

Partneriaeth Pen-y-Bont a'r Fro
Bridgend & Vale Partnership
working together - gweithio ar y cyd



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

**INTERNAL AUDIT SHARED SERVICE
DRAFT ANNUAL AUDIT PLAN FOR THE DIRECTORATE OF RESOURCES**

2016 – 2017

VALE OF GLAMORGAN COUNCIL

1. Introduction

- 1.1 The **Managing Director - Resources Directorate** comprises Finance, Democratic Services, Human Resources, Legal and Regeneration & Planning Services and performs a series of statutory duties and its primary role is to ensure the financial probity of all Council activities and that all our assets are effectively managed and maintained.
- 1.2 **Finance Services** is responsible for undertaking a number of key roles for the Council. The service supports other services by providing sound financial management and control to deliver quality cost-effective service and provides comprehensive corporate property estate management and facilitates management for the Council. The service supports the Council to achieve its corporate priorities and outcomes through the provision of financial and procurement information and advice that is in line with statutory requirements and supports managers/budget holder to deliver efficient services that make effective use of resources.
- 1.3 **Democratic Services** is responsible for developing and supporting effective decision-making processes and Scrutiny and committee arrangements and providing advice and support for elected Members, that includes the Council's Constitution, Members' Code of Conduct and Member Development. The service is also responsible for the provision of Registration Services for births, death, marriages and civil partnerships.
- 1.4 **Human Resources Services** is responsible for undertaking a number of key roles for the Council. The service is responsible for the provision of a full range of HR support to all staff and managers within the Council, including the provision of high quality business management support. The service also offers a range of comprehensive HR services to staff in schools. The service is responsible for providing advice and guidance to all council services on the effective management of health and safety and manual handling.
- 1.5 **Legal Services** undertakes a number of key roles for the Council. The Legal Services team provides efficient and effective legal service to internal client departments and acts in accordance with the law by providing cost-effective, timely and accurate legal advice to Members and officers in order to support their decision making whilst ensuring effective representation in legal proceedings. The Electoral Registration team is responsible for ensuring that the Register of Electors is maintained and co-ordinates the elections within the Vale of Glamorgan constituency.

1.6 **Regeneration and Planning Services** which seeks to manage new developments, secure investment and regeneration activity and promote the Vale of Glamorgan as a visitor destination. They aim to promote sustainable and appropriate new development and to make a real difference through regeneration activity by providing people with access to employment, facilities and the opportunity to improve their quality of life.

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 Goals 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

Finance 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.	Reducing Poverty and Social Exclusion.	IS003 – Provide information and support to residents affected by Welfare Reform and raise awareness of staff and partners about the impact of the changes.
An Environmentally Responsive Vale	Promoting regeneration, economic growth and employment.	ER15 – Review and implement the Council's Carbon Management Plan and targets to reduce emissions from council buildings, street lighting and council vehicles.

Democratic 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
None Applicable		

HR 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 Environmentally Responsible and Prosperous Vale	Promoting regeneration, economic growth and employment	ER2 - Develop opportunities for employment and training through new developments, regeneration schemes and the management of the Council's assets.
An Active and Healthy Vale.	Safeguarding those who are vulnerable and promoting independent living.	AH11 – Develop and implement a corporate policy on safeguarding to provide a clear strategic direction and lines of accountability across the Council.

Legal 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
None applicable		

Regeneration and Planning 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	Reducing Poverty and Social Exclusion.	IS004 – Work through the Creative Rural Communities partnership to involve the local community in the delivery of services with the aim of reducing rural poverty. IS005 – Implement a range of projects to tackle poverty through the Vibrant and Viable Places Scheme in Barry. IS010 – Implement a range of initiatives to facilitate new, and

		<p>to improve the quality of private sector rented accommodation.</p> <p>IS011 – Increase the number of sustainable, affordable homes.</p> <p>IS015 – Complete the Castleland Area Renewal Scheme to improve the standard of housing and the local environment.</p>
<p>An Environmentally Responsible and Prosperous Vale</p>	<p>Promoting regeneration, economic growth and employment.</p>	<p>ER1 – Maximise economic growth, inward investment and employment opportunities through the Capital region and Cardiff Airport and St Athan Enterprise Zone.</p> <p>ER2 – Develop opportunities for employment and training through new developments, regeneration schemes and the management of the Council’s assets.</p> <p>ER3 – Implement a comprehensive programme of regeneration across the Vale including:- The Rural Local Development Strategy; Town Centres Framework; Penarth Esplanade; Barry Waterfront including the Barry Island Link Road and; Links between Penarth Haven and the Town Centre.</p> <p>ER6 – Support local businesses and increase the number of visitors to the Vale through the implementation of the Tourist Destination Management Plan and an annual programme of events and festivals.</p> <p>ER7 – Adopt and implement the Local Development Plan as a framework for sustainable development in the Vale of Glamorgan.</p> <p>ER8 – Develop and adopt a Community Infrastructure Levy which uses developer contributions to improve community facilities.</p> <p>ER14 – Work with partners to continue the regeneration of Barry island and promote the development of land at Nells Point for tourism and leisure purposes.</p>

		ER17 – Value biodiversity and enhance and create habitats for important species.
An Aspirational and Culturally Vibrant Vale.	Valuing culture and diversity.	AC16 – Protect, preserve and where possible enhance the built, natural and cultural heritage of the Vale of Glamorgan.

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 **Finance Services** as the key risks over the coming year and how they plan to manage them.

Risk	Mitigating Controls
Reduction in resources / funding impacting on the Directorate's ability to provide appropriate levels of service to our customers.	The service is being restructures to meet these challenges and provide resilience. There are set areas of savings that are being progressed. The Reshaping Services programme as an ongoing agenda will enable us to review and remodel services enabling us to deliver services in a more cost-effective and sustainable way. The Directorate will continue to make greater use of cost effective integrated technologies that enable our services to be more efficient and make cost savings.
Council Owned Public Buildings are not compliant with current legislation.	Property conditions surveys are produced that include a compliance checklist that is completed by building managers. Health and Safety Team undertake fire risk assessments. Appointment of a Corporate Compliance Manager to assist service areas with raising awareness of building managers of their compliance responsibilities. Central recording data relating to compliance.
Impact of Welfare reform changes.	Established a Welfare Reform Working Group. Identification and prioritisation of key risks completed together with a Communications Plan. Regular progress reports are monitored by Corporate Resources Scrutiny Committee.

	<p>Budgets have been allocated to deal with any impact of homelessness and rent arrears that are reviewed and monitored annually.</p> <p>Impact of Welsh Government reform of discretionary assistance fund, Council Tax Reduction scheme and impact of the benefits cap have all been reviewed.</p> <p>A review will also be undertaken following the introduction of the Universal Credit system.</p>
<p>Delivering real outcomes for citizens that continue to demonstrate best value for money in an increasingly difficult financial climate.</p>	<p>Set areas of savings have been defined and through the remodelling of services via the Reshaping Services agenda, this will enable us to better plan and deliver appropriate levels of service delivery to best meet needs. Greater use made of cost effective integrated/digital technologies to enable service delivery to be more efficient and cost effective.</p> <p>Annual production of a Workforce Plan that feeds into our Human Resources Strategy.</p> <p>Through S106 agreements, ensure maximum gain and community facilities and enhancements from new developments.</p>

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

Risk	Mitigating Controls
<p>Loss of experienced staff and their knowledge base as a result of reduced staffing levels.</p>	<p>A strategic approach to managing budget reductions will be undertaken to ensure that the necessary organisational change is supported and achieved. Implementation of the Workforce Plan.</p>
<p>Risk of not having the skill base to deliver the Reshaping Services agenda.</p>	<p>Strong and effective programme and project management with realistic goals. Work with external support where the skill base is not available and ensure that there is effective knowledge transfer to equip staff. There will be consideration of skill sets when recruiting into skilled/technical posts. Implementation of staff development initiatives e.g. Leadership Café, Management Competency Framework.</p>
<p>Risk that services will collapse/fail due to inability to deliver alternative models of service delivery as part of</p>	<p>Strong and effective programme and project management with realistic goals. Monitoring/planning budgets that are aligned to the Medium Term Financial Plan. There will be an ongoing challenge process that involves reviewing performance levels and opportunities to deliver change.</p>

the Reshaping Services agenda.	
Inability to recruit and retain suitably qualified staff in key areas.	Development and implementation of the Workforce Plan. Greater emphasis on recruitment of multi-disciplinary staff i.e. graduates/trainees who have a wide range of skills to meet the evolving needs of the Council.
Inability to deliver the Welsh Language Standards and associated fines and reputational damage for non-achievement.	Continue to raise awareness amongst staff and Members around the requirements of the Welsh Language Standards. A corporate action plan is in place to support us in complying with the Welsh Language Scheme and an annual monitoring report is produced to assess progress in its implementation. Under the new Standards the Council will have 6 months to put in place a new action plan to ensure it meets the new requirements. The Action Plan will be monitored as part of the annual monitoring report to the Welsh Commissioner.

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

Risk	Mitigating Controls
Risk of not having the skill base to deliver the Reshaping Services agenda.	Strong and effective programme and project management with realistic goals. Work with external support where the skill base is not available and ensure that there is effective knowledge transfer to equip staff. There will be consideration of skill sets when recruiting into skilled/technical posts. Implementation of staff development initiatives e.g. Leadership Club, Management Competency Framework.
Inability to recruit and retain suitably qualified staff in key areas.	Development and implementation of the Workforce Plan. Greater emphasis on recruitment of multi-disciplinary staff i.e. graduates/trainees who have a wide range of skills to meet the evolving needs of the Council.
Inability to anticipate and plan for workforce needs of the future in order to meet changing service requirements.	Managers are supported through the management of change through training and ongoing advice from HR officers. Regular reporting to CMT on a range of HR/workforce issues. The development of a corporate Workforce Plan has informed the development of a HR Strategy and the Training and Development Strategy. Annual Workforce Planning conference looks at service delivery models and implications for the workforce.
Financial implication of	Continue to work closely with other local authorities on an all Wales basis in order to

new and residual equal pay issues and associated reputational damage.	minimise this risk.
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The following have been highlighted by **Legal Services** as the key risks over the coming year and how they plan to manage them.

Risk	Mitigating Controls
Loss of experienced staff and their knowledge base as a result of reduced staffing levels.	A strategic approach to managing budget reductions will be undertaken to ensure that the necessary organisational change is supported and achieved. Implementation of the Workforce Plan.
Risk of not having the skill base to deliver the Reshaping Services agenda.	Strong and effective programme and project management with realistic goals. Work with external support where the skill base is not available and ensure that there is effective knowledge transfer to equip staff. There will be consideration of skill sets when recruiting into skilled/technical posts. Implementation of staff development initiatives e.g. Leadership Café, Management Competency Framework.
Risk that services will collapse/fail due to inability to deliver alternative models of service delivery as part of the Reshaping Services agenda.	Strong and effective programme and project management with realistic goals. Monitoring/planning budgets that are aligned to the Medium Term Financial Plan. There will be an ongoing challenge process that involves reviewing performance levels and opportunities to deliver change.
Inability to recruit and retain suitably qualified staff in key areas.	Development and implementation of the Workforce Plan. Greater emphasis on recruitment of multi-disciplinary staff i.e. graduates/trainees who have a wide range of skills to meet the evolving needs of the Council.
Inability to deliver the Welsh Language	Continue to raise awareness amongst staff and Members around the requirements of the Welsh Language Standards. A corporate action plan is in place to support us in complying

Standards and associated fines and reputational damage for non-achievement.	with the Welsh Language Scheme and an annual monitoring report is produced to assess progress in its implementation. Under the new Standards the Council will have 6 months to put in place a new action plan to ensure it meets the new requirements. The Action Plan will be monitored as part of the annual monitoring report to the Welsh Commissioner.
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The following have been highlighted by **Regeneration and Planning Services** as the key risks over the coming year and how they plan to manage them.

Risk	Mitigating Controls
Loss and reduction of external grants. The cyclical and short term nature of funding streams impacts negatively on forward planning for a significant number of service areas including countryside management operations, renewal area, cultural, recreation and community schemes across the Vale. Also impacts negatively on sustainability of local businesses and jobs.	Alternative ways of service delivery being considered as appropriate including collaborative working with communities and third sector voluntary organisations to make services more sustainable in the long term. Option of service cessation considered where necessary. New income options to be considered.
Competition for scarce resources within the Council means that non statutory services have a higher risk of losing resources.	Alternative means of funding being considered and whether certain services can be delivered in partnership or by others with Council support. Option of service cessation being considered where necessary.
Failure to manage the service's collaboration agenda effectively.	Ensure continued good working relationships with partners whilst proactively seeking viable collaborative solutions at a time of budget pressures.
Delays in progressing the LDP through to adoption, results in uncertainty within the development industry potentially impacting on delivery of housing.	In mitigation, the Council is working to ensure a 5 year supply of housing land and ensuring that new proposals for sustainable and beneficial developments are progressed efficiently.
Failure to secure sustainable development practice to mitigate the impact of climate	Continue to scrutinise new developments, ensuring that development that is not sustainable is resisted.

change with respect to land planning and use.	
The regulatory and bureaucratic negative perception of the planning system, impacting negatively on investment and development.	Promote and raise the profile of the work of the Planning and Transportation Service through presentations to key groups.
Further downturn in the economy impacts on employment opportunities.	Continue working in partnership with businesses and other key stakeholders. Ensure planning decisions are made quickly. Use a proactive approach to regeneration through facilitating discussions with land owners and developers.
Failure to engage regionally due to lack of resources and capacity.	Ensure active role in city region debate and all matters relating to collaboration. Consider re-prioritisation of internal resources.

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 **Managing Director - Resources 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 Managing Director - Resources Directorate 2016-17

MANAGING DIRECTOR – RESOURCES DIRECTORATE

Area	Identified Risk	Audit Scope	Total Days
Core Financial Systems	H	Full system and compliance audits to provide assurance over the effectiveness of the Council's Core Financial Systems that are material to the production of the Council's accounts and are assessed as high priority and External Audit will place reliance on our work to inform their audit.	100
ICT	H	ICT systems within the Directorate of Managing Director – Resources will be undertaken during the year to ensure robust controls are evident. Acadamy; Trim; Virtualisation; Privileged Accounts.	55
Procurement Cards	H	To review the procedures and processes in place for the allocation, administration and authorisation of purchases made via Procurement Cards.	15
Property	M	To review the accuracy of the Council's return and provide audit assurance on the Carbon Reduction Certification process.	10
Capital Programme	H	To undertake a review of the procedures and processes associated with Capital Projects / Programme. Particular emphasis will be placed on slippage.	20

Area	Identified Risk	Audit Scope	Total Days
Procurement	H	Review of key controls including tendering, ordering, commitments and compliance with Contract and Financial Procedure Rules.	20
Payroll	H	<i>HR Transactional – Selection of a sample of records in relation to new starters, leavers, payroll standing data, deductions etc., to ensure payments made to Members and Officers are accurate.</i>	25
Code of Conduct	M	To ensure compliance with the new Code of Conduct	10
Elections	M	To review the systems and processes in place for Elections and provide assurance on the overall control environment including governance and risk.	15
Creative Rural Communities	H	To review the procedures and processes in place for Creative Rural Communities in light of the changes being made to grant funding.	15
Recharges	H	The audit will examine the arrangements in place for recharging the internal services associated with capital projects.	20
		<i>Overall Total – Managing Director – Resources Directorate</i>	305