

# Public Document Pack



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

Mr Dylan J. Williams  
Prif Weithredwr – Chief Executive  
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<b>RHYBUDD O GYFARFOD</b>	<b>NOTICE OF MEETING</b>
<b>PWYLLGOR LLYWODRAETHU AC ARCHWILIO</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>DYDD IAU, 8 RHAGFYR, 2022 am 2:00 y. p.</b>	<b>THURSDAY, 8 DECEMBER 2022 at 2.00 pm</b>
<b>YSTAFELL BWYLLGOR 1 AC YN RHITHIOL DRWY ZOOM</b>	<b>COMMITTEE ROOM 1 AND VIRTUALLY VIA ZOOM</b>
<b>Swyddog Pwyllgor</b>	<b>Ann Holmes 01248 752518 Committee Officer</b>

## **AELODAU / MEMBERS**

Cynghorwyr / Councillors:-

## **PLAID CYMRU / THE PARTY OF WALES**

Geraint Bebb, Neville Evans, Dyfed Wyn Jones, Eurnyn Morris (*Deputy Chair*), Margaret M. Roberts

## **Y GRWP ANNIBYNNOL / THE INDEPENDENT GROUP**

Dafydd Roberts

## **LLAFUR CYMRU/WELSH LABOUR**

Keith Roberts

## **ANNIBYNNWYR MÔN / ANGLESEY INDEPENDENTS**

Liz Wood

## **AELODAU LLEYG / LAY MEMBERS**

Dilwyn Evans (*Chair*), William Parry, Sharon Warnes, Michael Wilson

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## **A G E N D A**

**1     DECLARATION OF INTEREST**

To receive any declaration of interest by any member or officer in respect of any item of business.

**2     MINUTES OF THE PREVIOUS MEETING** (Pages 1 - 14)

To present the minutes of the previous meetings of the Governance and Audit Committee held on the following dates –

- 28 September, 2022
- 20 October, 2022

**3     REVIEW OF AUDIT WALES AND ZURICH RISK ENGINEERING REPORTS RELATING TO CLIMATE CHANGE RESPONSE IN THE PUBLIC SECTOR AND THE ISLE OF ANGLESEY COUNTY COUNCIL** (Pages 15 - 106)

To present the report of the Chief Executive.

**4     COUNTER FRAUD, BRIBERY AND CORRUPTION STRATEGY 2022-2025**  
(Pages 107 - 128)

To present the report of the Head of Audit and Risk.

**5     TREASURY MANAGEMENT MID-YEAR REVIEW** (Pages 129 - 144)

To present the report of the Director of Function (Resources)/Section 151 Officer.

**6     INTERNAL AUDIT UPDATE** (Pages 145 - 156)

To present the report of the Head of Audit and Risk.

**7     INTERNAL AUDIT CHARTER** (Pages 157 - 170)

To present the report of the Head of Audit and Risk.

**8     NATIONAL REVIEWS AND THEIR RELATED RECOMMENDATIONS** (Pages 171 - 192)

To present the report of the Head of Profession (HR) and Transformation.

**9     LOCAL CODE OF GOVERNANCE 2023-28** (Pages 193 - 218)

To present the report of the Head of Profession (HR) and Transformation.

**10    REVIEW OF FORWARD WORK PROGRAMME** (Pages 219 - 224)

To present the report of the Head of Audit and Risk.

## GOVERNANCE AND AUDIT COMMITTEE

### Minutes of the hybrid meeting held on 28 September, 2022

**PRESENT:** Mr Dilwyn Evans (Lay Member) (Chair)  
Councillor Euryrn Morris (Deputy Chair)

Councillors Geraint Bebb, Neville Evans, Dyfed Wyn Jones, Dafydd Roberts, Keith Roberts, Liz Wood.

Lay Members: Sharon Warnes, William Parry, Michael Wilson

**IN ATTENDANCE:** Director of Function (Resources) and Section 151 Officer  
Director of Function (Council Business)/Monitoring Officer  
Head of Adults' Services  
Head of Internal Audit & Risk (MP)  
IT Team Manager (MH)  
Insurance and Risk Manager (JJ)  
Principal Corporate Health and Safety Advisor (SN)  
Principal Auditor (NW)  
Committee Officer (ATH)

**APOLOGIES:** Councillors Margaret Roberts, Robin Williams (Portfolio Member for Corporate Business and Customer Satisfaction)

**ALSO PRESENT:** Alan Hughes (Performance Audit Lead – Audit Wales), Yvonne Thomas (Audit Manager Financial Audit – Audit Wales), Bethan H. Owen, (Accountancy Services Manager), Andrew Lewis (Senior Internal Auditor), Cameron Cunliffe-Timperley (ICT Cyber Security Engineer)

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#### 1. DECLARATION OF INTEREST

Mr William Parry declared a personal interest with regard to item 10 on the agenda stating that some of the clients he dealt with in his day to day employment may be in receipt of funds from the Council or elsewhere.

#### 2. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting of the Governance and Audit Committee held on 26 July, 2022 were presented and were confirmed as correct.

#### 3. ANNUAL REPORT: CONCERNS AND COMPLAINTS 2021/22

The report of the Head of Function (Council Business)/Monitoring Officer setting out issues arising under the Council's Concerns and Complaints Policy for the period 1 April, 2021 to 31 March, 2022 was presented for the Committee's consideration. The report included Social Services complaints but only those where the complainant is not a service user. Social Services user complaints are dealt with separately under the Social Services Policy – Representations and Complaints Procedure for Children and Adults which are reported to the Social Services Improvement Panel.

In response to points raised by the Committee on the contents of the report, the Director of Function (Council Business) /Monitoring Officer –

- Confirmed that the pattern and number of complaints is constant and show signs of returning to a pre Covid position, the pandemic having impacted significantly on Council activity over the course of two years.
- Clarified that the Public Services Ombudsman for Wales does write to complainants when their complaints are not deemed to reach the threshold for investigation. Usually in such cases, the PSOW is satisfied with the Council's formal response and own investigation. Both the PSOW and Council websites explain how to make a complaint and what can and cannot be looked at by the Ombudsman.
- Explained with regard to lack of communication being a common theme of complaints and the need to remind services of the importance of timely communication, that under new arrangements with the PSOW which will apply to next year's report, the same level of data that is currently being collected for complaints will be collected and reported both to the PSOW and on the Council's website in relation to expressions of concern potentially making available a richer and more comprehensive stream of information thereby providing services with a greater opportunity for learning. A change in terminology is also proposed involving the introduction of a three stage process where stage one covers the current expression of concern, stage two will be the formal complaint and stage 3 will be the escalation of a complaint to the PSOW the intention being to clarify and to obtain a greater level of information from the process. The changes will be shared with services and training will be provided.
- Advised that although the Council's performance as regards complaint handling is no longer benchmarked against that of other councils in Wales, when that was the case Anglesey Council was close to the top of the national performance table in terms of service delivery. The newly appointed PSOW in a meeting with the Council's Chief Executive expressed satisfaction with the way the Council manages complaints and the number it receives and no issues were raised. The Official from the PSOW's Office who delivered training on complaints to members of this Committee did refer to the expressions of concern data which under a new PSOW requirement it is necessary to publish. The Council will be capturing and reporting on this data next year.
- Advised that as in many other councils, complaints against aspects of service in Resources, Housing and Social Services account for the majority of the complaints received by the Council; these are services that affect people personally and as such are areas that are more likely to generate complaints.

**It was resolved that the Governance and Audit Committee accepts the report as providing reasonable assurance that the Council handles its complaints effectively and makes no recommendation in relation to the Council's ability to handle complaints effectively and in accordance with its Corporate Concerns and Complaints Policy.**

#### **4. PUBLIC SERVICE OMBUDSMAN FOR WALES ANNUAL LETTER 2021/22**

The report of the Director of Function (Council Business)/Monitoring Officer incorporating the Annual Letter from the Public Services Ombudsman for Wales (PSOW) 2021/22 was presented for the Committee's consideration. Since 2006, the PSOW has published an annual report on the work undertaken by his/her office over the previous twelve months. The PSOW also publishes a separate annual summary of performance for each council under the cover of an annual letter and makes specific requests regarding the reporting of the letter including that it be presented to the Executive and the Governance and Audit Committee to assist members in the scrutiny of the Council's performance and that their feedback be shared with the PSOW's office.

**It was resolved –**

- **To note and accept the Annual Letter from the Public Services Ombudsman for Wales (PSOW) 2021/22 without further comment.**
- **To authorise the Director of Function (Council Business)/Monitoring Officer to write to the PSOW to confirm that the Governance and Audit Committee has given formal consideration to her Annual Letter and to provide reassurance that the Council will continue to monitor complaints and thereby provide Members with the information required to scrutinise the Council's performance.**

## **5. CORPORATE HEALTH AND SAFETY ANNUAL REPORT 2021/22**

The report of the Head of Regulation and Economic Development incorporating the Corporate Health and Safety Annual Report for 2021/22 was presented for the Committee's consideration.

The Principal Corporate Health and Safety Advisor advised that the report is a statement of the Council's health and safety performance during 2021/22 and that a corporate Health and Safety Action Plan is also currently being implemented by the Council. The evidence provided by the report shows that the Council is providing appropriate standards of health and safety.

In considering the report, the Committee made the following points –

- While welcoming the information with regard to attendance at training sessions, it was suggested that it would be useful for future Health and Safety Annual Reports if the data could include the number people attending as a percentage of the number who would be expected to attend and,
- That it would also be helpful if it were easier to draw any emerging trends, patterns and/or learning points from the information presented e.g. the referrals to HSE under RIDDOR requirements at section 9 of the report.

The Principal Corporate Health and Safety Advisor advised that information provided by HR and Training shows that the Covid pandemic affected in-person training due to the restrictions that were in place at the time. While training courses are on the increase it is expected that a greater level of recovery in attendance at training sessions will be reflected in next year's annual report. With regard to RIDDOR, the Officer confirmed that the HSE took no follow-up action in relation to the RIDDOR incidents reported. In terms of there being any emerging areas requiring additional preventative action, the Corporate Health and Safety Advisor said that figures remain below pre-Covid levels as the Council continues to come out of the pandemic; although next year's report is expected to provide a truer reflection of the health and safety position, the pandemic may have led to some behavioural changes including increased awareness of health and safety.

**It was resolved to accept the Corporate Health and Safety report for 2021/22 and to endorse the recommendations therein.**

**Recommended Action – That future Corporate Health and Safety Annual reports include data on the number of people expected to attend individual training sessions as well as the number actually attending.**

## **6. COUNTER FRAUD, BRIBERY AND CORRUPTION ANNUAL REPORT 2021/22**

The report of the Head of Audit and Risk incorporating the Counter Fraud, Bribery and Corruption Annual Report 2021/22 was presented for the Committee's consideration. The report set out the activity carried out during 2021/22 to minimise the risk of fraud, bribery and

corruption within and against the Council and highlighted some of the current and emerging areas of fraud risk including those related to the Covid-19 pandemic.

In response to questions by the Committee on the contents of the report, the Head of Audit and Risk advised –

- That while the Council is committed to preventing and identifying fraud and has the policies and procedures in place to help it do so, it is not possible to provide absolute assurance across all the Council's activities that fraud is not taking place. Councils are at constant risk of fraud and regardless of prevention measures many councils will at some time experience fraud losses. The Council should continue to improve fraud awareness among staff ensuring that all staff complete the appropriate training.
- With regard to using technology to tackle fraud, the Council participates in a data matching exercise with the National Fraud Initiative whereby records are compared to identify potentially fraudulent claims and payments. In respect of insurance the Director of Function(Resources)/Section 151 Officer advised that the Council employs an external company which is involved in sharing information across the sector meaning that suspicious or recurrent claims are identified.
- While external audit in auditing the Council's financial statements, assesses the risk of the potential override of controls by management, the main tool of fraud prevention is the Council's system of internal control.
- That the Council Tax Single Person Discount is the main fraud risk area for the Council. The Director of Function (Resources)/Section 151 Officer advised that the Council engages an external company to periodically check properties where a Single Person Discount applies against other databases to identify any anomalies and/or errors. Where such anomalies are found, the Single Persons Discount claimant will be informed that the discount is being cancelled unless they can provide evidence that they are living alone.

The Committee noted the lack of up to date regional and local data about the extent of fraud and the main sectors in which it is being perpetrated as unhelpful.

**It was resolved to accept the Annual Counter Fraud, Bribery and Corruption Report for 2021 and to note the activity carried out during the year to minimise the risk of fraud, bribery and corruption occurring within and against the Council.**

## **7. ANNUAL TREASURY MANAGEMENT REVIEW 2021/22**

The report of the Director of Function (Resources)/Section 151 Officer incorporating a review of treasury management activity in 2021/22 was presented for the Committee's consideration.

The Director of Function (Resources)/Section 151 Officer summarised the main outcomes as in the 2021/22 financial year with reference to the following –

- External factors including the economic context, interest rate performance and the impact of Covid-19.
- Internal factors including the performance of capital expenditure, the impact on the reserves and cash balances, risk appetite to investments, the borrowing taken by the Council and the impact on the Capital Financing Requirement.
- The Treasury Management Strategy in 2021/22
- Controlling Treasury Management through Prudential Indicators and how these are managed
- Comparison of actual Prudential Indicators with the forecast at the beginning of the year
- Prospects for 2022/23 and beyond.

In considering the report the Committee discussed capital expenditure and the underspend on the capital budget; the Director of Function (Resources) clarified the factors involved the main one being the significant underspend on the Housing Revenue Account due to the reasons outlined. In response to a question about maintaining the Council's purchasing power he clarified how the Council's contracts position particularly its larger revenue contracts can work in the Council's favour in protecting it from inflation but only if the inflation element is short-term since most of the contracts are reviewed annually. If inflation remains high when contracts are reviewed and/or renewed then the Council will be vulnerable to higher prices. In terms of increasing yield through investment, the Director of Function (Resources) advised that with interest rates on an upward course, then opportunities for increasing return on investments are likely to be greater this year and the additional income will go some way to offset rising prices.

#### **It was resolved –**

- **To note that the outturn figures in the report will remain provisional until the audit of the 2021/22 Statement of Accounts is completed and signed off; any resulting significant adjustments to the figures included in the report will be reported as appropriate.**
- **To note the provisional 2021/22 prudential and treasury indicators set out in the report.**
- **To note the annual treasury management report for 2021/22 and forward the report to the Executive without further comment.**

#### **8. INTERNAL AUDIT UPDATE**

The report of the Head of Audit and Risk providing an update as of 31 August, 2022 on the audits completed since the previous update to the Committee in June, 2022 was presented for the Committee's consideration. The report also set out the current workload of Internal Audit and its priorities for the short to medium term going forward. Members of the Committee were provided with copies of the four pieces of assurance work completed in the period in relation to Managing the Risk of Fraud and Corruption in Procurement (Reasonable Assurance); Direct Payments (Reasonable Assurance) and IT Service Continuity (Phishing) – First Follow Up (Reasonable Assurance) and IT Vulnerability Management (Limited Assurance) under separate cover.

The Committee discussed the Limited Assurance Review in connection with IT Vulnerability Management and raised questions about the timescale for migrating devices to Microsoft Endpoint/Azure which would address some of the issues raised by the review. The Committee in noting that progress was judged to be slow and that significant risks exist in the interim raised some concern on this basis.

The IT Team Manager explained the issues involved in the migration process and confirmed that the 30 September, 2023 deadline for the task reflects what is deemed to be an accurate timeline to complete the work. While it is expected that the bulk of the work will be completed in advance of the deadline there remain some business areas which have legacy software applications that are dependent on historic deployment methods that cannot be replicated. Although the implementation date could be longer in those circumstances it applies to a small proportion of users where there is a need to complete software upgrades or migration works. Work is ongoing with those business areas and suppliers to identify solutions as well as to establish what conversion rate can be achieved when a structured plan is in place. Work has also been undertaken to put arrangements in place to ensure that changes are formally recorded and they will include a digital process which escalates changes on the

basis of risk. Any change categorised as significant with a risk to core systems will be referred to a change board within the IT section.

The Committee was also assured in the context of the ICT Service Continuity (Phishing) First Follow-Up review that cyber awareness training is being refreshed to keep pace with increasingly sophisticated cyber-attacks, and that the current training course is in the process of being renewed and will require staff to demonstrate their learning via a quiz which will provide information around pass rates and thresholds. A new training programme is also being procured to improve awareness and recognition of phishing attacks.

**It was resolved to accept the report and to note Internal Audit's assurance provision and priorities going forward.**

**Recommended action – the Committee to be provided with an update at its February, 2023 meeting, on progress with implementing the IT Vulnerability Management Action Plan.**

## **9. OUTSTANDING ISSUES/RISKS**

The report of the Head of Audit and Risk providing an update on the status of outstanding issues/risks that Internal Audit has raised was presented for the Committee's consideration.

The Principal Internal Auditor presented the report and provided an overview of its contents.

**It was resolved –**

- **To note the Council's progress in addressing the outstanding Internal Audit Issues/Risks.**
- **To support the proposal that action owners of major or amber rated issues/risks that are still not resolved 12 months after the original target date has passed, be asked to attend the Governance and Audit Committee to provide information on the reason for the delay in addressing the issue/risk.**

## **10. EXTERNAL AUDIT: DIRECT PAYMENTS FOR ADULT SOCIAL CARE**

- The report of the Auditor General for Wales with regard to Direct Payments for Adult Social Care was presented for the Committee's consideration. The report looked at how local authorities in Wales provide direct payment services to adults, examining their impact and value for money and makes ten recommendations for improvement
- The report of the Director of Social Services setting out the Social Services response to the Auditor General's report was presented for the Committee's consideration and assurance. The response took the form of an Action Plan which addressed each of the recommendations of the Auditor General's report individually.

The Head of Adults' Services confirmed that the Service recognises the advantages of Direct Payments in providing service users with choice, variety and opportunity and in offering flexibility in terms of who service users choose to employ and what task they employ them for. A dedicated Officer has been employed to promote their take up and 239 have done so to date. Since the Auditor General's report was published, Anglesey has increased its hourly personal assistance rate to £13.10 which is below the rate it would pay were the service to be commissioned externally meaning that as well as being advantageous to the individual, the Direct Payments scheme is also cost-effective for the Authority. Direct Payments policy, guidance material and website have recently been reviewed with a view to ensuring that Direct Payments are offered as an option alongside other choices and not simply when other choices are unavailable.



In response to questions by the Committee about the Direct Payments scheme and how it works, the Head of Adults' Services confirmed that Anglesey's hourly rate is around mid-level in comparison with other local authorities in Wales. The Officer advised that a third sector organisation - North Wales Advice and Advocacy has been commissioned to provide support and guidance for service users with administering Direct Payments and he clarified what this entails. Whilst individuals may wish to administrate the payments themselves they are encouraged to do so through North Wales Advice and Advocacy as this offers safeguards and an element of protection. Although it is thought that there is potential to extend the Direct Payments scheme further it is anticipated that take up will eventually level off as the scheme is not suitable for all clients.

**It was resolved –**

- **To note the report of the Auditor General for Wales in respect of Direct Payments for Adult Social Care.**
- **To acknowledge the Social Services response to the Auditor General for Wales's report arising from its national study of Direct Payments for Adult Social Care and**
- **To confirm that the Committee is reassured by the Service's response in the form of the Action Plan to the national study of Direct Payments for Adult Social Care.**

#### **11. AUDIT WALES WORK PROGRAMME AND TIMETABLE – ISLE OF ANGLESEY COUNTY COUNCIL**

The report of Audit Wales on its Work Programme and Timetable as of 30 June, 2022 was presented for the Committee's information. The report provided an update on the progress and status of Audit Wales' financial and performance audit work comprising of both planned and published studies and included the work of Estyn and Care Inspectorate Wales.

In response to a question regarding the audit of the financial statements and whether there might be any issues which might delay the completion of the audit by the end of November deadline, Ms Yvonne Thomas Financial Audit Lead, Audit Wales confirmed that the audit is ongoing and that a significant part of the work has been completed. While no issues have been identified to date some amendments have been highlighted; once the amended accounts are received by Audit Wales together with valuation information that the Council is providing which it is understood is imminent there should not be a delay in completing the audit. However, a potential issue has arisen in relation to the treatment of infrastructure assets and how these are audited – further guidance and confirmation of the final position on this matter are awaited.

The Director of Function (Resources)/Section 151 Officer advised that having agreed with Audit Wales that those areas of the accounts that can be audited be prioritised, there are two issues that are affecting all councils in Wales and most in England which relate to –

- The valuation of property, plant and equipment. Due to increasing property prices and because not all property is valued annually, concerns have been raised that the value of property may therefore be materially understated on local authority balance sheets. The Council is having to undertake further work to show that the value of its property is not understated or if it is, by how much. While discussions between Audit Wales and CIPFA regarding how councils can demonstrate this have caused some delay, Anglesey has decided to carry out a desktop valuation which is in the process of being completed following which the information will be submitted to the auditors.

- The treatment of infrastructure assets which includes roads and bridges. These have historically been valued on the balance sheet according to the expenditure on them and are depreciated over time. An issue has been raised in relation to how councils show that when part of an infrastructure asset is replaced the value of the original asset has been depreciated to zero in the accounts. Although that is the assumption, councils are being asked to provide supporting evidence which is information many councils do not hold as they do not record expenditure/value of assets in this way.

Discussions between the relevant accounting bodies to find a way forward with regard to the 2021/22 accounts (and in the case of some local authorities in England with regard to the 2020/21 accounts where this remains the outstanding issue preventing sign off) are ongoing and may delay the conclusion of the audit of accounts process. Welsh Government is considering the possibility of issuing a statutory override to the requirements of the Code of Practice in this area. However, until that is done or if the override is not issued in time the Council's 2021/22 accounts could be subject to a qualified audit opinion on the basis that they do not comply with the Code in the treatment of infrastructure assets as it stands, or while it awaits a solution to the issue, the statutory deadline for the publication of the audited accounts is missed. The Director of Function (Resources)/Section 151 Officer confirmed that the Chief Finance Officers of the 22 local authorities in Wales have as a Society of Welsh Treasurers escalated the matter to Audit Wales and Cipfa Wales and that Welsh Government is aware of their concerns having civil service representation at those meetings.

Recognising the need for a speedy resolution to the matter, the Committee expressed concern about the lack of progress in coming to a determination on how to proceed and the potential consequent impact on the audit of accounts process if a decision is not made in time for the Council to be able to meet the statutory deadline. It was emphasised that all avenues should be considered and suggestions were made about the Committee lending its voice to the representations already made or the Council via the Leader and/or Chief Executive acting in tandem with other Welsh councils to make representation directly to Welsh Ministers about the need to issue a statutory override. **To further expedite the matter, the Director of Function (Resources)/ Section 151 Officer said that he would raise the Committee's concerns at the next meeting of the Society of Welsh Treasurers Executive Group on Wednesday, 5 October, 2022.**

**The Audit Wales Programme and Timetable Update was noted.**

## **12. REVIEW OF FORWARD WORK PROGRAMME**

The report of the Head of Audit and Risk incorporating the Committee's Forward Work Programme and Training Programme for 2022/23 was presented for the Committee's consideration.

The Head of Audit and Risk highlighted that the Work Programme as presented does not reflect the addition of a meeting on 23 November 2022 to consider the Final Annual Governance Statement 2021/22 and Final Statement of the Accounts 2021/22.

**It was resolved to accept the Forward Work Programme as meeting the Committee's responsibilities in accordance with the terms of reference with the addition of the 23 November, 2022 meeting.**

## **13. EXCLUSION OF THE PRESS AND PUBLIC**

**It was considered and resolved -**

**“Under Section 100 (A) (4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item on the grounds that it involved the disclosure of exempt information as defined in Schedule 12A of the said Act and in the Public Interest Test presented.”**

#### **14. CYBER SECURITY ANNUAL REPORT 2022**

The Cyber Security Annual Report 2022 was presented for the Committee’s consideration.

The report outlined in general terms the common cyber threats that face the Council along with some of the mitigating controls and operational controls that the Council has in place to detect and prevent malicious activity. The Committee was advised that the IT Department has been implementing new technologies to aid the early detection of vulnerabilities and intrusive events. Updates to policies and procedures have also been taking place during 2021/22 which will help strengthen the investigative process when responding to incidents as will the new Incident Response Policy.

**It was resolved to accept the report as providing assurance tht the Council has reasonable measures in place to manage cyber threats to an acceptable level.**

#### **15. EXCLUSION OF THE PRESS AND PUBLIC**

**It was considered and resolved -**

**“Under Section 100 (A) (4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item on the grounds that it involved the disclosure of exempt information as defined in Schedule 12A of the said Act and in the Public Interest Test presented.”**

#### **16. STRATEGIC RISK REGISTER UPDATE**

The report of the Head of Audit and Risk incorporating the Strategic Risk Register was presented for the Committee’s consideration. The Committee was advised that no new risks have been identified and no risks have been closed since the strategic risk register was last presented to the Committee. The report highlighted three risks where changes have been made in terms of probability and impact following a review by the Strategic Leadership Team with the risk level having been revised accordingly due to factors in the economic environment and the robustness of existing mitigation measures. The report also identified the top (red/critical) residual strategic risks to the Council.

The Committee discussed the seven red/critical residual risks on the Risk Register regarding which some concern was expressed. It was asked whether these risks required extra management or actions to bring the rating down or whether the rating had been set higher than it should be. The Committee was advised that all the risks on the Risk Register have been assessed by the Leadership Team against the risk scoring matrix which sets the Council’s risk appetite. While the seven red/critical residual risks can be grouped into three essential themes covering the economy, information technology and physical assets, it is more helpful for Internal Audit purposes if they are identified separately.

The Committee accepted that some of the red/critical residual risks by their nature will always exist because being linked to people, assets, information technology and the wider economy they are a permanent part of the Council’s business and day to day operations. It might be the case therefore that the Council has to live with these risks but having been identified and assessed and regularly monitored, they can be managed to an acceptable level.

*(As the meeting had now been in progress for three hours, in accordance with the requirements of para. 4.1.10 of the Constitution the Chair asked the Members present whether they wished the meeting to continue. A majority of those Members present voted for the meeting to continue).*

**It was resolved to note the amendments made in relation to the Strategic Risk Register and to take assurance that the Leadership Team has recognised and is managing the risks to the achievement of the Council's priorities.**

**Mr Dilwyn Evans  
(Chair)**

DRAFT

## GOVERNANCE AND AUDIT COMMITTEE

### Minutes of the hybrid meeting held on 20 October 2022

- PRESENT:** Mr Dilwyn Evans (Chair)  
Councillor Euryrn Morris (Deputy Chair)
- Councillors Neville Evans, Dyfed W Jones, Dafydd Roberts, Keith Roberts, Margaret M Roberts.
- Lay Member – Mr William Parry, Mrs Sharon Warnes, Mr Michael Wilson.
- IN ATTENDANCE:** Director of Function (Resources)/Section 151 Officer,  
Director of Social Services,  
Head of Profession (Human Resources) and Transformation,  
Head of Highways, Property and Waste,  
Head of Internal Audit & Risk (MP),  
Principal Auditor (NW),  
Programme, Business Planning & Performance Manager (GM),  
Committee Officer (MEH).
- APOLOGIES:** Councillor Robin Williams (Portfolio Member for Finance,  
Corporate Business and Customer Satisfaction).
- ALSO PRESENT:** Mr Andrew Lewis – Senior Auditor
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#### 1 **DECLARATION OF INTEREST**

None received.

#### 2 **REVIEW OF THE DRAFT ANNUAL SELF-ASSESSMENT REPORT**

The report of the Head of Profession (Human Resources) and Transformation incorporating the Corporate Self-Assessment 2021/2022 was presented for the Committee's consideration.

The Head of Profession (Human Resources) and Transformation reported that the report evidences the output of the Councils corporate planning and performance management framework. The draft Annual Self-Assessment Report was initially considered by the Executive at its meeting held on 19<sup>th</sup> July, 2022 and thereafter the Governance and Audit Committee at its meeting held on 26<sup>th</sup> July, 2022 in accordance with the Constitution. She noted that amendments proposed by this meeting has been incorporated within the report and further amendments the Committee wishes to make will be presented to the full County Council on 27<sup>th</sup> October, 2022.

In considering the report, the Committee made the following points:-

- Whilst clarification has now been included within the report as regards to the increase in the reserves, questions were raised as to whether the Council is contented with the current level of reserves. The Director of Function (Resources)/Section 151 Officer said that the earmarked reserves are for potential risks and to fund specific projects. The general reserves are held at 5% of the net budget of the authority which equates to £8m. He noted that due to uncertainties in 2021/2022 following the end of the covid restrictions and also whether Welsh Government would be able to fund the additional costs, he recommended to the Executive to set the minimum balance for the end of the 2021/2022 financial year at £9m. At the end of the financial year it exceeded the minimum to £12m and this will now allow the Council to be in a better financial position to address future funding challenges it faces from 2023/2024 onwards.
- Reference was made that it should be included in the report that Internal Audit has reviewed the document rather than in the covering report.

**It was RESOLVED to recommend to the full Council at its meeting to be held on 27 October, 2022 that the Governance and Audit Committee accepts the report subject to the inclusion of the following:-**

- **That at page 20 of the report shall note that the Council are comfortable with the overall level of reserves; and**
- **That Internal Audit has reviewed the document and that it should be included within the report rather than in the covering report.**

**ACTION : As noted above.**

### **3 EXTERNAL AUDIT: SPRINGING FORWARD - ISLE OF ANGLESEY COUNTY COUNCIL**

The report of Audit Wales was presented for the Committee's consideration.

In the absence of Mr Alan Hughes, Audit Wales the following comments were read out on his behalf to the Committee:-

*'The main messages from the Springing Forward report is that it was found that more prominent consideration and application of the sustainable development principle would lead to a more complete understanding of the challenges presented by both the Council's building assets and workforce, and lead to improved visions, strategies and plans. This conclusion was reached because:-*

- *The Council understands the challenges presented by its land and building portfolio but has not yet developed a corporate vision for its assets or the associated delivery plans;*
- *The Council has rationalised and modernised part of its asset base and service delivery model, but this is not yet driven by a clear corporate vision;*
- *Defining and reviewing progress towards short, medium and longer-term objectives for its asset base will strengthen the Council's ability to transform, adapt and maintain the delivery of its services;*

- *The Council has a vision and key delivery themes for its workforce which can be strengthened by more prominent consideration of applying the sustainable development principle and further embedding the lessons learnt from the pandemic;*
- *The Council has engaged with staff and managers and is responsive to workforce challenges, it recognises the need to, and has started, the work of developing longer-term integrated strategies;*
- *The Council maintains an overview of current workforce issues but there is an opportunity to make more use of data and use benchmarking to measure the current and longer-term success of its workforce initiatives.*

The Head of Profession (Human Resources) and Transformation said that the 'Springing Forward' report summary is relevant to all 22 local authorities in Wales; not everything included in the introduction is specific and relevant to the Isle of Anglesey County Council. The Officer said that she valued the opportunity to discuss the document Audit Wales. She noted that it is encouraging that the report recognises that the Council is undertaking good practices with a recognition that the Council supports and adheres to the five ways of working detailed within the Well-being and Future Generations (Wales) Act 2015. It was important to note that the initial interviews and audit had commenced in December 2021 and a number of matters raised within the report had progressed since then. She gave an example as regards to the national recruitment issues and noted that this Council has addressed this by producing a marketing strategy together with the appointment of a specific officer to deal with marketing of vacant posts; a people strategy action plan has been implemented for 2022/2023, hybrid policy for staff which is active since 1<sup>st</sup> February, 2022, workforce strategy currently been updated.

The Head of Highways, Property and Waste said that there is reference in the report to the Corporate Asset Management Plan and it was an intention to submit this document to the Executive before the local government elections in May of this year but following instruction by the Executive, it was considered that the Plan be considered by the new administration after the elections in May. A designated officer has now been appointed to concentrate on property matters and the Corporate Asset Management Plan. He further highlighted that the responsibilities of the buildings of the Council incorporates each service within the Council with staff having been moved to the main headquarters. Work has already been done to rationalize the Council's corporate assets and that there is not much scope to do this further. The rationalization of any service assets (Schools, Libraries, and Leisure Centres etc) would be a wider matter for each service to consider. The Council has over 100 smallholdings to maintain with significant work undertaken to upgrade the smallholding estate and a 10 year plan will be submitted for consideration by the Executive in the New Year. He further said that work is undertaken through a Steering Group as regards to the use of energy, decarbonisation, reducing the energy costs due to the current energy crisis.

In considering the report, the Committee made the following points:-

- Reference was made within the External Audit report that the Council has not yet developed a corporate vision for its assets. The Head of Highways, Property and Waste responded that due to financial challenges the service is reacting to a

crisis at present that may arise within Council buildings. The appointment of a designated officer to deal with the Corporate Asset Management Plan will be responsible for the property portfolio which will deal with the development of the corporate vision of the Council's assets.

- Reference was made to the recommendations within the report as regards to the development of the use of data and benchmarking to inform planning, budget setting, and monitoring and assessing the longer-term success of its assets and workforce initiatives. Questions were raised whether the Council's services are using the data they hold to be planning ahead and to have a vision for the future. The Head of Profession (Human Resources) and Transformation responded that workforce planning is frequently seen as a Human Resources activity when in fact this is a service activity supported by Human Resources.
- Reference was made that the report needs to be relevant to the Isle of Anglesey County Council rather than to the 22 local authorities. It was noted that an Action Plan needs to be prepared to address the relevant issues raised in the report. The Head of Profession (Human Resources) and Transformation responded that many of the issues raised in the reports have been addressed. She noted within her responsibilities a strategic marketing and recruitment plan has been prepared which will be incorporated within the Council's people's strategy to deliver the services provided by the Authority.

**It was RESOLVED that an Action Plan be prepared to address the issues raised within the 'Springing Forward' report that is relevant to this Council.**

**ACTION : As noted above.**

#### **4 REVIEW OF THE FORWARD WORK PROGRAMME FOR 2022/2023**

The report of the Head of Audit and Risk incorporating the Committee's Forward Work Programme and Training Programme 2022/23 was presented for the Committee's consideration.

The Head of Audit and Risk gave an update on the Forward Work Programme and highlighted that the completing of Mandatory training for Members as seen at Appendix B is currently blank; updated version will be submitted to the next meeting of this Committee. She further said that the Risk Management training is anticipated to be undertaken in the New Year. The Head of Audit and Risk referred that it is uncertain at present whether the next scheduled meeting of the Committee to be held on 23 November, 2022 to consider the Final Annual Governance Statement 2021/2022 and Final Statement of the Accounts 2021/2022 will be convened. The Director of Function (Resources)/Section 151 Officer gave a detailed analysis of the current position to enable the Final Annual Governance Statement for 2021/2022 and Final Statement of the Accounts for 2021/2022 to the Committee.

**It was RESOLVD to accept the Forward Work Programme as meeting the Committee's responsibilities in accordance with the terms of reference.**



**MR DILWYN EVANS  
CHAIR**

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	Governance and Audit Committee
<b>Date:</b>	8 December 2022
<b>Subject:</b>	Review of Audit Wales and Zurich Risk Engineering reports relating to climate change response in the public sector and Isle of Anglesey County Council
<b>Head of Service:</b>	Dylan Williams – Chief Executive
<b>Report Author:</b>	Rhys A Williams – Climate Change Manager
<p><b>Nature and Reason for Reporting:</b>            Present the Councils' analysis of recommendations made in the Audit Wales and Zurich Risk Engineering Reports. Outline the actions identified by the Council in response to strengthen its approach to Climate Change.</p>	

## 1. Introduction

- 1.1. The Auditor General released a report in July 2022 asking: 'How is the public sector preparing to achieve the Welsh Government's collective ambition for a net zero public sector by 2030?'. The report outlines the Auditor General's conclusions based on the responses from across the public sector.
- 1.2. Concurrently, the Council commissioned a 'Climate Change Health Check' with Zurich Risk Engineering to undertake an initial assessment of the Authority's response to climate change.
- 1.3. The attached report highlights the primary messages and recommendations from both reviews and identifies changes to be implemented over the short, medium and long term so ensure the Councils response to climate change is fit for purpose.

## 2. Recommendation

- 2.1. That the Committee considers the report and takes assurance that both reports have been reviewed and changes identified to improve the Councils approach in responding to Climate Change.



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

Chief Executives Service

# Review of Audit Wales and Zurich Risk Engineering Reports

Analysis and response to reports on climate change approach in public sector and within Isle of Anglesey County Council

**Publication date:** October 2022

# **Review of Audit Wales and Zurich Risk Engineering Reports**

## **Overview**

Analysis and response to reports on climate change approach in public sector and within Isle of Anglesey County Council

## **Further information**

Please refer any enquiries about this document to:

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## 1. Introduction & Context

- 1.1. The Auditor General has committed to a long-term work programme on climate change. The Auditor General's report released in July 2022 is a baseline review which asks: 'How is the public sector preparing to achieve the Welsh Government's collective ambition for a net zero public sector by 2030?'. To inform the baseline review, 48 public bodies (WG, LAs, NHS Trusts etc), completed a call for evidence. The report outlines the Auditor General's conclusions based on the responses from across the public sector.
- 1.2. The Council submitted evidence to Audit Wales (AW) based on the template provided – coordinated by Gethin Morgan, Programme, Business Planning & Performance Manager with support from Rhys Alun Williams, Climate Change Manager.
- 1.3. Additionally, the Council recently commissioned a 'Climate Change Health Check' with Zurich Risk Engineering to undertake an initial assessment of the Authority's activities relating to climate change. A review of the recommendations from the Health Check is included in the scope of this report.
- 1.4. This Leadership Team report shall :-
  - Outline the primary recommendations from AW Report 'Public Sector Readiness' and Zurich 'Health Check Report'
  - Evaluate the Council's current Towards Net Zero Plan against those primary recommendations
  - Seek to identify short, medium and long-term actions to improve and strengthen the Council's approach (and Towards Net Zero Plan) to achieving its net zero target by 2030.

## 2. Analysis of Reports

- 2.1. The AW report targets senior leaders and those with scrutiny roles with the aim of inspiring them to increase the pace of their work to achieve the 2030 collective ambition. A second evidence report providing detailed findings and data from the evidence collected was later released and is included in Appendix A - Evidence Report for reference.
- 2.2. The overall conclusion of the AW Report (Appendix A - Report of the Auditor General) is summarised below :-
  - uncertainty about whether the public sector will meet its 2030 collective ambition.
  - common barriers to progress that public bodies must collectively address to meet the ambition of a net zero public sector by 2030.
  - public bodies are committed to carbon reduction, they must now significantly ramp up their activities, increase collaboration and place decarbonisation at the heart of their day-to-day operations and decisions.
  - organisations need to be bold and innovative and share experiences of their successes and failures.
  - the AG will not criticise organisations for taking well-managed risks to address this unprecedented challenge.
- 2.3. Supporting the overall conclusions, AW have set out five calls for action for organisations to consider with decarbonisation in the public sector. These are:

- I. Strengthen leadership and demonstrate collective responsibility through effective collaboration
- II. Clarify strategic direction and increase pace of implementation

Each call to action discusses evidence gathered and insight made and concludes with key questions senior leaders and scrutiny leaders should consider.

- 2.4. A gap analysis evaluating the Council's position against the questions raised in the AW report attached at Appendix B. The analysis considers the questions raised in each call to action and identifies potential actions where a gap is found. Additionally, the gap analysis identifies where there are links between the questions raised and the current Towards Net Zero Plan and annual action plan.
- 2.5. A gap analysis of the Zurich Report (Appendix C) evaluates its recommendations made and identifies actions where necessary. Actions like those identified from the Audit Wales report are identified as 'links to recommended actions' to avoid duplication. Similarly, links to planned activities within the Towards Net Zero plan are identified.
- 2.6. Actions identified in the gap analysis have been prioritised to short / medium / long term implementation and summarised in the recommendations below.

### 3. Conclusion

- 3.1. Overall, it is fair to conclude that the Council is on the right track with its approach to delivering net zero at this point. Adopted in March 2022, the Towards Net Zero Plan identifies the path ahead for the Council with its specific programme areas.

By analysing the recommendations from the two reports, it is possible to identify links between them and the Towards Net Zero plan e.g. Decarbonisation of assets, responding to the emergency, develop a baseline, retrofitting housing and communications.

- 3.2. This conclusion, however, must be qualified by keeping in mind that significant actions and changes are still required for the Council to realistically reach its net zero target such as:
  - Fully integrate decarbonisation thinking into the day-to-day operations of the council and how decisions are reached.
  - Full and detailed carbon accounting and integration of decarbonisation targets into business and financial planning.
  - Identify the long-term financial commitments required to reach the 2030 target.
  - Identify the skills, capabilities, and capacities needed to reach the 2030 target.

## 4. Recommendations

- 4.1. Integrate identified actions according to short, medium-term priorities into the current (22/23) and future (23/24 & 24/25) Action Plans respectively

### Short Term (Include in current Action Plan – Actioned by Climate Change Manager)

- **Monitoring** - Climate Change Manager to explore potential with relevant officers to expand clean air monitoring using the councils existing assets.

### Medium Term (Year 2 & 3 Net Zero Action Plan – Actioned by relevant officers)

#### **Leadership & collective responsibility**

- Continue to develop its net zero approach ensuring its proportional to the climate emergency i.e. management of risk, implementation, allocation of resources, governance
- Continue to bring decarbonisation into the core of day-to-day business decisions.

#### **Clarify Strategic direction & pace of implementation**

- Ensure development / update of new corporate strategies, policies reflect net zero approach.

#### **Finances & Sustainability**

- Ensure sufficient level of detail in financial statements relating to decarbonisation spending
- Identify within long term financial plans what resources and decisions are needed to reach 2030 decarbonisation targets
- Consider long term investment opportunities that offer positive contribution towards the Councils Climate goals

#### **Skills gaps & capacity** - Skills gap & future skills analysis and Plan needed to support delivery of 2030 target

#### **Data quality & monitoring to support decision making**

- Medium to long term development of carbon monitoring from the supply chain.
- Establish links between emissions monitoring, business & financial planning.

- 4.2. Include long term actions into planning for the successor Towards Net Zero Plan 25-28

#### **Clarify Strategic direction & pace of implementation**

- Aim to include greater integration of the WBFGA Act into the successor Towards Net Zero Plans.
- Ensure staff, stakeholders and citizens input into the development of the next Towards Net Zero Plan

## 5. Appendices

### Appendix A – Related Documents

- [Public Sector Readiness for Net Zero Carbon by 2030 \(audit.wales\)](#)
- [Public Sector Readiness for Net Zero Carbon by 2030 - Evidence Report \(audit.wales\)](#)
- [Zurich Climate Change Health Check Report – August 2022.](#)



## Appendix B – Gap Analysis from Audit Wales Report

<b>Short Term</b> – In current action plan	<b>Medium Term</b> – Yr. 2 or Yr3 Towards Net Zero Operational Plan	<b>Long Term</b> – Next Towards Net Zero Plan
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Audit Wales Report Questions raised within the Calls to Action	IoACC Position / Proposed Action	Implementation Term		
		Short	Medium	Long
<b>1.Strengthen your leadership and demonstrate your collective responsibility through effective collaboration</b>				
Highlighted passages outlining main messages in report. Questions posed at the end each section				
i. Are we treating the climate crisis and the need to decarbonise as a real 'emergency'?	<b>Action</b> - Continue to develop approach to ensure it is proportional to the climate emergency i.e. governance arrangements, management of risk, implementation, allocation of resources.		✓	
ii. Can we demonstrate that decarbonisation is at the core of day-to-day business decisions and operations?	<b>Action</b> - Deliver current identified schemes to bring decarbonisation into the core of day-to-day decisions e.g. policy & strategy review, carbon literacy, procurement procedures.		✓	
iii. Is the urgency and scale of the challenge well communicated by senior leaders and understood throughout our organisation?	Communications plan under development	-	-	-
iv. Do we have specific and effective scrutiny and governance arrangements for managing the journey to net zero?	See 1.i	-	-	-
v. Do we understand the main barriers to progress and how well are we collaborating to overcome them?	Link with 3.i.	-	-	-
<b>2. Clarify your strategic direction and increase your pace of Implementation</b>				
Highlighted passages outlining main messages in report. Questions posed at the end of this section below				
i. Have we set out a clear strategic approach and action plan for decarbonisation? If not, why not?	Yes – 3 Year plan with Action plan for current financial year.			
ii. Have we given due consideration to recommendations from the Future Generations Commissioner on decarbonisation, including those within the Future Generations Report 2020?	<b>Action</b> - Aim to include greater integration of the Act into the successor Towards Net Zero Plans. '25-28			✓
iii. Are we involving our staff, stakeholders and citizens in the development and delivery of our strategic approach?	<b>Action</b> - Include opportunity for staff, stakeholder and citizen input in next Towards Net Zero Plan '25-28 e.g. using place shaping structures and processes as a vehicle for engagement/participation			✓
iv. Have we collaborated with others to develop our overall approach?	Link to 2.iii			✓

Audit Wales Report Questions raised within the Calls to Action	IoACC Position / Proposed Action	Implementation Term		
		Short	Medium	Long
v. How will our approach to decarbonisation help us deliver against other strategic objectives (including well-being objectives) as well as meeting the 2030 collective ambition?	Towards Net Zero Plan is a Strategic Plan within the Council contributing to 'The Council Plan', other long term strategic plans and Services' annual Delivery Plans	-	-	-
vi. Do our other corporate strategies, policies and operations reflect the strategic approach we have set out for decarbonisation?	<b>Action</b> - Ensure development / update of new corporate strategies, capital strategy, policies reflect strategic approach set out for decarbonisation.		✓	✓
vii. Does our action plan set out clear milestones that align with the 2030 collective ambition and is it being implemented at sufficient pace?	See 5i - Implementation plan currently focusing on annual targets. Baseline development will support setting clearer evidence based targets.	-	-	-
<b>3. Get to grips with the finances you need</b>				
i. Do we know what we are currently spending on activities to help meet the 2030 collective ambition?	<b>Action</b> – Supporting the Capital Strategy, a long term cost plans required to plan activities to meet 2030 collective ambition.	✓	✓	✓
ii. Do we know how much we would need to spend to help achieve the 2030 collective ambition?	Some costings for retrofitting housing stock identified. Spending plans to be confirmed based on stock condition survey and development of WHQS2 plans	-	-	-
iii. How are we deciding how much to spend on decarbonisation?	Linking with 3i - Integrate decarbonisation costs / benefits within financial planning process and Capital Strategy.	-	-	-
iv. If we have not yet assessed the financial implications of the 2030 collective ambition, do we understand why we have been unable to?	Resources to move decarbonisation agenda forwards not in place until recently. Towards Net Zero Plan established March'22	-	-	-
v. What are we doing to collaborate with others, to understand the financial implications, and to share costs?	Regional decarbonisation groups sharing information. Some projects with regional collab approach (LEAP)	-	-	-
vi. Do our budgets and expenditure reflect the need to reduce carbon emissions urgently?	<b>Action</b> - Ensure Carbon reduction spending is identified where necessary within the Capital Strategy, budgets and expenditure.	-	✓	✓
vii. Are we setting out a good level of detail in our financial statements in relation to decarbonisation spending? (See our blog on this matter).	<b>Action</b> - Evaluate level of detail in financial statements relating to decarbonisation spending		✓	
<b>4. Know your skills gaps and increase your capacity</b>				
i. Do we know what skills are needed, both now and in the future, to ensure we can deliver against the 2030 collective ambition?	<b>Action</b> - Skills gap & future skills analysis needed to support delivery of 2030 target		✓	✓

Audit Wales Report	IoACC Position / Proposed Action	Implementation Term		
Questions raised within the Calls to Action		Short	Medium	Long
ii. Do we have a plan in place to deal with any identified skills and capacity gaps through training, recruitment or working with peers and stakeholders to share resources and expertise?	<b>Action</b> - Skills training and capacity gap plan needed to ensure delivery of 2030 target.		✓	✓
<b>5. Improve data quality and monitoring to support your decision making</b>				
i. Are we playing our part in building a system that will provide consistent, accurate, high-quality data on carbon emissions across the public sector to support transparency and scrutiny?	Building the baseline and accompanying dashboard a priority for 22/23. Initial development work will also identify data management plan need to ensure high quality data on carbon emissions	-	-	-
ii. Do we know what the existing data is telling us and what further data do we need to support decision making?	<b>Action</b> - Links between baseline and business & financial planning to be established to support decision making.		✓	✓
iii. Based on our understanding of our own data, do we have plans in place to take appropriate action?	Link with 5ii - No plans in place to take appropriate action based on data currently in place	-	-	-
iv. How can we improve our understanding of emissions resulting from our supply chain and relevant third parties?	<b>Action</b> - Long term change within council to accurately capture spend for emissions needed; and long-term engagement with supply chain needed to develop skills, understanding and capacity to fully measure emissions		✓	✓



## Appendix C – Summary & Gap Analysis of Zurich Health Check Recommendations

<b>Short Term</b> – In current action plan <b>Medium Term</b> – Yr. 2 or Yr3 Towards Net Zero Operational Plan <b>Long Term</b> – Next Towards Net Zero Plan	Actions outlined where gaps identified i.e. where there is no planned activity
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Health Check Recommendation	IoACC Position / Proposed Action	Implementation Term		
		Short	Medium	Long
<b>Culture - culture and approaches within the organisation</b>				
Climate Change Awareness (External) – consideration should be given as to how the journey towards net zero is communicated internal and externally	A Communications Plan currently included as a project in the 2022/23 Net Zero Action Plan	-	-	-
Removal of Silos and Identification of Joint Opportunities. Identify any joint opportunities in existing net zero programmes or projects to maximise benefits and opportunities – for example, clean air monitoring stations could be added to all schools’ weather monitoring equipment to increase the scale and scope of clean air monitoring	Link to internal communication plan includes information and sharing of learning.	-	-	-
<b>Financing climate change and sustainability</b>				
Financing – IoACC Director of Function (Resources) and Climate Change Manager to undertake a detailed review of all planned net zero / climate mitigation related, followed by a review of the long-term financial plan identifying investments and key financial decisions and milestones towards the 2030 target.	Link to recommended action to develop long term cost plans to identify planned activities to deliver net zero	-	-	-
Future Investment strategies – IoACC operates a traditional approach to financial investment. It may be worth in future considering whether these investment opportunities offer an alternative to the Council aligned to its own sustainability goals	<b>Action</b> – Consider long term investment opportunities that offer positive contribution towards the Councils Climate goals.		✓	✓
<b>Monitoring</b>				
Financing – Building on previous retrofitting success, Property Services to develop a long-term detailed plan of how all assets will / could be converted to net zero by 2030. There is also the financial funding aspect to consider as part of this detailed evaluation exercise.	Link with recommended actions to proposed long term net zero financial forecast and Assets Management Plan.	-	-	-
Wellbeing of Future Generations Act 2015 – revisions of the Corporate Plan / Towards Net Zero plan should align and encompass the Wellbeing of Future Generations Act 2015.	Linked with identified action to ensure clearer use of the WBFGA into the successor Towards Net Zero Plan.	-	-	-



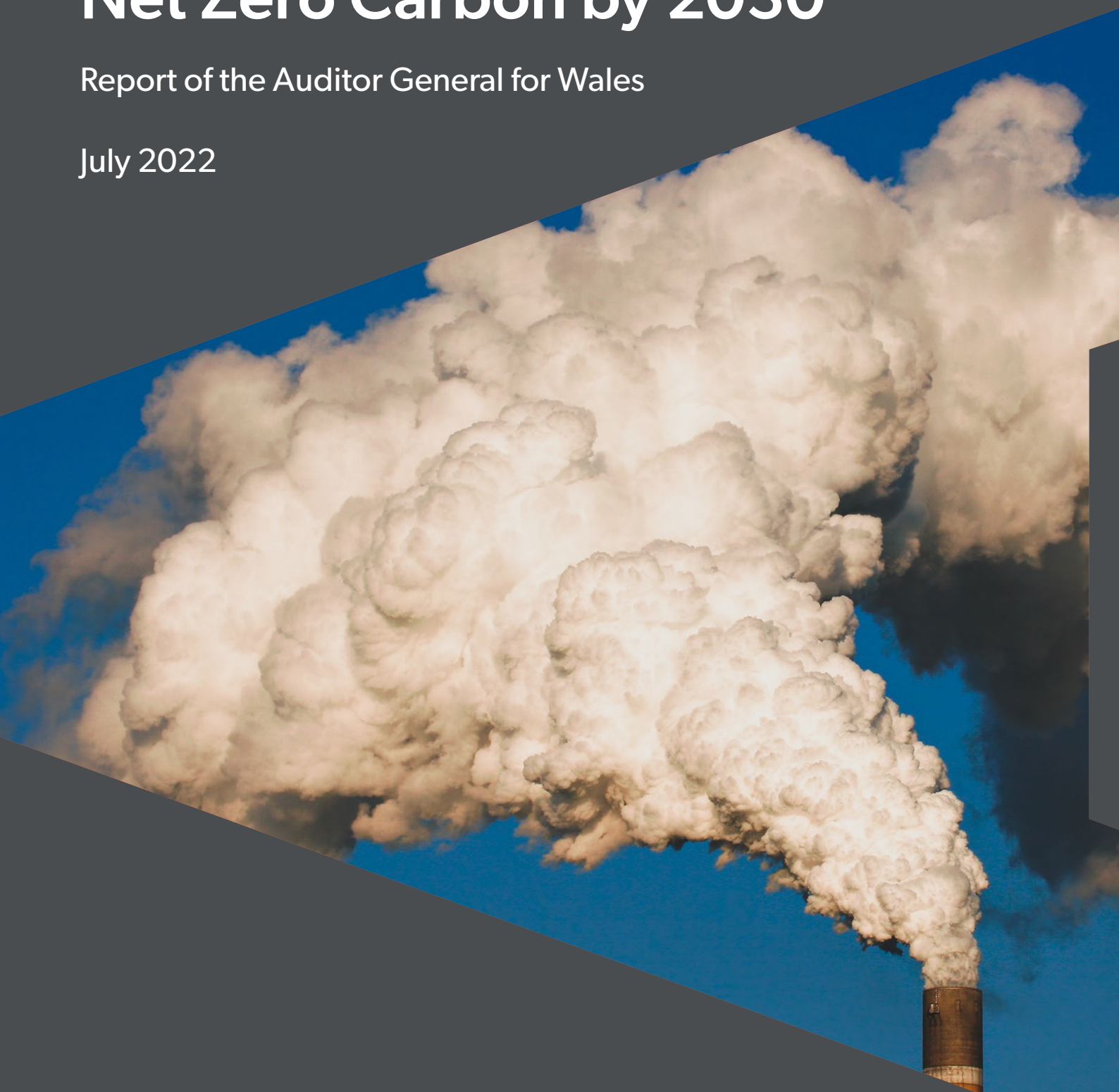
Health Check Recommendation	IoACC Position / Proposed Action	Implementation Term		
		Short	Medium	Long
Clean Air Monitoring – there are currently a set number of clean air monitoring stations located across Anglesey. Monitoring stations located at schools across the Island may be an opportunity to increase clean air monitoring capacity. Climate Change Manager to explore potential	<b>Action</b> - Climate Change Manager to explore potential with relevant officers to expand clean air monitoring using the councils existing assets.	✓		
<b><u>People &amp; Training</u></b>				
Resources – specialist climate related professionals and skills and knowledge in key service areas is in short supply or not currently funded whilst the introduction of trainees roles has supported the gaps. The Council should evaluate whether the current workforce model will be sufficient to deliver the planned net zero changes.	Link recommendation with identified skills gaps & capacity analysis and plan.	-	-	-
Training & Awareness – the Climate Change Manager should issue regular communications to all staff, officers and elected members of progress against delivery schedules / timelines and completion trajectories. This should feature as part of the wider Carbon Literacy Training included within the Executive Summary.	Training – link with Carbon Literacy and wider training program delivered.  Communications – addressed by internal communications plan	-	-	-
<b><u>Projects, partners &amp; supply chain</u></b>				
Contracts / Suppliers – it is recommended that all existing, at point of renewal or new contracts are checked and aligned to meet or progress towards internal targets for climate change and net zero aspirations.  The Climate Change Manager should be made aware of contract expiry dates and have input / oversight of potential climate change / net zero solutions proposed or agreed with third parties. Working with the Corporate Procurement Manager, the Climate Change Manager can identify a potential road map for identifying and reducing emissions from purchased goods and services / engagement across the Councils supply chain.	Link with existing review and update of - procurements policies and procedures included within current Towards Net Zero Plan.	-	-	-



# Public Sector Readiness for Net Zero Carbon by 2030

Report of the Auditor General for Wales

July 2022



This report has been prepared for presentation to the Senedd under the Government of Wales Act 2006, the Public Audit (Wales) Act 2004 and the Well-being of Future Generations (Wales) Act 2015.

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

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

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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# Detailed report

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## Background

- 1 Climate change is one of the world's defining challenges and it requires immediate action from everyone. A landmark [report](#) by the United Nations in August 2021 said that human activity is changing our climate in unprecedented ways and that drastic reductions in carbon emissions are necessary.
- 2 The latest climate projections for Wales show an increased chance of milder, wetter winters and hotter, drier summers, rising sea levels and an increase in the frequency and intensity of extreme weather events. The implications are clearly stark.
- 3 A crucial way to mitigate the impacts of climate change is to reduce carbon emissions. In March 2021, following advice from the Climate Change Committee<sup>1</sup> in December 2020, the Welsh Government set new [targets](#) for a 63% carbon reduction by 2030, an 89% reduction by 2040, and a 100% reduction by 2050<sup>2</sup>. In addition, the Welsh Government set out a more challenging collective ambition for the Welsh public sector<sup>3</sup> to achieve net zero carbon by 2030 (the 2030 collective ambition).
- 4 In June 2021, the Welsh Government published its [Programme for Government 2021-2026](#) which puts tackling the climate and nature emergencies at the heart of the new government. The Programme for Government also makes a series of commitments to embed a response to climate change in everything the Welsh Government does.

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1 The Climate Change Committee (CCC) is an independent, statutory body established under the Climate Change Act 2008. Its role is to advise the UK governments on emissions targets and to report on progress made in reducing greenhouse gas emissions and preparing for and adapting to the impacts of climate change.

2 Net zero does not mean eliminating greenhouse gas emissions but balancing the greenhouse gas emissions with the amount of gases being removed from the atmosphere.

3 The Welsh Government's definition of the 'public sector' in this case covers 65 bodies as set out in Appendix 2 of the [Welsh Government, Public sector net zero data: baseline and recommendations, June 2022](#).

- 5 The Welsh Government has also published Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector (the public sector route map) to support the Welsh public sector in achieving the 2030 collective ambition. Alongside the public sector route map, the Welsh Government published the net zero reporting guide and associated spreadsheet to allow the public sector to capture and report emissions on a consistent basis.
- 6 The Auditor General has committed to carrying out a long-term programme of work on climate change. Our first piece of work is a baseline review that asks: ‘**How is the public sector preparing to achieve the Welsh Government’s collective ambition for a net zero public sector by 2030?**’. To inform the baseline review, 48 public bodies, including the Welsh Government, completed a call for evidence. **Appendix 1** explains our audit approach and methods.
- 7 We are publishing two reports to share our findings:
  - **this key findings report:** this report targets senior leaders and those with scrutiny roles in public bodies, with the aim of inspiring them to increase the pace of their work on achieving the 2030 collective ambition. We have included questions at the end of each section of this report for organisations to reflect on. While these questions are not exhaustive, they provide important pointers for organisations to consider.
  - **evidence report – to follow:** a report that will provide more detailed findings and data from the call for evidence and our wider work.

## Overall conclusion

- 8 There is clear uncertainty about whether the public sector will meet its 2030 collective ambition. Our work identifies significant, common barriers to progress that public bodies must collectively address to meet the ambition of a net zero public sector by 2030. And while public bodies are demonstrating commitment to carbon reduction, they must now significantly ramp up their activities, increase collaboration and place decarbonisation at the heart of their day-to-day operations and decisions. Organisations need to be bold and innovative and share experiences of their successes and failures. The Auditor General will not criticise organisations for taking well-managed risks to address this unprecedented challenge.
- 9 We have set out five calls for action for organisations to tackle the common barriers to decarbonisation in the public sector. These are:



1 Strengthen your leadership and demonstrate your collective responsibility through effective collaboration



2 Clarify your strategic direction and increase your pace of implementation



3 Get to grips with the finances you need



4 Know your skills gaps and increase your capacity



5 Improve data quality and monitoring to support your decision making

- 10 We are not making specific recommendations given the high-level nature of our review. However, we encourage public bodies to consider the messages in this report, and through their internal governance structures, set out publicly how they intend to respond to the calls for action.

## Calls for action



### Strengthen your leadership and demonstrate your collective responsibility through effective collaboration

- 11 The Welsh Government showed leadership when it declared a climate emergency in 2019. Many of the other public bodies have followed suit, for example, 18 out of 22 Welsh councils have now declared a climate emergency.
- 12 The Welsh Government also demonstrated leadership when it set the 2030 collective ambition and in May 2021 when it established a new Ministerial portfolio for climate change. A related change to the Welsh Government's organisational structure came into effect from 1 April 2022.
- 13 We have found considerable activity by public bodies, supporting the move towards decarbonisation. So, public bodies are clearly taking this agenda seriously.
- 14 Despite this, they must do more because there is considerable uncertainty (and clear doubt from some organisations) about whether the 2030 collective ambition will be met. In the NHS, we found uncertainty that even a 34% reduction in emissions would be achieved across that sector<sup>4</sup>. Bodies told us about significant barriers to progress in decarbonising, such as difficulties in translating strategy into action, uncertainty about finances, a lack of skills and capacity, and issues with decarbonisation data. These matters are discussed throughout this report.
- 15 Now is the time for bold leadership. Public bodies must reduce carbon emissions from their estates, from their services, and from the goods and services they procure. On top of that, they must adopt a wider leadership role in championing the decarbonisation agenda in all sectors within the communities they serve to work towards a 'just transition'<sup>5</sup>.
- 16 Public bodies will need to demonstrate stronger collective leadership because collaboration between organisations will be critical to achieving the 2030 collective ambition. Some respondents told us that a wholesale change of thinking is required, with a more co-ordinated and joined-up approach across the public sector.

4 The NHS Wales Decarbonisation Strategic Delivery Plan sets out 46 initiatives that are estimated to reduce carbon emissions by 34% by 2030.

5 A 'just transition' means taking action on climate change and greening the economy in a way that is as fair and inclusive as possible to everyone concerned. Policy 1 in [Net Zero Wales Carbon Budget 2 \(2021-2025\)](#) sets out the Welsh Government's views on a just transition.

- 17 Several cross-organisational panels and programme boards already exist to collaborate on climate issues including decarbonisation. And while public bodies expressed largely positive views about the way they are collaborating, there was also recognition that these efforts need to be ramped up. There is a collective responsibility on the public sector to make existing structures work. Public bodies also need to consider what additional collaboration is needed within sectors and across the public sector.
- 18 Senior leaders must do more to demonstrate they fully grasp the urgency and scale of the challenge and clearly identify this as a top priority for their organisation if they are to achieve their ambitions. Decarbonisation (and wider climate risks) must be at the core of day-to-day business decisions and operations. This agenda must be integrated into all services and operations, so that decarbonisation is delivered alongside other outcomes.
- 19 The frameworks provided by the Well-being of Future Generations (Wales) Act 2015 (including public services boards and the setting of well-being objectives) can be used to help organisations decarbonise. Application of the sustainable development principle in key areas such as procurement, workforce planning and finance will also help delivery of the decarbonisation agenda.
- 20 Those charged with governance and scrutiny roles in individual organisations need to support the direction of travel while at the same time challenging whether enough is being done.

### Questions that senior leaders and those who scrutinise them may want to ask

- Are we treating the climate crisis and the need to decarbonise as a real 'emergency'?
- Can we demonstrate that decarbonisation is at the core of day-to-day business decisions and operations?
- Is the urgency and scale of the challenge well communicated by senior leaders and understood throughout our organisation?
- Do we have specific and effective scrutiny and governance arrangements for managing the journey to net zero?
- Do we understand the main barriers to progress and how well are we collaborating to overcome them?

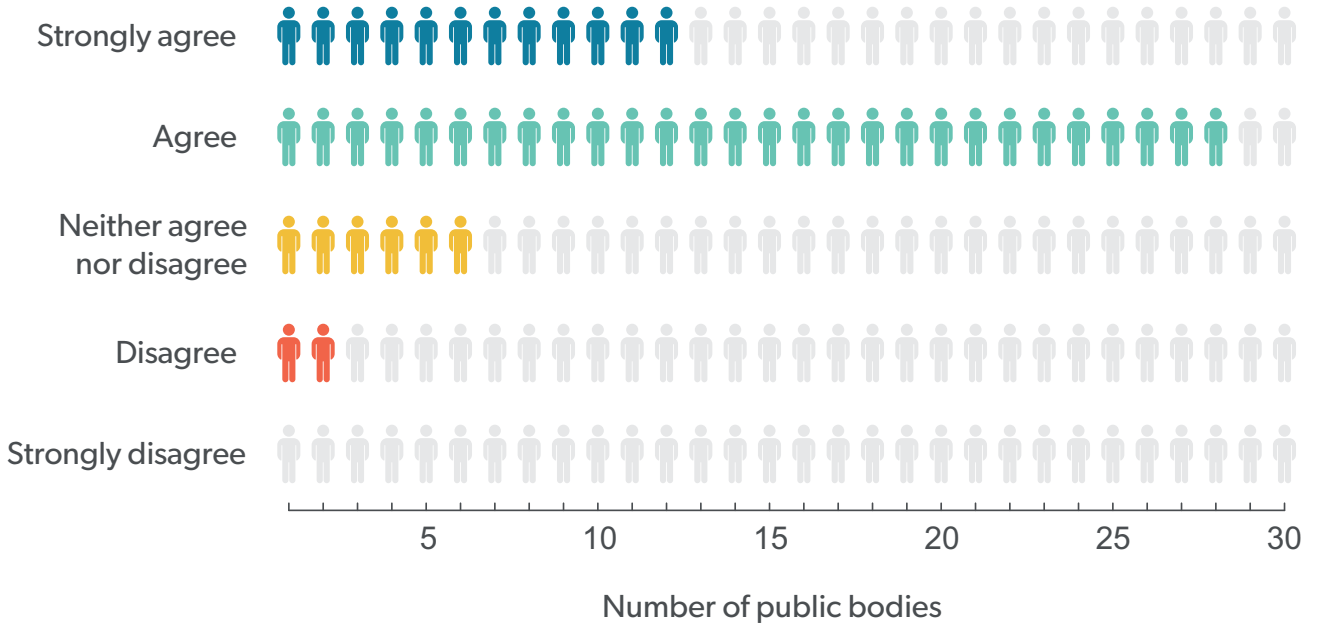




## Clarify your strategic direction and increase your pace of implementation

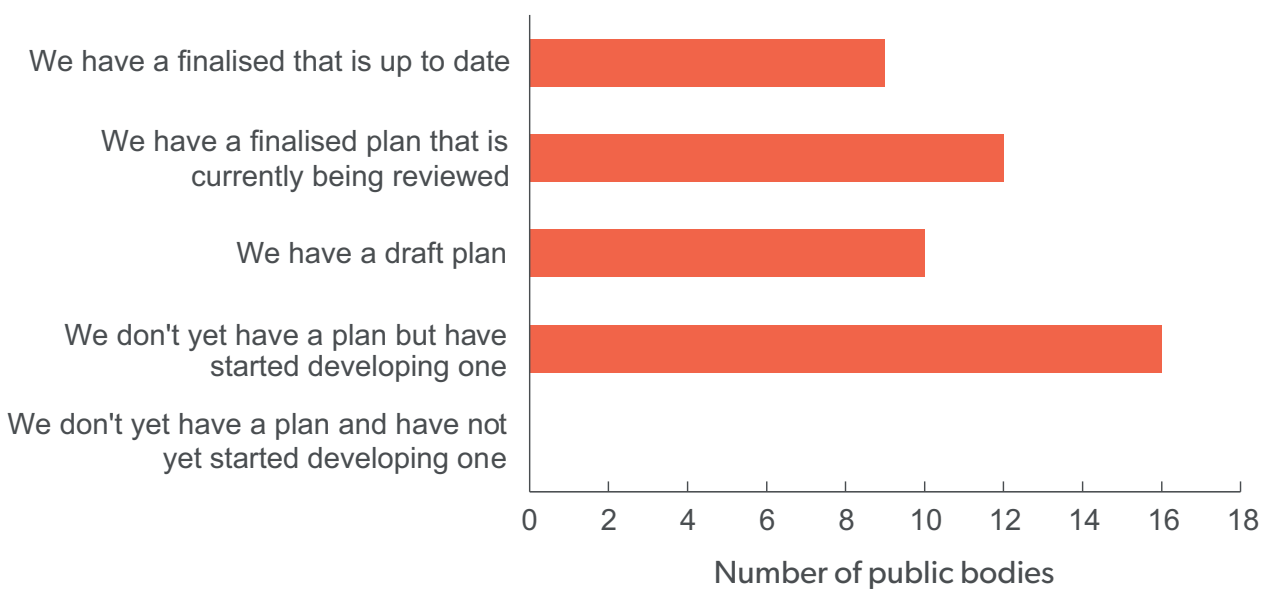
- 21 To deliver the 2030 collective ambition, it is essential that Wales has clear, joined-up, integrated strategies across the public sector. The action plans resulting from those strategies will also have to be implemented at pace.
- 22 In response to our call for evidence, public bodies were generally positive about the strategic direction set out by the Welsh Government and that it had been communicated well through the [public sector route map \(Appendix 3\)](#). In response to our question about the extent to which they were using the public sector route map, most public bodies said they were using it, to varying degrees, and only five said they were not.
- 23 Despite generally positive views about the national strategic direction, public bodies want more help to translate the strategy into action. Several organisations told us that while the public sector route map provides a high-level template, they need more clarity, support and guidance on how to decarbonise.
- 24 The Welsh Government told us that it deliberately designed the public sector route map to be a high-level framework to assist public bodies in developing local solutions based on individual circumstances, rather than a one-size-fits-all approach. The Welsh Government is providing other forms of central assistance on decarbonisation, including support through the [Welsh Government Energy Service](#), grant funding for various programmes and funding of the [Welsh Local Government Association transition and recovery support programme](#).
- 25 Some sector-specific guidance is available to support public bodies to translate the vision into action. For the NHS, the Carbon Trust and the NHS Wales Shared Services Partnership have set out more detailed actions in the [NHS Decarbonisation Strategic Delivery Plan](#). In local government, the Welsh Local Government Association is developing more tailored support and guidance for councils.
- 26 Overall, our work has shown that public bodies are at very different stages in setting out their action plans for decarbonisation. While **Exhibit 1** shows most public bodies feel they have set a clear strategic direction, **Exhibit 2** shows that just over a third of organisations did not have a decarbonisation plan at the time of our call for evidence. All organisations had at least started to develop their plan, and under Welsh Government policy they have until April 2023 to develop one.

**Exhibit 1: public bodies’ responses to the statement, ‘Our organisation has set a clear strategic direction to support the achievement of the 2030 carbon reduction targets’**



Source: Audit Wales call for evidence

**Exhibit 2: status of public bodies’ action plans**



Note: One public body did not respond to this question.

Source: Audit Wales call for evidence

- 27 The public sector route map sets out milestones for 2021-22, during which the Welsh Government expects the public sector to be 'moving up a gear'. The Welsh Government considers there has been good progress and the public sector is picking up the pace. However, the Welsh Government recognises there is still significant work to be done and to date, the public sector has not fully achieved the 'moving up a gear' milestones.

### Questions that senior leaders and those who scrutinise them may want to ask

- Have we set out a clear strategic approach and action plan for decarbonisation? If not, why not?
- Have we given due consideration to recommendations from the Future Generations Commissioner on decarbonisation, including those within the Future Generations Report 2020<sup>6</sup>?
- Are we involving our staff, stakeholders and citizens in the development and delivery of our strategic approach?
- Have we collaborated with others to develop our overall approach?
- How will our approach to decarbonisation help us deliver against other strategic objectives (including well-being objectives) as well as meeting the 2030 collective ambition?
- Do our other corporate strategies, policies and operations reflect the strategic approach we have set out for decarbonisation?
- Does our action plan set out clear milestones that align with the 2030 collective ambition and is it being implemented at sufficient pace?



6 The Future Generations Commissioner for Wales, Future Generations Report 2020, May 2020.

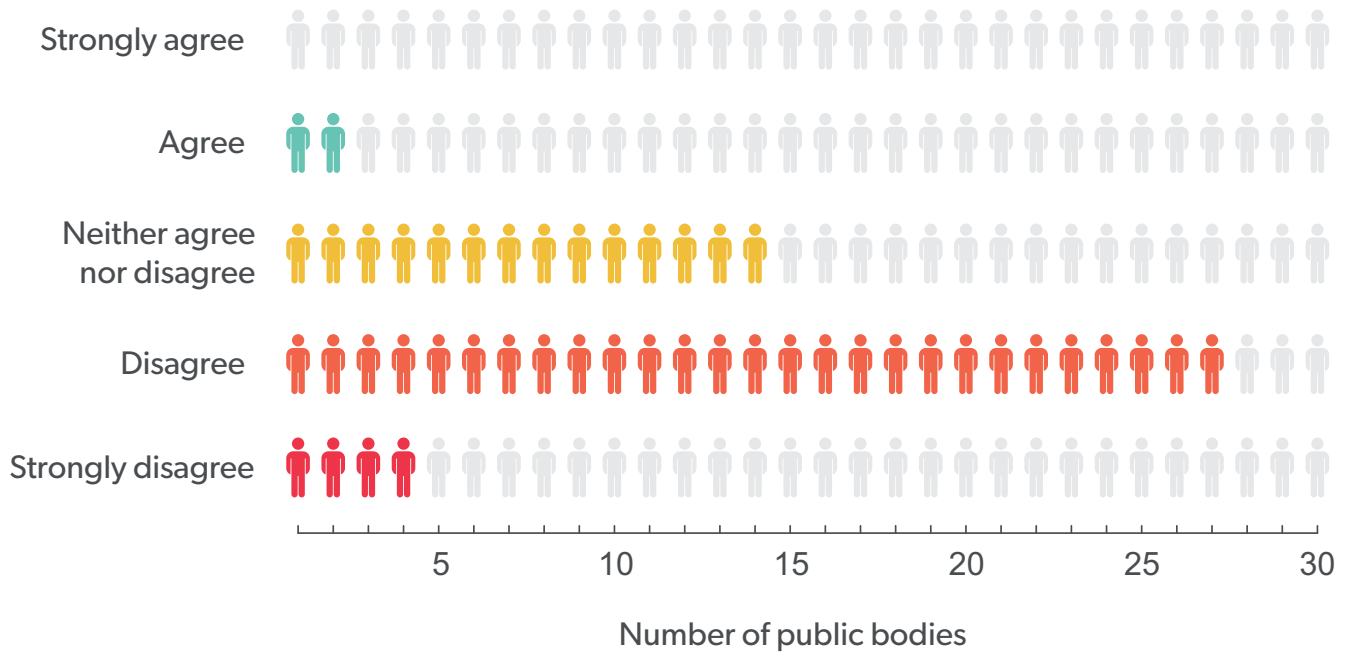




## Get to grips with the finances you need

- 28 Public bodies need to plan their finances in such a way that they can deliver their decarbonisation strategies and action plans. This will require long-term planning because decarbonisation will need investment for many years. It will also require immediate expenditure because if the 2030 collective ambition is to be met, urgent action is essential.
- 29 Public bodies recognised that significant investment in decarbonisation will be required, particularly for upfront infrastructure costs. But they were uncertain about where the funding for this investment would come from. The Welsh Government is providing funding to public bodies in various ways, but it has said it cannot fund everything. Public bodies will therefore need to think carefully about how they can use their existing funding in different ways, explore potential additional funding opportunities and consider how they might share costs with partner organisations.
- 30 Overall, public bodies told us that finances are a significant barrier to achieving the 2030 collective ambition. This is because of uncertainty in relation to the long-term additional funding they will have available to them, and about difficulties in getting to grips with the costs of decarbonising. **Exhibit 3** shows that most public bodies have not fully assessed the financial implications of the 2030 collective ambition. In some cases, this is because they have not yet set out a clear set of actions and activities to achieve net zero.

**Exhibit 3: public bodies' responses to the statement, 'Our organisation has fully assessed the financial implications of meeting the 2030 carbon reduction targets'**



Note: One public body did not respond to this question.

Source: Audit Wales call for evidence

### Questions that senior leaders and those who scrutinise them may want to ask

- Do we know what we are currently spending on activities to help meet the 2030 collective ambition?
- Do we know how much we would need to spend to help achieve the 2030 collective ambition?
- How are we deciding how much to spend on decarbonisation?
- If we have not yet assessed the financial implications of the 2030 collective ambition, do we understand why we have been unable to?
- What are we doing to collaborate with others, to understand the financial implications, and to share costs?
- Do our budgets and expenditure reflect the need to reduce carbon emissions urgently?
- Are we setting out a good level of detail in our financial statements in relation to decarbonisation spending?  
(See [our blog](#) on this matter).





## Know your skills gaps and increase your capacity

- 31 Within public bodies it is everyone's responsibility to take action towards the 2030 collective ambition. Delivering that ambition will require public bodies to have staff in place with some specialist expertise. Our work found enthusiasm to deliver, but we also found widespread capacity issues and skills gaps. Skills gaps in relation to decarbonisation are not unique and are symptomatic of a wider challenge across the public sector. For example, in our [Picture of Public Services 2021](#) report, we highlight that staffing numbers have fallen and skills deficits have emerged.
- 32 Public bodies told us their resources are stretched in delivering their core services, and they are lacking specialist skills in carbon reduction and in monitoring carbon emissions. In addition, the complex nature of the field means that bodies are competing for limited expertise and knowledge.
- 33 Public bodies need to understand the staff capacity and skills they have in place through robust workforce planning. Training will play a crucial role in ensuring staff understand their decarbonisation responsibilities and are best equipped to deal with the task at hand. There is also an opportunity to share the knowledge, expertise and capacity that exists within the public sector as well as the private and third sectors.

### Questions that senior leaders and those who scrutinise them may want to ask

- Do we know what skills are needed, both now and in the future, to ensure we can deliver against the 2030 collective ambition?
- Do we have a plan in place to deal with any identified skills and capacity gaps through training, recruitment or working with peers and stakeholders to share resources and expertise?





## Improve data quality and monitoring to support your decision making

- 34 Public bodies need to understand where their emissions are coming from so they can check if they are making progress. We found that data issues are a major barrier to having a shared understanding of the problem and to taking strategic decisions about the solutions.
- 35 Carbon emissions monitoring and reporting is a complex and rapidly developing area worldwide. The Welsh Government has published a common reporting methodology for public bodies to report their emissions through the [Welsh Public Sector Net Zero Reporting Guide](#) and the net zero reporting spreadsheet. In doing so, the Welsh Government is trying new ways of improving emissions data. Welsh public bodies responded by putting new arrangements in place and by submitting their first set of annual data in October 2021.
- 36 The Welsh Government commissioned independent consultants, to review the first submission of emissions data from public bodies and in June 2022, the Welsh Government published the consultancy report in full. The report<sup>7</sup> provides the first estimate of the full range of emissions by the public sector in delivering services for the people of Wales. The report states that the figures include significant uncertainty, particularly in relation to supply chain emissions, and that the data has not been thoroughly audited. The figures suggest emissions across Wales for the public sector reduced by 5% between 2019-20 and 2020-21.
- 37 In response to our call for evidence, public bodies recognised the usefulness of having a common reporting methodology. However, some responses pointed to concerns over some calculation methods, particularly regarding supply chain and land use, and called for further clarity of definitions to ensure consistent interpretation and reporting. Some responses also noted that existing systems were not able to capture the required data, and had to be updated, or new systems had to be put into place. This was often time consuming and resource intensive. NHS bodies also raised concerns about duplication with existing reporting arrangements on carbon emissions.

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7 [See Footnote 3.](#)

- 38 It is important to get the data right because this information will underpin decision making and monitoring of progress for decades to come. However, we acknowledge this is the first year of the new arrangements to report a complex issue and the Welsh Government is committed to developing the guidance further to address the issues identified in the consultancy report (**paragraph 36**) and to reflect wider feedback. The Welsh Government published revised [reporting guidance](#) in July 2022. We also acknowledge that while there are concerns about supply chain data, the requirement to report this data reinforces the findings from previous studies that show the importance of reducing emissions from procurement and the supply chain<sup>8</sup>.

#### Questions that senior leaders and those who scrutinise them may want to ask

- Are we playing our part in building a system that will provide consistent, accurate, high-quality data on carbon emissions across the public sector to support transparency and scrutiny?
- Do we know what the existing data is telling us and what further data do we need to support decision making?
- Based on our understanding of our own data, do we have plans in place to take appropriate action?
- How can we improve our understanding of emissions resulting from our supply chain and relevant third parties?



<sup>8</sup> [Welsh Government, A route map for decarbonisation across the Welsh public sector \(Appendix A\), May 2021.](#)



# Appendices

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- 1 Audit approach and methods**
- 2 Legislative and policy framework underpinning decarbonisation**
- 3 The public sector route map and reporting guide**

# 1 Audit approach and methods

In November 2021, we issued a call for evidence to 48 public bodies, asking questions about their baseline position in achieving the 2030 collective ambition. Most public bodies responded in the period December 2021 to January 2022. We sent the call for evidence to the bodies covered by the [Well-being of Future Generations \(Wales\) Act 2015](#) at the time. This included all principal councils, fire and rescue authorities, national park authorities, health boards and NHS trusts, and the larger Welsh Government sponsored bodies.

We also sent the call for evidence to the Welsh Ambulance Services NHS Trust, Digital Health and Care Wales, and Health Education and Improvement Wales to ensure we had a more complete picture across the NHS. We also sent the call for evidence to NHS Wales Shared Services Partnership (NWSSP), which is an independent mutual organisation, owned and directed by NHS Wales, that delivers a range of services for and on behalf of NHS Wales. NWSSP is hosted by and operates under the legal framework of Velindre University NHS Trust, which is itself covered by the Well-being of Future Generations (Wales) Act 2015.

We received responses from all bodies that were sent the call for evidence, although in a small number of instances not all questions were answered. Where questions were not answered by all public bodies, this is set out in a note to each relevant graph.

To inform our work, we held discussions with relevant stakeholders including the Welsh Government, the Office of the Future Generations Commissioner for Wales, representatives of NHS Wales and the Welsh Local Government Association. We also reviewed key documents, including policies and guidance, and other relevant information provided to us by the Welsh Government and other stakeholders.



We did not undertake a detailed review at each of the public bodies. While we have largely relied on what they reported through their call for evidence responses and any supporting documentation, we have also sought to triangulate our findings through discussions with stakeholders and evidence from our wider document and data review. We also shared and discussed our emerging findings at a public webinar held in May 2022. 109 people from outside Audit Wales attended the webinar, representing a range of public, private and third sector organisations.

As stated earlier in this report, the Auditor General for Wales has committed to a long-term programme of work on climate change. We have already reported on the decarbonisation efforts of fire and rescue authorities, we have begun to review council decarbonisation action plans and we are preparing a report on flood risk management. Following a recent consultation on our future work programme, we are considering our next steps in relation to auditing actions to decarbonise and to adapt to the changes already happening to our climate.

## 2 Legislative and policy framework underpinning decarbonisation

The graphic below sets out the key legislation, policies and guidance related to decarbonisation and climate change that apply across the Welsh public sector. We refer to sector-specific legislation and policies in the main body of this report where relevant.



### April 2016

The Well-being of Future Generations (Wales) Act 2015 came into force and required public bodies covered by the Act to act in accordance with the sustainable development principle. The five ways of working set out in the Act aim to help bodies work together better, avoid repeating past mistakes and tackle long-term challenges.

### March 2019

The Welsh Government published the first statutory Low Carbon Delivery Plan, Prosperity for All: A Low Carbon Wales (LCDP1).

### November 2019

The Welsh Government published Prosperity for All: A Climate Conscious Wales, its most recent climate adaptation plan.



### March 2016

The Environment (Wales) Act 2016 came into force and placed a duty on Welsh Ministers to set targets for reducing greenhouse gas emissions and to set carbon budgets.

### July 2017

The Welsh Government set an ambition of achieving a carbon neutral public sector by 2030.

### April 2019

The Welsh Government made a Climate Emergency Declaration.



### March 2021

Following advice from the Climate Change Committee in December 2020, the Welsh Government set new legal targets for a 63% carbon reduction by 2030, 89% by 2040, and 100% by 2050.

### May 2021

The Welsh Government published the [Welsh public sector net zero reporting guide and the net zero carbon reporting spreadsheet](#). **Appendix 3** provides further detail.



### July 2021

The Welsh Government published [Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector](#). **Appendix 3** provides further detail.

### June 2021

The Welsh Government published its [Programme for Government 2021-2026](#) which puts tackling the climate and nature emergencies at the heart of the new government and makes a series of commitments to embed climate change in a number of ways.



### July 2022

The Welsh Government published updated versions of the [Welsh public sector net zero reporting guide](#) and the net zero carbon reporting spreadsheet.

### October 2021

The Welsh Government published [Net Zero Wales Carbon Budget 2 \(2021 to 2025\)](#). This sets out specific policies for the public sector, including a target for decarbonisation plans to be in place by March 2023, targets relating to buildings, vehicles and procurement, and development of a new health and social care decarbonisation plan.

### 3 The public sector route map and reporting guide

To support the public sector to achieve net zero, the Welsh Government published its [public sector route map](#) in July 2021. The route map sets out four priority areas for action: buildings, mobility and transport, procurement, and land use. It also sets out key milestones for the public sector to achieve, which are:



**Moving up a gear:** Where understanding the context and what needs to be done is vital, and where action needs to accelerate.



**Well on our way:** Where there is an expectation that low carbon is becoming the norm and the public sector is definitely on the way to net zero.



**Achieving our goal:** Where choosing zero carbon has become routine, culturally embedded, and self-regulating.

In May 2021, the Welsh Government published the [Welsh Public Sector Net Zero Carbon Reporting Guide](#). The aim of the guide is to develop a universal set of instructions for use by public bodies to assist in meeting the 2030 collective ambition, in particular to:

- **Baseline:** To understand the current situation and quantify organisational emissions and removals for a consistently drawn boundary. And to quantify the likely emission gap to carbon neutral operations by 2030.
- **Identify mitigation potential:** An assessment to identify significant sources of emissions enabling organisations and the public sector to prioritise action needed to move to carbon neutral operations by 2030.
- **Monitor progress:** A need to gather, collate and analyse data to assess whether organisations are on track to achieving their goal of carbon neutrality by 2030.

Alongside the guide, the Welsh Government published the [Net zero carbon reporting spreadsheet](#) for use by public bodies to capture and report their emissions data in a consistent way. The Welsh Government asked public bodies to submit the first data by October 2021 for the 2020-21 financial year. The second submission is required by September 2022 for the 2021-22 financial year.

The guide states that public bodies should report actions to reduce emissions and move to carbon neutral operations by 2030, but the format and narrative of that reporting are not prescribed. The guide does suggest it could be in the form of an annual report on progress against a published action plan or a separate document. It also suggests that management information used in collating an emissions report will provide a good basis for the narrative report. As part of our work, we have not reviewed any narrative reports produced by public bodies, although **paragraphs 34-38** of this report comment on the challenges relating to the carbon emissions data and reporting. Following feedback from public bodies and a review of the first year's data submissions, the Welsh Government published revised reporting guidance in July 2022.



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# **Public Sector Readiness for Net Zero Carbon by 2030: Evidence Report**

Report of the Auditor General for Wales

August 2022



This report has been prepared for presentation to the Senedd under the Government of Wales Act 2006, the Public Audit (Wales) Act 2004 and the Well-being of Future Generations (Wales) Act 2015.

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

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

The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.



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# Detailed report

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## Background

- 1 Climate change is one of the world's defining challenges and it requires immediate action from everyone. A landmark [report by the United Nations](#) in August 2021 said that human activity is changing our climate in unprecedented ways and that drastic reductions in carbon emissions are necessary.
- 2 The latest climate projections for Wales show an increased chance of milder, wetter winters and hotter, drier summers, rising sea levels and an increase in the frequency and intensity of extreme weather events. The implications are clearly stark.
- 3 A crucial way to mitigate the further impacts of climate change is to reduce carbon emissions. In March 2021, following advice from the Climate Change Committee<sup>1</sup> in December 2020, the Welsh Government set [targets for a 63% carbon reduction by 2030](#), an 89% reduction by 2040, and a 100% reduction by 2050<sup>2</sup>. In addition, the Welsh Government set out a more challenging collective ambition for the Welsh public sector<sup>3</sup> to be net zero carbon by 2030 (the 2030 collective ambition).
- 4 In June 2021, the Welsh Government published its [Programme for Government 2021-2026](#) which puts tackling the climate and nature emergencies at the heart of the new government. The Programme for Government also makes a series of commitments to embed a response to climate change in everything the Welsh Government does.

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1 The Climate Change Committee (CCC) is an independent, statutory body established under the Climate Change Act 2008. Its role is to advise the UK governments on emissions targets and to report on progress made in reducing greenhouse gas emissions and preparing for and adapting to the impacts of climate change.

2 Net zero does not mean eliminating greenhouse gas emissions but balancing the greenhouse gas emissions with the amount of gas being removed from the atmosphere.

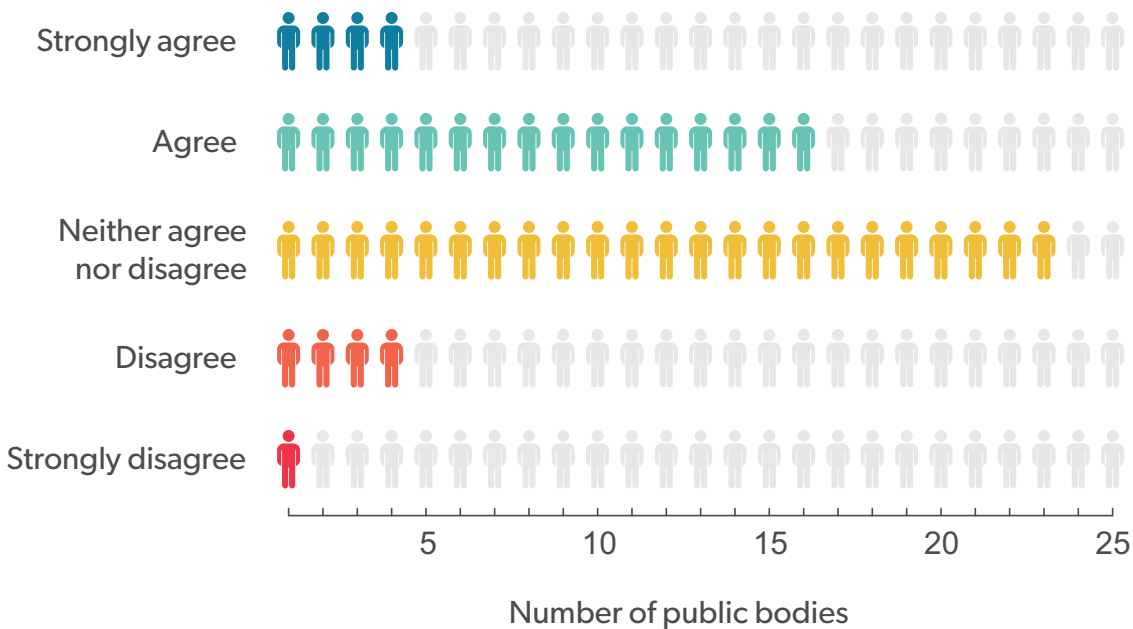
3 The Welsh Government's definition of the 'public sector' in this case covers 65 bodies as set out in Appendix 2 of the Welsh Government, [Public sector net zero data: baseline and recommendations](#), June 2022.

- 5 The Welsh Government has also published Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector (the public sector route map) to support the Welsh public sector in achieving the collective ambition. Alongside the public sector route map the Welsh Government has published the net zero reporting guide and associated spreadsheet to allow the public sector to capture and report emissions on a consistent basis. Our separate key findings report provides further detail on the national strategic direction for decarbonisation and its underpinning policy and legislative framework.
- 6 The Auditor General has committed to carrying out a long-term programme of work on climate change. Our first piece of work is a baseline review that asks: '**How is the public sector preparing to achieve the Welsh Government's collective ambition for a net zero public sector by 2030?**'. To inform the baseline review, 48 public bodies, including the Welsh Government, completed a call for evidence. **Appendix 1** explains our audit approach and methods.
- 7 We have published two reports to share our findings:
  - a **key findings report**: a summary report, published in July 2022, that targets senior leaders and those with scrutiny roles in public bodies, with the aim of inspiring them to increase the pace of their work on achieving the 2030 collective ambition. In that report, we set out the overall conclusion from our work and five calls for action for organisations to tackle the common barriers to decarbonisation in the public sector. The key findings report also notes that application of the sustainable development principle and the frameworks provided by the Well-being of Future Generations (Wales) Act 2015 can be used to help organisations to decarbonise.
  - b **this evidence report**: supplementing the key findings report by providing more detailed findings and data from the call for evidence and our wider work.

## Confidence in meeting the 2030 collective ambition

8 We found considerable uncertainty (and clear doubt from some) about whether the collective ambition for a net zero public sector will be achieved by 2030. **Exhibit 1** shows that in our call for evidence, 20 out of 48 bodies agreed or strongly agreed they were confident that their organisation would meet the 2030 collective ambition, whereas 23 said they neither agreed nor disagreed and five disagreed or strongly disagreed.

**Exhibit 1: public bodies’ responses to the statement, ‘Our organisation is confident that it will meet the 2030 target to have net zero carbon emissions’**



Source: Audit Wales call for evidence

9 For NHS bodies, the NHS Wales Decarbonisation Strategic Delivery Plan (the NHS plan) includes a target to deliver a 34% reduction in carbon emissions by 2030. This target is based on a calculation about the reduction in emissions that can be realistically expected from the 46 initiatives set out in the plan. Our evidence from NHS bodies indicates considerable uncertainty about meeting this target (as well as the more challenging net zero ambition). **Paragraph 50** provides further consideration of the barriers to achieving the 2030 collective ambition.

- 10 The evidence suggests there is a need for greater clarity on how the 34% target fits within the wider context of the 2030 collective ambition. The Welsh Government has deliberately set a stretching collective ambition to stimulate action, although it is not a statutory target. At the same time, the NHS has set itself a less stretching target of a 34% reduction by 2030, while other parts of the public sector do not have separate targets. The health sector accounts for around a third of the public sector carbon emissions in Wales<sup>4</sup>. If the NHS was to achieve only a 34% reduction in emissions, it would make it significantly more difficult to achieve an overall net zero position across the public sector.
- 11 **Exhibit 2** provides examples of what public bodies told us in relation to the 2030 collective ambition and the likelihood of it being achieved.

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4 As set out in [Public Sector Net Zero: data and recommendations](#), health boards and trusts produced 1,134,000 tonnes of CO<sub>2</sub> against a total of 3,279,000 tonnes produced by the public sector as a whole in 2020-21.

## Exhibit 2: some comments from public bodies about the 2030 collective ambition

- ‘We recognise the enormity of the challenge we face.’
- ‘We are committed to contributing to the Welsh Government’s ambition for the public sector to be net zero by 2030 and will endeavour to deliver on or exceed the targets it sets.’
- ‘Not yet sufficiently clear what it will mean in practice.’
- ‘We do not have complete confidence that we will be able to measure the results of our actions.’
- ‘It will involve decarbonisation action in areas that we have yet to develop decarbonisation expertise, for example, in procurement and local area energy planning.’
- ‘If our entire supply chains are not zero carbon, then we cannot be either.’
- ‘The council is committed to achieving its net zero ambitions, notwithstanding the challenges.’
- ‘The level of financial investment will be a driver in whether or not we achieve our ambition and how quickly we’re able to act.’

Source: Audit Wales call for evidence

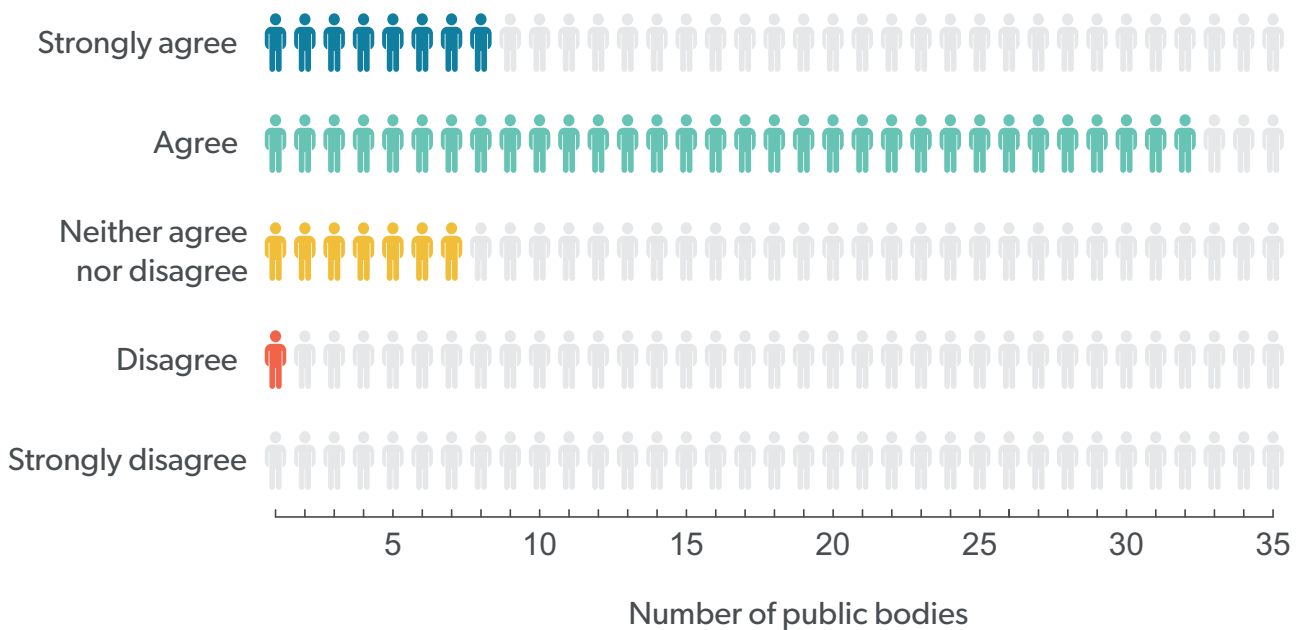
**“ We recognise the enormity of the challenge we face ”**

## Strategic direction and action planning for decarbonisation

### National strategic direction

12 **Exhibit 3** shows that public bodies were generally positive about the Welsh Government’s strategic direction on decarbonisation. Public bodies were also largely positive about the way in which the Welsh Government had engaged with them through various channels over the approach to achieving net zero.

**Exhibit 3: public bodies’ responses to the statement, ‘The Welsh Government has set a clear strategic direction for public bodies in Wales to support the achievement of their 2030 carbon reduction targets’**



Source: Audit Wales call for evidence

- 13 **Exhibit 4** provides examples of what public bodies told us in relation to the national strategic direction.

**Exhibit 4: some comments from public bodies about the national strategic direction**

- ‘Welsh Government have set a clear strategic direction in terms of ambition and there is a clear and consistent message in terms of where we need to get to.’
- ‘We have used the strategic direction and guidance as a framework to develop an organisational climate change plan.’
- ‘The strategic direction has been set out clearly by Welsh Government but how we get there as local authorities, and the support we receive is not clear.’
- ‘I believe that the government could be offering more support ensuring that the guidance provided is consistent for everyone.’
- ‘Further work is required by (Welsh Government) to publicise the wider strategic narrative and tools available.’
- ‘The National (NHS Wales) Strategic Decarbonisation Plan provides a clear direction of travel for Wales and robust evidence base for the priorities within (our area).’
- ‘The NHS Wales Decarbonisation Strategic Delivery Plan sets out a number of actions with clear timelines.’

Source: Audit Wales call for evidence

**“ The strategic direction has been set out clearly by Welsh Government but how we get there as local authorities...is not clear ”**



- 14 The public sector route map is a key part of the national strategic direction. Some public bodies told us they view the public sector route map as a high-level thematic and strategic framework. They told us it sets the overall direction, and is an accessible, well-presented and user-friendly document. Several bodies made comments about the usefulness of the route map as a tool for explaining, identifying, developing and delivering actions. Some also told us that the route map was a valuable aid for explaining responsibilities and requirements to senior management, members and board members.
- 15 Nevertheless, several non-NHS bodies said they wanted more help to translate the strategy into local, day-to-day operations, through their action plans. These organisations told us that while the public sector route map provides a high-level template, they need more clarity, support and guidance on how to decarbonise. The Welsh Government told us that it deliberately designed the route map to be a high-level framework to assist public bodies in developing local solutions based on individual circumstances, rather than a one-size-fits-all approach. In addition, the Welsh Government does provide other sources of support to public bodies through the Welsh Government Energy Service and through the Wales Funding Programme, as set out in **paragraph 22**.
- 16 **Exhibit 5** provides a summary of some concerns public bodies expressed about the public sector route map. **Exhibit 18** expands on some of these concerns as part of a discussion about wider barriers to decarbonisation.

### Exhibit 5: summary of concerns from public bodies about the public sector route map

- **Timeliness:** Overall, public bodies felt there was consistency between the direction set by the Welsh Government and their individual approaches. However, due to the timing of the route map's publication<sup>5</sup>, some bodies had already started developing their own strategies and action plans so there is not always complete read across to the route map. There is an opportunity to fully align when strategies and action plans are refreshed.
- **Detail:** the public sector route map needs additional clarity, support and guidance on how to decarbonise.
- **Targets:** some of the targets and the timeframes to achieve them are very challenging.
- **Funding:** there is a lack of planned, long-term, external investment from the Welsh Government to support delivery.
- **Inconsistency:** potential for inconsistent interpretation of the guidance and the reporting requirements.
- **Calculations:** further detail and clarity are needed in the carbon calculator, specifically in relation to the procurement and land use themes.

Source: Audit Wales call for evidence

5 The Welsh Government chose to delay publication of the route map during the COVID-19 pandemic because it did not want to overburden public bodies at such a difficult time.

## Sector-specific strategies and support for decarbonisation

- 17 In the health and care sector, the Welsh Government has convened the Climate Change and Decarbonisation Programme Board for Health and Social Care, to help lead, support and give strategic oversight to decarbonisation work. Guidance on decarbonisation is available to NHS bodies through the NHS plan which was published alongside the public sector route map in May 2021. The Carbon Trust and the NHS Wales Shared Services Partnership developed the NHS plan, which sets out 46 initiatives for decarbonisation that will be assessed and reviewed in 2025 and 2030.
- 18 The NHS plan aligns with the public sector route map, provides more detail and allocates responsibility for initiatives and actions to different parts of NHS Wales. The NHS plan focuses on traditional areas of decarbonisation, such as buildings and transport. While these remain important areas of focus, the Welsh Government has acknowledged that the section on decarbonising healthcare<sup>6</sup> is less detailed, reflecting the developing practice in this area.
- 19 Our call for evidence responses from NHS bodies demonstrated a focus on and commitment to delivering the actions set out in the NHS plan. And while there appears to be support in the health sector for the NHS plan, the Welsh Government recognises there is scope to strengthen its co-ordination and leadership.
- 20 In local government, the Welsh Local Government Association is developing tailored support and guidance for councils on decarbonisation. The Welsh Government funds the Welsh Local Government Association transition and recovery support programme. Focussing on the key themes of the public sector route map, the programme provides a range of support including toolkits, commissioned research on interventions to achieve net zero, training to build knowledge and expertise, and events to facilitate sharing of best practice. The Welsh Government is also part of the [Local Government Climate Strategy Panel](#) which supports and gives strategic overview to decarbonisation work in local government.
- 21 The Welsh Government does not currently plan to produce specific decarbonisation plans for other sectors covered by the public sector route map. However, it acknowledges that more support and guidance may be needed for bodies outside of the NHS and local government.

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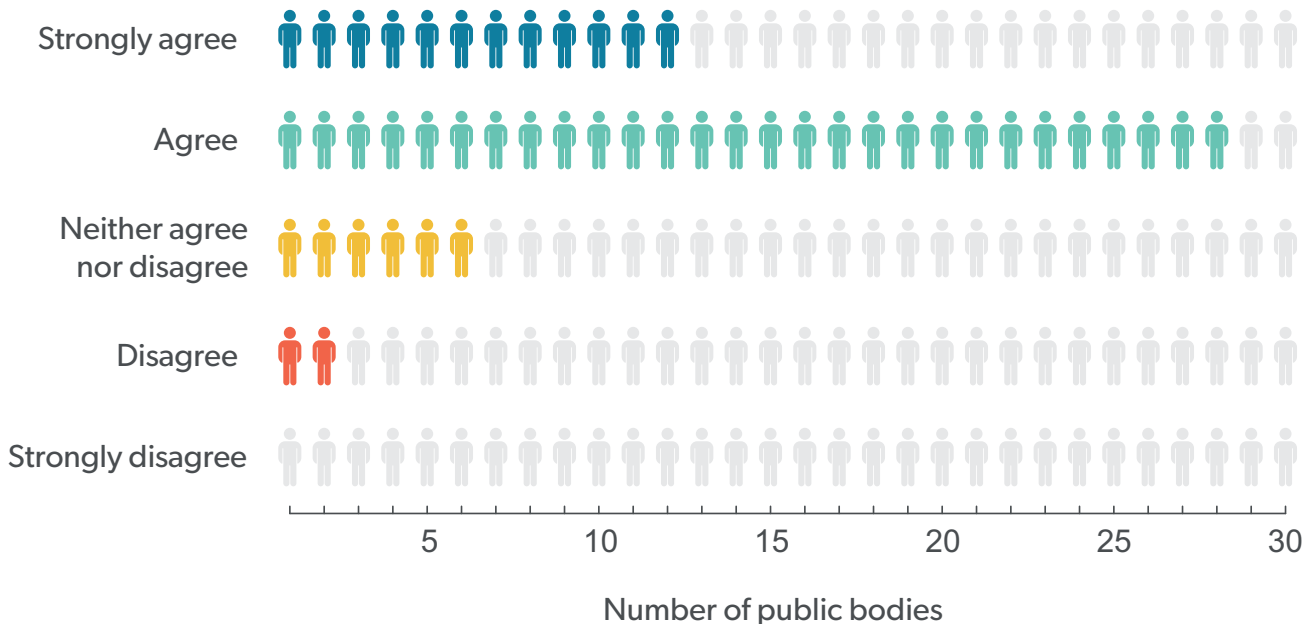
6 Decarbonising healthcare refers to reducing carbon emissions in health services rather than decarbonising the physical infrastructure surrounding healthcare. Examples include the use of medical gases and inhalers that involve greenhouse gases.

22 The Welsh Government is providing other central assistance on decarbonisation, including support through the Welsh Government Energy Service (WGES) and grant funding for various programmes. The WGES provides technical advice and other support to public sector bodies and community enterprises on energy efficiency, renewable energy projects and fleet improvements. The WGES annual report provides further information about the support it provides. The Welsh Government has made funding available for public sector decarbonisation projects through the Wales Funding Programme, which aims to make buildings and assets more energy efficient.

### Local strategic direction

23 **Exhibit 6** shows that most public bodies were confident their organisation had set a clear, local strategic direction to deliver the 2030 collective ambition.

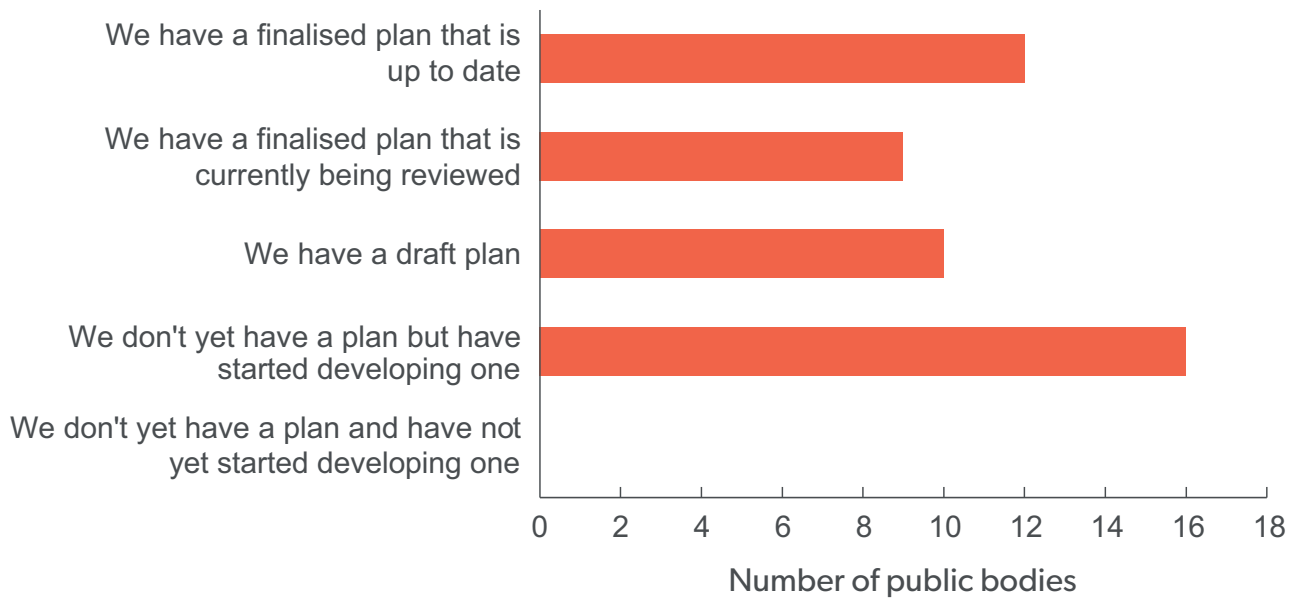
**Exhibit 6: public bodies’ responses to the statement, ‘Our organisation has set a clear strategic direction to support the achievement of the 2030 carbon reduction targets’**



Source: Audit Wales call for evidence

24 However, **Exhibit 7** shows that public bodies are at very different stages in setting out their action plans for decarbonisation. Within these responses, NHS bodies appeared to be a bit further behind local government.

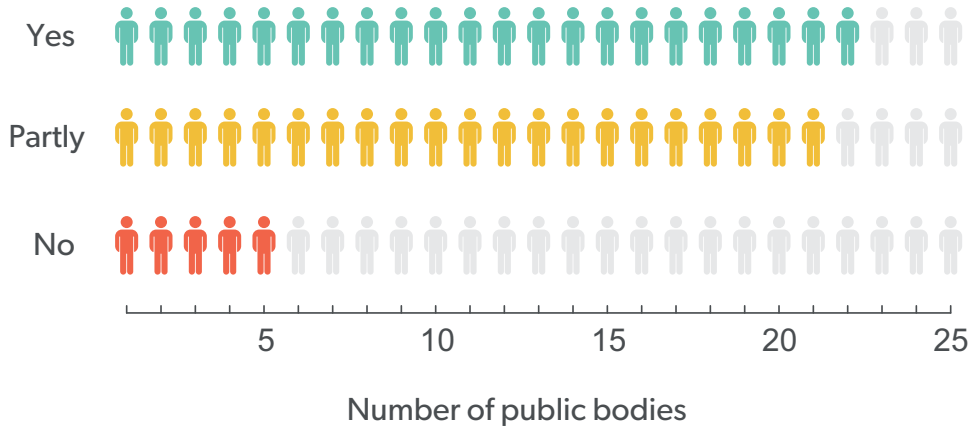
**Exhibit 7: status of public bodies’ action plans**



Note: One public body did not respond to this question.  
Source: Audit Wales call for evidence

25 **Exhibit 8** shows variation in the extent to which public bodies are using the public sector route map to guide their own strategic approach, with five responding to say that they are not using it at all.

**Exhibit 8: public bodies’ responses to the question, ‘Is your organisation using the Welsh Government’s public sector route map to guide its approach to reducing carbon emissions?’**



Source: Audit Wales call for evidence

## Governance and leadership arrangements for decarbonisation

- 26 It is important that public bodies have effective internal governance and leadership arrangements to drive decarbonisation. Public bodies described various existing and new structures, including boards and dedicated senior staff groups. For example, all NHS bodies have an identified director or executive director to oversee decarbonisation. Responses to the call for evidence also acknowledged that clear structures are essential and need to be regularly reviewed to ensure they remain fit for purpose.
- 27 Public bodies recognised the importance of engaging all staff in the critical issue of decarbonisation, but they acknowledged that more needs to be done. Upskilling of staff through training was identified as key to supporting the delivery of the 2030 collective ambition. However, more needs to be done to ensure upskilling covers the whole staff base and not just senior leaders or those charged with governance.
- 28 **Exhibit 9** provides examples of what public bodies told us in relation to their governance and leadership arrangements for decarbonisation.

### Exhibit 9: some comments from public bodies about their governance and leadership arrangements for decarbonisation

- ‘A climate and nature emergency officer group has been established to lead, facilitate and support the delivery of the action plan.’
- ‘The health board has established a sustainability and decarbonisation programme board led by the Executive Director Finance.’
- ‘The council has just appointed ... a Climate Change Manager.’
- ‘We are building decarbonisation into the clinical model which will be operating in new hospital infrastructure going through business case stages.’
- ‘Some early adopter clinical departments are creating their own sustainability action plans.’
- ‘[We] will appoint a board director as decarbonisation lead (and senior responsible officer) and establish a steering group to oversee our decarbonisation programme.’
- ‘The Sustainable Group is chaired by the Executive Director of Strategy and attended by staff from across the health board, including clinicians and those networked into a wide range of partner forums.’
- ‘The council established its cross-party Climate Change and Ecological Emergency Working Group after declaring the climate and ecological emergency. The Working Group was supported by a team of officers.’

Source: Audit Wales call for evidence

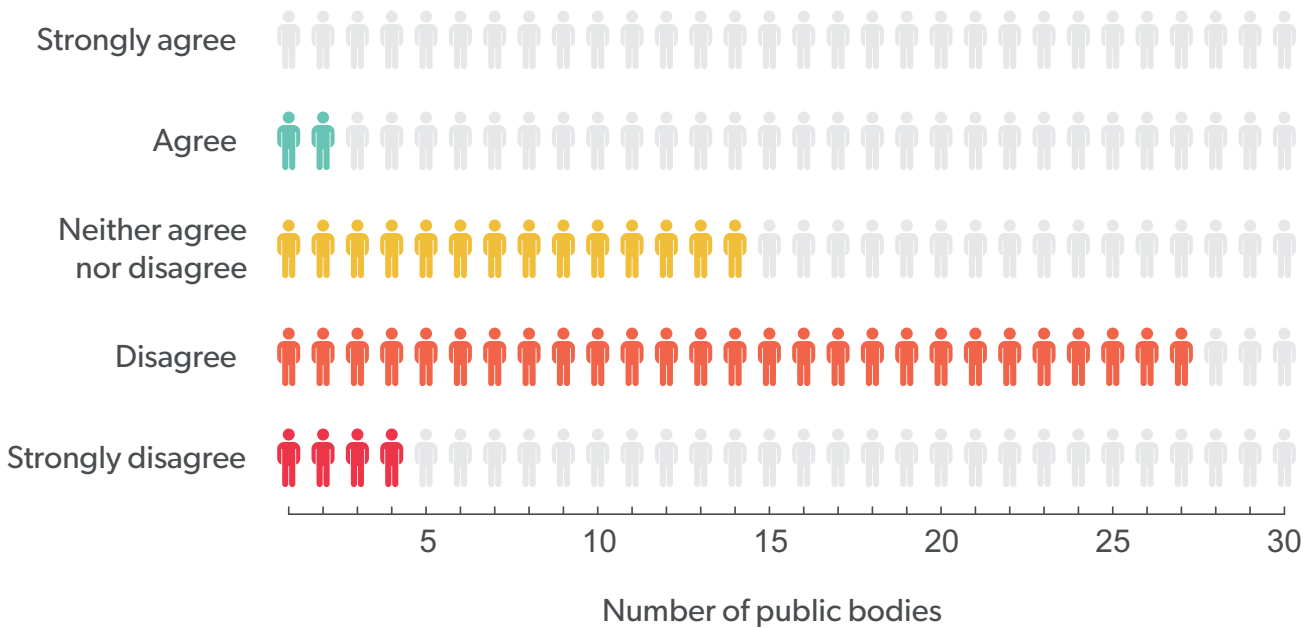
**“ We are building  
decarbonisation into the  
clinical model ”**



## Financial implications of decarbonisation

29 **Exhibit 10** shows that most public bodies have not fully assessed the financial implications of meeting the 2030 collective ambition. A few responses to the call for evidence included costings of specific recent or imminent projects but we did not see evidence of fully costed, long-term decarbonisation programmes. We are aware that some public bodies have since developed more detailed estimates for short to medium-term expenditure.

**Exhibit 10: public bodies’ responses to the statement, ‘Our organisation has fully assessed the financial implications of meeting the 2030 carbon reduction targets’**



Note: One public body did not respond to this question.  
Source: Audit Wales call for evidence

30 In some cases, public bodies told us that they have not assessed the financial implications because they have not yet set out a clear set of actions and activities to achieve net zero. However, they were aware of the urgency and the need to increase the pace of implementing actions. Public bodies were very clear that decarbonisation at scale will require significant additional financial resources and that the absence of these funds will be a significant barrier to progress.

- 31 Public bodies need to plan their finances in such a way that they can deliver their decarbonisation strategies and action plans. This will require long-term planning because decarbonisation will need investment for many years. It will also require immediate expenditure because if the 2030 collective ambition is to be met, urgent action is essential. Public bodies told us significant long-term investment will be needed, particularly in relation to making their infrastructure fit for purpose to enable the decarbonisation of operations. However, public bodies expressed uncertainty over what additional funding would be available from the Welsh Government. They also pointed to the short-term nature of public sector funding and budget cycles making their longer-term financial planning more difficult.
- 32 The Welsh Government told us they are providing targeted funding for public bodies in certain areas but they also said they are unable to fund all activity required. The Welsh Government acknowledges that there will be additional costs in some areas and that funding will be provided to bridge some of those gaps, when moving to low carbon alternatives, for example, the increased cost of purchasing electric fleet rather than those powered by traditional fossil fuels. However, the Welsh Government said that as decarbonisation becomes increasingly mainstreamed into routine thinking, public bodies should not be focussed on additional funding, and they should move to a position where decarbonisation is funded through their existing budgets as a result of a strong business case.
- 33 **Exhibit 11** provides further examples of what public bodies told us in relation to the financial implications of decarbonisation.

### Exhibit 11: some comments from public bodies about the financial implications of decarbonisation

- ‘The financial implications of decarbonisation have not been fully considered.’
- ‘We recognise that we have further work to do on this front.’
- ‘The council recognises that achieving its net zero ambition will have implications for its budget in the short and long term.’
- ‘Until the council formulates a detailed fully costed 2030 net zero delivery plan the council is unable to accurately assess the financial implications.’
- ‘It should be acknowledged that funding will be required to deliver the aim of net zero by 2030.’
- ‘There are no cost estimates for medium-term levels of expenditure.’
- ‘The cost of decarbonising our clinical operations has not been estimated.’

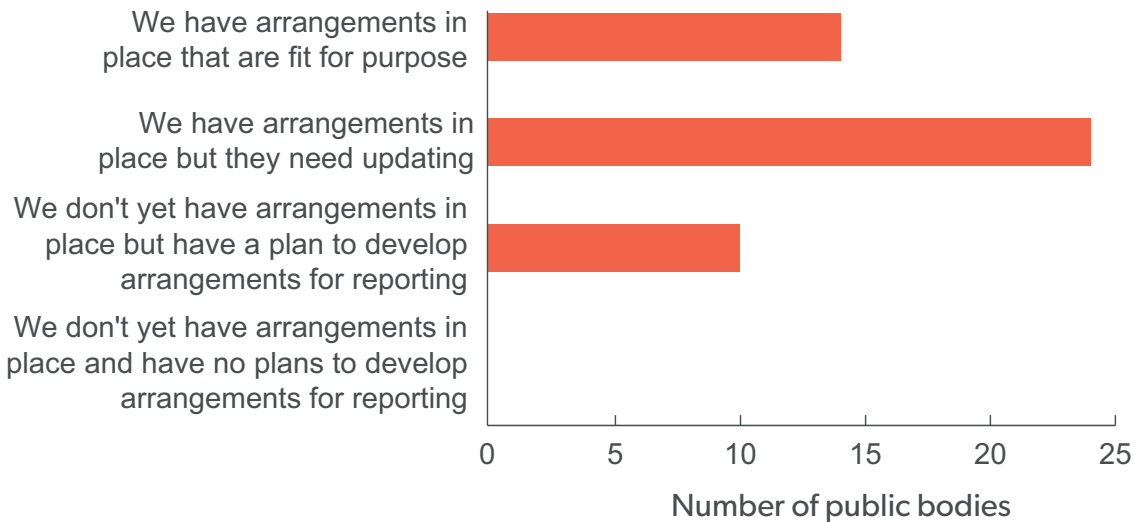
Source: Audit Wales call for evidence

**“ The council recognises that achieving its net zero ambition will have implications for its budget in the short and long term ”**

## Reporting progress on decarbonisation

34 Public bodies need to understand where their emissions are coming from so they can check if they are making progress and prioritise their actions. We found that data issues are a major barrier to having a shared understanding of the problem and to taking strategic decisions about the solutions. **Exhibit 12** shows that 14 bodies indicated they had reporting arrangements that they felt were fit for purpose, 10 did not have arrangements in place, and 24 had arrangements that needed updating.

**Exhibit 12: public bodies’ responses to the question, ‘Which of the following options best describes your organisation’s arrangements for reporting on progress towards net zero carbon emissions?’**



Source: Audit Wales call for evidence

35 Current monitoring and reporting tend to be done through reports or dashboards to cabinet, council, board, scrutiny committee or other groups. Some bodies report on decarbonisation as part of reporting progress on their corporate plans or wellbeing objectives. Some responses pointed to dedicated climate groups and other arrangements that have been set up specifically to monitor and report on decarbonisation activity.

36 Overall, the evidence suggests there is scope for improved reporting on decarbonisation. This finding aligns with [a blog we published in February 2022](#) that called for clearer information on climate change actions to be included in public bodies’ financial statements, to ensure greater transparency and accountability.

- 37 The Welsh Government has published a common reporting methodology (see **paragraph 5**) for public bodies to report their emissions through the Welsh Public Sector Net Zero Reporting Guide and net zero reporting spreadsheet. The Welsh Government asked public bodies to submit the first data by October 2021 for the 2020-21 financial year.
- 38 In responses to our call for evidence, public bodies generally recognised the usefulness of having a common reporting methodology but found aspects of the submission challenging and highlighted problems with the data collection in October 2021. Some responses pointed to concerns over calculation methods, particularly regarding supply chain. In relation to supply chain emissions, public bodies pointed to the fact that the calculation is based on the cost of the contract rather than the actual emissions generated by the product or service procured. Public bodies also called for further clarity of definitions to ensure consistent interpretation and reporting. Some responses also noted that existing systems were not able to capture the required data, and had to be updated, or new systems had to be put into place. This was often time consuming and resource intensive.
- 39 Public bodies pointed to some other concerns about the common reporting methodology. Some respondents said the way in which emissions from land use is reported is too simplistic.
- 40 NHS bodies also raised concerns about duplication with already established reporting on carbon emissions such those required by the Estates and Facilities Performance Management System<sup>7</sup>. This created confusion in the first reporting year. NHS bodies wanted further clarity to avoid duplication between these reporting requirements.

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7 The Estates and Facilities Performance Management System is a comprehensive set of estates and facilities data. The Welsh Government set up the system in 2002 to improve the management of the NHS estate. It allows NHS bodies to compare performance against other NHS bodies in Wales and England.

- 41 The Welsh Government recognises improvements are required in the existing reporting approach and has committed to learning from feedback and improving methods and systems where required. The Welsh Government commissioned consultants, to review the first submission of data from public bodies and, in June 2022, the Welsh Government published the consultancy report, Welsh Public Sector Net Zero: Baseline and recommendations in full. The report states that the figures include significant uncertainty, particularly in relation to supply chain emissions, which it said represented 87% of public sector emissions. Plus, the data has not been thoroughly audited. The figures also suggest emissions across Wales for the public sector reduced by 5% between 2019-20 and 2020-21.
- 42 As this is the first year of the reporting guide, it is a period of learning, and the calculation for reporting emissions will be further developed where required. Following feedback from public bodies, and the review of the data submissions from an external consultant, the Welsh Government published a revised reporting guide and tool in July 2022.
- 43 **Exhibit 13** provides examples of what public bodies told us in relation to the monitoring and reporting on decarbonisation.

### Exhibit 13: some comments from public bodies about monitoring and reporting on decarbonisation

- ‘We followed the emissions reporting guidance as closely as possible.’
- ‘Two distinct areas need to be strengthened/clarified which are waste and supply chain.’
- ‘We appreciate the advantages of having a consistent format to aid our own and Welsh Government monitoring of progress.’
- ‘The supply chain emissions reporting method needs significant refinement in order to be considered accurate.’
- ‘Current data gathering and reporting functions require updating.’
- ‘We are developing the necessary reporting tools to meet the requirements of the Net Zero Carbon Reporting Guidance.’

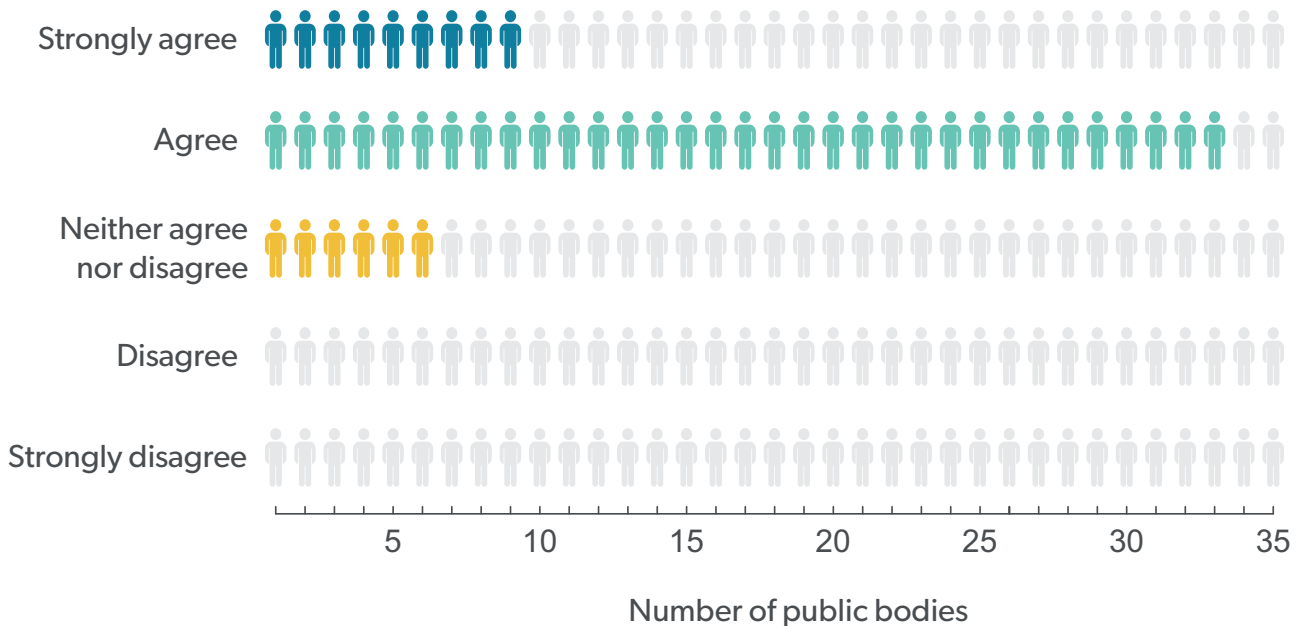
Source: Audit Wales call for evidence

**“ We appreciate the advantages of having a consistent format to aid our own and Welsh Government monitoring of progress ”**

## Collaboration and engagement with other bodies, staff, and citizens

- 44 To support collaboration and engagement at a national level, the Welsh Government published Climate Change: Welsh Government Engagement Approach 2022-26 in June 2021. The document refers to a Team Wales approach, where everyone in Wales plays a role in collective action on climate change. The engagement approach has two key objectives:
  - to generate timely and effective engagement of stakeholders on matters of climate change; and
  - to strengthen and grow the coalition of Team Wales to tackle the climate emergency.
- 45 **Exhibit 14** shows that public bodies feel they are working well with other organisations on decarbonisation. And **Exhibit 15** sets out comments made by public bodies about their collaborative efforts to date and aspirations for the future.

**Exhibit 14: public bodies’ responses to the statement, ‘Our organisation is effectively collaborating with other bodies to achieve the 2030 carbon reduction targets’**



Source: Audit Wales call for evidence



**Exhibit 15: some comments from public bodies about collaboration**

- ‘Through the public services board (PSB) we have established a Climate Emergency Board which comprises existing PSB members, but also additional organisations including utility providers and our local university.’
- ‘As part of our Well-being Plan work, we are currently working collaboratively with our partners and are in the early stages of developing a Climate Strategy for the city.’
- ‘We are working closely with public sector partners through the North Wales Regional Leadership Board. We participate in the North Wales Decarbonisation Advisory Group.’
- ‘We have completed an informal analysis of who we need to work with, but we have not yet completed a formal analysis of partners.’
- ‘Collaboration between NHS organisations has been low, though is changing through Welsh Government setting up a Climate Change Programme Board.’
- ‘We have multiple representatives on the Decarbonisation Action Plan: Community of Experts. This will share learning and good practice across the health boards in Wales.’
- ‘We feel that a formal Welsh public sector decarbonisation working group would address some of the challenges faced by serving communities covered by multiple local authority agencies.’

Source: Audit Wales call for evidence

**“ We feel that a formal Welsh public sector decarbonisation working group would address some of the challenges ”**

- 46 Some bodies have set up their own local collaborative arrangements for decarbonisation, whereas other bodies are collaborating through Welsh Government or Welsh Local Government Association convened arrangements or through statutory fora such as public services boards. A significant proportion of bodies had also involved external experts in their decarbonisation efforts, such as the Carbon Trust.
- 47 Smaller bodies, such as the national parks and Welsh Government sponsored bodies, told us they have been collaborating well with each other. They said that due to their size, they are somewhat reliant on external expertise and advice in relation to decarbonisation.
- 48 Some public bodies acknowledged that their focus to date had been on establishing internal structures, rather than on external collaboration. And notwithstanding the responses shown in **Exhibit 14**, many public bodies agreed that collaboration and engagement needed to be strengthened.
- 49 There is scope for stronger engagement and involvement with staff and the public. **Exhibit 16** shows mixed views from public bodies about the extent to which they are engaging and involving their staff. And **Exhibit 17** shows that only 15 of the 48 public bodies we contacted were confident that they were effectively engaging with the full diversity of the population. Some public bodies told us about engagement with the public through mechanisms such as online surveys, social media channels and community groups but they generally acknowledged that this engagement needs to improve. This is significant as both our 2019 report on [fuel poverty](#)<sup>8</sup> and the Decarbonisation of Homes in Wales Advisory Group<sup>9</sup> found there are some difficult trade-offs between social justice and carbon reduction goals. Engagement with the full diversity of the population should help public bodies in their efforts to make a just transition<sup>10</sup> towards net zero carbon emissions.

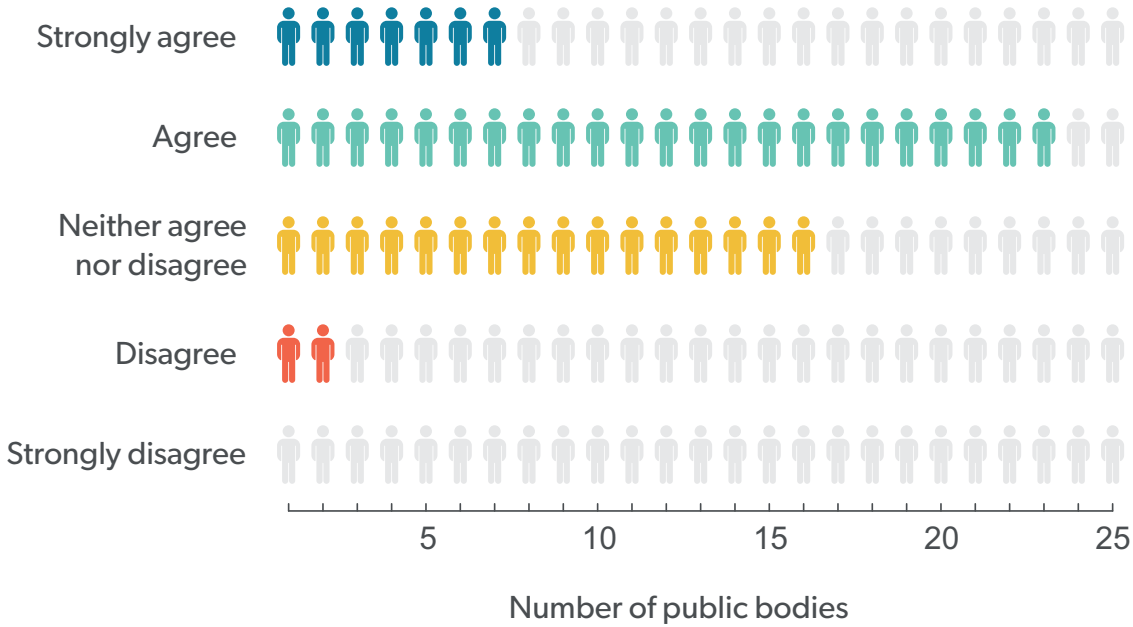
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8 Auditor General for Wales, Fuel Poverty, October 2019

9 Decarbonising Homes in Wales Advisory Group, [Better Homes, Better Wales, Better World: Decarbonising existing homes in Wales](#), July 2019

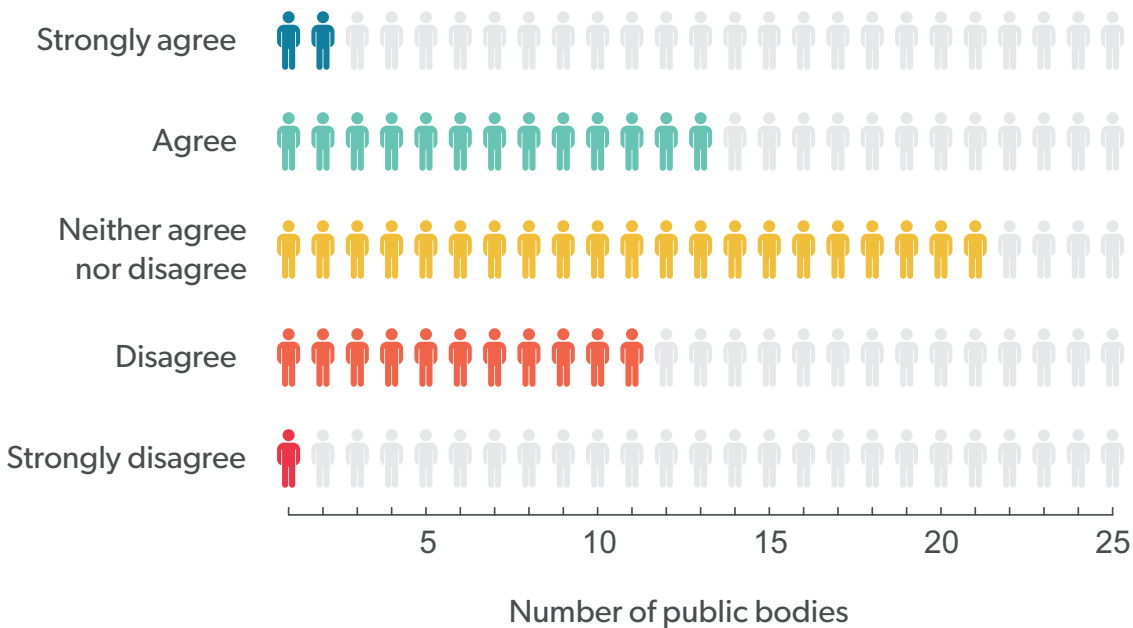
10 A 'just transition' means taking action on climate change and greening the economy in a way that is as fair and inclusive as possible to everyone concerned. Policy 1 in Net Zero Wales Carbon Budget 2 (2021-2025) sets out the Welsh Government's views on a just transition.

**Exhibit 16: public bodies' responses to the statement, 'Our organisation is effectively engaging with and involving staff to achieve the 2030 carbon reduction targets'**



Source: Audit Wales call for evidence

**Exhibit 17: public bodies' responses to the statement, 'Our organisation is effectively engaging with the full diversity of our population to achieve the 2030 carbon reduction targets'**


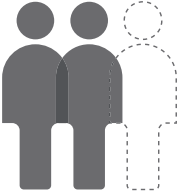


Source: Audit Wales call for evidence

## Barriers, opportunities and interesting practices on decarbonisation

50 We asked public bodies about the barriers to achieving the 2030 collective ambition. **Exhibit 18** summarises the barriers they told us about that were largely common across the public sector, many of which are explored earlier in the report. One common theme was that decarbonisation is complex, requiring significant investment and that many of the easy wins had been achieved. However, public bodies were aware that the pace of activity needs to increase and there are reputational risks of not doing so.

### Exhibit 18: summary of public bodies’ views about barriers to meeting the 2030 collective ambition

Barriers	
<p><b>Finance</b></p> 	<p>This was the most commonly mentioned barrier. Bodies pointed to the need for significant and sustained revenue and capital investment in the short and long term. They said there was a particular need for investment in improving infrastructure, estates, appliances and equipment that are not fit for carbon reduction.</p> <p>These matters are discussed further in <b>paragraphs 29 to 33</b>.</p>
<p><b>Staff capacity and skills gaps</b></p> 	<p>Public bodies told us existing staff capacity is stretched delivering public services. Decarbonisation is a complex area and public bodies feel they do not have the skills and expertise in this area. There is considerable competition for people with specialist expertise and knowledge.</p> <p>Financial constraints make it difficult for some bodies to bring in additional staff. In addition, as the private sector can offer higher salaries, public bodies are at a disadvantage in attracting staff.</p>

### Understanding the activities required



Public bodies are still building an understanding of the specific activities that are needed to decarbonise and how these should be prioritised. Public bodies feel that they need additional support and guidance on how to translate the strategic approach into action.

### Culture, education and training



Embedding decarbonisation in day-to-day activities can represent a significant cultural shift. Some public bodies told us that decarbonising is complex and it may be difficult to change longstanding approaches to delivery.

Some bodies said there is the potential for staff apathy to having to undertake additional decarbonisation activities on top of the day job. Significant communication with staff will be required to obtain buy in and extensive training will also be needed to upskill staff to deliver.

### Technology and infrastructure



Many new technologies are expensive and public bodies are cautious about investing due the risks of the technology not being effective or becoming obsolete.

In other areas, such as the development of electric-powered ambulances and fire appliances, public bodies told us the technologies were not developing quickly enough and in some cases were prohibitively expensive.

There were also concerns about a lack of electric charging points and insufficient grid capacity to cope with the growing reliance on electricity.

Supply and demand issues are also a problem in relation to some new technologies, where technologies are sought-after but are limited in supply.

## Data



Public bodies recognised the usefulness of having a common methodology for reporting carbon emissions. However, some responses pointed to concerns over calculation methods, particularly regarding supply chain and land use, and called for further clarity of definitions to ensure consistency.

Some responses noted that existing systems were not able to capture the required data, and had to be updated, or new systems had to be put into place. This was often time consuming and resource intensive. NHS bodies raised concerns about duplication with existing reporting arrangements on emissions.

## Joined-up approach



Some respondents told us that a wholesale change of thinking is required, with a more co-ordinated and joined-up approach across the public sector, driven by the Welsh Government.

One example given related to the assessment of new and emerging technologies. Public bodies were concerned about investing in technologies that were quickly superseded or were not best practice, so a single public sector-wide decision over what is best would help mitigate this risk.

## Third parties



Third parties have a role to play in helping public bodies move towards the 2030 collective ambition. For example, emissions from partners in the procurement chain, and the high demand for limited specialist resources and newer technologies such as electric vehicles meaning they are often not available.

The Office of the Future Generations Commissioner for Wales has recommended previously that public bodies should set out clearly how they have considered the carbon impact of their procurement decisions<sup>11</sup>.

Source: Audit Wales call for evidence

<sup>11</sup> Office of the Future Generations Commissioner, [Procuring well-being in Wales](#), February 2021.

- 51 While public bodies identified a range of barriers to achieving the 2030 collective ambition, they also see some opportunities associated with decarbonisation (**Exhibit 19**) and shared with us some examples of interesting practices that they felt other bodies could potentially learn from (**Exhibit 20**).

**Exhibit 19: some opportunities that public bodies told us about in relation to decarbonisation**

Public bodies highlighted opportunities to:

- build on the profile of climate change from COP26 to take advantage of the raised public awareness and build relationships with local communities and other stakeholders;
- increase collaboration with other organisations, to share best practice in working towards decarbonisation and to develop local procurement approaches;
- increase the use of new and developing technologies, realise cost savings from renewable energies and consider the economic and job creation possibilities arising from new green industries;
- increase awareness of the urgency of decarbonisation with staff, executives, boards and members, and to revise governance and leadership arrangements to ensure decarbonisation is incorporated into everyday business and decision making; and
- build on flexible working practices that arose during the COVID-19 pandemic to further exploit digital technologies in service delivery and everyday working.

Source: Audit Wales call for evidence

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**Exhibit 20: some examples of interesting practices that other bodies could learn from**

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**Cardiff and Vale University Health Board**

The health board is involved in an initiative called Green Health Wales to build a community of healthcare professionals who can share experience with their colleagues across the country. Green Health Wales aims to empower the health and social care sector with the tools and knowledge to address the climate crisis.

The health board has not estimated the cost of net zero building infrastructure on the current estate configuration, however, specialists in 2021 estimated that in a new-build scenario of the University Hospital of Wales and the University Hospital Llandough, the cost of net zero building infrastructure could be between £89 million and £266 million.

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**Denbighshire County Council**

The council established its cross-party Climate Change and Ecological Emergency Working Group after declaring the climate and ecological emergency. A key recommendation from the working group was to amend the council's constitution to include the need to have 'regard to tackle climate and ecological change' in the principles of decision making. The council has now formally committed to consider climate and ecological change when making all council decisions.

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**Swansea Bay University Health Board**

The health board is developing a trajectory tool to measure the impact of different scenarios of financial input into decarbonisation measures. It will use the tool to monitor the efficacy of its decarbonisation measures.

A solar farm is directly connected to Morriston Hospital which supplies 30% of its electricity.

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### **Blaenau Gwent County Borough Council**

The council has been involved in establishing a mitigation steering group through the Blaenau Gwent Local Well-being Partnership, and residents' priorities have informed the group's work through the recommendations of the Blaenau Gwent Climate Assembly. The council, in its decarbonisation plan, has identified a number of transition pathways to follow in order to achieve net zero. Each transition pathway represents a coherent area of action with distinct, low carbon technologies, business models and infrastructure. These pathways have been developed to allow each to proceed at their own appropriate pace. Achievement of the pathways is supported by best practice readiness assessments adapted from tools developed by [Place-Based Climate Action Network](#) for [Leeds Climate Commission](#).

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### **Rhondda Cynon Taf County Borough Council**

The council has established a '[Let's Talk](#)' engagement website where members of the public can leave comments and ideas about a range of climate change matters.

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### **Natural Resources Wales (NRW)**

NRW's Carbon Positive Project, part funded by the Welsh Government to show leadership in how the public sector can measure and reduce its carbon impact, has informed the development of both the public sector route map and the net zero reporting guide. As part of the project, NRW is taking steps to not just reduce carbon emissions but enhance and protect carbon stored on the land it manages and share its experiences to encourage further decarbonisation in Wales.

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### **Neath Port Talbot Council**

The council is collaborating with a private company that specialises in the re-use of waste gases from industrial processes to enable conversion into biofuels. The plan is to deliver a pilot project within Neath Port Talbot which will utilise waste gases from the steel industry. It is anticipated that once fully operational, the plant will generate 30 million gallons of biofuels for use in the aviation industry each year.

The council's Lost Peatlands Project seeks to restore more than 540 hectares of historic landscape and habitat, including peat bogs and pools, heathland, grassland and native woodland.

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### **Numerous public bodies**

Several organisations gave us examples of:

- using the new construction or redevelopment of facilities to significantly improve their carbon footprint;
- procurement of low emission vehicles;
- installation of electric vehicle charging points;
- renewable energy generation on site;
- development of operational staff networks; and
- installation of energy efficient heating and lighting systems.

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Source: Audit Wales call for evidence



# Appendices

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## 1 Audit approach and methods

# 1 Audit approach and methods

In November 2021, we issued a call for evidence to 48 public bodies, asking questions about their baseline position in achieving the 2030 collective ambition. Most public bodies responded in the period December 2021 to January 2022. We sent the call for evidence to the bodies covered by the [Well-being of Future Generations \(Wales\) Act 2015](#) at the time. This included all principal councils, fire and rescue authorities, national park authorities, health boards and NHS trusts, and the larger Welsh Government sponsored bodies.

We also sent the call for evidence to the Welsh Ambulance Services NHS Trust, Digital Health and Care Wales, and Health Education and Improvement Wales to ensure we had a more complete picture across the NHS. We also sent the call for evidence to NHS Wales Shared Services Partnership (NWSSP), which is an independent mutual organisation, owned and directed by NHS Wales, that delivers a range of services for and on behalf of NHS Wales. NWSSP is hosted by and operates under the legal framework of Velindre University NHS Trust, which is itself covered by the [Well-being of Future Generations \(Wales\) Act 2015](#).

We received responses from all bodies that were sent the call for evidence although in a small number of instances not all questions were answered. Where questions were not answered by all public bodies, this is set out in a note to each relevant graph.

To inform our work we held discussions with relevant stakeholders including the Welsh Government, the Office of the Future Generations Commissioner for Wales, representatives of NHS Wales and the Welsh Local Government Association. We also reviewed key documents, including policies and guidance, and other relevant information provided to us by the Welsh Government and other stakeholders.

We did not undertake a detailed review at each of the public bodies. While we have largely relied on what they reported through their call for evidence responses and any supporting documentation, we have also sought to triangulate our findings through discussions with stakeholders and evidence from our wider document and data review. We also shared and discussed our emerging findings at a [public webinar](#) held in May 2022. 109 people from outside Audit Wales attended the webinar, representing a range of public, private and third sector organisations.

As stated earlier in this report, the Auditor General has committed to a long-term programme of work on climate change. We have already reported on the decarbonisation efforts of fire and rescue authorities, we have begun to review council decarbonisation action plans and we are preparing a report on flood risk management. Following a recent consultation on our future work programme, we are considering our next steps in relation to auditing actions to decarbonise and to adapt to the changes already happening to our climate.



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# Climate Change Health Check

Isle of Anglesey County Council



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## Introduction

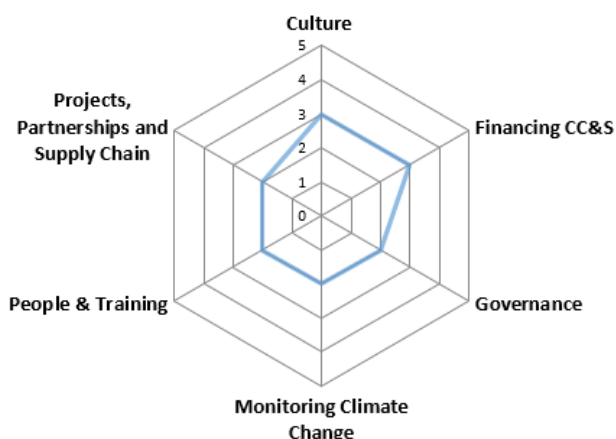
Carbon Net Zero Targets and the Paris Agreement Treaty on climate change have focused efforts and views globally on our current trajectory towards more than two degrees Celsius of warming. The Climate Change Health Check conducted at Isle of Anglesey County Council (with the support of the IoACC Climate Change Manager and the Internal Audit and Risk Management Team) has been undertaken to gain a better understanding of the key risk exposures and areas where improvements are needed in supporting and achieving net zero by 2030. This report provides insight into the current strategies, plans and actions; it is not intended as a technical assessment of the current plans. Some of the strategies are currently being set / influenced at Welsh Government levels and the report recognises that both funding and plans are subject to external influences outside the direct control of the Council.

The assessment is based on document analysis, interviews with key personnel and workplace observation with performance assessed against seven key enabling categories:

- Culture and approaches within the organisation
- Financing Climate Change and Sustainability
- Governance
- Monitoring – Targets and KPIs
- People and Training
- Projects, Partners and Supply Chain

Each enabler is rated against a maturity scale and an overall Organisational assessment is provided. Any gaps or best practice within peer group will also be highlighted. The scale used to assess each area:

<b>Fragmented (Score 1)</b>	Organisations where there is recognition of the importance of climate change action but there is a lack of awareness and consistency of a cohesive approach / mitigating actions	
<b>In Development (Score 2)</b>	<b>Organisations where there is evidence of an action plan but while the climate risks are better understood these organisations have yet to put cohesive actions in place.</b>	✓
<b>Managed (Score 3)</b>	<b>Organisations where there is a good understanding of climate change &amp; sustainability risks and defined policies and procedures exist. Controls and action plans are in place but there are likely to be inconsistencies in how these are applied across the organisation</b>	✓
<b>Integrated (Score 4)</b>	Organisations where climate change plans are embedded and consistently applied across the organisation. Such organisations seek to continually improve their processes and controls to limit their environmental impacts.	
<b>Transformational (Score 5)</b>	Organisations where climate change and sustainability are viewed as a strategic priority and the use of effective mitigation actions and wider community / business is leveraged to drive a co-ordinated approach to mitigate environmental damage and impacts.	



Category	Organisation	Score
Culture	Level 3 - Managed	3
Financing CC&S	Level 3 - Managed	3
Governance	Level 2 - In Development	2
Monitoring Climate Change	Level 2 - In Development	2
People & Training	Level 2 - In Development	2
Projects, Partnerships and Supply Chain	Level 2 - In Development	2

## Executive summary

A health check has been completed on the Climate Change action / mitigation strategies and planning at Isle of Anglesey County Council. The scope of the exercise was to consider the suitability and completeness of the current action plans, related governance and oversight aligned to the Climate Change Manager role created at the Council.

2030 Net Zero target achievement may well not be possible in all areas of the Council but there is strong evidence of a significant portfolio of net zero aligned work / programmes already in place. Overall, the Council has a very strong foundation on which to move forwards in achieving its net zero targets across key strategic areas. Plans are maturing and the Climate Change Manager role will be a key enabler in ensuring this activity is on track and managed in line with budget.

In summary, the climate health check has identified many positive features in the Council's current climate change / net zero action plans and arrangements. The recommendations made in this report will build upon the work already undertaken and will help deliver a more cohesive, connected view across the Council. There are currently too many initiatives / projects siloed within services that need to be fully visible and centrally monitored against agreed targets. This will need its own governance and oversight to ensure the net zero ambitions at the Council are realised and achieved. Three key areas were identified:

<b>Governance</b>	Creation of a dedicated point for assurance and oversight of all net zero projects and initiatives. The scope should include long term planning and visibility over financing, resources and key milestones towards 2030.
<b>Staff Recruitment / Retention - skills &amp; knowledge</b>	Gap analysis on key role dependencies and areas where skills are in demand or short supply
<b>Carbon Literacy Training</b>	Changing culture, mindsets and understanding of carbon literacy and the Council's net carbon zero journey amongst colleagues internally and wider externally.

Additionally, the key findings are:

- There already a comprehensive programme of planned work across a number of services at IoACC. The appointment of a dedicated Climate Change Manager also demonstrates the importance the Council places on becoming net zero by 2030.
- A Towards Net Zero Action Plan has also been to and agreed by the Executive and full Council, with the interviews demonstrating that some services are further along with regards to putting plans into implementation stage. Equally, there were pockets where climate action / green agenda were still at rudimentary stages. For example, long term contracts released to tender / or let without including aims to decarbonise, manage or monitor emissions
- The Climate Change Manager has a key role in identifying, mapping and monitoring all key climate related activity in order to build a comprehensive lens across the Council.
- This mapping / overarching plan should also incorporate some key deliverables such as time, resources, people, cost and impact towards net zero. This activity has already commenced, and the Climate Change Manager is fully aware of the need to also check / challenge on some of the timelines and costs to the Council.
- It would also be prudent to undertake a stakeholder mapping exercise and build in metrics and targets aligned towards achieving net zero targets, for example, including additional steps to deliver decarbonisation and establish carbon emissions monitoring arrangements within established contracts. This should also include the larger players such as Welsh Government (WG) and North Wales Ambition, albeit cognisant that these organisations are delivering change programmes at a national and regional rather than local level.

- Observations and findings

We have worked closely with the Internal Audit & Risk Management team and the Climate Change Manager in developing the scope of the Climate Change Health check. The sponsors and Zurich would like to thank all participants in the interview stages for their time, subject matter knowledge and input towards this project.

It is acknowledged that the Council has appointed a dedicated Climate Change Manager to support its net zero transition. This role sits within the corporate level of the organisation accountable to the Deputy and Chief Executive. This role is becoming more commonplace in Local Authorities across the country (UK & Wales).

As part of the first stage of the project, current and existing documentation linked to Towards Net Zero were reviewed and were found to be sufficiently detailed and were structured in their approach. It was also pleasing to see that Climate Action Failure / Towards Net Zero was also a formal risk recorded on the strategic risk register of the Council. Specialist resource knowledge and skills in the environmental and ecological areas are in short supply and it is commendable that IoACC has put in place a number of apprenticeship roles aimed at upskilling in multi-disciplined areas across the Council. This is an effective and efficient way of building specialist skills and succession planning to ensure continuity of delivery from key person dependencies.

The second part of the project involved interviewing 18 Executives / Senior Leadership / Heads of Service, Managers and budget holders in determining the maturity of action plans and current thinking in delivering net zero by 2030. The Chief Executive was keen to understand the culture within the organisation and all those interviewed demonstrated a clear understanding of the net zero agenda and the challenges facing their area of the Council. Another potential area for improvement would be widening the level of visibility and knowledge across the whole Council and Elected Members on what this cohesive journey towards net zero entails. Additionally, a feasibility assessment of whether the target date is achievable based on current data should also be considered.

There are some significant infrastructure challenges facing the Island regarding climate mitigation and reaching net zero carbon; a large proportion of the population are still reliant on fossil fuels with mains supplies limited. The Council is however supporting some innovative and ambitious alternative energy production projects included within, supported or facilitated by the Energy Island programme. Whilst these projects will deliver green energy supplies at a national level it would be prudent to explore whether the local supply situation could be improved and fossil fuel usage dramatically reduced or removed across Anglesey.

Whilst the Island is looking to provide an EV charging network, it is still in planning stages. Yet most of the population will not be able to access or afford EV vehicles at this stage in the transition process. The Council is working strategically to ensure EV charge points are available and will be displaying dual language capability. The Fleet Manager at the Council is also aware of the fleet transition challenges with lead times for EV vehicles around 12-18 months. There are also logistical problems to overcome in terms of Council vehicles particularly where vehicles are taken home overnight to meet scheduled next day appointments. This would require home charging points to ensure EV vehicles were sufficiently charged, prior to undertaking field work.

There is strong evidence of mature plans and approaches across several key services; Planning Built & Natural Environment and Refuse and Recycling being prime examples. Historically recycling across IoACC has been extremely successful; in recent years, the challenge remains as to how nationally set targets can be attained and improved upon. The Council was also one of the first in the UK to trial an EV Waste Collection vehicle which proved successful but each unit costs in excess of £500K. A progressive transition from fossil fuel to electric or other alternatives for fleet / waste management may require a revision of implementation dates due to a number of external factors outside the Council's control such as shortage of computer chips, lithium shortages and demand.

## Recommendations

We acknowledge the need to operate within the existing political frameworks. We also believe it may be necessary to challenge internal / external stakeholders' thinking where there are opportunities to be innovative and be creative in relation to achieving net zero targets. To do this responsibly, the Council will need to always ensure that it does not overexpose itself to excessive financial and strategic risks whilst trying to achieve net zero.

Whilst many of the targets have been set nationally, the Council should also consider developing and adopting its own set of internal metrics and benchmarks aligned to climate change / net zero. These should be smart, measurable and realistic. Indeed, the interviews suggested that for some services, achievement of net zero by 2030 may not be possible given the current position or a reliance on external stakeholders and funding.

The following set of recommendations should be considered by the Council. There are several suggested steps which could help the organisation embed a robust risk management and governance process in its journey towards net zero.

## Recommended Actions

### Culture - culture and approaches within the organisation

**Climate Change Awareness (External)** – consideration should be given as to how the journey towards net zero is communicated internal and externally. A Communications Plan is currently included as a project in the 2022/23 Net Zero Action Plan. There is a potential reputational risk in a lack of transparency and visibility whilst balancing public opinion and perception in achieving objectives.

**Removal of Silos and Identification of Joint Opportunities.** Identify any joint opportunities in existing net zero programmes or projects to maximise benefits and opportunities – for example, clean air monitoring stations could be added to all schools' weather monitoring equipment to increase the scale and scope of clean air monitoring.

### Financing climate change and sustainability

**Financing** – IoACC Director of Function (Resources) and Section 151 Officer and Climate Change Manager to initially undertake a detailed review of all planned net zero / climate mitigation related activity including an assessment of time, cost, people, resource and overall carbon reduction realisations, followed by a review of the long-term financial plan identifying investments and key financial decisions (contract opportunities, capital projects) and milestones towards the 2030 target.

**Financing** – Existing assets, buildings and schools' retrofitting to achieve or attain net zero. Building on previous retrofitting success, Property Services to develop a long-term detailed plan of how all assets will / could be converted to net zero by 2030. It is acknowledged that some assets may have already passed the point of economic viability to retrofit, these have already been identified within the asset portfolio. There is also the financial funding aspect to consider as part of this detailed evaluation exercise.

**Future Investment strategies** – IoACC operates a traditional approach to financial investment management, there are an increasing number of sustainable development investment opportunities linked to decarbonisation, climate change and biodiversity. It may be worth in future considering whether these investment opportunities offer an alternative to the Council aligned to its own sustainability goals.

### Monitoring

**Wellbeing of Future Generations Act 2015** – revisions of the Corporate Plan / Towards Net Zero plan should align and encompass the Wellbeing of Future Generations Act 2015.

**Clean Air Monitoring** – there are currently a set number of clean air monitoring stations located across Anglesey. Weather monitoring stations are located at all schools across the Island, and this may present an opportunity to increase clean air monitoring capacity using existing school locations. Climate Change manager to explore potential to expand scope to consider viability include automated air monitoring systems to provide real time information.

### People & Training

**Resources** – specialist climate related professionals and skills and knowledge in key service areas is in short supply or not currently funded whilst the introduction of apprenticeship roles has supported the gaps. The Council should evaluate whether the current workforce model will be sufficient to deliver the planned net zero changes. A lack of resource and capacity was cited as a potential barrier to achievement across all service interviews, e.g. No ecologist in post for 7-8 months – recently appointed to role.

**Training & Awareness** – once a comprehensive mapping of all planned "towards net zero" activity has been documented the Climate Change Manager should issue regular communications to all staff, officers and elected members of progress against delivery schedules / timelines and completion trajectories. This should feature as part of the wider Carbon Literacy Training included within the Executive Summary.

**Contracts / Suppliers** – it is recommended that all existing, at point of renewal or new contracts are checked and aligned to meet or progress towards internal targets for climate change and net zero aspirations. Where these aspects or metrics have not been captured or considered, the Climate Change Manager should be made aware of contract expiry dates and have input / oversight of potential climate change / net zero solutions proposed or agreed with third parties. Working with the Corporate Procurement Manager, the Climate Change Manager can identify a potential road map for identifying and reducing emissions from purchased goods and services / engagement across the Councils supply chain.

## Appendix A - Interviewees

Category	Name	Role
Officer Responsible for Environment	Christian Branch	Head of Regulation & Economic Development
Officer Responsible for Audit	Marion A. Pryor	Head of Audit and Risk
2 x Directorate Heads / Service Managers (with responsibility for risk or climate reporting)	Marc Jones Huw Percy	Director of Function (Resources) & Section 151 Officer  Head of Service, Highways, Waste and Property
Senior Finance representative	Marc Jones	Director of Function (Resources) & Section 151 Officer
Any other roles which play a key part in climate change management	Rhys A Williams	Climate Change Manager
Executive sponsor for Climate Change	Dylan Williams	Chief Executive
Fleet Management - vehicle plan	Gareth Owens	Fleet & Transport Manager
Public Transport / Schools - Arriva franchise local licences on some routes	Iwan Cadwaladr	Senior Transport Officer
Public Transport / Buses - Arriva franchise buses / bus routes - local licences on some routes		
Refuse Collection - contracted out to another organisation	Meirion P. Edwards Elin Owen	Chief Waste Management Officer Principle Waste Management Officer
Environment - Clean Air	Trystan Owen	Environmental Health Manager > Chief Public Protection Officer (from 1st April)
Bio-diversity	John Williams	Planning Built and Natural Environment Manager
Countryside Management	Gwenllian D. Owen Alun Owen	Visitor Economy and Coastal Areas Manager
Building Management - Assets; PV	T. Dylan Edwards	Principal Valuations Officer
Infrastructure on the Island - charging network strategy - approved plan	Dylan Llewelyn Jones	Senior Engineer (Strategic & Sustainable Transport)
Energy Island Programme	Angharad Crump	Energy Island Programme Delivery Manager

Dylan Williams  
Chief Executive  
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**Reference:** 3198A2022

**Date issued:** November 2022

Dear Dylan

## Isle of Anglesey County Council – Decarbonisation Progress Update

**The Council has a vision for its decarbonisation ambition but is at an early stage of its journey. It will need to develop a better understanding of its carbon footprint, the carbon impact and cost of its proposed actions, and funding to help achieve its vision of being net zero by 2030.**

### Context

In July 2022, the Auditor General published Public Sector readiness for Net Zero Carbon by 2030, which looked at decarbonisation actions in 48 public bodies, including all councils. This report found uncertainty that the collective ambition for a net zero public sector by 2030 will be met. Our work identified significant, common barriers to progress that public bodies must collectively address to meet the collective ambition. We found that while public bodies are demonstrating commitment to carbon reduction, they must now significantly ramp up their activities, increase collaboration and place decarbonisation at the heart of their day-to-day operations and decisions.



In the report, the Auditor General makes the following five calls for action from public bodies:

- Strengthen your leadership and demonstrate your collective responsibility through effective collaboration;
- Clarify your strategic direction and increase your pace of implementation;
- Get to grips with the finances you need;
- Know your skills gaps and increase your capacity; and
- Improve data quality and monitoring to support your decision making.

The following paragraphs set out the findings of our local audit work on the Council's decarbonisation action plan. These findings sit within the wider context of the Auditor General's July 2022 report that calls for increased pace and stronger leadership across Wales in reducing carbon emissions.

### **What we looked at:**

We undertook an assessment of the Council's arrangements to develop and deliver their Decarbonisation Plan. We gathered evidence through interview, document reviews and the Council's returned Call for Evidence for the Decarbonisation Baseline Review.

### **What we found:**

In September 2020 the Council declared a Climate Emergency and a commitment to "modernise and adapt to become a net zero Council by 2030". This was followed in March 2021 with a commitment from the Executive to deliver a Climate Change Programme as stated in its Towards Net Zero Plan adopted by the Council in March 2022. The current Council Plan 2017-2022 has a key priority to "Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment" which encompasses the decarbonisation agenda. However, the Council recognises there needs to be a much clearer alignment between the next iteration of the Council Plan, due to be published in the Autumn of 2022, and its Towards Net Zero Plan. The Council recognises that it is at the initial stage of its journey towards net zero by 2030.

The Council told us that the five ways of working, and the sustainable development principle are integrated into all of its decision making and that these areas would be considered for each of the individual projects within its Towards Net Zero Plan.

However, whilst the Plan was the subject of an impact assessment which included some consideration of these areas, a more detailed consideration of how the Plan is using the five ways of working to apply the sustainable development principle would strengthen arrangements.

The Council currently collects data on carbon emissions from several sources, however it needs a more comprehensive understanding of its carbon footprint to enable it to prioritise the proposed actions and interventions based on their financial and carbon impacts over the short, medium and long-term. The Council has told us that as part of its wider corporate project to improving the centralisation of data collection, it intends to refine how it defines and measures its carbon footprint and centralise the carbon data collection process during 2022-23.

The Towards Net Zero plan recognises the importance of governance, monitoring and review and has identified this as one of its five themes in the plan. However, governance, monitoring and review arrangements around the council's progress towards Net Zero is still at an early stage of development. At the time of our work the Net Zero Programme Board had not yet met. Whilst the Plan identifies key actions around governance, monitoring and review, no specific timescales have been agreed for when these important steps will have been completed. It will be important for the Council to put these key actions in place as quickly as possible to ensure it effectively manages its progress towards net zero.

The Council's current Scorecard Monitoring Report and its latest Annual Performance Report (2021/22) contain a small number of metrics on Carbon emissions. Whilst the Council measures some emissions data and has reported these to Welsh Government for 2019-20 and 2021-22, it is still developing its approach to collecting and publicly reporting on its progress around carbon reduction.

The development of the Council's Towards Net Zero Plan has not been directly informed by engagement or consultation with citizens. However, the Council told us that it intends to engage on this area as part of the proposed engagement on the new Council Plan. Having a clear understanding of citizens and wider stakeholders' perspectives and how they can support the Council will be an important stage in building a shared vision for its net zero ambitions.

In developing its Towards Net Zero Plan the Council engaged with other Councils, as well as the Welsh Local Government Association and the North Wales Economic Ambition Board. Whilst there are examples of collaborations around decarbonisation such as the “Energy Island Programme” the Council needs to continue to explore opportunities to work in partnership with other stakeholders if it is to deliver its vision of being net zero by 2030.

The Council has previously invested in several initiatives to support its Net Zero plans the most significant of these is the £2.6m in its Energy Efficiency Refit scheme and the Welsh Government funding for the new water and air source heating for its main council offices. The Council has also allocated a small revenue budget for climate change and invested in a new Climate Change Programme Manager. In addition to this the Council has allocated a further £200k for specific capital projects in 2021/22 with a further £300k in reserves for decarbonisation projects. However, it recognises the investment challenges for low carbon technology and that the resources currently earmarked for this area will not be sufficient to meet the Net Zero 2030 target. There is therefore a significant risk that the Council will not meet the net zero emissions target by 2030. If the Council is to meet this challenging target, it will need to ensure its Corporate Plan and Capital Strategy fully reflect the how it proposes to fund its low carbon projects and initiatives.

## Recommendations

### Exhibit 1: recommendations

The table below sets out the recommendations that we have identified following this review

Recommendations	
R1	<p>The Council should ensure that the high-level actions in its decarbonisation plan are:</p> <ul style="list-style-type: none"><li>• prioritised based on clear criteria, including carbon and financial impact;</li><li>• aligned with its Medium-Term Financial Strategy and Capital Programme; and</li><li>• integrated into business plans.</li></ul>

## Recommendations

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- R2 The Council should develop a robust set of metrics to measure and report progress on its decarbonisation journey.

Yours sincerely

Alan Hughes

Audit Lead

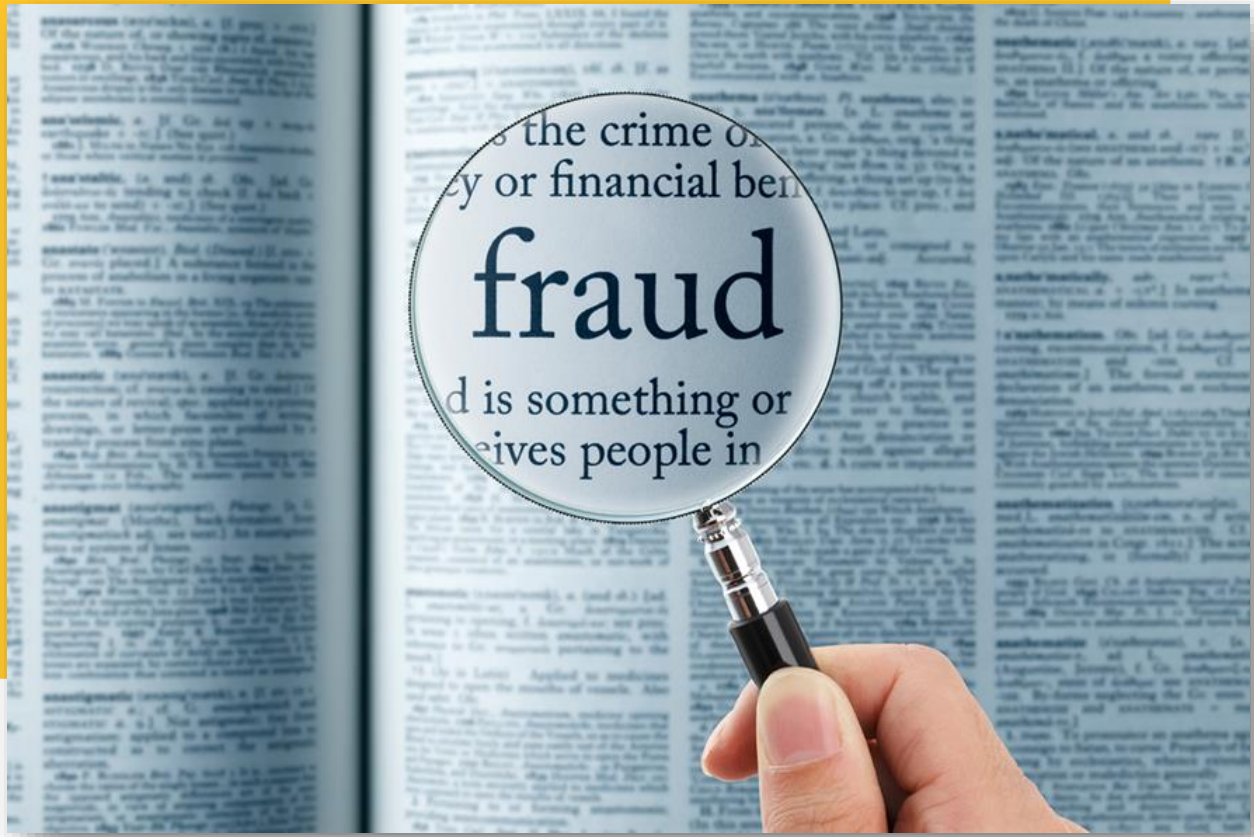
<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to</b>	Governance and Audit Committee
<b>Date</b>	08 December 2022
<b>Subject</b>	Counter Fraud, Bribery and Corruption Strategy 2022-25
<b>Head of Service</b>	Marc Jones Director of Function (Resources) and Section 151 Officer <a href="mailto:MarcJones@anglesey.gov.wales">MarcJones@anglesey.gov.wales</a>
<b>Report Author</b>	Marion Pryor Head of Audit and Risk <a href="mailto:MarionPryor@anglesey.gov.wales">MarionPryor@anglesey.gov.wales</a>
<b>Nature and Reason for Reporting:</b> The Governance and Audit Committee has oversight responsibility for the Council's arrangements for preventing, detecting, investigating and prosecuting fraud and corruption.	

## 1. INTRODUCTION

1.1 This report presents the activity that Internal Audit will carry out during 2022-25 to minimise the risk of fraud, bribery and corruption occurring within and against the Council.

## 2. RECOMMENDATION

2.1 That the Governance and Audit Committee reviews and notes Internal Audit's strategy for countering fraud, bribery and corruption for 2022-25.



# COUNTER FRAUD, BRIBERY AND CORRUPTION STRATEGY 2022-25

Marion Pryor BA MA CMIIA CPFA ACFS

December 2022

Head of Audit & Risk

[MarionPryor@anglesey.gov.wales](mailto:MarionPryor@anglesey.gov.wales)



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## INTRODUCTION

This report presents the activity that Internal Audit will carry out during 2022-25 to minimise the risk of fraud, bribery and corruption occurring within and against the Council.

This supports the requirements of the Public Sector Internal Audit Standards, 2018 (PSIAS), which require internal audit to evaluate the potential for fraud occurring and how the organisation manages fraud risk (Standard 2120).

In addition, the Accounts and Audit (Wales) Regulations 2014 state that the Council's responsible financial officer (Section 151 Officer) must ensure that its accounting control systems include measures to enable the prevention and detection of inaccuracies and fraud.

Minimising fraud and irregularity is vital in ensuring resources, intended to provide essential services to the residents and businesses of the Isle of Anglesey, are used for that purpose. Fraud committed against the Council is a theft of taxpayers' money, can cause reputational damage for the Council, a loss of confidence amongst the public or stakeholders, and have an adverse effect on staff morale. Through effective counter-fraud measures, the Council can reduce the risk of error, loss and fraud.

Fraudsters are constantly revising and sharpening their techniques and local authorities need to do the same. There is a clear need for a tough stance supported by elected members, chief executives and those charged with governance. This includes tackling cross-boundary and organised fraud and corruption attempts, as well as addressing new risks such as social care fraud and cyber issues.

The purpose of this strategy is to ensure that the Isle of Anglesey County Council does all that it can to address this threat and minimise the risk of fraud and corruption occurring.

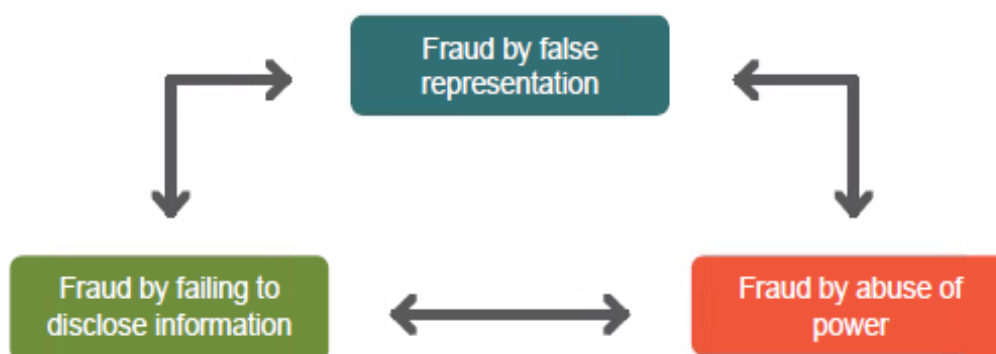


## WHAT IS FRAUD?

Fraud, bribery and corruption are all forms of behaviour that have elements of dishonesty or unlawful gain. Fraud can be defined as criminal conduct involving deliberate deception in order to receive unfair, unjustified or unlawful gain and typically describes activities such as theft, corruption, money laundering, conspiracy, bribery and extortion.

Before enacted within law, it was generally accepted that fraud was a broad legal concept that referred to an intentional act committed to secure an unfair or unlawful gain, and was covered within a variety of other criminal legislation, such as the Theft Act 1968.

However, since then, in the UK, fraud has become a criminal offence in its own right; the Fraud Act 2006 sets out three ways in which the crime can be committed:



The CIPFA Counter Fraud Centre advocates the following definition of fraud:

**Fraud is an acquisitive crime that involves stealing (theft) by means of some form of deception or misrepresentation.**

## WHAT IS BRIBERY AND CORRUPTION?

The Bribery Act 2010 came into force in 2011. The Act reformed and consolidated existing bribery laws. It also simplified and expanded the range of offences for which individuals and organisations can be prosecuted.

Under the Act, offences include:

- Giving bribes either directly or through a third party
- Receiving bribes
- Bribery of a foreign public official
- Failure of a commercial organisation to prevent bribery (corporate offence)

The concept of bribery is broad and includes the offer, promise or giving of a financial or other advantage intended to induce or reward the improper performance of a public function or business activity. Special consideration is also given in the Act to certain areas of activity, including hospitality and gifts.

Corruption is the lack of integrity or honesty (which may involve bribery) or the abuse of position for dishonest gain. From a legal perspective, corruption is more difficult to define, as behaviours that are considered corrupt in some countries may be protected by a legal framework in others. This is particularly the case where bribery is involved.

For our purposes, we consider corruption to be either fraudulent behaviour or actions that involve bribery.

## WHY IS COUNTERING FRAUD, BRIBERY AND CORRUPTION IMPORTANT?

Fraud can affect the public sectors' reputation and divert funding from vital public services, undermining public trust, financial sustainability and organisational efficiency. Fraud, bribery and corruption, as well as money laundering and terrorist financing, have grown enormously to become a global blight that challenges national governments and private industry alike.

CIPFA, in its most recent National Fraud and Corruption Tracker (2020) report recognises that each pound lost to fraud represents a loss to the public purse and reduces the ability of the public sector to provide services to people who need them. CIPFA advocates that:

**“Leaders of public service organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management”.**

Successful counter-fraud activity is much more than just saving money. These illegitimate activities can undermine public trust. When councils take effective counter-fraud measures they rebuild public trust, and ensure that scarce funds are used effectively. In addition to monetary loss, fraud takes a heavy toll on human prosperity, security, and well-being.

In Wales, the Auditor General's report<sup>1</sup> highlighted that Welsh public services could be losing anything up to £1 billion a year to fraud. At a time of increasing financial pressure, it is more important than ever for all public bodies in Wales to seek to minimise the risks of losses through fraud.

According to the Social Market Foundation, a non-partisan think tank focused on economic and social policy, fraud is now the most common crime in England and Wales. The organisation estimates that fraud costs the UK economy £137bn a year<sup>2</sup> and is increasing rapidly<sup>3</sup>.

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<sup>1</sup> Counter-Fraud Arrangements in the Welsh Public Sector, An Overview for the Public Accounts Committee, Auditor General for Wales, June 2019

<sup>2</sup> Fraud is now Britain's dominant crime, Social Market Foundation, March 2022

<sup>3</sup> The financial cost of fraud 2021, Centre for Counter Fraud Studies, University of Portsmouth

# COUNTER FRAUD ARRANGEMENTS AND RESOURCING

## UK arrangements for counter fraud

A number of bodies support and drive good counter-fraud practice across the UK, including CIPFA's Counter Fraud Centre, the National Anti Fraud Network (NAFN)<sup>4</sup> and most notably, the National Fraud Initiative (NFI).

The NFI is a biennial exercise, which matches data within and across organisations, systems, and national borders to help public bodies identify potential fraud or error in claims and transactions. It is a government anti-fraud programme run by the Cabinet Office and was set up in 1996 to protect public money and punish fraudsters.

The Auditor General's report<sup>5</sup> (October 2022) highlighted that the exercise has detected or prevented more than £49.4 million of fraud and overpayments in Wales since it was set up 25 years ago and that the 2020-21 exercise helped Welsh public bodies identify £6.5million of fraud and overpayments. The NFI in Wales also helped organisations in other parts of the UK identify 153 cases of fraud and error amounting to £183,045.

However, the Auditor General commented that the value of Welsh outcomes in NFI 2020-21 reduced by £1.5 million from the previous NFI exercise. He attributed the decrease to the number of fraudulent or erroneous claims for Council Tax Single Persons Discount and Housing benefit identified through NFI falling, which was partly due to timing, with many NFI participants reviewing NFI matches later than normal due to work pressures arising from the COVID-19 pandemic.

The report identified seven main areas which generated almost 98% of the outcomes; housing benefit, creditor payments, council tax discount, blue badges, COVID-19 business support grants, council tax reduction scheme and waiting lists.

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<sup>4</sup> NAFN is a public sector organisation currently hosted by Tameside MBC. Membership is open to any organisation that has responsibility for managing public funds and/or assets. Currently, almost 90% of local authorities are members.

<sup>5</sup> <https://www.audit.wales/news/ps65-million-fraud-and-overpayments-identified-national-fraud-initiative-wales>

## Wales-wide arrangements for counter fraud

A review<sup>6</sup> in 2020 of counter-fraud arrangements across the Welsh public sector by the Auditor General reported that the resources devoted to counter-fraud activity varied widely across the public sector in Wales. Across local government in Wales, counter-fraud resourcing arrangements differed markedly from council to council and there was no all-Wales team responsible for local government counter-fraud activities, or any overarching strategy or policy framework.

## Regional arrangements

In the absence of a group or professional network that specifically promotes counter-fraud in local government in Wales, to fill this gap in north Wales a sub-group of the North and Mid Wales Audit Partnership was formed in May 2021 to share and drive good practice in relation to counter-fraud. It continues to meet quarterly and is working to benchmark good practice with regards to the 15 recommendations made in the Auditor General's report.

## Arrangements in the Council

The CIPFA Code establishes that the ability to take action will be dependent upon the size and nature of an organisation and the size of its counter-fraud capacity.

Following the transfer of fraud investigators from Local Government to the Department for Works and Pensions in 2014, most councils in Wales, including the Isle of Anglesey County Council, no longer have a dedicated council-wide counter-fraud resource, and instead, Internal Audit has been designated the counter-fraud role in the Council.

Last year, we recruited a Senior Auditor who is a qualified Accredited Counter Fraud Technician. We will be using their skills to drive forward counter-fraud activity within the Council. The Head of Audit and Risk is also a qualified Accredited Counter Fraud Specialist.

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<sup>6</sup> 'Raising Our Game' Tackling Fraud in Wales - Report of the Auditor General for Wales, July 2020

## CURRENT AND EMERGING FRAUD RISKS

In these turbulent times of looming economic recession, a cost of living crisis and inflation levels not seen for years, supply chain disruption, staff retention and recruitment issues, the ongoing effects of the Covid pandemic and a Russia-Ukraine war inevitably lead to uncertainty, fear, and desperation – all conditions that criminals prey upon.

Temptations and opportunities for fraud have increased<sup>7</sup>, and fraudsters will take advantage of the situation using ever more sophisticated tools to commit their crimes.

Before the demise of the Audit Commission in 2015, its report ‘Protecting the Public Purse’ was hailed as the only one of its type globally to include the number, volume and type of fraud cases from every council in the country<sup>8</sup>. Today we must look for intelligence on fraud risks from a wide range of different sources.

The main fraud risks faced by local government were identified in ‘Fighting Fraud and Corruption Locally: A Strategy for the 2020s’<sup>9</sup> (discussed in more detail later) as:

- Cyber-dependent and cyber-enabled
- Social care - personal budgets and direct payments
- Schools
- Right to buy / tenancy
- Money Laundering
- Commissioning of services
- Procurement
- Payroll and identity fraud
- Council tax
- Disabled parking concession
- Grants
- Business rates
- Insurance
- Disabled facility grants

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<sup>7</sup> Fraud is on the rise: step up to the challenge, Chartered Institute of Internal Auditors, July 2022

<sup>8</sup> Public Eyes, IIA Audit & Risk, August 2022

<sup>9</sup> <https://www.cipfa.org/services/cipfa-solutions/fraud-and-corruption/fighting-fraud-and-corruption-locally>

## Cyber

Councils are increasingly becoming targets - some receive thousands of attempted attacks each day. The ransomware attack on Redcar and Cleveland Council in February 2020 was well-publicised, along with Hackney and Gloucester councils which have been badly affected since. It should be high on all councils' assessment of fraud risks and is included in the Isle of Anglesey County Council's strategic risk register.

## Cyber-enabled

These are frauds that existed before computers but have been made easier using technology. For councils, the main cyber-enabled frauds are creditor and payroll diversion (mandate fraud). Most cyber-related risks operate on the 'weakest link' principle requiring only one instance of control failure to succeed. Ongoing awareness-raising and training is vital.

## Insider Threat

Crime thrives during an economic downturn. In times of financial hardship, law-abiding citizens can find themselves motivated and pushed towards crime. A life they would never have considered without the pressures they currently face. As people struggle with rising living costs, they could be tempted to supplement their income by exploiting their knowledge of internal processes. Examples of this can include over-claiming overtime, abusing expenses or exploiting access to the organisation's finances. There may also be an increase in staff approaches, where an individual is given the opportunity to make money by making changes to accounts, or selling data and information around competitive tendering exercises.

Thirdport<sup>10</sup> reports that in the UK in 2021, 41% of insider threat cases concerned dishonest actions, with the majority relating to the theft of cash from an employer. In the first half of 2022, 175 individuals have been recorded as an insider threat - up 51% from the same period in 2021. In the same period, there has been a 47% increase in dishonest

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<sup>10</sup> Five fraud types to watch for in 2023, Harriet Holmes, AML Services Manager, Thirdfort, October 2022

actions by staff, spanning 72 cases. Overall, most individuals involved in these cases had been in employment for two to five years (43%).

## Housing Fraud

The largest growing fraud area in the UK is housing tenancy, with an estimated £60.1m lost in 2019-20 compared to £47.7m in 2018-19. Tenancy fraud includes illegal subletting, wrongful succession, lying about tenancy agreements or housing applications and failures to disclose changed circumstances, and costs the taxpayer thousands of pounds each year.

With an already huge demand for social housing, properties should not be left empty because the tenant has moved in with a partner, is living somewhere else, or is making money by illegally subletting their council property. Tenancy fraud denies people on the Council's waiting list a decent home.

## Council Tax Single Person Discount

Council tax single person discount (SPD) is the second largest growing fraud area in the UK and represents almost two-thirds (65%) of the identified instances of fraud, with an estimated value of £35.9m in 2019-20 (£29.0m in 2018-19).

The Council uses an external company to review and validate its SPD claims on a periodic basis to identify claims at risk of fraud and error. The last exercise in August 2021 screened 11,200 accounts, targeted 2,245 accounts and identified 484 errors, with an error rate of 4.3%. The estimated revenue generated from this review is £152,090.

## Disabled Parking Concession

Disabled parking concession (Blue Badge Scheme) represents 17% of the total cases of UK estimated public sector fraud. We work with the NFI to identify cases where a permit holder has died but the Council may not have been notified. In these cases, we have worked with Cyswllt Môn to cancel the permit and update the system to ensure the pass is not renewed.

However, some local authorities also take additional steps to prevent fraudulent abuse, such as taking steps to recover the permit, referring the information to parking attendants to check the permits are not being used to avoid parking fees, and some authorities use



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the intelligence to recover social services equipment that was on loan to the deceased individual.

## Procurement

Procurement was one of the highest perceived fraud risk areas in 2019-20 and has been for two years running. In the UK courts, procurement fraud increased 400% by volume (from three cases in 2020 to 15 in 2021) and by value to £9.5m from £2.6m compared to 2020.

## Purchase to pay

Purchase to pay processes are vulnerable to fraud given their large processing volumes, diverse suppliers, staffing challenges, and high-value transactions. Invoice and mandate scams were only the sixth most common type of 'Authorised Push Payment' scams in 2020, however they accounted for 17% of all losses, totalling £81.9m. The majority of losses by value, some £52.5m, were from non-personal or business accounts, where the average fraudulent payment was £18,871.<sup>11</sup>

## Disabled Facility Grants

These grants help towards the cost of adaptations and facilities to enable a disabled person to continue to live at their property. Fraud is committed when applicants apply for a grant based on information they know is false or inaccurate. This could include not declaring any, or all, savings and failing to declare full income. There is a limited amount of funding available for these adaptations, so fraud of this kind could result in deserving people having to wait longer for essential works, leaving those people vulnerable to injuries and stress, causing a strain on health and social care services.

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<sup>11</sup> Fraud - The Facts 2021, UK Finance

## STRATEGIC OBJECTIVES

When considering this strategy, we considered CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption (2014)<sup>12</sup> (the CIPFA Code), which sets out best practice for counter-fraud work in local government, based on five principles.

However, we also considered a more recent publication, also endorsed by CIPFA. The 'Fighting Fraud and Corruption Locally: A Strategy for the 2020s'<sup>13</sup> (FFCL), discussed earlier in [Current and Emerging Fraud Risks](#) is the overarching counter-fraud and corruption strategy for local government in England, and provides a blueprint for a tougher response to fraud and corruption perpetrated against local authorities. In the absence of a Wales-specific strategy, we have used this to underpin our strategic focus.

Similar to the CIPFA Code, the FFCL strategy focuses on five pillars of activity, or strategic objectives, and helps us to set out where the Council needs to concentrate its counter-fraud efforts. These are:

### Govern

The foundation of the Strategy is that *'those charged with governance'* support the activity by ensuring that there are robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the Council.

Beating fraud is everyone's business, and the Council needs robust internal arrangements, which are communicated throughout the Council to demonstrate the culture and commitment to preventing fraud.

**Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.**

<sup>12</sup> <https://www.cipfa.org/services/networks/better-governance-forum/counter-fraud-documentation/code-of-practice-on-managing-the-risk-of-fraud-and-corruption>

<sup>13</sup> <https://www.cipfa.org/services/cipfa-solutions/fraud-and-corruption/fighting-fraud-and-corruption-locally>

## Acknowledge

To create a counter-fraud response, the Council must acknowledge and understand fraud risks and then demonstrate this by committing the right support and appropriate resource for tackling fraud.

The Leadership Team (LT) has acknowledged the threats of fraud and corruption and the harm they can cause to the Council, its aims and objectives and to its service users by mandating the inclusion of fraud in every service risk register.

We submit an annual report to the Governance and Audit Committee to enable it to challenge activity and understand the Council's counter-fraud activity.

Assessing and understanding fraud risks.

Committing the right support and tackling fraud and corruption.

Demonstrating that it has a robust anti-fraud response.

Communicating the risks to those charged with Governance.

## Prevent

The Council can prevent and detect by enhancing fraud controls and processes, making better use of information and technology and developing a more effective anti-fraud culture.

The Council has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure that proper arrangements are made for the Council's financial affairs and aims to have sound financial systems and procedures, which incorporate efficient and effective internal controls.

Making the best use of information and technology.

Enhancing fraud controls and processes.

Developing a more effective anti-fraud culture.

Communicating its activity and successes.

## Pursue

While preventing fraud and corruption from happening in the first place is the Council's primary aim, it is essential that a robust enforcement response is available to pursue fraudsters and deter others.

The Council will always seek the strongest possible sanction against any individual or organisation that defraud or attempt to defraud the Council.

Prioritising fraud recovery and use of civil sanctions.

Developing capability and capacity to punish offenders.

Collaborating across geographical and sectoral boundaries.

A further element of the Council's response to tackling fraud is seeking financial redress. The recovery of defrauded monies is an integral part of the Strategy, and action will be taken to recover losses. Where criminality has been proven then the Proceeds of Crime Act 2002 will, where appropriate, be used to recover funds.

Other methods of recovery may include, but are not confined to, civil proceedings; unlawful profit orders and compensation orders.

Learning lessons and closing the gaps.

## Protecting itself and its residents

This theme lies across the pillars of this strategy and involves protecting the Council against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the wider community. It also covers protecting public funds, protecting the Council from cyber-crime and protecting itself from future frauds.

The Council recognises that fraud is not a victimless crime and seeks to protect the vulnerable from the harm that fraud can cause in the community.

We have a duty to protect residents in our communities from fraud and we should work in collaboration with officers across the Council and partner agencies to prevent fraud and safeguard the vulnerable.

Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.

Recognising the harm that fraud can cause in the community.

## CONCLUSION

As custodians of public resources, every public sector organisation has a responsibility to fight fraud and corruption. Successful organisational efforts to prevent, identify and manage various types of fraud not only strengthens the state of public finances, but also mitigates moral and reputational risks across the public sector.

All members and employees of the Isle of Anglesey County Council have a responsibility for promoting an anti-fraud culture by ensuring that robust and effective control measures are in place to prevent fraud and corruption and by promptly identifying and reporting potential instances for investigation.

They have a critical role to play in establishing and implementing a positive fraud prevention and awareness culture across the organisation, underpinned by the right tone from the top. This acts as a powerful preventive control to deter people from committing fraud.

Part of developing a positive fraud prevention and awareness culture means encouraging transparency and openness when talking about fraud; establishing an environment where employees feel they can raise concerns without fear of retaliation; and delivering the message that internal controls to prevent and detect fraud are there to protect staff as well as the organisation.

Internal audit has an important cultural role to play by helping raise awareness around fraud, promoting whistleblowing best practice, and acting as a trusted advisor to members and senior management on areas that need improvement. This strategy establishes a robust way forward to ensure the Internal Audit Team is able to:

- adapt to emerging threats and issues, and address current and future fraud risks across the Council;
- assess, analyse and report on existing and future fraud risks affecting the Council, and;
- identify requirements for future counter-fraud work.

Progress against the strategy and the activities required to achieve its objectives (detailed at [Appendix 2](#)) will be reported to the Governance and Audit Committee, and will be subject to continuous review.

## APPENDIX 1 – DOCUMENTS REVIEWED

- The Public Sector Internal Audit Standards, March 2017
- The Accounts and Audit (Wales) Regulations 2014
- Fraud - The Facts 2021, UK Finance <https://www.ukfinance.org.uk/policy-and-guidance/reports-publications/fraud-facts-2021>
- CIPFA Fraud and corruption tracker, National Report 2020 (February 2021) <https://www.cipfa.org/services/cipfa-solutions/fraud-and-corruption/fraud-and-corruption-tracker>
- Fighting Fraud and Corruption Locally, A Strategy for the 2020s <https://www.cipfa.org/services/cipfa-solutions/fraud-and-corruption/fighting-fraud-and-corruption-locally>
- Review into the risks of fraud and corruption in local government procurement, Ministry of Housing, Communities and Local Government, June 2020 <https://www.local.gov.uk/review-risks-fraud-and-corruption-local-government-procurement>
- 'Raising Our Game' Tackling Fraud in Wales, Report of the Auditor General for Wales, July 2020 <https://www.audit.wales/publication/raising-our-game-tackling-fraud-wales>
- Counter-Fraud Arrangements in the Welsh Public Sector, An Overview for the Public Accounts Committee, Auditor General for Wales, June 2019 <https://www.audit.wales/publication/counter-fraud-arrangements-welsh-public-sector>
- CIPFA Code of Practice on Managing the Risk of Fraud and Corruption, 2014 <https://www.cipfa.org/services/networks/better-governance-forum/counter-fraud-documentation/code-of-practice-on-managing-the-risk-of-fraud-and-corruption>
- Fraud is on the rise: step up to the challenge, Chartered Institute of Internal Auditors, July 2022
- Fraud is now Britain's dominant crime, Social Market Foundation, March 2022 [https://www.smf.co.uk/commentary\\_podcasts/fraud-is-britains-dominant-crime/](https://www.smf.co.uk/commentary_podcasts/fraud-is-britains-dominant-crime/)
- The financial cost of fraud 2021, Centre for Counter Fraud Studies, University of Portsmouth, [https://f.datasvr.com/fr1/521/90994/0031\\_Financial\\_Cost\\_of\\_Fraud\\_2021\\_v5.pdf](https://f.datasvr.com/fr1/521/90994/0031_Financial_Cost_of_Fraud_2021_v5.pdf)
- Five fraud types to watch for in 2023, Harriet Holmes, AML Services Manager, Thirdfort, October 2022 [https://www.thirdfort.com/resources/five-fraud-types-to-watch-for/?utm\\_campaign=Harriet+content&utm\\_source=LinkedIn&utm\\_medium=textlink&utm\\_content=Five+fraud+types](https://www.thirdfort.com/resources/five-fraud-types-to-watch-for/?utm_campaign=Harriet+content&utm_source=LinkedIn&utm_medium=textlink&utm_content=Five+fraud+types)

## APPENDIX 2 – COUNTER FRAUD, BRIBERY AND CORRUPTION ACTION PLAN

Issue / Risk	Action	By Who	By When
The risk of 'insider threat' has increased by over half since 2021	We will undertake an internal audit review of the arrangements for declaring potential conflicts of interest during 2022-23.	Internal Audit	March 2023
Disabled Facility Grants are identified by the FFCL as one of the main fraud risks in local government	We will undertake an internal audit review of the arrangements for managing fraud risks within Disabled Facility Grants during 2023-24.	Internal Audit	March 2024
Tenancy fraud is the largest growing fraud area in the UK	<p>Although the Head of Housing Services has assessed that, generally, tenancy fraud is low in Anglesey, we will work with the NFI to identify:</p> <ul style="list-style-type: none"> <li>• where an individual appears to be resident at two different addresses suggesting possible cases of subletting or dual tenancies</li> <li>• cases where a housing tenant has died, but the Council may not have been notified so has not removed them from the tenancy</li> <li>• where an individual appears to have registered on the waiting list using a different address to the one on the housing rents system, suggesting possible undisclosed changes in circumstances or that false information has been provided.</li> </ul>	Head of Audit and Risk in conjunction with the Service Manager Community Housing, Housing Services	March 2023
Council tax single person discount is the second largest growing fraud area in the UK	We will continue to work with the Revenues and Benefits Service Manager to support the periodic review of single person discounts.	Head of Audit and Risk in conjunction with the Revenues	Ongoing

Issue / Risk	Action	By Who	By When
	We will also pass on the results of the matches of the council tax single person discount and electoral roll from the 2022-23 NFI data matching exercise.	and Benefits Service Manager	March 2023
<b>Disabled parking concession (Blue Badge Scheme) represents 17% of the total cases of UK estimated public sector fraud</b>	<p>We will work with Cyswllt Môn to bolster our counter-fraud activities in this area.</p> <p>We will also pass on the results of the matches of the disabled parking concessions and deceased persons from the 2022-23 NFI data matching exercise.</p>	Head of Audit and Risk in conjunction with the Cyswllt Môn Customer Experience Manager, Corporate Transformation	Ongoing  March 2023
<b>Procurement was one of the highest perceived fraud risk areas in 2019-20</b>	We will work with the Procurement Manager to implement the action plan following the internal audit review of 'Managing the Risk of Fraud and Corruption in Procurement', undertaken in August 2022.	Head of Audit and Risk in conjunction with the Procurement Manager	March 2023
<b>Purchase to pay processes are vulnerable to fraud given their large processing volumes, diverse suppliers, staffing challenges, and high-value transactions</b>	We will continue to work with the Creditors Team to identify and prevent error and fraud, including through the use of data analytics (continuous monitoring) and issuing National Anti Fraud Network (NAFN) and other fraud alerts.	Head of Audit and Risk in conjunction with Payroll and Payments Team Manager	Ongoing
<b>Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.</b>	<p>Having a corporate counter-fraud framework, which provides a whole range of high-level parts, will contribute to the Council having an effective counter-fraud strategy. The Council has a robust framework of procedures and policies, which combine to act as an effective deterrent to fraudulent activity and provide the means for reporting or detecting fraud or corruption. We will therefore undertake:</p> <ul style="list-style-type: none"> <li>• a comprehensive programme of policy refreshment</li> <li>• counter-fraud awareness raising</li> <li>• an eLearning package</li> </ul>	Head of Audit and Risk	December 2023



Issue / Risk	Action	By Who	By When
<p><b>The identification, assessment and understanding of fraud risks is a cornerstone of effective counter-fraud arrangements</b></p>	<p>We will, in conjunction with services, develop three key work streams which will:</p> <ul style="list-style-type: none"> <li>• seek to identify fraud risks across the Council</li> <li>• assess fraud control activities and their effectiveness, and</li> <li>• dedicate the right level of resource to investigating and detecting fraud where reported</li> </ul> <p>A counter-fraud working group will be developed to help identify fraud risk across the Council.</p> <p>We will work with the group to develop a fraud risk assessment to identify the possible frauds to which services may be exposed. The assessment will estimate both the potential impact of a given fraud and the likelihood of it occurring. The results of the assessments will enable the Council to understand better the fraud-threat environment in which it operates. The assessments will also be used as a tool to assist in focusing resources on the most relevant fraud risks.</p>	<p>Head of Audit and Risk</p>	<p>December 2023</p>
<p><b>Reactive referrals are often the primary source of work for the Internal Audit Team.</b></p>	<p>It is often the alertness of the public or employees that generate referrals and enables detection to occur. We will explore the provision of a fraud-reporting tool for staff and public to report concerns.</p>	<p>Head of Audit and Risk in conjunction with the IT Team Manager</p>	<p>June 2023</p>
<p><b>Making the best use of information and technology by participating in the National Fraud Initiative</b></p>	<p>We will participate in the annual and biennial NFI exercises, which use data provided by some 1,200 participating organisations from across the public and private sectors to prevent and detect fraud. The NFI matches electronic data within and between public and private sector bodies, which include police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. The NFI data matching plays an important role in protecting the public purse against fraud risks.</p>	<p>Head of Audit and Risk in conjunction with services</p>	<p>Ongoing</p>

Issue / Risk	Action	By Who	By When
<b>Promotion of an anti-fraud culture</b>	We will promote an anti-fraud culture across the Council by publicising the impact of fraud on the Council and the community, through social media.	Head of Audit and Risk in conjunction with the Corporate Communications Team	Ongoing
<b>Raising awareness</b>	The best way to prevent fraud is to share knowledge and raise awareness. Therefore, we will in conjunction with the Training and Development Team, hold regular fraud awareness raising events, including issuing newsletters, training sessions and briefings.	Head of Audit and Risk in conjunction with the Training and Development Manager	Ongoing
<b>Fraud Reporting</b>	All fraud occurrences are required to be reported to Internal Audit. We will report investigation outcomes and lessons to be learned to the Governance and Audit Committee and the Leadership Team.	Head of Audit and Risk in conjunction with services	Ongoing
<b>Collaboration, learning lessons and closing the gap</b>	We will continue collaborating across the north Wales region to drive forward improvements in counter-fraud activity, including addressing the 15 recommendations made by the Auditor General in his July 2020 report. We will also continue collaborating across national boundaries to collaborate with the North West Chief Audit Executive Counter Fraud Sub Group, to learn lessons, share good practice and close the gap.	Head of Audit and Risk	Ongoing
<b>Protecting the Council and its residents</b>	To ensure our counter-fraud strategy aligns with the Council's safeguarding responsibilities to actively protect the most vulnerable in our communities, we will work closely with social care teams to develop joint approaches to identify best practice in countering risks relating to social care fraud.	Head of Audit and Risk in conjunction with the Director of Social Services	Ongoing

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>GOVERNANCE &amp; AUDIT COMMITTEE</b>
<b>DATE:</b>	<b>8 DECEMBER 2022</b>
<b>SUBJECT:</b>	<b>TREASURY MANAGEMENT MID-YEAR REVIEW REPORT 2022/23</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR ROBIN WILLIAMS</b>
<b>HEAD OF SERVICE:</b>	<b>MARC JONES, DIRECTOR OF FUNCTION (RESOURCES) &amp; SECTION 151 OFFICER</b>
<b>REPORT AUTHOR:</b>	<b>JEMMA ROBINSON</b>
<b>E-MAIL:</b>	JemmaRobinson@ynysmon.llyw.cymru
<b>LOCAL MEMBERS:</b>	n/a

## 1. Background

### 1.1 Capital Strategy

In December 2017, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare a Capital Strategy which is intended to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed; and
- the implications for future financial sustainability.

A report setting out our Capital Strategy was taken to the Executive Committee on 3 March 2022, and a revised Strategy for 2023/24 will be taken to the full Council before 31 March 2023.

### 1.2 Treasury Management

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially, before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially, the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses and, on occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:-

*“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

## 2. Introduction

This report has been written in accordance with the requirements of CIPFA's Code of Practice on Treasury Management (revised 2017). The primary requirements of the Code are as follows:-

- (i) Creation and maintenance of a Treasury Management Policy Statement, which sets out the policies and objectives of the Council’s treasury management activities.
- (ii) Creation and maintenance of Treasury Management Practices, which set out the manner in which the Council will seek to achieve those policies and objectives.
- (iii) Receipt by the full Council of an Annual Treasury Management Strategy Statement, which includes the Annual Investment Strategy and Minimum Revenue Provision Policy (MRP) for the year ahead, a Mid-year Review Report (this report) and an Annual Report, covering activities during the previous year.
- (iv) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- (v) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council, the delegated body is the Governance and Audit Committee.

This mid-year report has been prepared in compliance with CIPFA’s Code of Practice on Treasury Management, and covers the following:-

- An economic update for the first half of the 2022/23 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council’s capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council’s investment portfolio for 2022/23;
- A review of the Council’s borrowing strategy for 2022/23;
- A review of any debt rescheduling undertaken during 2022/23;
- A review of compliance with Treasury and Prudential Limits for 2022/23.

### 3. Economic Update

3.1 The Council’s treasury advisers provided an economic update and can be found in Appendix 1. They have also recently provided the following interest rate forecast:-

	Dec 2022	Mar 2023	Jun 2023	Sep 2023	Dec 2023	Mar 2024	Jun 2024	Sep 2024	Dec 2024	Mar 2025
Bank Rate (%)	4.00%	5.00%	5.00%	5.00%	4.50%	4.00%	3.75%	3.25%	3.00%	2.75%
5yr PWLB rate (%)	5.00%	4.90%	4.70%	4.50%	4.20%	3.90%	3.70%	3.50%	3.40%	3.30%
10yr PWLB rate (%)	4.90%	4.70%	4.60%	4.30%	4.10%	3.80%	3.60%	3.50%	3.40%	3.30%
25yr PWLB rate (%)	5.10%	4.90%	4.80%	4.50%	4.30%	4.10%	3.90%	3.70%	3.60%	3.60%
50yr PWLB rate (%)	4.80%	4.60%	4.50%	4.20%	4.00%	3.80%	3.60%	3.40%	3.30%	3.30%

3.2 The Council’s treasury advisers recently provided a commentary alongside the interest rate forecast above. This commentary can be found in Appendix 2.

### 4. Treasury Management Strategy Statement and Annual Investment Strategy Update

4.1 The Treasury Management Strategy Statement (TMSS) for 2022/23 was approved by the full Council on 10 March 2022. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

## 5. Annual Investment Strategy

- 5.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions.
- 5.2 The Council held £55.224m of investments as at 30 September 2022 (£46.115m at 31 March 2022), and the investment portfolio yield for the first six months of the year was 1.11%. However, it should be noted that yields have increased during the 2<sup>nd</sup> quarter and are expected to continue to increase during the second half of the year. A full list of investments as at 30 September 2022 can be found in Appendix 3. A summary of the investments and rates can be found in Appendix 4.
- 5.3 The approved limits within the Annual Investment Strategy were not breached during the first six months of 2022/23, however, it is being requested that the limit to which we can lend to other Local Authorities is increased from £5m to £10m. This is in light of our increased cash balances and demand from other local authorities, in order for us to avail of the best possible investment opportunities.
- 5.4 The Council's budgeted investment return for the whole of 2022/23 is £0.004m and performance for the year to date is not in line with the budget, with £0.208m received to the end of Quarter 2. Our projection to year end is that we will overachieve the budget as, with our cash balances having been higher than normal, this is offset by the higher than anticipated interest rates than the forecast was when we set the budget.
- 5.5 The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.
- 5.6 The approved countries for investments can be seen in Appendix 5.
- 5.7 The table below shows a list of investments made during the first half of this financial year. Given that security of funds is the key indicator of this Council, and the lack of demand from other Local Authorities, bank call accounts are seen as the most secure way of investing funds, and this gives a greater rate of return following the increase in interest rates, although the Council is aiming to widen the number of counterparties available in order to minimise the amount held in call accounts

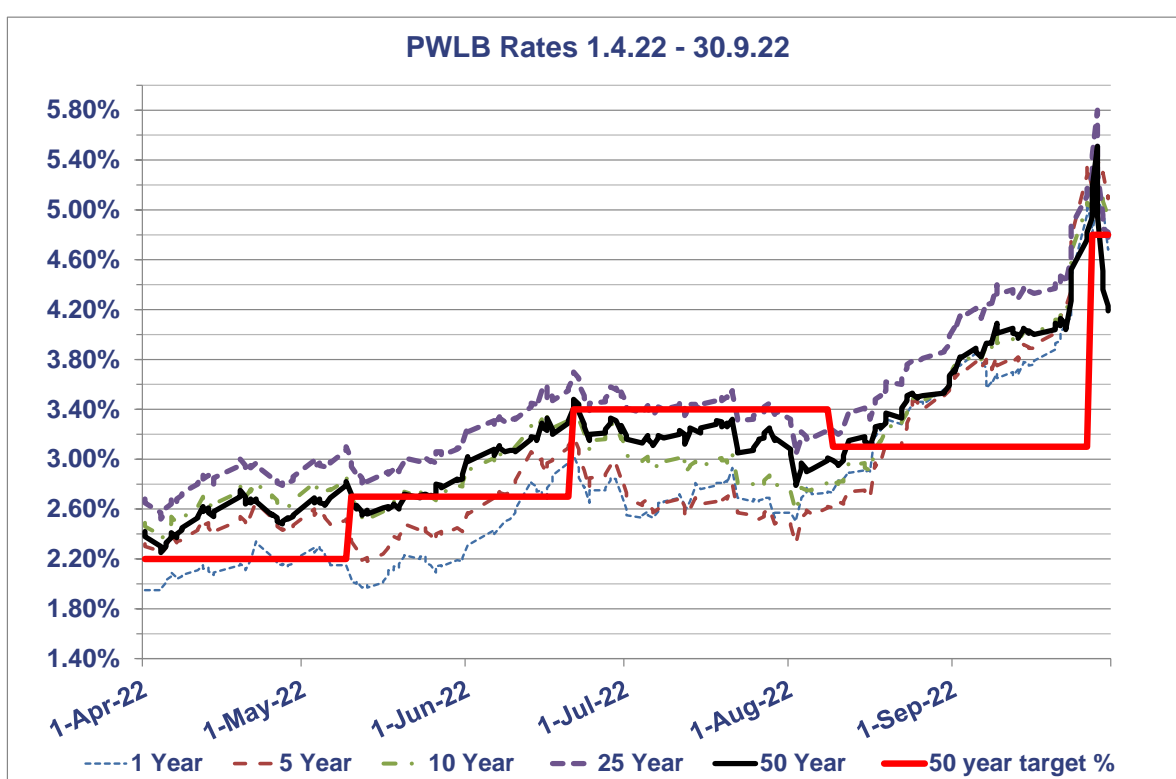
Counterparty	Start Date	End Date	Interest Rate %	Amount £	Interest earned for the period £
National Westminster Bank	11/04/2022	11/10/2022	1.30	10,000,000	65,178
Santander	10/05/2022	10/11/2022	1.47	7,500,000	55,578
Nationwide Building Society	17/05/2022	17/08/2022	0.97	7,500,000	18,337
Goldman Sachs	22/07/2022	22/12/2022	2.18	7,500,000	68,536
Nationwide Building Society	17/08/2022	17/11/2022	1.87	7,500,000	35,351

## 6. Borrowing

- 6.1 The projected capital financing requirement (CFR) for 2022/23 is £146.9m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive, the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council has projected year end borrowings of £122.7m and will have used £24.2m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate, but will require ongoing monitoring in the event that any upside risk to gilt yields prevails.

**6.2** No borrowing was undertaken during the first half of this financial year, and it is not anticipated that any additional external borrowing will need to be undertaken during the second half of the financial year. There will be a borrowing requirement to fund a part of the 2022/23 capital programme, but this will be through internal borrowing (drawing down cash balances). This will delay capital financing costs while the Council's cash balances can absorb this internal borrowing. In the more medium-term, this might need externalising if Council cash balances become low. The capital programme is being kept under regular review due to the effects of inflationary pressures, shortages of materials and labour. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, in order to achieve optimum value and risk exposure in the long-term.

The graph and table below show the movement in PWLB certainty rates for the first six months of the year to date. Gilt yields and PWLB rates were on a rising trend between 1<sup>st</sup> April and 30<sup>th</sup> September. The 50-year PWLB target certainty rate for new long-term borrowing started 2022/23 at 2.20%, before increasing to 4.80% in September. (Please note, however, that we see PWLB rates trending downwards through 2023 and 2024.)



	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	1.95%	2.18%	2.36%	2.52%	2.25%
<b>Date</b>	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
<b>High</b>	5.11%	5.44%	5.35%	5.80%	5.51%
<b>Date</b>	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
<b>Average</b>	2.81%	2.92%	3.13%	3.44%	3.17%
<b>Spread</b>	3.16%	3.26%	2.99%	3.28%	3.26%

**6.3** Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields, which have impacted PWLB new borrowing rates since October 2010. No debt rescheduling has, therefore, been undertaken to date in the current financial year. However, now that the whole of the yield curve has shifted higher, there may be better opportunities in the future, although only prudent and affordable debt rescheduling will be considered.

## 7. The Council's Capital Position (Prudential Indicators)

7.1 This part of the report is structured to update:-

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

### 7.2 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure in comparison to the capital budget:-

Capital Expenditure	2022/23 Original Estimate £'000	Position as at 30 September 2022 £'000	2022/23 Current Estimate £'000
Council Fund	36,691	13,450	34,068
HRA	15,034	4,015	12,085
<b>Total</b>	<b>51,725</b>	<b>17,465</b>	<b>46,153</b>

7.2.1 The projected expenditure shows that the majority of projects are on target to be completed within budget, with some projects forecasting to be underspent by year end, with the scheme and funding slipping into the next financial year. The HRA is also forecasting a significant underspend. This is reflected in the above table. A full breakdown on the planned capital expenditure for 2022/23 is provided in the Capital Budget Monitoring Report Q2, presented to the Executive on 29 November 2022.

### 7.3 Changes to the Financing of the Capital Programme

7.3.1 There are some changes to the financing of the capital programme, as can be seen in the table below. The main reason for the change is as noted in paragraph 7.2.1, as there will be significant underspend in capital schemes in 2022/23. However, these schemes will slip into 2023/24, along with their funding, and it is not anticipated, at this point, that any funding will be lost due to the delays.

7.3.2 The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original funding of the capital programme, and the expected funding arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Financing	2022/23 Original Estimate £'000	2022/23 Revised Estimate £'000
Capital Grants	19,253	18,331
Capital Receipts	1,108	830
Reserves	7,112	6,331
Revenue Contribution	10,365	7,602
Supported Borrowing	7,068	6,240
Unsupported Borrowing	6,742	6,742
Loan	77	77
<b>Total</b>	<b>51,725</b>	<b>46,153</b>

## 7.4 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

7.4.1 Tables 7.4.2 and 7.4.3 below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary, which is set annually by the Council as part of the Treasury Management Strategy Statement.

### 7.4.2 Prudential Indicator – the Operational Boundary for external debt

	2022/23 Operational Boundary as per TMSS 2022/23 £'000	2022/23 Opening Borrowing Position £'000	Amount Within the Boundary £'000	2022/23 Estimated Borrowing Position £'000	Amount Within the Boundary £'000
<b>Prudential Indicator – External Debt / The Operational Boundary</b>					
Borrowing	175,000	125,349	49,651	122,677	52,323
Other long term liabilities	5,000	0	5,000	0	5,000
<b>Total Debt 31 March</b>	<b>180,000</b>	<b>125,349</b>	<b>54,651</b>	<b>122,677</b>	<b>57,323</b>

### 7.4.3 Prudential Indicator – Capital Financing Requirement (CFR)

7.4.3.1 We are currently slightly below the original forecast for Capital Financing Requirement due to the forecast underspend in borrowing, mainly down to the HRA forecast underspend and receiving additional grant funding received as substitute funding.

	2022/23 Original Estimate £'000	2022/23 Revised Estimate £'000
<b>Prudential Indicator – Capital Financing Requirement</b>		
CFR – Council Fund	107,867	106,957
CFR – HRA	43,646	39,897
Total CFR	151,513	146,854
<b>Net movement in CFR</b>	<b>10,567<sup>1</sup></b>	<b>9,050<sup>2</sup></b>

<b>Original CFR Forecast</b>	<b>151,513</b>
Reduced MRP between TMSS 2022/23 forecast and Capital Q2 2022/23 revised forecast	150
Underspend in Unsupported Borrowing for HRA in 2022/23	-3,750
Difference on loan (difference between TMSS 2022/23 forecast and Capital Q2 revised forecast) – additional Salix loan received not known at time of producing TMSS 2022/23	400
Overspend in Unsupported Borrowing in 2021/22 and underspend in 2022/23 due to Band B expenditure in 2021/22 not anticipated when producing the TMSS, and the underspend in 2022/23 due to reductions in spend on band A and Band B when comparing to the figures available when the TMSS was produced.	-911
Underspend in Supported Borrowing in 2021/22 due to additional grant received in 2021/22 as substitute funding which reduced the need for Supported Borrowing	-549
<b>Revised CFR Forecast</b>	<b>146,854</b>

<sup>1</sup> Movement between 2021/22 estimate and 2022/23 estimate in TMSS 2022/23

<sup>2</sup> Movement between 2021/22 actual (per Statement of Accounts 2021/22) and 2022/23 revised estimate



## 7.5 Limits to Borrowing Activity

- 7.5.1** The first key control over the treasury activity is a prudential indicator to ensure that, over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need, which will be adhered to if this proves prudent. The current borrowing position is £124.155m, which is below the CFR forecast for this and the next two financial years (see table below), therefore, this indicator has not been breached.

	2022/23 £'000	2023/24 £'000	2024/25 £'000
<b>CFR (year-end forecast)</b>	<b>146,854</b>	<b>161,468</b>	<b>167,556</b>

	2022/23 Original Estimate £'000	Current Position at 30 September 2022 £'000	2022/23 Revised Estimate £'000
External Borrowing	144,333	124,155	122,677
Internal Borrowing	7,180	22,699	24,177
Plus other long term liabilities	0	0	0
<b>CFR (year-end position)</b>	<b>151,513</b>	<b>146,854</b>	<b>146,854</b>

- 7.5.2** It is not envisaged that there will be any difficulties for the current year in complying with this prudential indicator.

- 7.5.3** A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit, which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members, currently £185m. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under Section 3 (1) of the Local Government Act 2003.

Authorised Limit for External Debt	2022/23 Original Indicator £'000	Current Borrowing Position as at 30 September 2022 £'000	Estimated Borrowing Position as at 31 March 2023 £'000
Borrowing	180,000	124,155	122,677
Other long term liabilities	5,000	0	0
<b>Total</b>	<b>185,000</b>	<b>124,155</b>	<b>122,677</b>

## **8. Compliance with Treasury and Prudential Limits**

**8.1** It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2022, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2022/23. No difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in compliance with the Council's Treasury Management Practices.

## **9. Recommendation**

**9.1** To recommend to the Executive that the change in counterparty limit to other local authorities as per section 5.3, is put forward by the Executive and approved by the full Council.

**9.2** To consider the content of the report and forward any comments onto the Executive.

**Diweddariad ar yr Economi hyd yma a'r rhagolygon / Economic Update & Forecasts**

- The second quarter of 2022/23 saw:-
  - GDP revised upwards in Q1 2022/23 to +0.2% q/q from -0.1%, which means the UK economy has avoided recession for the time being;
  - Signs of economic activity losing momentum as production fell due to rising energy prices;
  - CPI inflation ease to 9.9% y/y in August, having been 9.0% in April, but domestic price pressures showing little sign of abating in the near-term;
  - The unemployment rate fall to a 48-year low of 3.6% due to a large shortfall in labour supply;
  - Bank Rate rise by 100bps over the quarter, taking Bank Rate to 2.25% with further rises to come;
  - Gilt yields surge and sterling fall following the “fiscal event” of the new Prime Minister and Chancellor on 23<sup>rd</sup> September.
- The UK economy grew by 0.2% q/q in Q1 2022/23, though revisions to historic data left it below pre-pandemic levels.
- There are signs of higher energy prices creating more persistent downward effects in economic activity. Both industrial production (-0.3% m/m) and construction output (-0.8% m/m) fell in July 2022 for a second month in a row. Although some of this was probably due to the heat wave at the time, manufacturing output fell in some of the most energy intensive sectors (e.g., chemicals), pointing to signs of higher energy prices weighing on production. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.
- The fall in the composite PMI from 49.6 in August to a 20-month low preliminary reading of 48.4 in September points to a fall in GDP of around 0.2% q/q in Q3 and consumer confidence is at a record low. Retail sales volumes fell by 1.6% m/m in August, which was the ninth fall in 10 months. That left sales volumes in August just 0.5% above their pre-Covid level and 3.3% below their level at the start of the year. There are also signs that households are spending their excess savings in response to high prices. Indeed, cash in households' bank accounts rose by £3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rate of £4.6bn.
- The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. Labour Force Survey (LFS) employment rose by 40,000 in the three months to July (the smallest rise since February). But a renewed rise in inactivity of 154,000 over the same period meant that the unemployment rate fell from 3.8% in June to a new 48-year low of 3.6%. The single-month data showed that inactivity rose by 354,000 in July itself and there are now 904,000 more inactive people aged 16+ compared to before the pandemic in February 2020. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth. Indeed, in July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.
- CPI inflation eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was mainly due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. And with the oil price now just below \$90pb, we would expect to see fuel prices fall further in the coming months.
- However, utility price inflation is expected to add 0.7% to CPI inflation in October when the Ofgem unit price cap increases to, typically, £2,500 per household (prior to any benefit payments). But, as the government has frozen utility prices at that level for two years, energy price inflation will fall sharply after October and have a big downward influence on CPI inflation.

- Nonetheless, the rise in services CPI inflation from 5.7% y/y in July to a 30-year high of 5.9% y/y in August suggests that domestic price pressures are showing little sign of abating. A lot of that is being driven by the tight labour market and strong wage growth. CPI inflation is expected to peak close to 10.4% in November and, with the supply of workers set to remain unusually low, the tight labour market will keep underlying inflationary pressures strong until early next year.
- During H1 2022, there has been a change of both Prime Minister and Chancellor. The new team (Liz Truss and Kwasi Kwarteng) have made a step change in government policy. The government's huge fiscal loosening from its proposed significant tax cuts will add to existing domestic inflationary pressures and will potentially leave a legacy of higher interest rates and public debt. Whilst the government's utility price freeze, which could cost up to £150bn (5.7% of GDP) over 2 years, will reduce peak inflation from 14.5% in January next year to 10.4% in November this year, the long list of tax measures announced at the "fiscal event" adds up to a loosening in fiscal policy relative to the previous government's plans of £44.8bn (1.8% of GDP) by 2026/27. These included the reversal of April's national insurance tax on 6<sup>th</sup> November, the cut in the basic rate of income tax from 20p to 19p in April 2023, the cancellation of next April's corporation tax rise, the cut to stamp duty and the removal of the 45p tax rate, although the 45p tax rate cut announcement has already been reversed.
- Fears that the government has no fiscal anchor on the back of these announcements has meant that the pound has weakened again, adding further upward pressure to interest rates. Whilst the pound fell to a record low of \$1.035 on the Monday following the government's "fiscal event", it has since recovered to around \$1.12. That is due to hopes that the Bank of England will deliver a very big rise in interest rates at the policy meeting on 3<sup>rd</sup> November and the government will lay out a credible medium-term plan in the near term. This was originally expected as part of the fiscal statement on 23<sup>rd</sup> November but has subsequently been moved forward to an expected release date in October. Nevertheless, with concerns over a global recession growing, there are downside risks to the pound.
- The MPC has now increased interest rates seven times in as many meetings in 2022 and has raised rates to their highest level since the Global Financial Crisis. Even so, coming after the Fed and ECB raised rates by 75 basis points (bps) in their most recent meetings, the Bank of England's latest 50 basis points hike looks relatively dovish. However, the UK's status as a large importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.
- Since the fiscal event on 23<sup>rd</sup> September, we now expect the Monetary Policy Committee (MPC) to increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023. The combination of the government's fiscal loosening, the tight labour market and sticky inflation expectations means we expect the MPC to raise interest rates by 100bps at the policy meetings in November (to 3.25%) and 75 basis points in December (to 4%) followed by further 50 basis point hikes in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If Bank Rate climbs to these levels the housing market looks very vulnerable, which is one reason why the peak in our forecast is lower than the peak of 5.50% - 5.75% priced into the financial markets at present.
- Throughout 2022/23, gilt yields have been on an upward trend. They were initially caught up in the global surge in bond yields triggered by the surprisingly strong rise in CPI inflation in the US in May. The rises in two-year gilt yields (to a peak of 2.37% on 21<sup>st</sup> June) and 10-year yields (to a peak of 2.62%) took them to their highest level since 2008 and 2014 respectively. However, the upward trend was exceptionally sharply at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the government's extraordinary fiscal stimulus plans. The 30-year gilt yield rose from 3.60% to 5.10% following the "fiscal event", which threatened financial stability by forcing pension funds to sell assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31<sup>st</sup> October. Second, it committed to buy up to £65bn of long-term gilts to "restore orderly market conditions" until 14<sup>th</sup> October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons.
- Since the Bank's announcement on 28<sup>th</sup> September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%.

- There is a possibility that the Bank continues with QE at the long-end beyond 14<sup>th</sup> October or it decides to delay quantitative tightening beyond 31<sup>st</sup> October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government's deficit. But instead, that it is a temporary intervention with financial stability in mind.
- After a shaky start to the year, the S&P 500 and FTSE 100 climbed in the first half of Q2 2022/23 before falling to their lowest levels since November 2020 and July 2021 respectively. The S&P 500 is 7.2% below its level at the start of the quarter, whilst the FTSE 100 is 5.2% below it as the fall in the pound has boosted the value of overseas earnings in the index. The decline has, in part, been driven by the rise in global real yields and the resulting downward pressure on equity valuations as well as concerns over economic growth leading to a deterioration in investor risk appetite.

***Rhan o gyngor dderbyniwyd gan / An extract from advice received from: Link Asset Services***

**Sylwadau ar y rhagolygon diweddaraf ar raddfeydd llog /  
Commentary on the latest interest rates forecasts**

- The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1<sup>st</sup> November 2012.
- The latest forecast on 27<sup>th</sup> September sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices.
- The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances after September's "fiscal event". To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, but its job is that much harder now.
- Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1<sup>st</sup> November 2012.

***Rhan o gyngor dderbyniwyd gan / An extract from advice received from: Link Asset Services***

**Crynodeb Benthycyca a Buddsoddi – Chwarteroedd 1 a 2 2022/23**  
**Borrowing and Investment Summary – Quarters 1 and 2 2022/23**

	30 Medi / Sept 2022		30 Mehefin / June 2022	
	£'m	% (talwyd ar fenthycyca a dderbyniwyd ar fuddsoddi) / % (paid on borrowing and received on investment)	£'m	% (talwyd ar fenthycyca a dderbyniwyd ar fuddsoddi) / % (paid on borrowing and received on investment)
Benthycyca – graddfa sefydlog Borrowing – fixed rate				
BBGC / PWLB	120.9	4.58	121.9	4.58
Dim BBGC / Non-PWLB	3.3	0	3.3	0
Benthycyca – graddfa amrywiol Borrowing – variable rate	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Adneuon – galw hyd at 30 diwrnod Deposits – Call to 30 days	22.7	0.30	30.1	0.08
Adneuon – Tymor sefydlog < 1 bl. Deposits – Fixed Term < 1 year	32.5	1.67	32.5	1.14
Adneuon – Tymor sefydlog 1 bl. + Deposits – Fixed Term 1 year +	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Cyfanswm Adneuon Total Deposits	55.2	1.11	63.2	0.62
Adneuon Uchaf yn y Chwarter Highest Deposits in the Quarter	63.2	d/b / n/a	64.7	d/b / n/a
Adneuon Isaf yn y Chwarter Lowest Deposits in the Quarter	55.2	d/b / n/a	46.1	d/b / n/a
Cyfartaledd Adneuon yn y Chwarter Average Deposits in the Quarter	58.5	0.88	60.8	0.51

ATODIAD / APPENDIX 4

**Graddfeydd Credyd Gwrthbartion buddsoddi a'r adneuron a ddelir gyda phob un ar 30 Medi 2022\***  
**Credit ratings of investment counterparties and deposits held with each as at 30 September 2022\***

Grŵp Bancio/ Banking Group	Sefydliad/ Institution	Adneuron / Deposit £'000	Hyd (Galw / tymor sefydlog) / Duration (Call / Fixed Term**)	Cyfnod (O / I) / Period (From / To)	Graddfa Dychweliad / Rate of Return %	Graddfa Tymor Hir Fitch Long Term Rating	Graddfa Tymor Byr Fitch Short Term Rating	Graddfa Tymor Hir Moody's Long Term Rating	Graddfa Tymor Byr Moody's Short Term Rating	Graddfa Tymor Hir Standard & Poor's Long Term Rating	Graddfa Tymor Byr Standard & Poor's Short Term Rating	Lliw Sector / Hyd Awgrymiedig / Sector Colour / Suggested Duration
Lloyds Banking Group plc	Bank of Scotland plc	0.000	Galw / Call	d/b / n/a	0.01	A+	F1	A1	P-1	A+	A-1	Coch – 6 mis / Red - 6 Months
Santander Group plc	Santander UK plc	0.000	Galw / Call	d/b / n/a	0.41	A+	F1	A1	P-1	A	A-1	Coch – 6 mis / Red - 6 months
The Royal Bank of Scotland Group plc	The Royal Bank of Scotland plc (Rhan / Gwladoli / Part / Nationalised)	0.002	Galw / Call	d/b / n/a	0.10	A+	F1	A1	P-1	A	A-1	Glas - 12 mis / Blue – 12 months
The Royal Bank of Scotland Group plc	National Westminster Bank Deposit	22.722	Galw / Call	d/b / n/a	0.30	A+	F1	A1	P-1	A	A-1	Glas - 12 mis / Blue – 12 months
The Royal Bank of Scotland Group plc	National Westminster Bank	10.000	Sefydlog / Fixed	11/4/22 – 11/10/22	1.30	A+	F1	A1	P-1	A	A-1	Glas - 12 mis / Blue – 12 months
Santander Group plc	Santander UK plc	7.5000	Sefydlog / Fixed	10/5/22 – 10/11/22	1.47	A+	F1	A1	P-1	A	A-1	Coch – 6 mis / Red - 6 months
Goldman Sachs	Goldman Sachs	7.5000	Sefydlog / Fixed	22/7/22 – 22/12/22	2.18	A+	F1	A1	P-1	A	A-1	Coch – 6 mis / Red - 6 months
Nationwide Building Society	Nationwide Building Society	7.5000	Sefydlog / Fixed	17/8/22 – 17/11/22	1.87	A	F1	A1	P-1	A+	A-1	Coch – 6 mis / Red - 6 months

\* Ceir y Rhestr Benthycia Cymeradwyedig yn Atodiad 8 o'r Datganiad Strategaeth Rheoli Trysorlys 2022/23 / Strategaeth Buddsoddi Blynyddol / The Approved Lending List can be found at Appendix 8 of the 2022/23 Treasury Management Strategy Statement / Annual Investment Strategy

\*\* Sef tymor ar pwynt y buddsoddi / Being term at the point of investment.



**Gwledydd cymeradwy ar gyfer buddsoddi**  
**Approved countries for investments**

*Yn seiliedig ar y gyfradd credyd sofran isaf sydd ar gael*  
*Based upon lowest available sovereign credit rating*

AAA

- Awstralia / Australia
- Denmarc / Denmark
- Yr Almaen / Germany
- Lwcsembwrg / Luxembourg
- Yr Iseldiroedd / Netherlands
- Norwy / Norway
- Singapôr / Singapore
- Sweden
- Y Swistir / Switzerland

AA+

- Canada
- Y Ffindir / Finland
- U.D.A. / U.S.A.

AA

- Abu Dhabi (UAE)
- Ffrainc / France

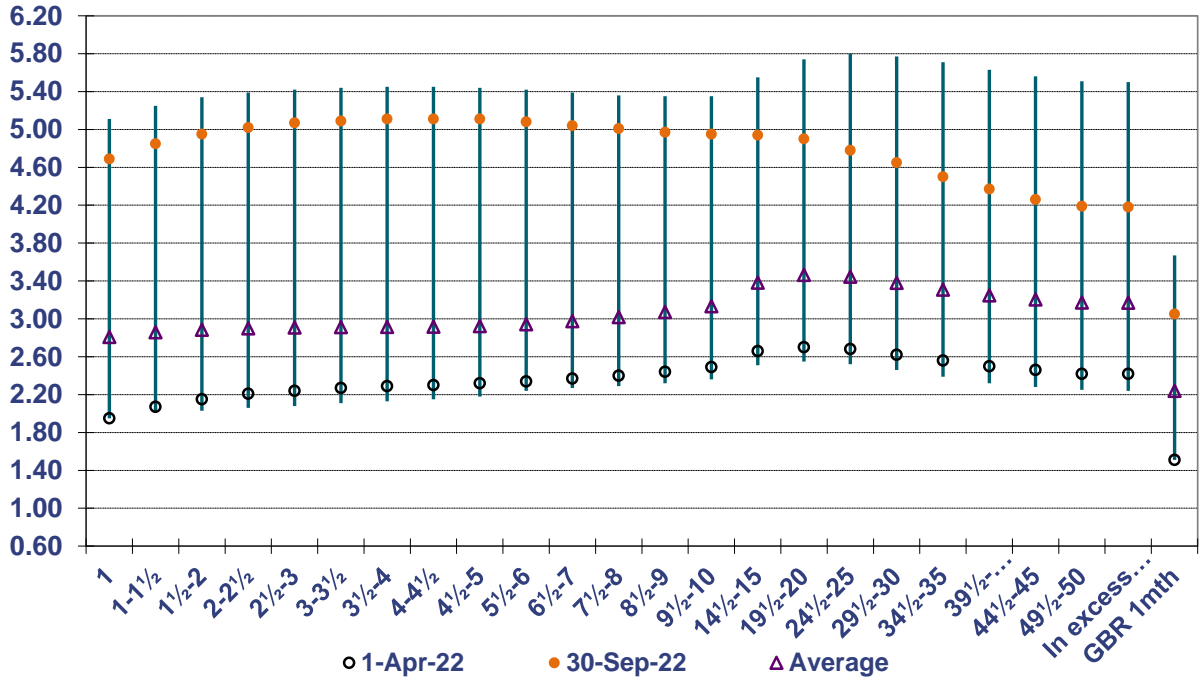
AA-

- Gwlad Belg / Belgium
- Hong Kong
- Qatar
- D.U. / U.K.

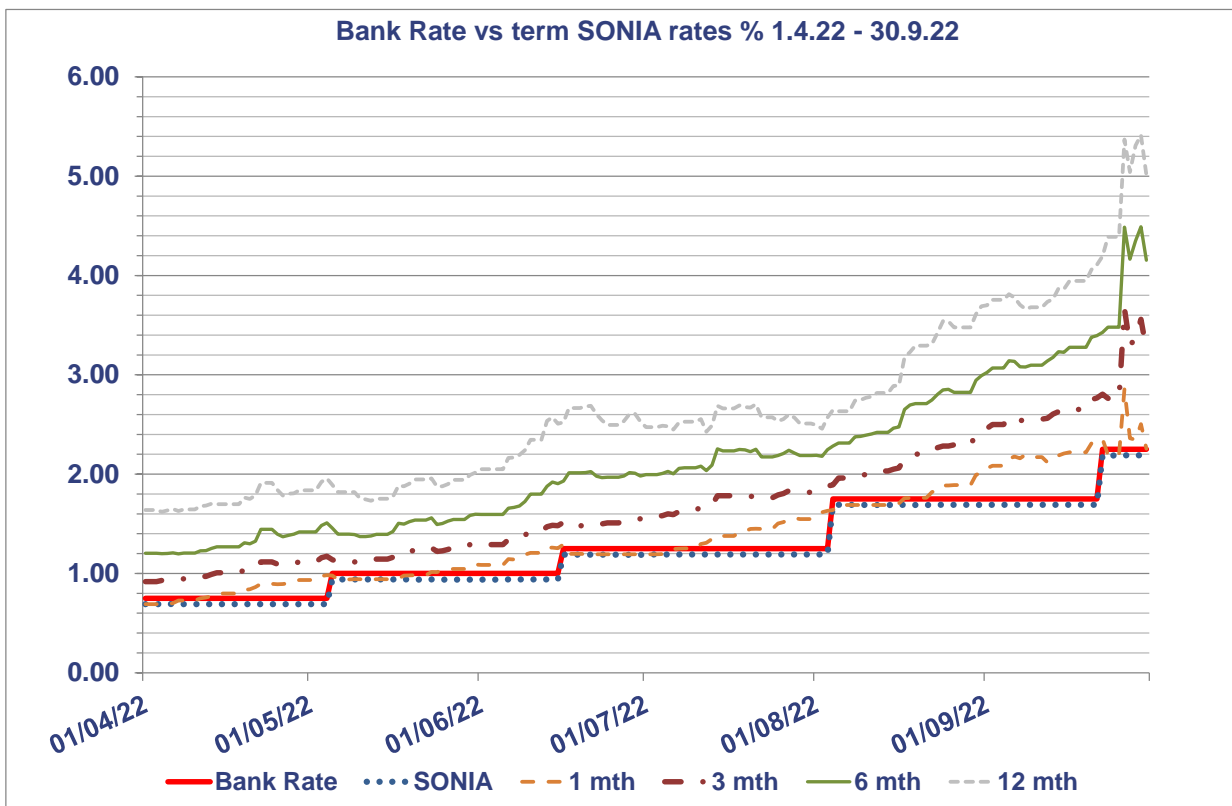
Graffiau Ychwanegol / Additional Graphs

Cymhariaeth o baramedrau benthyca â benthyca allanol gwirioneddol / Comparison of borrowing parameters to actual external borrowing

PWLB Certainty Rate Variations 1.4.22 to 30.9.22



Bank Rate vs term SONIA rates % 1.4.22 - 30.9.22



<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	Governance and Audit Committee
<b>Date:</b>	08 December 2022
<b>Subject:</b>	Internal Audit Update
<b>Head of Service:</b>	Marc Jones Director of Function (Resources) and Section 151 Officer <a href="mailto:MarcJones@anglesey.gov.wales">MarcJones@anglesey.gov.wales</a>
<b>Report Author:</b>	Marion Pryor Head of Audit and Risk <a href="mailto:MarionPryor@anglesey.gov.wales">MarionPryor@anglesey.gov.wales</a>
<p><b>Natur a Rheswm dros Adrodd / Nature and Reason for Reporting:</b>            In accordance with the Council's 'Strategy for Committee Meetings', this report meets the requirements of the Local Government (Wales) Measure 2011, which sets out the legislative duties to be performed by a council's audit committee, specifically, to oversee the authority's internal audit arrangements.</p>	

## 1. INTRODUCTION

1.1 This report updates the Committee, as at 30 November 2022, on the audits completed since the last update as at 31 August 2022, the current workload of internal audit and our priorities for the short to medium term going forward.

## 2. RECOMMENDATION

2.1 That the Governance and Audit Committee notes Internal Audit's assurance provision and priorities going forward.



# INTERNAL AUDIT UPDATE DECEMBER 2022

**Marion Pryor BA MA CMIIA CPFA ACFS, Head of Audit & Risk**

[MarionPryor@anglesey.gov.wales](mailto:MarionPryor@anglesey.gov.wales)



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## ASSURANCE WORK COMPLETED SINCE THE LAST UPDATE

1. This section provides an overview of internal audit reports finalised since the meeting in September 2022, including the overall assurance rating and the number of issues/risks raised.
2. We have finalised **three** pieces of internal audit assurance work in the period, summarised below:

Title	Strategic Risk Register Ref.	Date Final Report	Assurance Level	Critical	Major	Moderate	Total
Financial Resilience	YM1	November 2022	Reasonable	0	0	1	1
Cash Handling at Cyswilt Môn	n/a	November 2022	Reasonable	0	0	3	3
Council Tax and Non Domestic Rates Refunds	n/a	November 2022	Reasonable	0	0	4	4

### Financial Resilience

Reasonable Assurance	Issues/Risks	
	0	Critical
	0	Major
1	Moderate	

3. Our review sought to answer the following key question:  
**Does the Council have adequate arrangements in place to manage the implications of real term funding reductions to ensure that it continues to achieve its priorities and delivers quality services?**
4. Our review concluded that within the scope of its control, the Council has a framework of effective controls in place to manage the implications of real term funding reductions. Despite this, it is clear that the Council faces difficult decisions over the next two years due to the current challenging and unpredictable economic climate.
5. The Council operates an effective budget monitoring process, which ensures that it is sighted and alert to potential budget pressures at an early stage. Service accountants work closely with Heads of Service and management teams to support effective budget management. In addition, the Executive receive regular, detailed budget monitoring reports, which outline the Council's current financial performance across its three key budget areas; revenue, capital, and housing revenue (HRA).

6. The Director of Function (Resources) and Section 151 Officer has recently revised the Council's Medium Term Financial Plan (MTFP) which, using a number of technical assumptions, forecasts the Council's likely resource requirements and funding availability over a two year period. This is critical in enabling the Council to effectively plan how it will finance its operations over the medium term. Based on current estimates, the Council is likely to require an additional £18.15m to meet demand and inflationary pressures in the 2023/24 financial year. Though the financial outlook over the medium term looks extremely challenging, we are able to take assurance at this early stage that senior management and the Executive are acutely aware of these challenges, and work to identify savings solutions is underway. Nevertheless, the Council will inevitably be required to make difficult decisions in order to balance its budget in 2023/24 and 2024/25.
7. Following the Council elections in May 2022, the Director of Function (Resources) and Section 151 Officer delivered finance-related training to the new cohort of members, and specific treasury management training was given to the Governance and Audit Committee in September 2022. A further briefing session for all elected members is planned for November to ensure they are cited and fully understand the expected financial challenges and implications in 2023/24.
8. The Council operates a policy to retain 5% of its net revenue budget in general reserves. This helps to create a level of mitigation from any unexpected financial risk. Current general reserve balances held by the Council are £11.29m, which is £3.37m above the minimum reserve level. While the use of reserves to help bridge potential funding gaps is not a sustainable financial strategy, the existence of healthy balances provides a level of resilience and gives the Council greater opportunity to implement savings and potentially re-design services.
9. The Council has outlined a number of key financial performance indicators, which it tracks through the quarterly corporate scorecard. Though effective in monitoring short-term financial performance, in their current format these indicators do not allow the user to easily assess the Council's longer-term financial resilience, and whether this is improving or deteriorating. The Chartered Institute of Public Finance and Accountancy (CIPFA) has identified five indicators of public sector financial resilience, which could be used for this purpose. While this information is contained within the Council's MTFP and budget monitoring reports, we consider it may be useful for senior management and elected members to access this performance data more readily in a dashboard format quantifying the Council's understanding of its upcoming financial challenges.
10. In the context of the current economic challenge and uncertainty, we are assured that the Council is taking all reasonable steps within its control to manage its key financial risks. We are therefore able to provide a **reasonable level of assurance** of the governance, risk management, and control of this area at this time. We have raised one 'Issue/Risk', which requires management attention and have agreed an action plan with management.

## Cash Handling at Cyswllt Môn

Reasonable Assurance	Issues/Risks	
	0	Critical
	0	Major
	3	Moderate

11. Our review sought to answer the following key question:

**Does the Council have adequate arrangements in place to manage and mitigate the risks associated with receiving cash income at Cyswllt Môn?**

12. Our review concluded that the Council had adequate internal controls in place to manage the associated risks of receiving cash payments at Cyswllt Môn before the Covid-19 pandemic forced the temporary closure of Council buildings to the public. The lockdowns during 2020 and 2021 provided an opportunity for the Council to further its transition to electronic-only payment processes and as a result, Cyswllt Môn no longer accepts cash payments. However, on the rare occasions where services accept cash directly, the availability of formal documented processes and a lack of a record of the transfer of cash between officers increases the risk of financial loss to the Council.
13. While we raised three 'Issues/Risks' of moderate impact, which require management attention, the outcome of our review is largely positive. Therefore, we are able to provide **reasonable assurance** in relation to the governance, risk management, and controls in this area and have agreed an action plan with management.

## Council Tax and Non Domestic Rates Refunds

Reasonable Assurance	Issues/Risks	
	0	Critical
	0	Major
	4	Moderate

14. Our review sought to answer the following key question:

**Does the Council have adequate arrangements in place to ensure refunds of Council Tax and Non Domestic Rates are accurate, correct, timely and only provided once?**

15. Our review concluded that the Council's arrangements for managing risks relating to Council Tax and Non-Domestic Rates (NDR) refunds are effective in the main. However, the Council would benefit from making some improvements in respect of:
- periodic checks of refund payments and processes for refunding credit card payments
  - the administration and treatment of unclaimed Council Tax and NDR credit balances
  - reviewing the application of exemptions where recent case law has set a precedent.
16. While we raised four 'moderate' issues/risks, which require management attention, the outcome of our review is largely positive. Therefore, we are able to provide **reasonable assurance** in relation to the governance, risk management, and controls in this area and have agreed an action plan with management.



## OTHER ASSURANCE WORK

### Climate Change Health Check (Zurich Municipal)

17. The Isle of Anglesey County Council has acknowledged climate change as a critical issue and accordingly, has identified a risk in its strategic risk register that the Council may not be able to adapt to become a carbon neutral Authority by 2030.
18. As it is a specialist area, we commissioned Zurich Municipal Risk Engineers to undertake a climate change health-check, with the support of the Council's Climate Change Manager, to gain a better understanding of the key risk exposures and areas where improvements were needed to manage this risk and to support the achievement of 'net zero' by 2030.
19. The health check concluded that the 'Net Zero' target achievement might not be possible in all areas of the Council by 2030 but there is strong evidence of a significant portfolio of 'net zero' aligned work / programmes in place.
20. The health check identified many positive features in the Council's current climate change / net zero action plans and arrangements and a strong foundation on which to move forwards in achieving its net zero targets across key strategic areas. Plans are maturing and the Climate Change Manager role will be a key enabler in ensuring this activity is on track and managed in line with budget.
21. The Zurich Municipal Risk Engineers made recommendations to build upon the work already undertaken to help deliver a more cohesive, connected view across the Council. They felt there were currently too many initiatives and projects siloed within services that need to be fully visible and centrally monitored against agreed targets. This will need its own governance and oversight to ensure the 'net zero' ambitions at the Council are realised and achieved.
22. The report produced provides insight into the current strategies, plans and actions, and is submitted as a separate item on the Committee's agenda. The Climate Change Manager has drafted and agreed an action plan with senior management, which is also submitted as part of the separate item on the agenda.

## WORK IN PROGRESS

23. The following pieces of work are currently in progress:

Audit Area	Strategic Risk Register Ref	Service	Reason for Audit	Stage
Galw Gofal (Partnership Governance Arrangements)	n/a	Adult Services	Requested by Chief Executive.	Draft Report - being considered by Galw Gofal Partnership Board on 01/12/22
Community Renewal Fund Grant	n/a	Resources / Regulation and Economic	Request by Grants Manager (requirement of grant)	Fieldwork
Local Government Pension Scheme	n/a	Resources	Concerns raised during Teachers' Pensions audit	Postponed
IT Audit - Cloud Computing	YM3	Corporate Transformation	Strategic Risk Register	Scope agreed
Recovering Council Sundry Debts	n/a	Resources	First follow up of Limited Assurance report from November 2021	Fieldwork
Payments - Supplier Maintenance / Identification of duplicate invoices and recovery of duplicate payments	n/a	Resources	Second follow up of Limited Assurance follow up report from April 2022	Fieldwork

## OUTSTANDING ACTIONS

24. Work is progressing to support services with implementing all outstanding actions. The 4action dashboard at [Appendix 1](#) provides an overview of the status of actions as at 30 November 2022.
25. There are currently 14 overdue actions (3 Major; 11 Moderate), which relate to 'Issues/Risks' raised in the following audits:
  - Leavers' Process
  - Recovering Council Sundry Debts - follow up currently underway
  - Sundry Debts - follow up currently underway
  - Information Governance
26. We are working with the services to provide support with implementing the actions.

# PRIORITIES FOR 2022-23 AND BEYOND

## Current Capacity

27. We are currently carrying two vacant posts at Senior Auditor level - one due to long-term secondment and one due to resignation. We have been unable to attract enough suitable applicants despite three attempts to recruit.
28. We are utilising the budget savings to commission additional external support, including technical IT audit from the IT Audit Team at Salford Council.

## Short/Medium Term Priorities

29. We are continuing to deliver the Annual Internal Audit Strategy for 2022-23 approved by the Governance and Audit Committee in June 2022. Our priority is to review the 'red' and 'amber' residual risks we have not yet reviewed, or not reviewed in the last two years, whilst remaining agile to respond to requests for assistance and assurance from services, and reacting to investigations.

### Red and Amber Strategic Risks

30. There are three strategic risks remaining to be reviewed before the end of the year:
  - YM5 School Modernisation Programme (red/red)
  - YM11 Increase in poverty increasing demand on Council services (red/red)
  - YM10 Corporate Safeguarding (red/amber)

### National Fraud Initiative (NFI)

31. The NFI is a UK-wide data matching exercise that helps to detect and prevent fraud. It is conducted in Wales by the Auditor General under his statutory data matching powers set out in Part 3A of the Public Audit (Wales) Act 2004 (the 2004 Act).
32. The NFI is designed to help public bodies build their fraud detection capability through data matching at a national level. The Auditor General collaborates with the UK Cabinet Office, Audit Scotland and the Northern Ireland Audit Office to run NFI as a UK-wide exercise.
33. The main data matching exercise is carried out biennially and we have been working with services to extract data from systems to upload for this year's exercise. Before uploading, data sets must be quality assured to ensure they meet the data specification. Privacy notices must also be checked to ensure compliance. Data must be uploaded to the secure NFI portal before 2 December 2022, otherwise it may be classed as late and a failure to fully meet the Council's statutory duty.
34. The outcome of the matching exercise will be available at the end of January 2023, when we will commence work to review matches on a risk-basis, and where possible, distribute to services for them to review. The outcome of our review must be recorded on the secure NFI portal.

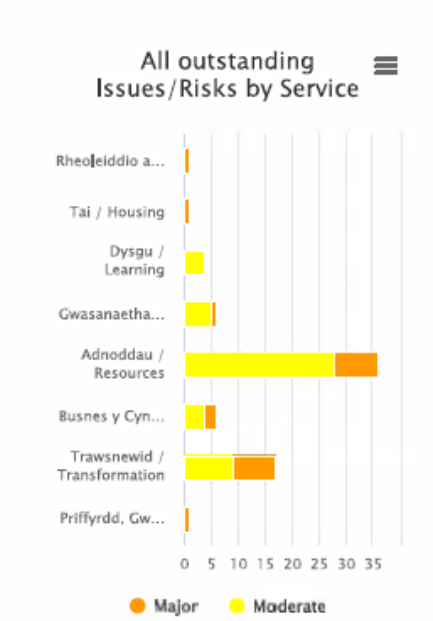
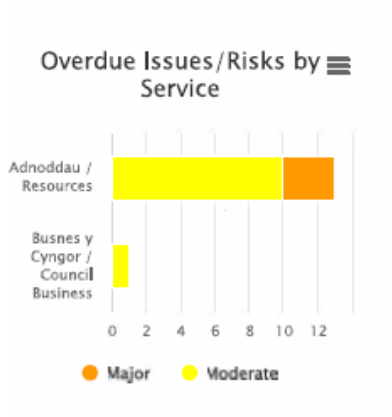
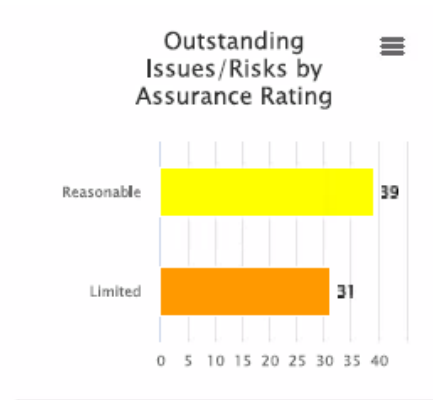
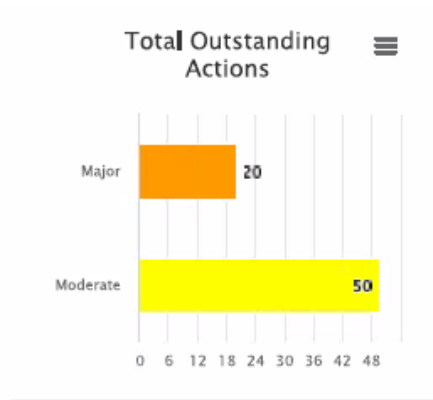
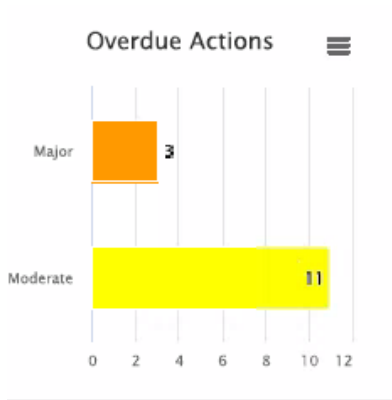
### Other Work

35. We will continue to actively promote and monitor the addressing of outstanding internal audit issues/risks.
36. We are currently undertaking a self-assessment with members of the Committee to determine training and development needs for the new elected and lay members.
37. We are currently subject to an External Quality Assessment of compliance with the Public Sector Internal Audit Standards, which is being undertaken by Flintshire County Council.

### Longer Term Priorities

- The delivery of the new Counter Fraud, Bribery and Corruption Strategy 2022-25, including continuing to address the Audit Wales recommendations included in its report 'Raising Our Game - Tackling Fraud in Wales'.
- Work with colleagues in the Performance Team to improve assurance mapping across the Council and contribute to the development of the Governance and Performance Review Group.
- Once it has had time to mature, we will work with members of the Governance and Audit Committee to undertake an assessment of the effectiveness of the Committee using the newly published CIPFA guidance as a benchmark.

# APPENDIX 1 – OUTSTANDING ACTIONS AS AT 30 NOVEMBER 2022 (4ACTION DASHBOARD)



### Outstanding Red Issues/Risks

2 of 0

Items per page: 10

ID	Summary
4148	Business Continuity 3 - Our testing identified a lack of quality assurance and service business continuity plans and key...
4157	IT Resilience 2 - There is a lack of continuity and coordination between the Council's corporate business continuity plans and the IT disaster...
4212	Financial Resilience 2 - Progress with undertaking an exercise to map sources of assurance to support the Council's governance framework and ensure...
6048	Supplier Maintenance & Duplicate Payments 2 - The high volume of invoices raised without a supporting purchase order creates an unnecessary...
...	Supplier Maintenance & Duplicate Payments 1 - Staff in services are not

### Outstanding Limited Assurance Reports

Audit Title	Count
Payments - Supplier Maintenance 202107	5
Recovering Council Debt 202110	8
Identification of Duplicate Invoices and Recovery of Duplicate Payments 202118	5
ICT Software Licence Management 212208	6
Teachers' Pensions Part 1 212212	4
ICT: Vulnerability and Data	...

### Outstanding Amber Issues/Risks

ID	Summary
4148	Business Continuity 3 - Our testing identified a lack of quality assurance and service business continuity plans and key...
4157	IT Resilience 2 - There is a lack of continuity and coordination between the Council's corporate business continuity plans and the IT disaster...
4212	Financial Resilience 2 - Progress with undertaking an exercise to map sources of assurance to support the Council's governance framework and ensure...
6048	Supplier Maintenance & Duplicate Payments 2 - The high volume of invoices raised without a supporting purchase order creates an unnecessary...
...	Supplier Maintenance & Duplicate Payments 1 - Staff in services are not

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	Governance and Audit Committee
<b>Date:</b>	08 December 2022
<b>Subject:</b>	Internal Audit Charter
<b>Head of Service:</b>	Marc Jones Director of Function (Resources) and Section 151 Officer <a href="mailto:MarcJones@anglesey.gov.wales">MarcJones@anglesey.gov.wales</a>
<b>Report Author:</b>	Marion Pryor Head of Audit and Risk <a href="mailto:MarionPryor@anglesey.gov.wales">MarionPryor@anglesey.gov.wales</a>
<p><b>Nature and Reason for Reporting:</b> The Public Sector Internal Audit Standards require the chief audit executive to produce an Internal Audit Charter, which the Governance and Audit Committee must approve. A review to ensure continued appropriateness has not identified any significant changes.</p>	

## 1. Introduction

- 1.1. The Public Sector Internal Audit Standards provides for a periodic review of the Internal Audit Charter, with final approval of the charter residing with the Governance and Audit Committee.
- 1.2. The Governance and Audit Committee last reviewed and approved the Charter in December 2021. The Head of Audit and Risk has undertaken a review to ensure continued appropriateness, which has not identified any significant changes.

## 2. Recommendation

- 2.1. That the Governance and Audit Committee notes the review and approves the continued appropriateness of the Internal Audit Charter.



# INTERNAL AUDIT CHARTER DECEMBER 2022

**Marion Pryor BA MA CMIIA CPFA ACFS, Head of Audit & Risk**

[MarionPryor@anglesey.gov.wales](mailto:MarionPryor@anglesey.gov.wales)





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## INTRODUCTION

1. The Public Sector Internal Audit Standards<sup>1</sup> (PSIAS) define the nature and set out basic principles for internal auditing in the UK public sector.
2. The Standards require the chief audit executive to define the purpose, authority and responsibility of the internal audit activity in an internal audit charter. Final approval of the Internal Audit Charter rests with the Governance and Audit Committee.
3. The internal audit charter establishes:
  - internal audit's purpose within the Council
  - internal audit's authority and its access records, personnel and physical properties relevant to the performance of its work
  - internal audit's responsibilities
  - reporting lines and the nature of the chief audit executive's relationship with senior management and the board
  - the scope of internal audit's work, including the nature of its assurance role and consultancy services
  - the role of internal audit in fraud-related work
  - arrangements for resourcing the internal audit service
  - the safeguards to limit impairments of independence or objectivity.
4. The PSIAS use generic terms that, in the Isle of Anglesey County Council's case, are translated as:

<b>Public Sector Internal Audit Standards</b>	<b>Isle of Anglesey County Council</b>
Chief audit executive	Head of Audit & Risk
Senior management	Leadership Team
The board	The Executive

<sup>1</sup> Public Sector Internal Audit Standards, Issued by the Relevant Internal Audit Standard Setters, March 2017

# INTERNAL AUDIT'S PURPOSE

5. A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.
6. The provision of assurance services is the primary purpose for internal audit. Through our annual internal audit opinion and other reports, we give assurance to elected and lay members and management, highlighting areas for improvement.
7. The PSIAS define internal audit as:

**Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.**

8. Our role is unique; it provides effective challenge and acts as a catalyst for positive change and continual improvement in governance in all its aspects. Our role is particularly important when the Council is facing uncertain and challenging times.
9. To provide optimum benefit to the organisation, we work in partnership with management to assist the organisation in achieving its objectives.
10. Our main objectives are to:
  - Provide independent assurance and advice to management and lay and elected members on risk management, governance and internal control
  - Develop and promote our role to make a significant contribution to the Council's priority to modernise and deliver efficiencies and improve services for our customers
  - Add value in all areas of our work, providing excellent service to our customers.

# INTERNAL AUDIT'S AUTHORITY

11. Internal audit is a statutory requirement for local authorities and obtains its authority and obligations from two pieces of legislation:
12. Part 3, Regulation 7 of the Accounts and Audit (Wales) Regulations 2014<sup>2</sup> states that “a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.
13. Section 151 of the Local Government Act 1972 requires every authority to make arrangements for the administration of its financial affairs and to ensure that one of the officers has responsibility for the administration of those affairs. CIPFA has defined ‘proper administration’ in that it should include ‘compliance with the statutory requirements for accounting and internal audit’.
14. In addition, the CIPFA statement on the Role of the Chief Financial Officer in Local Government states that the Chief Financial Officer (CFO) must:
  - ensure an effective internal audit function is resourced and maintained
  - ensure that the authority has put in place effective arrangements for internal audit of the control environment
  - support the authority’s internal audit arrangements
  - ensure that the Audit Committee receives the necessary advice and information, so that both functions can operate effectively.
15. The Council’s Financial Procedure Rules also provide for the maintenance of a continuous internal audit under independent supervision, overseen by the Council’s Governance and Audit Committee, and subject to professional audit standards (4.8.5.3.1).

## Internal audit’s rights of access

16. The Council’s Financial Procedure Rules (4.8.5.3.2) provide for internal audit’s rights of access, providing the service with authority to:
  - enter at all reasonable times Council premises, land or contract sites;
  - have access to all records, documents or correspondence relating to any financial and other transactions of the Council;
  - require and receive such explanations as are necessary from employees of the Council;
  - require employees of the Council to produce cash, stores or any other property of the Council under their control for examination.

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<sup>2</sup> The Accounts and Audit (Wales) (Amendment) Regulations 2018 amend the 2014 Regulations but do not affect this requirement.

## Scope of internal audit's work

17. The internal audit service is proactive and innovative, constantly aiming to improve. We have a customer-focused approach to audit planning, project scoping and service delivery, involving elected members, senior management and operational staff.
18. Our strategy takes account of the corporate risk register and other assurances that the Council may receive, internal or external, to prevent duplication and co-ordinate regulatory work. It also takes account of discussions with senior management.
19. Our work provides a risk-based approach that allows the Head of Audit and Risk to form and evidence her opinion on the control environment to support the Council's Annual Governance Statement.
20. Internal Audit may occasionally provide guidance and advice, e.g. on new systems or may help to develop new processes using our specific skills. Services may also occasionally ask us to carry out specific projects on a consultancy basis. On these occasions, we make it clear from the outset that we are working on a consultancy basis rather than internal audit basis and are not giving audit assurance on these occasions.

## Independence

21. The PSIAS require that the chief audit executive must report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities; reporting to the board or its delegated equivalent is the generally accepted method of helping to ensure the achievement of organisational independence.
22. The Head of Audit and Risk has direct access to the Governance and Audit Committee and is free to report directly to any member of the senior leadership team or head of service.
23. Although functionally reporting to the Director of Function (Resources) and Section 151 Officer, the Head of Audit and Risk has direct access to the Chief Executive Officer and Monitoring Officer, which is provided for in the Council's Financial Procedure Rules (4.8.5.3.5).
24. These extended reporting lines provide internal audit with sufficient independence of the activities that it reviews to enable its auditors to perform their duties objectively, allowing them to make impartial and effective professional judgements and raise issues for improvement.
25. The Director of Function (Resources) and Section 151 Officer annually appraises the Head of Audit and Risk's performance with input and feedback from the Chief Executive Officer and the Chair of the Governance and Audit Committee. This ensures that the Head of Audit and Risk's opinion and scope of work cannot be limited or affected by her functional line management position within the Council.

## INTERNAL AUDIT'S RESPONSIBILITIES

26. In maintaining internal audit activity, the chief audit executive takes account of the mandatory elements of the PSIAS:
- Core Principles for the Professional Practice of Internal Auditing
  - Code of Ethics
  - Standards
  - Definition of Internal Auditing.
27. All members of the internal audit team are required to comply with the PSIAS, including its Code of Ethics. In addition, all auditors sign an annual declaration stating that we will respect the confidentiality of information we access during our work, declare any interests we may have in any services that we review, and have read the PSIAS, Code of Ethics and Council's Code of Conduct for Officers.
28. All internal auditors must:
- work with others to promote and demonstrate the benefits of good governance throughout the Council
  - promote the highest standards and ethics across the Council based on integrity, objectivity, competence and confidentiality
  - exercise sound judgement in identifying weaknesses in the Council's control environment and provide a balanced view on how significant these are
  - be committed to continuous improvement
  - demonstrate integrity
  - report on what is found, without fear or favour
  - give clear, professional and objective advice
  - hold an appropriate qualification and have an active programme for personal professional development.
29. In addition, the Head of Audit and Risk must:
- be a senior manager with regular and open engagement across the Council particularly with senior management and the Governance and Audit Committee
  - be suitably qualified and experienced
  - give assurance on the control environment, including risk and information management and internal controls across the Council
  - produce an evidence-based annual internal audit opinion on the Council's control environment, reflecting the work done during the year and summarising the main outcomes and conclusions, highlighting any specific concerns
  - liaise closely with the Council's external regulators to share knowledge and use audit resources most effectively
  - determine the resources, expertise, qualifications and systems for the internal audit service that are required to meet its objectives and provide an annual audit opinion.
30. The chief audit executive also takes account of the CIPFA Statement on the Head of Internal Audit (2019), which sets out individual and organisational responsibilities, and represents best practice guidance to support internal audit effectiveness.

# REPORTING

## Internal Audit Strategy

31. The Head of Audit and Risk prepares the internal audit strategy in consultation with the Director of Function (Resources) and Section 151 Officer, and senior management. The Leadership Team regularly reviews internal audit priorities.
32. The Head of Audit and Risk presents the strategy annually to the Governance and Audit Committee for approval and provides in-year revisions to the Committee as part of the update report presented at each meeting.

## Annual Opinion

33. The Head of Audit and Risk provides the Council with an opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements in support of the Annual Governance Statement.
34. In giving the opinion, it should be noted that assurance can never be absolute; the most that can be provided is a reasonable assurance that there are no major weaknesses in governance, risk management and control processes. The Head of Audit and Risk provides the annual opinion in the Annual Internal Audit Report after the year-end.

## Assignment Reporting

35. The Internal Audit Service is fully committed to the Council's Welsh Language policy. Reporting is bilingual and the team includes bilingual staff who can undertake reviews in the language of choice of those assisting with reviews.
36. All audit reviews are the subject of formal reports. Debrief meetings are held with the managers responsible for the area under review to agree the factual accuracy of the issues and risks raised.
37. After agreement, we issue draft reports to the relevant manager who records the action that will be taken to address the issues / risks raised and the officers assigned responsibility to implement along with timescales for implementation. Once the action plan has been fully completed and agreed with the auditor, we issue a final report.
38. The Head of Audit and Risk provides a copy of every report to the Director of Resources and Section 151 Officer, members of the Governance and Audit Committee and the relevant Portfolio Holder. The Head of Audit and Risk presents a summary of each report to the Governance Audit and Committee at each meeting.
39. Members of the Governance and Audit Committee and the Portfolio Holder will also receive copies of any associated agreed action plans where reports have received a 'Limited' or 'No' assurance rating.

## Assurance Rating

40. We provide an opinion on the overall level of assurance for each individual internal audit assignment. In reaching a conclusion, we use the following definitions, which the Governance and Audit Committee approved at its meeting in April 2019:

Level of Assurance	Definition
Substantial Assurance	<p>Arrangements for governance, risk management and internal control are <b>good</b>.</p> <p><b>We found no significant or material Risks/Issues.</b></p>
Reasonable Assurance	<p>Arrangements for governance, risk management and/or internal control are <b>reasonable</b>.</p> <p><b>There are minor weaknesses in the management of risks and/or controls but there are no risks to the achievement of objectives. Management and Heads of Service can address.</b></p>
Limited Assurance	<p>Arrangements for governance, risk management and internal control are <b>limited</b>.</p> <p><b>There are significant weaknesses in the management of risks and/or controls that put the achievement of objectives at risk. Heads of Service need to resolve and Leadership Team may need to be informed.</b></p>
No Assurance	<p>Arrangements for governance, risk management and internal control are <b>significantly flawed</b>.</p> <p><b>There are fundamental weaknesses in the management of risks and/or controls that will lead to a failure to achieve objectives. The immediate attention of Leadership Team is required, with possible Executive intervention.</b></p>



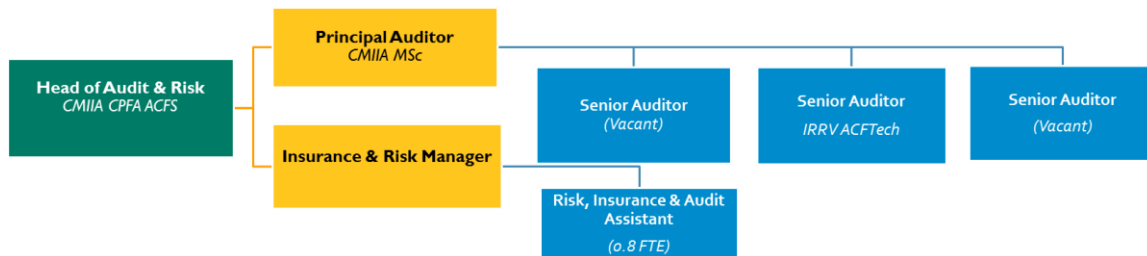
# INTERNAL AUDIT'S ROLE IN FRAUD-RELATED WORK

41. Internal audit is not responsible for managing the risk of fraud - this lies with the Council's senior management.
42. The Council's policy for the Prevention of Fraud and Corruption requires managers to inform the Head of Audit and Risk of all suspected or detected fraud, corruption or impropriety, to inform her opinion on the internal control environment and internal audit's work programme, as well as to allow her to ensure the Council takes appropriate action.
43. Although internal audit carries out proactive projects to identify potential fraud, bribery and / or corruption and can carry out special investigations into alleged irregularities, the Head of Audit and Risk retains the right to decide on an appropriate course of action, which may mean a joint investigation or investigation by the service. However, management should send the outcome of all investigation activities to the Head of Audit and Risk for inclusion in the Internal Audit Annual Counter Fraud, Bribery and Corruption Report.
44. Where it is thought necessary, the external auditor may conduct investigations, either in liaison with internal audit or independently.

# INTERNAL AUDIT RESOURCES

45. Despite carrying two vacancies currently, we have a well-qualified and experienced team, with a mix of relevant qualifications to reflect the varied functions of the internal audit service.

## Internal Audit and Risk Management (December 2022)



46. The Governance and Audit Committee annually reviews the resources of the internal audit service through the acceptance of the internal audit strategy and updates on its priorities.
47. Where particular specialisms are not present, the Head of Audit and Risk will source these from outside the Council where resources are available.
48. The Standards require that internal auditors must enhance their knowledge, skills and other competencies through continuing professional development. The Head of Audit and Risk carries out a regular review of the development and training needs of all auditors through ongoing one-to-one supervision and annual appraisals.

## SAFEGUARDS TO LIMIT IMPAIRMENTS OF INDEPENDENCE OR OBJECTIVITY

49. To be effective, internal audit must be independent and be seen to be independent. To ensure this, internal audit will operate within a framework that allows:
- unrestricted access to senior management and the chair of the Governance and Audit Committee
  - reporting in its own name
  - segregation from line operations.
50. Every effort will be made to preserve objectivity by controlling the involvement of audit staff in non-audit duties in order to avoid potential conflicts of interest, specific exceptions are however acceptable in respect of participation in service improvement projects, where a 'critical friend' role will be held.
51. In addition, appropriate arrangements are in place to limit the impairment of independence and objectivity due to the Head of Audit and Risk's line management of the Risk Management and Insurance service. The Head of Audit and Risk will not scope or review internal audit activity relating to this service area. The Director of Function (Resources) and Section 151 Officer will sign off reports.

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	Governance and Audit Committee
<b>Date:</b>	8 December 2022
<b>Subject:</b>	National reviews and their related recommendations
<b>Head of Service:</b>	Carys Edwards Head of Profession HR and Transformation 01248 752502 <a href="mailto:CarysEdwards@ynysmon.gov.uk">CarysEdwards@ynysmon.gov.uk</a>
<b>Report Author:</b>	Gethin Morgan Programme, Business Planning & Performance Manager 01248 752511 <a href="mailto:GethinMorgan@ynysmon.gov.uk">GethinMorgan@ynysmon.gov.uk</a>
<b>Nature and Reason for Reporting:</b> The purpose of this report is to assure the Committee that the national recommendations attached to the national reports have been given due consideration by the County Council Services and that the relevant ones are being implemented in a meaningful way.	

## Introduction

1. In order to demonstrate good governance, this report details the council's response to recognised national reports and associated recommendations published by regulators.
2. Updates are provided against the work the council has undertaken over the past 12 months in addition to what was presented to this committee on the 9<sup>th</sup> December 2021.
3. Following a review of the reports and associated recommendations, some reports have been identified as no longer requiring monitoring. The reasons for these changes have been provided and as such they are proposed for removal from future monitoring reports.

## Recommendation

4. That the Governance and Audit Committee:
  - a. Considers the report and accepts the responses and updates as an accurate reflection of the County Council's annual update against the related recommendations



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

## **National reviews and their related recommendations**

**December 2022**

**Status - Official**

**Prepared by:**

Gethin Morgan, Corporate Programme, Business  
Planning and Performance Manager

The following Audits have been updated for 2022:

Name of Report	Recommendations/ Opportunities	Response from Anglesey Council 2021	2022 Update
<a href="#">At your Discretion - Local Government Discretionary Services</a>	<p>Councils need to take the opportunity to refresh, reevaluate and reset what they do and to learn from the pandemic to build a better future.</p> <p>There are opportunities for councils to involve citizens in shaping and running services themselves.</p> <p>The challenge for local councils will be to apply the lessons learnt from the pandemic and use it to refine, adapt and deliver further improvements in order to create positive change and remain relevant to all of their citizens.</p>	<p>To be considered further as part of the process for drafting the new Council Plan 2022-2027</p>	<p>Opportunity afforded to citizens to involve themselves in the shaping of Council's strategic direction undertaken during 2022.</p> <p>Place shaping agenda continues with 5 Alliances established to realise local priorities.</p>
<a href="#">Providing Free School Meals During Lockdown</a>	<p>Uptake of school meals increased, and councils felt they were better placed for any future school closures</p> <ul style="list-style-type: none"> <li>•In June 2020, most councils reported an increase in the number of eligible free school meals pupils during the Covid-19 pandemic.</li> <li>•The uptake of alternative free school meals ranged from 85% to 100%, an increase from a national figure of 77% pre-Covid.</li> <li>•17 councils responded to our request for information and they told us in June that they were confident that should school closures happen again they are now better placed to maintain free school meal provision.</li> <li>•Arrangements for providing free school meals provision continue to be tested with the firebreak 'lockdown' that took place in October/November 2020 and on-going incidences of pupils being required to self-isolate.</li> </ul>	<p>The number of pupils now in receipt of free school meals has risen from around 1,300 pupils pre pandemic to over 1,800 pupils now. The Council has developed a process that allows it to pay all eligible pupils when required to do so and pupils that are self-isolating or to all pupils in schools that are forced to close. The process has been developed using the functionality of the Benefits system which has improved the payment process.</p>	<p>The funding and process remains in place to include a further 4 weeks of funding for school holidays (October half-term; Christmas and February half-term). The roll out of the free school meals for all primary school children in Wales commenced in September 2022, there is no longer a need to actually make a claim for this benefit. As a result, it is likely that the number of actual claims for those eligible for the holiday benefit might decrease as this element is not automatic and some who are eligible might not make the claim</p>
<a href="#">* Financial Sustainability of Local Government as a Result of the COVID-19 Pandemic</a>	<p>Why we have produced this report</p> <p>1 We had already identified financial sustainability as a key risk to councils' arrangements before the pandemic occurred. This was, in part, due to the significant pressures on UK and, therefore, Welsh public finances following the financial crisis of 2008-09. We produced a report on the financial sustainability of each local council during 2019-20, and these reports showed that councils were in very different positions in terms of their level of reserves and track record of spending within their agreed budgets.</p> <p>2 Against this backdrop the pandemic has already had an even more profound and immediate effect on public sector finances as a whole and, as a consequence, on councils' financial position. The impact on public sector spending over such a short period of time is unprecedented in modern peace time.</p> <p>3 This report is the beginning of our work looking at the financial sustainability of local councils during 2020-21, building on the work we completed in 2019-20. The report sets a high-level baseline position, including the reserves position,</p>	<p>Financial sustainability of the Council was always a key risk, which was monitored and reported on to the Executive and the Full Council. The additional funding, which the Council has received as a result of the pandemic has strengthened the Council's financial position in the short term, but the Council is aware that the future financial support provided by Welsh Government may be reduced which will increase the funding pressures.</p> <p>We will continue to monitor the Council's financial position closely and work with Audit Wales to ensure that the Council's financial management processes are robust and that future financial pressures are identified at the earliest possible stage and that action plans are put in place to protect the financial sustainability of the Council.</p>	<p>The Financial sustainability of the Council continues to be monitored and reported on to the Executive and the Full Council.</p>

	<p>of local councils before the pandemic. It also sets out the initial financial implications of the pandemic for local councils and the scale of the anticipated challenge going forward, as well as some reflections on the preparedness of local government in Wales for such an unprecedented event. Finally, we set out how Audit Wales intends to provide support and constructive challenge to councils and the local government sector, as a whole, over the remainder of 2020-21, in their efforts to maintain financial sustainability against such significant funding pressures.</p>		
<p><a href="#">The National Fraud Initiative in Wales 2018-20</a></p>	<ul style="list-style-type: none"> <li>All participants in the NFI exercise should ensure that they maximise the benefits of their participation. They should consider whether it is possible to work more efficiently on the NFI matches by reviewing the guidance section within the NFI secure web application.</li> <li>Audit committees, or equivalent, and officers leading the NFI should review the NFI self-appraisal checklist. This will ensure they are fully informed of their organisation's planning and progress in the 2020-22 NFI exercise.</li> <li>Where auditors have identified specific areas where improvements could be made, the public bodies should act on these as soon as possible.</li> </ul> <p>All participants should be aware of emerging fraud risks e.g., due to COVID-19, and take appropriate preventative and detective action</p>	<p>Although the NFI process has improved over the years, the process still generates a significant number of spurious matches, which do not lead to the identification of any fraud. It is difficult for a small authority, which has no dedicated Fraud Team, to review these matches in order to maximise the benefits of participation. i.e., the return does not always justify the amount of staffing resources required to undertake the checks.</p> <p>The NFI process provides historic matches i.e., there is a gap between the submission of the data and the receipt of matches during which time the Council may have undertaken other processes and identify, and correct errors / frauds reported in the data match. e.g we use Datatank to regularly review Single Person Discounts which amounted to over half the frauds identified in the 2018-20 report.</p> <p>The NFI checklist has been completed and the outcome of the NFI exercise will be reported to the Governance &amp; Audit Committee as part of the Annual Report on Fraud, but the last exercise did not identify any frauds.</p> <p>The Council will continue to use NFI as part of its overall strategy to identify fraud and has identified part of one post to deal with NFI matches. However, based on past experience NFI is of limited value to Anglesey.</p> <p>The Head of Audit, Risk and Insurance is working with colleagues in the North and Mid Wales Audit Partnership Counter Fraud Group to identify best practice in respect of NFI</p>	<p>Implemented. The Senior Auditor uses the risk-based functionality of the NFI secure web application when considering which matches to review. The NFI Checklist was completed for the 2020-22 exercise and will be revisited during the 2022-24 exercise. Any improvement areas identified will be reported to the Governance and Audit Committee when it considers the updated Counter fraud, Bribery and Corruption Strategy for 2022-25.</p> <p>Implemented. The Council's Counter Fraud, Bribery and Corruption Strategy 2021-24 identified emerging fraud risks and identified where improvements could be made.</p> <p>Implemented. Annual Report Counter Fraud, Bribery and Corruption 2021-22 was submitted to Governance and Audit Committee in September 2022. No frauds were discovered from the NFI 2020-22 biennial exercise.</p> <p>Implemented. A Senior Auditor has been given responsibility to upload data requested for the NFI biennial exercise, which is currently in progress for the 2022-23 exercise. Resource will be put into reviewing high-risk matches when the matches are released early next year.</p> <p>Implemented. The North &amp; Mid Wales Audit Partnership Counter Fraud Subgroup meets on a regular basis and discusses NFI issues and outcomes as a standing item.</p>



<p><a href="#">Commercialisation in Local Government</a></p>	<p>R1 Undertaking commercialisation requires councils to have enough capacity, the right skills and robust but agile systems to be in place. We recommend that councils use our self-evaluation tools to develop a strategy for the extent to which they want to pursue commercialisation.</p> <ul style="list-style-type: none"> <li>•</li> </ul>	<p>Embracing a commercial approach to the provision of Council facilities has been impacted significantly by the Covid 19 pandemic due to the forced closure of facilities.</p> <p>We will review our commercialisation plans when developing our post-pandemic recovery plans.</p>	<p>The Council undertakes some commercial activity however this is limited due to the nature of the Island.</p> <p>In addition, the current economic situation does not provide the opportunity to invest further.</p>
<p><a href="#">Rough Sleeping in Wales – Everyone’s Problem; No One’s Responsibility</a></p>	<ul style="list-style-type: none"> <li>• Intelligent use of data</li> </ul> <p>R1 Public bodies and third sector partners should ensure they use data to plan the right future services, and to put in place effective data sharing protocols to ensure they respond effectively and safely to people sleeping rough. We recommend that councils and their partners:</p> <ul style="list-style-type: none"> <li>• invest in data analytical skills to better understand the current situation and predict future demand to prevent future homelessness;</li> <li>• review and update data sharing protocols to ensure they support services to deliver their data sharing responsibilities effectively; and</li> <li>• introduce a single data capture and risk assessment process for to help support safe decisions making in dealing with people sleeping rough. Integrated services to tackle complex needs</li> </ul> <p>R2 Because public bodies are responding to people in crisis, they often deal with acute issues in isolation and rarely address the fundamental cause of the crisis. To do this requires public bodies to design and create service delivery models that are responsive. We recommend that public bodies use our complex needs self-reflection tool to improve how they can jointly address complex needs in the future (the tool is set out at Appendix</p>	<p>Working across North Wales we have identified key contacts are for within</p> <ul style="list-style-type: none"> <li>• Health, including access to primary health care, mental health and drug and alcohol services</li> <li>• Police</li> <li>• Criminal Justice</li> <li>• RSLs</li> </ul> <p>And that we start the conversation in relation to this report. There will be an update on this during our next October meeting of NW LAs representatives.</p>	<p>We work with a range of public bodies and utilise publicly available information of our HSG Needs Assessment. We have a data sharing agreement with HMPSS and Probation to share relevant information on case-by-case basis. We promote Streetlink to help identify rough sleepers and work with partners to offer a outreach services. We offer a complex case service for persons who are homeless to ensure that we work together to address homelessness.</p>
<p><a href="#">Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act (November 2019)</a></p>	<p>R1 'Part 1 of the report highlights that despite public bodies having an increasing understanding of, and demand for, VAWDASV services, significant gaps remain and engagement with survivors and victims in reviewing and developing services is inconsistent. To address this, we recommend that needs assessment and mapping of service provision by public bodies are revisited, and involvement widened and enhanced to include all relevant stakeholders to build a more accurate picture of current service provision and identify</p>	<ol style="list-style-type: none"> <li>1. A revised regional needs assessment currently being written. Rhiannon Edwards leading on this document.</li> <li>2. A range of public information videos focussing on VAWDASV matters have been uploaded onto our Council’s Social Media websites and Corporate Website – These include ‘Live Fear Free’ ‘Ask For Ani (Action Needed Immediately),</li> </ol>	<ol style="list-style-type: none"> <li>1.Process was unfortunately delayed on a North Wales Regional Level. Draft revised regional needs assessment currently out for consultation.</li> <li>2.Public Information videos remain available on our council websites. New videos provided by organisations such as Welsh Govt and Welsh Womens Aid who are at the forefront of Domestic Abuse Programmes are also shared. A range of leaflets are also available and can be obtained from Gorwel's one-stop shop project in Llangefni. Information such as Ask For ANI which</li> </ol> <p>The One Front Door Project has been an undoubted success. A recent review of the project undertaken by Safe Lives, complemented the IoACC and its key</p>

<p>gaps.</p> <p>R2 Part 1 of the report describes how victims and survivors of VAWDASV often find it difficult to navigate a fragmented system of service delivery. To support victims and survivors to access and use services we recommend that public bodies:</p> <ul style="list-style-type: none"> <li>• produce comprehensive and relevant information in a variety of media on the full range of services available to protect and support victims and survivors; and</li> <li>• create a joint pathway to access services and support for both victims and professionals and advertise access arrangements widely.</li> </ul> <p>R3 Part 2 of the report notes that whilst it is important that organisations comply with relevant data protection legislation, they also need to share data with partners to better meet the needs of victims and survivors. We recommend that authorities:</p> <ul style="list-style-type: none"> <li>• ensure staff who are likely to come into contact with victims and survivors have appropriate VAWDASV training;</li> <li>• provide refresher training to service managers to ensure they know when and what data they can and cannot share; and</li> <li>• review and update data sharing protocols to ensure they support services to deliver their data sharing responsibilities.</li> </ul> <p>R4 Part 2 of the report highlights that while some good progress has been made with regional working, there are not always appropriate levers in place to support service transformation in line with VAWDASV legislation. To ensure the benefits of regionalisation are realised, we recommend that delivery agencies (local authorities, health bodies, the police, fire and rescue authorities and the third sector) review their approach to regional working to better integrate services and maximise the positive impact they can make on victims and survivors.</p> <p>R5 Part 3 of the report highlights that the complex and short-term funding mechanisms, lack of data and insufficient consultation with stakeholders, are not supporting sustainable commissioning of VAWDASV services. To address this, we recommend that local authorities review their commissioning arrangements to:</p>	<p>How to contact designated VAWDASV providers such as Gorwel.</p> <p>In July 2020, IoACC in conjunction with the Safe Lives Charity established the One Front Door Gateway for low to medium level cases of VAWDASV, where children were part of the household. Referrals are submitted via Children Services (mostly as a result of CID16s) and are discussed within a multi-agency group, comprising of middle / senior managers from Children Services, Housing, Education, Health, North Wales Police PVPU. Designated VAWDASV Provider. Victims/ survivors and perpetrators are subsequently contacted, and referrals are made to the most appropriate agency / provider to deliver the required intervention / support.</p> <ol style="list-style-type: none"> <li>3. IoACCC housing service have completed the mandatory online VAWDASV training, and our Building and Maintenance Unit have received bespoke practical training on what to look out for and how to report suspected incidents of VAWDSAV, within properties. In terms of risk management, information is shared on a need-to-know basis and in accordance with GDPR requirements.</li> <li>4. North Wales have a Regional Multi Agency Commissioning Board for VAWDASV purposes, which reports to the North Wales Vulnerability and Exploitation Board. The Commissioning Group includes representatives from local authorities, health bodies, the police, fire and rescue authorities and the third sector.</li> <li>5. Currently being considered at Regional and local levels.</li> </ol>	<p>stakeholder partners such as North Wales Police, Gorwel (designated 3rd Sector Provider for Domestic Abuse) and BCUHB on the partnership approach taken since it's set up in July 2020.</p> <ol style="list-style-type: none"> <li>3.The percentage number of housing staff who have completed the mandatory online training is now in the mid-nineties in terms and is one of the highest within the Council. All staff are regularly reminded of their need to undertake the mandatory VAWDASV trainig and we adhere to our mantra that Safeguarding is everyone's responsibility. In terms of risk management information is shared in a robust and secure manner on 'need to know ' basis. A database is held within the Housing Service in relation to safeguarding training as well as other mandatory modules where staff are reminded of their need and duty to undertake refresher training accordingly</li> <li>4.The North Wales Vulnerability and Exploitation Board continues to be the Governance Board for domestic abuse matters and is responsible for key strategic decision making. On a more operational level, the VAWDASV Commissioning Board consisting of muti agency representation is responsible for the overview and driving of specific matters such as needs assessments, training requirements and grant applications for additional capital and revenue bids from both the devolved Welsh and the Central Governments.</li> <li>5. Current situation unclear and unable to report positive progress in this area. Safeguarding: R1 The draft North Wales VAWDASV Needs Assessment will be presented to the V and E Board on the 18th of October for comments and recommendations. As for survivor involvement, the regional VAWDASV team have a twice-yearly forum for survivors called the SAS group (Survivors Advising Services) and another for survivors of sexual violence. This is an important contribution to getting the survivors R2 Some coordination from the regional VAWDASV team.</li> </ol> <p>The Community Safety page on the Council's website, which is available to the public, offers high quality advice about the service provided by Gorwel to people experiencing domestic violence; including advice on useful Apps, how to keep safe (including children), contact details for local support services. For those in immediate danger, contact details for police services are provided.</p> <p>The page also contains details of the Live Without Fear Helpline. There is also a link with Gorwel support services for older people who are victims of domestic violence.</p> <p>Internally, the Local Authority's intranet site is being developed to include a specific safeguarding section. This will provide a one stop resource for all employees. This will include information about VAWDASV. Once this is completed the intention is to develop the outward facing public information sites.</p>
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- remove duplication and overlap between different approaches within the authority and with partners;
- rationalise administration arrangements to improve efficiency and value for money;
- streamline and standardise commissioning arrangements to reduce the burden of administration on all parties; and
- set appropriate performance measures, targets and benchmarks to judge the impact and outcome of commissioned services.

The Children and Families Service also leads the development of the 'One Front Door' service. This is a multi-agency approach to identifying and rating RAG referrals received and a forum to evaluate and develop services around domestic abuse depending on risk and needs. We have secured funding to assist us with the development. This will help with early intervention as well as referral to appropriate services.

R3

The Local Authority provides safeguarding and data protection training in line with the identified workforce needs. The Local Authority has continued to implement the requirements of the National Training Framework: Group 1 and 6. Compliance as at the end of September 2022 across the organisation with the Group 1 training was 81%.

The Authority is rolling out Ask and Act Group 2 training, albeit initially virtually. We have trainers accredited to deliver Group 2 training and Group 3 champions. By the end of August 2022 389 individuals had completed the Group 2 training: with delivery also provided to schools with 105 attending. WSP embedding and the sharing of information follows the principles During 2020, the North Wales VAWDASV Strategic Board was amalgamated with the Modern slavery board and is now the North Wales Vulnerability and Exploitation board, covering VAWDASV Modern slavery and other areas of exploitation including County Lines and criminal exploitation.

The Board aims to work together in partnership to ensure the most efficient and effective response to preventing serious harm caused by violence against women, domestic abuse and sexual violence in the North Wales region and to implement and support the requirements of the Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) Act (Wales) 2015.

Membership of the Board as it stands in October 2022:

- North Wales Police
- Betsi Cadwaladr University Health Board
- Local Authorities – Wrexham, Flintshire, Conwy, Denbighshire, Gwynedd & Isle of Anglesey
- National Probation Service/CRC
- North Wales Fire and Rescue Service
- Area Planning Board
- North Wales Youth Justice service
- HMP Berwyn
- Office of the Police and Crime Commissioner
- 3 representatives from specialist services to represent all 3rd sector groups

The current Chair of the Vulnerability and Exploitation Board is Stephen Hughes (OPCC) and the Vice Chair position is vacant, due to staffing changes. This will be addressed at the next V and E Board meeting on 3rd February. These positions are currently held for two years.

			<p>The Joint Commissioning Group sits under the V and E Board and leads on all commissioning decisions, including developing the Needs Assessment, looking at gaps in provision and ensuring a lack of duplication in provision. The JC Group also acts as a quality assurance body, monitoring commissioned projects and ensuring targets are met.</p> <p>The Joint Commissioning Group meet quarterly to look at performance of all commissioned services, as well as any funding decisions that have been made by the Decision-Making subgroup. This is an opportunity to question services, look at outcomes and suggest how to address any challenges. The commissioning of all services aims to comply with the VAWDASV Statutory Commissioning Guidance, and it is a standing agenda item on all Joint Commissioning Group meetings.</p> <p>The monitoring of commissioned services is shared between the commissioning team at the OPCC and the Regional VAWDASV team and all information is shared with the JC Group for further scrutiny. A thorough regional VAWDASV Needs Assessment is conducted every 3 years and the 2022 version is currently with the V and E board for ratification.</p>
<p><a href="#">Review of Public Services Boards</a></p>	<p>R1 In Part 1 of the report we set out that understanding the impact of choices and decisions requires public bodies to fully involve citizens and stakeholders and undertake comprehensive Impact Assessments. However, we found that current practice is insufficient to provide assurance that the needs of people with protected characteristics are fully considered when reviewing choices and the voice of citizens is not sufficiently influencing decisions. We recommend that PSBs:</p> <ul style="list-style-type: none"> <li>• conduct formal assessments to identify the potential impact on people with protected characteristics and the Welsh language and review agreed actions to ensure any adverse impacts are addressed;</li> <li>• improve transparency and accountability by making PSB meetings, agendas, papers and minutes accessible and available to the public;</li> <li>• strengthen involvement by working to the guidance in the National Principles for Public Engagement in Wales; and</li> <li>• feedback the outcome of involvement activity identifying where changes are made as a result of the input of citizens and stakeholders.</li> </ul> <p>R2 In Part 2 of the report we review arrangements for PSB scrutiny and conclude that there are shortcomings and weaknesses in current performance and practice. To improve scrutiny, we recommend that:</p>	<p>R1</p> <ul style="list-style-type: none"> <li>• Impact assessments will be developed when projects are presented by the PSB that recommend a change of policy / service. Impact assessments will be developed to measure and understand the impact of decisions made by the PSB.</li> <li>• The Gwynedd and Anglesey Public Services Board has an active website under the name: <a href="https://www.llesiantgwyneddaron.org/en/">https://www.llesiantgwyneddaron.org/en/</a></li> </ul> <p>Details about Board meetings and minutes are included on the website.</p> <ul style="list-style-type: none"> <li>• Work is being planned to update the PSB's wellbeing Assessments, in line with the National Principles for public Engagement.</li> <li>• Each year the PSB prepares a progress report on its work. The report has been drawn up to identify how the PSB's work impacts our residents.</li> </ul> <p>R2</p> <ul style="list-style-type: none"> <li>• The PSB works with the Gwynedd and Anglesey Scrutiny Committees on the scrutiny timetable (to align with meetings of the PSB) and areas to be scrutinised.</li> </ul>	<p>R1. • A working group was established regionally to work with Co-production Wales on a 5-year engagement improvement plan. This will work collaboratively with the Regional Social Care partnership to consider and explore all options on the spectrum of consultation through to Co-production:</p> <ul style="list-style-type: none"> <li>- building relationships and trust with communities,</li> <li>- the most appropriate methods and times to engage according to the circumstance,</li> <li>- language and media to engage and listen</li> <li>- register of key community groups / building of stakeholder network - ensuring diversity and inclusivity</li> <li>- regional forward work planning and sharing of anonymised engagement feedback,</li> <li>- best ways to feedback to participants on progress</li> <li>- engagement training and possible online engagement platform (to be confirmed)</li> </ul> <ul style="list-style-type: none"> <li>• A second regional working group was established, and a workshop held with over 50 people in attendance. The workshop was organised by the North Wales Community Cohesion teams and supported by Co-Production Network for Wales and aimed at aimed at the organisations and professionals who work with seldom heard and minority groups. The focus of the workshop was about how to create equal and inclusive dialogue with diverse communities in North Wales. Key themes were analysed and shared regionally. We are using these findings to build an ongoing conversation with these communities and to feed into the new Wellbeing plan.</li> <li>• The PSB's website is regularly updated with details of meetings, membership, minutes and plans.</li> </ul> <p><a href="https://www.llesiantgwyneddaron.org/en/Amdanom/Amdanom-Ni/">https://www.llesiantgwyneddaron.org/en/Amdanom/Amdanom-Ni/</a></p>

	<ul style="list-style-type: none"> <li>• PSBs and public bodies use the findings of the Auditor General for Wales' Discussion Paper: Six themes to help make scrutiny 'Fit for the Future' to review their current performance and identify where they need to strengthen oversight arrangements and activity; and</li> <li>• PSBs ensure scrutiny committees have adequate engagement with a wider range of relevant stakeholders who can help hold PSBs to account.</li> </ul> <p>R3 In Part 3 of the report we summarise the difficulty of developing, implementing and resourcing PSBs and the challenges of managing multiple partnerships that can often have overlap and duplication. To help build capacity, consistency and resourcing of activity we recommend that:</p> <ul style="list-style-type: none"> <li>• PSBs take the opportunity to discharge other plan and strategy obligations through the Local Wellbeing Plan;</li> <li>• the Welsh Government enables PSBs to develop flexible models of working including: <ul style="list-style-type: none"> <li>– merging, reducing and integrating their work with other forums such as Regional Partnership Boards; and</li> <li>– giving PSBs flexibility to receive, manage and spend grant monies subject to PSBs ensuring they have adequate safeguards and appropriate systems in place for management of funding; effective budget and grant programme controls; and public reporting, scrutiny and oversight systems to manage expenditure.</li> </ul> </li> </ul> <p>R4 To help build capacity, consistency and resourcing of activity we recommend that the Welsh Government and Welsh Local Government Association in their review of strategic Partnerships take account of, and explore, the findings of this review.</p>	<p>R3</p> <ul style="list-style-type: none"> <li>• The PSB has been very proactive in terms of the action in question. There is a West Wales Health and Care sub-group, which is accountable to the Gwynedd and Anglesey Public Services Board, and it works with the Regional Partnership Board to ensure that the services planned for our residents meet local needs.</li> <li>• The 'Healthier Wales' documentation informs the governance and plans of the Gwynedd and Anglesey Health and Social Care Sub-Group.</li> </ul>	<ul style="list-style-type: none"> <li>• The PSB's annual report for 21/22 will be published in December 2022 following scrutiny by both Councils and PSB members. This report sets out the impact of the PSB on the wellbeing of our residents.</li> <li>• The Welsh language is a golden thread throughout the work of the Gwynedd and Anglesey PSB. Being able to live their lives through the medium of Welsh and access community services and activities in Welsh is important to our communities and we are committed to working together to increase the use of the Welsh language within public bodies in Gwynedd and Anglesey. We are also committed to promoting Welsh as the language of choice for communication among public organisations across both counties.</li> </ul> <p>R2 All elected members are offered specific training on the Wellbeing of Future Generations (Wales) Act 2015 which includes the duties of the PSB and the roles and responsibilities of Scrutiny committees. During 21/22, the Scrutiny timelines in relation to PSB work was reviewed and amended to align with key PSB deliverables earlier in the process. This will ensure that scrutiny challenge and recommendations is more timely and has more impact.</p> <p>R3 • The North West Wales Health and Care Sub Group (otherwise known as the Area Integrated Service Board/AISB) serves the area well to coordinate health and social care services to meet local needs. Under the governance of the Gwynedd and Anglesey PSB it follows the Welsh Government's "Healthier Wales" mandate.</p> <ul style="list-style-type: none"> <li>• There are several examples where the Board has prioritized work where financial resources are needed in order to realize them. We have managed to come to an arrangement to co-finance a limited number of issues, but it is not an ideal situation with the increasing pressure on budgets and it also means a delay before the work can be progressed.</li> <li>• During 2022, the Gwynedd and Anglesey PSB has engaged proactively to access opportunities funded by the Regional PSB fund to further enhance knowledge, research and public engagement in relation to Wellbeing priorities. Some examples include giving local citizens opportunities to take part in citizens juries/panels and taking the work of PSB's into secondary schools and sixth forms so that decisions and priorities can be actively challenged.</li> </ul>
<p><a href="#">The 'front door' to adult social care</a></p>	<p>Improving access to the front door</p> <p>R1 Part 1 of the report sets out how authorities promote Access to the 'front door' and provide information, advice and assistance to help people to improve their wellbeing and prevent their needs from deteriorating. To improve awareness of the front door we recommend that:</p> <ul style="list-style-type: none"> <li>• local authorities: <ul style="list-style-type: none"> <li>-- review their current approaches, consider their audience, and ensure that good-quality</li> </ul> </li> </ul>	<p>R1</p> <p>Our integrated health and social care single point of access(SPOA) provides the front door access to Adult social care with experienced staff aware of the plethora of local community based and third sector initiatives supporting our preventative and early intervention agenda.</p> <p>A range of information leaflets, is available at several local points of access such as Community hubs,</p>	<p>SPOA and the IAA for children and families Teulu Mon has been amalgamated into one single point of access. The service is called Teulu Mon. Following a period of consultation, we have successfully transferred staff to the new entity and we currently have eight engagement officers two coordinators and a manager. Moving forward we need to a. improve and streamline processes in particular to adult services, b. increase the presence of third sector and other services from within the council in Teulu Mon, (Currently we have Action for children and PARABL attending weekly) c. we need to evaluate the level of</p>

information is made available in a timely manner to avoid needs deteriorating and people presenting for assistance in 'crisis';

- work in partnership with public and third-sector partners to help ensure people accessing via partner referrals, or other avenues, are given the best information to help them;
- ensure that advocacy services are commissioned and proactively offered to those who need them at first point of contact; and
- to take local ownership and lead on the co-ordination and editing of local information published on Dewis Cymru locally.

- The Welsh Government:
  - improve carers' awareness and understanding of their rights to be assessed for their own care and support needs, aimed at generating demand for local authorities' preventative services; and
  - undertake a full evaluation of the role of Dewis Cymru in the wider implementation of the Act and use the data gained to build on its potential as a national information sharing portal.

Investing in prevention and understanding impact R2 Part 2 of the report highlights weaknesses in authorities' assurance of the availability and quality of third-sector, preventative, community-based services that they signpost people to. We recommend that:

- Welsh Government:
  - improve the cost evaluation in relation to the impact of the Act in a national context and support local authorities to ensure that the desired impact of prevention on overall social-care expenditure becomes a demonstratable reality.

GP surgeries, Acute and community hospitals and Council website seeking to ensure widespread cascading of preventative and self-help initiatives, support to carers, accommodation and access to care and support.

Additionally, we have developed in partnership with Medrwn Mon the local CVA a point of access for all community-based resources. This organisation is able to share information, provide advice and offer assistance to individuals who are in need of general information. This service has developed into a valuable resource signposting and supporting access to preventative services avoiding escalating into formal statutory health and social care provision.

A long-standing contractual agreement with North Wales Advocacy service provides access to formal Advocacy services and our local agreements with Age Cymru Gwynedd and Mon, Care and Repair, CAB, secures access and assistance to a range of initiatives and preventative services which is inclusive of advocacy support. Alignment with the national information hub DEWIS has been driven by the Third sector CVA and evaluation of the effectiveness to service users and informal Carers is a key priority.

An action plan is being developed to enhance our 'front door' experience for customers which is aligned to the implementation of our integrated Community Resource Teams.

R2

We have a well-developed preventative and early intervention strategy which has secured a range of community and third sector resources driven by identified local population needs and delivered by partnership agreements with the Third sector providers and local community initiatives.

The Council's 'Place Shaping' strategy aims to engage the local population in prescribing and delivering identified local community needs

demand and staffing in the short term, do we have enough capacity to cope with demand caused by the cost-of-living crisis.

		<p>supported by an action plan for the delivery of identified service gaps in provision.</p> <p>Local Asset Coordinators are well established within the community and are linked to Community resource hubs, GP surgeries and are visible and fully engaged within their local communities. They provide initial links to local community resources, advocate and support access to benefits, housing and wellbeing initiatives and support community development programmes.</p> <p>Evaluation of the impact and effectiveness of this provision is both qualitative and quantitative and provides valuable data to inform onward development and long-term impact on health and social care in reducing or delaying statutory care and support.</p>	
<p><a href="#">The effectiveness of local planning authorities in Wales</a></p>	<p>R1 Part 1 of the report sets out the complexities of the planning system showing how challenging it is for local planning authorities to effectively engage with and involve stakeholders in choices and decisions. To improve involvement with stakeholders and ownership of decisions we recommend that:</p> <ul style="list-style-type: none"> <li>• local planning authorities: <ul style="list-style-type: none"> <li>– test current engagement and involvement practices and consider the full range of other options available to ensure involvement activities are fit for purpose;</li> <li>– use ‘Place Plans’ as a vehicle to engage and involve communities and citizens in planning choices and decision making; and</li> <li>– improve transparency and accountability by holding planning meetings at appropriate times, rotating meetings to take place in areas which are subject to proposed development, webcasting meetings and providing opportunities for stakeholders to address committee meetings.</li> </ul> </li> <li>• Welsh Government: <ul style="list-style-type: none"> <li>– review the Development Management Procedure Order 2012 and update the engagement and involvement standards for local planning authorities.</li> </ul> </li> </ul> <p>R2 Part 2 of the report highlights that local planning authorities have been subject to significant reductions in funding and struggle to deliver their statutory responsibilities. To improve resilience, we recommend that local planning authorities:</p> <ul style="list-style-type: none"> <li>• review their building control fee regimes to ensure the</li> </ul>	<p>Considerable alignment between recommendation and scope/ priorities of IACC Planning Improvement Plan.</p> <p>Significant impact of Covid 19 pandemic on Planning Function performance, capacity and resilience.</p> <p>Planning Function has experienced significant savings/ efficiencies over the last 10 years – the impact of which are now being clearly seen</p> <p>Ongoing challenges in relation to maintaining capacity and recruiting new/ experienced officers.</p> <p>Function already collaborating regionally in relation to planning policy expertise – impacts of further regional collaboration (i.e., preparation of Strategic Development Plans) anticipated to create additional challenges in relation to capacity, capability and resourcing.</p>	<p>The 2021 response is still current</p>

levels set, better reflect the actual cost of providing these services and make the service self-funding; and

- improve capacity by working regionally to:
  - integrate services to address specialism gaps;
  - develop joint supplementary planning guidance; and
  - develop future local development plans regionally and in partnership with other local planning authorities.

R3 Part 2 of the report highlights that the cost of development Control services is not reflected in the charges set for these services and progress in developing regional responses to strengthen resilience has been slow. We recommend that the Welsh Government:

- reviews development control fees to ensure the levels set, better reflect the actual cost of providing these services; and
- consider how to use the powers in the Planning (Wales) Act to support and improve local planning authority capacity and resilience.

R4 Part 3 of the report summarises the effectiveness and impact of local planning authorities decision making and how well they are performing against national measures. We recommend that local planning authorities improve the effectiveness of planning committees by:

- reviewing their scheme of delegation to ensure planning committees are focussed on the most important strategic issues relevant to their authority;
- revising reporting templates to ensure they are clear and unambiguous to help guide decision making and reduce the level of officer recommendations overturned; and
- enforcing the local planning authorities' standards of conduct for meetings.

R5 Part 4 of the report identifies the central role of planning to delivering the ambitions of the Wellbeing of Future Generations Act. We recommend that local planning authorities:

- set a clear ambitious vision that shows how planning contributes to improving wellbeing;
- provide planning committee members with regular and appropriate wellbeing training and support to help deliver their wider responsibilities;
- set appropriate measures for their administration of the planning system and the impact of their planning decisions on wellbeing; and
- annually publish these performance measures to judge planning authorities impact on wellbeing.



Waste Management in Wales: Preventing waste

R1 Increasing the focus on waste prevention to reflect the overall aims of Towards Zero Waste Available data on the amount of waste produced suggests mixed progress to deliver the Welsh Government's waste prevention targets. We recommend that the Welsh Government:

- a) revisits the relative priority it gives to recycling and waste prevention as part of its review of Towards Zero Waste;
- b) sets out clearly the expectations on different organisations and sectors for waste prevention; and
- c) revisits its overall waste prevention targets and the approach it has taken to monitor them in light of progress to date, examples from other countries and in the context of current projections about waste arising through to 2050.

R2 Improving data on commercial, industrial, construction and demolition waste The Welsh Government is a partner in initial work to assess the feasibility of developing a new digital solution to track all waste. If this preferred option does not succeed, we recommend that the Welsh Government works with Natural Resources Wales to explore the costs and benefits of other options to improve non-municipal waste data in Wales, including additional powers to require waste data from businesses.

R3 Enhancing producer responsibility and using more legal, Financial and fiscal levers The Welsh Government has opportunities to influence waste prevention through legislation and financial incentives. It can also influence changes at UK level where fiscal matters are not devolved. We recommend that the Welsh Government consider whether provisions to extend producer responsibility and the use of financial powers such as grant conditions, fiscal measures and customer charges and incentives, are needed to promote and to prioritise waste prevention.

The Council fully supports the aims and targets of the Wales waste strategy on waste prevention. The Welsh Government has set very high targets and Anglesey Council will do everything possible to achieve the desired outcomes.

Although the Council's main focus is on managing municipal waste, it fully supports working in partnership with all sectors to improve data collection from the commercial, industrial and construction sectors.

Regarding enhancing producer responsibility to influence waste prevention, once again the Council fully supports all initiatives to promote this approach to managing waste in Wales.

This is still current. Council response is still relevant. Needs to be retained

The Following are new for 2022 and the council response is included:

Name of Report	Recommendations/ Opportunities	Response from Anglesey Council 2022
<a href="#">Public Sector Readiness for Net Zero Carbon by 2030</a>	<p>Considerable activity is taking place to reduce carbon emissions. However, public bodies need to increase their pace of activity amid clear uncertainty about whether they will achieve the collective ambition to have net zero carbon emissions by 2030. There are real barriers that public bodies need to address, and decarbonisation needs to be put at the heart of their day-to-day activities.</p> <p>In our report, the Auditor General makes the following five calls for action from public bodies:</p> <ul style="list-style-type: none"> <li>• Strengthen your leadership and demonstrate your collective responsibility through effective collaboration.</li> <li>• Clarify your strategic direction and increase your pace of implementation.</li> <li>• Get to grips with the finances you need.</li> <li>• Know your skills gaps and increase your capacity; and</li> <li>• Improve data quality and monitoring to support your decision making.</li> </ul>	<p>By reviewing the Auditor Generals' Report, Council officers have considered the recommendations made and identified opportunities to improve its approach to reaching net zero. These opportunities have been prioritised and collated within a recent report presented to both Leadership Team and the informal Executive Committee. The Councils report will also be presented to the Governance and Risk committee.</p>
<a href="#">The new Curriculum for Wales</a>	<p>To better understand and to support scrutiny of the cost of curriculum reform</p> <p>R1 - It has not been easy for the Welsh Government or us to identify expenditure on curriculum reform to date. In part this is because of difficulties in calculating expenditure specific to curriculum reform as opposed to other elements of the education reform programme, or the Renew and Reform programme, some of which may benefit curriculum reform. However, understanding the cost of curriculum reform is vital to support scrutiny and inform any consideration of value for money. We recommend that the Welsh Government monitors and reports annually on the costs of its curriculum reform programme including costs to partners and schools. In developing and reporting on its best estimate, the Welsh Government will need to consider the impact of any additional data collection on schools in particular. To evaluate the effectiveness of the professional learning programme and support to schools</p> <p>R2 - The Welsh Government has funded professional learning aligned to the new curriculum alongside its wider investment in teachers' professional learning. It has also funded the regional education consortia and partnerships to provide bespoke support for schools. It recently announced a national entitlement to professional learning for all teachers and teaching assistants. We recommend that the Welsh Government ensures that the effectiveness and value for money of its investment in professional learning for teachers and other school staff is evaluated.</p> <p>To design and implement new qualifications that support the Welsh Government's ambitions for the new curriculum</p> <p>R3 - The Welsh Government and Qualifications Wales know that qualifications need to change to align with the new curriculum. Qualifications Wales is working with schools, further and higher education and others to co-design the new GCSEs and, subsequently, other qualifications. The detail of the qualifications and forms of assessment is not yet decided. We recommend that the Welsh Government works with Qualifications Wales to:</p> <ol style="list-style-type: none"> <li>monitor teachers' and learners' participation in developing the new qualifications.</li> <li>plan an effective national professional learning programme that will support teachers to deliver the new qualifications; and</li> <li>assess the resources needed for professional learning for the new qualifications and any changes to the assessment process, including any greater role for teacher assessment and/or digital technology.</li> </ol> <p>To evaluate the effectiveness of schools' engagement with parents, carers and learners</p>	<p>Measuring the impact of professional learning is an area of work where the Local Authority and regional consortia are focusing on. We as an authority are mindful of trying to minimise the workload to schools and would therefore agree that there is a need to consider the impact of any additional data collection on schools. We would also welcome any further information on how curriculum reform costs can be identified as we feel that it's currently difficult to separate curriculum reform costs from the school running costs.</p> <p>Measuring the impact of professional learning is an area of work where the Local Authority and regional consortia are focusing on. We would also welcome any further information on how curriculum reform costs can be identified and evaluated as we feel that it's currently difficult to separate curriculum reform costs from the school running costs.</p> <p>The Learning Service has quarterly meetings with the regional consortia where engagement in professional learning is recorded. The business plan will need to be reviewed to allow the Local Authority to capture the required information and any quarterly meetings will monitor the progress. The development of the new qualification is in its infancy.</p> <p>Engagement is considered in the new Estyn framework for school inspections and the Local Authority will revise the business plan to ensure that we capture this information and will need to be included as a topic for councillors to discuss when they have discussion with the pupils.</p> <p>New School Improvement framework and non-statutory guidance has been issued by Welsh Government. Task and finish group will be formed regionally to support schools and LA's as guidance becomes statutory for 2024-25.</p> <p>New School Improvement framework and non-statutory guidance has been issued by WG. Task and finish group to be formed regionally to support schools and LA's as guidance become statutory for 2024-25.</p>

Name of Report	Recommendations/ Opportunities	Response from Anglesey Council 2022
	<p>R4 - A positive impact of the pandemic has been to strengthen engagement between schools and families in many cases. Schools will be required to engage with parents and carers about the curricula. Parents, carers and learners should be able to participate in schools' evaluation and improvement. This is underway in some schools. We recommend that the Welsh Government supports schools to engage effectively with parents, carers and learners and evaluates how well schools are doing this to support improvement.</p> <p>To establish the information needed for a rounded understanding of schools' activities and outcomes R5 - Work to support a national approach to self-evaluation is due to be completed by the end of the 2021/22 academic year. There is less clarity about the process for democratic accountability and transparency, including what information will be available to governors, local or diocesan authorities, parents, carers and the public. We recommend that the Welsh Government:</p> <ol style="list-style-type: none"> <li>establishes what information those charged with holding schools to account, require as part of a new approach to accountability; and</li> <li>sets out details on how it will ensure transparency for parents, learners and the public.</li> </ol> <p>To ensure the new curriculum remains fit for purpose</p> <p>R6 - The Curriculum and Assessment (Wales) Act 2021 introduces a requirement for Ministers to keep the new curriculum under review. It does not set out the mechanism for cyclical review. We recommend that, once the milestone of first teaching of the new curriculum is achieved, the Welsh Government sets out how it intends to keep the curriculum under review to ensure that it can become embedded and yet remain fit for purpose.</p>	
<a href="#">Direct Payments for Adult Social Care</a>	<p>In Part 1 we set out the how local authorities promote and raise awareness of Direct Payments (paragraphs 1.2 to 1.7). To ensure people know about Direct Payments, how to access these services and are encouraged to take them up, we recommend that local authorities:</p> <p>R1 - Review public information in discussion with service users and carers to ensure it is clear, concise and fully explains what they need to know about Direct Payments.</p> <p>R2 - Undertake additional promotional work to encourage take up of Direct Payments.</p> <p>R3 - Ensure advocacy services are considered at the first point of contact to provide independent advice on Direct Payments to service users and carers.</p> <p>In Part 1 we set out the importance of the 'What Matters' conversation and the importance of social workers in helping people make informed choices on Direct Payments (paragraphs 1.8 to 1.13). To ensure Direct Payments are consistently offered we recommend that local authorities:</p> <p>R4 - Ensure information about Direct Payments is available at the front door to social care and are included in the initial discussion on the available care options for service users and carers.</p> <p>R5 - Provide training to social workers on Direct Payments to ensure they fully understand their potential and feel confident promoting it to service users and carers.</p> <p>In Part 2 we highlight the central role of Personal Assistants in helping service users and carers to get the best positive outcomes from their use of Direct Payments (paragraphs 2.2 to 2.7). To ensure there is sufficient Personal Assistant capacity, we recommend that local authorities through the All-Wales local authority Direct Payments Forum and with Social Care Wales:</p> <p>R6 - Work together to develop a joint Recruitment and Retention Plan for Personal Assistants.</p> <p>In Part 2 we highlight that while local authorities recognise the value of Direct Payments in supporting independence and improving wellbeing, the differences in approach, standards and the amount paid out means that people with similar needs receive different levels of service (paragraphs 2.9 to 2.18 and 2.23 to 2.27). To ensure services are provided equitably and fairly we recommend that local authorities and the Welsh Government:</p>	<p>R1. Review underway of policy, guidance material, and website.</p> <p>R2. Awareness raising with social workers through training sessions and staff conference. Seek feedback from those on Direct Payments and those refused/stopped.</p> <p>R3. Advocacy options available to all Direct Payment Service users and Carers, promoting a Service Users led approach. Service Users and carers have the opportunity to choose a suitable provider which reflects their needs</p> <p>R4. Once a care need is determined, a conversation about options takes place. Teulu Mon and SPOA merger to ensure consistent advice provided on care options. Work programme developed.</p> <p>R5. Direct Payments team to coordinate training to social care services.</p> <p>As above – work programme developed.</p> <p>R6. NWAAA maintains Personal Assistants database and new Direct Payments Review and Development Officer role created in May 2022 to assist filling Personal Assistant vacancies.</p> <p>R7. Policy currently under review.</p> <p>R8. N/A</p> <p>R9. Officers attend regional and all wales group and feed into developments and play a part in discussions.</p> <p>R10. Await steer from Welsh Government regarding performance information to publish so consistent with other Local Authorities.</p> <p>Local Performance scorecard created. Will adapt once WG advice received, if required.</p> <p>Local statistical performance measures will be considered in the meantime, e.g., care plan reviews completed annually.</p>

Name of Report	Recommendations/ Opportunities	Response from Anglesey Council 2022
	<p>R7 - Clarify policy expectations in plain accessible language and set out:</p> <ul style="list-style-type: none"> <li>• what Direct Payments can pay for.</li> <li>• how application and assessment processes, timescales and review processes work.</li> <li>• how monitoring individual payments and the paperwork required to verify payments will work.</li> <li>• how unused monies are to be treated and whether they can be banked; and</li> <li>• how to administer and manage pooled budgets.</li> </ul> <p>Public information should be reviewed regularly (at least every two years) to ensure they are working effectively and remain relevant.</p> <p>In Part 2 we highlight difficulties in the interface between NHS continuing healthcare and Direct Payments and note that current practices do not support service users and carers to exercise voice, choice and control (paragraphs 2.28 to 2.31). We recommend that the Welsh Government:</p> <p>R8 - Ensure that people who receive both NHS continuing healthcare and Direct Payments have greater voice, choice and control in decision making.</p> <p>In Part 3 we note that having the right performance indicators and regularly reporting performance against these are important for local authorities to manage operational performance, identify areas of improvement and evaluate the positive impact of services (paragraphs 3.8 to 3.10). To effectively manage performance and be able to judge the impact and value for money of Direct Payments, we recommend that local authorities and the Welsh Government:</p> <p>R9 - Work together to establish a system to fully evaluate Direct Payments that captures all elements of the process – information, promotion, assessing, managing and evaluating impact on wellbeing and independence.</p> <p>R10 - Annually publish performance information for all elements of Direct Payments to enable a whole system view of delivery and impact to support improvement.</p>	
<a href="#">Isle of Anglesey County Council – Springing Forward</a>	<p>Vision, strategies, delivery plans and the sustainable development principle</p> <p>R1 - The Council needs to demonstrate that the sustainable development principle at the heart of its considerations, embedding on the lessons learnt from the pandemic, as it:</p> <ul style="list-style-type: none"> <li>• develops the Council’s vision for the shape and size of its land and building assets and workforce in the short, medium, and long term.</li> <li>• develops an asset strategy that demonstrates consideration of the sustainable development principle and is fully integrated with key priorities such as the Modernisation and Net Zero Carbon programmes;</li> <li>• updates the workforce strategy to demonstrate application of the sustainable development principle and is fully integrated with key priorities such as the Modernisation and Net Zero Carbon programmes; and</li> <li>• develops costed delivery plans</li> </ul> <p>Data and benchmarking</p> <p>R2 - Develop the use of data and benchmarking to inform planning, budget setting, and monitor and assess the longer-term success of its asset and workforce initiatives.</p>	<p>Assets: The Service is in the process of developing a new corporate asset management plan, to deliver, maintain and manage buildings and places we can be proud of. A 10-year plan setting out our goals to manage our assets in a sustainable way, contributing to achieving the Councils net zero goal whilst also ensuring the needs of our communities are met to enable people to be healthy, thrive and prosper.</p> <p>We will aim to maximise income opportunities and bring in additional income to invest, protecting and maintain our assets for future generations.</p> <p>Also developing an updated Small Holding Management Plan, setting out our objectives to provide a fit for purpose sustainable small holding estate, whilst contributing to achieve the Council's net zero plan.</p> <p>We will review and measure our performance regularly, taking action to address shortfalls and challenges. Establish a strategic property group to adopt a data and service led, consistent process of prioritisation.</p> <p>Workforce: The service in the process of reviewing its Workforce strategy to incorporate the sustainable development principle and learnings from the pandemic. The 2022-2025 Workforce planning Strategy is due to be launched setting a vision for the future of the workforce. We will continue to incorporate key priorities where appropriate &amp; are working with the Net Zero Manager to draw up relevant training modules. We undertake a regular benchmarking exercise and report to relevant bodies to compare with other councils. We will continue to undertake this and are currently reviewing benchmarking strategies.</p>

Name of Report	Recommendations/ Opportunities	Response from Anglesey Council 2022
<a href="#">Regenerating Town Centres in Wales</a>	<p>R1 - Non-domestic rates have not been reviewed in recent years, and the levels charged do not reflect the current rents being achieved in many town centres. We recommend that the Welsh Government review Nondomestic Rates to ensure the system better reflects towncentre conditions when the payments holiday ends in March 2022.</p> <p>R2 - Many town-centre businesses are impacted adversely by charging for car parking, access to public transport and poor transport infrastructure. We recommend that the Welsh Government work with local authorities to review transport challenges facing town centres and agree how best to address these.</p> <p>R3 - The Welsh Government has directly provided and levered in just under £900 million through 13 funding schemes to help regenerate town centres. However, some aspects of the Welsh Government's management of the funding are considered problematic. To ensure local authorities are able to maximise the impact of funding and tackle the more difficult and longstanding problems that would help transform their town centres, we recommend that the Welsh Government:</p> <ul style="list-style-type: none"> <li>• consolidate funding to reduce bureaucracy by streamlining processes and grant conditions and keeping requests for information and supporting materials to a minimum.</li> <li>• move away from annual bidding cycles to multi-year allocations; and</li> <li>• rebalance investment from capital to revenue to help local authorities address staff capacity and skills shortages.</li> </ul> <p>R4 The Welsh Government has provided all 22 local authorities with training on how best to use existing enforcement, financial assistance and debt recovery powers, but they are not being consistently nor effectively utilised to support regeneration. We recommend that local authorities take appropriate action, using these existing powers and resources available to achieve the best possible outcome for town centres by:</p> <ul style="list-style-type: none"> <li>• using alternative methods of enforcement before using Compulsory Purchase Orders as a last resort.</li> <li>• integrating enforcement strategies with wider departmental strategies across housing, environmental health, planning and regeneration teams to make more effective use of existing skills and resources; and</li> <li>• ensuring there is capacity and the right expertise to use the full range of powers, working in collaboration with other councils to achieve good outcomes.</li> </ul> <p>R5 - The Welsh Government's 'Town Centres First' approach looks to put the health of town centres at the heart of the decisions taken by the Welsh Government, local authorities, the wider public sector, businesses and communities. This requires a high degree of integration between cross-cutting policy frameworks and decision making to promote town centres above much else. We recommend that the Welsh Government set out how it plans to deliver this in practice, its expectations of partners and the practical steps it will take to make this ambition a reality.</p> <p>R6 - Town centres are changing, and local authorities need to be receptive to these changes and plan to manage these shifts. We recommend that local authorities use our regeneration tool to self-assess their current approaches to identify where they need to improve their work on town-centre regeneration (the tool is <a href="#">here</a>).</p>	<p>R1 - WG has arranged for new rating lists to be introduced in Wales from 1 April 2023 where every non-domestic property will be assigned a new RV based on its estimated annual rental value on 01.04.2021</p> <p>R2- WG is working with LA's on transport issues and is providing related funding eg IoACC is receiving funding for town centre bus stop improvements and electric vehicle charging points</p> <p>R3 - WG has consolidated its town centre funding under the 'Transforming Towns' branding, secured multi-year allocations, and provided some temporary limited revenue funding (in addition to capital). This WG revenue funding is not sufficiently large or long-term to address the need for specific LA town centre staff capacity, and IoACC is considering the option of seeking new UK-SPF funding.</p> <p>R4 - WG provided two town centre enforcement training sessions to IoACC officers and members/ senior managers which were well-attended. IoACC has prepared a cross-departmental town centre empty properties enforcement action plan as requested by WG, and is addressing several long-term problematic sites, including securing ownership (by negotiation or CPO) and funding to redevelop Beaumaris Social Club and Plas Alltran for housing use. Staffing capacity for project planning and delivery continues to be an issue.</p> <p>R5 - WG has made a number of announcements regarding the need to prioritise and support town centres and is providing LA's with detailed guidance on how to do so. Guidance has recently been issued to LA's on preparing Place Making Plans for town centres and IoACC is in the process of drafting these. IoACC undertook a survey of its five town centres in June 2022 to map and quantify vacant and eyesore premises to inform this work.</p> <p>R6 - IoACC has completed the self-assessment process, and this was reported to the Governance and Audit Committee in February 2022.</p>

Name of Report	Recommendations/ Opportunities	Response from Anglesey Council 2022
<a href="#">North Wales Economic Ambition Board – Progress Review of the North Wales Growth Deal</a>	<p>Proposals for improvement</p> <p>P1 - The North Wales councils, through the NWEAB, should develop a risk management strategy and develop a risk register which includes consideration of new risks to projects presented by external circumstances such as Brexit, COVID-19 and other pressures on the local economy.</p> <p>P2 - The North Wales councils, through the NWEAB, should widen their contacts with the business community to increase opportunities to support delivery of their objectives.</p> <p>P3 - Ensure that policies and procedures reflect the need to uphold public sector transparency and values in decision making whilst operating in the very competitive and commercial business environment.</p> <p>P4 - Establish formal, timely scrutiny of the NWEAB that provides public transparency and keeps sponsoring councils informed.</p> <p>P5 - Develop agreements that clearly set out the support provided to the PMO by Gwynedd Council such as governance, human resources and finance.</p> <p>P6 - When reviewing feasibility of individual projects, define how each contributes to delivery of the Well-being of Future Generations (Wales) Act 2015's seven Well-being Goals.</p>	<p>P1 - The NWEAB have developed their own risk registers on the projects that they have responsibility for delivering. Through the Project Boards, the councils feed into the RR.</p> <p>P2 - Where capacity and resource allows, the councils continue to foster relationships with the business community directly and indirectly through partners/ stakeholders</p> <p>P3 - Project Boards have been established to challenge the projects and ensure reflect the need to uphold transparency in decision making and there are also opportunities for further scrutiny through Council Leaders and sessions with individual councils.</p> <p>P4 - See above</p> <p>P5 - This has been detailed and agreed across all councils in the GA2 agreement with the Ambition Board</p> <p>P6 - This aspect will be covered as part of the Outline and Full Business Cases being completed by the PMO as part of the various project stages</p>
<a href="#">Isle of Anglesey County Council – Workforce Planning</a>	<p>Workforce plan implementation</p> <p>R1 - The Council needs to ensure that departmental workforce plans are formalised, adopted and implemented across all services. Assurance that Workforce Plans are living documents</p> <p>R2 - The Council must design and embed clear evaluation processes, with performance measures, into all five stages of the process to assure itself that it is proactively considering and responding to workforce planning and service demand issues appropriately and thereby managing its workforce risks effectively.</p>	<p>We are in the process of launching the 2022-2025 workforce plan which aims to reflect the 5 ways of working and provides Heads of Service and Service Managers with guidance to ensure their workforce reviews include aspects such as lessons learnt from the pandemic, along with considering and analyzing any valuable data available to their service. Service HR Officers continue to undertake regular meetings with Heads of Service to discuss their workforce plan, which includes discussions on potential risks and demands within the service.</p>
<a href="#">Isle of Anglesey County Council – Financial Sustainability Assessment</a>	<p>Asset Management Strategy</p> <p>R1 The Council's Asset Management Plan needs to be updated and approved.</p>	<p>The Service is in the process of developing a new corporate asset management plan. A 10-year plan setting out our goals to manage our assets in a sustainable way, contributing to achieving the Councils net zero goal whilst also ensuring the needs of our communities are met.</p>

We propose to remove the following reports and recommendations:

Name of Report	Recommendations / Opportunities	Response from Anglesey Council	Proposal
<a href="#">Procuring and Supplying PPE for the COVID-19 Pandemic</a>	<p>Preparedness for future pandemics</p> <p><b>R1</b> As part of a wider lessons learnt approach, the Welsh Government should work with other UK countries where possible to update plans for a pandemic stockpile to ensure that it is sufficiently flexible to meet the demands of a pandemic from different types of viruses.</p> <p><b>R2</b> In updating its own plans for responding to a future pandemic, the Welsh Government should collaborate with other public bodies to articulate a set of pan-public sector governance arrangements for planning, procuring and supplying PPE so that these do not need to be developed from scratch.</p> <p><b>R3</b> Shared Services should work with NHS and social care bodies to maintain an up-to date stock management information system that provides timely data on local and national stocks of PPE that can be quickly drawn upon in a future pandemic to support projections of demand and availability as well as providing a robust source of information for briefing stakeholders.</p>	<p>At the beginning of the pandemic IoACC did not have an adequate supply of covid PPE and no storage and distribution facility. The Council was able to devise relevant guidance to deal with the national shortages at the early stage, developed a PPE team, established a store, and managed stock to ensure regular and adequate delivery of PPE to staff and Care settings. The operation was well organised with regular contact and supply from WG with excellent working across the Authority.</p> <p>The Community Loan Store and Mon Community Transport were invaluable and should be factored into any future corporate emergency planning policy. The pandemic forced Local Authorities to streamline and simplify the decision-making process and shorter lines of communication which allowed operational management to function properly.</p> <p>The Council also established joint working on air monitoring and the development of information with a local medical doctor in advance of government guidance. Similarly, the Council is currently looking at air purifiers and seems to be slightly ahead of published government guidance.</p> <p>For the remainder of the covid pandemic we would appreciate further research and clear policy/guidance on masks/clear masks.</p>	<p>There are no longer any requirement to supply staff with PPE and there is no longer a need to monitor these recommendations.</p> <p>The findings relating to Local Authority will however be actioned as part of lessons learnt if required in the future.</p> <p><b>Propose removal.</b></p>
<a href="#">Test, Trace, Protect in Wales: An Overview of Progress to Date</a>	<p>As well as commenting on the delivery of TTP, the report sets out some key challenges and opportunities that will present themselves as part of the ongoing battle to control COVID-19.</p> <p>Key Messages: The TTP programme has seen different parts of the Welsh public and third sector work together well, in strong and effective partnerships, to rapidly build a programme of activities that is making an important contribution to the management of COVID-19 in Wales.</p> <ul style="list-style-type: none"> <li>The configuration of the TTP system in Wales has a number of strengths, blending national oversight and technical expertise with local and regional ownership of the programme, and the ability to use local intelligence and knowledge to shape responses.</li> <li>Arrangements for testing and contact tracing have evolved as the pandemic has progressed. But maintaining the required performance in these areas has proved challenging in the face of increasing demand.</li> <li>TTP is a crucial part of the Welsh Government's approach but has not been the only way it is trying to prevent the virus spreading. Despite increased testing and tracing activity, the virus has continued to spread. In Wales, as in other parts of the UK and internationally, testing and tracing has needed to be</li> </ul>	<ul style="list-style-type: none"> <li>Having better information to improve efficiency and evaluate the impact of TTP <ul style="list-style-type: none"> <li>The use of Power BI enabled regularly updated regional data on the impact of Covid to enable teams to evaluate their local authority areas and set up comparisons against other regions across Wales or the region.</li> <li>Internal team established to monitor PHW and BCU data alongside the local TTP data to identify trends and resource allocation</li> </ul> </li> <li>Ensuring testing activities are fit for purpose and meet increasing demand <ul style="list-style-type: none"> <li>Close and positive working relationship between IOACC and BCU established to ensure testing facilities were available on Anglesey</li> <li>Pop up testing sites were positioned in the 4 main towns to include Amlwch, Holyhead, Llanfairpwll and Llangefni on a rotating basis</li> <li>Resources were allocated to areas where there were outbreaks or an increase in numbers</li> <li>Additional testing sites were established when required to increase capacity on the island</li> <li>Additional testing facilities were implemented within areas of large outbreaks, this included test drop offs, LFD collection points, LFD sites and PRC sites.</li> <li>LFD collection points within leisure centres</li> </ul> </li> </ul>	<p>Ynys Môn TTP (Test, Trace and Protect) ceased 30 Jun 2022. Approx 5% of the staff have formed part of the Regional TTP under the management of Flintshire CC. There is no direct / regular reporting undertaken &amp; we are led to believe that this reduced function will cease in Dec 2022.</p> <p><b>Propose removal.</b></p>

Name of Report	Recommendations / Opportunities	Response from Anglesey Council	Proposal
	<p>supplemented with increasingly stringent local and national lockdown restrictions in an attempt to reduce transmission rates.</p> <p>Key challenges and opportunities:</p> <ul style="list-style-type: none"> <li>• Having better information to improve efficiency and evaluate the impact of TTP</li> <li>• Ensuring testing activities are fit for purpose and meet increasing demand</li> <li>• Creating a skilled, resilient workforce to deliver TTP</li> <li>• Influencing the public to follow public health protection guidance and requirements</li> <li>• Applying the learning from the TTP programme to other programmes and future ways of working</li> </ul>	<ul style="list-style-type: none"> <li>- LFD distribution within schools for staff and appropriately aged children</li> <li>• Creating a skilled, resilient workforce to deliver TTP <ul style="list-style-type: none"> <li>- Regional job description to ensure suitability and experienced advisors and tracers</li> <li>- Recruitment drives regionally and locally throughout the course of the year to ensure a consistent number of skilled staff are in post</li> <li>- Comprehensive training programme in place for new recruits to include shadowing, teams meetings and role play.</li> <li>- Continuous development through training sessions for all staff to ensure consistency</li> </ul> </li> <li>• Influencing the public to follow public health protection guidance and requirements <ul style="list-style-type: none"> <li>- In-house communications team established to include public protection, education, data analysis team and TTP to push relevant information to the public through social media, the corporate website and internal email to staff.</li> <li>- Anglesey were the first local authority in the region to use map technology to pinpoint positive case locations across the island to raise awareness of increasing numbers, this was accompanied by local intel and advice</li> <li>- Council Leader conducted telephone, TV, radio and newspaper interviews to raise awareness of local and national information</li> <li>- Weekly Mon FM radio update on the current position across Anglesey aired</li> <li>- Regular meetings with our external providers to share intel and trends who then supported in getting messages out to the public</li> </ul> </li> <li>• Applying the learning from the TTP programme to other programmes and future ways of working <ul style="list-style-type: none"> <li>- The council continuously develops and learns from programmes, projects and policy changes.</li> <li>- Lessons learnt logs are created following major incidents which have been used to support other local authorities when dealing with similar incidents</li> <li>- Regular meetings set up with regional teams to include representation from local authorities, BCU, PHW to share issues/risks or concerns and to discuss ways forward and propose/agree to changes</li> </ul> </li> </ul> <p>Weekly meeting with the Deputy Chief Executive as Chair with representation from BCU, PHW, education, NWP, TTP, Social Services, Testing, ambulance service to plan, prepare and learn.</p>	



Name of Report	Recommendations / Opportunities	Response from Anglesey Council	Proposal
<p><b>* Financial management and governance - Community and town councils 2018-19 *</b></p>	<ul style="list-style-type: none"> <li>- Community councils are managing more money but there is scope for some to review their budgets and the services they provide</li> <li>- 66% councils met the statutory deadline for publishing audited accounts</li> <li>- The number of qualified audits has fallen but remains too high at 218 councils</li> <li>- Significant problems led to public interest reports being issued at 12 councils</li> <li>- The 2019-20 audit is the final audit under the current arrangements and council views are being sought on the proposed changes</li> </ul>	<p>The Council do not have any responsibility for Community Councils Finances or implementing any of the recommendations made in the report.</p>	<p>The Authority's response is acceptable under current circumstances.</p> <p><b>Propose removal.</b></p>
<p><a href="#">Discussion Paper: Six themes to help make scrutiny 'Fit for the Future'</a></p>	<p>Clarifying roles and responsibilities is still necessary in some councils and is a pre-requisite to successful scrutiny Councils should consider whether elected members and officers have a sound understanding of roles and responsibilities. And what this means for the way in which scrutiny functions and support are structured; and scrutiny activity is planned and conducted.</p> <p>Many councils continue to recognise a need to improve public engagement in scrutiny but in many councils this will require a step change in scrutiny practice</p> <p>In light of current and future challenges councils have an opportunity to re-evaluate what they are trying to achieve in terms of public engagement and consider whether a fundamental re-think of the way in which they plan and undertake scrutiny activity will help to achieve this. As part of this they could consider:</p> <ul style="list-style-type: none"> <li>• clearly defining their ambitions in terms of seeking to engage the public in overview and scrutiny;</li> <li>• how improved technology can help them to engage more easily and cost effectively;</li> <li>• if the way in which scrutiny functions 'operate' is conducive to proactive public engagement and involvement of other stakeholders; and</li> <li>• if they have the appropriate support in place in terms of officers with the right knowledge, skills and experience as well as training, development and ICT support for members to enable scrutiny functions to properly and proactively engage with the public.</li> </ul> <p>Councils should reflect on the rigour with which they prioritise and then plan scrutiny activity to improve its impact Councils should consider whether the way in which scrutiny activity is planned and undertaken:</p> <ul style="list-style-type: none"> <li>• is sufficiently well prioritised, taking into account how much time and resource may be needed to 'properly' scrutinise topics, based on an appropriate methodology and hence, the implications for the number of items that committees can</li> </ul>	<p>Clarifying roles and responsibilities</p> <p>The Authority developed a vision and strategy for Scrutiny agreed between the Executive, Chairs / Vice-chairs of Scrutiny and SLT. This defines a clear role and function for Scrutiny and what it should deliver and also sets the context in the short and medium term.</p> <p>Monthly chairs and vice chairs scrutiny Forum held to plan/prioritise /coordinate and manage work programmes of the 2 standing Scrutiny Committees ensuring alignment with Executive forward work programme. In addition, 3 specific Scrutiny Panels are part of scrutiny arrangements providing an opportunity to develop in depth knowledge in financial management/Schools improvement and Social Services matters.</p> <p>The Council also arranges monthly briefing sessions on key strategic and operational matters as part of corporate governance arrangements</p> <p>Annual reports are prepared and presented to Full Council on the work of both Scrutiny Committees and the 3 Scrutiny Panels. This includes self-evaluation by Scrutiny Members.</p> <p>(Expected outcome: "whole Council" approach to Scrutiny)</p> <p>Public Engagement in Scrutiny</p> <p>The Isle of Anglesey County Council encourages active participation of the public wherever possible, and an opportunity exists for members of the public to speak on agenda items at Scrutiny Committee meetings. To this end, a public speaking protocol is in place for Scrutiny Committees and is intended as a means of ensuring that the voice of local people and communities on Anglesey are heard as part of the decision-making process.</p> <p>(Expected outcomes: improve public engagement in our scrutiny work, a strong foundation to improve outcomes for citizens, better decisions and quality of democratic engagement, enable the voice of local people and communities to be heard as part of decision and policy making processes)</p> <p>Planning and Scrutiny Impact</p>	<p>Having reviewed the audit, there is sufficient evidence to remove.</p> <p>Note some comments below.</p> <p>The structure of Democratic Services includes officers with the right knowledge, skills and experience to support Scrutiny Members creating the conditions for effective Member scrutiny.</p> <p>There is a whole system approach to scrutiny by the Authority. Members' Monthly Briefing Sessions are a forum for informal scrutiny and information sharing. The structure also includes 3 scrutiny panels reporting to the parent scrutiny committees. These panels have forward work programmes and apply a range of different scrutiny approaches.</p> <p><b>Propose removal.</b></p>

Name of Report	Recommendations / Opportunities	Response from Anglesey Council	Proposal
	<p>properly consider;</p> <ul style="list-style-type: none"> <li>properly considers the options and methods that could be used to approach scrutiny of every topic, rather than just a few topics;</li> <li>aligns with the roles and intended outcomes of the scrutiny function, and that choice of topics and methodologies are designed to deliver against these, rather than necessarily 'defaulting' to considering the majority of items at full committee in the form of officer reports; and</li> <li>actively considers how emerging technologies could be used to improve the evidence base for scrutiny, to inform both topic selection as part of work programming, and the findings and recommendations of scrutiny work.</li> </ul> <p>Responding to current and future challenges may need a different approach to supporting scrutiny committee members Councils should consider:</p> <ul style="list-style-type: none"> <li>what their scrutiny functions are trying to achieve, and whether current arrangements for officer support; and training and development will help them to achieve this;</li> <li>if there is a need to upskill officers who work in support of scrutiny;</li> <li>working more effectively with other parts of the council and/or with other organisations to improve the range of skills and knowledge available to support scrutiny; and</li> <li>re-designing approaches to training and development programmes for scrutiny members.</li> </ul> <p>Evaluating the effectiveness of scrutiny</p> <p>Given some of our observations above which suggest that roles are still not always clear, and there remains a 'traditional' approach to scrutiny topics in many councils, regular reviews of the effectiveness of arrangements that are subsequently acted on may be a key way of addressing some of these longstanding issues.</p> <p>Welsh government and councils should consider the implications of the above themes for councils' and partnership governance arrangements</p> <p>Councils and the Welsh Government should reflect on:</p> <ul style="list-style-type: none"> <li>the extent to which they can place reliance on local authority scrutiny functions in their current form; and</li> <li>what this might mean for the expectations placed on scrutiny functions both within Councils' own governance and management arrangements and any associated guidance.</li> </ul>	<p>Scrutiny Committees are supported by 2 dedicated Scrutiny Unit Staff. Best practice is shared through national and regional networks. Monthly chairs and vice chairs scrutiny Forum are held to plan/prioritise /co-ordinate and manage work programmes of the 2 standing Scrutiny Committees ensuring alignment with Executive forward work programme</p> <p>Our local arrangements underpinning scrutiny forward work programmes have been developed to provide a greater focus on:</p> <ul style="list-style-type: none"> <li>Strategic aspects</li> <li>Citizen / other stakeholder engagement and outcomes</li> <li>Priorities of the 2017/22 Council Plan and corporate transformation programmes</li> <li>Risks</li> <li>Work of audit, inspection and regulation</li> <li>Items on the Executive forward work programme.</li> </ul> <p>Objective: rolling work programmes focusing on the quality of scrutiny; fewer items to add value (Expected outcomes: create the conditions for effective scrutiny, the impact of scrutiny is acted upon to improve effectiveness, governance arrangements that support robust and effective decision-making).</p> <p>Evaluating the effectiveness of Scrutiny</p> <p>The Council undertakes periodic evaluation of the effectiveness of its Scrutiny arrangements - annually as an integral part of the process of preparing its Scrutiny Annual Report. This is underpinned by Member self-evaluation which is also completed separately by the 3 scrutiny outcome panels</p> <p>(Expected outcome: self-evaluation by Members to measure added value and impact)</p> <p>The Council's Scrutiny and Overview Annual Report 2020/21 provides a comprehensive resume of our scrutiny arrangements within the governance arrangements of the Council <a href="http://democracy.anglesey.gov.uk/documents/s16241/Overview%20and%20Scrutiny%20Annual%20Report%20201920.pdf?LLL=0">http://democracy.anglesey.gov.uk/documents/s16241/Overview%20and%20Scrutiny%20Annual%20Report%20201920.pdf?LLL=0</a></p>	

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	Governance and Audit Committee
<b>Date:</b>	8 December 2022
<b>Subject:</b>	Local Code of Governance 2023-28 Draft
<b>Head of Service:</b>	Carys Edwards Head of Profession HR and Transformation 01248 752502 <a href="mailto:CarysEdwards@ynysmon.gov.uk">CarysEdwards@ynysmon.gov.uk</a>
<b>Report Author:</b>	Gethin Morgan Programme, Business Planning & Performance Manager 01248 752511 <a href="mailto:GethinMorgan@ynysmon.gov.uk">GethinMorgan@ynysmon.gov.uk</a>
<p><b>Nature and Reason for Reporting:</b></p> <p>The Local Code of Governance sets out the Council’s approach to delivering good governance across the Council’s services through the development, adoption and implementation of appropriate policies and procedures.</p> <p>The Governance and Audit Committee is asked to consider the Council’s Local Code of Governance once every political term.</p> <p>Annual updates and improvements against the Local Code of Governance will be identified and addressed using the Annual Governance Statement which is tabled to the Governance and Audit Committee once every 12 month period.</p>	

## Introduction

1. To demonstrate good governance, the Council must show that it is complying with the core (and supporting) principles contained within the Framework for Delivering Good Governance in Local Government (CIPFA / Solace, 2016).
2. This statement has been prepared in accordance with those principles.
3. The Isle of Anglesey County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
4. The Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk together with adequate and effective financial management.
5. The Local Code of Governance document is used as the basis for the annual review of governance for the County Council. The sources of assurance noted against each principle have been updated.

6. The Local Code of Governance has been through an internal review process during 2022/23 via the –
  - a. Performance and Governance Review Group (inclusive of Internal Audit)
  - b. Leadership Team

and is tabled at the Governance & Audit Committee for consideration following the review.

7. The associated documentation which is used to undertake an annual review against the expectations of the Local Code of Governance is noted as the Annual Governance Statement (AGS). The AGS is considered by the Governance and Audit Committee who has the responsibility of approving the Council's governance arrangements through the AGS on an annual basis as a part of the Statement of Accounts.

### **Recommendation**

8. That the Governance and Audit Committee considers the draft Local Code of Governance as an accurate reflection.
9. That Committee Members are invited if they so wish to offer amendments to the draft Local Code of Governance before it proposed for adoption by the Isle of Anglesey County Council in March 2023.



## **Local Code of Governance 2023 - 2028**

**December 2022**

**Status - Official**

**Prepared by:**

Gethin Morgan, Corporate Programme, Business  
Planning and Performance Manager

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## What is Corporate Governance?

Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.

The Chartered Institute of Public Finance and Accountancy's (CIPFA's) International Framework for Good Governance in Local Government states that:

*“To deliver good governance in the public sector, both governing bodies and individuals working for the public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.”*

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



## What is the Code of Corporate Governance?

To demonstrate good governance, the Council must show that it is complying with the core (and supporting) principles contained within the Framework for Delivering Good Governance in Local Government (CIPFA / Solace, 2016). The established principles are:

- Principle A**

  - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B**

  - Ensuring openness and comprehensive stakeholder engagement
- Principle C**

  - Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Principle D**

  - Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E**

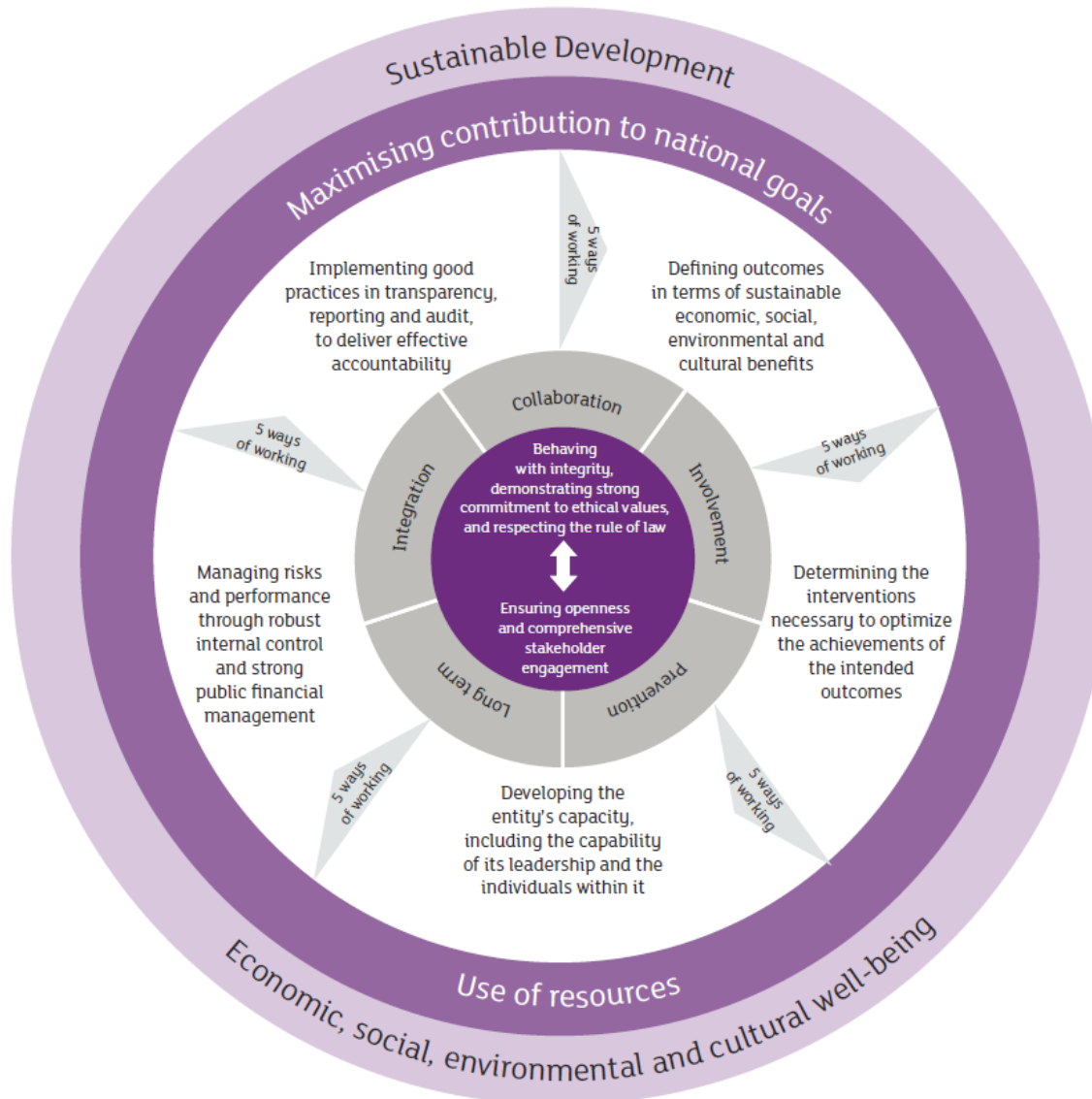
  - Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Principle F**

  - Managing risks and performance through robust internal control and strong public financial management
- Principle G**

  - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Aspects of the Council’s governance arrangements have been strengthened and modernised in recent years across a number of governance themes. The current [Council Plan](#) has been in place since 2017 and this places an emphasis on our governance structures to enable the outcomes of the plan to be delivered. These can be aligned to the seven core principles in the CIPFA/SOLACE framework.

The Council aims to achieve good standards of governance by adhering to the seven core principles and also adhering to the Wellbeing of Future Generations (Wales) Act 2015 principles which together form the basis of our Code of Corporate Governance.



*Source: Delivering Good Governance in Local Government: Guidance Notes for Welsh Authorities (2016 Edition)*



## How do we demonstrate compliance?

The Council reviews and reports against its governance arrangements on a regular basis. The Monitoring Officer ensures compliance with the policies, procedures, laws and regulations whilst the Section 151 officer advises on all financial matters, ensures proper financial records are kept and that a sound system of internal control is in place.

The Council conducts, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The effectiveness of the governance framework will be evaluated by a combination of:-

- the results of the regular in-year review and monitoring by officers and committees which include:
  - formal risk management activity, including specific consideration of those risks linked to governance processes;
  - internal audit, whose work includes auditing the highest risks identified in the Corporate Risk Register, including risk management, in accordance with the annual internal audit strategy, and which includes 'follow-up' work to ensure that senior officers address agreed 'Issues / Risks';
  - the annual assessment of Internal Audit by the Council's external auditors;
  - the work of the Council's Scrutiny and other Committees, including its Governance and Audit and Standards committees;
  - the opinions and recommendations of the Council's external auditors and other review agencies and inspectorates;

- the regular monitoring of improvement and performance against the Council Plan and its supporting plans and strategies by members and senior managers;
- a review of relevant documents prepared during the year or relating to the year;
- the review of progress against the Corporate Plan;
- reviews of feedback from Estyn and CIW and the related scrutiny panels;
- a series of interviews with key officers;
- discussions with, and receiving comments from, groups of officers and members including the SLT and the Executive.

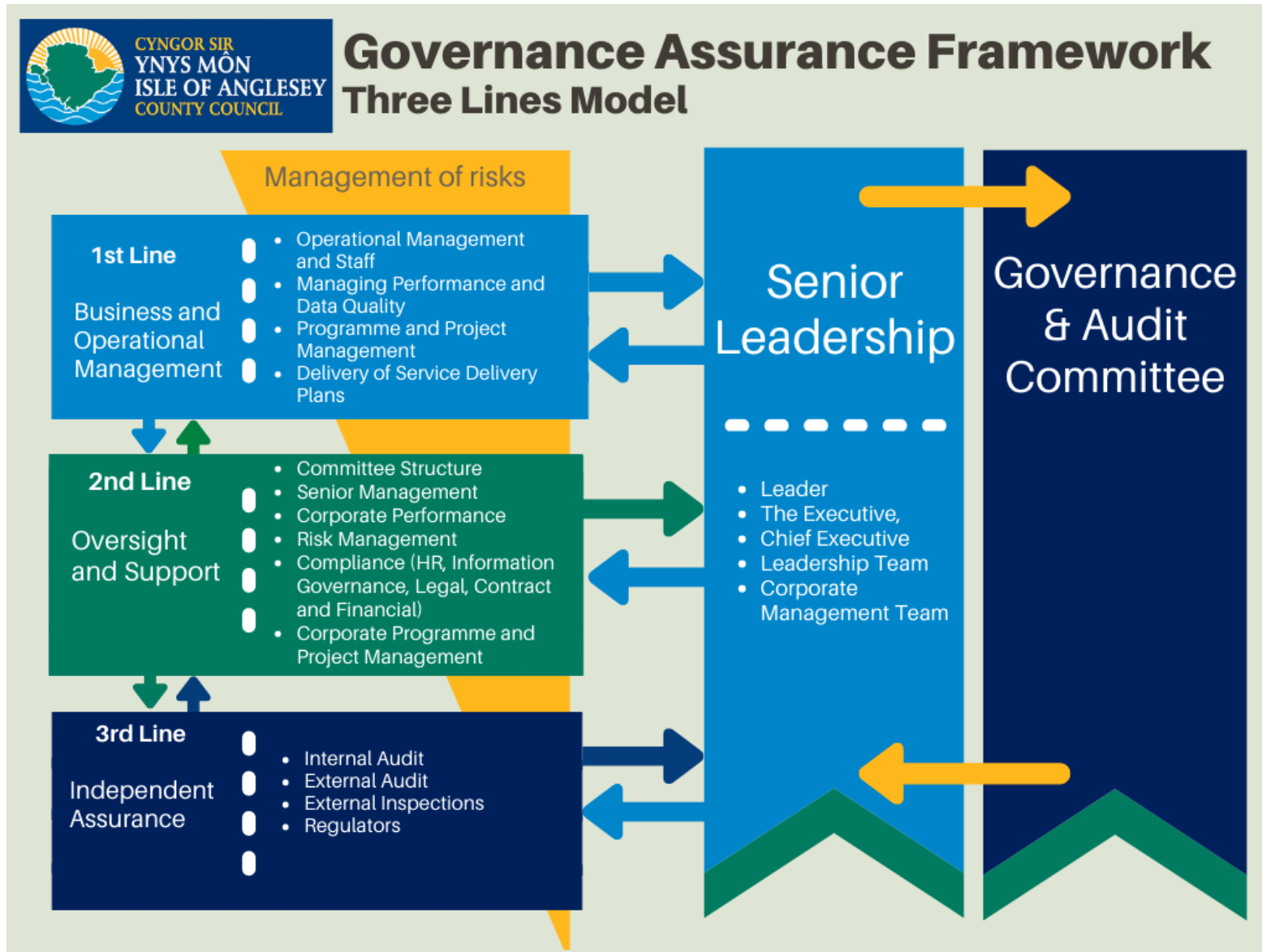
Key policies, and any amendments to them, are approved by the Executive and where appropriate, formally adopted by the County Council.

The overall assessment will follow the following self-assessment grading –

<b>Excellent</b>	Many strengths, including significant examples of sector-leading practice
<b>Good</b>	Many strengths and no important areas requiring significant improvement
<b>Satisfactory</b>	Strengths outweigh areas for improvement
<b>Unsatisfactory</b>	Important areas for improvement outweigh strengths

The results of this assessment and review, which is carried out in line with the core principles of the Code, inform the production of the Council's Annual Governance Statement, which is presented as part of the Statement of Accounts.

The Council also use the 'Three Lines Model' as demonstrated in the graphic below, where each line can be used to provide assurance. A range of assurance activities from across all lines of defence is then used to provide a robust assurance picture.



## Commitments to the Governance Principles

### Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

**Rationale:** Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

The Council is committed to:	Sources of assurance
<p><b>Behaving with integrity</b></p> <p>A1. Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council</p> <p>A2. Ensuring members take the lead in establishing specific standard operating principles or values for the Council and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the ‘Nolan Principles’ )</p> <p>A3. Leading by example and using the above Target Operating Model or values as a framework for decision making and other actions</p> <p>A4. Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<ul style="list-style-type: none"> <li>• There are a number of codes of conduct and protocols in place as part of the <a href="#">Constitution</a> to ensure high standards of conduct and behaviour – these include             <ul style="list-style-type: none"> <li>○ Members code of conduct</li> <li>○ Officers code of conduct</li> <li>○ Protocols for Member/Officer relations</li> <li>○ Anti-Bullying and Harassment Policy</li> <li>○ Political management protocols</li> </ul> </li> <li>• Member Induction and Development Programme</li> <li>• The Monitoring Officer acts as the lead officer for the Standards Committee with seven of the nine members external appointments, and the remainder elected members.</li> <li>• <a href="#">Members and Officers Code of Conduct</a></li> <li>• <a href="#">Standards Committee</a></li> <li>• Financial Procedure Rules</li> <li>• Contract Procedure Rules</li> <li>• Prevention of Fraud and Corruption Policy in the Constitution with subsidiary plans in place</li> <li>• Protocol on <a href="#">gifts and hospitality</a> and a <a href="#">register of interests</a></li> </ul>

The Council is committed to:	Sources of assurance
<p><b>Demonstrating strong commitment to ethical values</b></p> <p>A5. Seeking to establish, monitor and maintain the Council’s ethical standards and performance</p> <p>A6. Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the Council’s culture and operation</p> <p>A7. Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</p> <p>A8. Ensuring that external providers of services on behalf of the Council are required to act with integrity and in compliance with high ethical standards expected by the Council.</p> <p><b>Respecting the rule of law</b></p> <p>A9. Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</p> <p>A10. Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</p> <p>A11. Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</p> <p>A12. Dealing with breaches of legal and regulatory provisions effectively</p> <p>A13. Ensuring corruption and misuse of power are dealt with effectively</p>	<ul style="list-style-type: none"> <li>• Declaration of interests before every meeting</li> <li>• Staff Inductions</li> <li>• Whistleblowing Policy</li> <li>• Dedicated Monitoring Officer</li> <li>• Provision of Regulatory and Legal Services</li> <li>• ICT Security Policy</li> <li>• Cyber Security</li> <li>• GDPR guidance</li> <li>• Equality and Diversity Plan</li> <li>• Disciplinary Policy</li> <li>• Annual Development Discussion including employee competency framework</li> <li>• Complaints procedure</li> <li>• Porth Polisi / Policy Portal</li> <li>• Learning Pool – including Modern Slavery</li> <li>• Corporate Safeguarding Board</li> <li>• Procurement Strategy</li> </ul>

## Principle B: Ensuring openness and comprehensive stakeholder engagement

**Rationale:** Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

The Council is committed to:	Sources of assurance
<p><b>Openness</b></p> <p>B1. Ensuring an open culture through demonstrating, documenting and communicating our commitment to openness</p> <p>B2. Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided</p> <p>B3. Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</p> <p>B4. Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</p> <p><b>Engaging comprehensively with institutional stakeholders</b></p> <p>B5. Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</p>	<ul style="list-style-type: none"> <li>• <a href="#">Executive</a> and Council meetings are held in public (with the exception of exempt items) and all papers are published on the Council website</li> <li>• <a href="#">Records of decisions</a> and supporting materials are made available.</li> <li>• Reports to the majority of committees are accompanied with a cover report, which details a summary of the report, the recommendations seeking approval and a rationale for why that recommendation has been made, in order to show the reasoning and evidence for decisions including feedback from senior officers and statutory roles</li> <li>• A Combined <a href="#">Forward Work Programme</a> for the Executive, Scrutiny, Planning and Orders and the Governance and Audit Committees, are publicly available and published on the Council’s website.</li> <li>• There are clear timescales for the submission, publication and distribution of reports.</li> <li>• The webcasting of meetings of <a href="#">the Executive</a>, <a href="#">Planning &amp; Orders</a> and <a href="#">Council meetings</a>.</li> <li>• Annual reports are published by Scrutiny, the Standards Committee and the Governance &amp; Audit Committee.</li> <li>• The <a href="#">Annual Delivery Document</a> outlining what activities will be undertaken throughout the year against the Council Plan objectives is published</li> </ul>

The Council is committed to:	Sources of assurance
<p>B6. Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</p> <p>B7. Ensuring that partnerships are based on trust, a shared commitment to change and a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit</p> <p><b>Engaging stakeholders effectively, including individual citizens and service users</b></p> <p>B8. A clear policy on the type of issues that the Council will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service provision is contributing towards the achievement of intended outcomes</p> <p>B9. Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</p> <p>B10. Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</p> <p>B11. Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account</p> <p>B12. Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</p> <p>B13. Taking account of the interests of future generations of tax payers and service users</p>	<ul style="list-style-type: none"> <li>• An <a href="#">Annual Performance Report</a> is published to demonstrate progress against the Council Plan (Annual Delivery Document) for the previous year</li> <li>• A <a href="#">Quarterly Scorecard monitoring report</a> is published progress to demonstrate against Key Performance Indicators linked to the Council Plan and Service objectives.</li> <li>• The Council uses the <a href="#">Website</a> and <a href="#">Social Media</a> to reach a growing number of residents and stakeholders.</li> <li>• <a href="#">Freedom of Information</a> practices are in place to publish responses to requests.</li> <li>• The <a href="#">Public Services Boards for Gwynedd and Ynys Môn</a> local authority areas became a statutory body under the Well-being of Future Generations (Wales) Act 2015.</li> <li>• A Staff Survey is held every three years and the results are used to inform varying agendas across the council.</li> <li>• Members of <a href="#">North Wales Economic Ambition Board</a></li> <li>• Members of <a href="#">GwE board</a></li> <li>• Members of Galw Gofal</li> <li>• Partners with other Local Authorities and Health Board on the <a href="#">North Wales Social Care and Well-being Regional Collaborative</a></li> <li>• <a href="#">North Wales Councils - Regional Emergency Planning Service</a></li> <li>• The <a href="#">Community Engagement Model</a> is used to improve the corporate approach to community engagement. This model is essential in order to identify those communities and groupings that will have an interest in taking over responsibilities for delivery of local type needs in their communities</li> <li>• The Engagement and Consultation Board provides a cross Council approach to engagement and stakeholder</li> </ul>

The Council is committed to:	Sources of assurance
	<p>involvement which reduces duplication, ensures a collective approach to engagement and improves our area based intelligence as a Council.</p> <ul style="list-style-type: none"> <li>• Mystery shop exercises are undertaken to audit the Council's adherence to the <a href="#">Welsh Language Standards</a> and the Customer Service Charter</li> <li>• Full Council, The Executive and Planning &amp; Orders Committee meetings are all <a href="#">webcast</a> and available to view for up to six months after the meetings online.</li> <li>• Citizens are welcome to attend public meetings and arrange to speak publicly on the Scrutiny and Planning &amp; Orders Committees</li> <li>• A <a href="#">Corporate Complaints procedure</a> is in place and <a href="#">statistics</a> are published quarterly on the website</li> <li>• A separate complaints procedure is in place for <a href="#">Social Services</a></li> <li>• Stakeholders are able to respond to <a href="#">consultations</a> on the website</li> <li>• Public Participation Strategy</li> <li>• National Public Participation framework</li> <li>• Annual Service Reviews</li> <li>• Partnership &amp; Regeneration Scrutiny Committee – partnership list</li> <li>• Place Shaping</li> </ul>

**Principle C: Defining outcomes in terms of sustainable economic, social, cultural and environmental benefits**

**Rationale:** The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

The Council is committed to:	Sources of assurance
<p><b>Defining Outcomes</b></p> <p>C1. Having a clear vision which is an agreed formal statement of the Council’s purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the Council’s overall strategy, planning and other decisions</p> <p>C2. Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</p> <p>C3. Delivering defined outcomes on a sustainable basis within the resources that will be available</p> <p>C4. Identifying and managing risks to the achievement of outcomes</p> <p>C5. Managing service users’ expectations effectively with regard to determining priorities and making the best use of the resources available.</p>	<ul style="list-style-type: none"> <li>• The Council’s overall vision is reflected in the <a href="#">Council Plan</a> which covers the period of the local elections of five years. It is a Plan which describes priorities clearly and explains how the priorities reflect the views of the citizen and is aligned to the ever developing medium term financial strategy.</li> <li>• The <a href="#">Medium Term Financial Strategy</a> is reviewed twice a year, in line with the corporate priorities.</li> <li>• All services produce an annual <a href="#">Service Delivery Plan</a> that shows clearly how they contribute towards achieving our corporate priorities. All service plans contain measures and success criteria to evidence how actions will make a difference.</li> <li>• Key Performance Indicators aligned to the Council Plan are monitored on a quarterly basis through the <a href="#">Corporate Scorecard</a>. The Corporate Scorecard Report is reported to the Senior Leadership Team, Corporate Scrutiny and The Executive where mitigating actions against underperforming KPIs are agreed for implementation by the Services.</li> <li>• Services are subject to six monthly Service Reviews – looking specifically at the budget and expenditure in June and on performance and outcomes between November and January. Members of the Senior Leadership Team and elected members, from both the Executive and Shadow Executive, rigorously</li> </ul>



The Council is committed to:	Sources of assurance
<p><b>Sustainable economic, social and environmental benefits</b></p> <p>C6. Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision</p> <p>C7. Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints</p> <p>C8. Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p> <p>C9. Ensuring fair access to services</p>	<p>challenge service performance at the service review sessions. Actions to address issues or improve performance against set targets are then agreed at the meetings for implementation over the next 12 months</p> <ul style="list-style-type: none"> <li>• Performance and progress against the Council Plan is published annually in the <a href="#">Annual Performance Report</a>, and financial performance is published in the Statement of Accounts.</li> <li>• The Gwynedd and Anglesey Public Services Board was established in 2016, in accordance with the Well-being of Future Generations (Wales) Act 2015. The PSB provide both an Annual Report and Progress reports throughout the year.</li> <li>• Annual Governance Statement</li> <li>• Quarterly Revenue and Capital Reports</li> <li>• The Director of Social Services is required to produce an <a href="#">Annual Report</a></li> <li>• Welsh Language Annual Monitoring Report</li> <li>• Strategic Equality Plan and Annual Equality Report</li> <li>• Annual Delivery Document</li> <li>• Strategic Risk Register and Service Risk Registers</li> <li>• Reports to the majority of committees are accompanied with a cover report, which details a summary of the report, the recommendations seeking approval and a rationale for why that recommendation has been made, in order to show the reasoning and evidence for decisions including economic, social and environmental impacts</li> </ul>

## Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

**Rationale:** Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

The Council is committed to:	Sources of assurance
<p><b>Determining and Planning interventions</b></p> <p>D1. Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.</p> <p>D2. Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.</p> <p><b>Optimising achievement of intended outcomes</b></p> <p>D3. Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</p> <p>D4. Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</p>	<ul style="list-style-type: none"> <li>• The <a href="#">Constitution</a> sets out clearly how the Council operates and how decisions are made and procedures need to be followed to ensure efficiency, transparency and accountability</li> <li>• <a href="#">Council Committee Structures</a> - Council, the Executive, the Governance &amp; Audit Committee, Democratic Services Committee, Planning &amp; Orders, Licensing, Corporate Scrutiny, Partnership &amp; Regeneration Scrutiny Committee, and the Standards Committee.</li> <li>• The <a href="#">Isle of Anglesey County Council</a> has responsibility for the policy and budget framework. Key governance reports are matters for Council, and Council agree the annual revenue and capital budget.</li> <li>• <a href="#">The Executive</a> is the key decision making body and consists of the leader and eight further portfolio holders.</li> <li>• The <a href="#">Governance and Audit Committee</a> is a key component of the Council's governance framework. The committee includes a lay co-opted member which serves to widen the independent knowledge and experience base.</li> <li>• The <a href="#">Corporate Scrutiny Committee</a> provides assurance regarding performance and delivery of all services, It ensures that the council achieves its corporate and service objectives</li> </ul>

The Council is committed to:	Sources of assurance
<p>D5. Considering and monitoring risks facing each partner when working collaboratively including shared risks</p> <p>D6. Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances</p> <p>D7. Establishing appropriate local performance indicators (as well as relevant statutory or other national performance indicators) as part of the planning process in order to identify how the performance of services and projects is to be measured</p> <p>D8. Ensuring capacity exists to generate the information required to review service quality regularly</p> <p>D9. Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan</p> <p>D10. Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy</p>	<p>whilst supporting and making recommendations for continuous improvement.</p> <ul style="list-style-type: none"> <li>• The <a href="#">Partnership and Regeneration Scrutiny Committee</a> ensures that the interests of the citizens of the Island are promoted and that the best use is made of Council resources, in line with the Council's priorities, that demonstrate added value from working with partners.</li> <li>• Three Scrutiny Panels – Social Services Improvement, Finance and Schools</li> <li>• All reports to committees are accompanied with a cover report, which details a summary of the report, the recommendations seeking approval and a rationale for why that recommendation has been made, in order to show the reasoning and evidence for decisions.</li> <li>• The Leadership Team and Corporate Management Team ensure that outcomes are monitored and achieved throughout the year.</li> <li>• Services are subject to six monthly Service Reviews – looking specifically at the budget and expenditure in June and on performance and outcomes between November and January. Members of the Senior Leadership Team and elected members, from both the Executive and Shadow Executive, rigorously challenge service performance at the service review sessions. Actions to address issues or improve performance against set targets are then agreed at the meetings for implementation over the next 12 months.</li> <li>• The Council has a <a href="#">Corporate Planning and Performance Management Framework</a> in place</li> <li>• The programmes and projects aligned to the Council Plan are monitored by Programme Boards</li> <li>• The <a href="#">Anglesey Energy Island™ Programme</a>, established by Isle of Anglesey County Council, is a collective effort between several stakeholders within the public, private and third sectors</li> </ul>
<p><b>Optimising the achievement of intended outcomes</b></p> <p>D11. Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints</p> <p>D12. Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</p> <p>D13. Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to</p>	

The Council is committed to:	Sources of assurance
<p>changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage</p>	<p>working in partnership, putting Anglesey at the forefront of low carbon energy research and development, production and servicing, and bringing with it potentially huge economic rewards.</p> <ul style="list-style-type: none"> <li>• The Council works with tourism industry partners in order to create a more long-term tourism strategy for the Island. The <a href="#">Destination Anglesey Partnership Board (DAP)</a> monitor achievements against the <a href="#">Destination Anglesey Management Plan</a></li> <li>• <a href="#">Budget Consultation</a> and Budget setting process and the challenges to it</li> <li>• <a href="#">Medium Term Financial Strategy</a></li> <li>• Capital Strategy</li> <li>• <a href="#">The Council's Budget Book</a></li> <li>• Fees and charges book</li> <li>• Financial Service Reviews</li> <li>• Joint Consultation and Engagement Board</li> <li>• Members Briefing Sessions</li> <li>• Risk Management Strategy</li> <li>• The <a href="#">Public Services Boards for Gwynedd and Ynys Môn</a> local authority areas became a statutory body under the Well-being of Future Generations (Wales) Act 2015.</li> <li>• Service Business Managers Posts established</li> <li>• Council Plan Consultation</li> </ul>

**Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it**

**Rationale:** Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

The Council is committed to:	Sources of assurance
<p><b>Developing the entity’s capacity</b></p> <p>E1. Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.</p> <p>E2. Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness,</p> <p>E3. Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Council’s resources are allocated so that outcomes are achieved effectively and efficiently,</p> <p>E4. Recognising the benefits of partnerships and collaborative working where added value can be achieved</p> <p><b>Developing the capability of the entity’s leadership and other individuals</b></p>	<ul style="list-style-type: none"> <li>• Workforce Planning Strategy</li> <li>• Workforce Plans for each Service</li> <li>• People Strategy</li> <li>• Annual Development Conversation</li> <li>• Equalities Plan 2020-24</li> <li>• Member briefing sessions</li> <li>• WLGA Charter for Member Support</li> <li>• <a href="#">Member Development and Training Programme</a></li> <li>• Trainee Scheme</li> <li>• Learning Pool / E-Learning</li> <li>• Internal Training Programme – including Arweinyddion Môn, Academi Môn, and ‘Twf a Datblygu’ (Growth and Development)</li> <li>• Member and Officer Protocol</li> <li>• Constitution</li> <li>• Corporate Training Budget</li> <li>• Clearly defined Job Descriptions</li> <li>• Performance Improvement Procedure</li> <li>• Council Induction Programme and Member Induction Programme</li> </ul>

The Council is committed to:	Sources of assurance
<p>E5. Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</p> <p>E6. Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p> <p>E7. Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</p> <p>E8. Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the Council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <ul style="list-style-type: none"> <li>• ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged,</li> <li>• ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis,</li> <li>• ensuring personal, organisation and system-wide development through shared learning, including</li> <li>• lessons learnt from both internal and external governance weaknesses</li> </ul>	<ul style="list-style-type: none"> <li>• Service Review Process</li> <li>• Occupational Health Service and Medra Counselling</li> <li>• Managers Toolkit</li> <li>• Cycle to Work Scheme</li> <li>• Joint Engagement and Consultation Board</li> <li>• Staff Survey</li> </ul>

The Council is committed to:	Sources of assurance
<p>E9. Ensuring that there are structures in place to encourage public participation</p> <p>E10. Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</p> <p>E11. Holding staff to account through regular performance reviews which take account of training or development needs</p> <p>E12. Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing</p>	

**Principle F: Managing risks and performance through robust internal control and strong public financial management**

**Rationale:** Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

The Council is committed to:	Sources of assurance
<p><b>Managing Risks</b></p> <p>F1. Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</p> <p>F2. Implementing robust and integrated risk management arrangements and ensuring they are working effectively</p> <p>F3. Ensuring that responsibilities for managing individual risks are clearly allocated</p> <p><b>Managing Performance</b></p> <p>F4. Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review</p> <p>F5. Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook</p>	<ul style="list-style-type: none"> <li>• Risk Management Policy and Framework</li> <li>• Strategic Risk Register</li> <li>• Service Risk Register</li> <li>• Thematic Risk Registers</li> <li>• Risk management software 4risk</li> <li>• Risk Management Reports</li> <li>• Performance Management Framework</li> <li>• <a href="#">Council Plan</a></li> <li>• <a href="#">Annual Delivery Plan</a></li> <li>• <a href="#">Annual Performance Report</a></li> <li>• Corporate Self-Assessment</li> <li>• Service Reviews – Financial and Performance</li> <li>• Corporate Programme Boards</li> <li>• Internal Audit's self-assessment against the Public Sector Internal Audit Standards (PSIAS)</li> <li>• Internal Audit reports</li> <li>• Internal Audit action tracking software (4action)</li> <li>• SIRO Annual Report</li> </ul>



The Council is committed to:	Sources of assurance
<p>F6. Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made, thereby enhancing the Council's performance and that of any organisation for which it is responsible</p> <p>F7. Providing members and senior management with regular reports on progress towards outcome achievement.</p> <p>F8. Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)</p> <p><b>Robust Internal Control</b></p> <p>F9. Aligning the risk management strategy and policies on internal control with achieving objectives</p> <p>F10. Evaluating and monitoring risk management and internal control on a regular basis</p> <p>F11. Ensuring effective counter fraud and anti-corruption arrangements are in place</p> <p>F12. Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p> <p>F13. Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body:</p>	<ul style="list-style-type: none"> <li>• Information Governance Training</li> <li>• Information Governance Policy and Protocol</li> <li>• Annual Cyber Security Report</li> <li>• Quarterly Revenue Reports</li> <li>• Quarterly Capital Reports</li> <li>• Statement of Accounts</li> <li>• The Council's Treasury Management arrangements follow professional practice and are subject to quarterly review by the Governance &amp; Audit Committee, the Executive and the Full Council.</li> <li>• Medium Term Financial Plan</li> <li>• Procurement Strategy</li> <li>• The Annual Certificate of Compliance confirmed that the Council complied with its responsibilities relating to financial reporting, use of resources, improvement planning and performance management.</li> <li>• Corporate Scorecards</li> <li>• Reports to the majority of committees are accompanied with a cover report, which details a summary of the report, the recommendations seeking approval and a rationale for why that recommendation has been made, in order to show the reasoning and evidence for decisions</li> <li>• Scrutiny Committees and Panels</li> <li>• Capital Strategy</li> <li>• Counter fraud, bribery and corruption strategy</li> <li>• Annual Internal Audit Report</li> <li>• Governance &amp; Audit Committee</li> <li>• Audit of Accounts Report ISA260</li> </ul>

The Council is committed to:	Sources of assurance
<ul style="list-style-type: none"> <li>• provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment</li> <li>• that its recommendations are listened to and acted upon</li> </ul> <p><b>Managing Data</b></p> <p>F14. Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</p> <p>F15. Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</p> <p>F16. Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring</p> <p><b>Strong Public Financial Management</b></p> <p>F17. Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance</p> <p>F18. Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</p>	

**Principle G: Implementing good practices in transparency, reporting, and audit to deliver**

**Rationale:** Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

The Council is committed to:	Sources of assurance
<p><b>Implementing good practices in transparency and reporting</b></p> <p>G1. Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</p> <p>G2. Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</p> <p>G3. Reporting at least annually on performance, value for money and the stewardship of resources</p> <p>G4. Ensuring owners and senior management own the results</p> <p>G5. Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)</p> <p>G6. Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate</p>	<ul style="list-style-type: none"> <li>• All agendas and reports are available on the Council Website</li> <li>• Governance &amp; Audit Committee</li> <li>• Annual Report of the Governance and Audit Committee – Chair's Report</li> <li>• Members register of interest</li> <li>• Town and Community Council register of interest</li> <li>• Internal Audit Reports</li> <li>• Monthly Member briefing sessions</li> <li>• External Audit reports including Estyn, Welsh Audit, Care Inspectorate Wales</li> <li>• Inspectorate Reports</li> <li>• Annual Scrutiny Report</li> <li>• Annual Internal Audit Report</li> <li>• Annual Performance Report</li> <li>• Corporate Self-Assessment</li> <li>• Statement of Accounts</li> <li>• Reports to the majority of committees are accompanied with a cover report, which details a summary of the report, the recommendations seeking approval and a rationale for why that recommendation has been made, in order to show the reasoning and evidence for decisions</li> <li>• Webcasting of public meetings</li> <li>• Agendas and meetings published for committees</li> </ul>

The Council is committed to:	Sources of assurance
<p>G7. Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations</p> <p><b>Assurance and effective accountability</b></p> <p>G8. Ensuring that recommendations for corrective action made by external audit are acted upon</p> <p>G9. Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon</p> <p>G10. Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</p> <p>G11. Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</p> <p>G12. Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met</p>	<ul style="list-style-type: none"> <li>• Freedom Of Information Policy</li> <li>• Annual External Audit and National Reports</li> <li>• External Quality Assessment of Compliance with the Public Sector Internal Audit Standards</li> <li>• Governance &amp; Audit Terms of Reference</li> <li>• Internal Audit Charter</li> <li>• 4action</li> <li>• Outstanding Issues / Risks Reports</li> <li>• Annual Assurance and Risk Assessment</li> <li>• Annual Governance Statement</li> </ul>

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to</b>	Governance and Audit Committee
<b>Date</b>	08 December 2022
<b>Subject</b>	Review of Forward Work Programme for 2022-23 (v6)
<b>Head of Service</b>	Marc Jones Director of Function (Resources) and Section 151 Officer <a href="mailto:MarcJones@anglesey.gov.wales">MarcJones@anglesey.gov.wales</a>
<b>Report Author</b>	Marion Pryor Head of Audit and Risk <a href="mailto:MarionPryor@anglesey.gov.wales">MarionPryor@anglesey.gov.wales</a>
<b>Nature and Reason for Reporting</b> To provide a Forward Work Programme for 2022-23 to the members of the Governance and Audit Committee.	

## Introduction

1. A Forward Work Programme (v6) is attached at [Appendix A](#), along with a training programme at [Appendix B](#).
2. The programme has been developed considering the Committee's new responsibilities as a result of the new Local Government and Elections (Wales) Act 2021, and the consequent amendment to the Committee's terms of reference.

## Recommendation

3. That the Governance and Audit Committee:
  - considers whether the Forward Work Programme proposed for 2022-23 meets the Committee's responsibilities in accordance with its terms of reference.

## Appendix A – Forward Work Programme 2022-23 v6

Core Function	29 June 2022	26 July 2022	28 September 2022	20 October 2022	08 December 2022	18 January 2023	07 February 2023	18 April 2023
Accountability arrangements (3.4.8.3)	Review of Forward Work Programme 2022-23 v2 (3.4.8.3.2)  Annual Chair's Report 2021-22 (3.4.8.3.1)	Review of Forward Work Programme 2022-23 v3 (3.4.8.3.2)	Review of Forward Work Programme 2022-23 v4 (3.4.8.3.2)	Review of Forward Work Programme 2022-23 v5 (3.4.8.3.2)	Review of Forward Work Programme 2022-23 v6 (3.4.8.3.2)		Review of Forward Work Programme 2022-23 (3.4.8.3.2)  Annual Review of Committee's Terms of Reference (3.4.8.3.2)	Review of Forward Work Programme 2022-23 (3.4.8.3.2)  Committee Self-assessment (3.4.8.3.2)
Governance (3.4.8.4)		Draft Annual Governance Statement (3.4.8.4.1/2/3)			Local Code of Governance (3.4.8.4.1/3)  Annual Report of the Partnerships and Regeneration Scrutiny Committee 2021-22 (3.4.8.4.4)	Final Annual Governance Statement (3.4.8.4.1/2/3)		
Treasury Management (3.4.8.5)			Annual Report 2021-22 (3.4.8.5.1/2/3/4)		Mid-year Report (3.4.8.5.3)		Strategy and Prudential Indicators 2023-24 (3.4.8.5.3/4)	

Core Function	29 June 2022	26 July 2022	28 September 2022	20 October 2022	08 December 2022	18 January 2023	07 February 2023	18 April 2023
Assurance Framework (3.4.8.7)			Annual Information Governance Report 2021-22 (3.4.8.7.1)  Annual ICT Security Report 2021-22 (3.4.8.7.1)  Annual Health & Safety Report 2021-22 (3.4.8.7.1)		Annual Information Governance in Schools Report 2021-22 (3.4.8.7.1)  Annual Procurement Report 2021-22 (3.4.8.7.1)		Annual Information Governance in Schools Report 2021-22 (3.4.8.7.1)	Annual Insurance Report (3.4.8.7.1)
Risk Management (3.4.8.8)			Strategic Risk Register (3.4.8.7.1/2) (3.4.8.8.1)				Annual Review of Risk Management Framework (3.4.8.7.1/2) (3.4.8.8.1)  Strategic Risk Register (3.4.8.7.1/2) (3.4.8.8.1)	
Countering Fraud and Corruption (3.4.8.9)			Annual Counter Fraud, Bribery and Corruption Report 2021-22 (3.4.8.9.4)  Annual Concerns,		Annual Review of Counter Fraud, Bribery and Corruption Strategy (3.4.8.9.2/3)			

Core Function	29 June 2022	26 July 2022	28 September 2022	20 October 2022	08 December 2022	18 January 2023	07 February 2023	18 April 2023
			Complaints & Whistleblowing Report (3.4.8.9.1)					
Internal Audit (3.4.8.10)	Annual Internal Audit Report 2021-22 (3.4.8.10.6/7/8/9/12/14/15) (3.4.8.6)  Annual Internal Audit Strategy 2022-23 (3.4.8.10.1/2/5/6)		Internal Audit Update Report (3.4.8.10.10/11) (3.4.8.6)  Outstanding Issues/Risks (3.4.8.10.11)		Internal Audit Update Report (3.4.8.10.10/11) (3.4.8.6)  Review of Internal Audit Charter (3.4.8.10.3/13)		Internal Audit Update Report (3.4.8.10.10/11) (3.4.8.6)	Internal Audit Update Report (3.4.8.10.10/11) (3.4.8.6)  Outstanding Issues/Risks (3.4.8.10.11)  Annual Internal Audit Strategy 2023-24 (3.4.8.10.1/2/5/6)
External Audit (3.4.8.11)					Annual Audit Summary 2022 (3.4.8.11.3)	Audit of Accounts Report (3.4.8.11.2) (3.4.8.12.3)		Annual Audit Plan 2022-23 (3.4.8.11.1/3)
Financial Reporting (3.4.8.12)		Draft Statement of Accounts 2021-22 (3.4.8.12.1/2)				Final Statement of Accounts 2021-22 (3.4.8.12.1/2)		
Other regulators and								



Core Function	29 June 2022	26 July 2022	28 September 2022	20 October 2022	08 December 2022	18 January 2023	07 February 2023	18 April 2023
inspectors (3.4.8.13)								
Complaints Handling (3.4.8.14)			Annual Concerns, Complaints & Whistleblowing Report 2021-22 (3.4.8.14.1/2)  Annual Letter of the Public Services Ombudsman for Wales 2021-22 (3.4.8.14.1/2)					
Self-assessment (3.4.8.15)		Review of the Draft Annual Self-assessment report (3.4.8.15.1/2/3)		Review of the Draft Annual Corporate Self-assessment Report (3.4.8.15.1/2/3)				
Performance Panel Assessment (3.4.8.16) <sup>1</sup>								

<sup>1</sup> At least once during an electoral cycle a panel performance assessment will take place in the period between ordinary elections of councillors to the council. The council may choose to commission more than one panel assessment in an electoral cycle, but it is not a requirement of the legislation. (The Local Government and Elections (Wales) Act 2021). The council must make a draft of its response to the panel performance assessment available to its Governance and Audit committee, which must then review the draft response and may make recommendations for changes to the response to the panel assessment.

## Appendix B – Training Programme

### Committee-specific training

Area	Medium	Provider	Date Provided / Scheduled	Attendance
Induction	Virtual	Jo Hendy, Welsh Local Government Association	23 June 2022	11 / 12 (92%)
Financial Statements	Virtual	Marc Jones, Director of Function (Resources) / Section 151 Officer	13 July 2022	9 / 12 (75%)
Complaints	Virtual	Matthew Harris, Public Services Ombudsman for Wales	9 September 2022	9 / 12 (75%)
Treasury Management	Virtual	Richard Bason, Senior Director, Link Treasury Services	14 September 2022	7 / 12 (58%)
Risk Management		Julie Jones, Risk and Insurance Manager		

### Mandatory training

Area	Medium	Provider	Date Provided / Scheduled	Completed
General Data Protection Regulations (GDPR)	eLearning	Internal	Available any time	
Cyber Ninjas for Councillors	eLearning	Internal	Available any time	
Basic Safeguarding Awareness (Group A)	eLearning	Internal	Available any time	
Violence Against Women, Domestic Abuse and Sexual Violence (optional for lay members)	eLearning	Internal	Available any time	
Prevent (optional for lay members)	eLearning	Internal	Available any time	
Modern Slavery (optional for lay members)	eLearning	Internal	Available any time	