete
1118002	PMP Function - Recruitment / Safer Recruitment DBS	8	*	*	*	*	*		7.2	Draft Report Issued
1118003	Ethics	15	*	*					0.0	Terms of Reference
1118004	Performance Management - Gosod Syml	8	*	*	*	*	*	*	8.0	Complete
1118005	Whistleblowing	5	*	*	*	*	*		4.5	Draft Report Issued
1118006	Financial Management Other - Rent Smart Wales	5	*	*	*	*	*	*	5.0	Complete
	Total Audit Days for Department	52							35.7	
	Information & Communications Audit									
2118001	Computer Assisted Audit Testing(CAATs)	25	*	*	*	*	*	*	25.0	Complete
2118002	Resource Link	10							0.0	
2118003	Agresso	5							0.0	
2118004	Pensions	6	*	*	*	*	*	*	6.0	Complete
2118005	Revenues/ Benefits / DIPS	8	*	*	*	*	*		7.2	Draft Report Issued
2118006	Education & Children Services Systems	10	*	*	*				0.0	Commenced
2118007	Communities Systems	15	*	*	*				0.0	Commenced
2118008	Environment Systems	15	*	*	*	*	*	*	15.0	Complete
2118009	IT Procurement	10	*	*	*	*	*	*	10.0	Complete
2118010	Cloud Computing	10							0.0	
2118011	Collaborative Working	10							0.0	
2118012	Digital Transformation / Agile Working / Information	20							0.0	
2118013	Financial Management Other	6	*	*	*	*	N/A	N/A	6.0	Complete
	Total Days Computer Audits	150							69.2	
	Regeneration & Policy									
3118001	Customer Services	10	*	*	*	*	*		9.0	Draft Report Issued
3118002	Press Office / Communication	10	*						0.0	Pre Audit Meeting
3118003	Modern Records	10	*	*	*	*	*	*	10.0	Complete
3118004	Property & Estate Management	15	*	*	*	*			11.3	Field Work Complete
3118005	New Funding Programmes (eg ESI)	10	*	*	*	*	*	*	10.0	Complete
3118006	City Deal	10	*	*	*	*	*	*	10.0	Complete
3118007	Wellness Centre	10	*	*	*	*	*	*	10.0	Complete
3118008	Corporate Plan / Business Plans	10	*	*	*	*	*	*	10.0	Complete
3118009	Regeneration Strand 1	10	*	*	*	*	*	*	0.0	Commenced
3118010	Regeneration Strand 2	8	*	*	*	*	*	*	8.0	Complete
3118011	Regeneration Strand 3	8	*	*	*	*	*	*	8.0	Complete
3118012	Regeneration Strand 4	10	*	*					0.0	Pre Audit Meeting
3118013	Complaints	10	*	*	*	*	*	*	10.0	Complete
3118014	Data Protection	10	*	*	*	*			0.0	Commenced
3118015	Financial Management Other	5	*	*	*	*			3.8	Field Work Complete
	Grants									
3118016	R&P Third Party Grants	10	*	*	*	*	*	*	10.0	Complete
	Total Audit Days for Department	156							110.0	
	Education & Children									
	School Improvement									
4118001	ERW inc arrangements for EIG & PDG	10	*	*	*	*	*	*	10.0	Complete
	Education Services									
4118002	Challenge Advisors	10	*	*	*				0.0	Commenced
4118003	School Improvement	10	*	*	*				0.0	Commenced
	Strategic Development									
4118004	Information & Improvement	10							0.0	
4118005	Business Support	10	*	*	*				0.0	Commenced
	Curriculum & Well being									
4118006	Education Other Than At School (EOTAS)	5	N/A	N/A	N/A	N/A	N/A	N/A	5.0	Complete
4118007	Families First Grant (Youth)	5	N/A	N/A	N/A	N/A	N/A	N/A	5.0	Complete
4118008	School Consultants	10	*	*	*				0.0	Commenced
4118009	Learning Transformation - eg Cynnydd, Cam Nesa	10							0.0	
	Children's Services									
4118010	Corporate Parenting	10	*	*	*	*	*		9.0	Draft Report Issued
4118011	Family Support	5	*	*	*	*	*		4.5	Draft Report Issued
4118012	Safeguarding	10	*	*	*				0.0	Commenced
4118013	Financial Management Other	5	N/A	N/A	*	*	*	*	5.0	Complete
	Schools:									
4118014	Schools DBS	5	*	*	*	*	*	*	5.0	Complete
4118015	Schools Recruitment & Teachers salaries	10	*	*	*	*	*	*	10.0	Complete
4118016	Schools - Monitoring deficits & surpluses	10	*	*					0.0	Terms of Reference
4118017	School Meals, Free Meals & Primary Free Breakfast Services	10	*	*	*	*	*	*	10.0	Complete
4118018	Schools Questionnaires Q1	8	N/A	N/A	*	*	N/A	N/A	8.0	Complete
4118033	Schools Questionnaires Q2	6	N/A	N/A	*	*	N/A	N/A	6.0	Complete
4118034	Schools Questionnaires Q3	8	N/A	N/A	*	*	N/A	N/A	8.0	Complete
4118035	Schools Questionnaires Q4	8	N/A	N/A	*	*			6.0	Field Work Complete
4118019	School visits Q1	8	N/A	N/A	*	*	*		7.2	Draft Report Issued
4118036	School visits Q2	6	N/A	N/A	*	*			4.5	Field Work Complete
4118037	School visits Q3	8	N/A	N/A	*	*			6.0	Field Work Complete
4118038	School visits Q4	8	N/A	N/A					0.0	Terms of Reference
	Grants									
4118020	Post 16	8	N/A	N/A	*	*	*	*	8.0	Complete
4118021	Education - EIG - Final Annual Audit	5	N/A	N/A	*	*	*	*	5.0	Complete
4118022	Education - EIG - Q1 Audit	10	N/A	N/A	*	*	*	*	10.0	Complete
4118023	Education - EIG - Q2 Audit	5	N/A	N/A	*	*	*	*	5.0	Complete

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INTERNAL AUDIT PLAN 2018/19										
2018/19	% Plan Completion to Date	65.5%		% Target February 2019					85.0%	
Job No	Departments	Days Planned	Pre-Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Final Report / Grant Issued	Days to Date	Status
4118024	Education - EIG - Q3 Audit	5	N/A	N/A	*	*	*	*	5.0	Complete
4118025	Education - EIG - Q4 Audit	5	N/A	N/A	*	*	*	*	5.0	Complete
4118026	Education - PDG - Final Annual Audit	5	N/A	N/A	*	*	*	*	5.0	Complete
4118027	Education - PDG - Q1	8	N/A	N/A	*	*	*	*	8.0	Complete
4118028	Education - PDG - Q2	5	N/A	N/A	*	*	*	*	5.0	Complete
4118029	Education - PDG - Q3	5	N/A	N/A	*	*	*	*	5.0	Complete
4118030	Education - PDG - Q4	5	N/A	N/A	*	*	*	*	5.0	Complete
4118031	14 to 19 Learning Pathways	10	N/A	N/A	N/A	N/A	N/A	*	10.0	Complete
4118032	Youth Work Strategy Grant	10	N/A	N/A	N/A	N/A	N/A	*	10.0	Complete
	Total Audit Days for Department	291							195.2	
Corporate Services										
5118001	Budget Setting / Delivery of Efficiencies	10	*	*	*	*			7.5	Field Work Complete
5118002	VAT	8	*	*	*	*	*		7.2	Draft Report Issued
5118003	Treasury Management - Loans	5	*	*	*	*	*	*	5.0	Complete
5118004	Housing Benefits	10							0.0	
5118005	Payroll System	15	*	*	*	*	*	*	15.0	Complete
5118006	Creditor Payments	15	*	*	*	*			0.0	Commenced
5118007	Debtors System	15	*	*	*	*			11.3	Field Work Complete
5118008	Cash & Bank	10	*	*	*	*	*		9.0	Draft Report Issued
5118009	Travel & Subsistence System	10	*	*	*	*			7.5	Field Work Complete
5118010	Deputyships	15	*	*	*	*	*		13.5	Draft Report Issued
5118011	Trust Funds	15	*	*	*	*	*		13.5	Draft Report Issued
5118012	Burry Port Harbour - Accounts Return for WAO	8	*	*	*	*	*	*	8.0	Complete
5118013	Financial Management Other	5	*	N/A	*	*	*	*	5.0	Complete
	Total Audit Days for Department	141							102.5	
Communities										
6118001	Home Care	10	*	*	*	*	N/A	N/A	10.0	Complete
6118002	Residential Care Authority & Private Homes Q1	3	N/A	*	*	*	N/A	N/A	3.0	Complete
6118023	Residential Care Authority & Private Homes Q2	3	N/A	*	*	*	N/A	N/A	3.0	Complete
6118024	Residential Care Authority & Private Homes Q3	2	N/A	*	*	*	N/A	N/A	2.0	Complete
6118025	Residential Care Authority & Private Homes Q4	2	N/A	*	*	*	N/A	N/A	2.0	Complete
6118003	Supported Living	10							0.0	
6118004	Learning Disabilities	5	N/A	*	*	*	N/A	N/A	5.0	Complete
6118005	Safeguarding	10	*	*	*	*	*	*	10.0	Complete
6118006	Affordable Homes	10	*	*	*	*	*	*	10.0	Complete
6118007	Licensing and other fees	10	*	*	*	*	*	*	10.0	Complete
6118008	Museums	10	*	*	*	*	*	*	10.0	Complete
6118009	Libraries	10	*	*	*	*	*	*	10.0	Complete
6118010	Amman Valley Leisure Centre	7	*	*	*	*			5.3	Field Work Complete
6118011	Carmarthen Leisure Centre	9	*	*	*	*			6.8	Field Work Complete
6118012	Llanelli Leisure Centre	9	*	*	*	*			6.8	Field Work Complete
6118013	Pembrey Country Park / MCP / Country Parks	10	*	*	*				0.0	Commenced
6118014	Ski Centre	10	*	*	*				0.0	Commenced
6118015	Theatres	8	*	*	*	*	*	*	8.0	Complete
6118016	South Area Leisure / Education & Workforce	8	*	*	*	*	*	*	8.0	Complete
6118017	Pendine Outdoor Education Centre	8	*	*	*	*	*		7.2	Draft Report Issued
6118018	Llesiant Delta Wellbeing Ltd - LATC	20	*						0.0	Pre Audit Meeting
6118019	Housing Company	20							0.0	
6118020	Financial Management Other - SP Financials	5	*	*	*	*		*	5.0	Complete
6118026	LC Memberships	3	*	*	*	*	N/A	N/A	3.0	Complete
Grants										
6118021	Supporting People	15	*	*	*	*	*	*	15.0	Complete
6118022	Communities	10	*	*	*	*	*	*	10.0	Complete
	Total Audit Days for Department	227							149.95	
Environment										
Property:										
7118001	Property Maintenance	15							0.0	
7118002	Property & Estate Management (sale of assets)	15	*	*	*				0.0	Commenced
7118003	Energy Strategy	10	*	*	*				0.0	Commenced
Waste and Environment:										
7118004	Grounds Maintenance	10	*	*	*	*	*	*	10.0	Complete
7118005	Cleansing Services	10	*	*	*	*	*	*	10.0	Complete
Highways and Transport:										
7118006	Highway Maintenance (incl. Trunk Roads)	10	*	*	*	*			7.5	Field Work Complete
7118007	Other Streetwork	10	*	*	*	*	*	*	10.0	Complete
7118008	Street lighting	10	*	*	*	*	*	*	10.0	Complete
7118009	Parking Inc. Enforcement	8	*	*	*	*	*	*	8.0	Complete
Planning Services:										
7118010	Local Development Plan	10	*	*	*				0.0	Commenced
Policy & Development Departmental:										
7118011	Management Systems - Total	10	*	*	*	*	*	*	10.0	Complete
7118012	Financial Management Other	5	*	*	*	*	N/A	N/A	5.0	Complete
Grants										
7118013	Environment Departmental Grants	20	*	*	*	*	N/A	NA	20.0	Complete
	Total Audit Days for Department	143							90.5	
Procurement / Contracts										
8118001	Procurement / Contracts	15	*	*	*	*	*	*	15.0	Complete

INTERNAL AUDIT PLAN 2018/19										
2018/19	% Plan Completion to Date	65.5%			% Target February 2019					85.0%
Job No	Departments	Days Planned	Pre. Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Final Report / Grant Issued	Days to Date	Status
8118002	Specific Projects (new and post contact review)	20	*	*	*	*	*	*	20.0	Complete
8118003	Departmental Contract Management	20	*	*	*	*			15.0	Field Work Complete
8118004	Community Benefits	10	*	*	*	*	*		9.0	Draft Report Issued
8118005	Category Management	10							0.0	
8118006	Financial Management Other	5							0.0	
	Total Audit Days for Department	80							59	
	Total Approved Plan Days	1240	% Complete to Date			65.5%			812.0	
	Fire									
9118001	CAATS	5	*	*	*	*			3.8	Field Work Complete
9118002	Cloud Computing	5	*	*	*				0.0	Commenced
9118003	Payroll - CORE	3	*	*	*				0.0	Commenced
9118004	HR - Terian	2	*	*	*				0.0	Commenced
9218001	Main Accounting	5	*	*	*	*	*		4.5	Draft Report Issued
9218002	Budget Monitoring & Budget Manual Compliance	5	*	*	*	*	*	*	5.0	Complete
9218003	VAT	5	*	*	*				0.0	Commenced
9218004	Fixed Asset Register & Capital Accounting	12	*	*	*				0.0	Commenced
9218005	Treasury Management - Loans	6	*						0.0	Pre Audit Meeting
9218006	Payroll System	8	*	*	*	*	*	*	8.0	Complete
9218007	Creditor Payments	5	*	*	*				0.0	Commenced
9218008	Travel & Subsistence System	8							0.0	
9218009	Annual Report	1							0.0	
9218010	Follow up	5							0.0	
9218011	Transport - Tranman	10							0.0	
9218012	Stores	10							0.0	
	Total Audit Days for Department	95							21.3	
	Additional Work Not Included in Original Plan									
2118014	Ceredigion IT	15	*	*	*				0.0	Commenced
1118007	Ceredigion Ethics	15	*	*	*				0.0	Commenced
5118014	Wales Pension Partnership	8	*	N/A	*	*	*	*	8.0	Complete
9018032	Financial Grant	10	*	*	*	*	*	*	10.0	Complete
	Total Additional Work	143							39.3	
	Total Audit Plan Time	1383							851.3	
	Productivity of Total Audit Plan Days as a Percentage of Approved Plan Days						68.6%			

Mae'r dudalen hon yn wag yn fwriadol

INTERNAL AUDIT PLAN 2018/19				REPORTING						
2018/19			Issues							
			No. of 3 * Issues	No. of 2 * Issues	No. of 1 * Issues	Total No. Issues	3*=5	2*=3	1*=1	Score
Job No	Departments	Status								Assurance Level
	Chief Executive									
1118001	Annual Governance Statement	Complete	0	4	1	5	0	12	1	13
1118002	PMP Function - Recruitment / Safer Recruitment DBS	Draft Report Issued				0	0	0	0	0
1118003	Ethics	Terms of Reference				0	0	0	0	0
1118004	Gosod Syml	Complete	0	0	0	0	0	0	0	0
1118005	Whistleblowing	Draft Report Issued				0	0	0	0	0
1118006	Rent Smart Wales	Complete	0	0	0	0	0	0	0	0
	Information & Communications Audit									
2118001	Computer Assisted Audit Testing(CAATs)	Complete	0	0	0	0	0	0	0	0
2118002	Resource Link					0	0	0	0	0
2118003	Agresso					0	0	0	0	0
2118004	Pensions	Complete	0	0	0	0	0	0	0	0
2118005	Revenues/ Benefits / DIPS	Draft Report Issued				0	0	0	0	0
2118006	Education & Children Services Systems	Commenced				0	0	0	0	0
2118007	Communities Systems	Commenced				0	0	0	0	0
2118008	Environment Systems	Complete	0	0	0	0	0	0	0	0
2118009	IT Procurement	Complete	0	0	0	0	0	0	0	0
2118010	Cloud Computing					0	0	0	0	0
2118011	Data Protection					0	0	0	0	0
2118012	Digital Transformation / Agile Working / Information					0	0	0	0	0
2118013	Financial Management Other	Complete	0	0	0	0	0	0	0	0
	Regeneration & Policy									
3118001	Customer Services	Draft Report Issued				0	0	0	0	0
3118002	Press Office / Communication	Pre Audit Meeting				0	0	0	0	0
3118003	Modern Records	Complete	0	1	0	1	0	3	0	3
3118004	Property & Estate Management	Field Work Complete				0	0	0	0	0
3118005	New Funding Programmes (eg ESI)	Complete	0	0	0	0	0	0	0	0
3118006	City Deal	Complete	0	0	0	0	0	0	0	0
3118007	Wellness Centre	Complete	0	0	0	0	0	0	0	0
3118008	Corporate Plan / Business Plans	Complete	0	0	0	0	0	0	0	0
3118009	Regeneration Strand 1	Commenced				0	0	0	0	0
3118010	Regeneration Strand 2	Complete	0	1	0	1	0	3	0	3
3118011	Regeneration Strand 3	Complete	0	1	1	2	0	3	1	4
3118012	Regeneration Strand 4	Pre Audit Meeting				0	0	0	0	0
3118013	Complaints	Complete	0	3	1	4	0	9	1	10
3118014	Data Protection	Commenced				0	0	0	0	0
3118015	Financial Management Other	Field Work Complete				0	0	0	0	0
	Grants									
3118016	R&P Third Party Grants	Complete	0	0	0	0	0	0	0	0
	Education & Children									
	School Improvement									
4118001	ERW inc arrangements for EIG & PDG	Complete	0	0	0	0	0	0	0	0
	Education Services									
4118002	Challenge Advisors	Commenced				0	0	0	0	0
4118003	School Improvement	Commenced				0	0	0	0	0
	Strategic Development									
4118004	Information & Improvement					0	0	0	0	0
4118005	Business Support	Commenced				0	0	0	0	0
	Curriculum & Well being									
4118006	Education Other Than At School (EOTAS)	Complete	0	0	0	0	0	0	0	0
4118007	Families First Grant (Youth)	Complete	0	0	0	0	0	0	0	0
4118008	School Consultants	Commenced				0	0	0	0	0
4118009	Learning Transformation - eg Cynnydd, Cam Nesa					0	0	0	0	0
	Children's Services									
4118010	Corporate Parenting	Draft Report Issued				0	0	0	0	0
4118011	Family Support	Draft Report Issued				0	0	0	0	0
4118012	Safeguarding	Commenced				0	0	0	0	0
4118013	Welsh For Adults	Complete	0	0	0	0	0	0	0	0
	Schools:									
4118014	Schools DBS	Complete	0	3	1	4	0	9	1	10
4118015	Schools Recruitment & Teachers salaries	Complete	0	1	4	5	0	3	4	7
4118016	Schools - Monitoring deficits & surpluses	Term of Reference				0	0	0	0	0
4118017	School Meals, Free Meals & Primary Free Breakfast Services	Complete	0	2	4	6	0	6	4	10
4118018	Schools Questionnaires Q1	Complete	0	0	0	0	0	0	0	0
4118033	Schools Questionnaires Q2	Complete	0	0	0	0	0	0	0	0
4118034	Schools Questionnaires Q3	Complete	0	0	0	0	0	0	0	0
4118035	Schools Questionnaires Q4	Field Work Complete				0	0	0	0	0
4118019	School visits Q1	Draft Report Issued				0	0	0	0	0
4118036	School visits Q2	Field Work Complete				0	0	0	0	0
4118037	School visits Q3	Field Work Complete				0	0	0	0	0
4118038	School visits Q4	Term of Reference				0	0	0	0	0
	Grants									
4118020	Post 16	Complete	0	0	0	0	0	0	0	0
4118021	Education - EIG - Final Annual Audit	Complete	0	0	0	0	0	0	0	0
4118022	Education - EIG - Q1 Audit	Complete	0	0	0	0	0	0	0	0
4118023	Education - EIG - Q2 Audit	Complete	0	0	0	0	0	0	0	0
4118024	Education - EIG - Q3 Audit	Complete	0	0	0	0	0	0	0	0
4118025	Education - EIG - Q4 Audit	Complete	0	0	0	0	0	0	0	0
4118026	Education - PDG - Final Annual Audit	Complete	0	0	0	0	0	0	0	0
4118027	Education - PDG - Q1	Complete	0	0	0	0	0	0	0	0
4118028	Education - PDG - Q2	Complete	0	0	0	0	0	0	0	0
4118029	Education - PDG - Q3	Complete	0	0	0	0	0	0	0	0
4118030	Education - PDG - Q4	Complete	0	0	0	0	0	0	0	0

INTERNAL AUDIT PLAN 2018/19			REPORTING								
2018/19			Issues								
			No. of 3 * Issues	No. of 2 * Issues	No. of 1 * Issues	Total No. Issues	3*=5	2*=3	1*=1	Score	Assurance Level
Job No	Departments	Status									
4118031	14 to 19 Learning Pathways	Complete	0	0	0	0	0	0	0	0	Grant Certificate
4118032	Youth Work Strategy Grant	Complete	0	0	0	0	0	0	0	0	Grant Certificate
	Corporate Services										
5118001	Budget Setting / Delivery of Efficiencies	Field Work Complete				0	0	0	0	0	
5118002	VAT	Draft Report Issued				0	0	0	0	0	
5118003	Treasury Management - Loans	Complete	0	1	0	1	0	3	0	3	Acceptable
5118004	Housing Benefits					0	0	0	0	0	
5118005	Payroll System	Complete	0	3	1	4	0	9	1	10	Acceptable
5118006	Creditor Payments	Commenced				0	0	0	0	0	
5118007	Debtors System	Field Work Complete				0	0	0	0	0	
5118008	Cash & Bank	Draft Report Issued				0	0	0	0	0	
5118009	Travel & Subsistence System	Field Work Complete				0	0	0	0	0	
5118010	Deputyships	Draft Report Issued				0	0	0	0	0	
5118011	Trust Funds	Draft Report Issued				0	0	0	0	0	
5118012	Burry Port Harbour - Accounts Return for WAO	Complete	0	0	0	0	0	0	0	0	Grant Certificate
5118013	Financial Management Other	Complete	0	0	0	0	0	0	0	0	Grant Certificate
	Communities										
6118001	Home Care	Complete	0	0	0	0	0	0	0	0	N/A
6118002	Residential Care Authority & Private Homes Q1	Complete	0	0	0	0	0	0	0	0	N/A
6118023	Residential Care Authority & Private Homes Q2	Complete	0	0	0	0	0	0	0	0	N/A
6118024	Residential Care Authority & Private Homes Q3	Complete	0	0	0	0	0	0	0	0	N/A
6118025	Residential Care Authority & Private Homes Q4	Complete	0	0	0	0	0	0	0	0	N/A
6118003	Supported Living					0	0	0	0	0	
6118004	Learning Disabilities	Complete	0	0	0	0	0	0	0	0	Grant Certificate
6118005	Safeguarding	Complete	0	0	0	0	0	0	0	0	High
6118006	Affordable Homes	Complete	0	0	1	1	0	0	1	1	High
6118007	Licensing and other fees	Complete	0	0	0	0	0	0	0	0	High
6118008	Museums	Complete	0	3	0	3	0	9	0	9	Acceptable
6118009	Libraries	Complete	0	2	1	3	0	6	1	7	Acceptable
6118010	Amman Valley Leisure Centre	Field Work Complete				0	0	0	0	0	
6118011	Carmarthen Leisure Centre	Field Work Complete				0	0	0	0	0	
6118012	Llanelli Leisure Centre	Field Work Complete				0	0	0	0	0	
6118013	Pembrey Country Park / MCP / Country Parks	Commenced				0	0	0	0	0	
6118014	Ski Centre	Commenced				0	0	0	0	0	
6118015	Theatres	Complete	0	3	1	4	0	9	1	10	Acceptable
6118016	South Area Leisure / Education & Workforce	Complete	0	2	2	4	0	6	2	8	Acceptable
6118017	Pendine Outdoor Education Centre	Draft Report Issued				0	0	0	0	0	
6118018	Llesiant Delta Wellbeing Ltd - LATC	Pre Audit Meeting				0	0	0	0	0	
6118019	Housing Company					0	0	0	0	0	
6118020	SP Financials	Complete	0	0	0	0	0	0	0	0	Grant Certificate
6118026	LC Memberships	Complete	0	0	0	0	0	0	0	0	High
	Grants										
6118021	Supporting People	Complete	0	0	0	0	0	0	0	0	Grant Certificate
6118022	Communities	Complete	0	0	0	0	0	0	0	0	Grant Certificate
	Environment										
	Property:										
7118001	Property Maintenance					0	0	0	0	0	
7118002	Property & Estate Management (sale of assets)	Commenced				0	0	0	0	0	
7118003	Energy Strategy	Commenced				0	0	0	0	0	
	Waste and Environment:										
7118004	Grounds Maintenance	Complete	0	2	0	2	0	6	0	6	Acceptable
7118005	Cleansing Services	Complete	0	3	0	3	0	9	0	9	Acceptable
	Highways and Transport:										
7118006	Highway Maintenance (incl. Trunk Roads)	Field Work Complete				0	0	0	0	0	
7118007	Other Streetwork	Complete	0	2	0	2	0	6	0	6	Acceptable
7118008	Street lighting	Complete	0	0	1	1	0	0	1	1	High
7118009	Parking Inc. Enforcement	Complete	0	0	1	1	0	0	1	1	High
	Planning Services:										
7118010	Local Development Plan	Commenced				0	0	0	0	0	
	Policy & Development Departmental:										
7118011	Management Systems - Total	Complete	0	0	0	0	0	0	0	0	N/A
7118012	Financial Management Other	Complete	0	0	0	0	0	0	0	0	N/A
	Grants										
7118013	Environment Departmental Grants	Complete	0	0	0	0	0	0	0	0	N/A
	Procurement / Contracts										
8118001	Framework contracts	Complete	0	0	0	0	0	0	0	0	High
8118002	Specific Projects (new and post contact review)	Complete	0	1	0	1	0	3	0	3	Acceptable
8118003	Departmental Contract Management	Field Work Complete				0	0	0	0	0	
8118004	Community Benefits	Draft Report Issued				0	0	0	0	0	
8118005	Category Management					0	0	0	0	0	
8118006	Financial Management Other					0	0	0	0	0	
	Additional Work Not Included in Original Plan										
5118014	Wales Pension Partnership	Complete	0	0	0	0	0	0	0	0	Grant Certificate
9018032	Financial Grant Advice	Complete	0	0	0	0	0	0	0	0	N/A

INTERNAL AUDIT PLAN 2018/19			REPORTING								
2018/19			Issues								
Job No	Departments	Status	No. of 3 *	No. of 2 *	No. of 1 *	Total No. Issues	3*=5	2*=3	1*=1	Score	Assurance Level
Assurance Level	Description for Assurance Level	Scores									
High	Good controls consistently applied. Low risk of not meeting objectives. Low risk of fraud, negligence, loss, damage to reputation.	0 to 2									
Acceptable	Moderate Controls, some areas of non-compliance with agreed controls. Medium / low risk of not meeting objectives. Medium / low risk of fraud, negligence, loss, damage to reputation.	3 to 10 with no 3* recommendations									
Low	Inadequate controls. High Risk of not meeting objectives. High risk of fraud, negligence, loss, damage to reputation.	> 10 or including one or more 3* recommendations									

Mae'r dudalen hon yn wag yn fwriadol

DEPARTMENT Corporate Services	AUDIT REVIEW Treasury Management	AUDIT REF 5118003
PLANNED DAYS 5	ACTUAL DAYS 5	Frequency of Audit ANNUAL

BACKGROUND

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 Corporate Services carries out the functions of managing these short and long-term loans and transactions on a daily basis.

As at 25/10/18, the Authority's investments stood at approximately £61m, with a turnover for the financial year to date of approximately £757m.

SCOPE

A review of the controls and procedures for Treasury Management transactions was undertaken to ensure:

- 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; and
- Appropriate treasury management information is made available to relevant officers / management.

SUMMARY OF RESULTS

The review of the Treasury Management function was assessed as being of medium risk to the Authority during the audit planning process and will remain as medium risk due to the complex nature of Treasury Management and the value of transactions processed by the Authority.

The current Internal Audit review identified that the key controls expected in respect of the management and administration of the Treasury Management function, including short and long-term investment and loan transactions, are already in place and are operating to an acceptable standard, with only one improvement required to be addressed before an overall high assurance level may be placed.

Whilst reconciliations should be undertaken on a monthly basis in accordance with the Treasury Management Manual, the period April 2018 – September 2018 was undertaken as one reconciliation in October 2018. In addition, at the time of the audit, Internal Audit was advised that a reconciliation would be undertaken in January 2019 to cover the period October 2018 - December 2018. It is acknowledged that this was primarily due to resource issues within the division.

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

DEPARTMENT Corporate Services	AUDIT REVIEW Creditors	AUDIT REF 4117014
PLANNED DAYS 20	ACTUAL DAYS 20	Frequency of Audit ANNUAL

BACKGROUND

The creditor payments system is incorporated within the Authority's Financial Management System 'Agresso'. The Accounts Payable module is controlled centrally by the Payments Section based at County Hall. Payments are also processed on-line by staff based within their respective departments for which the Systems & Accounts Payable Manager provides guidance.

The value of payments processed through the creditor system is approximately £984million with the number of invoices processed being approximately 349,000.

Due to the volume and value of transactions the creditor payments system is considered to be a fundamental accounting system and it is essential that there are effective controls over the payments of supplies and services both centrally and by on-line users.

SCOPE

The review included an assessment of the following:

- The adequacy of management arrangements, including procedural guidance;
- Authorisation for payment;
- Input controls;
- Controls over the creation & amendments to accounts;
- Validation controls;
- Exception reports;
- Payment by BACS;
- Periodic payments;
- Payments by direct debit;
- Audit trail and recording of transactions in the ledger;
- Performance indicators.

SUMMARY OF RESULTS

The review of Creditor Payments has previously been assessed as being of high risk to the Authority during the audit planning process due to the value and volume of transactions processed annually.

It is pleasing to report that whilst some issues have been identified which require improvement, expected key controls are generally operating to an acceptable standard, and therefore the review of Creditor Payments has been re-assessed as being of medium risk to the Authority.

Some improvements are required in order to demonstrate a good control over the management and administration of the creditors system and to ensure that the requirements of Financial Procedure Rules are fully complied with; these improvements include the updating of documented procedures, investigation of duplicate payments, invoice procedures and the approval of urgent payments.		
NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	Acceptable
Priority 2 – Strengthen Existing Controls	2	
Priority 3 – Minor Issues	2	

DEPARTMENT Corporate Services	AUDIT REVIEW Payroll	AUDIT REF 5118005
PLANNED DAYS 15	ACTUAL DAYS 15	Frequency of Audit ANNUAL
<p>BACKGROUND</p> <p>The Authority pays over 8,500 employees amounting to approximately £184m. Payroll is a centralised function and the Authority has an integrated Payroll and HR system operated through "Resource Link".</p> <p>The system is classified as high risk given the value and volume of transactions.</p> <p>SCOPE</p> <p>The review covered the internal controls within the Payroll System for the payment of salaries and wages to ensure that:</p> <ul style="list-style-type: none"> ▪ 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. <p>SUMMARY OF RESULTS</p> <p>The systems and procedures associated with Payroll are considered to be high risk given the level of payments made.</p> <p>From the testing undertaken, it was apparent that many expected key controls have been established and are operating to a good standard. Audit testing did, however, highlight issues which need addressing at the appropriate level; these issues related to:</p> <ul style="list-style-type: none"> - Appropriate approval of overtime payments. - Correct calculation of unpaid leave. - Employee verification exercises to be undertaken on a regular, timely basis. 		
NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	Acceptable
Priority 2 – Strengthen Existing Controls	3	
Priority 3 – Minor Issues	1	

DEPARTMENT Education & Children's Services	AUDIT REVIEW Schools Recruitment & Teachers salaries	AUDIT REF 4118005
PLANNED DAYS 10	ACTUAL DAYS 10	Frequency of Audit ANNUAL
<p>BACKGROUND</p> <p>An Internal Audit of Schools Recruitment and Teachers' Salaries was carried out as part of the Authority's Annual Internal Audit Plan. The Authority pays out approximately £70 million per annum on Teachers Payroll Costs which includes Supply Teacher payments.</p> <p>SCOPE</p> <p>To ensure that:</p> <ul style="list-style-type: none"> ▪ Recommendations from the previous audit report have been implemented; ▪ There are adequate documented procedures in place which are adhered to; ▪ Correct HR policies are followed; ▪ Payments are calculated and paid correctly and accurately. <p>SUMMARY OF RESULTS</p> <p>The Schools Recruitment & Teachers' Salaries function is considered to be of medium risk to the authority, which is based upon last year's review, where it was evident that procedures and key controls were operating to an acceptable level.</p> <p>From the testing undertaken this year, it is apparent that reasonable controls are in place with some areas of non-compliance. Issues identified include the completion of appropriate forms, timely completion and submission of commencement and termination forms and the issuing of relevant contracts.</p> <p>Internal Audit has requested that schools are reminded of the correct procedures to be followed in relation to the completion and authorisation of HR forms.</p>		
NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	Acceptable
Priority 2 – Strengthen Existing Controls	1	
Priority 3 – Minor Issues	4	

PWYLLGOR ARCHWYLIO

22 Mawrth 2019

Pwnc a Phwrrpas:

CYNLLUN ARCHWILIAD MEWNOL BLYNYDDOL 2019/20 & BWRIEDIR EI GYNNWYS YN 2020-22.

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

I gymeradwyo'r Cynllun Archwiliad Mewnol Blynnyddol ar gyfer 2019/20 ac i gadarnhau'r hyn y bwriedir ei gynnwys yn 2020-22.

Y Rhesymau:

Mae'n hanfodol bod archwiliadau yn cael eu cynllunio mewn modd strwythuredig ar sail risg. Mae rhaglen dreigl dros dair blynedd yn sicrhau sylw digonol o ran archwiliad ac yn darparu'r hyblygrwydd i ddelio â newidiadau mewn systemau yn yr Awdurdod

Ymgynghorwyd â'r pwyllgor craffu perthnasol :

AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad: AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad: AMHERTHNASOL

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:

Cynghorydd David Jenkins

Y Gyfarwyddiaeth:

Gwasanathau Corfforaethol

Enw Pennaeth y

Gwasanaeth:

Helen Pugh

Awdur yr Adroddiad:

Helen Pugh

Swyddi:

Pennaeth Refeniw a
Chydymffurfio Ariannol

Rhif ffôn: 01267 246223

Cyfeiriad e-bost:

HLPugh@sirgar.gov.uk

EXECUTIVE SUMMARY
Audit Committee
22nd March 2019

SUBJECT

Internal Audit Plan 2019/20 & Planned Coverage for 2020-22

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 10 FTE staff.

The following report is attached for approval:

Internal Audit Plan 2019-22 – 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: **Helen Pugh** **Head of Revenues and Financial Compliance**

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

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

CONSULTATIONS

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

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

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

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

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

Title of Document	File Ref No.	Locations that the papers are available for public inspection

Mae'r dudalen hon yn wag yn fwriadol

INTERNAL AUDIT - 3 YEAR PLAN

Job Title	2019-20	2020-21	2020-22
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Chief Executives			
PMP Function - Recruitment	10	o	o
PMP Function L&D		o	
PMP Organisational Development	12		
Ethics			o
Health & Safety		o	
Performance Management			o
Staffing Policies		o	
Declaration of Interest & Hospitality		o	
Executive Support			o
Whistleblowing			o
Legal	8		
Democratic Services		o	
Democratic Advice and Support	8		
Financial Management Other	5	o	o
Grants			
Chief Executive Grants (SCWDP Grant)	8		
Total - Chief Executive	51		

Information & Communications Audit			
Security of Information	10		
Operating Systems		o	
Social Media			o
Internet Security			o
Licensing	10		
Communications	10		
Computer Assisted Audit Testing(CAATs)	25	o	o
Chief Executives Systems:	10	o	o
- Resource Link			
- Contact centre			
Corporate Services Systems:	8	o	o
- Agresso			
- Pensions			
- Revenues/ Benefits / DIPS			
- Insurance & Risk			
- Payment Cards			
Education & Children Services Systems	10	o	o
- SIMMS / Teacher Centre / Parentpay			
Communities Systems	15	o	o
- Carefirst			
- OHMS			
Environment Systems	15	o	o
- Total			
- Planning & Building Control			
- Asset Management			
IT Procurement			o
Corporate File Plan	10		
Cloud Computing			o
Data Protection			o
Collaborative Working		o	
Networks Inc. Wi-Fi		o	
Business Continuity Planning		o	
Installations		o	
Active Directory		o	
Schools		o	
Other Systems			

	Digital Transformation / Agile Working / Information			o
	Financial Management Other	5	o	o
Total - Information & Communications		128		

Regeneration & Policy				
	Corporate Strategy/Policy Making		o	
	TIC	10		
	Coroners / other services	10		
	Registrars		o	
	Partnership Arrangements	10		
	Call Centre	8		
	Print Commissioning	8		
	Customer Services			o
	Press Office / Communication			o
	Modern Records			o
	Community Safety	8		
	Electoral Services		o	
	Markets		o	
	Sponsorship /Tourism/Marketing	10	o	
	Property & Estate Management	10		o
	City Deal	10	o	o
	Wellness Centre	10	o	o
	Performance/Governance/Improvement Plans			o
	Corporate Plan / Business Plans		o	
	Regeneration Strand 1	10	o	
	Regeneration Strand 2	10		o
	Regeneration Strand 3	10		o
	Regeneration Strand 4	10	o	
	Well Being of Future Generations Act		o	
	Welsh Language Standards		o	
	Complaints			o
	Freedom of Information			o
	Data Protection			o
	Financial Management Other	5	o	o
Grants				
	Third Party Grants			o
	Grants General		o	
Total - Regeneration & Policy		139		

Education & Children Services				
	School Effectiveness			
	School Effectiveness Support Services		o	
	Welsh Language Support (grant - CIO see below)	*		
	Education Services			
	Special Educational Needs		o	
	School Redundancy & EVR		o	
	Challenge Advisors			o
	Additional Needs			o
	Inclusion		o	
	School Improvement			o
	Governance / School Governors (schools thematic review)	*		
	Early Years Non-Maintained Provision		o	
	Sensory Impairment	8		
	Strategic Development			
	Information & Improvement			o
	Business Support			o
	Children & Young People Participation	10		
	Schools - TIC			

Curriculum & Well being			
Education Other Than At School (EOTAS)	10		o
Post 16 Funding (Grant - see below)	*	o	o
Music Services for Schools	6		
Youth Service		o	
Youth Service short term grants		o	
School Consultants			o
Youth Offending & Prevention Service	10		
Adult & Community Learning		o	
Learning Transformation - eg Cynnydd, Cam Nesa			o
Children's Services			
Adoption & Fostering	10		
Child Support		o	
Corporate Parenting			o
Early Years / Family Support			o
Partnering / Procurement		o	
Residential Care			o
Education Welfare	10		
Educational Psychology			o
Safeguarding	10	o	o
Quality Assurance		o	
Planning & Commissioning		o	
Financial Management Other	5	o	o
Modernising Education Programme (MEP):			
21st Century Schools / School Modernisation		o	
School Admissions	10		
School Development			o
Schools:			
Schools DBS	8	o	o
Schools Recruitment & Teachers salaries	10	o	o
Schools - Governance and Governors	10		
Schools - Monitoring deficits & surpluses		o	
School Meals, Free Meals & Primary Free Breakfast Services	10	o	o
Schools Questionnaires	30	o	o
School visits	32	o	o
Grants			
PDG Access (School Uniform)	5		o
School Milk		o	
Post 16	8	o	o
Education - EIG - Final Annual Audit	8	o	o
Education - EIG - Q1 Audit	5	o	o
Education - EIG - Q2 Audit	5	o	o
Education - EIG - Q3 Audit	8	o	o
Education - EIG - Q4 Audit	5	o	o
Education - PDG - Final Annual Audit	8	o	o
Education - PDG - Q1	5	o	o
Education - PDG - Q2	5	o	o
Education - PDG - Q3	8	o	o
Education - PDG - Q4	5	o	o
Cymraeg I Oedolion	8	o	o
Families First Grant (Youth)			
Youth Work Strategy Grant	10	o	o
Total: Education & Children Services	282		

Corporate Services			
Risk Management		o	
Annual Governance Statement	10	o	o
Main Accounting	10		
Budget Setting / Delivery of Efficiencies		o	
Budget Monitoring / Budget Manual Compliance		o	
VAT		o	
Petty Cash	15		
Sundry Expenses	5		
Capital Accounting incl.Fixed Asset Register	8		o
Treasury Management - Loans		o	
Investments - Carmarthenshire CC		o	
Investments - Dyfed Pension Fund		o	
Pensions Payroll System	10		o
Housing Benefits			o
Council Tax	10		o
NNDR		o	
Payroll System	15	o	o
Creditor Payments	15	o	o
Debtors System	15	o	o
Cash & Bank		o	
Travel & Subsistence System			o
Deputyships		o	
Trust Funds	20	o	o
Wales Pension Partnership - Accounts Return for WAO	10	o	o
Burry Port Harbour - Accounts Return for WAO	5	o	o
National Fraud Initiative	30		o
Financial Management Other	5	o	o
Grants			
Corporate Services		o	
Total: Corporate Services	183		

Communities			
Homes and Safer Communities:			
Disability/Adaptations/Renewals/ARBED		o	
Houses for Homes			o
Tenancy Management		o	
Homelessness (grant - see below)	*		
Rents	10		
HRA		o	
Public Health / Protection		o	
Licensing and other fees			o
Communities (Social Care):			
Contract Management/Partnerships	8		
Direct Payments		o	
Home Care		o	o
Residential Care Authority & Private Homes	15	o	o
Supported Living			o
Day Care	10		
Payment cards in Adult Social Care	8		
MHLD	5		
Transport		o	
Safeguarding	10	o	o
Travellers Sites	8		
Affordable Homes			o
Meal provision	10		
Financial assessments and Collections		o	
Appointeeship		o	
Care Plans			o

Joint Equipment Store			o
Leisure:			
Cultural/Arts Development: Oriel Myrddin	8		
Museums	5	o	o
Libraries		o	
Amman Valley Leisure Centre	10	o	o
Carmarthen Leisure Centre	10	o	o
Llanelli Leisure Centre	10	o	o
Newcastle Emllyn Leisure Centre		o	
East Area Leisure / NERS / Marketing	8		
Partnerships			o
Pembrey Country Park / MCP / Country Parks		o	
Ski Centre		o	
Theatres			o
South Area Leisure / Education & Workforce			o
Countryside Access		o	
St Clears Craft Centre		o	
West Area Leisure		o	
Pendine Outdoor Education Centre			o
Communities General:			
Llesiant Delta Wellbeing Ltd - LATC - Debtors / Income - Procurement - Governance - Payroll	20	o	o
Housing Company	20	o	o
Financial Management Other	5	o	o
Grants			
Supporting People	20	o	o
Communities	10	o	o
Homelessness Grants (x2)	10	o	o
Rent Smart Wales	5	o	o
Gosod Syml	5	o	o
Enablement Grant	10	o	o
Total: Communities	240		

Environmental Services			
Property:			
Property Maintenance	10	o	o
Asset Transfer	10		
Property & Estate Management (sale of assets)	10		o
Industrial Units		o	
Tenancy Management / Housing Voids	8		
Provision / livestock markets		o	
Energy Strategy			o
Cleaning Services	8		
Waste and Environment:			
Grounds Maintenance	10		o
Cleansing Services		o	
Waste	10		o
Environmental Enforcement	8		
Public Conveniences			o
Cemetery		o	
Land Drainage		o	
Highways and Transport:			
Highway Maintenance (incl. Trunk Roads)	10	o	o
Other Streetwork			o
Street lighting			o
Public transport	10		
School & College, Community Transport		o	
Parking Inc. Enforcement			o

	Fleet/Plant Management	8		
	Traffic Management		o	
	Road Safety			o
	Active Travel		o	
	Public Rights of Way		o	
	Planning Services:			
	Development Management		o	
	Building Control			o
	Conservation		o	
	106 Agreements		o	
	Local Development Plan	10		
	Heritage			o
	Policy & Development Departmental:			
	Management Systems - Total			o
	Financial Management Other	5	o	o
	Grants			
	Departmental Grants	20	o	o
	Total: Environmental Services	137		

Procurement / Contracts				
	Departmental Procurement Revenue Contracts		o	
	Corporate Procurement	15		
	Framework contracts			o
	Regional Framework contracts		o	
	Specific Projects (new and post contact review)	20		o
	Capital Maintenance	20		
	21st Century Schools			
	Contract Partnering Selection	10		o
	Capital Programme / SASG	10		
	Departmental Contract Management		o	
	Community Benefits			o
	Category Management			o
	Cost Management		o	
	Financial Management Other	5	o	o
	Total: Procurement	80		

TOTAL AUDIT DAYS	1240
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PWYLLGOR ARCHWYLIO

22 Mawrth 2019

Y Pwnc: Blaenrhaglen Gwaith

Y Pwrpas: Adroddiad Blynnyddol Archwiliad Mewnol 2018/19 ir Pwyllgor

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

I dderbyn yr adroddiad

Y Rhesymau:

Blaenrhaglen Blynnyddol i hysbysu'r Aelodau or Pwyllgor Archwyllo am yr eitemau agenda yw trafod am y flwyddyn 2018/19

Ymgynghorwyd â'r pwyllgor craffu perthnasol :

AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad : AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad : AMHERTHNASOL

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:-

Cynghorydd David Jenkins

Y Gyfarwyddiaeth:

Gwasanathau Corfforaethol

Enw Pennaeth y Gwasanaeth:

Helen Pugh

Awdur yr Adroddiad:

Helen Pugh

Swyddi:

Pennaeth Refeniw a
Chydymffurfio Ariannol

Rhif ffôn: 01267 246223

Cyfeiriad E-bost:

HLPugh@sirgar.gov.uk

EXECUTIVE SUMMARY
AUDIT COMMITTEE
22nd March 2019

AUDIT COMMITTEE FORWARD WORK PROGRAMME

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

The following Report is attached:
Forward Work Programme

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

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

Policy, Crime & Disorder and Equalities	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: **Helen Pugh** **Head of Revenues and Financial Compliance**

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

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

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

THESE ARE DETAILED BELOW

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

Mae'r dudalen hon yn wag yn fwriadol

Subject area and brief description of nature of report	Lead Department	Responsible Officer	Mar-19	Jun-19	Sep-19	Dec-19
Appointment of Audit Committee: · Chair · Vice Chair	Corporate Services	Audit Committee		✓		
Annual Audit Report	Corporate Services	Head of Revenues and Financial Compliance		✓		
Forward Work Programme	Corporate Services	Head of Revenues and Financial Compliance	✓	✓	✓	✓
Internal Audit Plan Update · To receive the progress report · To receive the Scoring Matrix for finalised reviews	Corporate Services	Head of Revenues and Financial Compliance	✓	✓	✓	✓
Internal Audit indicative three year plan	Corporate Services	Head of Revenues and Financial Compliance	✓			
Assurance Reviews: · Fundamental financial systems · 3* reports	Corporate Services	Head of Revenues and Financial Compliance	As required			
Progress Report - Delivery of External Audit Recommendations	Regeneration & Policy	Performance Planning Section				✓
Progress Report - Delivery of Internal Audit Recommendations	Corporate Services	Head of Revenues and Financial Compliance	✓			
Internal Audit Progress Updates requested by Audit Committee: · Coastal Facilities · Supporting People	Corporate Services	Head of Revenues and Financial Compliance		✓		
Progress reports as requested by Audit Committee · Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities · Museums · Leisure Centre	Communities	Head of Mental Health and Learning Disabilities Head of Leisure Head of Leisure		✓		✓
Approval of Audit Charter	Corporate Services	Head of Revenues and Financial Compliance				✓
Approval of Strategies / Rules & Regulations	Corporate Services	Head of Revenues and Financial Compliance	As required			
Approval of Anti-Fraud and Corruption Strategy	Corporate Services	Head of Revenues and Financial Compliance	✓			
Receive the Corporate Risk Register	Corporate Services	Head of Revenues and Financial Compliance	✓		✓	
Opportunity for Members to discuss Risks	Corporate Services	Risk owners	✓		✓	
Statement of Accounts including Annual Governance Statement for Carmarthenshire CC & Dyfed Pension Fund · To be received · To be approved	Corporate Services	Head of Financial Services		✓	✓	
Burry Port Harbour Accounting Statement · To be received · To be approved	Corporate Services	Head of Financial Services		✓	✓	
Audit enquiries to those charged with governance and management for: · Carmarthenshire CC · Dyfed Pension Fund	Corporate Services	Head of Financial Services			✓	
Single Tender Action	Corporate Services	Director of Corporate Services	As required			
Minutes for noting: · Grants Panel · Corporate Governance Group · Risk Management Steering Group	Corporate Services	Head of Revenues and Financial Compliance Head of Financial Services	✓	✓	✓	✓
Wales Audit Office:	Corporate Services	Wales Audit Office				
· Audit Plan Update			✓	✓	✓	✓
· Annual Improvement Report					✓	
· Financial Statements – ISA260 Report presented to those charged with Governance)in relation to the Statement of Accounts for o Carmarthenshire CC o Dyfed Pension Fund					✓	
· Letter of Representation o Carmarthenshire CC o Dyfed Pension Fund					✓	
· Annual Audit Letter: o Carmarthenshire CC o Dyfed Pension Fund						✓
· Thematic Study: Well-being of Future Generations - Baseline assessment						
· Thematic Study: Well-being of Future Generations -Scrutiny Review						
· Thematic Study: Service User Review						
· LG Improvement Study - Intermediate Care Fund						
· LG Improvement Study - Using Data Effectively						
· LG Improvement Study - How well do public bodies provide services to rural communities						
· Local Project work						
· Auditor General's fees o Financial Audits: § Carmarthenshire CC § Dyfed Pension Fund o Performance Audit			✓			

Mae'r dudalen hon yn wag yn fwriadol

Audit Committee Training / Informal Sessions

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

Mae'r dudalen hon yn wag yn fwiadol

PWYLLGOR ARCHWYLIO

22 Mawrth 2019

Y Pwnc: Pentref Llesiant a Gwyddor Bywyd Llanelli

Y Pwrpas: Derbyn canfyddiadau adolygiad Swyddfa Archwilio Cymru ac Adolygiadau Cyfreithiol Annibynnol ynglyn a Pentref Llesiant a Gwyddor Bywyd Llanelli

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

- Cael canfyddiadau Adolygiad Swyddfa Archwilio Cymru a oedd yn asesu rheolaeth yr Awdurdod o ran prosesau, risgiau a threfniadau llywodraethu a diogelu arian cyhoeddus.
- Cael canfyddiadau'r adolygiad cyfreithiol annibynnol a oedd yn asesu cadernid a chydymffurfiaeth mewn perthynas â'r prosesau caffael a llywodraethu.

Y Rhesymau:

Rhoi sicrwydd ynghylch y trefniadau llywodraethu o ran cyflawni'r Pentref, yn ystod y broses gaffael ac ar ôl llofnodi'r Cytundeb Cydweithio gyda Phrifysgol Abertawe a Sterling Health Security Holdings Limited.

Ymgynghorwyd â'r pwyllgor craffu perthnasol :

AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad: AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad: AMHERTHNASOL

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:

Y Cyngorydd Emlyn Dole, Arweinydd y Cyngor â chyfrifoldeb dros Ddatblygu Economaidd

Y Gyfarwyddiaeth: Adfywio a Pholisi

Enw Pennaeth y

Gwasanaeth:

Wendy S Walters

Awdur yr Adroddiad:

WAO

Acuity

Swyddi:

Cyfarwyddwr Adfywio a Pholisi

01267 224112 /

WSWalters@sirgar.gov.uk

EXECUTIVE SUMMARY

Audit Committee

22nd March 2019

SUBJECT

Llanelli Wellness and Life Science Village

Wales Audit Office Review

The Wales Audit Office review commenced in January 2019 and sought assurance that the Council had sound governance and risk management arrangements in place, had complied with its own internal processes, and that it had ensured that public assets were protected. The review consisted of detailed document appraisals.

Wales Audit Office concluded that:

To date, Carmarthenshire County Council has followed appropriate processes and effectively managed risk to protect public money in its activities relating to the Llanelli Life Science and Well-being Village.

The full review is attached.

Legal Review

The Council instructed Acuity Legal to review its records in relation to the Project and to report on whether there are any issues of non-compliance with public procurement law in order to provide assurance to the Council that it conducted the process in a fair, robust and compliant manner.

Acuity is a panel adviser to local authorities in Wales under the National Procurement Service for Wales Legal Framework, covering governance work. Acuity did not advise on the procurement process or on the preparation of the Collaboration Agreement.

In summary, the review concluded that:

- The documentation provided by the Council demonstrates that it followed due legal process in the procurement and the award of the Collaboration Agreement to Sterling and the University as a collective party.
- The Project records show good governance and regard by the Council to risk management.
- The documentation provided shows that the Council has not given any binding legal commitments to Sterling or the University which lock those parties into the project, nor has it transferred any land, made loans, offered cash consideration or formed any company or formal joint venture, with either party.
- The Council's actions since the establishment of the Collaboration Agreement, as recorded in minutes of Collaboration Board meetings and in the document itself, also reflect an

approach which incorporated many levels of Council control into the draft legal arrangements, including appropriate veto rights and the creation of new corporate policies to ensure value for money and compliance with local authority governance rules. This was done in keeping with external legal advice.

- The Council had several options available to it in relation to the Collaboration Agreement in response to the recent suspensions of University staff. In order to protect the integrity of the Project and the Council's assets it chose to terminate the Collaboration Agreement, having sought legal advice on its options. The Council took account of a range of relevant considerations when electing to terminate.
- Termination of the Collaboration Agreement does not prevent the Council from engaging with third party participants (including Swansea University) in the future nor does the absence of Sterling Health, in our opinion, have a material adverse effect on funding structures for the Project. Indeed, it gives the Council a greater deal of control to structure finance in a way which best fits its aspirations for the Project.
- Through the period we have reviewed, the Council's officers have, in our view, taken prudent steps to manage the Project in a safe and well considered legal and financial environment.
- In our view, there has been no misuse of, and no risk posed to, public funds.

Detailed report attached?

Yes

IMPLICATIONS

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

Signed: **Wendy Walters**

Director of Regeneration of policy

Policy, Crime & Disorder and Equalities YES	Legal YES	Finance YES	ICT YES	Risk Management Issues YES	Staffing Implications YES	Physical Assets YES
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1. Policy, Crime & Disorder and Equalities

- The project will be compliant with policy as part of the City Deal initiative.
- Crime and disorder are key considerations of the project and the site aims to achieve the 'Secure by Design' standard.
- A Health Impact Assessment has been undertaken to reduce health inequalities.
- The Full Business Case outlines strategic alignment across all partners.
- The Village aligns with the Wellbeing of Future Generations (Wales) Act 2015, with the Project Management Office using the 5 ways of working. The project will make a demonstrable contribution to the 7 National Goals.
- All public sector partners operating onsite will be expected to comply with the Welsh Language Standards. Private companies will be encouraged to use the Welsh Language and offered practical support to foster take-up.

2. Legal

- Project is part of the City Deal agreement, signed March 2017
- Procurement and Collaboration Agreement with partners supported throughout by independent legal advice
- Legal advice set out in the advice note produced by Acuity Legal to cover both the procurement process and the management of the Collaboration Agreement and partners.
- The termination of the Collaboration Agreement on December 6th

3. Finance

Public and private capital is required to deliver the Wellness Village.

4. ICT

- Full Digital Strategy in development.
- Data sharing initiatives will need to be agreed in line with legislation and policy

5. Risk Management Issues

- Risk strategy and appropriate mitigation planning is maintained across all elements of the project work stream, procurement and planning.
- The development of the delivery structure will be subject to legal scrutiny and therefore the Council's risk exposure will be mitigated.
- A risk that Swansea University does not continue to be part of the project.
- Project delay due to the current reviews underway remains a risk

6. Physical Assets

- New physical assets will be developed as detailed within the outline planning application submitted.
- Outline planning application unanimously approved at January 10th committee subject to resolution of NRW approval and WG agreement.

7. Staffing Implications

- The Wellness Village will bring about positive impacts on employment and staffing – it is projected to create 1,853 jobs by 2034.
- No adverse impacts are expected on existing staffing.

CONSULTATIONS

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

Signed: **Wendy Walters** **Director of Regeneration and Policy**

1. Scrutiny Committee

A special Community Scrutiny Committee was held on 23rd January 2019 to consider the Wellness Village project.

2. Local Member(s)

Constituent and adjacent Ward Members fully briefed at all key project milestones: Cllr. John Prosser, Cllr. Louvain Roberts and Cllr. Deryk Cundy.

Extensive engagement has been undertaken on the concept of the Village and its vision.

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
City Deal papers	Stored on CFP.	The Beacon, Dafen, Llanelli
Procurement papers	Stored on CFP.	Listed within Tender Evaluation Report



Mark James CBE
Chief Executive
Carmarthenshire County Council
County Hall
Carmarthen
SA31 1JP

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CF11 9LJ
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Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Reference: AMH/JE/NG

Date issued: 21 February 2019

Dear Mark

Llanelli Life Science and Well-being Village

As you are aware, the Wales Audit Office recently undertook a review of the Llanelli Life Science and Well-being Village project following concerns raised with us about its governance. The review sought assurance that the Council had sound governance and risk management arrangements in place, had complied with its own internal processes, and that it had ensured that public assets were protected. Our review was carried out under powers contained within section 17 of the Public Audit (Wales) Act 2004.

The Council entered an Exclusivity Agreement with Kent Neuro Science on 23 May 2016. This agreement did not require any significant checks or detailed process as it did not involve any financial liability for the Council. The agreement was for a 12-month period. As the Council decided to move forward to a competitive dialogue procurement process, the agreement was cancelled with the agreement of both parties on 7 February 2017.

Following EU procurement rules, the Council then launched a procurement process on 18 March 2017 with the publication of a prior information notice. The Council appointed a leading law firm, with significant procurement experience, to support the procurement process and provide legal advice.

Following assessing the responses to the prior information notice, the Council issued a pre-qualifying questionnaire (PQQ) on 10 July 2017. This resulted in one submission, led by Sterling Health Securities Holdings Limited, that met all the

PQQ requirements, including due diligence checks. The Council moved forward with a competitive dialogue process.

Advice provided to the Council indicated that if it had not continued with the procurement at this stage they could have been subject to challenge as the bid received met all the PQQ requirements.

As the competitive dialogue process continued, Sterling Health Securities Holdings Limited sought contributions from a range of other organisations listed in the original bid. Additionally, Sterling Health Securities Holdings Limited sought and received support from Swansea University.

At the point Sterling Health Securities Holdings Limited introduced Swansea University staff to the dialogue sessions, the Council halted activity while they sought legal advice. Swansea University were also acting as advisors to the Council as a stakeholder in the project and, as such, a clear conflict of interest existed. Consequent to the legal advice, several declarations of interest were sought, and an information protocol between the University and the Council was developed to ensure that those supporting the bid were not party to any information relating to the assessment of the bid. In any event, with a single bidder, no competitive advantage would have been gained had information breached the procedures put in place. However, these measures created a separation between those supporting the bid and those supporting the Council.

The competitive dialogue continued, and on 9 March 2018 the Council decided to offer a collaboration agreement to Sterling Health Securities Holdings Limited and Swansea University. This agreement did not include the transfer of any asset or money to either Sterling Health Securities Holdings Limited or Swansea University. The agreement gave the Council significant control and the ability to terminate the agreement in several ways should it need to.

Throughout the procurement process the Council took appropriate legal advice and framed contracts/agreements to mitigate risk and to protect the Council and public funds. The Council has not paid any money to either Sterling Health Securities or Swansea University as part of the collaboration agreement.

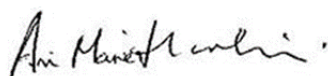
Decisions have been made by Executive Board and, where appropriate, by senior officers of the Council. The Council has operated within its constitution and scheme of delegation throughout the project timeline. Between decision points, Executive Board has received information updates and other less formal briefings.

Following the suspension of Swansea University staff with links to the Llanelli Life Science and Well-being Village, the Council considered it needed to take swift action to protect itself and the future of the project. Following legal advice, it invoked one of the termination clauses (clause 53) in the collaboration agreement with Sterling Health Securities Holdings Limited and Swansea University. The Council gave six months' notice of termination without liability.

The Council now intends to develop the project itself. The cessation of the collaboration agreement does not preclude it from working with Swansea University or any other parties previously involved in the project in the future.

As a result of our review, we have concluded that, to date, Carmarthenshire County Council has followed appropriate processes and effectively managed risk to protect public money in its activities relating to the Llanelli Life Science and Well-being Village. We will continue to monitor progress of this and other Swansea Bay City Deal projects.

Yours sincerely



Ann-Marie Harkin
Engagement Director

cc. Huw Rees, Director
Jeremy Evans, Performance Audit Manager
Jason Garcia, Financial Audit Manager

Mae'r dudalen hon yn wag yn fwriadol

January 2019

**LIFE SCIENCE AND WELLNESS VILLAGE
AT DELTA LAKES**

GOVERNANCE AND PUBLIC PROCUREMENT REVIEW

Acuity Legal Limited

PART ONE: TERMS OF REFERENCE

1. Acuity Legal has been asked by Carmarthenshire County Council (the Council), to undertake a Governance and Public Procurement review in relation to the Llanelli Wellness Village Project at Delta Lakes (the Project).
2. The terms of reference for the review involve a legal appraisal of the key mechanisms through which the Council is protected in relation to the Project including:
 - 2.1 the Council's decision-making processes in the public procurement process in the light of the advice received
 - 2.2 the terms of the Collaboration Agreement with Sterling and Swansea University
 - 2.3 the Council's actions since July 2018 under the processes established through the terms of the Collaboration Agreement
 - 2.4 papers relating to the Project since the establishment of the Collaboration Board including the minutes of recent Collaboration Board meetings
 - 2.5 whether the Council followed robust governance processes in relation to the decision to terminate the Collaboration Agreement; and
 - 2.6 potential future options for financing the Project.

The review excludes consideration of appropriate mechanisms to engage in future with private sector participants in a manner which is compliant with Public Procurement rules.

3. Acuity has been asked to conduct the review on the basis that it is a panel adviser to local authorities in Wales under the National Procurement Service for Wales Legal Framework, covering governance work. Acuity did not advise on the procurement process or on the preparation of the Collaboration Agreement which form the bulk of the subject matter of the review. This firm does have knowledge of the direction of the Project having recently been asked by the Council to consider funding options and how best to regulate the future engagement of the Council with third parties in the period following the signing of the Collaboration Agreement between the Council, Swansea University (the University) and Sterling Health Securities Holdings Limited (Sterling)

4. In conducting the review, representatives of Acuity have spoken to senior officers at the Council concerning the factual background. Our review incorporates information provided as a result of those discussions and our conclusions are, in part, based on discussions with Council's officers and in part based on our review of the relevant material, in particular:
- a. The Collaboration Agreement
 - b. The first draft Shareholders Agreement for the proposed property holding company at Delta Lakes
 - c. The minutes of the three Collaboration Board meetings and one Shadow Board meeting
 - d. Our initial Advice Note of August 2018; and
 - e. Procurement material referred to in the Appendix
- each of which is described in more detail in this Report.
5. The report is prepared for the sole use by Council representatives and is not intended to be relied on by any party other than the Council. It should remain confidential and not be disclosed without our consent.

PART TWO: EXECUTIVE SUMMARY

6. The Council engaged and ultimately selected the University and Sterling as preferred partners following a competitive dialogue process, which is a thorough and robust method of selecting partners for projects of the nature and complexity of the Project.
7. The documentation provided by the Council demonstrates that it followed due legal process in the procurement and the award of the Collaboration Agreement to Sterling and the University as a collective party.
8. The Project records show good governance and regard by the Council to risk management
9. The documentation provided shows that the Council has not given any binding legal commitments to Sterling or the University which lock those parties into the Project, nor has it transferred any land, made loans, offered cash consideration or formed any company or formal joint venture, with either party.
10. The Council's actions since the establishment of the Collaboration Agreement, as recorded in minutes of Collaboration Board meetings and in the document itself, also reflect an approach which incorporated many levels of Council control into the draft legal arrangements, including appropriate veto rights and the creation of new corporate policies to ensure value for money and compliance with local authority governance rules. This was done in keeping with external legal advice.
11. The Council had several options available to it in relation to the Collaboration Agreement in response to the recent suspensions of University staff. In order to protect the integrity of the Project and the Council's assets it chose to terminate the Collaboration Agreement in accordance with clause 53, having sought legal advice on its options. The Council took account of a range of relevant considerations when electing to terminate. This is addressed in detail in Part Six below (paragraphs 37 to 46).
12. Termination of the Collaboration Agreement does not prevent the Council from engaging with third party participants (including Swansea University) in the future nor does the absence of Sterling Health, in our opinion, have a material adverse effect on funding structures for the Project. Indeed, it gives the Council a greater deal of control to structure finance in a way which best fits its aspirations for the Project as referred to in more detail in Part Seven of this Report.
13. Through the period we have reviewed, the Council's officers have, in our view, taken prudent steps to manage the Project in a safe and well considered legal and financial environment.

14. in our view, there has been no misuse of, and no risk posed to, public funds.

DRAFT

PART THREE: REVIEW OF PUBLIC PROCUREMENT EXERCISE

15. Acuity has undertaken a detailed analysis of the procurement process undertaken by the Council which led to the Council entering into the Collaboration Agreement with Sterling and the University.
16. Our analysis is contained in the **Appendix** to this report and it should be read in conjunction with this remainder of the report.
17. In summary, the Council's project records are in good order and demonstrate that at all times the Council acted in accordance with the Public Contracts Regulations 2015 (**PCR**) and followed appropriate processes, including the recognised competitive dialogue procedure. The Council acted with the benefit of advice provided by its experienced external lawyers, Blake Morgan as well as senior officers, including specifically the Council's Head of Law and Administration (who is also the Council's Monitoring Officer) and the Council's Director of Corporate Services (who is the Council's Section 151 Officer).
18. The Council's in-house team and external lawyers played a central role in the procurement, including attending meetings and workshops with Sterling and the University. The Council's external lawyers chaired the dialogue meetings.
19. While it is not within the scope of this review to assess the merits of the bid by Sterling and the University it is worth noting that the Council considered that their bid had the following benefits:
 - a. Sterling brought with it the University as a co-partner which, in turn, brought significant financial strength, expertise, innovation and leverage from within the University's resource and knowledge base
 - b. The concept of a wellness village ie co-locating various assisted living, wellness, rehabilitation and medical facilities, training facilities, housing and care accommodation is a concept which is attracting interest internationally and offers the potential for significant wellbeing benefits and cross border partnerships which could benefit the Council and derive many spin off benefits such as data analytics and better health outcomes
 - c. Sterling and the University had carried out preliminary work to engage with significant third party commercial entities eg Siemens, Pfizer, Fujitsu and other international companies who had the potential to bring added value

- d. The bid was informally supported by expressions of interest from private sector funding institutions. Such funding, if formally locked in, could assist in satisfying the conditions for attracting City Deal funding for the benefit of the local area.
20. In the light of these apparent benefits it does not appear unreasonable that the Council would wish to engage with Sterling and the University under the terms of a well drafted legal arrangement which preserved options for the Council, or indeed the ability to detach itself, wholly or partly, from those parties if it wished to do so. The Council therefore took the decision to proceed in a considered manner to an interim stage and an arrangement was drafted by the Council's external lawyers and signed in July 2018 as the "Collaboration Agreement".

PART FOUR: TERMS OF THE COLLABORATION AGREEMENT

21. The Council has confirmed to us that the Collaboration Agreement represents the only legal agreement in place between the Council, Sterling and the University. It has formed the background to the engagement between the parties from July 2018 to December 2018.
22. In our view, the Collaboration Agreement weighted Project risks in the Council's favour and did not expose the Council. In particular, the document:
 - a. reserved rights for the Council to progress alone with key phases of the Project if it so wished
 - b. placed the onus on Sterling and the University to bring forward further detail in relation to other components of the Project for the Council's approval before concrete commitments were made .
 - c. permitted the creation of a steering group to discuss development proposals in a streamlined and orderly fashion
 - d. incorporated the right to trigger a notice forcing the parties to provide particulars of their offering or else face termination.
 - e. inserted termination provisions which could be (and indeed were) activated at the Councils sole discretion and without liability to the Council.
23. In so doing, the Council took sensible precautions against the risk of the other parties being unable to satisfy financial and development tests or bring forward robust proposals which satisfied the Council's obligations to deliver best value from its assets and meet the requirements of its public procurement.
24. The Collaboration Agreement did not contain any legally binding commitments on the Council to transfer assets or value, or create formal joint venture commitments which could tie up public assets. In reality, the University and Sterling obtained little more than a right of first refusal right to bring forward proposals for certain phases of the Project for detailed consideration by the Council. It also provided for the creation of a joint steering group to look at the formation of joint arrangements, financing options and masterplanning work The agreement was capable of termination by the Council at any time.

PART FIVE: COUNCIL DECISION MAKING FOLLOWING THE COLLABORATION AGREEMENT

25. A steering group was established under the Collaboration Agreement. Monthly meetings took place, the meetings of which were chaired, well attended and minuted. Minutes were subsequently circulated and settled at the following meeting. Conflicts of interest were asked to be declared.
26. Copies of the minutes of the meetings to date (a Shadow Board meeting dated 29 June and then Collaboration Board Meetings of 3 September, 17 October and 15 November 2018) show that good governance of the Project was a key consideration.
27. Significant activity took place around those meetings to formulate a detailed Project strategy. Discussions also took place with prospective occupiers of elements of the Wellness Village (principally the University Human Health department and Medical School and Hywel Dda University Health Board)
28. Work was also undertaken by the Council, both internally and reviewed by an external advisor, 1971 Limited, to undertake high level financial modelling for each phase of the Project to form part of a comprehensive business plan. Detailed spreadsheets were prepared which took account of likely funding options and revenue streams. Such work was commissioned directly by the Council in response to concerns that Sterling were not undertaking such work within the required timescales and in order to ensure that the Council's position would be protected in any subsequent funding discussions.
29. Work also began to define the architectural and engineering inputs into the planning phase of the Project. Arup was appointed in relation to this work pursuant to a framework agreement that the Council was able to use. The Council was described in the documentation as the commissioning body, thereby retaining full control of the intellectual property rights in design and planning work (with such rights not being transferred to Sterling or the University). The appointment of Arup was prepared by this firm in accordance with the documentation requirements of the procurement framework which the Council had selected. The Council took on responsibility for bearing the costs of the Arup engagement on the basis that it retained all rights to the benefit of such work and retained full ownership of the land at that point.
30. Although design and planning work has been undertaken by Arup, no construction contracts have been awarded in relation to the Project.

31. A key intention of the Collaboration Agreement was to progress work towards the formation of a “Wellness Company” and “Project Vehicles” into which the Council could potentially transfer land to enable the Project to be developed through special purpose vehicles without direct legal exposure to the Council. These legal entities would also have enabled the wider development of the concept of a “wellness village” in other localities outside of Wales, from which the Council could have, and hoped to, retain an equity financial interest without the need for direct involvement.
32. Discussions at Board level took place under the Collaboration Agreement to start to prepare legal documentation for the formation of an asset holding Project Vehicle in October 2018 in accordance with legal advice. However:
- a. No land transfers have taken place and therefore the site remains in the ownership of the Council under the terms of a joint venture with Welsh Ministers, with no legal commitment to make any transfers;
 - b. No Project Vehicles were established as the proposals were in draft stage in the period prior to termination of the Collaboration Agreement and therefore the Council has not issued shares to a third party and is not obliged to do so;
 - c. The draft agreement was prepared and circulated for the creation of a property development vehicle, this did not get beyond first draft stage and therefore it is not legally binding.
 - d. The draft agreement incorporated provisions that:
 - i. New companies would have to be established (ie not adopting any existing Sterling companies) (see definition of “Company”) with only a limited number of directors from each representative entity (two each)
 - ii. Veto mechanisms for the Council and University would be incorporated into the documentation to guard against any concerns that the private sector participant could take decisions which were not in the interests of the Council
 - iii. Processes were built into the documents to enable the Council to take security over the project company if it were ever asked to contribute value (eg land, funding or guarantees) which was disproportionate to its shareholding (to be treated as loans on which market rates of interest would accrue)

- iv. The draft contained protections against fraud and anti-corruption, requirements of transparency together with significant warranties and undertakings from the Sterling and the University in favour of the Council
- 33. It should be emphasised that the draft agreement would have been further refined through discussion and negotiation between the three shareholders and their respective legal advisers and additional protections incorporated if necessary
- 34. The minutes of Collaboration Board meetings show that the Council were also anticipating the following documents to accompany the formation of a Project Vehicle:
 - a. Detailed Business Plans and financial models were to be prepared to define the parameters of the Project
 - b. A “procurement strategy” was to be documented (which this firm has been instructed to prepare following the November Collaboration Board meeting) so as to govern engagement with third parties in a manner which satisfied governance requirements of the Council (as a local authority) and University (as a charity) – and which was intended also to ensure Sterling’s dialogue with third parties was carried out in a regulated and transparent manner;
 - c. Risk register, insurances and quality assurance policies were to be established in conjunction with the proposed Business Plan, in each case to mirror examples of good governance in other local authority- controlled trading companies
- 35. It is noted from the Minutes that the Council expected both the University and Sterling to seek independent legal advice on the terms of any agreement. Such advice would have included the identity of shareholders and directors proposed by the University and Sterling which would have to be negotiated and agreed by all parties transparently. Accordingly, all parties were intending to have the opportunity to have independent scrutiny of the documents and make their proposals as to how shareholding structures would be set up. The Council also reserved its position to seek separate approvals from its Executive Board prior to concluding any legally binding commitments.
- 36. Our recent discussions with Council officers have disclosed that during the course of its engagement with Sterling under the Collaboration Agreement, it became apparent to officers that Sterling developed unrealistic expectations concerning the Project outcomes and funding structures. It also relied excessively on the Council and University to drive key elements of the Project (notably the preparation of financial models and procurement strategies for each phase

and the adaptation and refinement of elements such as rehabilitation and extra care. In our view, the mechanisms introduced into the process by the Council (and referred to above) showed an appreciation of these issues and were designed to protect the Council (and University) from associated risks and ensure their behaviour was properly regulated from a governance perspective.

37. Therefore, the Council had taken steps throughout the process to ensure high standards of governance and risk management were incorporated into the documentation which was being prepared so as to manage all future legal arrangements. The Council's implementation of the Collaboration Agreement in our view protected the Council from foreseeable economic risks of the Project. The next phase of documentation (specifically shareholder relationships) were intended also to guard the Council against failure of other parties to perform adequately in relation to the Project.

PART SIX: DECISIONS CONCERNING TERMINATION

38. At the stage of considering whether or not to terminate the Council had not received any detail concerning staff suspensions at the University. This report does not intend to comment on those suspensions or speculate as to the outcome of the University's internal review as the review is still incomplete as far as we are aware.
39. As the suspensions involved individuals with links to the Project, the Council considered that it needed to take swift and appropriate action to protect itself and the Project. It considered a range of options, principally:
- a. Await the outcome of the University investigation and take a view on the impact when it concluded (**Wait and See Option**)
 - b. Serve an interim notice under the Collaboration Agreement indicating an intention to progress the core elements of the scheme alone (particularly the Community Health Hub and Wellness Centre) and put on hold the remaining elements until further details were known (**Partial Pause Option**)
 - c. Serve 6 months' notice to terminate the Collaboration Agreement and cease discussions with Sterling, but leave open the potential of dialogue with the University in its capacity as occupier of the Community Health Hub (**Interim Termination Option**)
 - d. Serve an immediate notice ending the agreement "forthwith" alleging breach of the Agreement (**Breach Termination Option**)
40. The drafting of the Collaboration Agreement did not permit the Council to terminate the relationship with respect to one party only (Sterling or the University) and leave the other in place. Any notice to terminate therefore had the effect of ending the entire agreement.
41. When considering termination options, the Council were aware that termination of the Collaboration Agreement did not necessarily preclude the Council from continuing its dialogue with the University, both as a prospective occupier of the Community Health Hub and potentially more widely following proper re-engagement. Indeed, the competitive dialogue documentation issued by the Council made it clear that the University had a key contributory role which logically can apply whether or not the Collaboration Agreement was in place.

42. In making any decision from available options, the key factors which were relevant and available to the Council for consideration were:
- a. giving assurance to Council members that a robust stance was being taken which protected the Council;
 - b. Preserving the ability to attract City Deal funding from Welsh Government/UK Treasury and complying with the conditions attached to that funding;
 - c. retaining the valuable support that had been offered to that point by Swansea University in relation to matters such as human health, medical school, training and digital platforms as occupier of the Community Health Hub;
 - d. The Council being confident that it could obtain finance for the wider Project from private sector sources so as to match fund City Deal contributions appropriately;
 - e. project timeframes, particularly as work on master-planning had already been commissioned and was underway and there was a requirement from Hywel Dda University Health Board that any elements of the Project which they were contributing to within the Community Health Hub were delivered in a timely and transparent fashion so that care packages could be commissioned at the right time; and
 - f. Whether the University would conclude its internal reviews quickly.
43. The Council discounted the Breach Termination Option having taken legal advice. Without full and proper information regarding the outcome of the investigation by the University it could have risked disputes with the other parties if it were to allege a breach. Risking such a dispute would have been unnecessary given the alternative options available to the Council.
44. The Council also considered that it could not adopt the Wait and See Option. The timeframes for conclusion of the University review were uncertain as the suspensions were being contested publicly the fact that a full investigation was frequently a time-consuming exercise in the light of the University's charter, policies and Charities Act obligations Therefore a Wait and See Option would deprive the Council of the ability to reassure its members and the public that it was acting swiftly and responsibly.
45. The Partial Pause Option would, in effect, have kept the Collaboration Agreement alive but extracted from it two core phases, the Community Health Hub and Wellness Centre. These phases were so integral to the overall success of the Project that they would have deprived the

other parties of any real input in the Project for years. It would also have been difficult to engage partially with the University without also dealing with Sterling (or vice versa) while the Steering Group was intact for remaining phases. The uncertainty would also possibly be perceived as insufficient action to reassure the Council and other stakeholders such as Welsh Government and UK Government.

46. The Interim Termination Option was selected for the following reasons:
- a. It allowed the Council to take swift and decisive action to preserve the integrity of the Project and try to ensure City Deal funding remained in tact;
 - b. it offered a much cleaner method of terminating as it explicitly allows termination “without liability”;
 - c. it did not, in the view of the Council, prejudice private sector funding as the Council had commissioned its own financial modelling and this indicated that the funding would be primarily based around the Council's involvement and commitment;
 - d. it enabled the Council to keep on track with the work already undertaken to satisfy Hywel Dda and planning application timeframes; and
 - e. it did not necessarily preclude re-engagement with the University (and indeed we understand that the Council has already indicated to the University that it wishes to re-engage at an appropriate time and in an appropriate manner).
47. Our view is that the above were relevant factors and the Council gave appropriate weight to those factors in reaching its decision to serve an Interim Termination Notice.

PART SEVEN: FUTURE FUNDING ARRANGEMENTS

48. The Report does not consider precisely how future funding will be structured and the appropriate procurement methodologies and this will be the subject of more detailed work in future. However, there are certain observations we are able to make within the confines of the terms of reference for this Report.
49. The potential to establish a corporate vehicle (which may be wholly owned by the Council) still remains and has advantages in terms of offering security for funders and removing certain contractual risks from the Council. This is commonly adopted by local authorities when embarking on development projects.
50. Our understanding of the financial status of the Project and the modelling work undertaken to date by the Council is that its fundability does not depend to any significant degree on Sterling. While Sterling had made initial enquiries of institutional funders, it is commonly accepted that institutional funders such as banks and pension funds will look to the Council (and any other major public sector participants such as the University) as counterparties rather than Sterling, whose balance sheet would be irrelevant to asset and/or covenant backed finance methods. In contrast, the participation of an entity of the strength of the University and Hywel Dda, and also a firm commitment to funding from the City Deal would be major positive factors in attracting institutional private sector finance as well as additional support from corporate private sector bodies in the healthcare sector
51. The modelling work which the Council has commissioned from 1971 Limited is consistent with the work we have seen elsewhere in attracting institutional funding and should place the Council in a strong position to determine the optimum funding structure and the types of funders, and their terms, for most phases of the Project. This will be subject to future detailed scrutiny by the Council's finance team but in the presence of strong public sector support provides a solid foundation to attract private sector funding.
52. It is possible that the Council may have to adopt multiple funding strategies for different components of the Project. For example:
 - a. Seek new private sector investment alongside the Council in the form of risk capital and then jointly appoint contractors following applicable procurement rules;
 - b. Seek debt finance from a bank on commercially competitive terms. This is likely to be assisted by the injection of equity committed by the Council and City Deal;

- c. consider “forward funding arrangements” with a pension fund to deliver 100% finance as has been successfully delivered elsewhere in Wales for the core elements of the Project;
 - d. Consider the issue of a bond to finance the Project (or parts of it) with an institutional investor;
 - e. Consider funding with an overseas fund. We believe there is appetite for this given the international interest in wellness led schemes and investment into the UK (irrespective of Brexit outcomes) and a partnering approach with similar international schemes may yield cost efficiencies or scaling opportunities as well as a better overall scheme; and
 - f. Consider disposal to an appropriate and highly experienced partner for those elements of the scheme which are considered non-core (eg housing to a Registered Social Landlord)
53. We will be reviewing these options in more detail with the Council. In our view, when assessing such options, it will be important to determine the status of University and City Deal support and best value in relation to the terms of the funding on offer.
54. Additionally, a key factor in determining funding strategy will be the interconnectivity of its various elements, which work best when developed as part of an overall strategy rather than in isolation. This will have an impact on the phasing of funding as well as in the creation of linked elements such as public realm treatment. The fact that the Council has already, through its work with Arup, secured an initial planning permission will assist with future private sector funding as well as add to the value of the Delta Lakes site.

APPENDIX

Public Procurement Review

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PWYLLGOR ARCHWYLIO

22 Mawrth 2019

Y Pwnc: COFRESTR RISG CORFFORAETHOL Y Pwrpas: I dderbyn y Cofrestr Risg Corfforaethol		
Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen: <ul style="list-style-type: none"> I dderbyn y Cofrestr Risg Corfforaethol. 		
Y Rhesymau: I sicrhau fod y Pwyllgor Archwilio wedi eu hysbysu o'r Risgiau Corfforaethol.		
Ymgynghorwyd â'r pwyllgor craffu perthnasol : AMHERTHNASOL		
Angen i'r Bwrdd Gweithredol wneud penderfyniad: AMHERTHNASOL Angen i'r Cyngor wneud penderfyniad: AMHERTHNASOL		
YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO: Cynghorydd David Jenkins		
Y Gyfarwyddiaeth: Gwasanathau Corfforaethol Enw Pennaeth y Gwasanaeth: Helen Pugh Awdur yr Adroddiad: Helen Pugh	Swyddi: Pennaeth Refeniw a Chydymffurfio Ariannol	Rhif ffôn: 01267 246223 Cyfeiriad e-bost: HLPugh@sirgar.gov.uk

EXECUTIVE SUMMARY
Audit Committee
22nd March 2019

SUBJECT Corporate Risk Register
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The Authority maintains a Corporate Risk Register to evaluate its exposure to key strategic risks. The Corporate Assessment recommended that the Corporate Risk Register as agreed by CMT should be shared with the Audit Committee. Review and monitoring of the Corporate Risk Register is delegated to Audit Committee in line with the Terms of Reference of the Audit Committee.

The Authority operate a 5x5 Scoring System with a maximum potential score of 25 (i.e. 5x5). The scoring methodology for both Impact and Likelihood is attached.

The following changes are to be noted:

CMT approved the removal of one risk from the Corporate Risk Register:

- i) **CR20180008 - Transforming business operations through effective Digital Transformation.** - The Digital Transformation Steering group now in its third year. It is considered that the expressions of interest for digital projects process is now embedded throughout the authority and the number of bids have increased significantly. Annual reports are taken to DMT / CMT / PEB / P&R for review. Even though the Strategy is due to be updated due to changes in technology, officers have now assessed this risk as low (previously medium risk). It is proposed therefore that as the risk has reduced that it no longer is a corporate risk and that it should now be monitored through the Department's Service Risk Register.

CMT approved the addition of two risks to the Corporate Risk Register:

- i) No deal Brexit
- ii) Change in leadership due to the current CE retiring

CMT agreed to split the Safeguarding Risk into two.

- i) One risk for Safeguarding Adults and a separate one for Safeguarding Children. This would allow for Impact scoring to be different for the two separate risks in order to match the Safeguarding Risk Register, which is monitored regularly by the Safeguarding Group, where the Impact for Adults is 'Substantial' while the Impact for Children remains 'Catastrophic'

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

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

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

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

Risk Management

The Authority maintains a Corporate Risk Register to evaluate its exposure to key strategic risks. The Corporate Assessment recommended that the Corporate Risk Register be shared with the Audit Committee. The Register will be reviewed by the Audit Committee.

CONSULTATIONS

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

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

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



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

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

There are none.


Mae'r dudalen hon yn wag yn fwriadol


2019 Corporate Risk Register

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Assessment of Current Risk (CURRENT controls in place)			Updated Risk - @ February 2019			Change	Additional / New Risk Control Measures
	Impact	Probability	Risk Rating			Impact	Probability	Risk Rating	Impact	Probability	Risk Rating		
CR20180001 - Compliance with the Wellbeing of Future Generations (Wales) Act 2015	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Public Service Board established Well-being Assessment complete Council Service Planning adapted to address the requirements of the Act Well-being objectives published and integrated into Corporate Strategy 2018/19 Wellbeing objectives monitored quarterly Regular meetings with Wales Audit Office Members Seminars and Information Sheets Integrated into Budget Planning process and Revenue Report Adapting at Corporate processes Committee cover sheets, Equality Impact Assessments, Financial Planning, Risk 	Wendy Walters Wendy Walters Wendy Walters Wendy Walters Wendy Walters Wendy Walters Wendy Walters	Substantial 4	Unlikely 2	Medium 8	Substantial 4	Unlikely 2	Medium 8		<p>Risk control measures changed to reflect progress:</p> <ul style="list-style-type: none"> - Wellbeing assessment now complete - Wellbeing objectives have been published and integrated into the Corporate Strategy - Wellbeing objectives monitored quarterly <p>Additional information: WAO thematic review - favourable with areas for improvement identified</p> <p>Future Generation Commissioner has published a Self Assessment tool. This is in the process of being completed</p> <p>Workshops to be delivered to promote the 5 ways of working</p>
CR20180002 - Managing and Developing the Welsh Language and meeting the Welsh Language Standards	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Monitor the Compliance Strategy received from the Welsh Language Commissioner Recruitment procedures and guidance updated and monitored Learning and development for staff Prepare an Annual Report on implementation of the Standards, for discussion with the Corporate Management Team and the Members Advisory Panel Work closely with Departments to advise on the Standards and offer practical support with any challenges that may arise 	Wendy Walters Paul R Thomas Paul R Thomas Wendy Walters Wendy Walters	Substantial 4	Unlikely 2	Medium 8	Substantial 4	Unlikely 2	Medium 8		<p>Welsh language leaders identified in most service areas with appropriate training and support provided to aid compliance and further development. Annual report on progress presented to the Advisory Panel and Policy & Resources Scrutiny Committee. Positive and constructive feedback on progress also received from Welsh Language Commissioner's office</p> <p>Welsh language processes are embedded, such as recruitment and Welsh standards assessments are challenged when required.</p>




Tues 11 74	Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Assessment of Current Risk (CURRENT controls in place)			Updated Risk - @ February 2019			Change	Additional / New Risk Control Measures
		Impact	Probability	Risk Rating			Impact	Probability	Risk Rating	Impact	Probability	Risk Rating		
	CR20180003 - Responding to New Legislation / Policy from Welsh Government	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Development and updating of current CCC policies Learning and development of staff 	Gwyneth Ayers Wendy Walters	Substantial 4	Unlikely 2	Medium 8	Substantial 4	Unlikely 2	Medium 8	↔	On-going communication with relevant departments/services to monitor implications and preparedness On-going monitoring of new policies/legislation undertaken and responded to appropriately in liaison with Directors and Executive Board Members
	CR20180004 - Ensuring that the Authority effectively manages its financial resources and responds to the challenges of reduced funding	Catastrophic 5	Likely 4	Significant 20	<ul style="list-style-type: none"> Medium Term Financial Strategy - 3 Year Plan (including efficiency targets) Full County Council Elected Member Engagement on an annual basis to set priorities and allocate the Budget Challenge from Scrutiny Committees Public Consultation regarding budget priorities on an Annual Basis Engagement with Welsh Government via WLGA to ensure Carmarthenshire County Council receives fair funding from Welsh Government TIC Programme to identify efficiencies and promote alternative methods of service delivery Workforce Planning to ensure staff resources are planned to match demand Wales Audit Office external challenge and assessment 	Chris Moore/ Randal Hemingway Chris Moore/ Randal Hemingway Linda Rees Jones Chris Moore/ Randal Hemingway Chris Moore/ Randal Hemingway Wendy Walters Paul R Thomas Chris Moore/ Randal Hemingway	Catastrophic 5	Possible 3	High 15	Catastrophic 5	Possible 3	High 15	↔	More structured approach adopted for agenda items to scrutiny. Ongoing Scrutiny training and raising awareness Workforce planning toolkit has been developed and is part of Business Planning. Key questions set as part of any business cases for restructuring etc. business officers will challenge when required. TIC projects continue with new projects being continuously researched and developed.
	CR20180005 - Ensuring effective management of Grant Funding (including accessing Grant Funding) Threat of having to repay significant Grant monies. Although improvements have been made, some problems still exist which could result in claw backs of funding.	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Project Management Training Grant Funding Bodies Guidance Briefings and Training Grants Panel Grants Manual 	Chris Moore Chris Moore Chris Moore Chris Moore	Substantial 4	Unlikely 2	Medium 8	Substantial 4	Unlikely 2	Medium 8	↔	Internal Audit plan includes a sample of grants for review annually in addition to those requiring a certificate. Wales Audit's Grants Review work are now identify less issues than in previous years, giving some assurance that for those grants scrutinised externally there have been some improvement in procedures.

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Assessment of Current Risk (CURRENT controls in place)			Updated Risk - @ February 2019			Change	Additional / New Risk Control Measures
	Impact	Probability	Risk Rating			Impact	Probability	Risk Rating	Impact	Probability	Risk Rating		
CR20180006 - Ensuring effective People Management (including capacity and compliance with Employment Law and Health & Safety Legislation)	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Competence based recruitment, assessment centres for recruitment of key roles, induction training, coaching and mentoring, appraisals and supervision, probationary policy Development of Employment Policies and briefings and training, audit and monitoring 	Paul R Thomas Paul R Thomas	Substantial 4	Unlikely 2	Medium 8	Substantial 4	Unlikely 2	Medium 8	↔	Competency based recruitment now being rolled out to Secondary schools with the view to including Primary schools to this process in the near future. It is intended that the competency based recruitment will be rolled out corporately in 2019/2020. In April 2019 all e-learning for new recruits will be available through on boarding in ResourceLink.
CR20180007 - Ensuring effective management of Procurement / Contract Management and Partnership arrangements	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Pilot a joint working arrangement for procurement Participation in the National Procurement Service New Procurement Strategy developed and approved in April 2018 Procurement Board 	Helen Pugh Helen Pugh Helen Pugh	Substantial 4	Unlikely 2	Medium 8	Substantial 4	Unlikely 2	Medium 8	↔	Category Management introduced and three category plans in place. Procurement continue to work with departments to review and implement the outcomes from the category plans. Two other plans are currently in the process of being developed. Contract Management - work with Departments to ensure that arrangements are in place for monitoring contracts Regular Procurement Board meetings held where progress on procurement exercises reported and scrutinised.
CR20180008 - Transforming business operations through effective Digital Transformation	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Implementation of Digital Transformation Strategy Members and staffing workshops 	NDaniel NDaniel	Substantial 4	Unlikely 2	Medium 8	Substantial 4	Improbable 1	Low 4	↓	Steering group now in its third year. The expressions of interest for digital projects process is now embedded. Annual reports taken to DMT / CMT / PEB / P&R. Strategy due to be updated due to changes in technology It is proposedand accetped that as the risk has lowered that it no longer is a corporate risk and that it should now be monitored through the Department's Service Risk Register

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Assessment of Current Risk (CURRENT controls in place)			Updated Risk - @ February 2019			Change	Additional / New Risk Control Measures
	Impact	Probability	Risk Rating			Impact	Probability	Risk Rating	Impact	Probability	Risk Rating		
CR20180009 - Maintaining high standards of governance in relation to Information Management	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none">Dedicated Senior Information Risk Owner on Corporate Management TeamIT Security OfficerAnnual Information Management & Governance Report to Corporate Governance Group and Audit Committee	Wendy Walters NDaniel Wendy Walters	Substantial 4	Possible 3	High 12	Substantial 4	Possible 3	High 12		e-learning in place for GDPR - this is mandated training for all staff New systems being installed which gives an opportunity to ensure the functionality of the system provides improved controls to reduce data breaches through errors. Funding has been secured for a year to support information management post to drive forward the documentation retention / management of documents programme

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Assessment of Current Risk (CURRENT controls in place)			Updated Risk - @ February 2019			Change	Additional / New Risk Control Measures
	Impact	Probability	Risk Rating			Impact	Probability	Risk Rating	Impact	Probability	Risk Rating		
CR20180010 (a) - Deliver Effective Safeguarding Arrangements Children (Detail in separate Safeguarding Risk Register)	Catastrophic 5	Probable 5	Significant 25	<ul style="list-style-type: none"> Continue to improve the quality of Care Plans ensuring a multi-agency assessment Develop, implement and regularly monitor effective safeguarding policies and procedures for children and adult services To have a sound procedure for professional abuse allegations effectively, promptly and correctly To respond appropriately to Regulators reports and recommendations To proactively monitor adequate procedures are being effectively operated by third party providers Ensure Sexual Exploitation Risk Assessments (SERAF's) and Missing Persons Risk Assessments are completed as required Review our assessments in light of the implementation of the Social Services and Well-being Act (2014) Implement the "Signs of Safety" model within Carmarthenshire and incorporate into practice Continue to work with partners to improve appropriate accommodation options and housing support for all vulnerable young people (aged 16-25) Implement new arrangements for our leaving care services in accordance with the Social Services and Well-being Act 2014 Ensure that all councillors are equipped to act as corporate parents to looked after children Ensure the Independent Reviewing Service (IRO) becomes more outcome focused 	Stefan Smith	Catastrophic 5	Unlikely 2	High 10	Catastrophic 5	Unlikely 2	High 10		With respect to Children's safeguarding the Child Protection Co-ordinator ensures that all correct procedures are being followed in timely fashion and ensures performance via a quarterly audit and evaluation subgroup of the Regional Safeguarding Board. The Regional Safeguarding Board and Carmarthenshire Safeguarding Operational Group (LOG) are well established. Following a successful pilot, a safeguarding officer is based with the Information, Advice and Assistance (IAA) team to respond to initial safeguarding referrals and enquiries. Systemic practice is continuing to develop and supported through the Week 6 development sessions as well as pod leader's forum which takes place regularly. A monthly audit of a sample of assessments continues to take place. Individual practitioners and their managers are given feedback, where themes are identified in terms of the quality of assessments actions are agreed on a team or service basis. CSE remains a key priority issue both locally and regionally. MASCE meetings commenced and continuing to develop. CSE is included in all basic safeguarding training. We are part of Barnardo's pilot in regards to the regional action plan. Service Managers carry out monthly audits of assessments, plans and reviews. Internal Inspection is carried out within the Internal Audit Review

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Assessment of Current Risk (CURRENT controls in place)			Updated Risk - @ February 2019			Change	Additional / New Risk Control Measures
	Impact	Probability	Risk Rating			Impact	Probability	Risk Rating	Impact	Probability	Risk Rating		
CR20180010 (b) - Deliver Effective Safeguarding Arrangements Vulnerable Adults (Detail in separate Safeguarding Risk Register)	Catastrophic 5	Probable 5	Significant 25	<ul style="list-style-type: none"> Representation at the Regional Safeguarding Board for children and adults and associated subgroups Implementing effective safeguarding policies and procedures for children and adults Monitoring the performance of safeguarding within children and adult services Responding to regulators reviews and recommendations Monitoring of third party providers to ensure safeguarding procedures are being effectively operated 	Jake Morgan	Catastrophic 5	Unlikely 2	High 10	Substantial 4	Unlikely 2	Medium 8	↓	<p>Risk Control Measures are reviewed and updated as part of the Business Planning process annually. A further Assessment of Risk is undertaken as part of the production of the Safeguarding Risk Register</p> <p>The Senior Safeguarding Manager undertakes regular audits of the safeguarding process within the teams .</p> <p>The Senior Managers have recently undertaken a file audit within the Learning Disabilities division where safeguarding processes were also monitored.</p>
CR20180011 - Develop and Deliver the Improvement Plan / Corporate Performance Plans	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Undertake detailed analysis of all lower quartile Performance Indicators to develop action plans. Address underperformance via Business Planning process Monitoring progress via Performance and Improvement Monitoring System (PIMS) and dashboards 	Wendy Walters Wendy Walters Wendy Walters	Substantial 4	Unlikely 2	Medium 8	Substantial 4	Unlikely 2	Medium 8	↔	<p>The Well-being plan and the Corporate Plan are now consolidated and incorporated into the Corporate Strategy.</p> <p>PIMS continues to be used to monitor performance indicators and reported regularly to scrutiny committees. This information also forms part of the business planning and financial planning process.</p>
CR20180012 - Failure to adhere to an effective Corporate Governance Framework	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Corporate Governance Group Implementation of the WLGA Review of Governance Annual Governance Statement 	Helen Pugh Wendy Walters Helen Pugh	Substantial 4	Unlikely 2	Medium 8	Substantial 4	Unlikely 2	Medium 8	↔	<p>Wales Audit Office Corporate Assessment Action Plan delivered</p> <p>Better use of Resources and Building a Better Council are aligned to the AGS which are structured based on the seven CIPFA principles of Good Governance</p>

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Assessment of Current Risk (CURRENT controls in place)			Updated Risk - @ February 2019			Change	Additional / New Risk Control Measures
	Impact	Probability	Risk Rating			Impact	Probability	Risk Rating	Impact	Probability	Risk Rating		
CR20180013 - Delivery of the City Deal (Outcomes / Budget)	Substantial 4	Likely 4	Significant 16	• Establishment of Swansea Bay City Region Board	Wendy Walters	Substantial 4	Possible 3	High 12	Substantial 4	Possible 3	High 12		Currently there are two separate reviews ongoing into the governance arrangements of the Swansea Bay City Deal. One commissioned by Westminster and Welsh Government, the other internal review commissioned by the Joint Committee. The outcomes of these reviews have not been issued as yet.
				• Development of Regional Joint Committees	Wendy Walters								
				• An agreement between the UK and Welsh Governments and 4 local authorities (Carmarthenshire, Swansea, Neath & Port Talbot and Pembrokeshire) and successful private and public collaboration will address the economic underperformance of the region, with emphasis on uplifting productivity, skills, employment and prosperity.	Wendy Walters								
				• Financial Planning	Chris Moore								
CR20180014 - Delivery of the Wellness Project (Outcomes / Budget)	Substantial 4	Likely 4	Significant 16	• Membership of Project Board	Wendy Walters	Substantial 4	Possible 3	High 12	Substantial 4	Possible 3	High 12		Two independent reviews have recently been commissioned by Carmarthenshire CC with regard to the Llanelli Wellness project. WAO concluded that ‘ <i>Carmarthenshire County Council has followed appropriate processes and effectively managed risk to protect public money in its actions relating to the Llanelli Wellness and Life Science Village</i> ’ and Acuity concluded that <i>Council Officers have taken prudent steps to manage the project in a safe and well considered legal and financial environment.</i> ”
				• Development of Life Science and Well-being network of campuses and villages, consisting of primary / community care facility, an Institute of Life Science and an educational and skill development capability.	Wendy Walters								
				• Financial Planning	Chris Moore								
CR20180015 - Delivery of the Approved Capital Programme (Outcomes / Budget)	Substantial 4	Likely 4	Significant 16	• Strategic Asset Steering Group	JFearn	Substantial 4	Unlikely 2	Medium 8	Substantial 4	Improbable 1	Low 4		SASG continues to meet regularly and has well established procedures in place to develop and oversee implementation of the capital programme. the level of training and oversight remains satisfactory and all training is now accessible on the intranet.
				• Project Management Tool Kit	Wendy Walters								
				• Project Management Training	Paul R Thomas								
				• Long term Treasury management / loan funding	Chris Moore								

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Assessment of Current Risk (CURRENT controls in place)			Updated Risk - @ February 2019			Change	Additional / New Risk Control Measures
	Impact	Probability	Risk Rating			Impact	Probability	Risk Rating	Impact	Probability	Risk Rating		
CR20180016 - Delivery of the Authority's waste management and recycling obligations (including meeting Landfill Targets)	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Maintain current provision and infrastructure for recycling Continue education and awareness activity to improve participation 	Ainsley Williams Ainsley Williams	Substantial 4	Possible 3	High 12	Substantial 4	Probable 5	Significant 20	↑	<p>Sourcing alternative RDF outlets that provide for greater certainty of disposal.</p> <p>Implementing controls at HWRC to reduce the extent of non-Carmarthenshire derived waste and commercial waste entering the facilities.</p>
CR20180017 - Effective Management of demand for Social Care (Adult & Children)	Significant 3	Likely 4	High 12	<ul style="list-style-type: none"> Establish effective systems to ensure thresholds for access and eligibility criteria are understood and consistently applied by staff and partners Deliver implementation plan for Social Services and Wellbeing Act Collaborate with partners to deliver information, advice, assistance and preventive services Recommission Families First and Flying Start programmes to deliver early intervention with children and families Work with partners, local community action groups and local people to build resilient communities and community models of support Promote and develop social enterprises and cooperatives to provide preventative services, care and support We will monitor and report on Social Worker Vacancies and Caseloads 	Avril Bracey / Neil Edwards Stefan Smith/Avril Bracey/Neil Edwards Stefan Smith/Avril Bracey/Neil Edwards Stefan Smith Avril Bracey / Neil Edwards Avril Bracey / Neil Edwards	Significant 3	Possible 3	Medium 9	Significant 3	Possible 3	Medium 9	↔	<p>Management of the demand for Children's Social Care is continually monitored ensuring caseloads are appropriately managed. The level of Social Worker Vacancies remain low, currently at 2.8%, although recruitment of experienced staff remains difficult.</p> <p>Social care continue to have a managed budget. WG allocation has reduced but pressures of demand on the service continue. Range of further initiatives both local and national being rolled out to manage and reduce demand.</p>

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Assessment of Current Risk (CURRENT controls in place)			Updated Risk - @ February 2019			Change	Additional / New Risk Control Measures
	Impact	Probability	Risk Rating			Impact	Probability	Risk Rating	Impact	Probability	Risk Rating		
CR20180018 - Failure to deliver a quality Education Service	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Implement the actions detailed in the Modernisation Education Programme for 2016/17 Steering Group monitors work on an ongoing basis Raise standards at each key stage Support schools to remodel curriculum in light of Welsh Government reviews Support schools to implement ALN reform Deliver the Welsh in Education Strategic Plan (WESP) and the recommendations of the Welsh Language Carmarthenshire Report Provide appropriate support for vulnerable learners - ALN, LAC, EAL, Travelers, e-FSM Manage the 21st Century School Programme and reduce the number of surplus places with the schools system Manage the School Admissions process effectively (new Control 	Gareth Morgans Gareth Morgans	Substantial 4	Unlikely 2	Medium 8	Substantial 4	Unlikely 2	Medium 8	↔	<p>The services remain firmly focused on enhancing leadership, inclusion, provision and therefore standards and achievement for all Carmarthenshire learners in a strategic and purposeful manner. We continue to develop the Carmarthenshire Curriculum to dovetail with national, regional and local needs. The WESP has been launched and a series of workshops are being held to ensure bespoke implementation across all schools.</p> <p>A strategic approach to capital investment integrated with a programme for the rationalisation of provision across the schools network, facilitates the effective matching of the supply of school places with demand.</p>
CR20180019 - Failure to ensure that schools effectively manage their resources and respond to the challenges of reduced funding	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Lead the TIC Schools project, working with colleagues and schools to identify significant savings as set by the County Council through the budget efficiency programme 	Gareth Morgans	Substantial 4	Possible 3	High 12	Substantial 4	Possible 3	High 12	↔	<p>Levels of risk continue to be monitored via a detailed focus on individual school budget performance. Analyses are ongoing throughout the financial year. Progress updates and ensuing actions are monitored closely by a range of officers / groups, including the Schools Budget Forum, Educations Services Forum, DMT, ECS Scrutiny. The Federation agenda analyses and seeks to improve the viability of smaller schools. The Change Review Panel challenges schools in deficit on budget and business management. Business Management within schools is currently being evaluated.</p>

<div> <div>Tuesday 82</div> <div>Risk (Threat to achievement of business objective)</div> </div>	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Assessment of Current Risk (CURRENT controls in place)			Updated Risk - @ February 2019			Change	Additional / New Risk Control Measures
	Impact	Probability	Risk Rating			Impact	Probability	Risk Rating	Impact	Probability	Risk Rating		
CR20180020 - Ensure quality and adequate supply of Housing within the County	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Implement Carmarthenshire Homes Standard project plan Housing Company 	Jonathan Morgan	Substantial 4	Improbable 1	Low 4	Substantial 4	Improbable 1	Low 4	↔	<p>The management and levels of risk continue to be monitored by the Investing in Tenants Homes Group and the Affordable Housing Working Group. Ensuring the quality of existing homes is maintained and further improved by the Carmarthenshire Homes Standard Plus (CHS+) and targets to provide more affordable homes are met. Our commitment to CHS+ remains firmly on track, with nearly £45m being set aside to maintain the CHS+ for existing tenants over the next three years.</p> <p>Additionally, through careful programme management and taking opportunities, we are able to spend nearly £44m over the next three years on building more council homes. This is part of our very ambitious 10 year transformational new build plans to deliver over 900 new Council homes, with a total investment of nearly £150m. This programme will align with our existing plans, Cartrefi Croeso delivery and wider regeneration initiatives across the County</p> <p>We have been able to commit to this programme and keep the average rent increase for 2019/20 to 2.4%. The CHS+ Business Plan (2019-2022) approved by County Council on 20th February 2019 confirms work that will be undertaken to maintain the standard and what our key principles are to support our future approach to managing homes, together with our plans to further increase the supply of affordable housing, building on what has already been achieved. The delivery of the CHS+ Business Plan together with the key assumptions made to ensure the plan remains viable, what we will spend the money on and how it is funded, is monitored through the CHS+ Steering Group.</p>

Mae'r dudalen hon yn wag yn fwiadol

CORPORATE RISK REGISTER IMPACT GRID

Risk classes / Impact	Minor 1	Moderate 2	Significant 3	Substantial 4	Catastrophic 5
Reputation Adverse / critical comment Ombudsman Investigation	<i>Ward / village</i>	<i>Local media</i>	<i>Welsh media</i>	<i>National media</i>	<i>Welsh Government Intervention</i>
Service Delivery Health / Education / Leisure Facility Support / Admin Facility	<i>Internal disruption only – no loss of service</i>	<i>Short Term disruption to service</i>	<i>Action required to overcome short-term difficulties</i>	<i>Key targets missed</i> <i>Some services compromised</i>	<i>Prolonged interruption to core services</i>
Environmental impairment Recovery / remediation time People / Casualty Employee accidents	<i>No lasting detrimental effect on the environment or the community</i> <i>Minor injuries</i>	<i>Short-term, local environmental or social impact</i> <i>Ill health</i>	<i>Medium-term environmental or social impact</i> <i>Multiple ill health</i> <i>Disabling injury</i>	<i>Major public health / environmental incident or loss of significant community facility</i> <i>Serious disabling injuries</i>	<i>Recovery impossible or extremely long term</i> <i>Fatalities</i>
Financial Implication	<i>Less than £5k</i>	<i>£5k - £50k</i>	<i>£50k - £500k</i>	<i>£500k - £2m</i>	<i>More than £2m</i>

STRATEGIC RISK REGISTER PROBABILITY GRID

Improbable Lowest Probability 1	Unlikely 2	Possible Median Probability 3	Likely 4	Probable Highest Probability 5
<i>Circumstances rarely encountered / Unlikely to occur</i>	⇒	<i>Circumstances occasionally encountered / medium likelihood of occurrence</i>	⇒	<i>Very likely to occur</i>

Probability - Impact Grid for Project, Strategic, & Service Risks

Probability	Probable (5)	Low (5)	High (10)	High (15)	Significant (20)	Catastrophic (25)
	Likely (4)	Low (4)	Medium (8)	High (12)	Significant (16)	Significant (20)
	Possible (3)	Very Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
	Unlikely (2)	Very Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
	Improbable (1)	Negligible (1)	Very Low (2)	Very Low (3)	Low (4)	Low (5)
		Minor (1)	Moderate (2)	Significant (3)	Substantial (4)	Catastrophic (5)
		Impact				

Mae'r dudalen hon yn wag yn fwiadol

PWYLLGOR ARCHWYLIO**22 Mawrth 2019****Cynllun Archwilio 2019 – Cyngor Sir Caerfyrddin****Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:**

I dderbyn adroddiad Swyddfa Archwilio Cymru a nodir uchod.

Y Rhesymau:

Yr Archwilydd Cyffredinol yw archwilydd Cyngor Sir Caerfyrddin ac mae'r cynllun hwn yn rhoi crynodeb o'r gwaith i'w gynnal i gyflawni ei gyfrifoldebau o dan Ddeddf Archwilio Cyhoeddus (Cymru) 2004.

Ymgynghorwyd â'r pwyllgor craffu perthnasol: NADDO

Angen i'r Bwrdd Gweithredol wneud penderfyniad: NAC OES

Angen i'r Cyngor wneud penderfyniad: NAC OES

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:

Cyng. David Jenkins

Y Gyfarwyddiaeth:

Gwasanaethau Corfforaethol

Awdur yr Adroddiad:

Swyddfa Archwilio Cymru

EXECUTIVE SUMMARY

AUDIT COMMITTEE

22nd March 2019

2019 Audit Plan – Carmarthenshire County Council

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

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

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

2019 Audit Plan - Carmarthenshire County Council

Audit year: 2018-19

Date issued: March 2019

Document reference: 1146A2019-20

This document has been prepared as part of work performed in accordance with statutory functions.
Further information on this is provided in [Appendix 1](#).

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or, where applicable, the auditor acting on behalf of the Auditor General, 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, the Wales Audit Office and, where applicable, the auditor acting on behalf of the Auditor General are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

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

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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2019 Audit Plan

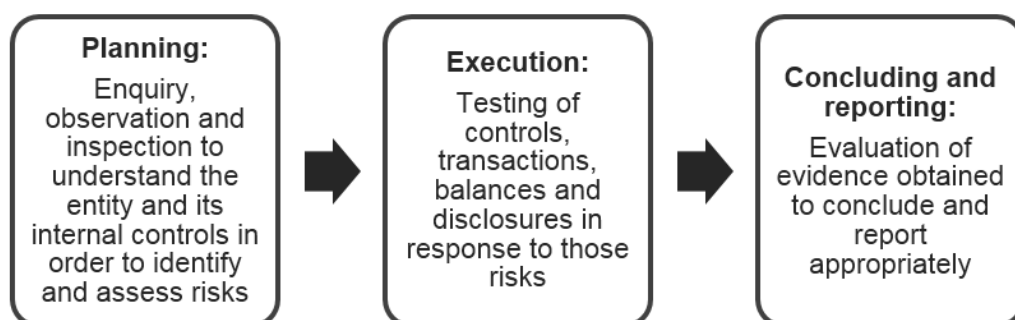
Summary

- 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), Wellbeing of Future Generations (Wales) Act 2015, 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 the 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](#).

Audit of accounts

- 5 It is my responsibility to issue a certificate and report on the financial 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.
- 6 I also consider whether or not Carmarthenshire County 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. Also, included are other key areas of audit attention my team will be focusing on.

Exhibit 2: financial audit risks

Financial audit risk	Proposed audit response
Significant risks	
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>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.

Financial audit risk	Proposed audit response
Other areas of audit attention	
<p>New accounting standards</p> <p>IFRS 9 financial instruments applies from 1 April 2018 and brings in a new principles-based approach for the classification and measurement of financial assets. It also introduces a new impairment methodology for financial assets based on expected losses rather than incurred losses. This will result in earlier recognition of expected credit losses and will impact on how the bad debt provision is calculated.</p> <p>IFRS 15 revenue from contracts with customers introduces a principles-based five-step model for recognising revenue arising from contracts with customers. It is based on a core principle requiring revenue recognition to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration a body expects to be entitled to, in exchange for those goods or services. It will also require more extensive disclosures than are currently required.</p>	<p>My audit team will assess the likely impacts of the new IFRSs and undertake work to respond to any identified risks of material misstatement.</p>

Financial audit risk	Proposed audit response
<p>City deal</p> <p>The Swansea Bay City Deal (the City Deal) joint committee agreement was signed by City and County of Swansea, Carmarthenshire, Neath Port Talbot and Pembrokeshire Councils in July 2018. This established the statutory joint committee to oversee delivery of 11 projects which are designed to increase connectivity and to improve physical and digital infrastructure over the course of 15 years. The City Deal includes total funding of £1.3 billion, of which £240 million is provided by Government, £637 million provided by private funding and £396 million provided by public funding.</p> <p>Whilst none of the projects have yet to be formally signed off, this significant programme will have financial, governance and delivery risks that need to be managed. Carmarthenshire County Council is the host authority for the Swansea Bay City Deal region. Going forward there will be a number of accounting issues to address including potential consolidation of joint committee accounts.</p>	<p>Liaising closely with the external auditors of the other local authorities, my audit team will monitor progress with the City Deal project and carry out early work as necessary to assess the existing and proposed financial and governance arrangements.</p>
<p>New Companies</p> <p>During 2017-18 the Council set up some new private companies to support service provision. These companies are:</p> <ul style="list-style-type: none"> • a new housing company; and • a careline company. <p>These companies will introduce new financial, governance and delivery challenges that need to be managed. Going forward there will be a number of accounting issues to address including whether the Council will need to compile group accounts.</p>	<p>My audit team will review progress on setting up these companies and consider if there is an impact on the 2018-19 financial statements and whether any additional disclosures are required.</p>

Financial audit risk	Proposed audit response
<p>Financial Statements Production</p> <p>The timetable for producing the financial statements remains demanding. The Council have committed to provide a draft set of financial statements for audit by 14 June 2019 which is two weeks before the required deadline for the 2018-19 financial statements in preparation for meeting the earlier deadlines in future years.</p> <p>Management will need to ensure that appropriate arrangements are in place for the preparation and oversight of robust financial statements that comply with International Financial Reporting Standards (IFRS) and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code'). In addition, ensuring good quality working papers are provided on the commencement of the audit, with both these and the statements 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; • agree a timetable for the audit and certification of the financial statements; and • assess whether the financial statements comply with the Code.

- 10 I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Audit Committee prior to completion of the audit.
- 11 For reporting purposes, I will generally treat any misstatements below a 'trivial' level set as 5% of materiality as not requiring consideration by those charged with governance and therefore I will not report them.
- 12 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided in accordance with the agreed timescales, to the quality expected and have been subject to a robust quality assurance review;
 - information provided to support the financial statements is in accordance with the agreed audit deliverables document¹;
 - appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;

¹ The agreed audit deliverables document sets out the expected working paper requirements to support the financial statements and include timescales and responsibilities.

- 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 Carmarthenshire County Council's statutory financial statements set out above, I am also required to certify a return to the Welsh Government which provides information about Carmarthenshire County Council to support preparation of Whole of Government Accounts.
- 14 I am also responsible for the audit of the Dyfed Pension Fund accounts. A separate audit plan has been prepared for the audit of the pension fund.
- 15 In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:
- Section 30 Inspection of documents and questions at audit; and
 - Section 31 Right to make objections at audit.
- 16 Audit fees will be chargeable for work undertaken in dealing with electors' questions and objections. Because audit work will depend upon the number and nature of any questions and objections, it is not possible to estimate an audit fee for this work.
- 17 If I do receive questions or objections, I will discuss potential audit fees at the time.

Other financial audit work

- 18 I am also responsible for the independent examination of Burry Port Harbour Authority's 2018-19 annual return. The Council also hosts the Wales Pension Partnership and Swansea Bay City Deal Region joint committees. We are currently working with management to establish whether these joint committees have sufficient value of transactions in 2018-19 to require the preparation of financial statements which require auditing. If the transaction levels are below this threshold we will be required to undertake an independent examination of the completed 2018-19 annual return for these joint committees. We will not be able to communicate our fee for this work until we have agreed the extent of the audit work required.
- 19 My audit fee for the independent examination of Burry Port Harbour Authority is set out in **Exhibit 4**.

Performance audit

- 20 I need to balance my existing, new and proposed statutory duties with the need to continue to undertake meaningful, risk-based and proportionate audits and assessments. In discharging my responsibilities, I will continue to seek to strike the most appropriate balance and add 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.
- 21 As it is likely that the anticipated Local Government Wales Bill will propose that the Local Government (Wales) Measure 2009 no longer applies to councils, I will continue to minimise work that focuses on the process of improvement planning.
- 22 In my audit plan for 2018 I explained that in previous years I had placed reliance on my work under the Measure to help discharge my duty under the Public Audit (Wales) Act 2004 to satisfy myself that councils have made proper arrangements to secure economy, efficiency and effectiveness (value for money) in the use of resources. Given that in the future it is likely that I will be unable to rely on my work under the Measure, in 2019-20, and subsequent years, the focus of my local performance audit programmes will continue to be more clearly aligned to discharging my Public Audit (Wales) Act 2004 duty.
- 23 In 2018-19 I undertook an examination of the extent to which you are acting in accordance with the sustainable development principle in taking steps to meet your well-being objectives. During 2019-20 I will undertake a further examination to assess the extent to which you are applying the sustainable development principle when taking steps towards meeting your well-being objectives. This will be the final piece of work I will undertake to discharge my duties under the Wellbeing of Future Generations Act at the Council prior to laying my first cyclical report with the National Assembly in 2020. During 2019-20 I will also be considering how to discharge my duties under the Act over the period 2020 to 2024 and I will seek to engage with local authorities as well as other stakeholders in developing my approach.
- 24 The Wales Audit Office also undertakes a programme of local government studies. This work is included within the Wales Audit Office estimates for funding from the Welsh Consolidated Fund and not local fees. These studies primarily lead to a national report augmented by good practice and shared learning outputs rather than by local reports. Local findings, where relevant, will be captured in improvement assessment work and reported in annual improvement reports depending on the timing and the focus of conclusions.
- 25 Taking all these factors into consideration, my 2019-20 programme of work will comprise:

Exhibit 3: performance audit programme

Performance audit programme	Brief description
Improvement audit and assessment work including improvement planning and reporting audit	Audit of discharge of duty to publish an improvement plan, and to publish an assessment of performance.
Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations	Examination of the extent to which the Council has acted in accordance with the sustainable development principle when taking steps to meet its wellbeing objectives. Focus on the governance of arm's length companies used to support the delivery of well-being objectives.
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.
Financial Sustainability	A project common to all local councils that will assess financial sustainability in light of current and anticipated future challenges.
Review of Planning Services	To undertake a review of the planning service.
2019-20 Local Government Studies	(Funded by the Welsh Consolidated Fund) The Auditor General has recently completed his consultation on his forward work programme and new local government studies to commence in 2019-20 will be confirmed shortly.

- 26 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 2](#).

Certification of grant claims and returns

- 27 I have been requested to undertake certification work on Carmarthenshire County Council's grant claims and returns. As was the case last year, the Welsh Government will not require me to provide any report of factual findings related to any activity levels or outcomes.
- 28 For the 2017-18 financial year, we received 11 grant claims and returns. In auditing these grant claims, we have reached one of the following conclusions:
- provided an unqualified certificate;

- provided an unqualified certificate following agreed amendments to the claim;
 - provided a certificate which is accompanied by a qualification letter; or
 - provided a certificate following agreed adjustments to the claim which is accompanied by a qualification letter.
- 29 We have completed our work on these returns and have concluded that the Council has maintained the improvements we have seen over the last two years in managing the production and submission of 2017-18 grant claims.
- 30 Our conclusion is based on the following overall findings:
- all but two of the claims were submitted to us on time;
 - six claim/returns were signed off without amendment or qualification;
 - there were no significant amendments made to any of the claims, with two claims receiving minor amendments; and
 - only three of the claims required a qualification letter.
- 31 The issues we identified that resulted in the three qualification letters issued were not significant and had not been seen in the individual claims in previous years.
- 32 My audit fee for this work is set out in [Exhibit 4](#).

Fee, audit team and timetable

Fee

- 33 Your estimated fee for 2019 is set out in [Exhibit 4](#). There have been some small changes to my fees rates for 2019, however my audit teams will continue to drive efficiency in their audits to ensure any resulting increases will not be passed to you.

Exhibit 4: audit fee

Audit area	Proposed fee (£) ²	Actual fee last year (£)
Audit of accounts ³	183,946	183,946
Performance audit work ⁴	100,216	100,216
Grant certification work ⁵	50,000	51,518
Other financial audit work ⁶	860	860
Total fee	335,022	336,540

² Notes: The fees shown in this document are exclusive of VAT, which is not charged to you

³ Payable November 2018 to October 2019.

⁴ Payable April 2019 to March 2020.

⁵ Payable as work is undertaken

⁶ Independent Examination of Burry Port Harbour Authority

- 34 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.
- 35 Further information on my [fee scales and fee setting](#) can be found on our website.

Audit team

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

Exhibit 5: my audit team

Name	Role	Contact number	E-mail address
Ann Marie Harkin	Engagement Director and Engagement Lead – Financial Audit	029 2032 0562	Ann-marie.harkin@audit.wales
Huw Rees	Engagement Lead – Performance Audit	029 20320599	Huw.rees@audit.wales
Jason Garcia	Financial Audit Manager	07854 022649	Jason.garcia@audit.wales
Kate Havard	Financial Audit Team Leader	07813 449396	Kate.havard@audit.wales
Jeremy Evans	Performance Audit Manager	07825 052861	jeremy.evans@audit.wales
Alison Lewis	Performance Audit Lead	07773 193217	alison.lewis@audit.wales

- 37 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.

Staff secondment

- 38 A trainee accountant employed by the Wales Audit Office has been seconded to Carmarthenshire County Council for the period November 2018 to June 2019. This secondment is part of an initiative funded by the Welsh Consolidated Fund designed to allow trainee accountants to broaden their skills and to gain experience of working across different parts of the Welsh public sector.
- 39 In order to safeguard against any potential threats to auditor independence and objectivity, the Wales Audit Office and the Council have agreed the following safeguards:

- secondees will not perform duties prohibited by the FRC's Revised Ethical Standard 2016 and will not be able to exercise discretionary authority to commit the Council to a particular position or accounting treatment;
- the secondee will undertake tasks at a relatively junior level, will be properly supervised and will not undertake a management role or be involved in the decision taking of the Council; and
- the secondment will be for a short period of time within the meaning of the FRC's Revised Ethical Standard 2016.

Timetable

- 40 I will provide reports, or other outputs as agreed, to Carmarthenshire County 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*
2019 Audit Plan	December 2018 to February 2019	March 2019
Financial accounts work:		
• Audit of Financial Statements Report	February to August 2019	September 2019
• Opinion on Financial Statements	September 2019	September 2019
• Financial Accounts Memorandum	October 2019	October 2019
Performance work:		
• Improvement Plan Audit	April – May 2019	June 2019
• Assessment of Performance Audit	October – November 2019	November 2019
• Assurance and Risk Assessment	April – December 2019	January 2020
• WFG Act Examinations	April – September 2019	October 2019
• Financial Sustainability	TBC	TBC
• Review of Planning Services	December 2019 - February 2020	April 2020
Annual Improvement Report	April 2019 – May 2020	June 2020
2020 Audit Plan	December 2019 - February 2020	March 2020

* Subject to timely clearance of draft findings with the Council.

Future developments to my audit work

- 41 Details of other future developments including forthcoming changes to key International Financial Reporting Standards, the Wales Audit Office's Good Practice Exchange (GPX) seminars and my planned work on the readiness of the Welsh public sector for Brexit, are set out in [Appendix 3](#).

Appendix 1

Respective responsibilities

Audit of 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 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 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;
- Carmarthenshire County 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 Carmarthenshire County 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 Carmarthenshire County 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 Public Audit (Wales) Act 2004 requires me, by examination of the accounts or otherwise, to satisfy myself that the body has made proper arrangements for:

- securing economy, efficiency and effectiveness in its use of resources; and
- that the body, if required to publish information in pursuance of a direction under section 47 (performance information) has made such arrangements for collecting and recording the information and for publishing it as are required for the performance of its duties under that section.

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. I 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.

Section 15 of the Well-being of Future Generations Act (Wales) 2015 requires me to carry out examinations of public bodies for the purposes of assessing the extent to which it has acted in accordance with the sustainable development principle when:

- (a) setting well-being objectives; and
- (b) taking steps to meet those objectives.

I must carry out such an examination of each public body at least once during a five-year period. Before the end of the period I must report on the results of those examinations to the National Assembly.

Appendix 2

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

Exhibit 7: performance work in last year's audit outline still in progress

1 piece of performance audit work included in last year's audit plan remains outstanding.

Performance audit project	Status	Comment
Review of Risk Management Arrangements	Fieldwork stage	Report due May 2019

Appendix 3

Other future developments

A. Forthcoming key IFRS changes

Exhibit 8: changes to IFRS standards

Standard	Effective date	Further details
IFRS 16 leases	Expected in 2020-21	IFRS 16 will replace the current leases standard IAS 17. The key change is that it largely removes the distinction between operating and finance leases for lessees by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. It will lead to all leases being recognised on balance sheet as an asset based on a right of use principle with a corresponding liability for future rentals. This is a significant change in lessee accounting.

B. Good Practice Exchange

The Wales Audit Office's GPX helps public services improve by sharing knowledge and practices that work. Events are held where knowledge can be exchanged face to face and resources shared online. The main areas of work are regarding financial management, public-sector staff and governance.

[Further information, including details of forthcoming GPX events and outputs from past seminars.](#)

C. Brexit: preparations for the United Kingdom's departure from membership of the European Union

In accordance with Article 50 of the Treaty of Rome, on 29 March 2019 the United Kingdom will cease to be a member of the European Union. Negotiations are continuing, and it currently remains unclear whether agreement will be reached on a transition period to 31 December 2020, or whether a 'no deal' immediate exit will take place next March.

The Auditor General has commenced a programme of work looking at the arrangements that the devolved public sector in Wales, including all NHS bodies, is putting in place to prepare for, and respond to, Britain's exit from the European Union. This will take the form of a high-level overview to establish what is being put in place across the Welsh public sector, and what the key issues are from the perspectives of different parts of the Welsh public service.

The Auditor General intends to carry out this initial work in two tranches. In autumn 2018, he issued a call for evidence to compile a baseline summary of arrangements being put in place. On 19 February, the Auditor General issued a report⁷ on preparations in Wales for a 'no-deal' Brexit. This will be followed up by further audit fieldwork during the rest of 2019.

⁷ <http://www.audit.wales/publication/preparations-wales-no-deal-brexit>

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PWYLLGOR ARCHWYLIO**22 Mawrth 2019****Cynllun Archwilio 2019 – Cyngor Sir Caerfyrddin****Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:**

I dderbyn adroddiad Swyddfa Archwilio Cymru a nodir uchod.

Y Rhesymau:

Yr Archwilydd Cyffredinol yw archwilydd Cyngor Sir Caerfyrddin ac mae'r cynllun hwn yn rhoi crynodeb o'r gwaith i'w gynnal i gyflawni ei gyfrifoldebau o dan Ddeddf Archwilio Cyhoeddus (Cymru) 2004.

Ymgynghorwyd â'r pwyllgor craffu perthnasol: NADDO

Angen i'r Bwrdd Gweithredol wneud penderfyniad: NAC OES

Angen i'r Cyngor wneud penderfyniad: NAC OES

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:

Cyng. David Jenkins

Y Gyfarwyddiaeth:

Gwasanaethau Corfforaethol

Awdur yr Adroddiad:

Swyddfa Archwilio Cymru

EXECUTIVE SUMMARY

AUDIT COMMITTEE

22nd March 2019

2019 Audit Plan – Carmarthenshire County Council

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

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

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

2019 Audit Plan – Dyfed Pension Fund

Audit year: 2018-19

Date issued: March 2019

Document reference: 1147A2019-20

This document has been prepared as part of work performed/to be performed in accordance with statutory functions. Further information on this is provided in Appendix 1.

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or auditors acting on behalf of the Auditor General 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, the Wales Audit Office and, where applicable, the appointed auditor are relevant third parties.

Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

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

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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2019 Audit Plan

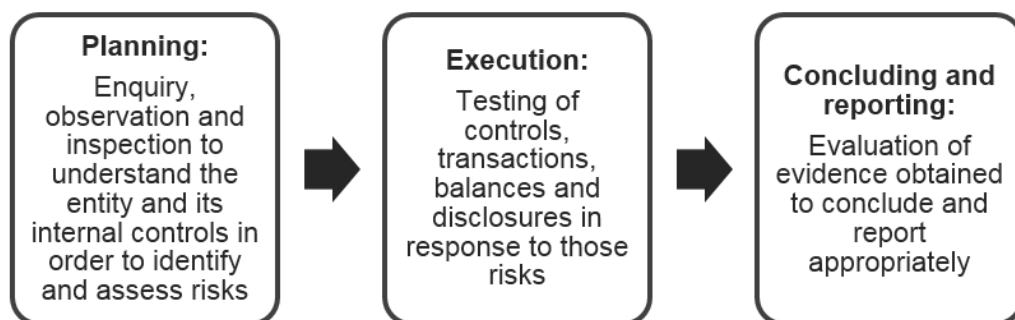
Summary

- 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's (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 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](#)



- 6 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. Also included are other key areas of audit attention my team will be focusing on.

Exhibit 2: Financial audit risks

Financial audit risks	Proposed audit response
Significant risks	
Management Override 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].	My audit team will: <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; and • evaluate the rationale for any significant transactions outside the normal course of business.
Other areas of audit attention	
New accounting standard IFRS 9 financial instruments applies from 1 April 2018 and brings in a new principles-based approach for the classification and measurement of financial assets. It also introduces a new impairment methodology for financial assets based on expected losses rather than incurred losses. This will result in earlier recognition of expected credit losses.	My audit team will assess the likely impacts of IFRS 9 and undertake work to respond to any identified risks of material misstatement.
All Wales Pension Partnership The eight Pension Funds in Wales have created an 'all-Wales' pooled investment vehicle which will be overseen by a joint governance committee hosted by Carmarthenshire County Council. An inter-authority agreement has been signed by the Welsh Pension Funds and the joint committee will be producing financial statements for the 2018-19 financial year. Two equity sub funds have been set up in 2018-19 and we understand that Dyfed Pension Fund has transferred £566 million of funds into this new arrangement during 2018-19.	My audit team will review the accounting arrangements supporting the transfer of funds into the new arrangement coupled with any additional disclosures required. My team will also be working with the auditors of the joint governance committee to assess the most effective way of obtaining the relevant assurances on the valuation and ownership of the funds transferred.

- 7 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 Committee and 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.

- 8 For reporting purposes, I will treat any misstatements below a trivial level set at 5% of materiality as not requiring consideration by those charged with governance and therefore I will not report them.
- 9 My fees and planned timescales for completion of the audit are based on the following assumptions:
 - the financial statements are provided in accordance with the agreed timescales, to the quality expected and have been subject to a robust quality assurance review;
 - information provided to support the financial statements is in accordance with the agreed audit deliverables document which sets out working paper requirements and the timescales of the audit;
 - 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;
 - controls assurance reports are received from all fund managers in accordance with agreed timescales and action has been taken to address any control weaknesses; and
 - Internal Audit's planned programme of work is complete, and management has responded to issues that may have affected the financial statements.

Statutory audit functions

- 10 In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:
 - Section 30 Inspection of documents and questions at audit; and
 - Section 31 Right to make objections at audit.
- 11 Audit fees will be chargeable for work undertaken in dealing with electors' questions and objections. Because audit work will depend upon the number and nature of any questions and objections, it is not possible to estimate an audit fee for this work.
- 12 If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee, audit team and timetable

Fee

- 13 Your estimated fee for 2019 is set out in [Exhibit 3](#). This is consistent with the fee set out in the 2018 audit plan. There have been some small changes to my fee rates for 2019, however my audit teams will continue to drive efficiency in their audits to ensure any resulting increases will not be passed onto you.

Exhibit 3: audit fee

	Proposed fee for 2019 (£) ¹	Actual fee for 2018 (£)
Audit of pension fund accounts	28,322	28,322

- 14 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
- 15 Further information on my [fee scales and fee setting](#) can be found on our website.

Audit team

- 16 The main members of my team, together with their contact details, are summarised in [Exhibit 4](#).

Exhibit 4: my audit team

Name	Role	Contact number	E-mail address
Ann-Marie Harkin	Engagement Lead – Financial Audit	02920 320562	ann-marie.harkin@audit.wales
Jason Garcia	Financial Audit Manager	07854 022649	jason.garcia@audit.wales
Kate Havard	Financial Audit Team Leader	07813 449396	kate.havard@audit.wales

- 17 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.

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

Staff secondment

- 18 A trainee accountant employed by the Wales Audit Office has been seconded to Carmarthenshire County Council for the period November 2018 – June 2019. This secondment is part of an initiative funded by the Welsh Consolidated Fund designed to allow trainee accountants to broaden their skills and to gain experience of working across different parts of the Welsh public sector.
- 19 To safeguard against any potential threats to auditor independence and objectivity, the Wales Audit Office and the Council have agreed the following safeguards:
- secondees will not perform duties prohibited by the FRC's Revised Ethical Standard 2016 and will not be able to exercise discretionary authority to commit the Council or the Pension Fund to a particular position or accounting treatment;
 - the secondee will undertake tasks at a relatively junior level, will be properly supervised and will not undertake a management role or be involved in the decision taking of the Council or the Pension Fund; and
 - the secondment will be for a short period of time within the meaning of the FRC's Revised Ethical Standard 2016.

Timetable

- 20 I will provide reports, or other outputs as agreed, to the Pension Committee and the Council's 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
2019 Audit Plan	January – March 2019	March 2019
Financial accounts work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on Financial Statements	March – July 2019	August 2019
2020 Audit Plan	October – December 2019	February 2020

Future developments to my audit work

- 21 Details of other future developments including the Wales Audit Office's Good Practice Exchange (GPX) seminars and my planned work on the readiness of the Welsh public sector for Brexit are set out in [Appendix 2](#).

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.

Appendix 2

Other future developments

A. Good Practice Exchange

The Wales Audit Office's GPX helps public services improve by sharing knowledge and practices that work. Events are held where knowledge can be exchanged face to face and resources shared online. The main areas of work are regarding financial management, public-sector staff and governance. Further information, including details of forthcoming GPX events and outputs from past seminars can be found on the [GPX section of the Wales Audit Office website](#).

B. Brexit: preparations for the United Kingdom's departure from membership of the European Union

In accordance with Article 50 of the Treaty of Rome, on 29 March 2019 the United Kingdom will cease to be a member of the European Union. Negotiations are continuing, and it currently remains unclear whether agreement will be reached on a transition period to 31 December 2020, or whether a 'no deal' immediate exit will take place next March.

The Auditor General has commenced a programme of work looking at the arrangements that the devolved public sector in Wales, including all NHS bodies, is putting in place to prepare for, and respond to, Britain's exit from the European Union. This will take the form of a high-level overview to establish what is being put in place across the Welsh public sector, and what the key issues are from the perspectives of different parts of the Welsh public service.

The Auditor General intends to carry out this initial work in two tranches. In autumn 2018, he will compile a baseline summary of arrangements being put in place. This will be followed up by further audit fieldwork in spring 2019.

The aim is to produce a report in summer 2019. The report's key messages and recommendations will be framed in the context of the UK moving to a new relationship with the European Union by the end of the planned transition period.

However, if it becomes clear that the UK is likely to leave the European Union without a Withdrawal Agreement (the 'no deal' scenario), we will publish a report as early as possible in 2019, ahead of the UK leaving the European Union on 29 March.

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Y PWYLLGOR ARCHWILIO**22 Mawrth 2019****Pwnc:**

Adroddiadau Lleol Swyddfa Archwilio Cymru.

Argymhellion / penderfyniadau allweddol sy'n ofynnol:

Derbyn a nodi adroddiadau Swyddfa Archwilio Cymru.

Rhesymau:

Derbyn adroddiadau Swyddfa Archwilio Cymru.

Pwyllgor craffu perthnasol i ymgynghori ag ef: dd/b**A oes angen Penderfyniad gan y Bwrdd Gweithredol?** Nac oes**A oes angen Penderfyniad gan y Cyngor?** Nac oes**DEILIAD PORTFFOLIO YR AELOD GWEITHREDOL O'R BWRDD GWEITHREDOL:**

Y Cyngorydd David Jenkins:

Adroddiad Swyddfa Archwilio
Cymru

EXECUTIVE SUMMARY
Audit Committee
22nd March 2019

SUBJECT	
Wales Audit Office Local Reports	
BRIEF SUMMARY OF PURPOSE OF REPORT:	
To receive the Wales Audit Office Local report relating to: <ul style="list-style-type: none">- Well-being of Future Generations: An examination of 'Start Well – Help children to live healthy lifestyles'.	
DETAILED REPORT ATTACHED?	YES

IMPLICATIONS

See content of Wales Audit Office Reports



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Llesiant Cenedlaethau'r Dyfodol: Archwiliad o 'Dechrau'n Dda – Helpu plant i ddilyn ffyrdd iach o fyw' – **Cyngor Sir Gaerfyrddin**

Blwyddyn archwilio: 2018-19

Dyddiad cyhoeddi: Chwefror 2019

Cyfeirnod y ddogfen: 1102A2019-20

Paratowyd y ddogfen hon at ddefnydd mewnol Cyngor Sir Gaerfyrddin yn rhan o waith a wnaed yn unol â Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015.

Nid yw'r Archwilydd Cyffredinol na staff Swyddfa Archwilio Cymru yn derbyn unrhyw gyfrifoldeb o ran unrhyw aelod, cyfarwyddwr, swyddog neu gyflogai arall yn eu rhinwedd unigol, neu unrhyw drydydd parti.

Os gwneir cais am wybodaeth y gallai'r ddogfen hon fod yn berthnasol iddi, tynnir sylw at y Cod Ymarfer a gyhoeddwyd o dan adran 45 o Ddeddf Rhyddid Gwybodaeth 2000. Mae Cod adran 45 yn nodi'r arfer a ddisgwylir gan awdurdodau cyhoeddus wrth ymdrin â cheisiadau, gan gynnwys ymgynghori â thrydydd partïon perthnasol. Mewn cysylltiad â'r ddogfen hon, mae Archwilydd Cyffredinol Cymru, Swyddfa Archwilio Cymru a thrydydd partïon perthnasol. Dylid anfon unrhyw ymholiadau ynglŷn â datgelu neu aildddefnyddio'r ddogfen hon i Swyddfa Archwilio Cymru yn info.officer@audit.wales.

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

Mae'r ddogfen hon hefyd ar gael yn Saesneg.

Mae'r tîm a wnaeth y gwaith hwn yn cynnwys Jeremy Evans, Alison Lewis a Richard Hayward dan gyfarwyddyd Huw Rees.

Cynnwys

Mae'r Cyngor wedi gweithredu yn unol â'r egwyddor datblygu cynaliadwy wrth bennu'r 'cam' ac wedi ystyried y pum ffordd o weithio mewn modd effeithiol wrth gymryd camau i'w gyflawni.

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Adroddiad Manwl

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Mae ystyried prosesau atal yn sylfaenol i'r camau y mae'r Cyngor yn eu cymryd 7

Mae'r Cyngor wedi ystyried mewn modd effeithiol sut y mae'r camau y mae'n eu cymryd yn cyfrannu at y nodau llesiant, ei amcanion eraill ac amcanion cyrff cyhoeddus eraill 8

Mae'r Cyngor yn cydweithredu ag amrywiaeth o bartneriaid wrth gynllunio a chyflawni'r cam hwn 9

Mae'r Cyngor yn cynnwys pobl ifanc wrth gynllunio a chyflawni'r cam ond gallai ymestyn ei weithgareddau ymgysylltu i fod yn fwy cynhwysol 10

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Adroddiad cryno

Crynodeb

Pam y cynhaliwyd yr Archwiliad

- 1 Yn unol â Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 (y Ddeddf), mae gofyniad statudol ar Archwilydd Cyffredinol Cymru (yr Archwilydd Cyffredinol) i archwilio cyrff cyhoeddus er mwyn asesu i ba raddau y maent wedi gweithredu yn unol â'r egwyddor datblygu cynaliadwy wrth:
 - a. bennu eu hamcanion llesiant, a
 - b. chymryd camau i'w cyflawni.

Mae'r Ddeddf yn diffinio'r egwyddor datblygu cynaliadwy fel gweithredu mewn modd: '...sy'n ceisio sicrhau bod anghenion y presennol yn cael eu diwallu heb beryglu gallu cenedlaethau'r dyfodol i ddiwallu eu hanghenion hwythau'.
- 2 Mae'n rhaid i'r Archwilydd Cyffredinol ddarparu adroddiad ar ei archwiliadau i Gynulliad Cenedlaethol Cymru o leiaf blwyddyn cyn ethol pob Cynulliad. Mae'n rhaid cyhoeddi'r adroddiad cyntaf o'r fath erbyn 2020, cyn etholiad y Cynulliad yn 2021.
- 3 Yn ystod 2018-19, mae'r Archwilydd Cyffredinol yn cynnal archwiliadau ar draws 44 o gyrff sydd wedi'u cynnwys yn y Ddeddf er mwyn llywio'i adroddiad i'r Cynulliad Cenedlaethol.
- 4 Ym mis Mai 2018, cyhoeddodd yr Archwilydd Cyffredinol ei adroddiad 'Myfyrio ar Flwyddyn Un: Sut mae Cyrff Cyhoeddus wedi Ymateb i Ddeddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015?'. Daeth i'r casgliad bod cyrff cyhoeddus yn cefnogi egwyddorion y Ddeddf a'u bod yn cymryd camau i newid sut y maent yn gweithio.
- 5 Wrth ddatblygu ein dull o gynnal yr archwiliadau yn ystod 2018-19, ymgysylltwyd ag amrywiaeth o randdeiliaid, gan gynnwys trwy ein gwaith cychwynnol yn ystod 2017-18. Fe wnaethom weithio'n agos gyda Chomisiynydd Cenedlaethau'r Dyfodol hefyd.
- 6 Gan fod y gwaith cychwynnol ym mlwyddyn un wedi cynnwys ystyriaeth o sut yr oedd cyrff cyhoeddus wedi pennu eu hamcanion llesiant, prif bwyslais y gwaith hwn yw sut y mae cyrff cyhoeddus yn cymryd camau i gyflawni eu hamcanion llesiant.
- 7 Mae'r canfyddiadau yn yr adroddiad hwn wedi'u seilio ar waith maes a wnaed yn ystod y cyfnod o fis Hydref 2018 hyd fis Rhagfyr 2018.
- 8 Mae'r adroddiad hwn yn nodi ein canfyddiadau o'n harchwiliad o 'Byddwn [y Cyngor] yn cynyddu amrywiaeth y gweithgareddau corfforol sydd ar gael i blant, ac yn targedu'r rheini sy'n wynebu'r risg fwyaf o anweithgarwch', cam y mae'r Cyngor yn ei gymryd i gyflawni ei amcanion llesiant.
- 9 Mae hefyd yn nodi ymateb cychwynnol y Cyngor i'n canfyddiadau.

Yr hyn a archwiliwyd

- 10 Archwiliwyd i ba raddau mae'r Cyngor yn gweithredu yn unol â'r egwyddor datblygu cynaliadwy wrth gynyddu amrywiaeth y gweithgareddau corfforol sydd ar gael i blant, a thargedu'r rheini sy'n wynebu'r risg fwyaf o anweithgarwch.
- 11 Er mwyn gweithredu yn unol â'r egwyddor datblygu cynaliadwy mae'n rhaid i gyrff cyhoeddus ystyried y 'ffyrdd o weithio' canlynol:

Arddangosyn 1: y 'pum ffordd o weithio'

Mae'r tabl isod yn nodi'r 'pum ffordd o weithio' a ddiffinnir yn nogfen Llywodraeth Cymru 'Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 Yr Hanfodion'.¹

Y Pum Ffordd o Weithio
Hirdymor Pwysigrwydd cydbwysu anghenion tymor byr â'r angen i ddiogelu'r gallu i ddiwallu anghenion hirdymor hefyd.
Atal Sut y gall gweithredu i atal problemau rhag codi neu waethygu helpu cyrff cyhoeddus i gyflawni eu hamcanion.
Integredig Ystyried sut y gall amcanion llesiant y corff cyhoeddus effeithio ar bob un o'r nodau llesiant, ar eu hamcanion eraill, neu ar amcanion cyrff cyhoeddus eraill.
Cydweithredol Gweithredu ar y cyd ag unrhyw berson arall (neu rannau gwahanol o'r corff ei hun) a allai helpu'r corff i gyflawni ei amcanion llesiant.
Cynnwys Pwysigrwydd cynnwys pobl â buddiant mewn cyflawni'r nodau llesiant, a sicrhau bod y bobl hynny yn adlewyrchu amrywiaeth yr ardal y mae'r corff yn ei wasanaethu.

- 12 Canfu ein harchwiliad fod: **Y Cyngor wedi gweithredu yn unol â'r egwyddor datblygu cynaliadwy wrth bennu'r 'cam' ac wedi ystyried y pum ffordd o weithio mewn modd effeithiol wrth gymryd camau i'w gyflawni.**

¹ Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 Yr Hanfodion, Llywodraeth Cymru (2015)

Adroddiad manwl

Rhan 1 – Canfyddiadau'r archwiliad

Mae'r Cyngor wedi gweithredu yn unol â'r egwyddor datblygu cynaliadwy wrth bennu'r 'cam' ac wedi ystyried y pum ffordd o weithio mewn modd effeithiol wrth gymryd camau i'w gyflawni

Mae'r Cyngor wedi ystyried y tymor hir wrth bennu'r cam hwn ac mae'n gweld gwelliant eisoes yn lefelau gweithgarwch pobl ifanc

Yr hyn y chwiliwyd amdani

- 13 Chwiliwyd am dystiolaeth o:
- ddealltwriaeth drylwyr o'r anghenion presennol a hirdymor a'r heriau a'r cyfleoedd cysylltiedig;
 - cynllunio dros gyfnod priodol o amser;
 - adnoddau wedi'u dyrannu i sicrhau buddion hirdymor; a
 - threfniadau monitro ac adolygu priodol.
- 14 Llywiwyd ein harchwiliad hefyd gan y dangosyddion cadarnhaol ar gyfer yr 'hirdymor' a nodwyd a ddefnyddiwyd yn rhan o'r archwiliad hwn.²

Yr hyn a ganfuwyd

- 15 Nodwyd y cryfderau canlynol:
- mae gan y Cyngor nod hirdymor i wella iechyd a llesiant plant a phobl ifanc (fel bod plant iach yn datblygu i fod yn oedolion iach ac yn rhieni iach sy'n magu plant iach);
 - mae gan y Cyngor weledigaeth o newidiadau hirdymor trwy'r cenedlaethau, wrth nodi buddion tymor byr; er enghraifft, cynnydd yn nifer y plant a'r bobl ifanc sy'n cymryd rhan mewn chwaraeon trwy'r rhaglen pobl ifanc egnïol a defnydd llysgenhadon ifanc.
- 16 Nodwyd y meysydd canlynol i'w gwella:
- mae angen i'r Cyngor gasglu data er mwyn gallu:
 - o deall y materion yn ddigon manwl;

² Gweler Atodiad 1

- o pennu beth yw llwyddiant (ar sail canlyniadau); a
- o gwybod sut y bydd yn mesur canlyniadau.
- Er mai sicrhau newid cynhaliol hirdymor yw'r weledigaeth, tair blynedd yw'r gorwel cynllunio y mae'r Cyngor yn ei ddefnyddio yn gorfforaethol ar gyfer cynllunio busnes. Dylai'r Cyngor ystyried sut y gall annog gwasanaethau i feddwl am gynllunio dros gyfnod hirach o amser;
- gallai'r Cyngor ystyried beth yw cynnig hamdden hunangynhaliol i liniaru'r effeithiau sy'n gysylltiedig â chylchoedd cyllid blynyddol ar hyn o bryd;
- bydd y Cyngor yn edrych ar sut y mae'n mesur y gwerth sy'n gysylltiedig â'r gwasanaethau y mae'n eu darparu.

Mae ystyried prosesau atal yn sylfaenol i'r camau y mae'r Cyngor yn eu cymryd

Yr hyn y chwiliwyd amdani

17 Chwiliwyd am dystiolaeth o:

- dealltwriaeth drylwyr o natur y broblem a'r math o broblem y gallai'r cam helpu i'w atal rhag codi neu waethgu;
- adnoddau a ddyrannwyd i sicrhau y cyflawnir buddion ataliol; a
- threfniadau monitro ac adolygu effeithiolrwydd y cam wrth atal problemau rhag codi neu waethgu.

18 Llywiwyd ein harchwiliad hefyd gan y dangosyddion cadarnhaol ar gyfer 'atal' a nodwyd gennym ac a ddefnyddiwyd yn rhan o'r archwiliad hwn.³

Yr hyn a ganfuwyd

19 Nodwyd y cryfderau canlynol:

- mae atal gordewdra a'r problemau sy'n gysylltiedig â diffyg gweithgarwch corfforol yn nod canolog i'r cam hwn;
- mae gan y Cyngor ddealltwriaeth glir o'r ffaith y gall bod yn gorfforol egnïol yn ystod ieuenctid atal problemau sy'n gysylltiedig ag anweithgarwch yn ddiweddarach mewn oes;
- mae'r Cyngor yn amlwg yn ceisio torri cylch gordewdra;
- er bod y cam yn canolbwyntio ar bobl ifanc, mae'r Cyngor yn dymuno effaith ehangach. I bob pwrpas, mae'r cam yn ceisio creu cymunedau mwy iach a newid ymddygiad ar draws cenedlaethau.

20 Nodwyd y meysydd canlynol i'w gwella:

³ Gweler Atodiad 1

- dylai'r Cyngor ystyried sut y gallai gwella data a dealltwriaeth o ordewdra ymhlith plant a lefelau gweithgarwch alluogi dulliau wedi'u targedu a'u teilwra'n fwy i fynd i'r afael â'r materion;
- dylai'r Cyngor gael gwell dealltwriaeth o ganlyniadau gwahanol ymyraethau i'w helpu i barhau i ddatblygu arferion llwyddiannus.

Mae'r Cyngor wedi ystyried mewn modd effeithiol sut y mae'r camau y mae'n eu cymryd yn cyfrannu at y nodau llesiant, ei amcanion eraill ac amcanion cyrff cyhoeddus eraill

Yr hyn y chwiliwyd amdani

21 Chwiliwyd am dystiolaeth o ystyriaeth o:

- sut y gallai'r cam hwn gyfrannu at y saith nod llesiant cenedlaethol;
- sut y bydd cyflawni'r cam hwn yn effeithio ar amcanion llesiant a blaenoriaethau ehangach y Cyngor; a
- sut y bydd cyflawni'r cam hwn yn effeithio ar amcanion llesiant cyrff cyhoeddus eraill.

Yr hyn a ganfuwyd

22 Nodwyd y cryfderau canlynol:

- mae cynlluniau busnes y Cyngor yn crynhoi'r camau allweddol ar gyfer adrannau sydd wedi'u croesgyfeirio ag amcanion llesiant y Cyngor a'r saith nod llesiant cenedlaethol;
- mae'r Cyngor yn edrych mewn modd corfforaethol ar y mater o gynyddu lefelau gweithgarwch, ar draws gwasanaethau mae'n chwilio am ffyrdd arloesol o ddatblygu'r agenda hon, er enghraifft trwy'r cysyniad o'r pentref byw yn iach;
- dywedodd y Cyngor wrthym ei fod o'r farn ei fod wedi integreiddio ag Iechyd Cyhoeddus Cymru; mae'r ddau sefydliad yn mynd ar drywydd nod cyfrannol o fynd i'r afael â gordewdra yn Sir Gaerfyrddin.

23 Ni nodwyd unrhyw feysydd i'w gwella yn y maes hwn.

24 Llywiwyd ein harchwiliad hefyd gan y dangosyddion cadarnhaol ar gyfer 'integredig' a nodwyd gennym ac a ddefnyddiwyd yn rhan o'r archwiliad hwn.⁴

⁴ Gweler Atodiad 1

Mae'r Cyngor yn cydweithredu ag amryw o bartneriaid wrth gynllunio a chyflawni'r cam hwn

Yr hyn y chwiliwyd amdani

25 Chwiliwyd am dystiolaeth bod y Cyngor:

- wedi ystyried sut y gallai weithio gydag eraill i gyflawni'r cam (i gyflawni ei amcanion llesiant, neu gynorthwyo corff arall i gyflawni ei amcanion llesiant);
- yn cydweithredu'n effeithiol i gyflawni'r cam; ac
- yn monitro ac yn adolygu a yw'r cydweithredu yn ei helpu neu'n helpu ei randdeiliaid i gyflawni amcanion llesiant.

Yr hyn a ganfuwyd

26 Nodwyd y cryfderau canlynol:

- rhoddodd y Cyngor ystyriaeth weithredol i gydweithredu wrth gynllunio'r cam hwn;
- mae'n gweithio gydag eraill i'w helpu i gyflawni'r camau gweithredu sy'n cyfrannu at y cam ac i arwain at yr effaith ehangaf. Mae'r partneriaid yn cynnwys: y Bwrdd Iechyd, ysgolion, Iechyd Cyhoeddus Cymru, Chwaraeon Cymru, cyrff llywodraethu cenedlaethol ar gyfer chwaraeon, y Bwrdd Gwasanaethau Cyhoeddus, Sustrans, Cymdeithas Gwasanaethau Gwirfoddol Sir Gâr, a'r trydydd sector ehangach;
- dywedodd y Cyngor wrthym fod gwasanaethau addysg, plant a hamdden yn cydweithio'n effeithiol i gyflawni'r cam.

27 Nodwyd y meysydd canlynol i'w gwella:

- ymgysylltu'n fwy â rhai ysgolion er mwyn cyflawni'r buddion mwyaf posibl o ddefnyddio adeiladau ysgolion y tu allan i oriau ysgol;
- ymgysylltu'n fwy â'r Cynghorau Tref a Chymuned i archwilio sut y gallant gefnogi uchelgeisiau'r Cyngor yn well.

28 Llywiwyd ein harchwiliad hefyd gan y dangosyddion cadarnhaol ar gyfer 'cydweithredu' a nodwyd gennym ac a ddefnyddiwyd yn rhan o'r archwiliad hwn.⁵

⁵ Gweler Atodiad 1

Mae'r Cyngor yn cynnwys pobl ifanc wrth gynllunio a chyflawni'r cam ond gallai ymestyn ei weithgareddau ymgysylltu i fod yn fwy cynhwysol

Yr hyn y chwiliwyd amdani

29 Chwiliwyd am dystiolaeth bod y Cyngor wedi:

- nodi pwy y mae angen eu cynnwys wrth gynllunio a chyflawni'r cam;
- cynnwys rhanddeiliaid allweddol mewn modd effeithiol wrth gynllunio a chyflawni'r cam;
- defnyddio canlyniadau'r ymgysylltu i lunio datblygiad a chyflawniad y cam; a
- cheisio dysgu gwersi a gwella'i ddull o ymgysylltu.

Yr hyn a ganfuwyd

30 Nodwyd y cryfderau canlynol:

- mae'r Cyngor yn defnyddio nifer o ddulliau o gynnwys pobl ifanc wrth gynllunio a chyflawni'r cam, gan gynnwys:
 - holiaduron i gasglu barn ac adborth, er enghraifft yr arolwg digonolrwydd chwarae a chwaraeon ysgol;
 - ymgynghori â'r Cyngor leuenctid;
 - sefydlu Cynghorau Chwaraeon Ysgol (i sicrhau bod y ddarpariaeth mewn ysgolion yn cyd-fynd â dymuniadau pobl ifanc). Mae gan 50% o ysgolion uwchradd gyngor chwaraeon erbyn hyn;
 - Y Cynllun Llysgenhadon Ifanc - pan fo pobl ifanc yn cydlunio ac yn cydgyflawni gweithgareddau i bobl ifanc eraill; a'r
 - Rhaglen Ysgolion Iach – pobl ifanc mewn ysgolion yn helpu i bennu blaenoriaethau'r rhaglen yn yr ysgolion.

31 Nodwyd y meysydd canlynol i'w gwella:

- gallai'r Cyngor ystyried cynnal asesiad o'r effaith ar gydraddoldeb ar lefel y cam i fod yn sicr ei fod yn gynhwysol a'i fod yn ystyried gofynion pobl ifanc o grwpiau â nodweddion gwarchodedig.

Rhan Dau: Ymateb y Cyngor

- 32 Ar ôl cwblhau ein gwaith maes, cyflwynwyd ein canfyddiadau i uwch swyddogion y Cyngor mewn gweithdy ym mis Rhagfyr 2018. Yn y gweithdy hwn dechreuodd y Cyngor ystyried ei ymateb i'n canfyddiadau ac o ganlyniad i'r trafodaethau yn y gweithdy, a rhagor o fyfrio ar ein canfyddiadau, mae'r Cyngor wedi datblygu'r camau canlynol o dan themâu penodol.

Hirdymor
Adolygu pa ddata sydd ar gael ar hyn o bryd a nodi pa wybodaeth arall sydd ei hangen i ddangos tystiolaeth o gynnydd tuag at gyflawni canlyniadau/effaith yn y tymor hirach.
Adolygu cyfleoedd i ymestyn yr amserlen cynllunio busnes, h.y. cynlluniau gwasanaeth i nodi amcanion a risgiau tymor hirach (e.e. deng mlynedd).
Nodi'r agweddau allweddol sy'n sail i gynnig hamdden hunangynhaliol.
Nodi sut i fesur gwerth cymdeithasol y gwasanaethau a ddarparwyd gan y cam.
Cynnwys
Cynnal Asesiad o'r Effaith ar Gydraddoldeb ar y cam.
Nodi a mynd i'r afael ag unrhyw fylchau yn y grwpiau/fforymau y mae pobl ifanc yn eu defnyddio i ymgynghori ac ymgysylltu i sicrhau eu bod yn gwbl gynhwysol.
Cydweithredol
Ymgysylltu'n fwy ag ysgolion er mwyn cyflawni'r buddion mwyaf posibl o ddefnyddio adeiladau ysgolion ar gyfer gweithgareddau y tu allan i oriau ysgol / buddion cymunedol.
Parhau i ymgysylltu â Chynghorau Tref a Chymuned i nodi cyfleoedd iddynt gefnogi'r Cyngor i gyflawni'r cam.
Corfforaethol
Datblygu system i ddarparu sicrwydd ar lefel gorfforaethol bod y Cyngor yn ystyried y pum ffordd o weithio yn y camau i gyflawni'r amcanion llesiant.
Datblygu proses i ddefnyddio a sefydlu'r gwersi a ddysgwyd ar draws y Cyngor.

- 33 Byddwn yn parhau i fonitro cynnydd y Cyngor wrth weithredu'r camau hyn ac i ba raddau y maent yn mynd i'r afael â'r materion a nodwyd yn ein canfyddiadau.

Atodiad 1

Dangosyddion Cadarnhaol o'r Pum Ffordd o Weithio

Mae'r tabl isod yn nodi 'dangosyddion cadarnhaol' ar gyfer pob un o'r pum ffordd o weithio yr ydym wedi'u nodi ac y byddwn yn eu defnyddio er mwyn helpu i lywio ein hasesiadau o'r graddau y mae cyrff yn cymhwyso'r egwyddor datblygu cynaliadwy. Nid ydym yn bwriadu defnyddio'r dangosyddion fel 'rhestr wirio'. Dylid eu hystyried yn 'ddangosyddion' a fydd yn ein helpu i gyrraedd casgliadau, yn hytrach na 'phenderfynyddion' o'r graddau y mae corff yn gweithredu yn unol â'r egwyddor datblygu cynaliadwy wrth gymryd camau i gyflawni ei amcanion llesiant.

Arddangosyn 1: Dangosyddion cadarnhaol o'r pum ffordd o weithio

Beth fyddai'n dangos bod corff yn cymhwyso'r ffordd hirdymor o weithio yn llawn?

- Ceir dealltwriaeth glir o ystyr 'hirdymor' yng nghyd-destun y Ddeddf.
- Mae wedi cynllunio'r cam i gyflawni'r amcan(ion) llesiant a chyfrannu at ei weledigaeth hirdymor.
- Mae wedi cynllunio'r cam i gyflawni buddion tymor byr a chanolig, sydd wedi'u cydbwysu â'r effaith yn y tymor hir (o fewn cyd-destun y prosiect).
- Mae wedi cynllunio'r cam ar sail dealltwriaeth soffistigedig o anghenion a phwysau presennol ac yn y dyfodol, gan gynnwys dadansoddi tueddiadau yn y dyfodol.
- O ganlyniad i hyn, ceir dealltwriaeth gynhwysfawr o'r risgiau a'r cyfleoedd presennol ac yn y dyfodol.
- Mae adnoddau wedi'u dyrannu i sicrhau y cyflawnir buddion hirdymor yn ogystal â rhai tymor byr.
- Ceir pwyslais ar gyflwyno canlyniadau, a nodir cerrig milltir/camau datblygu pan gaiff canlyniadau eu cyflawni yn y tymor hir.
- Mae'n agored i ffyrdd newydd o wneud pethau a allai helpu i gyflawni buddion yn y tymor hirach.
- Mae'n gwerthfawrogi gwybodaeth ac yn canlyn dulliau wedi'u seilio ar dystiolaeth.

Beth fyddai'n dangos bod corff yn cymhwyso'r ffordd ataliol o weithio yn llawn?

- Mae'r corff yn ceisio deall yr achosion sydd wrth wraidd problemau er mwyn gallu mynd i'r afael â chylchoedd negyddol a heriau ar draws cenedlaethau.
- Mae'r corff yn gweld heriau o safbwynt y system gyfan, gan adnabod a gwerthfawrogi'r buddion hirdymor y gallant eu cyflwyno i bobl a lleoedd.
- Mae'r corff yn dyrannu adnoddau i gamau ataliol sy'n debygol o gyfrannu at well canlyniadau, a gwell defnydd o adnoddau yn y tymor hir, hyd yn oed pan fo cyfyngiad posibl ar y gallu i ddiwallu rhai o'r anghenion tymor byr.
- Ceir trefniadau gwneud penderfyniadau ac atebolrwydd sy'n cydnabod gwerth camau ataliol ac sy'n derbyn gostyniadau tymor byr mewn perfformiad ac adnoddau wrth ganlyn y gwelliannau disgwyledig i'r canlyniadau a'r defnydd o adnoddau.

Beth fyddai'n dangos bod corff yn defnyddio dull 'integredig'?

- Mae unigolion ar bob lefel yn deall eu cyfraniad i gyflawniad y weledigaeth a'r amcanion llesiant.
- Mae unigolion ar bob lefel yn deall yr hyn y mae gwahanol rannau'r sefydliad yn ei wneud ac yn ceisio cyfleoedd yn rhagweithiol i weithio ar draws ffiniau sefydliadol. Caiff hyn ei efelychu yn ei waith â chyrff cyhoeddus eraill.
- Mae unigolion ar bob lefel yn cydnabod y dibyniaethau ar draws y sefydliad i gyflawni'r uchelgais a'r amcanion.
- Ceir diwylliant agored o rannu gwybodaeth.
- Ceir dealltwriaeth ddatblygedig o sut y mae'r amcanion llesiant a'r camau i'w cyflawni yn effeithio ar gyrff eraill y sector cyhoeddus.
- Mae unigolion yn gweithio'n rhagweithiol ar draws ffiniau sefydliadol i gyflawni'r cyfraniad mwyaf posibl ar draws y nodau llesiant ac i leihau'r effeithiau negyddol gymaint â phosibl.
- Mae trefniadau llywodraethu, strwythurau a phrosesau yn cefnogi hyn, ac ymddygiad hefyd.

Beth fyddai'n dangos bod corff yn cydweithredu'n effeithiol?

- Mae'r corff yn canolbwyntio ar le, cymuned a chanlyniadau yn hytrach na ffiniau sefydliadol.
- Mae gan y corff ddealltwriaeth o amcanion partneriaid a'u cyfrifoldebau, sy'n helpu i lywio gweithgareddau cydweithredol.
- Mae gan y corff berthynas gadarnhaol ac aeddfed â rhanddeiliaid, a chaiff gwybodaeth ei rhannu mewn ffordd agored a thryloyw.
- Mae'r corff yn cydnabod ac yn gwerthfawrogi cyfraniadau'r holl bartneriaid.
- Mae'r corff yn ceisio sefydlu prosesau a ffyrdd o weithio cyfrannol, pan fo hynny'n briodol.

Beth fyddai'n dangos bod corff yn cynnwys pobl yn effeithiol?

- Meddu ar ddealltwriaeth o bwy sydd angen bod yn gysylltiedig a pham.
- Myfyrio ar ba mor dda yw'r ddealltwriaeth o anghenion a heriau y bobl hynny ar hyn o bryd.
- Gweithio mewn modd cydgynhyrchiol, gweithio gyda rhanddeiliaid i gynllunio a chyflawni.
- Ystyried barn rhanddeiliaid yn ffynhonnell wybodaeth hollbwysig a fydd yn helpu i gyflawni gwell canlyniadau.
- Sicrhau y cynrychiolir yr amrywiaeth lawn o randdeiliaid a'u bod yn gallu cymryd rhan.
- Bod â pherthynas aeddfed o ymddiriedaeth â'i randdeiliaid, lle ceir dialog parhaus a chaiff gwybodaeth ei rhannu mewn ffordd agored a thryloyw.
- Sicrhau bod rhanddeiliaid yn deall effaith eu cyfraniad.
- Gofyn am adborth gan randdeiliaid allweddol a defnyddio hyn i helpu i ddysgu a gwella.

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PWYLLGOR ARCHWYLIO

22 Mawrth 2019

Pwnc:**COFNODION GRWPIAU PERTHNSAOL I'R PWYLLGOR ARCHWYLIO****Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:**

I dderbyn y cofnodion.

Y Rhesymau:

Fe nodwyd yn Amodau Gorchwyl y Pwyllgor Archwyllo bod angen derbyn cofnodion y Grwp Rheoli Risg ynghyd â materion ym mherthnasol i drefniadau sy'n ymwneud a Threfn Rheoli Corfforaethu a Threfniadau Ariannol.

Ymgynghorwyd â'r pwyllgor craffu perthnasol:

AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad: AMHERTHNASOL**Angen i'r Cyngor wneud penderfyniad:** AMHERTHNASOL**YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:**

Cynghorydd David Jenkins

Y Gyfarwyddiaeth:

Gwasanathau Corfforaethol

Enw Pennaeth y**Gwasanaeth:**

Helen Pugh

Awdur yr Adroddiad:

Helen Pugh

Swyddi:

Pennaeth Refeniw a
Chydymffurfio Ariannol

Rhif ffôn: 01267 246223**Cyfeiriad E-bost:**HPugh@sirgar.gov.uk

EXECUTIVE SUMMARY
Audit Committee
 22nd March 2019

MINUTES OF RELEVANT GROUPS TO THE AUDIT COMMITTEE	
To provide Members with minutes from supporting Governance Groups for information. The following Minutes are attached: <ol style="list-style-type: none"> 1. Grants Panel Minutes 2. Corporate Governance Group Minutes 	
DETAILED REPORT ATTACHED?	YES

IMPLICATIONS

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

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below Signed: Helen Pugh - Head of Revenues and Financial Compliance
1. Scrutiny Committee : Not Applicable 2. Local Member(s) : Not Applicable 3. Community / Town Council : Not Applicable 4. Relevant Partners : Not Applicable 5. Staff Side Representatives and other Organisations : Not Applicable
Section 100D Local Government Act, 1972 – Access to Information List of Background Papers used in the preparation of this report: THERE ARE NONE

MINUTES OF THE GRANTS PANEL MEETING HELD ON 14th NOVEMBER 2018 IN RESOURCES CONFERENCE ROOM, COUNTY HALL.		
PRESENT:	Randal Hemingway, Head of Financial Services Helen Pugh, Head of Revenues & Financial Compliance Nia Thomas, Chair of PWG, Education & Children (Revenue) Alan Howells, Chair of PWG, Environment Stuart Walters, Economic Development Manager Rhian Phillips, Economic Development Area Manager Caroline Powell, Principal Auditor, Internal Audit (IA) Delyth Thomas, Grants Compliance Officer (GCO) Kate Havard, Financial Audit Team Leader, Wales Audit Office (WAO)	
APOLOGIES:	Les James, Chair of PWG, Communities Simon Davies, Chair of PWG, Education & Children (Capital) Helen Morgan, Economic Development Manager	
	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 Internal Audit report of the Environmental & Sustainable Development Directorate Revenue Grant is still at draft stage. 	HP
	<ul style="list-style-type: none"> Confirmation has been received from the Director of Regeneration & Policy to include City Deal as a regular item on the Grants Panel agenda unless other monitoring/reporting systems are developed. 	
	<ul style="list-style-type: none"> Some Welsh Government (WG) grants are required to be audited by both IA and WAO. This matter to be discussed with the Director of Corporate Services so that it can be raised at the Welsh Treasurers Group and with WLGA. 	RH
	<ul style="list-style-type: none"> The virement of monies between projects within the Tackling Poverty Programme for 2018/19 will still need to be considered and submitted to WG for approval between the specified time periods. 	
	<ul style="list-style-type: none"> Following the review of the Integrated Care Fund Guidance 2018/19, it has been agreed that the Integrated Care Fund is a grant and will be included on the grants register. 	

	SUBJECT	ACTION
3.0	<p><u>Wales Audit Office - Update</u></p> <ul style="list-style-type: none"> The audit of the Summary Statement of Certified Welsh Government Grants has been completed by the audit deadline of 31st October 2018. An observation letter has been sent to WG stating that the application for a virement from Supporting People to Families First although submitted outside the prescribed timelines was approved by WG. An update on the audits of the claims and returns for 2017/18 was provided by WAO: <ul style="list-style-type: none"> Housing Benefits (audit deadline 30/11/18) – number of minor errors identified. The audit might overrun slightly It is anticipated that the audit of all other claims and returns will be completed by the end of November 2018. A report of the 2017/18 audits will be presented by WAO in the next Grants Panel meeting. WAO will provide an update to the next Audit Committee. WAO to provide updates on the 2018/19 audit programme as and when details are received including the possibility of output/outcomes based audits. 	<p>KH</p> <p>KH</p>
4.0	<p><u>Internal Audit - Update</u></p> <ul style="list-style-type: none"> The 2017/18 audits of Education Improvement Grant (EIG), Pupil Deprivation Grant (PDG), Supporting People, Rent Smart Wales, Homelessness Transitional Funding, Enable (Support for Independent Living) and Homelessness Prevention Grant have been completed and certified. The audit of the Post 16 grant for 2017/18 has not yet started. The audit deadline is January 2019. The quarter 1 & 2 audits of EIG and PDG for 2018/19 have not started. The offer letter for EIG has now been received from ERW and the grant awarded has been delegated to schools. The receipt of the PDG allocations and terms & conditions of grant are imminent from ERW. The delay is due to a 	

	SUBJECT	ACTION
	<p>number of queries raised by ERW to WG.</p> <ul style="list-style-type: none"> IA is currently undertaking a review of the Rural Development Programme LEADER project as part of the audit plan. IA to consider a review of the ICF programme. Information to be sought from Hywel Dda Health Board to confirm what audits have been undertaken on the programme to date from a lead perspective. 	CP
5.0	<p><u>Project Working Groups – Update</u></p> <ul style="list-style-type: none"> Minutes of PWG meetings were circulated to Grants Panel members for: <ul style="list-style-type: none"> Communities: 23/7/18 Environment: 26/9/18 	
6.0	<p><u>European Grants Update</u></p> <ul style="list-style-type: none"> A schedule of all European funded grants was presented to Grants Panel. The total estimated project costs for all projects currently running is £31.7m with a grant of £20.7m. There are additional projects in development with project costs estimated at £2.9m with a grant of approximately £2.2m. The Authority is currently engaging with Cardiff University regarding a project called Retrofit, which is an energy research project. There is a possibility of a HLF grant for Llandeilo's former market hall. Submission of a bid expected between now and the spring. 	
7.0	<p><u>City Deal Update</u></p> <ul style="list-style-type: none"> Total funding allocated for whole of the programme is £241m with £90m allocated for projects managed by Carmarthenshire County Council. 	

	SUBJECT	ACTION
	<ul style="list-style-type: none"> Governance arrangements and the Joint Committee have been formally established. High-level draft terms and conditions have been received from WG. Drafts to be forwarded to Head of Financial Services. The Director of Regeneration & Policy and the Head of Revenues & Compliance have discussed the use of the Authority's risk register which could be utilised for specific projects under the City Deal. Legal agreements between the Authority and the partners are currently being drafted. The agreement must include compliance with overarching conditions that have been put in place by WG. The output monitoring plan has been drafted which includes measures against key outcomes. Clarification to be sought regarding the role of Audit Committee and the City Deal. 	<p>RP</p> <p>RH/RP</p>
8.0	<p><u>New & Proposed Projects</u></p> <ul style="list-style-type: none"> Confirmation has been received from WG that for 2019/20 under the Flexible Working Funding programme a number of grants have been combined into two integrated grants: <ul style="list-style-type: none"> Children & Communities Grant – formerly Flying Start, Families First, Legacy Fund, Communities for Work Plus, Promoting Positive Engagement for Young People, Childcare & Play and St David's Day Fund. Housing Support Grant – formerly known as Supporting People, Homelessness Prevention and Rent Smart Wales Enforcement. <p>The Authority has not received details regarding the grant allocation for the two projects. In light of the current budget setting process it has been agreed that this is referred to the Welsh Treasurers Group and WLGA</p>	<p>RH</p>

	SUBJECT	ACTION
	<p>The overall impact to the Authority in respect of this change needs to be considered and agreed. This is to be discussed with the Director of Corporate Services and Head of Administration & Law.</p> <ul style="list-style-type: none"> WG have awarded a grant to City & Council of Swansea as the lead Authority for two Targeted Regeneration Investment Programmes (TRI) with Carmarthenshire being one of the partners. The overall estimated project cost is £10.2m with a grant of £7.1m. Within the WG settlement for 2019/20 there is an all Wales grant allocation of: <ul style="list-style-type: none"> £30m for a Social Services Grant. £15m Schools Funding Grant of which part will fund teachers professional development The Authority is still waiting for further information from WG on this. 	RH
9.0	<p><u>Grants Register 2018/19</u></p> <ul style="list-style-type: none"> PWGs to review the grants register for 2018/19 for grants awarded within their service area and provide any updates/changes to the GCO. 	All Chairs
10.0	<p><u>AOB</u></p> <ul style="list-style-type: none"> Following the last meeting the GCO contacted the Legal Section with regard to a letter to be issued with the extract from the Authority's constitution with details of the post holders who have delegated authority to sign the acceptance of grant. Further to this, it has been agreed that the Legal Section is contacted to review the delegation requirements in relation to the signing of the acceptance of grant. The Chair of the Education & Children PWG (revenue) to provide a list of officers who will be attending the grants compliance training. Training to be rolled out to the other departments in the New Year. 	<p>RH</p> <p>NT</p> <p>DT/CP</p>

	SUBJECT	
	<ul style="list-style-type: none"> • Within the WG Terms & Conditions of grant, there is a funding pre-condition that documentary evidence is provided in relation to the Authority undertaking due diligence checks, as appropriate. It has been agreed that the WG Grant Centre of Excellence be contacted to clarify what is required. • Under WG 21st Century Schools Programme, an awareness raising event for public sector delivery partners has been arranged to prepare them for the inclusion of project bank accounts as a condition of funding for business cases submitted after 1st January 2019. Feedback to be presented in the next Grants Panel meeting. • A review of the Project Grants Manual is currently underway. The revised Project Grants Manual will need to be presented to the next Grants Panel meeting prior to it being submitted to Audit Committee in March 2019 for approval. 	<p>DT</p> <p>RH</p> <p>RP/DT</p>
11.0	Date of next meeting – 2:00pm on 8 th February 2019 Resources Conference Room County Hall	

Minutes of the Corporate Governance Group

21st January, 2019

3:30 pm – 5:05 pm

DSU Meeting Room, County Hall

Present:

Cllr. David Jenkins (DJ)	Executive Board Member (Resources) (Chair)
Cllr. Mair Stephens (MS)	Executive Board Member (HR)
Paul Thomas (PT)	Assistant Chief Executive
Helen Pugh (HP)	Head of Revenues and Financial Compliance
Chris Moore (CS)	Director Corporate Services
Alison Wood (AW)	People Services Manager
Linda Rees Jones (LRJ)	Head of Administration and Law
Helen Morgan (HM)	Economic Development Manager
Gwyneth Ayers (GA)	Corporate Policy and Partnership Manager

Apologies:

Cllr. Tina Higgins	Councillor
Wendy Walters (WW)	Director Regeneration & Policy
Randell Hemingway (RH)	Head of Financial Services
John Tillman (JT)	Information Governance and Complaints Manager
Robert James (RJ)	Performance Planning & Business Officer

Item No	Discussion / Action	Responsible Officer
1.	<u>Apologies</u> As noted above.	
2.	<u>Minutes of Last Meeting and Matters Arising</u> AGREED that the above minutes were a correct record.	
3.	<u>Membership of Corporate Governance Group Review</u> Wendy Walters to remain as Core Member and Gwyneth Ayers, Helen Morgan, John Tillman and Rob James to be invited to attend future meetings in order to cover subject matters when necessary.	HP
4.	<u>Progress on 2017-18 AGS Actions</u> The Actions were updated, as noted in Appendices 1 & 2 below. AGREED that the AGS actions be completed by Managers prior to our future meetings. HP to circulate the template.	All HP

5.	<p><u>AGS Timetable for 2018/19 and Future Years</u> The AGS timetable for current and following year :-</p> <ul style="list-style-type: none"> • 2018/19 – to be completed by March 2019 • 2019/20 – the AGS will form part of the Business Plan <p>HM to notify Robert James accordingly.</p>	HM
6.	<p><u>Corporate Assessment Action Plan – Update</u> HM referred to the Annual Improvement Report for 2017/18 and confirmed that the Wales Audit Office had provided a progress report on the Corporate Assessment during August 2018 and the outcome being “no proposals for improvement”.</p>	HM
7.	<p><u>Governance of External Regulators Reports</u> LRJ to circulate the report to the group, once it's finalised.</p>	LRJ
8.	<p><u>Information Governance Update</u> The following 2 policies i.e.:-</p> <ul style="list-style-type: none"> • Data Protection and Record Management to be posted via the Intranet and would sit alongside our regulations. <p>GA to follow up.</p>	GA
9.	<p><u>CRWG – Update</u> LRJ confirmed that she was not aware of any changes being made to the constitution and a draft letter had been devised.</p>	LRJ
10.	<p><u>Governance Arrangements – City Deal</u> Timeline for the proposal is 6 months. HP and HM to touchbase to make the necessary governance arrangements.</p>	HP / HM
11.	<p><u>Any Other Business</u></p> <ul style="list-style-type: none"> • BREXIT to be an Agenda Item in our next meeting. 	HP / RM

APPENDIX 1

UPDATE ON OUTSTANDING GOVERNANCE ISSUES IDENTIFIED IN PREVIOUS ANNUAL GOVERNANCE STATEMENTS				
SOURCE	ISSUES	RESPONSIBLE OFFICER	ACTIONS/PROGRESS	STATUS
AGS 2013/14 No. 5b	Review Financial Procedure Rules and ensure Budget Managers are fully aware of their responsibilities.	Head of Audit, Risk & Procurement	Financial Procedure Rules to be updated approved by Audit Committee.	Ongoing
AGS 2014/15 No. 6	Responding to the new EU General Data Protection Regulation (GDPR) (as a replacement to the Data Protection Act 1998).	Director of Regeneration and Policy	The Authority's Data Protection Officer is working closely with ICT Services and other relevant services and departments to assess requirements and prepare for the introduction of the new regulations which take effect in May 2018. Training and support is being provided to staff as required. (New regulations came into effect during May 2018)	Ongoing
AGS 2014/15 No. 8	Monitor progress with implementing improvements in the management of Supporting People Grant.	Head Of Housing & Public Protection	Monitoring in place through quarterly 6 monthly reporting to the Audit Committee. Progress has been positive and changes have been implemented. Audit Committee now have requested 6 monthly reports. (Monitoring to be on a 6 monthly reporting basis rather than quarterly as previous).	Ongoing Still being reported to Audit Committee now on a 6 monthly basis
AGS 2015/16 No. 1	Respond to the new Well-being of Future Generations Act and develop effective working relationships to work in collaboration with PSB Partners.	Director of Regeneration and Policy	Public Services Board established in May 2016. PSB Wellbeing plan has been issued and approved.	Completed
AGS 2015/16 No. 2	Monitor compliance with Welsh Language Standards.	Director of Regeneration and Policy	New standards introduced across the Authority. Monitoring of compliance will be on-going.	Completed

UPDATE ON OUTSTANDING GOVERNANCE ISSUES IDENTIFIED IN PREVIOUS ANNUAL GOVERNANCE STATEMENTS				
SOURCE	ISSUES	RESPONSIBLE OFFICER	ACTIONS/PROGRESS	STATUS
AGS 2015/16 No. 3	To ensure an Action Plan relating to proposals for improvement raised in the Corporate Assessment 2015/16 is completed and monitored.	Director of Regeneration and Policy	A 25 point Action Plan was agreed and incorporated in our 2016/17 ARIP and this was monitored throughout the year. This Action Plan featured on the CMT and PEB dashboard. The WAO Annual Improvement Report for 2016/17 includes a follow up to the Corporate Assessment.	Completed
AGS 2015/16 No. 7	Assess and monitor the impact of the Partnership City Deal on the Authority.	Director of Regeneration and Policy	The Swansea Bay City Deal was signed off by Welsh and UK Governments on the 20 th March 2017. Carmarthenshire County Council will host the Regional Office and accountable body lead role. The Joint Committee Agreement has been unanimously signed off by all 4 authorities by July 2018.	Completed
AGS 2015/16 No. 9	Develop a new Risk & Business Continuity Strategy.	Head of Audit, Risk and Procurement	Drafted and agreed with Exec Board Member (Risk Champion) – approval process now to be followed.	Ongoing (Change ongoing to completed)
AGS 2016/17 No. 1	To ensure all agreed and valid Regulatory Recommendations and Proposals for Improvement are being actioned and monitored by departments. That a dashboard/PIMS function is developed to enable this.	Director of Regeneration and Policy	A dashboard / PIMS function has been developed to enable actions to be monitored by departments	Due date - July 2018

UPDATE ON OUTSTANDING GOVERNANCE ISSUES IDENTIFIED IN
PREVIOUS ANNUAL GOVERNANCE STATEMENTS

SOURCE	ISSUES	RESPONSIBLE OFFICER	ACTIONS/PROGRESS	STATUS
AGS 2016/17 No.2	For 2016/17 - To publish an Annual Report on 2016/17 performance and our progress on year two of our Corporate Strategy.	Director of Regeneration and Policy		Completed
AGS 2016/17 No.3	For 2017/18 <ul style="list-style-type: none"> To publicise our Well-being Objectives. to publish our Action Plans on our Well-being Objectives for 2017/18 and monitor their implementation to address the Corporate Governance expectations of the Well-being of Future Generations Act. <p>during the year continue to adopt and strengthen the 5 ways of working.</p>	Assistant Chief Executive (Regeneration and Policy)	<p>Objectives completed and published.</p> <p>Quarterly monitoring and reporting.</p> <p>Annual report incorporates year one of Well-being objectives.</p> <p>Commissioner published report.</p>	Completed
AGS 2016/17 No.4	To ensure our Well-being Objectives inform the budget setting process.	Assistant Chief Executive (Regeneration and Policy)	Key expectation of the Act – Corporate Strategy addresses how resources are matched to priorities. Being embedded	Ongoing
AGS 2016/17 No.5	To ensure improved integration of Service and Financial Planning as agreed with WAO in the Financial Planning Report.	Head of Financial Services	Business plans aligned to financial planning and performance data. Discussed at Member seminars.	Completed
AGS 2016/17 No.6	Review and monitor employment safeguarding	Director of Communities	Key perf measures considered quarterly.	Ongoing

UPDATE ON OUTSTANDING GOVERNANCE ISSUES IDENTIFIED IN
PREVIOUS ANNUAL GOVERNANCE STATEMENTS

SOURCE	ISSUES	RESPONSIBLE OFFICER	ACTIONS/PROGRESS	STATUS
	<p>processes in relation to:</p> <ul style="list-style-type: none"> • HR Record keeping in relation to safeguarding complaints and investigations relating to staff; • Provision of references for posts involved in regulated activity; <p>Pre-employment checks for posts involved in regulated activity.</p>		IA reviews arrangement again this year and identified improvement in the processes.	
AGS 2016/17 No.7	Review Recruitment and Selection Policy to ensure compliance with employment legislation and support recruitment process review.	People Services Manager	Drafted Now going through consultation. Implementation due April 2019	Ongoing
AGS 2016/17 No.8	Publish a Pay Policy by April 2018 in accordance with Section 38 of the Localism Act	Assistant Chief Executive (People Management)	Work commenced Already compliant with WG requirements	Completed
AGS 2016/17 No.9	To monitor and evaluate recommendations made by the People Performance Review Task and Finish Group	Assistant Chief Executive (Regeneration and Policy)	People Strategy Group will monitor the actions determined from their group	Completed

APPENDIX 2

GOVERNANCE ISSUES 2017/18 ACTION PLAN					
NEW GOVERNANCE ISSUES IDENTIFIED IN THIS YEAR'S ANNUAL GOVERNANCE STATEMENT					
ISSUE REF	ACTION	RESPONSIBLE OFFICER	TARGET DATE	Action / Progress	Status
AGS 2017/18 No.1	For 2017/18 - To publish an Annual Report on 2017/18 performance against our Well-being Objectives.	Director of Regeneration and Policy.	31 October 2018	Published	Completed
AGS 2017/18 No.2	For 2018/19 To publish our New Corporate Strategy that consolidates a number of plans. 1. It supersedes the 2015-20 Corporate Strategy. 2. It incorporates our Improvement Objectives as required by the Local Government Measure 2009. 3. It includes our Well-being Objectives as required by the Well-being of Future Generations (Wales) Act 2015. 4. It includes Carmarthenshire County Council's Executive Board key projects and programmes for the next 5 years as set out in 'Moving Forward in Carmarthenshire: the next 5 years'.	Director of Regeneration and Policy.	June 2018	Received Wales Audit compliance before Christmas	Completed
AGS 2017/18 No.3	To ensure our Well-being Objectives inform the budget setting process.	Director of Regeneration and Policy. Head of Financial Services.	December 2018	To undertake an exercise producing an ABC Guide for budget monitoring and to continue for future years	Ongoing

GOVERNANCE ISSUES 2017/18 ACTION PLAN					
	NEW GOVERNANCE ISSUES IDENTIFIED IN THIS YEAR'S ANNUAL GOVERNANCE STATEMENT				
ISSUE REF	ACTION	RESPONSIBLE OFFICER	TARGET DATE	Action / Progress	Status
AGS 2017/18 No.4	Publish a pay policy by April 2019 in accordance with Section 38 of the Localism Act.	Assistant Chief Executive – People Management.	April 2019	To be submitted to County Council on 6 th March, 2019 i.e. Pay Policy Advisory Panel	Ongoing
AGS 2017/18 No.5	Develop and implement pay model to accommodate national pay agreement in conjunction with trade unions.	Assistant Chief Executive – People Management.	April 2019	To be implemented 1 st of April, 2019	Completed
AGS 2017/18 No.6	Monitor and evaluate People Strategy Group/Work stream actions.	Assistant Chief Executive – People Management.	Continuous	As part of the PSGB, work streams have commenced	On going
AGS 2017/18 No.7	Introduce revised Disclosure and Barring Service checking policy.	Assistant Chief Executive – People Management.	March 2019	Went through to Executive Board on 19 th of November, 2018	Completed
AGS 2017/18 No. 8	Update the Code of Governance to ensure that it's in line with the CIPFA standards and Wellbeing of Future Generations Act.	Head of Revenues and Financial Compliance.	March 2019		Ongoing
AGS 2017/18 No.9	City Deal – monitor and assess the impact of the City Deal.	Director Regeneration & Policy. Director Corporate Services.	March 2019		Ongoing
AGS 2017/18 No.10	Post balance sheet date three companies (Llesiant, Cwm, Cartrefi Croeso) have been formed to support the service delivery for Carmarthenshire CC which are subject to clear governance structures defined in the agreed shareholders agreements	CMT	March 2019	Appointed to Governance	Ongoing

PWYLLGOR ARCHWILIO**14 RHAGFYR 2018****YN BRESENNOL:** Y Cynghorydd T.M. Higgins (Cadeirydd)**Y Cynghorwyr:**

K.V. Broom, G.H. John, A.G. Morgan, B. Thomas a D.E. Williams

Mrs J. James – Aelod Allanol â Phleidlais.

Also present as an observer:

Y Cynghorydd D.M. Jenkins – Yr Aelod o'r Bwrdd Gweithredol dros Adnoddau.

Yn bresennol o Swyddfa Archwilio Cymru:

Mr J. Garcia

Roedd y Swyddogion canlynol yn bresennol yn y cyfarfod:

Mr C. Moore	-	Cyfarwyddwr y Gwasanaethau Corfforaethol;
Ms A. Bracey	-	Pennaeth Iechyd Meddwl ac Anableddau Dysgu;
Miss H. Pugh	-	Pennaeth Refeniw a Chydymffurfiaeth Ariannol;
Mr R. James	-	Swyddog Cynllunio Perfformiad a Busnes;
Mr A. Jones	-	Swyddog Comisiynu a Chontractio;
Ms C. Powell	-	Prif Archwilydd;
Mrs M. Evans Thomas	-	Prif Swyddog Gwasanaethau Democrataidd.

Y Siambr, Neuadd y Sir, Caerfyrddin – 10:00am - 11:35am**1. YMDDIHEURIADAU AM ABSENOLDEB**

Cafwyd ymddiheuriad am absenoldeb gan y Cynghorydd E.G. Thomas, a oedd yn bresennol mewn cyfarfod arall.

2. DATGANIADAU O FUDDIANNAU PERSONOL.

Ni ddatganwyd unrhyw fuddiannau personol.

3. CYNLLUN ARCHWILIO MEWNOL 2018/19

Bu'r Pwyllgor yn ystyried adroddiad a roddai'r wybodaeth ddiweddaraf am y cynnydd a oedd yn cael ei wneud o ran gweithredu'r Cynllun Archwilio Mewnol.

Nodwyd bod Rhan A yn darparu adroddiad cynnydd ar Gynllun Archwilio 2018/19 ynghyd ag Argymhellion Matrics Sgorio. Roedd Rhan B yn grynodedb o adroddiadau terfynol wedi'u cwblhau ar gyfer 2017/18 ynghylch y prif systemau ariannol (Ebrill 2017 hyd y presennol).

Codwyd y cwestiynau/materion canlynol wrth drafod yr adroddiad:-

- Cyfeiriwyd at y ffaith bod 10 diwrnod wedi'u neilltuo ar gyfer archwilio'r Fargen Ddinesig a'r Ganolfan Lesiant a gofynnwyd i'r swyddogion sut y bydd hyn yn cyd-fynd â'r gwaith sy'n cael ei wneud gan Swyddfa Archwilio Cymru. Esboniodd y Pennaeth Refeniw a Chydymffurfiaeth Ariannol fod yr adain Archwilio Mewnol yn ymwybodol iawn o'r gwaith a wneir gan Swyddfa Archwilio Cymru ac felly'n sicrhau na fydd gorgyffwrdd. Nid yw Adrannau am i ddau set o Archwilwyr weithio ar yr un pryd. Ychwanegodd Cyfarwyddwr y Gwasanaethau Corfforaethol fod y gwaith a wneir gan Swyddfa Archwilio Cymru yn benodol iawn, ond bydd adolygiad yr adain Archwilio Mewnol yn llawer mwy seiliedig ar systemau;
- Cyfeiriwyd at y newid yn y ffordd y mae ysgolion yn cael eu harchwilio a'r ffaith bod angen i ysgolion gwblhau holiadur erbyn hyn. Esboniodd y Pennaeth Refeniw a Chydymffurfiaeth Ariannol fod yr adain Archwilio Mewnol wedi newid ei hymagwedd a'i bod wedi cyflwyno adolygiadau thematig, ac mai gwarged a diffyg ariannol yw un o'r rheiny. Anfonwyd yr holiaduron i'r ysgolion er mwyn cael gwybod am eu sefyllfaoedd presennol a byddant yn amlygu unrhyw feysydd sy'n peri pryder, a fydd wedyn yn cyflymu'r penderfyniad ynghylch yr ysgolion i ymweld â hwy.

PENDERFYNWYD YN UNFRYDOL dderbyn y wybodaeth ddiweddaraf am Gynllun Archwilio Mewnol 2018/19.

4. BLAENRHAGLEN GWAITH PWYLLGOR ARCHWYLIO

Bu'r Pwyllgor yn ystyried ei Flaenraglen Waith Flynyddol ar gyfer 2018/19 a oedd yn manylu ar yr adroddiadau i'w cyflwyno a'u hystyried mewn cyfarfodydd yn y dyfodol.

PENDERFYNWYD YN UNFRYDOL dderbyn y Flaenraglen Waith.

5. PROTOCOL ADRODD AC UWCHGYFEIRIO ARCHWILIAD MEWNOL

Bu'r Pwyllgor yn ystyried y fersiwn drafft o'r Adolygiad Archwilio Mewnol a'r Protocol Uwchgyfeirio.

Mae'r Pennaeth Refeniw a Chydymffurfiaeth Ariannol yn gyfrifol am Wasanaeth Archwilio Mewnol yr Awdurdod. Pan gynhelir arolygiadau Archwilio Mewnol ar swyddogaethau y mae'r Pennaeth Refeniw a Chydymffurfiaeth Ariannol yn bennaeth arnynt, mae'n bosibl y bydd gwrthdaro buddiannau o ran y llinellau atebolrwydd.

Mae'r adain Archwilio Mewnol yn gweithio yn unol â Safonau Archwilio Mewnol y Sector Cyhoeddus a ddaeth i rym ar 1 Ebrill 2013. Mae'r safonau proffesiynol yn mynnu bod yr adain Archwilio Mewnol yn annibynnol o'r rheolwyr a'r gweithgareddau y mae'n eu harchwilio. Mae hyn yn hanfodol er mwyn i'r adain Archwilio Mewnol weithredu'n briodol a rhoi cyngor diduedd i reolwyr. Mae Safonau Archwilio Mewnol y Sector Cyhoeddus yn gofyn bod Archwilwyr Mewnol yn cydymffurfio â chôd moeseg. Dyma'r pedair egwyddor a nodir ganddo:

- gonestrwydd;
- gwrthrychedd;
- cyfrinachedd; a
- cymhwysedd.

Mae'r fersiwn ddrafft o'r protocol yn pennu'r broses adrodd yn y tîm Archwilio Mewnol a dylai'r broses uwchgyfeirio ddilynol petai gwrthdaro buddiant yn codi, ac felly mae'n sicrhau y cydymffurfir â'r côd moeseg bob amser.

PENDERFYNWYD YN UNFRYDOL gymeradwyo'r fersiwn ddrafft o Brococol Adrodd a Uwchgyfeirio'r adain Archwilio Mewnol.

6. ARCHWILIAD MEWNOL CANOLFAN HAMDDEN LLANELLI 2017/18

Atgoffwyd y Pwyllgor ei fod, yn ei gyfarfod ar 28 Medi 2018, wedi ystyried adroddiad a roddai grynodedb o'r gwaith y cytunwyd arno a'r cynnydd sydd wedi'i wneud hyd yn hyn gan Dîm Rheoli Canolfan Hamdden Llanelli i wella'i brosesau yn dilyn Crynodeb o Archwiliad Mewnol a gyflwynwyd i'r Pwyllgor Archwilio yn ei gyfarfod ar 15 Rhagfyr 2017. Roedd y crynodeb hwnnw ar sail canfyddiadau adroddiad ehangach yn 2016/17.

Nododd y Pwyllgor fod adroddiad Archwilio Mewnol mwy diweddar wedi'i wneud yn y cyfleuster a gofynnodd i ddiweddariad pellach a gwblhawyd ym mis Awst 2018, sy'n manylu ar Archwilio Mewnol 2017/18, gael ei gyflwyno yn y cyfarfod heddiw.

Codwyd y mater canlynol wrth drafod yr adroddiad:-

- Cyfeiriwyd at y ffaith bod yr adolygiad wedi nodi bod un wedi llwyddo heb fod yn destun gwiriad DBS a gofynnwyd i'r swyddogion a oedd hyn wedi'i unioni gan yr adran cyn gynted â phosibl. Rhoddwyd gwybod i'r Pwyllgor yr aethpwyd i'r afael â'r mater hwn ar unwaith.

PENDERFYNWYD YN UNFRYDOL dderbyn yr adroddiad.

7. ADRODDIADAU CYNNYDD:-

Bu'r Pwyllgor yn ystyried yr adroddiadau cynnydd canlynol:-

7.1. CEFNOGI POBL

Bu'r Pwyllgor yn ystyried adroddiad diweddar a oedd yn crynhoi'r gwaith a wnaed hyd yn hyn gan y Tîm Cefnogi Pobl i barhau i wella ei brosesau rheoli grantiau a chontractau fel y nodir yn yr Archwiliad Mewnol o Grant Rhaglen Cefnogi Pobl 2016/17.

Nodwyd bod cynnydd da'n cael ei wneud ac y bydd yn cael ei fonitro gan y Grŵp Cynllunio Cefnogi Pobl.

PENDERFYNWYD YN UNFRYDOL

- 7.1.1 bod y cynnydd a wnaed yn y Cynllun Gweithredu Cefnogi Pobl yn cael ei nodi;
- 7.1.2 bod y Pwyllgor yn cael diweddariad ymhén 6 mis gan archwiliad yn hytrach na safbwynt yr adran.

7.2. ADRODDIAD GAN SWYDDFA ARCHWILIO CYMRU YNGLYN Â'R COMISIYNU GWASANAETHAU LLETY I OEDOLION AG ANABLEDDAU DYSGU YN STRATEGOL (MAI 2018)

Bu'r Pwyllgor yn ystyried adroddiad a oedd yn rhoi'r wybodaeth ddiweddaraf am sefyllfa'r Awdurdod mewn perthynas â'r argymhellion yn adroddiad Swyddfa Archwilio Cymru ynghylch Comisiynu Strategol y Gwasanaethau Llety ar gyfer Oedolion ag Anableddau Dysgu, a ystyriwyd gan y Pwyllgor ym mis Gorffennaf 2018.

Nodwyd y byddai'r adroddiad yn cael ei ddefnyddio fel sail ar gyfer datblygu cynllun cynaliadwy o ran llety ar gyfer oedolion ag anableddau dysgu yn Sir Gaerfyrddin ac estyn y gwaith hwn i'r maes ieuchyd meddwl.

Mae lleihau nifer y bobl yng ngofal preswyl a chomisiynu ystod o opsiynau o ran llety er mwyn gwella'r canlyniadau ar gyfer unigolion yn flaenoriaeth i'r is-adran ieuchyd meddwl/anableddau dysgu.

Tynnwyd sylw'r Pwyllgor at wall argraffu yn yr adroddiad a nodwyd y dylai brawddeg olaf paragraff 5 ar dudalen 61 ddarllen "Whilst this document will be available in the Spring..."

Gwnaed y sylwadau canlynol wrth drafod yr adroddiad:-

- Cyfeiriwyd at y ffaith bod y brif swyddogaeth wedi'i chynnwys ym maes gorchwyl y Pwyllgor Craffu - Gofal Cymdeithasol ac Iechyd. Prif broblem y Pwyllgor Archwilio yw cost y gwasanaethau hyn yn y gyllideb a gofynnwyd i'r swyddogion sut y gallai'r Pwyllgor fod yn fodlon bod yr arian sy'n cael ei wario'n cael ei wario'n gywir, o ystyried bod yna amrywiadau enfawr. Teimlwyd y dylid pwysleisio i'r Pwyllgor Craffu - Gofal Cymdeithasol ac Iechyd gynyddu'r ffocws ar y maes hwn, yn enwedig o ystyried y gwariant ar bobl sy'n defnyddio'r gwasanaethau yn Sir Gaerfyrddin. Dywedodd y Pennaeth Iechyd Meddwl ac Anableddau Dysgu wrth y Pwyllgor ei fod yn her ac mai'r unig ffordd o ymdrin ag ef yw datblygu'r farchnad a darparu ystod o opsiynau o ran tai sy'n fwy cost effeithiol.

PENDERFYNWYD YN UNFRYDOL

7.2.1 bod yr adroddiad yn cael ei dderbyn;

7.2.2 bod y Pwyllgor yn cael adroddiad diweddar pellach ymhén chwe mis.

8. CYNNYDD O RAN ARGYMHELLION YR ADRODDIAD RHEOLEIDDIO

Bu'r Pwyllgor yn ystyried adroddiad a oedd yn amlinellu'r cynnydd a wnaed o ran argymhellion yr adroddiad rheoleiddiol. Bydd yr argymhellion yn cael eu monitro a'u cofnodi bob chwarter ar gyfer y Pwyllgor Craffu.

Codwyd y cwestiynau/materion canlynol wrth drafod yr adroddiad:-

- Pan ofynnwyd sut y dywedir bod rhai o'r argymhellion yn cyrraedd y targed er nad yw'r targed yn berthnasol tan y flwyddyn nesaf, rhoddwyd gwybod i'r Pwyllgor bod yr argymhelliad yn cyrraedd y targed gan nad oes rheswm dros gredu y byddai unrhyw beth yn atal hynny rhag digwydd;
- Pwysleisiwyd pa mor bwysig yw adrodd ar sail eithriadau gan yr ystyriwyd bod hyn yn hanfodol er mwyn i'r Pwyllgor ystyried yr argymhellion hynny nad ydynt yn cyrraedd y targed, fodd bynnag, roedd yn ddefnyddiol iawn i ystyried adroddiad a oedd yn cynnwys yr holl wybodaeth, gan gynnwys yr argymhellion hynny sy'n cyrraedd y targed, gan fod hyn wedi rhoi'r darlun llawn i'r Pwyllgor.

PENDERFYNWYD YN UNFRYDOL

8.1 bod yr adroddiad yn cael ei dderbyn;

8.2 bod y Pwyllgor yn cael adroddiad cynnydd pellach ymhen 12 mis.

9. YSTYRIED Y DOGFENNAU CANLYNOL PARATOWYD GAN SWYDDFA ARCHWILIO CYMRU:-

Estynnodd y Cadeirydd groeso i'r cyfarfod i Mr Jason Garcia o Swyddfa Archwilio Cymru.

9.1. CYNGOR SIR GAERFYRDDIN DIWEDDARIAD PWYLLGOR ARCHWILIO - RHAGFYR 2018

Bu'r Pwyllgor yn ystried adroddiad a roddai'r wybodaeth ddiweddaraf am y gwaith o ran archwilio ariannol ac archwilio perfformiad oedd wedi'i wneud/yn mynd i gael ei wneud ynghylch yr Awdurdod gan Swyddfa Archwilio Cymru fel y pennir ym mis Rhagfyr 2018.

PENDERFYNWYD YN UNFRYDOL dderbyn yr adroddiad.

9.2. LLYTHYR ARCHWILIO BLYNYDDOL CYNGOR SIR GAERFYRDDIN

Bu'r Pwyllgor yn ystyried Llythyr Archwiliad Blynyddol 2017/18 a baratowyd gan yr Archwilydd Cyffredinol yn unol â'i gyfrifoldebau statudol o dan Ddeddf Archwilio Cyhoeddus (Cymru) 2004.

Roedd y Llythyr Archwiliad Blynyddol yn ymdrin â'r gwaith a oedd wedi'i wneud gan Swyddfa Archwilio Cymru ers cyhoeddi'r llythyr diwethaf ac yr oedd yn crynhoi'r negeseuon allweddol yn sgil y gwaith a wnaed i gyflawni cyfrifoldebau'r Archwilydd Cyffredinol a'r hyn yr oedd yn ystyried y dylid eu dwyn i sylw'r Awdurdod.

PENDERFYNWYD YN UNFRYDOL dderbyn yr adroddiad.

9.3. ADRODDIADAU CENEDLAETHOL SWYDDFA ARCHWILIO CYMRU

Bu'r Pwyllgor yn ystyried yr adroddiad cenedlaethol canlynol gan Swyddfa Archwilio Cymru:-

- Rheoli Effaith Brexit ar y Rhaglen Datblygu Gwledig yng Nghymru

Rhoddwyd gwybod hefyd i'r Pwyllgor fod yr adroddiadau cenedlaethol canlynol wedi cael eu cyhoeddi'n ddiweddar a'u bod ar gael ar-lein:-

- Rheoli Gwastraff yng Nghymru: Ailgyrchu Gwastraff Trefol
- Gwasanaethau Llywodraeth Leol i Gymunedau Gwledig
- Darparu Gwasanaethau Llywodraeth Leol i Gymunedau Gwledig: Cymuned Trosglwyddo Asedau
- Y Fenter Twyll Genedlaethol yng Nghymru 2016-18
- Caffael Gwasanaeth Digonol i Drin Gwastraff Gweddilliol a Gwastraff Bwyd

PENDERFYNWYD YN UNFRYDOL dderbyn yr adroddiad cenedlaethol ynghylch Rheoli Effaith Brexit ar y Rhaglen Datblygu Gwledig yng Nghymru.

10. COFNODION GRWP IAU PERTHNSAOL I'R PWYLLGOR ARCHWYLIO

PENDERFYNWYD YN UNFRYDOL dderbyn cofnodion y Panel Grantiau a gynhaliwyd ar 19 Medi 2018 a'r Grŵp Llywio Rheoli Risg a gynhaliwyd ar 23 Tachwedd 2018.

11. LLOFNODI YN GOFNOD CYWIR COFNODION CYFARFOD Y PWYLLGOR A GYNHALIWDYD AR 28 MEDI 2018

Nodwyd y dylai enw Caroline Powell, y Prif Archwilydd, fod wedi'i gynnwys yn y rhestr o'r swyddogion a oedd yn bresennol yn y cyfarfod diwethaf.

Cyfeiriwyd at gofnod 11 a'r bwriad i gynnal sesiwn anffurfiol ar gyfer aelodau'r Pwyllgor Archwilio ynghylch canfyddiadau adroddiad Swyddfa Archwilio Cymru ar "Effeithiolrwydd y Pwyllgor Archwilio" a nodwyd y cynhaliwyd y sesiwn hon ym mis Hydref.

PENDERFYNWYD YN UNFRYDOL lofnodi cofnodion cyfarfod y Pwyllgor Archwilio a gynhaliwyd ar 28 Medi 2018, gan eu bod yn gywir, yn amodol ar gynnwys y newid uchod i'r rhestr o'r rheiny a oedd yn bresennol.

CADEIRYDD

DYDDIAD

Mae'r dudalen hon yn wag yn fwriadol