COUNCIL'S VISION – 'STRONG COMMUNITIES WITH A BRIGHT FUTURE'

**INTERNAL AUDIT SHARED SERVICE
DRAFT ANNUAL AUDIT PLAN FOR THE ENVIRONMENT AND HOUSING
DIRECTORATE**

2016 – 2017

VALE OF GLAMORGAN COUNCIL

1. Introduction

1.1 The **Environment and Housing Directorate** comprises of the Housing and Building Services function together with Visible Services and Transport and the Shared Regulatory Services. The Directorate delivers a range of services including managing and improving council housing, cleansing and waste management, managing the highway network, parks and public spaces and ensuring the provision of public transport was well as new highway and transport schemes.

1.2 The **Housing and Building Services** team undertakes a number of key roles namely; a social landlord with approximately 4,000 homes, a "facilities maintenance and capital works service" for public buildings and schools, a strategic and statutory local housing service and community safety services for the Vale of Glamorgan area. Their mission is to provide a "Quality of Service, Quality of Life".

1.3 **Visible Services and Transport** comprise a group of four interlinked service areas. Three of these service areas feature large, high profile, front-line operations delivering various functions directly to citizens of, and visitors to, the Vale of Glamorgan. The term "Visible Services" describes the nature of these services and how visibly apparent performance in these areas is to the public.

1.4 The **Shared Regulatory Services** is a new and innovative collaborative service formed between Bridgend, Cardiff and the Vale of Glamorgan Councils on 1st May 2015. The Service provides a diverse and comprehensive range of services that safeguard the health, safety and economic wellbeing of consumers, businesses and residents covering the main areas of environmental health, trading standards and licensing. These broad areas encompass a wide range of services that deal with issues that can have a huge impact upon people when things go wrong or have not been enforced properly.

2. Council's Core Values

2.1 The Council has shared values and is committed to delivering its priorities within the context of the Council's core values:

- Ambitious: Forward thinking, embracing new styles of working and investing in our future.
- Open: Open to different ideas and being accountable for the decisions we take.
- Proud: Proud of the Vale of Glamorgan: proud to service our communities and to be part of the Vale of Glamorgan Council.

- Together: Working together as a team that engages with our customers and partners, respects diversity and is committed to quality services.

2.2 The Council's priorities are contained in the Corporate Plan 2016-20 and are expressed as well-being outcomes and objectives. These have been decided upon following consultation with key stakeholders including citizens of the Vale of Glamorgan. The Council's well-being outcomes and objectives are:

Well-Being Outcome	An Inclusive and Safe Vale	An Environmentally Responsible and Prosperous Vale	An Aspirational and Culturally Vibrant Vale	An Active and Health Vale.
Well-Being Objective	Reducing poverty and social exclusion	Promoting regeneration, economic growth and employment.	Raising overall standards of achievement.	Encouraging and promoting active and healthy lifestyles.
Well-Being Objective	Providing decent homes and safe communities.	Promoting sustainable development and protecting our environment.	Valuing culture and diversity.	Safeguarding those who are vulnerable and promoting independent living.

2.3 The well-being objectives illustrate the contribution Council services will make to achieving the Well-Being Goas for Wales. The Well-being Goals have been established to ensure all relevant bodies in Wales are working towards the same vision as part of the Well-Being of Future Generations (Wales) Act 2015. The Act is about improving the social, economic, environmental and cultural well-being of Wales.

3. Corporate Plan Priorities

Housing and Building Services will take the action outlined below to contribute to the Well-being outcomes and objectives during 2016/17.

Well-Being Outcome	Well-being objective	Actions
An Inclusive and Safe Vale	O1 - Reducing Poverty and Social Exclusion. O2 – Providing decent homes and safe communities.	**IS002** – work with partners to deliver the Financial Inclusion Strategy and enable residents in and out of work to overcome barriers to financial inclusion by improving access to services, advice and support. **IS003** – Provide advice and support to residents affected by Welfare Reform and raise awareness of staff and partners about the impact of the changes. **IS005** – Implement a range of projects to tackle poverty through the Vibrant and Viable Places Scheme in Barry. **IS007** – Complete the delivery of the Council House Improvement Programme by 2017. **ISOO8** – work with partners to instigate a new council house building programme. **IS009** – provide appropriate accommodation and support services for particular vulnerable groups. **IS011** – Increase the number of sustainable, affordable homes. **IS013** – work with the Police and Crime Commissioner to pilot a new approach to supporting victims of domestic violence. **IS014** – prevent and tackle incidents of anti-social behaviour including implementing restorative justice approaches for young people. **IS016** – Work with partners to implement a new Community Safety Strategy.
An Active and Healthy Vale	O7 – Encouraging and promoting active and healthy lifestyles.	**AH2** – Work with partners to deliver the Cardiff and Vale Substance Misuse Commissioning Strategy 2013-18, providing support, information and effective interventions.

Visible Services and Transport will take the action outlined below to contribute to the Well-being outcomes and objectives during 2016/17.

Well-Being Outcome	Well-being objective	Actions
An Environmentally Responsible and Prosperous Wales	03 – Promoting regeneration, economic growth and employment 04 – Promoting sustainable development and protecting our environment.	**ER4** – Deliver transport improvement schemes associated with the Cardiff Capital Region Metro including bus prioritisation measures at Port road and Cardiff road. **ER5** – Implement Integrated Network and Active Travel Maps to provide residents and visitors with a comprehensive information resource to travel efficiently and safely. **ER9** – Implement a Local Transport Plan to improve accessibility, road safety, air quality and reduce congestion. **ER10** – Work with Welsh Government to deliver improvements to Five Mile Lane. **ER11** – Complete the National Cycling Network Route 88 to promote active travel and healthier lifestyles and reduce unnecessary vehicle travel, road congestion and pollution. **ER12** – Improve accessibility to public transport for 16 to 18 year olds and 60 plus by promoting and increasing take up of Welsh Government Concessionary Travel Scheme. **ER13** – Deliver a co-ordinated approach to managing the Barry Island. **ER16** – Develop and implement a waste reduction strategy and remodel waste management infrastructure to increase participation in recycling reduce the growth of municipal waste and meet national targets. **ER18** – Minimise the risk and impact of flooding and coastal erosion via an effective Flood Management Plan, flood reduction measures and a Shoreline Management Plan. **ER19** – Achieve four National Beach Awards in recognition

		of the high standard of cleanliness, good facilities and attractiveness of the beaches.
Active and Healthy Vale	Encouraging and promoting active and healthy lifestyles.	**AH1** – Work in partnership to deliver a range of activities through leisure, community facilities and parks to increase levels of participation and physical activity. **AH3** – Work in partnership to deliver a comprehensive play programme that improves the well-being of children and their families. **AH6** – Achieve Green Flag status for 7 parks as a mark of excellence, demonstrating good amenities and community involvement in parks.

The **Shared Regulatory Services** will take the action outlined below to contribute to the Well-being outcomes and objectives during 2016/17.

Well-Being Outcome	Well-being objective	Actions
An Inclusive and Safe Vale	Providing decent homes and safe communities	**IS012** - Introduce a rapid response system to protect vulnerable people from the activities of rogue traders.
An Active and Healthy Vale	Safeguarding those who are vulnerable and promoting independent living.	**AH16** - Undertake a programme of targeted inspections at premises undertaking commercial activities that affect vulnerable people (for example care homes and food establishments in schools).

4. Corporate Risks

The Council assesses on an annual basis the major risks that will affect the ability to achieve the Corporate Improvement Priorities, provide services as planned and fulfil its statutory duties.

The following have been highlighted by **Housing and Building Services** as the key risks over the coming year and how they plan to manage them.

Risk	Mitigating Controls
Meeting any new legislative requirements and the challenges they pose for service performance and delivering services on reducing budgets.	Adoption of a homelessness virtual hub will enable a more proactive approach to preventing homelessness whilst meeting the requirements of the legislation.
Inability to sustain tenancies as a result of implementation of further Welfare Reform (Universal Credit system roll out).	Money Advisors to work closely with affected tenants. Clients are signposted to relevant agencies/partners to access advice and support as needed. Robust rent arrears processes in place with Specialist income team in place. Adopted a robust approach to working with RSLs and private landlords to support tenants to sustain their tenancies.
Reduction in the amount of borrowing/alterations to the cap following the buy-out of the HRA Subsidy Scheme.	Vale offices will continue to play a key role in HRAS negotiation arrangements.
Tenant health and ability to sustain a tenancy is negatively impacted as a consequence of poor financial capability support.	A strategic approach developed to support tenants in terms of financial capability through access to Money Advisors and signposting to other agencies as appropriate.
Reduction in Supporting People Programme Grant.	Robust budget management and continuous service reviews to identify possible savings.
Financial failure of a support provider (Supporting People).	Comprehensive financial checks of the organisation both at the commissioning stage and through annual reviews.
Decrease in the Social Housing Grant	Development funding options e.g. Cross subsidisation.
Increase in homeless presentations and acceptances due to legislative/policy changes.	Adopting a Homelessness solutions i.e. virtual hub to enable a more proactive approach to preventing homelessness whilst

	meeting the new requirements of legislation.
Lack of good quality appropriate housing may increase homelessness.	Engagement with the private sector to establish appropriate accommodation solutions. New accommodation being developed with RSL partners to meet identified needs.
Lack of clarity in terms of strategic vision impacting on our ability to achieve our service priorities.	Local Housing Strategy clearly defines the Vale's housing proposals using evidence-based research and additional underpinning evidence. Delivery of the Strategy will be monitored via the delivery of an Action Plan and regular monitoring that is undertaken by the Housing and Public Protection Scrutiny Committee and the Overarching Housing Forum.
Reduction in income due to a reducing client-base, as a result of budgetary cuts.	Closer financial monitoring being undertaken to ensure that the trading account is sustainable. Workforce planning and sub-contracting arrangements being reviewed. Team to undertake marketing activities and research to better understand and build up the client-base. Regular client liaison meetings in place. Regular attendance at the Schools Performance Board. Client satisfaction surveys are being carried out and analysed on a regular basis.
Reputational damage to the Council as a result of requiring leaseholder contribution to repair works.	Financial loan system now in place to enable leaseholders to borrow money in order to fund the works that will then be repaid at an affordable rate or alternatively by putting a charge on the property. Non-chargeable improvement works being undertaken in relation to environmental/energy efficiency in some areas.
Inability to meet WHQS by 2020 (as required by the Housing (Wales) Bill) and maintain the standard thereafter.	Robust project monitoring ensuring that we are on track for completion of WHQS by 2017. A 40 year Business Plan has been developed with appropriate elemental replacements included.

The following have been highlighted by **Visible Services and Transport** as the key risks over the coming year and how they plan to manage them.

Risk	Mitigating Controls
Inability to resource the challenges of WG legislative and policy changes in recycling collection methods.	Continually review all waste services ensuring they deliver value for money and address customer needs as far as is practicable. Apply for grant funding to assist with any collection infrastructure changes.
Failure to meet national recycling targets.	Implement community and education awareness and minimisation campaigns. Increase opportunities for residents to participate in waste minimisation initiatives.
Imminent conclusion of the Local Government Borrowing Initiative will impact negatively on maintaining assets and preventing further deterioration of the highway network.	Implement local initiatives to maintain and improve the highway, funding permitting. Regularly communicate service priorities to citizens.
Failure to meet legal duties in relation to the Flood and Water Management Act.	Continue to employ innovative approaches to service delivery in order to maximise available budget. Collaborate internally and externally to identify innovative solutions for the benefit of local people.
Increased pressure on limited resources as a consequence of increased areas of maintenance.	Continue to work collaboratively with local residents, community groups and users to improve and ensure good standards across all facilities. Continue to participate in the S106 working group to ensure maximum gain from new development.
Annually shrinking budgets will impact negatively on consistently achieving high standards of cleanliness of the local environment.	Continue to work collaboratively with local residents and communities to improve the visual appearance of the environment. Effectively target resources at high priority areas in the Vale as identified by citizens and external regulators.

The following have been highlighted by the **Shared Regulatory Services** as the key risks over the coming year and how they plan to manage them.

Risk	Mitigating Controls
The positioning of Shared Regulatory Services under a host authority, together with unique branding may result in the Service becoming divorced from its constituent Councils or marginalised.	The Service will remain relevant to all 3 authorities through links into Corporate Plans of 3 authorities. Links maintained with members and senior officers. Successes of the new service promoted.
The Complexities of resource allocation may result in a lack of understanding and misalignment of resources.	Dedicated accountant appointed for the Service. Governance arrangements in place to address lack of understanding. Review and standardisation of financial processes ongoing.
The changes required to develop the Service will affect the Service's capabilities to deliver "business as usual" and affect performance levels.	Good communication in place and change management principles adopted. Work streams in place to develop various areas of change.
Failure to ensure consistency in delivery across the 3 areas.	Work streams created to review policies and procedures with a view to improvement and harmonisation.
Inability to realise target income.	Within the structure the focus of on team is on identifying and maximising income and future funding streams and work is underway.
Insufficient resource and capacity to deliver planned services.	The Service is examining new ways of prioritising services and using risk based approaches to activities in line with reduced resources.
The lack of availability and/or failure to implement ICT systems and hardware to support joint service delivery could hinder the ability to collaborate or work as a single service unit.	ICT work stream established and review of the database is currently underway with a view to implementing systems that support collaborative and agile working.
Inability of staff and managers to adapt to a new working environment and culture of agile working.	Work is underway in developing the organisational culture through an employee charter setting out service expectations for staff and managers.

The uniqueness of the Service and its branding may cause confusion to the public and stakeholders resulting in loss of access to services for some.	Communications and Marketing Work stream in place. Work underway in developing Communications and Marketing Strategy.
Failure to implement proper controls and management of data protection may result in breaches of the legislation and difficulties in sharing/transferring data between the 3 authorities.	Protocol for sharing data has been developed.
Insufficient capacity within the Service could lead to an inability to meet the requirements of the Welsh Measures Standard.	Work stream in place exploring requirements of the Welsh Measures across three authorities with a view to implementation.

5. The Risk Assessment Process

5.1 The information which has been used to prepare the risk assessment and proposed internal audit plan for the **Environment and Housing Directorate** has been collected and collated from a number of different sources including the information contained above. The starting point for a risk based audit approach is an understanding of the Council's priorities and risks. This has been achieved by reviewing the Corporate Plan, Directorate's Service Plans, Corporate Risk Register and meeting / interviewing Directors and their Senior Management Teams asking where they perceive to be the main risks within their individual areas and where they would require internal audit to provide assurance that such risks are being effectively mitigated and managed. This information is used to inform and design the audit plan.

5.2 The plan is based on an underlying risk assessment. The inherent risks existing within each area are then identified for audit as part of the audit planning process. The audits which make up the plan have been assessed on priority. Internal Audit will ensure that all reviews classified as "high" risk, will be completed by the end of the year, "medium risk reviews are the next level down, but still require a scheduled review. Although "low" risk reviews still carry a degree of risk, these have not been included on the plan but continue to be risk assessed annually to take account of any changes in their status.

6. Proposed Internal Audit Plan for the Environment and Housing Directorate 2016-17

ENVIRONMENT AND HOUSING DIRECTORATE

Area	Identified Risk(s)	Audit Scope	Total Days
Contract Monitoring	H	To provide overall assurance on the procedures and processes in place for Contract Monitoring within the Housing and Building Services functions of the Environment and Housing Directorate	30
Contract Monitoring	H	To provide overall assurance on the procedures and processes in place for Contract Monitoring within the Visible Services and Transport function of the Environment and Housing Directorate	34
Regulatory Services	H	Assurance Testing – To provide assurance to the Shared Regulatory Service Board on the systems and processes in place in respect of the overall control environment including governance, risk management and internal control.	20
Parks and open spaces	H	To review the overall control environment	15
ICT	H	ICT Systems: A review of the following systems within the Directorate of Environment and Housing will be undertaken during the year to ensure robust controls are operating: **Consol (interface with Oracle AP)** **Tranman**	20
		Total	119