

At: Aelodau'r Pwyllgor Llywodraethu
ac Archwilio

Dyddiad: 22 Gorffennaf 2021

Rhif Union: 01824706204

ebost: democrataidd@sirddinbych.gov.uk

Annwyl Gyngorydd

Fe'ch gwahoddir i fynychu cyfarfod y **PWYLLGOR LLYWODRAETHU AC ARCHWILIO, DYDD MERCHER, 28 GORFFENNAF 2021 am 9.30 am yn TRWY GYNHADLEDD FIDEO.**

Yn gywir iawn

G Williams
Pennaeth Gwasanaethau Cyfreithiol, AD a Democrataidd

AGENDA

1 YMDDIHEURIADAU

2 DATGANIADAU O FUDDIANT (Tudalennau 5 - 6)

Dylai'r Aelodau ddatgan unrhyw gysylltiad personol neu gysylltiad sy'n rhagfarnu ag unrhyw fater a nodwyd fel un i'w ystyried yn y cyfarfod hwn.

3 MATERION BRYD

Rhybudd o eitemau y dylid, ym marn y Cadeirydd, eu hystyried yn y cyfarfod fel materion bryd yn unol ag Adran 100B(4) Deddf Llywodraeth Leol 1972.

4 COFNODION (Tudalennau 7 - 14)

Derbyn cofnodion cyfarfod y Pwyllgor Llywodraethu ac Archwilio a gynhaliwyd ar 9 Mehefin 2021 (copi'n amgaeedig).

5 DATGANIAD DRAFFT O GYFRIFON 2020/21 (Tudalennau 15 - 20)

Derbyn adroddiad gan y Pennaeth Cyllid ac Eiddo (copi ynghlwm) i ddarparu trosolwg o'r Datganiad Cyfrifon drafft 2019/20 a'r broses sy'n sail iddo.

6 RHEOLI TRYSORFA FLYNYDDOL (Tudalennau 21 - 52)

Derbyn adroddiad gan y Pennaeth Cyllid ac Eiddo (copi ynghlwm) ar y diweddariad blynyddol ar Reoli'r Trysorlys a Rheoli'r Trysorlys ynghylch gweithgaredd buddsoddi a benthyca'r Cyngor yn ystod 2020/21. Mae hefyd yn darparu manylion am yr hinsawdd economaidd yn ystod yr amser hwnnw ac yn dangos sut y cydymffurfiodd y Cyngor â'i Ddangosyddion Darbodus, a manylion gweithgareddau TM y Cyngor yn ystod 2021/22 hyd yma.

7 YMHOLIADAU ARCHWILIO 2020/21 (Tudalennau 53 - 86)

Derbyn adroddiad gan y Pennaeth Cyllid ac Eiddo (copi'n amgaeedig) sydd yn cyflwyno'r Llythyr Ymholiadau Archwilio ac ymateb y Cyngor i'r ymholiadau hynny.

8 STRATEGAETH AR GYFER ATAL A DATGELU TWYLL, LLYGREDD A LLWGRWOBRWYO A'R CYNLLUN YMATEB I DWYLL (Tudalennau 87 - 124)

Derbyn adroddiad gan y Prif Archwilydd Mewnol (copi'n amgaeedig) yn gosod ymrwymiad y Cyngor i atal, datgelu a rhwystro twyll a llygredd.

9 DIWEDDARIAD ARCHWILIO MEWNOL (Tudalennau 125 - 150)

Ystyried adroddiad gan y Prif Archwilydd Mewnol (copi wedi'i amgáu) yn rhoi gwybod i aelodau am gynnydd Archwilio Mewnol.

10 CAMAU DILYNOL ARCHWILIO MEWNOL – RHEOLI PROSIECT ADEILADAU'R FRENHINES (Tudalennau 151 - 162)

Derbyn diweddariad (copi'n amgaeedig) am gynnydd wrth weithredu'r cynllun gweithredu oedd yn cyd-fynd ag adroddiad Archwilio Mewnol Rheoli Prosiect Adeiladau'r Frenhines, a gyflwynwyd i'r pwyllgor ym mis Ionawr 2021.

11 CAMAU DILYNOL ARCHWILIO MEWNOL RHEOLI CONTRACTAU (Tudalennau 163 - 178)

Derbyn adroddiad diweddar (copi'n amgaeedig) am y cynnydd wrth weithredu'r cynllun gweithredu sy'n cyd-fynd â'r adroddiad Archwilio Mewnol ar Reoli Contractau.

12 ADRODDIAD BLYNYDDOL UWCH-BERCHENNOG RISG GWYBODAETH (Tudalennau 179 - 186)

Ystyried adroddiad gan y Pennaeth Gwella Busnes a Moderneiddio (copi'n amgaeedig) sy'n manylu ar achosion o dorri'r Ddeddf Diogelu Data a chwynion yn ymwneud â deddfwriaeth Rhyddid Gwybodaeth.

13 RHAGLEN GWAITH I'R DYFODOL Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO (Tudalennau 187 - 190)

Ystyried rhaglen gwaith i'r dyfodol y pwyllgor (copi'n amgaaedig).

AELODAETH

Y Cynghorwyr

Ellie Chard
Tony Flynn
Martyn Holland

Barry Mellor
Rhys Thomas
Joe Welch

Aelod Lleyg

Paul Whitham

COPIAU I'R:

Holl Gynghorwyr er gwybodaeth
Y Wasg a'r Llyfrgelloedd
Cynghorau Tref a Chymuned

Mae tudalen hwn yn fwriadol wag

DEDDF LLYWODRAETH LEOL 2000

Cod Ymddygiad Aelodau

DATGELU A CHOFRESTRU BUDDIANNAU

Rwyf i,
(enw)

*Aelod /Aelod cyfetholedig o
(*dileuer un)

Cyngor Sir Ddinbych

YN CADARNHAU fy mod wedi datgan buddiant ***personol / personol a sy'n rhagfarnu** nas datgelwyd eisoes yn ôl darpariaeth Rhan III cod ymddygiad y Cyngor Sir i Aelodau am y canlynol:-
(*dileuer un)

Dyddiad Datgelu:

Pwyllgor (nodwch):

Agenda eitem

Pwnc:

Natur y Buddiant:

(*Gweler y nodyn isod*)*

Llofnod

Dyddiad

Noder: Rhwng ddigon o fanylion os gwelwch yn dda, e.e. 'Fi yw perchennog y tir sy'n gyfagos i'r cais ar gyfer caniatâd cynllunio a wnaed gan Mr Jones', neu 'Mae fy ngŵr / ngwraig yn un o weithwyr y cwmni sydd wedi gwneud cais am gymorth ariannol'.

Mae tudalen hwn yn fwriadol wag

PWYLLGOR ARCHWILIO A LLYWODRAETHU

Cofnodion cyfarfod y Pwyllgor Archwilio a Llywodraethu a gynhaliwyd drwy gynhadledd fideo ar ddydd Mercher, 9 Mehefin 2021 am 9:30am.

YN BRESENNOL

Y Cynghorwyr Ellie Chard, Tony Flynn, Martyn Holland (Is-Gadeirydd), Barry Mellor (Cadeirydd), Rhys Thomas a Joe Welch.

Aelod Lleyg - Paul Whitham

Aelod Cabinet – Y Cynghorydd Huw Hilditch-Roberts Aelod Arweiniol Addysg, Gwasanaethau Plant ac Ymgysylltu â'r Cyhoedd.

HEFYD YN BRESENNOL

Pennaeth Gwasanaethau Cyfreithiol, Adnoddau Dynol a Democraataidd - Swyddog Monitro (GW), Pennaeth Cyllid a Gwasanaethau Eiddo (Swyddog Adran 151) (SG), Rheolwr Gwasanaethau Cyfreithiol (LJ), Prif Archwilydd Mewnol (LL), Uwch-archwilydd (LH), Rheolwr Gwasanaeth - Plant sy'n Derbyn Gofal (M), Rheolwr y Tîm Cynllunio Strategol (NK), Arweinydd y Tîm Cynllunio Strategol a Pherfformiad (IMG) a gweinyddwyr y Pwyllgor (SJ, KJ a RTJ).

Roedd cynrychiolwyr o Archwilio Cymru, Matthew Edwards a David Wilson hefyd yn bresennol.

1 YMDDIHEURIADAU

Hysbysodd Y Cynghorydd Barry Mellor aelodau ei fod wedi derbyn neges y byddai'r Cynghorydd Joe Welch a'r Cynghorydd Tony Flynn yn cyrraedd y cyfarfod ychydig yn hwyr.

2 PENODI CADEIRYDD

Gofynnwyd am enwebiadau ar gyfer Aelod i wasanaethu fel Cadeirydd y Pwyllgor am y flwyddyn i ddod. Cafodd Y Cynghorydd Barry Mellor ei enwebu gan Y Cynghorydd Ellie Chard, gyda'r Cynghorydd Martyn Holland yn eilio. Ni dderbyniwyd unrhyw enwebiadau eraill felly;

PENDERFYNWYD y dylai'r Cynghorydd Barry Mellor gael ei benodi fel Cadeirydd y Pwyllgor Archwilio a Llywodraethu ar gyfer y flwyddyn i ddod.

3 PENODI IS-GADEIRYDD

Gofynnwyd am enwebiadau ar gyfer Aelod i wasanaethu fel Is-Gadeirydd y Pwyllgor am y flwyddyn i ddod. Cafodd Y Cynghorydd Martyn Holland ei enwebu

gan Aelod Lleyg Paul Whitman, gyda'r Cynghorydd Ellie Chard yn eilio. Ni dderbyniwyd unrhyw enwebiadau eraill felly;

PENDERFYNWYD y dylai'r Cynghorydd Martyn Holland gael ei benodi fel Is-Gadeirydd y Pwyllgor Archwilio a Llywodraethu ar gyfer y flwyddyn i ddod.

Croesawodd y Cadeirydd Y Cynghorydd Ellie Chard a'r Cynghorydd Rhys Thomas fel aelodau newydd i'r Pwyllgor Archwilio a Llywodraethu.

4 DATGANIADAU O FUDDIANT

Ni chodwyd unrhyw ddatganiadau o gysylltiad.

5 MATERION BRYD

Ni chodwyd unrhyw faterion brys.

6 COFNODION

Cyflwynwyd cofnodion cyfarfod Y Pwyllgor Archwilio a Llywodraethu a gynhaliwyd ar 28 Ebrill 2021.

Materion cywirdeb - Dim
Materion sy'n codi - Dim

PENDERFYNWYD yn amodol â'r uchod, y dylid derbyn a chymeradwyo cofnodion y Pwyllgor Archwilio a Llywodraethu fel cofnod cywir.

7 AROLYGIAD RIPA 2021

Cyflwynodd y Rheolwr Gwasanaethau Cyfreithiol (RhGC) adroddiad o archwiliad RIPA 2021 i'r aelodau (wedi'i ddsbarthu'n flaenorol).

Cadarnhawyd oddeutu bob tair blynedd bod Swyddfa'r Comisiynydd Pwerau Ymchwilio (IPCO) yn arolygu'r Cyngor o bell o ran ei weithgareddau dan Ddeddf Rheoleiddio Pwerau Ymchwilio (RIPA) 2000.

Hysbyswyd yr Aelodau fod yr archwiliad wedi cael ei gynnal gan un o Arolygwyr y Comisiynydd, Graham Wright ym mis Chwefror a mis Mawrth 2021. Eglurwyd fod dull ymarferol a phragmatig wedi bod i'r archwiliad. Roedd y protocol yn ymddangos fel ei fod yn dilyn ymarfer bwrdd gwaith gydag archwiliad o bell a phe bai angen byddai archwiliad mewn person yn cael ei drefnu. Cadarnhaodd y darganfyddiadau nad oedd angen archwiliad mewn person.

Roedd yr archwiliad yn ymarfer defnyddiol i swyddogion, gan fod yr archwiliad yn craffu'r polisi cuddwyllo, deunyddiau hyfforddiant a chofnodion canolog yr awdurdod ac yn arddangos cydymffurfiad gan yr awdurdod.

Clywodd yr aelodau bod y cynllun gweithredu o'r archwiliad blaenorol wedi cael ei gwblhau yn llawn.

Cadarnhawyd nad oedd na unrhyw geisiadau RIPA wedi eu derbyn dros y tair blynedd diwethaf. Dywedodd y RhGC nad oedd hynny'n anghyffredin gan fod

dulliau eraill o gasglu tystiolaeth. Roedd yr awdurdod wedi ufuddhau i ddefnyddio'r dulliau eraill o gasglu tystiolaeth cyn cyflwyno cais RIPA.

Roedd ymwybyddiaeth o'r ddogfen polisi a gweithdrefn yn hanfodol. Roedd hyfforddiant yn anhepgor i addysgu staff ac amlygwyd hynny fel rhan o'r archwiliad. Roedd yr arolygwr wedi gweld deunyddiau hyfforddiant ac yn falch gyda'i ddarganfyddiadau gan gynnig diwygiadau i wella'r deunyddiau hyfforddiant yn barod ar gyfer hyfforddiant wedi trefnu yn yr hydref. Cadarnhawyd bod digwyddiad wedi'i drefnu ar gyfer mis Medi ar gyfer swyddogion ymchwilio a swyddogion awdurdodi.

O fewn yr adroddiad cyfeiriodd yr aelodau at Wasanaethau Cymdeithasol gan dalu sylw penodol i wasanaethau plant. Pwysleisiwyd y pwysigrwydd o gynnal dealltwriaeth am y gweithdrefnau o fewn Sir Ddinbych. Roedd cyfeiriad at ddata wedi'i nodi yn yr adroddiad. Yn arbennig, cadw gafael ar ddata, tu hwnt i'w ddefnydd yn dilyn archwiliad. Sefydlwyd gweithgor RIPA oedd yn cynnwys rheolwyr canol, rheolwyr gweithredol, y swyddog monitro a'r RhGC i weithio gyda TGCh i sefydlu cofnod canolog o wybodaeth i gyflwyno'r amserlenni statudol. Cadarnhawyd fod uno diweddar wedi bod rhwng yr adran Gynllunio a Gwasanaeth Cyhoeddus o ran TCC.

Dyma'r Cadeirydd yn diolch i'r RhGC am y wybodaeth fanwl ynghylch yr archwiliad. Cafwyd trafodaeth bellach a chodwyd y pwyntiau canlynol:

- Bod y drosedd o feddiannu cartrefi pobl ddi-amddiffyn i werthu cyffuriau (cuckooing) yn achos i'r heddlu. Byddai'r awdurdod yn cynorthwyo pe bai angen.
- Yn y gorffennol mae gweithgaredd RIPA wedi cael ei ddefnyddio i archwilio deiliadaeth sengl. Nid yw'r gweithgaredd wedi cael ei ddefnyddio yn y blynyddoedd diwethaf. Protocolau Rhannu Gwybodaeth yn eu lle i archwilio unrhyw baru data. Dim ond fel y cam olaf y byddai'r broses RIPA yn cael ei ddefnyddio i archwilio unrhyw dwyll posib.
- Cadarnhaodd y RhGC y byddai unrhyw bryderon am les plant yn cael ei archwilio yn unol â'r heddlu. Byddai'r awdurdod yn cynorthwyo gydag unrhyw archwiliad pe bai angen.

Dyma'r Cadeirydd yn diolch i'r RhGC am yr ymatebion i gwestiynau'r aelodau. Felly,

PENDERFYNWYD fod yr aelodau yn nodi cynnwys yr adroddiad a'r adroddiad archwiliad wedi'i atodi fel atodiad 1.

8 ADOLYGIAD PERFFORMIAD BLYNYDDOL 2020-2021

Arweiniodd y Rheolwr Tîm Cynllunio Strategol a'r Arweinydd Tîm Cynllunio Strategol a Pherfformiad yr aelodau trwy'r adolygiad perfformiad blynyddol (wedi'i ddosbarthu'n flaenorol). Atgoffwyd yr aelodau mai diben yr adolygiad oedd darparu golwg cyffredinol o'r cynnydd ar swyddogaethau statudol allweddol. Mae'r adroddiad hefyd yn cynnwys y bwriad a'r blaenoriaethau ar gyfer y flwyddyn i ddod yn ôl gofyniad Mesur Llywodraeth Leol. Hysbyswyd aelodau fod y Mesur Llywodraeth Leol yn cael ei ddileu yn fuan oherwydd y Ddeddf Llywodraeth Leol ac Etholiadau. Cadarnhawyd mai bwriad y broses arferol o adolygiadau Perfformiad Blynyddol oedd cyflwyno adroddiad i Graffu Perfformiad, Cabinet ac i gael ei

gadarnhau gan y Cyngor Llawn. O fewn y Ddeddf newydd mae darpariaeth orfodol ar gyfer hunanasesiad o berfformiad wedi cael ei gynnwys. Cyfrifoldeb y Pwyllgor Archwilio a Llywodraethu yw monitro a goruchwyllo hunanasesiad. Cadarnhaodd y RhTCS bod yr hunanasesiad ddim yn ofyniad tan y flwyddyn nesaf. Fel prawf fe gynigodd y swyddogion fersiwn drafft o hunanasesiad eleni. Bwriad yr asesiad drafft oedd trafod y cynnwys, ei ffocws, ei rwymedigaethau statudol a gofynnwyd am sylwadau a safbwyntiau aelodau.

Atgoffwyd aelodau fod y ATCSPH wedi mynychu cyfarfod Archwilio a Llywodraethu i drafod gofynion yr Hunanasesiad o dan y Ddeddf. Mae'r hunanasesiad yn gofyn i swyddogion adolygu nifer o ddarnau o dystiolaeth yn cynnwys yr adolygiad perfformiad blynyddol, unrhyw adroddiadau rheoleiddio allanol a'r datganiad Llywodraethu blynyddol. Dywedodd y RhTCS wrth yr aelodau unwaith y bydd yr ardaloedd llywodraethu wedi cael eu hadolygu byddai cynllun gweithredu ar gyfer gwella corfforaethol yn cael ei ffurfio. Byddai hyn yn ffurfio sail yr hunanasesiad. Cadarnhawyd fod monitro'r perfformiad yn parhau i gael ei gynnwys ym mhwyllgor Craffu Perfformiad a'r Cabinet. Rôl y Pwyllgor Craffu a Llywodraethu byddai derbyn yr adroddiad yn flynyddol i'w drafod a'i gadarnhau.

Darparodd yr ATCSPH gadarnhad i'r aelodau eu bod wedi derbyn cyngor annibynnol ar y ffordd orau i adrodd i aelodau. Cytunwyd i gynnwys saith adran llywodraethu o fewn yr Adroddiad Perfformiad Blynyddol o dan y teitl lechyd Corfforaethol i ffurfio un adroddiad.

Dyma'r aelodau yn diolch i'r RhTCS a'r ATCSPH am yr adroddiad manwl a'r eglurhad clir o'r hunanasesiad. Amlygwyd fod llawer o waith wedi cael ei wneud i greu'r hunanasesiad drafft. Yn dilyn y drafodaeth, ymhelaethodd y swyddogion ar y materion canlynol:

- Roedd y sicrwydd wedi'i nodi yn yr adroddiad wedi cael ei ddarparu gan archwilydd annibynnol, wedi'i gomisiynu gan CLILC.
- Byddai ymrwymiad yn cael ei gynnwys yn y gwaith o ddatblygu Cynllun Corfforaethol newydd. Byddai dull cynhwysol gan aelodau ac Aelodau Lleyg yn cael ei fabwysiadu. Cadarnhaodd y RhTCS fod y cyfnod ymchwil wedi dechrau a'r cyfnod ymrwymo wedi'i lansio. Sesiynau wedi eu trefnu ar gyfer y cyhoedd gyda sesiynau ymrwymo yn cael eu trefnu i aelodau a staff Adroddwyd ar y broses i'r TAS a'r Cabinet i'w fonitro.

Diolchodd yr Aelodau i'r swyddogion am yr adroddiad a ***PHENDERFYNWYD*** bod yr aelodau yn adolygu a chymeradwyo'r adroddiad drafft, a'i fod wedi ystyried unrhyw newidiadau sydd eu hangen i ganlyniadau neu gamau gweithredu y mae'r cyngor yn bwriadu eu gwneud.

9 DATGANIAD LLYWODRAETHU BLYNYDDOL 2020-21

Arweiniodd y Prif Archwilydd Mewnol yr aelodau trwy'r adroddiad ac atodiad 1 (wedi'i ddsbarthu'n flaenorol). Atgoffwyd aelodau fod yr adroddiad yn casglu gwybodaeth ar weithgaredd archwilio mewnol, adroddiadau rheoleiddiwr allanol a hunanasesiad mewnol gan y gweithgor Llywodraethu Corfforaethol, oedd yn adolygu trefniadau llywodraethu'r cyngor.

Roedd gan y Cyngor ddyletswydd statudol i gyhoeddi Datganiad Llywodraethu Blynyddol (DLIB). Eglurwyd fod y DLIB wedi ffurfio rhan o'r Datganiad o Gyfrifon. Cafodd ei gyflwyno i'r aelodau ar wahân er mwyn i aelodau allu trafod ac adolygu'r DLIB yn unigol.

Roedd yr asesiad DLIB yn nodi effaith y pandemig. Un effaith allweddol a nodwyd oedd yr anallu i gynnal cyfarfodydd pwyllgor ar ddechrau'r flwyddyn oherwydd rheoliadau cadw pellter cymdeithasol. Roedd yr effaith o adael yr Undeb Ewropeaidd hefyd wedi'i gynnwys yn yr DLIB.

Dywedodd y PAM wrth yr aelodau fod gofyniad newydd ar gyfer cynnwys datganiad o gydymffurfiaeth gyda chod rheolaeth ariannol wedi cael ei gynnwys.

Pwysleisiwyd fod pandemig Covid 19 wedi cael effaith sylweddol ar y Cyngor a'r preswylwyr, a bod angen addasu'r ffordd yr oeddem yn darparu gwasanaethau i breswylwyr.

Atgoffwyd aelodau o achos llywodraethu sylweddol a gafodd ei godi yng nghyfarfodydd pwyllgor DLIB y llynedd a ddaeth i'r canlyniad na chaniatawyd cynnal cyfarfodydd pwyllgor. Mae diweddariad wedi cael ei gynnwys yn y DLIB hwn gan fod cyfarfodydd wedi cael dod yn ôl ar-lein. Bellach roedd pob cyfarfod y Cyngor a Chraffu a Llywodraethu yn cael eu gweddarlledu. Cadarnhaodd y Swyddog Monitro fod cyfarfodydd zoom yn defnyddio gwasanaeth cyfieithu o Hydref 2020.

Roedd adolygiad o effeithiolrwydd yn adran allweddol o'r DLIB. Roedd y DLIB hwn yn ymgorffori'r trefniadau llywodraethu ar gyfer Hamdden Sir Ddinbych Cyf.

Pwysleisiodd y PAM bwysigrwydd y camau Gwelliant sy'n codi o DLIB 2020-21 gan ei fod yn dangos tryloywder ac yn arddangos lle i wella ac i fynd i'r afael â hynny eleni.

Cadarnhaodd Matthew Edwards, Archwilio Cymru wrth yr aelodau y byddai Archwilio Cymru yn adolygu'r DLIB fel rhan o'r datganiadau ariannol. Bydd darganfyddiadau'r adolygiad yn ffurfio sail adroddiad Archwilio Cymru o'r cyfrifon. Bydd y darganfyddiadau yn cael eu hadrodd yn ôl i'r pwyllgor ym Medi 2021.

Felly,

PENDERFYNWYD *fod aelodau yn adolygu a chymeradwyo'r DLIB drafft ar gyfer 2020-21 (atodiad 1) ac y mae'n monitro'r cynnydd a wnaed ar y cynllun gweithredu o DLIB 2019-20.*

10 ADRODDIAD ARCHWILIO MEWNOL 2020-21

Cyflwynodd y Prif Archwilydd Mewnol (PAM) yr Adroddiad Blynyddol Archwilio Mewnol (wedi'i ddsbarthu'n flaenorol). Darparodd yr adroddiad safbwynt cyffredinol y PAM ar ddigonolrwydd ac effeithiolrwydd fframwaith llywodraeth, risg a rheolaeth y Cyngor yn ystod y flwyddyn wnaeth hysbysu'r 'Datganiad Llywodraethu Blynyddol'.

Roedd gwaith digonol wedi'i gwblhau yn ystod y flwyddyn yn cynnwys archwiliadau mewn camau drafft er mwyn sicrhau bod sicrwydd yn cael ei ddarparu. Nodwyd fod y pandemig coronafeirws wedi tarfu ar gyflenwi'r Cynllun Archwilio Mewnol ar gyfer 2020-21. Roedd wedi arwain ffocws arall i'r cynllun ar agweddau o brif flaenoriaeth

i'r cyngor a allai gael ei gyflawni o fewn yr adnoddau sydd ar gael i Archwilio Mewnol.

Cadarnhawyd ar wahân i'r cyfyngiadau wedi'u gorfodi oherwydd y pandemig, ni chafodd unrhyw gyfyngiadau neu amhariad ar waith yr archwilio mewnol ei nodi. Newid i weithio gartref wedi digwydd yn esmwyth ac effeithlon.

Mewn ymateb i bryderon a chwestiynau a godwyd gan aelodau fe gadarnhaodd y PAM fod archwilio hyblyg yn cynnwys cynllun a gytunwyd arno o'r hyn i gael ei archwilio a'r cynnydd yn cael ei adolygu mewn cyfnodau. Y gobaith yw byddai'n lleihau'r cyfanswm o amser ar gyfer archwilio i alluogi blaenoriaeth ar feysydd allweddol ar gyfer archwilio.

Hysbyswyd aelodau fod archwiliadau wedi'u gohirio neu ganslo yn cael eu hymgorffori yn y daenlen dadansoddi anghenion yr archwiliad. Mewnbwn gan nifer o ffynonellau fel Blaenoriaethau Corfforaethol a Chofrestr Risgiau Corfforaethol a Chofrestrau Risgiau Gwasanaeth yr awdurdod. Cafodd ei ddiweddarau yn rheolaidd drwy gydol y flwyddyn i asesu blaenoriaeth o waith i gael ei gwblhau.

Meddai'r PAM wrth yr aelodau fod y Fenter Twyll Cenedlaethol (NFI) ar baru data yn seiliedig ar wybodaeth y mae'r Cyngor wedi'i lwytho i fyny. Casglwyd y wybodaeth hon o etholiadau a threth y cyngor. Cyn 2018/19 roedd Civico wedi cydlynu system wahanol ar gyfer casglu data. Nid oes gor-ddefnydd wedi cael ei wneud o'r NFI. Mae mwy o ymdrech wedi bod i ganolbwyntio ar baru data. Mae diwygiad i filiau Treth y Cyngor i'r eiddo hynny wedi'i wneud i adennill rhan o'r arian.

Cadarnhaodd PAM fod yr arwydd ar gyfer cofrestru prosiect ar gyfer cartrefi gwag yn dod i fyny fel gwyrd. Cyfeirir at unrhyw bryderon pan fydd y gwaith asesu rheoli prosiectau wedi'i gwblhau.

Diolchodd y Cadeirydd i'r PAM am yr adroddiad a'r ymatebion manwl i bryderon yr aelodau.

Felly,

PENDERFYNWYD fod Adroddiad Blynyddol y Prif Archwilydd Mewnol a'r 'safbwynt' cyffredinol yn cael ei dderbyn a'r cynnwys yn cael ei nodi.

11 TALIADAU UNIONGYRCHOL I BLANT – ADRODDIAD DILYNOL AR YR ARCHWILIAD MEWNOL

Cyflwynodd y Prif Archwilydd Mewnol (PAM) yr adroddiad ar y cyd â'r Uwch Archwilydd (wedi'i ddsbarthu'n flaenorol). Eglurwyd i'r pwyllgor fod adroddiad sicrwydd isel wedi cael ei gyflwyno i'r pwyllgor ym mis Tachwedd 2020, a gofynnodd yr aelodau i adroddiad cynnydd gael ei gyflwyno. Amlygwyd yn y cynllun gweithredu'r cadarnhad fod y raddfa sicrwydd wedi cael ei ail-asesu yn seiliedig ar y camau gweithredu wedi'u cwblhau. Mae'r raddfa sicrwydd wedi cael ei ailasesu gyda graddfa ganolig. Mae camau dilynol pellach wedi'u trefnu ar gyfer Medi 2021 i asesu unrhyw gamau gweithredu heb eu casglu.

Darparodd yr uwch-archwilydd yr aelodau gyda gwybodaeth gefndir ar y taliadau uniongyrchol sy'n egwyddor allweddol o Ddeddf Gwasanaethau Cymdeithasol a Llesiant i sicrhau fod unigolion yn cael mewnbwn ar y canlyniadau ac yn derbyn y cymorth sydd ei angen. Allan o'r 14 camau gweithredu gwreiddiol a godwyd bod pob un ar wahân i 4 wedi'u cwblhau.

Mewn ymateb i gwestiynau aelodau fe ymhelaethodd y swyddogion a'r Aelod Arweiniol ar y canlynol:

- Cadarnhad fod galw am wybodaeth bellach gan Fforwm Taliadau Uniongyrchol Cymru Gyfan i ennill gwell dealltwriaeth o broses monitro Awdurdodau eraill yng Nghymru. Yn anffodus, ni chafwyd llawer o wybodaeth bellach ganddynt.
- Gellir derbyn y cyllid ar gyfer ystod o anghenion yn cynnwys cymorth personol, seibiant a darpariaeth meithrinfa. Cafodd pob plentyn neu deulu eu hasesu i werthuso'r lefel o gyllid a chymorth sydd ei angen.
- Roedd yr archwiliad a gynhaliwyd yn benodol ar gyfer taliadau uniongyrchol i blant. Mae taliadau uniongyrchol yn ei gyfanrwydd dan fygythiad twyll. Mae gan Awdurdod Lleol gyfrifoldeb i gefnogi unigolion sy'n derbyn taliadau uniongyrchol, i sicrhau eu bod nhw'n gallu ymrwymo'n ddigonol â CP a bod unigolion yn ymwybodol o gyfrifoldebau i reoli risgiau. Roedd yr Archwiliad yn mynd i'r afael â'r angen i reoli'r risgiau.

Diolchodd y Cadeirydd i'r holl swyddogion a'r Aelod Arweiniol am yr adroddiad manwl. Cytunodd yr aelodau ar Archwilio Mewnol i reoli'r camau gweithredu heb eu casglu ac ni wnaeth ddiweddariad pellach i'r pwyllgor.

PENDERFYNWYD y byddai'r aelodau yn nodi cynnwys yr adroddiad.

12 RHAGLEN GWAITH I'R DYFODOL Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO

Cyflwynwyd Rhaglen Gwaith i'r Dyfodol (RhGD) Y Pwyllgor Archwilio a Llywodraethu i'w ystyried (eisoes wedi ei rannu).

Cytunwyd i ddiwygio'r Rhaglen Gwaith i'r Dyfodol fel a ganlyn:

- Dylid cynnwys adroddiad Archwilio Mewnol dilynol ar Adeiladau'r Frenhines ar raglen mis Gorffennaf.

Hysbysodd y Cadeirydd yr aelodau ei fod wedi derbyn gohebiaeth gan Archwilio Cymru i gynnwys adroddiad chwarterol gan Archwilio Cymru. Bwriad yr adroddiad oedd i ddarparu adroddiadau cenedlaethol i'r pwyllgor â'r wybodaeth ddiweddaraf i aelodau am y cynnydd wrth ddilyn y cynllun blynyddol. Awgrymodd y Swyddog Monitro y byddai o fudd i'r pwyllgor dderbyn adroddiad chwarterol.

Cytunodd yr aelodau i gynnwys adroddiad chwarterol â'r wybodaeth ddiweddaraf gan Archwilio Cymru ar y RhGD. Penderfynwyd i gynnwys yr wybodaeth ddiweddaraf yn y cyfarfod a gaiff ei gynnal ym mis Medi 2021.

PENDERFYNWYD yn amodol ar gynnwys yr ychwanegiadau uchod, i nodi rhaglen gwaith i'r dyfodol y Pwyllgor Archwilio a Llywodraethu.

Daeth y cyfarfod i ben am 11:22am.

Mae tudalen hwn yn fwriadol wag

Adroddiad i'r Pwyllgor Llywodraethu Corfforaethol

Dyddiad y cyfarfod: 28 Gorffennaf 2021

Aelod Arweiniol / Swyddog: Julian Thompson Hill

Awdur yr Adroddiad: Steve Gadd, Pennaeth Cyllid ac Eiddo

Teitl Diweddariad am Ddatganiad o Gyfrifon Drafft 2020/21

1. Am beth mae'r adroddiad yn sôn?

Darparu diweddariad am gynnydd fersiwn ddrafft Datganiad Cyfrifon 2020/21 a'r broses sy'n sail iddo.

2. Beth yw'r rheswm dros lunio'r adroddiad hwn?

Mae'r Pwyllgor Llywodraethu ac Archwilio wedi dirprwyo cyfrifoldeb i gymeradwyo cyfrifon wedi'u harchwilio. Y gobaith oedd y byddai'r cyfrifon drafft yn barod i'w cyflwyno yng nghyfarfod mis Gorffennaf. Mae'r adroddiad yn egluro'r rhesymau pam nad yw hyn yn bosibl eleni a beth yw'r cynlluniau wrth symud ymlaen er mwyn sicrhau bod y cyfrifon terfynol yn cael eu cymeradwyo gan y pwyllgor o fewn yr amserlenni rheoleiddiol.

3. Beth yw'r Argymhellion?

3.1 Nodi'r diweddariad am gynnydd i gwblhau'r cyfrifon drafft.

3.2 Cytuno i ddiwygio rhaglen gwaith i'r dyfodol y pwyllgor er mwyn ystyried fersiwn ddrafft Datganiad Cyfrifon yn y cyfarfod ar 22 Medi a derbyn fersiwn derfynol y Datganiad Cyfrifon ac adroddiad archwilio Archwilio Cymru yn y cyfarfod ar 24 Tachwedd.

4. Manylion yr Adroddiad

Mae dyletswydd statudol ar y Cyngor i baratoi datganiad cyfrifon sy'n cydymffurfio â safonau cyfrifo a gymeradwyir. Mae'n rhaid i'r aelodau etholedig gymeradwyo'r cyfrifon a

archwiliwyd yn ffurfiol ar ran y Cyngor. Mae'r rôl hon wedi cael ei dirprwyo i'r Pwyllgor Llywodraethu ac Archwilio.

Yn yr un modd â'r llynedd, cyhoeddodd Llywodraeth Cymru ganllawiau y gallai'r terfynau amser statudol i gwblhau'r cyfrifon Drafft ac wedi'u harchwilio gael eu hystyngiadau oherwydd effaith Covid, fel y gwelir yn y tabl isod. Penderfynodd CSDd yn fuan i gyhoeddi hysbysiad i ddweud na fyddem yn anelu at y dyddiad cau cynnar statudol, ond byddem yn cyrraedd y dyddiadau cau diwygiedig. Gwnaed y penderfyniad yma ar ôl ymgynghori gydag Archwilio Cymru ac wedi'i lywio gan eu hasesiad o'u gallu i gwblhau'r gwaith archwilio gofynnol. Y prif ffactor i CSDd wrth wneud y penderfyniad oedd ein bod yn gwybod y byddem angen llunio'r Cyfrifon Grŵp (sydd yn cynnwys cyfrifon Hamdden Sir Ddinbych Cyf) cyn i ni allu arwyddo'r cyfrifon drafft. Roeddem ni'n cydnabod y gallai hi fod yn flwyddyn heriol i Hamdden Sir Ddinbych Cyf a CSDd er mwyn sicrhau bod yr wybodaeth ar gael ar amser.

Mae "Rheoliad 10(1) Rheoliadau Cyfrifon ac Archwilio (Cymru) 2014 (fel y'i diwygiwyd) yn ei gwneud yn ofynnol bod Swyddog Ariannol Cyfrifol Cyngor Sir Ddinbych yn arwyddo ac yn dyddio'r datganiad cyfrifon, ac yn ardystio eu bod yn cynrychioli golwg gywir a theg o sefyllfa ariannol y corff ar ddiwedd y flwyddyn y mae'r datganiad yn gysylltiedig â hi ac o incwm a gwariant y corff ar gyfer y flwyddyn honno. Yn ôl y Rheoliadau, mae rhaid i hyn gael ei gwblhau erbyn 31 Mai 2021.

Mae terfynau amser statudol 2020/21 i'w gweld yn y tabl isod ynghyd â'r terfynau amser estynedig a ddarparwyd gan Lywodraeth Cymru oherwydd parhad y pandemig.

Eitem	Dyddiad Cau Statudol	Dyddiad Cau Estynedig
Datganiad Cyfrifon Drafft	31 Mai 2021	31 Awst 2021
Datganiad Cyfrifon wedi'u Harchwilio	31 Gorffennaf 2021	30 Tachwedd 2021

Nid yw'r Swyddog Ariannol Cyfrifol wedi arwyddo ac ardystio'r cyfrifon ar gyfer y flwyddyn a ddaeth i ben 31 Mawrth 2021 oherwydd effaith Covid-19 ar adnoddau staff a gwaith ychwanegol o gwblhau'r cyfrifon eleni, a bydd yn gweithio o fewn y terfynau amser estynedig."

Serch hynny, rydym yn dal i obeithio y gallwn gadw at derfynau amser y Pwyllgor a nodwyd ar ddechrau'r flwyddyn, sef Pwyllgor Llywodraethu ac Archwilio mis Gorffennaf ar gyfer y cyfrifon drafft a chyfarfod mis Medi ar gyfer y cyfrifon a archwiliwyd. Bu'n rhaid adolygu'r sefyllfa yma dros yr wythnosau diweddar, fel y gwelir isod:

- Cwblhaodd CSDd y cyfrifon 'endid unigol' ganol mis Mehefin a chawsant eu hanfon at Archwilio Cymru ar ôl adolygiad mewnol ar 22 Mehefin er mwyn i'r gwaith archwilio ddechrau
- Fe wnaethom dderbyn copi heb ei arwyddo o gyfrifon Hamdden Sir Ddinbych Cyf. ar 14 Gorffennaf – er fe allai hyn fod yn amodol ar adolygiad cyn iddynt gael eu harwyddo gan y cwmni
- Roedd hi'n fwy cymhleth na'r disgwyl i lunio cyfrifon Hamdden Sir Ddinbych Cyf. ac fe gymerodd hi'n hirach na'r oedd y cwmni'n ei ddisgwyl i gael yr wybodaeth allanol (e.e. adroddiad prisiad pensiynau).
- Er bod ffigurau drafft Hamdden Sir Ddinbych ar gael yn gynt ac wedi'u rhannu gyda CSDd, nid oedd y rhain yn cynnwys ffigurau pwysig megis yr wybodaeth Pensiynau. Cytunwyd gydag Archwilio Cymru y dylem aros am y drafft wedi'i arwyddo cyn ceisio llunio'r Cyfrifon Grŵp.
- Rydym wedi ystyried y bydd angen tua phythefnos ar gyfer y gwaith i gydgrynhoi cyfrifon Hamdden Sir Ddinbych mewn i gyfrifon endid sengl - felly gobeithio y bydd Datganiad Cyfrifon drafft y Grŵp ar gael yn gynnar ym mis Awst a byddant yn bendant ar gael i'w cyflwyno yn y cyfarfod ym mis Medi.
- Ochr yn ochr â'r materion mewnol yma, rhannodd Archwilio Cymru bryderon am eu gallu i gyflawni dyddiad cau mis Medi er mwyn cwblhau'r archwiliad. Ar y cyd fe wnaethom gytuno y dylai'r set o gyfrifon wedi'u harchwilio gael eu cwblhau a'u cyflwyno i'r Pwyllgor Llywodraethu ac Archwilio ym mis Tachwedd, er eu bod yn gobeithio cwblhau'r gwaith archwilio cyn hynny.

5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?

Mae cyhoeddi Datganiad o Gyfrifon yn sail i stiwardiaeth a llywodraethu ariannol y Cyngor ac felly mae'n cefnogi holl wasanaethau a blaenoriaethau'r Cyngor.

6. Faint fydd hyn yn ei gostio a sut y bydd yn effeithio ar wasanaethau eraill?

Does dim costau ychwanegol yn codi o ganlyniad i'r adroddiad hwn.

7. Beth yw prif gasgliadau'r Asesiad o'r Effaith ar Les?

Barn broffesiynol y Swyddog Adran 151 yw nad oes angen Asesiad o'r Effaith ar Les ar gyfer yr adroddiad hwn.

8. Pa ymgynghoriadau sydd wedi'u cynnal gyda Chraffu ac eraill?

Mae gweithdrefnau a phrosesau y Cyngor sy'n sail i lunio'r cyfrifon yn cael eu hadolygu'n rheolaidd gan Archwilio Cymru. Caiff barn broffesiynol ei cheisio oddi wrth nifer o ddisgyblaethau eraill y tu hwnt i gyllid, fel yr adain gyfreithiol, prisio eiddo, adnoddau dynol a phensiynau.

9. Datganiad y Prif Swyddog Cyllid

Mae'r Datganiad Cyfrifon yn elfen allweddol o fframwaith llywodraethu'r Cyngor. Mae'n bwysig bod aelodau etholedig yn cael eu sicrhau bod y cyfrifon wedi cael eu cynhyrchu yn unol â'r safonau perthnasol a bod y broses sy'n sail i gynhyrchu'r cyfrifon yn gadarn. Er ei bod hi'n siomedig bod y dyddiad cau wedi llithro heibio eleni, mae hi'n bwysig nodi'r canlynol:

- Fe fydd y cyfrifon yn dal i gael ei harwyddo o fewn y dyddiadau cau rheoleiddiol diwygiedig.
- Mae hi hefyd yn braf bod y Datganiad Cyfrifon drafft endid sengl wedi cael eu paratoi o fewn y dyddiad cau gwreiddiol
- Mae llawer o waith wedi cael ei wneud gyda chyfrifon Hamdden Sir Ddinbych na fydd ei angen y flwyddyn nesaf gan mai dyma oedd eu blwyddyn lawn gyntaf o fasnachu. Byddwn yn gweithio gyda Hamdden Sir Ddinbych Cyf. dros yr hydref er mwyn cytuno ar amserlen gadarn ac y gellir ei chyflawni er mwyn cwblhau'r cyfrifon wedi'i gydgrynhoi y flwyddyn nesaf.

10. Pa risgiau sydd ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?

Byddai'r Cyngor yn mynd yn groes i'w ddyletswydd statudol pe na fyddai'n gallu cymeradwyo'r cyfrifon erbyn 30 Tachwedd.

11. Pŵer i wneud y Penderfyniad

Dan Adran 151 Deddf Llywodraeth Leol 1972, mae'n ofynnol i awdurdodau lleol wneud trefniadau i weinyddu eu materion ariannol yn briodol. Mae Ddeddf Archwilio Cyhoeddus (Cymru) 2004 yn ei gwneud yn ofynnol i'r Archwilydd Penodedig archwilio ac ardystio cyfrifon y cyngor, a rhaid iddo fod yn fodlon bod y cyfrifon wedi cael eu cwblhau yn unol â Rheoliadau Cyfrifon ac Archwilio (Cymru) 2018.

Mae tudalen hwn yn fwriadol wag

Adroddiad i	Pwyllgor Llywodraethu ac Archwilio
Dyddiad y Cyfarfod	28 Gorffennaf 2021
Aelod Arweiniol/Swyddog	Julian Thompson Hill
Awdur yr adroddiad	Steve Gadd, Pennaeth Cyllid ac Eiddo
Teitl	1. Adroddiad Rheoli Trysorlys Blynyddol 2020/21 (Atodiad 1) 2. Adroddiad Diweddarau ar Reoli Trysorlys 2021/22 (Atodiad 2)

1 Am beth mae'r adroddiad yn sôn?

- 1.1 Mae Adroddiad Blynyddol Rheoli Trysorlys 2020/21 (Atodiad 1) yn sôn am weithgarwch buddsoddi a benthycia'r Cyngor yn ystod 2020/21. Mae hefyd yn darparu gwybodaeth am y sefyllfa economaidd ar yr adeg honno ac yn dangos sut y cydymffurfiodd y Cyngor â'i Ddangosyddion Darbodus. Mae'r Adroddiad Diweddarau ar Reoli'r Trysorlys (Atodiad 2) yn darparu gwybodaeth am weithgareddau rheoli trysorlys y Cyngor hyd yma yn 2021/22.
- 1.2 Mae'r term 'rheoli trysorlys' yn cynnwys rheoli benthyciadau, buddsoddiadau a llif arian y Cyngor. Pob blwyddyn mae oddeutu £0.5 biliwn yn mynd drwy gyfrifon banc y Cyngor. Mae'r benthyciad sydd gan y Cyngor heb ei dalu ar 31 Mawrth 2021 yn £235 miliwn ar gyfradd gyfartalog o 3.95%. Mae ganddo hefyd £17.8 miliwn mewn buddsoddiadau ar gyfradd gyfartalog o 0.003%.

2 Beth yw'r rheswm dros lunio'r adroddiad hwn?

- 2.1 Ar 27 Hydref 2009 cytunodd y Cyngor y dylai'r gwaith o lywodraethu gweithgareddau Rheoli Trysorlys gael ei archwilio gan y Pwyllgor Llywodraethu ac Archwilio. Rhan o'r rôl hon yw cael diweddariadau am weithgarwch Rheoli Trysorlys ddwywaith y flwyddyn ac adolygu Adroddiad Blynyddol Rheoli Trysorlys 2020/21 sydd ynghlwm.
- 2.2 **Rôl y Pwyllgor Llywodraethu ac Archwilio**
 - 2.2.1 Bydd y tîm Rheoli Trysorlys yn darparu adroddiadau i'r Pwyllgor Llywodraethu ac Archwilio yn unol â'r amserlen isod:

Pwyllgor	Dyddiad:	Teitl yr Adroddiad	Cynnwys yr Adroddiad
Llywodraethu ac Archwilio	Ionawr	Diweddariad Rheoli Trysorlys	- Amgylchedd allanol - Risgiau - Gweithgaredd - Rheolaethau - Gweithgarwch i ddod
Llywodraethu ac Archwilio	Ionawr	Strategaeth Rheoli Trysorlys	- Polisi - Strategaeth - Dangosyddion Darbodus
Y Cyngor	Chwefror	Strategaeth Rheoli Trysorlys	Fel yr uchod
Llywodraethu ac Archwilio	Gorffennaf	Diweddariad Rheoli Trysorlys	Fel y Diweddariad Rheoli Trysorlys uchod
Llywodraethu ac Archwilio	Gorffennaf	Adolygiad Rheoli Trysorlys	- Adolygiad o weithgarwch Rheoli Trysorlys yn ystod y flwyddyn flaenorol
Y Cabinet	Medi	Adolygiad Rheoli Trysorlys	Fel yr uchod

2.2.2 Mae Rheoli Trysorlys yn faes cymhleth sy'n cymryd amser i'w ddeall yn llwyr, a darperir diweddariadau rheolaidd. Felly ystyriwyd bod cyflwyno'r diweddariadau hyn i'r Pwyllgor Llywodraethu ac Archwilio yn hytrach na'r Cyngor yn fwy priodol oherwydd bod modd neilltuo'r amser a'r ymrwymiad angenrheidiol i'r maes hwn.

2.2.3 Mae'n rhaid i'r Pwyllgor gael lefel benodol o ddealltwriaeth yn y maes hwn a chaiff hyn ei gyflawni drwy ddiweddariadau rheolaidd. Bydd ymgynghorwyr trysorlys y Cyngor, Arlingclose Ltd, hefyd yn darparu sesiwn hyfforddi i aelodau cyn bo hir, er mwyn trafod y meysydd hyn yn fwy trylwyr.

2.2.4 Mae rôl y Pwyllgor yn cynnwys y canlynol:

- Deall y Dangosyddion Darbodus
- Deall effaith benthyca ar y sefyllfa refeniw
- Deall y cymhellion ehangach sy'n cael effaith ar weithgarwch Rheoli Trysorlys y Cyngor
- Sicrhau bod y Cyngor bob amser yn gweithredu mewn modd darbodus mewn perthynas â'i weithgarwch Rheoli Trysorlys

3 Beth yw'r Argymhellion?

3.1 Bod aelodau yn nodi perfformiad swyddogaeth Rheoli Trysorlys y Cyngor yn ystod 2020/21 a'i chydymffurfiaeth â'r Dangosyddion Darbodus gofynnol, fel yr adroddwyd yn Adroddiad Rheoli Trysorlys Blynyddol 2020/21 (Atodiad 1).

3.2 Bod aelodau'n nodi'r Adroddiad Diweddarau ar Reoli Trysorlys (Atodiad 2) sy'n manylu ar y perfformiad hyd yma yn 2021/22.

3.3 Bod y Pwyllgor yn cadarnhau ei fod wedi darllen, deall ac ystyried yr Asesiad o'r Effaith ar Les (Atodiad 3) fel rhan o'i ystyriaethau.

4 Manylion yr Adroddiad

4.1 Diben yr Adroddiad Rheoli Trysorlys Blynyddol (Atodiad 1) yw:

- Cyflwyno manylion am gyllid cyfalaf, benthyca, ad-drefnu dyledion a thrafodion buddsoddi yn 2020/21
- Adrodd am oblygiadau risg penderfyniadau a thrafodion y trysorlys
- Cadarnhau cydymffurfiaeth â therfynau'r trysorlys a Dangosyddion Darbodus

4.3 Mae'r Adroddiad Diweddarau ar Reoli Trysorlys (Atodiad 2) yn cynnwys gwybodaeth am y canlynol:

- Amgylchedd economaidd allanol
- Risgiau
- Gweithgarwch
- Rheolaethau
- Gweithgarwch i ddod

5 Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?

- 5.1 Mae penderfyniadau buddsoddi a benthyca da yn caniatáu i'r Cyngor roi adnoddau ychwanegol i wasanaethau eraill y Cyngor.

6 Faint fydd hyn yn ei gostio a sut y bydd yn effeithio ar wasanaethau eraill?

- 6.1 Amherthnasol.

7 Beth yw prif gasgliadau'r Asesiad o Effaith ar Les?

- 7.1 Dylai cynllunio ariannol a gwneud penderfyniadau sicrhau y rhoddir ystyriaeth briodol i ofynion Deddf Llesiant Cenedlaethau'r Dyfodol ac, yn benodol, ystyriaeth briodol i effaith hirdymor penderfyniadau ariannol, gan gynnwys y cyfnod ad-dalu a chostau oes gyfan penderfyniadau buddsoddi cyfalaf, cynigion cyllideb â'u heffaith wedi'i hasesu'n briodol a strategaethau dyled a buddsoddiad hirdymor (rheoli trysorlys). Mae egwyddorion pwyll, fforddiadwyedd a chynaliadwyedd eisoes wedi'u cynnwys o fewn gofynion y Cod Darbodus a dylent fod yn sail i gynllunio ariannol a gwneud penderfyniadau.

- 7.2 Yng nghyd-destun rheoli trysorlys, mae'r gofynion presennol i asesu ac adrodd ar effeithiau hirdymor penderfyniadau buddsoddi a benthyca, gan ddefnyddio dangosyddion darbodus a chynllunio dyled hirdymor, yn cefnogi nodau cynaliadwyedd y Ddeddf Llesiant.

- 7.3 Mae adroddiad yr Asesiad o'r Effaith ar Les wedi'i gynnwys yn Atodiad 3, ac mae'n dangos sut y mae Strategaeth Rheoli Trysorlys effeithlon yn hyrwyddo nodau lles y Ddeddf.

8 Pa ymgynghoriadau sydd wedi'u cynnal gyda Chraffu ac eraill?

- 8.1 Mae'r Cyngor wedi ymgynghori â'i ymgynghorwyr trysorlys, Arlingclose Ltd.

9 Datganiad y Prif Swyddog Cyllid

- 9.1 Mae rheoli trysorlys yn golygu gofalu am symiau sylweddol o arian parod, felly mae'n rhan hanfodol o waith y Cyngor. Mae'n gofyn am strategaeth gadarn a rheolaethau

priodol i ddiogelu arian y Cyngor, er mwyn sicrhau enillion rhesymol ar fuddsoddiadau a bod dyled yn cael ei reoli'n effeithiol ac yn ddoeth.

9.2 Mae Cod Ymarfer CIPFA ar Reoli Trysorlys yn ei gwneud yn ofynnol i'r pwyllgor dderbyn yr wybodaeth ddiweddaraf am weithgareddau Rheoli Trysorlys ddwywaith y flwyddyn ac i adolygu Adroddiad Rheoli Trysorlys Blynyddol.

9.3 Ym mis Hydref 2017 cymeradwyodd y Cyngor y Cynllun Corfforaethol newydd ar gyfer 2017 i 2022. Mae pob cynnig newydd wedi'i ystyried yn y Strategaeth Rheoli Trysorlys am ei bod yn hanfodol bod gan y Cyngor swyddogaeth rheoli trysorlys gadarn ac effeithiol i danategu'r buddsoddiad a'r holl weithgareddau eraill.

10 Pa risgiau sydd ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?

10.1 Mae Rheoli Trysorlys ynddo'i hun yn risg, ond mae'r Cyngor yn monitro ac yn rheoli'r risgiau hyn fel yr amlinellir yn y prif adroddiad. Fodd bynnag, mae'n amhosibl cael gwared ar y risgiau hyn yn gyfan gwbl. Caiff strategaeth a gweithdrefnau rheoli trysorlys y Cyngor eu harchwilio'n flynyddol ac mae adolygiad yr archwiliad mewnol diwethaf yn gadarnhaol heb unrhyw fater sylweddol yn codi.

11 Pŵer i wneud y Penderfyniad

11.1 Mae Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) yn ei gwneud yn ofynnol i awdurdodau lleol ystyried Cod Ymarfer Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth ar Reoli Trysorlys, sy'n pennu'r gofyniad i'r Cyngor baratoi'r wybodaeth rheoli trysorlys ddiweddaraf yn rheolaidd a pharatoi adroddiad blynyddol ar weithgarwch y trysorlys yn ystod y flwyddyn ariannol flaenorol.

Mae tudalen hwn yn fwriadol wag

Appendix 1

DENBIGHSHIRE COUNTY COUNCIL

ANNUAL TREASURY MANAGEMENT REPORT 2020/21

Steve Gadd
Head of Finance & Property

CONTENTS

Section	Title
1	Background
2	Economic Background
3	Borrowing Activity
4	Investment Activity
5	Compliance with Prudential Indicators
6	Money Laundering Update
	Annex A - PWLB borrowing rates and UK Money Market rates
	Annex B – Compliance with Prudential Indicators 2020/21
	Annex C – Glossary

1. Background

- 1.1 The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce Prudential Indicators annually and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year. Reports are presented twice a year to the Governance and Audit Committee which is the committee with responsibility for the scrutiny of the Council's treasury policy, strategy and activity, as well as the annual report made to cabinet and the report to full council for approval of the annual treasury strategy.
- 1.2 Treasury management is defined as: "The management of the local authority's 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."
- 1.3 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.

2. Economic Background

- 2.1 The coronavirus pandemic dominated 2020/21, leading to almost the entire planet being in some form of lockdown during the year. The start of the financial year saw many central banks cutting interest rates as lockdowns caused economic activity to grind to a halt. The Bank of England cut Bank Rate to 0.1% and the UK government provided a range of fiscal stimulus measures, the size of which has not been seen in peacetime.
- 2.2 Some good news came in December 2020 as two COVID-19 vaccines were given approval by the UK Medicines and Healthcare products Regulatory Agency (MHRA). The UK vaccine rollout started in earnest; over 31 million people had received their first dose by 31st March.
- 2.3 A Brexit trade deal was agreed with only days to spare before the 11pm 31st December 2020 deadline having been agreed with the European Union on Christmas Eve.
- 2.4 The Bank of England (BoE) held Bank Rate at 0.1% throughout the year but extended its Quantitative Easing programme by £150 billion to £895 billion at its November 2020 meeting. In its March 2021 interest rate announcement, the BoE noted that while GDP would remain low in the near-term due to COVID-19 lockdown restrictions, the easing of these measures

means growth is expected to recover strongly later in the year. Inflation is forecast to increase in the near-term and while the economic outlook has improved there are downside risks to the forecast, including from unemployment which is still predicted to rise when the furlough scheme is eventually withdrawn.

3. Borrowing Activity

3.1 The table below shows the level of the Council's borrowing from the Public Works Loan Board (PWLB) at the start and the end of the year.

	Balance at 01/04/2020 £000	Maturing loans £000	Premature repayments £000	New Borrowing £000	Balance at 31/03/2021 £000
Fixed rate loans – Public Works Loan Board (PWLB)	228,097	8,091	0	0	220,006
Total borrowing	228,097	8,091	0	0	220,006

3.2 The Council has been accessing temporary borrowing from other local authorities at very low rates to cover short-term cash flow requirements.

3.3 As a result of this borrowing, the average rate on the Council's debt increased from 3.82% at 1 April 2020 to 3.95% at 31 March 2021.

3.4 Annex A shows how interest rates for borrowing have moved over the course of the year.

4. Investment Activity

4.1 The Council held cash balances of £17.8m at the end of 2020/21. These represent the Council's Balances and Reserves (after internal borrowing and working cash balances are accounted for) and also where money has been borrowed before capital expenditure is incurred.

4.2 The Welsh Government's Investment Guidance requires local authorities to focus on security (keeping the money safe) and liquidity (making sure the Council never runs out of cash) as the primary objectives of a prudent investment policy. The Council's aim was to achieve a return on investments in line with these principles. The return is important but is a secondary consideration and the priority is the security of the sums invested.

- 4.3 The table below shows the level of the Council’s investments at the start and the end of the year.

	Balance at 01/04/2020 £000	Investments Raised £000	Investments Repaid £000	Balance at 31/03/2021 £000
Investments	28,900	541,400	552,500	17,800

- 4.4 Security of capital remained the Council’s main investment objective. This was maintained by following the Council’s counterparty policy as set out in its Treasury Management Strategy Statement for 2020/21 which defined “high credit quality” organisations as those having a long-term credit rating of A- or higher if domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

Unsecured Bank Deposits

- 4.5 Conventional bank deposits have become riskier because of a lower likelihood that the UK and other governments will support failing banks. As the Banking Reform Act 2014 was implemented in the UK from January 2015, banks were no longer able to rely on government bail-outs if they got into difficulty. They would be required instead to bail themselves out by taking a proportion of investors’ deposits to build up their capital. This new risk has been termed ‘bail-in’ risk and is potentially a greater risk to investors than the ‘bail-out’ risk of the past.
- 4.6 Given the increasing risk and continued low returns from short-term unsecured bank investments, the Council has only held a minimal amount of investments for short-term cash flow purposes and has placed a far greater emphasis on investing with the UK Government’s Debt Management Office and other local authorities in order to minimise these risks.

Credit Risk Management

- 4.7 Counterparty credit quality was assessed and monitored with reference to the following:
- credit ratings (minimum long-term counterparty rating of A- across rating agencies Fitch / S&P / Moody’s);
 - analysis of funding structure and susceptibility to bail-in;
 - credit default swap prices;
 - financial statements;
 - information on potential government support;
 - share prices.

Liquidity Management

- 4.8 In keeping with the WG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of overnight deposits and instant access call accounts. The Authority uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed.

Yield

- 4.9 The Council sought to achieve the best return balanced against its objectives of security and liquidity. The UK Bank Rate remained at 0.1% for 2020/21. Short term money market rates also remained at very low levels which had a significant impact on investment income.
- 4.10 All investments made during the year complied with the Council's agreed Treasury Management Strategy, Prudential Indicators, Treasury Management Practices and prescribed limits. Maturing investments were repaid to the Council in full and in a timely manner.

5. Compliance with Prudential Indicators

- 5.1 The Council can confirm that it has complied with its Prudential Indicators for 2020/21, which were set in February 2020 as part of the Council's Treasury Management Strategy Statement. Details can be found in Annex B.
- 5.2 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2020/21. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

6. Money Laundering Update

- 6.1 The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it has a Money Laundering Policy and maintains procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that relevant staff are properly trained. This policy is due to be reviewed and updated in view of new regulations.
- 6.2 The Section 151 Officer is the Money Laundering Reporting Officer with the Deputy Section 151 Officer as the Deputy. There haven't been any cases of money laundering reported since the start of Denbighshire to date and the risk to the Council is considered to be minimal.

Interest Rates 2020/21

Public Works Loan Board (PWLB) borrowing rates and UK Money Market rates during the year were:

Example PWLB Borrowing rates (The rate at which the Council could borrow money from the Government)

Start Date	Length of Loan		
	1yr %	19½-20 yrs %	49½-50 yrs %
01-Apr-20	2.09	2.73	2.52
30-Sep-20	1.96	2.71	2.60
31-Mar-21	0.99	2.34	2.19

Example Bank Rate, Money Market rates (The rate at which the Council could invest with banks)

Date	Bank Rate %	7-day Investment Rates %	1-month Investment Rates %	6-month Investment Rates %
01-Apr-20	0.10	0.00	0.11	0.59
30-Sep-20	0.10	-0.08	-0.08	-0.04
31-Mar-21	0.10	-0.08	-0.08	-0.01

Compliance with Prudential Indicators 2020/21

1 Estimated and Actual Capital Expenditure

- 1.1 This indicator is set to ensure that the level of proposed investment in capital assets remains within sustainable limits and, in particular, to consider the impact on the Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2020/21 Estimated February 2020 £000	2020/21 Revised February 2021 £000	2020/21 Outturn March 2021 £000
Non-HRA	43,668	42,391	37,513
HRA	19,172	14,876	9,734
Total	62,840	57,267	47,247

- NB The figures for the February estimate were produced early in January but due to the nature of capital expenditure, some of the major schemes have slipped and this expenditure will now be incurred in 2021/22.

2 Estimated and Actual Ratio of Financing Costs to Net Revenue Stream

- 2.1 This is an indicator of affordability and demonstrates the revenue implications of capital investment decisions by highlighting the proportion of the revenue budget required to meet the borrowing costs associated with capital spending. The financing costs include existing and proposed capital commitments.

Ratio of Financing Costs to Net Revenue Stream	2020/21 Estimated February 2020 £000	2020/21 Revised February 2021 £000	2020/21 Outturn March 2021 £000
Financing Costs	13,681	13,824	13,854
Net Revenue Stream	208,301	208,301	208,301
Non-HRA Ratio	6.57%	6.64%	6.65%
Financing Costs	6,352	6,432	5,836
Net Revenue Stream	16,527	16,258	16,258
HRA Ratio	38.43%	39.56%	35.90%

3 Capital Financing Requirement

- 3.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council ensures that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. Performance during 2020/21 is demonstrated in the following table:

Capital Financing Requirement	2020/21 Estimated February 2020 £000	2020/21 Revised February 2021 £000	2020/21 Outturn March 2021 £000
Non-HRA	229,422	221,751	215,700
HRA	80,173	75,147	68,611
Total	309,595	296,898	284,311
Borrowing	266,506	250,006	235,006

NB The outturn figures are taken from the pre-audited Statement of Accounts 2020/21 so they may be subject to change.

4 **Authorised Limit and Operational Boundary for External Debt**

Summary Table:

2020/21	31/03/2021 £000
External Borrowing	235,006
Internal Borrowing	49,305
Operational Boundary	265,000
Authorised Limit	270,000

- 4.1 **Operational Boundary:** This limit is set to reflect the Council's best view of the most likely prudent (i.e. not worst case) levels of borrowing activity.
- 4.2 **Authorised Limit:** This is the maximum amount of external debt that can be outstanding at one time during the financial year. The limit, which is expressed gross of investments, is consistent with the Council's existing commitments, proposals for capital expenditure and financing and with its approved treasury policy and strategy and also provides headroom over and above for unusual cash movements.
- 4.3 The levels of debt are measured on an ongoing basis during the year for compliance with the Authorised Limit and the Operational Boundary. The Council maintained its total external borrowing and other long-term liabilities within both limits; at its peak this figure was £256.1m. In addition to external borrowing, the Council uses its own reserves and balances to fund capital expenditure and this is known as internal borrowing as shown in the table above.

5 Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- 5.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The exposures are calculated on a net basis i.e. fixed rate debt net of fixed rate investments. The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on the portfolio of investments.

	2020/21 Estimated %	2020/21 Actual Peak Exposure %
Upper Limit for Fixed Rate Exposure	100	100
Upper Limit for Variable Rate Exposure	40	0

6 Maturity Structure of Fixed Rate borrowing

- 6.1 This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
- 6.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Maturity structure of fixed rate borrowing	Upper limit %	Lower limit %	Actual Borrowing as at 31/03/2021 £000	Percentage of total as at 31/03/2021 %
under 12 months	30	0	25,301	10.77
12 months and within 24 months	30	0	7,563	3.22
24 months and within 5 years	30	0	22,122	9.41
5 years and within 10 years	30	0	31,453	13.38
10 years and above	100	50	148,567	63.22
Total			235,006	100.00

7 Total principal sums invested for periods longer than 364 days

- 7.1 This indicator is set in order to allow the Council to manage the risk inherent in investments longer than 364 days. For 2020/21 this limit was set at £10m. The Council did not have any investments which exceeded 364 days during 2020/21.

8 Adoption of the CIPFA Treasury Management Code

- 8.1 The Council confirms its adoption of the CIPFA Code of Treasury Management at its Council meeting on 26 March 2002. The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

GLOSSARY - Useful guide to Treasury Management Terms and Acronyms

BANK OF ENGLAND	UK's Central Bank
BANK RATE	Bank of England Interest Rate (also known as Base Rate)
CPI	Consumer Price Index – a measure of the increase in prices
RPI	Retail Price Index – a measure of the increase in prices
DMO	Debt Management Office – issuer of gilts on behalf of HM Treasury
FSA	Financial Services Authority - the UK financial watchdog
GDP	Gross Domestic Product – a measure of financial output of the UK
LIBID	London Interbank Bid Rate - International rate that banks lend to other banks
LIBOR	London Interbank Offer Rate – International rate that banks borrow from other banks (the most widely used benchmark or reference for short term interest rates)
PWLB	Public Works Loan Board – a Government department that lends money to Public Sector Organisations
MPC	Monetary Policy Committee - the committee of the Bank of England that sets the Bank Rate
LONG TERM RATES	More than 12 months duration
SHORT TERM RATES	Less than 12 months duration
BOND (GENERAL)	An investment in which an investor loans money to a public or private company that borrows the funds for a defined period of time at a fixed interest rate
GOVERNMENT BOND	A type of bond issued by a national government generally with a promise to pay periodic interest payments and to repay the face value on the maturity date
CORPORATE BOND	A type of bond issued by a corporation to raise money in order to expand its business

COVERED BOND	A corporate bond issued by a financial institution but with an extra layer of protection for investors whereby the investor has recourse to a pool of assets that secures or “covers” the bond if the financial institution becomes insolvent
GILT	A bond that is issued by the British government which is classed as a low risk investment as the capital investment is guaranteed by the government
REPO	A repurchase agreement involving the selling of a security (usually bonds or gilts) with the agreement to buy it back at a higher price at a specific future date For the party selling the security (and agreeing to repurchase it in the future) it is a REPO For the party on the other end of the transaction e.g. the local authority (buying the security and agreeing to sell in the future) it is a reverse REPO
FTSE 100	Financial Times Stock Exchange 100 - An index composed of the 100 largest companies listed on the London Stock Exchange which provides a good indication of the performance of major UK companies

Mae tudalen hwn yn fwriadol wag

Treasury Management (TM) Update Report

1 Changes in the external environment

Economic Outlook

- 1.1 The economic outlook remains uncertain following the impact of the coronavirus. In view of this uncertainty, the Council will continue to take a cautious approach in relation to its investments.

2 Investment Strategy

- 2.1 Given the increasing risk and continued low returns from short-term unsecured bank investments, the Council has placed a far greater emphasis on investing with the UK Government's Debt Management Office (DMO) in order to minimise these risks. The majority of our investment cash is therefore placed with the DMO on a short term basis to meet monthly outgoings and the remainder with two instant access call accounts up to a maximum limit of £3m with each.
- 2.2 Although the Council's current cash flow position remains healthy, the position is reviewed constantly with a view to undertake temporary borrowing if required later in the year as the level of our investment cash decreases.

3 Borrowing Strategy

- 3.1 The Council currently has 3 temporary loans from other local authorities for £15m in total over a 1 year period. This total is made up of £10m which is repayable in November and £5m in February. At that time, the Council will review its cash flow position and will either repay those loans or continue the loans for a further period if the cash is required. Local authority loans remain a readily available source of cash at historically low rates so the Council will therefore continue to undertake temporary borrowing from other local authorities in the future as required to cover short-term cash flow requirements.
- 3.2 Although the Council hasn't borrowed from the Public Works Loan Board (PWLB) since March 2020, the Council will continue to monitor its cash position and interest rate levels to ensure that further long term borrowing is undertaken from the PWLB at the optimal time to fund on-going Capital commitments.
- 3.3 The Council held a strategy meeting with its treasury advisers, Arlingclose Ltd, at the end of June. The analysis of the Balance Sheet projections showed that the Council is likely to have a significant borrowing requirement in the future. Despite this, it was agreed that temporary local authority borrowing continues to be the best strategy.

They advised against borrowing too far in advance of need given the ongoing high cost of carry from having expensive borrowing that is invested for the short term at extremely low rates.

4 PWLB Borrowing Update

- 4.1 Following the PWLB's recent review of its borrowing terms, we have been required to submit more detailed capital expenditure plans with confirmation of the purpose of capital expenditure from the Section 151 Officer. In particular, we had to confirm that we were not planning to purchase 'investment assets primarily for yield' in the current or next two financial years. We were able to give this assurance so we can continue to take advantage of PWLB borrowing at low rates.

5 Controls

Prudential Indicators

- 5.1 The Council sets prudential indicators which set boundaries within which its treasury management activity operates. The indicators are calculated to demonstrate that the Council's borrowing is affordable and include measures that show the impact of capital and borrowing decisions over the medium term. The Council has remained within all of its borrowing and investment limits for 2021/22 as stated in the TM Strategy Statement and the Capital Strategy Report agreed by Council in February 2021. The Council has not deviated from the Capital related indicators either.
- 5.2 From 2019/20, the Capital related Prudential Indicators have been excluded from the Treasury Management Strategy Statement (TMSS) and included in the Capital Strategy Report which is a new report introduced by the 2017 edition of the Prudential Code. It is intended to give a high level, concise and comprehensible overview to all elected members of how capital expenditure, capital financing and treasury management activity contribute to the provision of the Council's services.
- 5.3 The Capital Strategy Report was included with the Capital Plan report to Council in February 2021 and included the following Capital related Prudential Indicators:

Estimates of Capital Expenditure and Financing
Ratio of Financing Costs to Net Revenue Stream
Capital Financing Requirement
Authorised Limit and Operational Boundary for External Debt

5.4 Audit Reviews

The Internal Audit review undertaken in January 2021 found that there are effective controls in place with good examples of working practices identified. A medium assurance rating was awarded with 3 minor recommendations made to review risk registers, the documentation of procedures and the recording of Treasury Management decisions.

6 Future

6.1 TM Strategy for next six months

As planned capital expenditure is incurred or delayed in some cases as a result of the pandemic, the Council will continue to monitor its cash flow position to ensure that temporary borrowing is undertaken if required. The Council will also monitor market conditions and interest rate levels to ensure that external PWLB borrowing is undertaken at the optimal time in line with the TM strategy.

6.2 Medium Term Capital Strategy

Work is currently underway to develop a medium term strategy for capital. This will help identify projects that we are planning to develop and invest in over a 5 to 10 year period, but have not yet gone through the approval process. This will impact on the level of borrowing that the Council will require to undertake over the coming years. A detailed model is currently being developed with our Treasury Management advisers to help inform the decision making process to ensure that the correct balance is maintained between the need to invest in our assets and continue to deliver an ambitious investment programme and ensuring the plans remain prudent and affordable.

6.3 Reports

This report will be submitted to Cabinet in September following a review by the Governance and Audit Committee. The next reports to the Governance and Audit Committee will be the Treasury Management Strategy Statement and Prudential Indicators 2022/23 and the TM Update Report 2021/22 in January.

Mae tudalen hwn yn fwriadol wag

Annual Treasury Management Report 2020/21

Well-being Impact Assessment Report


This report summarises the likely impact of the proposal on the social, economic, environmental and cultural well-being of Denbighshire, Wales and the world.

Assessment Number:	148
Brief description:	A review of the Treasury Management activities for 2020/21
Date Completed:	09/07/2021 09:40:57 Version: 18
Completed by:	Rhys Ifor Jones
Responsible Service:	Finance
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	Proposals have little or no direct impact on the vast majority of residents as the strategy involves managing the Council's investments and borrowing.
Was this impact assessment completed as a group?	No

IMPACT ASSESSMENT SUMMARY AND CONCLUSION

Before we look in detail at the contribution and impact of the proposal, it is important to consider how the proposal is applying the sustainable development principle. This means that we must act "in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs."

Score for the sustainability of the approach


 (2 out of 4 stars) Actual score : 23 / 36.

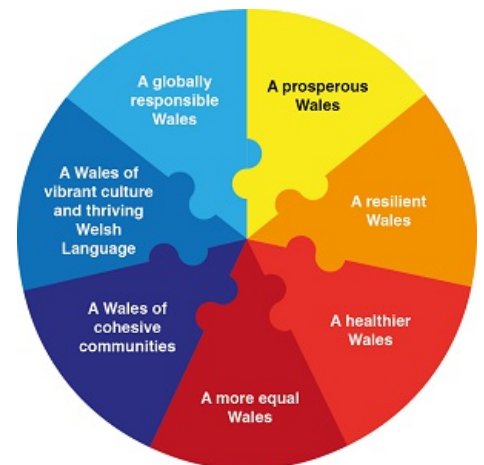
Summary for each Sustainable Development principle

Long term	The impact of this report is neutral in this particular area.
Prevention	The impact of this report is neutral in this particular area.
Integration	The impact of this report is neutral in this particular area.
Collaboration	The impact of this report is neutral in this particular area.
Involvement	The impact of this report is neutral in this particular area.

Summary of impact

Well-being Goals

A prosperous Denbighshire	Positive
A resilient Denbighshire	Positive
A healthier Denbighshire	Neutral
A more equal Denbighshire	Neutral
A Denbighshire of cohesive communities	Neutral
A Denbighshire of vibrant culture and thriving Welsh language	Neutral
A globally responsible Denbighshire	Neutral



Main conclusions

An effective Treasury Management strategy ensures that the Council's investment and borrowing decisions will contribute towards the goal of maximising income and minimising costs which supports efficient service delivery.

Evidence to support the Well-being Impact Assessment

- We have consulted published research or guides that inform us about the likely impact of the proposal
- We have involved an expert / consulted a group who represent those who may be affected by the proposal
- We have engaged with people who will be affected by the proposal

THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

A prosperous Denbighshire

Overall Impact	Positive
Justification for impact	An effective Treasury Management strategy ensures that the Council's investment and borrowing decisions will contribute towards the goal of maximising income and minimising costs which supports efficient service delivery.
Further actions required	Sound financial planning and efficient long term treasury management strategies ensure that the positive impact of this report on the County's prosperity is maximised.

Positive impacts identified:

A low carbon society	
Quality communications, infrastructure and transport	Financial planning and decision making ensures that proper consideration of the long term impact of financial decisions is given, including the payback period and whole life costs of capital investment decisions, properly impact assessed budget proposals and long term debt and investment (treasury management) strategies.
Economic development	The Treasury Management strategy and Prudential Indicators ensure that the Council's cash is safeguarded as much as possible by making investments in banks recommended in the annual strategy statement.
Quality skills for the long term	The strategy ensures that the Council's borrowing is monitored and is within set limits and is affordable. It identifies current financing requirements for the Capital Plan and estimates the proposed capital requirements for the next three financial years.
Quality jobs for the long term	Sound investment and borrowing decisions relating to the Council's cash will maximise the Council's income within the guidelines set in the Treasury Management strategy.
Childcare	The Prudential Indicators are a statutory requirement which demonstrate the affordability of our plans and contribute towards the overall financial wellbeing of Denbighshire.

Negative impacts identified:

A low carbon society	
Quality communications, infrastructure and transport	
Economic development	
Quality skills for the long term	
Quality jobs for the long term	
Childcare	

A resilient Denbighshire

Overall Impact	Positive	Tudalen 47
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Justification for impact	A sound Treasury Management strategy ensures that the Council's cash is secure and new borrowing is affordable. It also enables the Council to react quickly to market volatility by continual monitoring of the financial institutions throughout the year.
Further actions required	Good investment decisions will help the Council to develop more efficient working practices which will use less resources which will help to maximise the positive impact of this report on the County's resilience.

Positive impacts identified:

Biodiversity and the natural environment	
Biodiversity in the built environment	
Reducing waste, reusing and recycling	Good investment decisions will help the Council to develop more efficient working practices which will use less resources.
Reduced energy/fuel consumption	The strategy is set at the start of the financial year but it is monitored carefully throughout the year to ensure that the Council reacts quickly to any market volatility and the impact on the banking institutions.
People's awareness of the environment and biodiversity	
Flood risk management	

Negative impacts identified:

Biodiversity and the natural environment	
Biodiversity in the built environment	
Reducing waste, reusing and recycling	
Reduced energy/fuel consumption	
People's awareness of the environment and biodiversity	
Flood risk management	

A healthier Denbighshire

Overall Impact	Neutral
Justification for impact	Proposals have little or no direct impact on the vast majority of residents as the strategy involves managing the Council's investments and borrowing.
Further actions required	The impact of this report is neutral in this particular area so this is not applicable.

Positive impacts identified:

A social and physical environment that encourage and support health and well-being	
Access to good quality, healthy food	
People's emotional and mental well-being	
Access to healthcare	
Participation in leisure opportunities	The strategy contributes to the overall financial health of Denbighshire and therefore supports the delivery of the annual budget.

Negative impacts identified:

A social and physical environment that encourage and support health and well-being	
Access to good quality, healthy food	
People's emotional and mental well-being	
Access to healthcare	
Participation in leisure opportunities	

A more equal Denbighshire

Overall Impact	Neutral
Justification for impact	A good treasury management strategy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority without impacting on residents.
Further actions required	The impact of this report is neutral in this particular area so this is not applicable.

Positive impacts identified:

Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation	
People who suffer discrimination or disadvantage	
People affected by socio-economic disadvantage and unequal outcomes	An efficient treasury management strategy contributes to the financial resilience of the Council and supports service delivery.
Areas affected by socio-economic disadvantage	

Negative impacts identified:

Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation	
People who suffer discrimination or disadvantage	
People affected by socio-economic disadvantage and unequal outcomes	
Areas affected by socio-economic disadvantage	

Overall Impact	Neutral
Justification for impact	A good treasury management strategy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority without impacting on residents.
Further actions required	The impact of this report is neutral in this particular area so this is not applicable.

Positive impacts identified:

Safe communities and individuals	
Community participation and resilience	
The attractiveness of the area	
Connected communities	
Rural resilience	

Negative impacts identified:

Safe communities and individuals	
Community participation and resilience	
The attractiveness of the area	
Connected communities	
Rural resilience	

A Denbighshire of vibrant culture and thriving Welsh language

Overall Impact	Neutral
Justification for impact	A good treasury management strategy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority. It has no direct impact on the language and the culture because any treasury management decisions are based on the treasury strategy and advice from financial consultants.
Further actions required	The impact of this report is neutral in this particular area so this is not applicable.

Positive impacts identified:

People using Welsh	
Promoting the Welsh language	
Culture and heritage	

Negative impacts identified:

People using Welsh	
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Promoting the Welsh language	
Culture and heritage	

A globally responsible Denbighshire

Overall Impact	Neutral
Justification for impact	A good treasury management strategy contributes to the overall financial resilience of the Council and supports the on-going work of the Authority. It has no direct impact on the local area.
Further actions required	The impact of this report is neutral in this particular area so this is not applicable.

Positive impacts identified:

Local, national, international supply chains	
Human rights	All investments are undertaken from national institutions in line with the strategy and financial advice. The strategy determines the institutions with the minimum credit rating which the Authority is permitted to invest with.
Broader service provision in the local area or the region	All borrowing is undertaken from central Government as detailed in the strategy and in line with other local authorities.
Reducing climate change	

Negative impacts identified:

Local, national, international supply chains	
Human rights	
Broader service provision in the local area or the region	
Reducing climate change	

Adroddiad i'r Pwyllgor Llywodraethu ac Archwilio

Dyddiad y cyfarfod 28 Gorffennaf 2021

Aelod Arweiniol / Swyddog Julian Thompson Hill

Awdur yr Adroddiad Steve Gadd, Pennaeth Cyllid ac Eiddo

Teitl Ymholiadau Archwilio 2020/21

1. Am beth mae'r adroddiad yn sôn?

I gyflwyno Llythyr Ymholiadau Archwilio ac ymateb y Cyngor i'r ymholiadau hynny.

2. Beth yw'r rheswm dros lunio'r adroddiad hwn?

Mae gan Swyddfa Archwilio Cymru, fel archwilwyr allanol penodedig CSDd, ddyletswydd i gasglu tystiolaeth am sut mae rheolwyr a'r unigolion hynny sydd â chyfrifoldeb dros lywodraethu (y Pwyllgor Llywodraethu ac Archwilio yn CSDd) yn cyflawni eu dyletswyddau i atal a chanfod twyll. Mae'r llythyr yn nodi'r gofynion a manylion yr ymatebion wedi'u cynnwys yn **Atodiad 1 a 2**.

3. Beth yw'r Argymhellion?

Bod Cadeirydd y Pwyllgor Llywodraethu Corfforaethol yn cadarnhau yn ffurfiol yr ymatebion sydd wedi'u cynnwys yn Atodiad 2 i'r adroddiad hwn.

4. Manylion yr Adroddiad

Mae ymatebion y rheolwr (Steve Gadd, Pennaeth Cyllid ac Eiddo) a'r Pwyllgor Llywodraethu ac Archwilio (Cynghorydd Barry Mellor, Cadeirydd y Pwyllgor) wedi'u nodi yn Atodiad 2. I grynhoi, mae'r ymatebion yn nodi ymagwedd y Cyngor tuag at y meysydd canlynol o lywodraethu:

- Prosesau rheoli sydd ar waith i adnabod a lliniaru yn erbyn y risg o dwyll.

- Ymwybyddiaeth o unrhyw achosion gwirioneddol neu honedig o dwyll.
- Prosesau i gael sicrwydd y cydymffurfiwyd â'r holl gyfreithiau a rheoliadau perthnasol.
- A oes unrhyw ymglyfreithiad posibl neu hawliadau a fyddai'n effeithio ar y datganiadau ariannol.
- Prosesau i adnabod, awdurdodi, cymeradwyo, cyfrif am a datgelu trafodion partïon cysylltiedig a pherthnasoedd.

5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?

Mae'r broses archwilio allanol flynyddol yn sail i stiwardiaeth a llywodraethu ariannol y Cyngor ac felly mae'n cefnogi holl wasanaethau a blaenoriaethau'r Cyngor.

6. Faint fydd hyn yn ei gostio a sut y bydd yn effeithio ar wasanaethau eraill?

Does dim costau ychwanegol yn codi o ganlyniad i'r adroddiad hwn.

7. Beth yw prif gasgliadau'r Aseiad o'r Effaith ar Les?

Barn broffesiynol y Swyddog Adran 151 yw nad oes angen Aseiad o'r Effaith ar Les ar gyfer yr adroddiad hwn.

8. Pa ymgynghoriadau sydd wedi'u cynnal gyda Chraffu ac eraill?

Gofynnodd Swyddfa Archwilio Cymru am ymatebion gan Steve Gadd fel Pennaeth Cyllid ac Eiddo a Swyddog Adran 151 a'r Cynghorydd Barry Mellor fel Cadeirydd y Pwyllgor Llywodraethu ac Archwilio.

9. Datganiad y Prif Swyddog Cyllid

Mae'n bwysig fod y Cyngor yn cyflawni ei gyfrifoldeb dros atal a chanfod twyll ym mhob agwedd o'i waith. Mae'r sicrwydd y mae Swyddfa Archwilio Cymru yn ei geisio mewn cysylltiad â thwyll yn ffurfio gwiriad defnyddiol i sicrhau bod prosesau priodol ar waith i adnabod a lliniaru yn erbyn y risg o dwyll.

10. Pa risgiau sydd ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?

Y risg yw y gallai twyll arwain at gamddefnyddio asedau'r Cyngor neu gamddefnyddio neu gam-fynegi datganiadau ariannol. Mae'r ymatebion gan reolwyr a'r Pwyllgor Llywodraethu ac Archwilio yn helpu i ddangos fod prosesau ar waith er mwyn adnabod ac ymateb i'r risg o dwyll a bod digon o reolaethau mewnol ar waith i liniaru'r risgiau hynny.

11. Pŵer i wneud y Penderfyniad

Mae'r Safon Ryngwladol ar Archwilio (Y DU ac Iwerddon) 240 (ISA 240) yn nodi mai'r rheolwyr a'r 'rheini sydd yng ngofal llywodraethu', sef y Pwyllgor Llywodraethu Corfforaethol yng Nghyngor Sir Ddinbych, sydd yn bennaf gyfrifol am atal a chanfod twyll. Mae ISA 240 yn nodi'r gofyniad am archwiliad allanol i gael dealltwriaeth o sut mae'r Cyngor yn cyflawni ei gyfrifoldebau.

Mae tudalen hwn yn fwriadol wag

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Reference: CGC/ME/DCC
Date: 3 March 2021

Mr Steve Gadd – Chief Finance Officer (S151)
Mr Barry Mellor – Chair of the Corporate Governance Committee
Via email

Dear Steve and Councillor Mellor

Denbighshire County Council 2020-21

Audit enquiries to those charged with governance and management

As I'll set out in my 2021 Audit Plan, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. It will also sets out the respective responsibilities of auditors, management and those charged with governance.

This letter formally seeks documented consideration and understanding on a number of governance areas that impact on my audit of your financial statements. These considerations are relevant to both the management of Denbighshire County Council (the Council) and 'those charged with governance' (the Corporate Governance Committee).

I have set out below the areas of governance on which I am seeking views.

1. Management processes in relation to:
 - Undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud

- Identifying and responding to risks of fraud in the organisation
 - Communication to employees of views on business practice and ethical behaviour; and
 - Communication to those charged with governance the processes for identifying and responding to fraud
2. Management's awareness of any actual or alleged instances of fraud
 3. How management gain assurance that all relevant laws and regulations have been complied with.
 4. Whether there is any potential litigation or claims that would affect the financial statements.
 5. Managements processes to identify, authorise, approve, account for and disclose related party transactions and relationships.

The information you provide will inform our understanding of the Council and its business processes and support our work in providing an audit opinion on your 2020-21 financial statements.

I would be grateful if you could complete the attached tables covering the period 1 April 2020 to 31 March 2021 in **Appendices 1 – 3** and return by 30 April 2021. For information purposes, where applicable, this table also includes the responses provided in 2019-20.

Your responses should be formally considered and communicated to us on behalf of both management and those charged with governance. If you have queries, please contact me on 02920 320663 or by email at matthew.edwards@audit.wales.

Yours sincerely



Matthew Edwards
Audit Manager

Cc: Gary Williams – Head of Legal, HR and Democratic Services

Appendix 1

Matters in relation to fraud

International Standard for Auditing (UK and Ireland) 240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance'. Management, with the oversight of those charged with governance, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets (cash, property, etc); or
- the intentional manipulation or misstatement of the financial statements.

Please contact us in Welsh or English / cysylltwch â ni'n Gymraeg neu'n Saesneg.

We also need to understand how those charged with governance exercises oversight of management's processes. We are also required to make enquiries of both management and those charged with governance as to their knowledge of any actual, suspected or alleged fraud, for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
<p>1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?</p>	<p>Low Risk – reasons set out below:</p> <ul style="list-style-type: none"> • Checks and balances in place within Finance and financial systems. • All entries and notes within the published statements are subject to a tight control and checking process. • Financial systems subject to annual internal audit reviews. • Segregation of duties built into systems and procedures. • Bank reconciliation process separate from other activity. • Monthly closedown processes and robust budget monitoring and reporting. • Well defined procurement processes – contract procedure rules. • Delegation schemes and approval processes built into ordering and payment systems. • Expenditure approval processes linked to the above – thresholds set within delegation schemes. • Tight controls over journal processing • Treasury management policies and procedures well established with clear segregation built into the investment and payment processes. • Minimal cash transactions. • Professionally qualified and experienced staff. • National Fraud Initiative (NFI) participation. • Internal Audit provides an objective review of financial systems and procedures. 	

Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
<p>2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?</p>	<p>Council has the following procedures in place, and these are kept un regular review.</p> <ul style="list-style-type: none"> • Anti-fraud & corruption policy. • Investigation procedures. • Whistle-blowing policy. • IA programme of work-based risk assessment. • IA projects consider potential for fraud and carry out appropriate tests. • Horizon scanning by the Head of Internal Audit to identify trends in frauds to develop a corporate fraud plan. • Financial systems reviews include annual data interrogation of payroll and creditor payments records. • Systems and procedures / checks and balances in Finance. • Reporting benefit and CT Fraud • National Fraud Initiative data matching and resulting investigations. • Internal Audit perform objective review of financial systems and procedures. 	
<p>3. What arrangements are in place to report fraud issues and risks to the Audit and Governance Committee?</p>	<ul style="list-style-type: none"> • Requirement to report to the Chief Internal Auditor and Section 151 Officer in Financial Regulations and Disciplinary procedures. • Corporate Governance and Audit Committee's terms of reference include requirement for annual report on fraud work. 	

Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
	<ul style="list-style-type: none"> • Internal Audit reports will raise issues as appropriate or escalate them for further formal investigation. • Issues would also be raised in the Annual Governance Statements if they identified a particular governance weakness. • Quarterly counter fraud updates to Corporate Governance and Audit Committee summarising progress with investigations and outcomes as part of Internal Audit update reports. • Internal Audit reviewed the Council's fraud management arrangements against CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. Summary of the two reports highlighting fraud risks and issues were presented to Corporate Governance and Audit Committee as part of the Internal Audit update reports. Members also received a copy of the full reports separately. 	
<p>4. How has management communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?</p>	<p>Management have communicated expectations in respect of ethical governance and standards of conduct and behaviour via:</p> <ul style="list-style-type: none"> • References in the Constitution • Financial Regulations • Code of Conduct (members and staff) 	

Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
	<ul style="list-style-type: none"> • Declaration of interests / related party declaration • Policies and procedures, financial procedures • Some services have specific codes of confidentiality / declaration of interest • E-Learning module on Code of Conduct and Whistleblowing recently rolled out and mandatory completion for staff and forms part of induction process. 	
5. Are you aware of any instances of actual, suspected or alleged fraud within the audited body since 1 April 2020?	<p>All known or suspected fraud that Internal Audit have been made aware of have been investigated, records maintained, and Corporate Governance and Audit Committee are updated quarterly as part of the Internal Audit progress update.</p> <p>Although there have been individual investigations carried out by Internal Audit, there have been no material level frauds identified.</p>	

Enquiries of those charged with governance – in relation to fraud

Question	2019-20 Response	2020-21 Response
1. How does the Audit and Governance Committee exercise oversight of management's processes for identifying and responding to the risks of fraud within	The Corporate Governance and Audit Committee receive regular Internal Audit Progress Reports which includes control weaknesses identified in the Council's	

Please contact us in Welsh or English / Cysylltwch â ni'n Gymraeg neu'n Saesneg.

Enquiries of those charged with governance – in relation to fraud

Question	2019-20 Response	2020-21 Response
the audited body and the internal control that management has established to mitigate those risks?	processes and procedures. Members of the Committee are able to call Officers to the Committee for explanations / assurances.	
2. Are you aware of any instances of actual, suspected or alleged fraud with the audited body since 1 April 2020?	Internal Audit update reports give quarterly updates of the actual, suspected or alleged fraud that Internal Audit is made aware of.	

Appendix 2

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, is responsible for ensuring that the Council's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management as to whether the Council is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance, we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Enquiries of management – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
1. How have you gained assurance that all relevant laws and regulations have been complied with?	The Corporate Governance and Audit Committee receive regular Internal Audit Progress Reports which includes control weaknesses identified in the Council's processes and procedures. Members of the Committee are able to call Officers to the Committee for explanations / assurances.	
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1 April 2020, or earlier with an ongoing impact on the 2020-21 financial statements?	Internal Audit update reports give quarterly updates of the actual, suspected or alleged fraud that Internal Audit is made aware of.	
3. Are there any potential litigations or claims that would affect the financial statements?	The Corporate Governance and Audit Committee receive regular Internal Audit Progress Reports which includes control weaknesses identified in the Council's processes and procedures. Members of the Committee are able to call Officers to the Committee for explanations / assurances.	
4. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	Internal Audit update reports give quarterly updates of the actual, suspected or alleged fraud that Internal Audit is made aware of.	

Enquiries of those charged with governance – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
1. How does the Audit and Governance Committee in its role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?	Through numerous reports throughout the year from both internal and external regulators and assurance provided through the governance framework underpinned by council standing orders, financial regulations and other key policies. The Annual Governance Statement also gives assurance in this regard.	
2. Are you aware of any instances of non-compliance with relevant laws and regulations?	No. The CG&AC is not aware of any non-compliance with relevant laws and regulations. Any such instances would be reported to the Committee.	

Appendix 3

Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Enquiries of management – in relation to related parties

Question	2019-20 Response	2020-21 Response
<p>1. Confirm that you have disclosed to the auditor:</p> <ul style="list-style-type: none"> • the identity of any related parties, including changes from the prior period; • the nature of the relationships with these related parties; • details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions. 	<p>The Statement of Accounts discloses the identity of related parties and is compliant with the requirements of the CIPFA code of accounting practice.</p>	
<p>2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<ul style="list-style-type: none"> • Declaration of interest forms and related party disclosure forms • Disclosures included within the statement of accounts (Head of Finance and Property) • Draft accounts reviewed by the CGC • Policies, procedures and controls around the authorisation of any expenditure are well controlled, as evidenced in regulatory reports. 	

Enquiries of the those charged with governance – in relation to related parties

Question	2019-20 Response	2020-21 Response
1. How does the Audit and Governance Committee in its role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?	The Corporate Governance and Audit Committee receive the Statement of Accounts and seek assurances from officers regarding their accuracy. Members are able to challenge / query any aspect of the statement of accounts. Independent assurance is provided by regulators supporting the robustness of internal control systems with respect to individual transactions.	

Mae tudalen hwn yn fwiadol wag

Appendix 1

Matters in relation to fraud

International Standard for Auditing (UK and Ireland) 240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance'. Management, with the oversight of those charged with governance, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets (cash, property, etc); or
- the intentional manipulation or misstatement of the financial statements.

We also need to understand how those charged with governance exercises oversight of management's processes. We are also required to make enquiries of both management and those charged with governance as to their knowledge of

any actual, suspected or alleged fraud, for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
<p>1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?</p>	<p>Low Risk – reasons set out below:</p> <ul style="list-style-type: none"> • Checks and balances in place within Finance and financial systems. • All entries and notes within the published statements are subject to a tight control and checking process. • Financial systems subject to annual internal audit reviews. • Segregation of duties built into systems and procedures. • Bank reconciliation process separate from other activity. • Monthly closedown processes and robust budget monitoring and reporting. • Well defined procurement processes – contract procedure rules. • Delegation schemes and approval processes built into ordering and payment systems. • Expenditure approval processes linked to the above – thresholds set within delegation schemes. • Tight controls over journal processing • Treasury management policies and procedures well established with clear segregation built into the investment and payment processes. • Minimal cash transactions. • Professionally qualified and experienced staff. • National Fraud Initiative (NFI) participation. • Internal Audit provides an objective review of financial systems and procedures. 	<p>Low Risk – reasons set out below:</p> <ul style="list-style-type: none"> • Checks and balances in place within Finance and financial systems. • All entries and notes within the published statements are subject to a tight control and checking process. • Financial systems subject to annual internal audit reviews. • Segregation of duties built into systems and procedures. • Bank reconciliation process separate from other activity. • Robust monthly budget monitoring and reporting. • Well defined procurement processes – contract procedure rules. • Delegation schemes and approval processes built into ordering and payment systems. • Expenditure approval processes linked to the above – thresholds set within delegation schemes. • Tight controls over journal processing • Treasury management policies and procedures well established with clear segregation built into the investment and payment processes. • Minimal cash transactions. • Professionally qualified and experienced staff. • National Fraud Initiative (NFI) participation. • Internal Audit provides an objective review of financial systems and procedures. • Current review of guidance on use of purchasing cards

Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
<p>2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?</p>	<p>Council has the following procedures in place, and these are kept under regular review.</p> <ul style="list-style-type: none"> • Anti-fraud & corruption policy. • Investigation procedures. • Whistle-blowing policy. • IA programme of work-based risk assessment. • IA projects consider potential for fraud and carry out appropriate tests. • Horizon scanning by the Head of Internal Audit to identify trends in frauds to develop a corporate fraud plan. • Financial systems reviews include annual data interrogation of payroll and creditor payments records. • Systems and procedures / checks and balances in Finance. • Reporting benefit and CT Fraud • National Fraud Initiative data matching and resulting investigations. • Internal Audit perform objective review of financial systems and procedures. 	<p>Council has the following procedures in place, and these are kept under regular review.</p> <ul style="list-style-type: none"> • Anti-fraud & corruption policy. • Investigation procedures. • Whistle-blowing policy. • IA programme of work-based risk assessment. • IA projects consider potential for fraud and carry out appropriate tests. • Horizon scanning by the Head of Internal Audit to identify trends in frauds to develop a corporate fraud plan. • Financial systems reviews include annual data interrogation of payroll and creditor payments records. • Systems and procedures / checks and balances in Finance. • Reporting benefit and CT Fraud • National Fraud Initiative data matching and resulting investigations. • Internal Audit perform objective review of financial systems and procedures. • Risk of fraud captured in the corporate risk register and service risk registers where perceived to be a fraud risk. This includes mitigating controls relevant to the risk.

Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
<p>3. What arrangements are in place to report fraud issues and risks to the Audit and Governance Committee?</p>	<ul style="list-style-type: none"> • Requirement to report to the Chief Internal Auditor and Section 151 Officer in Financial Regulations and Disciplinary procedures. • Corporate Governance and Audit Committee's terms of reference include requirement for annual report on fraud work. • Internal Audit reports will raise issues as appropriate or escalate them for further formal investigation. • Issues would also be raised in the Annual Governance Statements if they identified a particular governance weakness. • Quarterly counter fraud updates to Corporate Governance and Audit Committee summarising progress with investigations and outcomes as part of Internal Audit update reports. • Internal Audit reviewed the Council's fraud management arrangements against CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. Summary of the two reports highlighting fraud risks and issues were presented to Corporate Governance and Audit Committee as part of the Internal Audit update reports. Members also received a copy of the full reports separately. 	<ul style="list-style-type: none"> • Requirement to report to the Chief Internal Auditor and Section 151 Officer in Financial Regulations and Disciplinary procedures. • Governance and Audit Committee's terms of reference include requirement for annual report on fraud work. • Internal Audit reports will raise issues as appropriate or escalate them for further formal investigation. • Issues would also be raised in the Annual Governance Statements if they identified a particular governance weakness. • Quarterly counter fraud updates to Governance and Audit Committee summarising progress with investigations and outcomes as part of Internal Audit update reports. • Internal Audit reviewed the Council's fraud management arrangements against CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. Summary of the two reports highlighting fraud risks and issues were presented to Governance and Audit Committee as part of the Internal Audit update reports. Members also received a copy of the full reports separately.

Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
<p>4. How has management communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?</p>	<p>Management have communicated expectations in respect of ethical governance and standards of conduct and behaviour via:</p> <ul style="list-style-type: none"> • References in the Constitution • Financial Regulations • Code of Conduct (members and staff) • Declaration of interests / related party declaration • Policies and procedures, financial procedures • Some services have specific codes of confidentiality / declaration of interest • E-Learning module on Code of Conduct and Whistleblowing recently rolled out and mandatory completion for staff and forms part of induction process. 	<p>Management have communicated expectations in respect of ethical governance and standards of conduct and behaviour via:</p> <ul style="list-style-type: none"> • References in the Constitution • Financial Regulations • Code of Conduct (members and staff) • Declaration of interests / related party declaration • Policies and procedures, financial procedures • Some services have specific codes of confidentiality / declaration of interest • E-Learning module on Code of Conduct and Whistleblowing recently rolled out and mandatory completion for staff and forms part of induction process.
<p>5. Are you aware of any instances of actual, suspected or alleged fraud within the audited body since 1 April 2020?</p>	<p>All known or suspected fraud that Internal Audit have been made aware of have been investigated, records maintained, and Corporate Governance and Audit Committee are updated quarterly as part of the Internal Audit progress update.</p> <p>Although there have been individual investigations carried out by Internal Audit, there have been no material level frauds identified.</p>	<p>All known or suspected fraud that Internal Audit have been made aware of have been investigated, records maintained, and Corporate Governance and Audit Committee are updated quarterly as part of the Internal Audit progress update.</p> <p>Although there have been individual investigations carried out by Internal Audit, there have been no material level frauds identified.</p>

Enquiries of those charged with governance – in relation to fraud

Question	2019-20 Response	2020-21 Response
1. How does the Audit and Governance Committee exercise oversight of management's processes for identifying and responding to the risks of fraud within the audited body and the internal control that management has established to mitigate those risks?	The Corporate Governance and Audit Committee receive regular Internal Audit Progress Reports which includes control weaknesses identified in the Council's processes and procedures. Members of the Committee are able to call Officers to the Committee for explanations / assurances.	<p>The Governance and Audit Committee receive regular Internal Audit Progress Reports which includes control weaknesses identified in the Council's processes and procedures. Members of the Committee are able to call Officers to the Committee for explanations / assurances.</p> <p>Governance & Audit Committee have a role in reviewing the Strategy for the Prevention & Detection of Fraud, Corruption & Bribery and Fraud Response Plan.</p> <p>Governance & Audit Committee maintains oversight of the Corporate Risk Register which includes a corporate risk relating to fraud.</p>
2. Are you aware of any instances of actual, suspected or alleged fraud with the audited body since 1 April 2020?	Internal Audit update reports give quarterly updates of the actual, suspected or alleged fraud that Internal Audit is made aware of.	Internal Audit update reports give quarterly updates of the actual, suspected or alleged fraud that Internal Audit is made aware of.

Appendix 2

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, is responsible for ensuring that the Council's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management as to whether the Council is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance, we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Enquiries of management – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
1. How have you gained assurance that all relevant laws and regulations have been complied with?	The Corporate Governance and Audit Committee receive regular Internal Audit Progress Reports which includes control weaknesses identified in the Council's processes and procedures. Members of the Committee are able to call Officers to the Committee for explanations / assurances.	The Governance and Audit Committee receive regular Internal Audit Progress Reports which includes control weaknesses identified in the Council's processes and procedures. Members of the Committee are able to call Officers to the Committee for explanations / assurances.
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1 April 2020, or earlier with an ongoing impact on the 2020-21 financial statements?	Internal Audit update reports give quarterly updates of the actual, suspected or alleged fraud that Internal Audit is made aware of.	Internal Audit update reports give quarterly updates of the actual, suspected or alleged fraud that Internal Audit is made aware of.
3. Are there any potential litigations or claims that would affect the financial statements?	The Corporate Governance and Audit Committee receive regular Internal Audit Progress Reports which includes control weaknesses identified in the Council's processes and procedures. Members of the Committee are able to call Officers to the Committee for explanations / assurances.	The Governance and Audit Committee receive regular Internal Audit Progress Reports which includes control weaknesses identified in the Council's processes and procedures. Members of the Committee are able to call Officers to the Committee for explanations / assurances.
4. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	Internal Audit update reports give quarterly updates of the actual, suspected or alleged fraud that Internal Audit is made aware of.	Internal Audit update reports give quarterly updates of the actual, suspected or alleged fraud that Internal Audit is made aware of.

Enquiries of those charged with governance – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
<p>1. How does the Audit and Governance Committee in its role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?</p>	<p>Through numerous reports throughout the year from both internal and external regulators and assurance provided through the governance framework underpinned by council standing orders, financial regulations and other key policies. The Annual Governance Statement also gives assurance in this regard.</p>	<p>Through numerous reports throughout the year from both internal and external regulators and assurance provided through the governance framework underpinned by council standing orders, financial regulations and other key policies. The Annual Governance Statement also gives assurance in this regard.</p>
<p>2. Are you aware of any instances of non-compliance with relevant laws and regulations?</p>	<p>No. The CG&AC is not aware of any non-compliance with relevant laws and regulations. Any such instances would be reported to the Committee.</p>	<p>No. The G&AC is not aware of any non-compliance with relevant laws and regulations. Any such instances would be reported to the Committee.</p>

Appendix 3

Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Enquiries of management – in relation to related parties

Question	2019-20 Response	2020-21 Response
<p>1. Confirm that you have disclosed to the auditor:</p> <ul style="list-style-type: none"> • the identity of any related parties, including changes from the prior period; • the nature of the relationships with these related parties; • details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions. 	<p>The Statement of Accounts discloses the identity of related parties and is compliant with the requirements of the CIPFA code of accounting practice.</p>	<p>The Statement of Accounts discloses the identity of related parties and is compliant with the requirements of the CIPFA code of accounting practice.</p>
<p>2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<ul style="list-style-type: none"> • Declaration of interest forms and related party disclosure forms • Disclosures included within the statement of accounts (Head of Finance and Property) • Draft accounts reviewed by the CGC • Policies, procedures and controls around the authorisation of any expenditure are well controlled, as evidenced in regulatory reports. 	<ul style="list-style-type: none"> • Declaration of interest forms and related party disclosure forms • Related Party forms now online submissions which has improved the timeliness of returns and help ensure a complete set of returns • Disclosures included within the statement of accounts (Head of Finance and Property) • Draft accounts reviewed by the G&AC • Policies, procedures and controls around the authorisation of any expenditure are well controlled, as evidenced in regulatory reports.

Enquiries of the those charged with governance – in relation to related parties

Question	2019-20 Response	2020-21 Response
<p>1. How does the Audit and Governance Committee in its role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>The Corporate Governance and Audit Committee receive the Statement of Accounts and seek assurances from officers regarding their accuracy. Members are able to challenge / query any aspect of the statement of accounts. Independent assurance is provided by regulators supporting the robustness of internal control systems with respect to individual transactions.</p>	<p>The Governance and Audit Committee receive the Statement of Accounts and seek assurances from officers regarding their accuracy. Members are able to challenge / query any aspect of the statement of accounts. Independent assurance is provided by regulators supporting the robustness of internal control systems with respect to individual transactions.</p>

Mae tudalen hwn yn fwiadol wag

Adroddiad i	Pwyllgor Llywodraethu ac Archwilio
Dyddiad y cyfarfod	28 Gorffennaf 2021
Aelod Arweiniol/Swyddog	Y Cyng. Julian Thompson Hill Gary Williams – Pennaeth Gwasanaethau Cyfreithiol, AD a Democrataidd Steve Gadd – Pennaeth Gwasanaethau Cyllid ac Eiddo
Awdur yr adroddiad	Lisa Lovegrove – Prif Archwilydd Mewnol
Teitl	Strategaeth Atal a Chanfod Twyll, Llygredigaeth a Llwgrwobrwyo a'r Cynllun Ymateb i Dwyll

1. Am beth mae'r adroddiad yn sôn?

- 1.1. Mae'r Cyngor yn cymryd ei gyfrifoldebau o ran diogelu pwrs y wlad o ddifri ac mae wedi ymrwymo i ddiogelu'r cronfeydd cyhoeddus y mae'n eu gweinyddu. Mae'r strategaeth a'r fframwaith hwn yn nodi ymrwymiad y Cyngor i atal, canfod a rhwystro twyll a llygredd.
- 1.2. I roi gwybod i'r Pwyllgor am y newidiadau i'r Strategaeth Atal a Chanfod Twyll, Llygredigaeth a Llwgrwobrwyo a'r Cynllun Ymateb i Dwyll diwygiedig.

2. Beth yw'r rheswm dros lunio'r adroddiad hwn?

- 2.1. Mae lleiafu unrhyw golled yn sgil twyll a llygredigaeth yn rhan hanfodol o sicrhau bod holl adnoddau'r Cyngor yn cael eu defnyddio at y dibenion arfaethedig.
- 2.2. Mae'n bwysig bod strategaethau a chynlluniau gwrth-dwyll yn cael eu diweddarau i gefnogi ac arwain staff y Cyngor, gan sicrhau cydymffurfiaeth â chyfreithiau a rheoliadau a darparu canllawiau i wneud penderfyniadau a symleiddio prosesau mewnol.

3. Beth yw'r Argymhellion?

- 3.1. Darparu sylwadau ar y Strategaeth Atal a Chanfod Twyll, Llygredigaeth a Llwgwrwobrwyo a'r Cynllun Ymateb i Dwyll diwygiedig, a'u cyfeirio at y Cabinet i'w cymeradwyo.

4. Manylion yr Adroddiad

- 4.1. Mae'r Strategaeth Atal a Chanfod Twyll, Llygredigaeth a Llwgwrwobrwyo a'r Cynllun Ymateb i Dwyll yn rhan o fframwaith gwrth-dwyll y Cyngor, sef casgliad o bolisiau a gweithdrefnau cysylltiedig sy'n cynnwys cod ymddygiad, Rheoliadau Ariannol a Pholisi Rhannu Pryderon. Mae hefyd yn cynnwys polisiau a gweithdrefnau sydd wedi'u targedu'n benodol at atal twyll a llygredigaeth.
- 4.2. Pwrpas y strategaeth a'r Cynllun Ymateb i Dwyll yw darparu offeryn i reolwyr allu sicrhau cynnydd a thryloywder mewn perthynas â gweithgareddau gwrth-dwyll. Maent wedi'u dylunio i gryfhau gwytnwch y Cyngor a dangos ei fod yn diogelu ac yn stiwardio cronfeydd cyhoeddus.
- 4.3. Wrth ddatblygu'r strategaeth hon mae'r Cyngor wedi mabwysiadu'r egwyddorion arweiniol a geir yn "Ymladd Twyll a Llygredd yn Lleol", sef y strategaeth gwrth-dwyll a llygredigaeth ar gyfer y llywodraeth leol. Mae'n darparu glasbrint ar gyfer ymateb cydlynol i dwyll a llygredd sydd wedi'i gyflawni yn erbyn awdurdodau lleol gyda chymorth y rheiny ar y top.
- 4.4. Yn ogystal ag ymwneud â gweithgarwch i ganfod ac ymchwilio i dwyll a llygredigaeth, mae'r strategaeth hefyd yn nodi amcanion ar gyfer camau gweithredu rhagweithiol i rwystro ac atal twyll a llygredigaeth drwy ddatblygu diwylliant gwrth-dwyll a llygredigaeth yn barhaus.
- 4.5. Mae'r Cynllun Ymateb i Dwyll wedi'i ddiwygio i adlewyrchu prosesau presennol ac i gryfhau'r trefniadau i sicrhau bod yr holl bartïon perthnasol yn cael eu cynnwys ar bwyntiau allweddol ac i gynnwys aliniad gwell gyda pholisiau AD, yn arbennig y polisi disgyblu.

5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?

5.1. Mae gweithredu'r strategaeth a'r Cynllun Ymateb i Dwyll yn diogelu'r Cyngor yn erbyn colled drwy dwyll a llygredigaeth ac yn sicrhau bod adnoddau yn cael eu defnyddio at y dibenion arfaethedig.

6. Faint fydd hyn yn ei gostio a sut y bydd yn effeithio ar wasanaethau eraill?

6.1. Ni cheir goblygiadau ariannol yn sgil yr adroddiad hwn. Mae gweithredu'r strategaeth gwrth-dwyll a'r cynllun ymateb yn diogelu'r Cyngor yn erbyn colled drwy dwyll a llygredigaeth.

7. Beth yw prif gasgliadau'r Aseiad o'r Effaith ar Les?

7.1. Amherthnasol

8. Pa ymgynghoriadau sydd wedi'u cynnal gyda Chraffu ac eraill?

8.1. Ymgynghorwyd â Phennaeth y Gyfraith, Pennaeth Cyllid, AD a'r Uwch Dîm Arwain. Mae'r undebau llafur hefyd wedi'u hysbysu.

9. Datganiad y Prif Swyddog Cyllid

9.1. Amherthnasol – ni cheir goblygiadau ariannol uniongyrchol yn sgil yr adroddiad hwn.

10. Pa risgiau sydd ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?

10.1. Strategaeth a Chynllun Ymateb i Dwyll i liniaru a mynd i'r afael â'r perygl o dwyll. Mae'r strategaeth yn cynnwys cynllun gweithredu sy'n nodi camau gweithredu i leihau'r perygl o dwyll, llygredigaeth a llwgrwobrwyo.

11. Pŵer i wneud y Penderfyniad

11.1. Amherthnasol.

Mae tudalen hwn yn fwriadol wag

Strategy for the Prevention and Detection of Fraud, Corruption and Bribery v1.0

Version Control

Approved by	Date approved	Date implemented	Document owner	Review date
TBC				

This document is subject to regular review due to legislative and policy changes. The latest version of this document and associated Fraud Response Plan can be found on the Council's intranet.

Version No.	Date approved	Approved by	Amendment
V1.0	TBC	TBC	Revised strategy

Contents

Contents	3
Policy Statement	4
Introduction	5
Scope & Definitions	6
Objectives of the Strategy	7
Counter Fraud Approach	7
Counter Fraud Measures	8
Responsibilities	11
Reporting Fraud, Bribery and Corruption	15
Whistleblowing	15
Monitoring and review	15
Appendix A: Counter Fraud, Corruption & Bribery Action Plan	16
Appendix B Guide to Reporting Fraud, Corruption & Bribery	18
Appendix C: Fraud Risks	19

Policy Statement

Denbighshire County Council's governance framework ensures we conduct our business in line with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. It sets out clear expectation for behaviour and expectations including that all of us uphold the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

All elected Members and co-opted members will be expected to adhere to the "The Conduct of Members (Principles) (Wales) Order 2001". This Order adds to the seven Nolan principles set out above by including requirements in relation to Stewardship, Duty to Uphold the Law, and Equality and Respect.

This Policy is intended to cover fraud, theft, corruption and bribery. The Council does not and will not tolerate any form of fraud, corruption or bribery when undertaking any of its responsibilities

The Council will prevent fraud, corruption and bribery by designing and formulating proportionate policies and systems to minimise risk.

The Council will continue to promote the detection and investigation of fraud, corruption and bribery including the application of robust, effective sanctions and recovery procedures where it is identified.

The Council recognises that bribery is a criminal offence. The Council does not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor will it, accept bribes or improper inducements. To use a third party as a conduit to channel bribes to others is a criminal offence.

The Council does not, and will not, engage indirectly in or otherwise encourage bribery. The Council is committed to the prevention, deterrence and detection of bribery and adopts a position of zero tolerance towards bribery.

Introduction

Fraud and corruption is detrimental to the provision of services, diverting scarce resource from the public purse. It is also damaging to the reputation of, and confidence in, the Council, and public bodies in general, **and the morale of those who work for them.**

This Strategy for the Prevention and Detection of Fraud, Corruption & Bribery is one part of a framework of arrangements in place to prevent fraud and wrongdoing. These include the Whistleblowing Policy and Anti-Money Laundering Policy. Other parts of the governance framework also contribute to prevent fraud and promote ethical behaviour, such as the Code of Conduct for Members, Code of Conduct for Staff, Register of Interests, Declaration of Gifts and Hospitality, Financial Regulations, Contract Procedure Rules, Human Resource (HR) policies, our commitment to transparency and the Risk Management Framework.

The Council gives out the clear message that it will not tolerate any impropriety by employees, elected Members, **suppliers, contractors, customers** or any third party. This Strategy outlines the approach the Council will take to combat fraud and corruption and it has the full support of Members and the Council's **Senior** Leadership Team.

Scope & Definitions

This Strategy covers all business, activities and transactions undertaken either by the Council or on its behalf. It applies to all Members and all those who work for or with the Council to include employees, agency staff, consultants, contractors, partners and volunteers. **The Council also expects those it contracts, funds and partners to have their own equivalent arrangements in place to counter fraud and corruption.**

The Strategy has regard to the provisions of the Fraud Act 2006, the Bribery Act 2010, Theft Act 1968, Proceeds of Crime Act 2002, Regulation of Investigatory Powers Act (RIPA) 2000, Identity Documentation Act 2010, Prevention of Social Housing Fraud Act 2013, Criminal Attempts Act 1981, Misrepresentation Act 1967, together with best practice such as CIPFA's "Managing the Risk of Fraud and Corruption".

Fraud and Corruption is the general name given to any acts of fraud, theft or bribery that occur or are attempted. Fraud, theft and bribery are each defined in law:

- Fraud:** Act of **deliberate deception with the intent to gain a benefit from that deception or cause a loss to someone else. This can include: deception by making a false statement, representation or claim; by deliberately withholding information or by abusing a position of trust for the individual's own personal benefit.**
- Theft:** **The taking of property that belongs to someone else, dishonestly and without permission with the intent to deprive them of it. Such as the taking of cash, stocks or assets like vehicles of equipment.**
- Bribery:** **The offering or acceptance of any form of incentive, money or other benefit, by an employee to do something that they know that they shouldn't such as award a contract to the bribing party or provide confidential or sensitive information to another.**

For the purposes of clarity and brevity the term "Fraud" is used in this document to describe all of the above.

Objectives of the Strategy

The objectives of this Strategy and the fraud response plan are to:

- Maintain and promote a zero-tolerance culture to fraud and corruption
- Protect public money and the council's finite resources and reducing losses from fraud and corruption to the minimum possible.
- Consistently detect incidents of fraud and then investigate and take robust action against those found to be committing such acts

Counter Fraud Approach

This Strategy is aligned to the CIPFA Counter Fraud Centre 'Fighting Fraud & Corruption Locally Strategy for the 2020s', which provides a blueprint for a tougher response to fraud and corruption perpetrated against local authorities. The Council adopts the five principles as per the 'Fighting Fraud & Corruption Locally Strategy for the 2020s' shown below:



Counter Fraud Measures

The Fighting Fraud and Corruption Locally Strategy for the 2020s are adopted for the purpose of this Strategy as follows:

Govern

- The Council has robust governance arrangements and uses a holistic approach to tackle fraud and corruption
- Fraud risks are managed at senior management level and are service specific.

Acknowledge

- The Council acknowledges the risk of fraud and internal audit has included proactive counter-fraud audits within its audit plan.
- Staff in Internal Audit receive training in order to comply with their professional standards. This includes counter-fraud training to maximise the Council's ability to prevent, detect and investigate fraud, corruption and bribery.
- The risk of fraud is assessed by officers and emerging risk where identified is considered by senior management and the Internal Audit team. These are captured as part of the Council's risk management arrangements and Internal Audit maintain a fraud risk register to inform audit plans with respect to proactive counter fraud reviews.

Prevent

- All staff, in particular managers, are expected to be mindful of the potential for fraud and corruption and to design and implement procedures to prevent, deter and detect fraud and corruption. Especially when planning new projects and their delivery, also when working with third parties, where the risk of fraud may be higher.
- Setting the appropriate culture and ethical standards starts at the very top of the organisation and is reinforced as part of induction arrangements for Members and

staff. The Council's e-learning modules cover the values and expected behaviour of staff with a separate module covering whistleblowing. The latter will be reviewed to encompass this Strategy and Fraud Response Plan

- Where disciplinary matters are identified during investigations, HR and management will be informed in order that they may take relevant action. Where appropriate, criminal prosecutions will be considered.
- When an investigation is carried out against an employee, if appropriate, the investigation report might be referred to and/or used in any future disciplinary proceedings.
- Publicise relevant counter fraud activity and criminal prosecutions in order to demonstrate the Council's zero-tolerance approach.
- Data sharing and use of information technology are employed. Internal Audit coordinates the National Fraud Initiative on behalf of the council, and uses NAFN (National Anti-Fraud Network) to identify the risk of fraud are where this may be taking place.

Pursue

- Appropriate sanctions will always be considered where fraud is identified, including criminal prosecution where this is in the public interest.
- The recovery of losses and any proceeds of crime will be considered in all appropriate cases.

Protect

- All necessary actions will be taken, including working with other local authorities, to protect the Council from organised fraud and corruption.
- Where weaknesses are identified through a service review, feedback from staff,

internal audit or incident occurring, the responsible manager must put in place immediate action to strengthen the system(s) affected.

- Fraud prevention measures, a key element in protecting the council and residents from fraud and corruption, will be employed.

Responsibilities

Roles and responsibilities for identifying and mitigating the risk of fraud must be clearly understood and embraced effectively. These are shown below:

Elected Members:

- lead by example, maintaining high standards and the ten principles of conduct and adhere to the Members' code of conduct, constitution, financial regulations and relevant legislation.
- declare all potential conflicts of interest and any gifts and hospitality offered or received to Democratic Services.
- report any concerns regarding fraud, bribery or corruption.

Chief Executive Officer, Monitoring Officer and Section 151 Officer

- acting as champions for effective anti-fraud and corruption practices
- provide advice to all elected members and staff about vires issues, maladministration, financial impropriety, probity and policy framework and budget issues.
- The Chief Executive Officer is responsible for espousing and upholding high standards of conduct by officers, ensuring oversight of compliance with the member-officer protocol and with other policies adopted by the Council.
- The Monitoring Officer encourages the promotion and maintenance of high standards of conduct within the Council, particularly through provision of support to the Standards Committee.
- The Section 151 Officer undertakes the statutory responsibility under the Local Government Act 1972 to ensure the proper arrangements for the administration of the Council's financial affairs. This role is supported by the work undertaken by Internal Audit.

Heads of Service

- service risk registers accurately reflect the risk of fraud, including emerging risks, e.g. due to changes in technology or working practices
- control procedures are effective and **operating effectively to prevent and detect fraudulent activity**
- Financial Regulations including Contract Procedure Rules are complied with
- those engaged in counter fraud activity have the appropriate skills and knowledge and are given the appropriate authority and access to enable them to do this work effectively
- Report all instances of suspected fraud, corruption or bribery without delay to the Section 151 Officer, Chief Internal Auditor and/or Monitoring Officer, who will advise on the best method for dealing with the allegation. The matter should not be discussed with other members of their team or colleagues.
- Ensuring a register of declaration of interests is maintained (and Legal Services made aware) and safeguards put in place where there is a conflict of interest.

Managers

- Set and promote a top-level commitment to an organisation wide culture of preventing all forms of fraud, corruption and bribery
- Ensuring the risk of fraud is assessed in the areas applicable to the service
- Ensuring corporate procedures and systems of internal control are in place to protect the resources for which they are accountable **and effective at detecting fraudulent activity.**
- Ensure their staff are aware and comply with the requirements of the Staff Code of Conduct, Financial Regulations, Contract Procedure Rules, Gifts and Hospitality, Register of Interests and other council policies.
- Implementing new controls to reduce the risk of similar fraud where frauds have taken place

- create an environment in which their employees feel able to approach them with any concerns they may have about suspected irregularities
- Report all instances of suspected fraud, corruption or bribery without delay to the Section 151 Officer, Chief Internal Auditor and/or Monitoring Officer, who will advise on the best method for dealing with the allegation. The matter should not be discussed with other members of their team or colleagues.

Employees

- Adhere to the Employee's Code of Conduct and council policies
- Appropriate handling of council resources and monies including via payment systems, receipts, contracting and grant claims.
- Perform duties carefully and honestly and follow council procedures and practices and guidance to prevent fraud and corruption.
- Be alert to and proactively identify unusual events or transactions which could be indicators of fraud and vulnerabilities
- Reporting immediately a suspected fraud or attempted fraud
- Cooperate fully with whoever is conducting internal checks, reviews or fraud investigations.
- **Declare any business or personal interest to Head of Service.**

Human Resources

- Ensuring recruitment processes and the Officers' Code of Conduct support the highest standards of conduct
- Advising and supporting managers in implementing suspensions and disciplinary procedures
- Ensuring employment matters are dealt with in a consistent and fair way regarding any case of suspected fraud

Information Technology

- Deploying cyber-security measures, raising awareness and highlighting best practice to limit the risk of phishing attacks and other forms of digital fraud
- Developing systems in a way that limits and addresses the risk of fraud

Contractors, funding recipients and partners

- Adhering to the council's contract terms and conditions or grant terms, including provisions relating to financial management, anti-bribery and standards or behaviour
- Putting in place policies and internal controls to counter fraud and corruption to maintain high standards of conduct and integrity
- Report any concerns to the Council and work with the council to address concerns as relevant.

Internal Audit

- Assessing and highlighting weaknesses and subsequent agreed actions to improve the council's system of internal control
- Reviewing, identifying and agreeing actions to address risks of fraud and corruption during audits
- Advise and guide managers on anti-fraud and corruption arrangements
- Supporting fraud investigations.

External Audit

Safeguard the stewardship of public money by carrying out specific reviews that are designed to test (amongst other things) the adequacy of the Council's financial systems and arrangements for preventing and detecting fraud. It is not the external auditors' function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern.

Reporting Fraud, Bribery and Corruption

If you suspect fraud, bribery or corruption has taken place against the Council, you must raise your concerns immediately either with the Monitoring Officer, Section 151 Officer or Chief Internal Auditor. See Appendix B for a guide for employees on how to raise concerns. Other reporting mechanisms include:

- Audit Wales Whistleblowing whistleblowing@audit.wales
- Protect (formerly Public Concern at Work) <https://protect-advice.org.uk/>

Whistleblowing

The Public Interest Disclosure Act 1998 protects employees who have reasonable concerns. You will not suffer discrimination or victimisation by following the correct policy and procedures

You can either raise your concerns with your line manager, senior managers within your service or one of the post-holders listed below:

- Head of Service
- Corporate Directors
- Chief Executive Officer
- Head of Legal, HR & Democratic Services / Monitoring Officer
- Head of Internal Audit
- Head of Finance & Property Services / Section 151 Officer
- Trade Union

Monitoring and review

This Strategy and Fraud Response Plan will be kept under review to ensure its effectiveness in preventing and detecting fraud and corruption. This will be done as part of the review and production of the Annual Governance Statement which will report any significant weaknesses relating to fraud that have transpired during the year in question.

Appendix A: Counter Fraud, Corruption & Bribery Action Plan

What	Who	When
<p>Launch the revised Strategy for the Prevention and Detection of Fraud, Corruption & Bribery and Fraud Response Plan once approved by SLT and Governance & Audit Committee.</p> <p>Initially through Denbighshire Today and then as part of attendance at Service Management Team meetings.</p>	Monitoring Officer & Chief Internal Auditor	July 2021 – December 2021
Explore the potential to include fraud awareness as part of an existing e-learning module e.g. whistleblowing.	Strategic HR Manager & Chief Internal Auditor	May 2022
Develop staff to become Accredited Counter Fraud Technicians.	Internal Audit	December 2021
Launch the revised Anti-Money Laundering Policy and promote with relevant staff.	Chief Accountant/S151 Officer	September 2021
Review the Whistleblowing Policy.	Monitoring Officer	April 2022
Review counter fraud arrangements as part of the Annual Governance Statement.	Corporate Governance Working Group	February 2021 (and annually thereafter)
Update the fraud risk assessment and use the results to determine the proactive Counter Fraud Reviews to be undertaken as part of the Internal Audit Strategy each year.	Chief Internal Auditor	March 2021 (and annually thereafter)

What	Who	When
Develop horizon scanning and intelligence sharing: <ul style="list-style-type: none"> • use of National Anti-Fraud Network (NAFN) • co-ordination within the council to identify and monitor fraud risks and trends. • Coordination with other organisations such as Wales Fraud Group and NW Las Fraud Group. 	Internal Audit	Ongoing
Reviewing and update Internal Audit Fraud investigation Procedure.	Chief Internal Auditor	31 December 2021
Continue to coordinate the National Fraud Initiative (NFI) and report outcomes to the Corporate Governance & Audit Committee.	Internal Audit	Ongoing
Encourage services to use NFI AppCheck as a means to prevent fraud.	Internal Audit	Ongoing

Appendix B Guide to Reporting Fraud, Corruption & Bribery

Fraud is an act of deliberate deception made with the intent to gain a benefit from that deception or cause a loss to someone else through false representation, failing to disclose information or abuse of position.

Corruption/Bribery is the offering, promise, giving, requesting, agreeing to receive, or accepting a payment or other advantage to induce or reward a person to improperly carry out their duties.

DO

- Note your concerns, details of names, descriptions, dates, times, details of conversations and possible witnesses. Time, date and sign your notes.
- Retain/secure evidence that may be destroyed – don't alter or write on it in any way.
- Report your suspicion promptly. Delays may lead to further loss.
- Be discreet. Do not discuss your concerns with anyone who doesn't need to know.

DO NOT

- Never confront the suspect or convey concerns to anyone other than those authorised. This could alert the fraudster, place you at harm and jeopardise an investigation/ put evidence at risk.
- Never attempt to investigate or gather evidence yourself (unless it is about to be destroyed). Contact Internal Audit as soon as possible for advice and guidance.
- Don't be afraid of raising your concerns. The Public Interest Disclosure Act 1998 protects employees who have reasonable concerns.

If you suspect fraud against the Council has taken place, you must report it immediately:

- To your line manager in the first instance, where appropriate **and**
- To the Chief Internal Auditor (Lisa Lovegrove), Monitoring Officer (Gary Williams) or the Section 151 Officer (Steve Gadd)
- Via email to Internal Audit audit@denbighshire.gov.uk

Appendix C: Fraud Risks

The 'Fighting Fraud & Corruption Locally Strategy for the 2020s' details the following areas as significant risks to Local Authorities:

- Social care fraud: personal budgets and direct payments – overstatement of needs through false declaration, multiple claims across authorities, third party abuse by carer, family or organisation, posthumous continuation of claims
- Schools
- Right to buy (not currently applicable in Wales)
- Money laundering – exposure to suspect transactions
- Commissioning of services – including joint commissioning, joint ventures, commercial services, third sector partnerships – conflict of interest, collusion
- Tenancy – fraudulent applications for housing or succession of tenancy, and subletting of the property
- Procurement – tendering issues, split contracts, double invoicing
- Payroll – false employees, overtime claims, expenses
- Identity Fraud – false identity/fictitious persons applying for services/payments
- Council Tax – discounts and exemptions, council tax support
- Blue Badge – use of counterfeit/altered badges, use when disabled person is not in the vehicle, use of deceased person's Blue Badge, badges issued to institutions being misused by employees
- Grants – work not carried out, funds diverted, ineligibility not declared
- Business rates – fraudulent applications for exemptions and reliefs, unlisted properties
- Insurance fraud – false claims including slips and trips

- Disabled facility grants – fraudulent applications to homes aimed at the disabled
- Concessionary travel schemes – use of concession by ineligible person
- No recourse to public funds – fraudulent claims of eligibility
- New responsibilities – areas that have transferred to local authority responsibility
- Local Enterprise Partnerships – partnerships between local authorities and businesses. Procurement fraud, grant fraud. All LEPs should now be incorporated, with a local authority as accountable body, in a more formal and regulated relationship. Key issues are LEP governance, procedures for allocating/prioritising grants.
- Immigration – including sham marriages. False entitlement to services and payments
- Cyber dependent crime and cyber enabled fraud – enables a range of fraud types resulting in diversion of funds, creation of false applications for services and payments.

Fraud and Corruption Response Plan v1.0

Fraud and Corruption Response Plan

Version Control

Approved by	Date approved	Date implemented	Document owner	Review date
TBC				

This document is subject to regular review due to legislative and policy changes. The latest version of this document and associated Strategy can be found on the Council's intranet.

Version No.	Date approved	Approved by	Amendment
V1.0	TBC	TBC	Revised fraud response plan

Contents

Contents	3
Introduction	4
Reporting Suspected Fraud	4
Establishing if there are grounds for concern.....	5
Involving the Police	5
Convening a Fraud Response Panel	6
Confidentiality.....	7
Taking immediate action to prevent future loss	7
Fraud investigation	8
Investigations and searches.....	9
Dealing with Employees under suspicion	9
Reporting on progress.....	10
Media liaison and internal communication.....	10
Actions from the fraud investigation	11
Feeding back to the person raising the initial concern.....	11
Disciplinary Action	11
Professional disbarring.....	11
Civil Recovery	12
Strengthening systems and learning lessons	12
Reporting to Governance & Audit Committee	12
Dealing with complaints about the investigation.....	13

Introduction

This plan sets out responsibilities for taking action and who needs to be involved, together with the steps that the council will take when fraud, corruption and bribery are reported in order to:

1. Prevent any further loss in the immediate future
2. Secure evidence for any disciplinary, civil or criminal action
3. Ensure processes are strengthened to prevent recurrences.

The plan aims to ensure that the council has a clear and consistent approach to dealing with reported incidents or fraud. This is in line with the objectives set out in the Strategy for the Prevention & Detection of Fraud, Corruption & Bribery, and part of the Council's counter fraud and corruption framework. This plan shall be read in conjunction with Council's Disciplinary Policy.

This plan does not cover reported or identified vulnerabilities where the potential for fraud is increased. This is to be addressed as part of management arrangements, and the relevant Head of Services should make the Chief Internal Auditor aware.

Reporting Suspected Fraud

Staff must raise concerns about fraud, corruption, bribery, money-laundering and any other malpractice. The council's Whistleblowing policy sets out the process for reporting such incidents, and the protections in place for staff who blow the whistle. Key points and who to contact are summarised in the Strategy for the Prevention & Detection of Fraud, Corruption & Bribery.

It is not for staff to actively investigate suspected wrongdoing or gather additional evidence; all investigations will follow this Response Plan.

Suspected fraud may be discovered through other avenues, such as, internal investigation e.g. disciplinary, POVA (Protection of Vulnerable Adults) or internal audits, which must still require that the Monitoring Officer and Section 151 Officer be informed as well as the Chief Internal Auditor.

Fraud and Corruption Response Plan

The Chief Internal Auditor will record all reported incidents on the fraud log and a summary is provided to the Governance & Audit Committee periodically with a Counter Fraud report included as part of the Internal Audit Annual Report.

Establishing if there are grounds for concern

The Council takes every reported incident of fraud seriously and is intent to fully investigate any suspected acts of fraud, misappropriation or other similar irregularity where possible. Where there is a lack of evidence and/or the facts are not easily established at first sight, further fact-finding will be required. This will be overseen by the Monitoring Officer and the Section 151 Officer who will determine what fact-finding work is required and whether an investigator needs to be involved at this stage. The Chief Internal Auditor will need to be advised and consulted with.

Once the fact-finding is complete, it will be possible to establish:

- There are no grounds for concern and no further action is required
- While there is no evidence of a specific fraud having taken place, work is needed to make processes more secure and/or tighten internal control systems
- While there are concerns about conduct, the matter is not covered by the Strategy for the Prevention and Detection of Fraud, Corruption and Bribery and Corruption should be dealt with under other policies e.g. grievance or disciplinary.
- There is evidence of (attempted) fraud and the case is referred back to the Monitoring Officer to convene the Fraud Response Panel.

Involving the Police

The police will be contacted without a delay when the Monitoring Officer and Chief Internal Auditor considers there is possible criminal wrongdoing. The Fraud Response Panel will decide who best to make contact with the police, usually this will be after the fact-finding is complete. If the police decide that a criminal investigation is necessary, the internal and police investigation will be coordinated where possible, with the police investigation taking priority particularly if the internal investigation could prejudice the police's work e.g. inadvertently alerting those under suspicion or compromising evidence. In all cases, the advice of the police will be followed.

Convening a Fraud Response Panel

The Monitoring Officer or Chief Internal Auditor will convene the Fraud Response Panel where there is evidence of fraud or attempted fraud. The Panel will be formed to determine the best course of action, ensuring advice is taken by appropriate expertise and relevant parties are involved and informed.

The membership of the Panel may be tailored to each case, but will likely consist of the following:

- Head of Legal, HR & Democratic Services / Monitoring Officer (Chair)
- Head of Finance & Property Services / Section 151 Officer
- Chief Internal Auditor
- Head of Service in which the suspected (attempted) fraud occurred
- Strategic HR Manager (for disciplinary matters, HR policies and employee relations)
- Investigating Officer (once appointed)

The Panel's meeting and liaison will depend on the seriousness and complexity of the case. For example, in minor cases it may be suitable to keep the above individuals informed and seek advice as/when necessary via email.

The Monitoring Officer, with the Chief Internal Audit, will decide on the course of action to take upon consideration of the advice of the Panel. Decisions will include:

- Whether the police need to be informed and involved
- Urgent actions required to secure evidence of prevent further loss, including suspending a member of staff
- Immediate measures to address system vulnerabilities, stop payments or apply for an injunction to freeze assets
- Informing insurers
- How to deal with employees under suspicion (in consultation with the Strategic HR Manager)
- Who else needs to be informed and involved

Fraud and Corruption Response Plan

- What further review and strengthening of council systems and internal control is required

Where it is not appropriate for the Monitoring Officer to be involved, the Section 151 Officer may act in their place.

The panel will be convened and will liaise for as long as the chair deems necessary

Confidentiality

All fact finding investigation and other documents created, collected or otherwise held in relation to the investigation are confidential; as are discussions pertaining to the case.

Meeting locations will be secure.

Requests for access to documents will be considered by the Fraud Response Panel, taking into account any legal requirements and advice from the Council's Data Protection Officer where appropriate.

Accumulated evidence will be held for the period specified in the Council's Retention Schedule or as determined by the Monitoring Officer

Taking immediate action to prevent future loss

The Fraud Response Panel will decide whether it is necessary to take immediate action to prevent further loss. Most likely this will involve staff member(s) being suspended.

Informing the member of staff of the suspension will need to be carefully arranged to prevent any potential to destroy, tamper or remove evidence that may be needed to support disciplinary or criminal action. In such circumstances, the staff member(s) will be approached unannounced and will be supervised at all time before leaving council premises. They may be permitted to collect personal property under supervision, but should not be able to remove any property belonging to the council, including mobile devices. Any security passes or keys to premises, offices etc. will be returned. System logins should be suspended, including remote and mobile access.

Any decision to suspend will be in line with policies and following advice from Human Resources.

Fraud and Corruption Response Plan

The Panel will determine what other immediate measures are required to prevent further loss and secure evidence. For instance, stopping payments, grants, loans or transactions; strengthening systems or building security; adapting processes; or suspending contract arrangements.

Fraud investigation

Once a decision has been made to launch an investigation, the Panel will agree that an officer is appointed to lead and conduct the investigation. The Investigation Officer may be drawn from the Internal Audit Team if it concerns financial matters or it may be necessary to draw on external investigative resources, either to lead or support the investigation. Whoever is involved must be appropriately qualified and have the requisite knowledge of criminal law, the council's counter fraud, corruption & bribery framework and council disciplinary and other relevant policies.

The Panel and the Investigation Officer will ensure the investigation's terms of reference are clear and aligned with the disciplinary policy, setting out at a high level the:

- Nature of the reported wrongdoing
- Scope and focus of the investigation
- Persons who will work on and support the investigation
- Resources required for the investigation
- Witnesses to be interviewed
- Searches required
- Records to be collected and analysed
- Reporting arrangements, including external parties
- Expected outcomes from the work, including reconstructing the method and means of the suspected fraud, an understanding of the extent and value, gathering evidence and building a case, and identifying vulnerabilities

The Terms of Reference may need to be refined and may evolve as the investigation progresses. The Investigating Officer will discuss and agree any changes with the Lead Officer for the investigation. If significant changes are required, this may prompt the need to reconvene the Response Panel.

Investigations and searches

The Investigating Officer will hold a preliminary interview or interviews with the person(s) raising the concern, where that has been the reason for the investigation. It will be made clear they will be protected by the council's Whistleblowing Policy.

If the subject of the investigation is to be interviewed by the Investigating Officer, the Officer must be trained and the context of the interview decided on: in particular, whether the interview is for internal disciplinary purposes or for the suspicion of a criminal offence. Interviews for a criminal offence should not be undertaken by staff who are not trained in the requirements of the Police and Criminal Evidence Act 1984. Such interviews must only occur after the police have been consulted.

The Investigating Officer must have the knowledge and skills to conduct any searches legally, both under civil and criminal law, so as not to expose the organization to any undue risk. Again, any searches should be conducted only after the police have been consulted.

Dealing with Employees under suspicion

The Fraud Response Panel will:

- Seek a steer and work with the police, if involved, to determine whether the employee needs to be interviewed under suspicion of having committed a criminal offence.
- Where considered necessary, require the Investigating Officer to arrange a search of the suspected employee's work area and IT records.
- Keep under review and decide whether a member of staff should be suspended
- Allow trade union assistance if requested, to support individuals and to ensure the integrity of evidence

Human Resources will support all staff affected by a fraud investigation, whether directly or indirectly, including directing individuals towards sources of counselling and advice and applying relevant policies. At all times, HR policies will frame and inform actions taken.

Reporting on progress

The Investigating Officer's first point of contact shall be the Monitoring Officer / Chief Internal Auditor or his/her nominee. They will periodically update the Fraud Response Panel, including on:

- The circumstances surrounding the case
- Progress with the investigation
- An estimate of resources and actions required to conclude the investigation and issues arising that might be impeding the investigation
- Quantification of losses
- Recovery action
- Disciplinary action
- Criminal investigation and action
- Weaknesses identified and actions recommended or being taken to address them

Having completed the investigation, the Investigating Officer will agree a report with the Lead Officer (e.g. Monitoring Officer/Chief Internal Auditor) to submit to the Response Group to agree and sign off.

Media liaison and internal communication

The Head of Paid Service will decide on an approach to media engagement and internal communications during and after the investigation following advice from the Monitoring Officer and Response Panel.

Actions from the fraud investigation

The Response Panel will decide what, if any, action should be taken as a result of the investigation; both relating directly to the matter being investigated and, more generally, to prevent and detect similar incidents. The Investigating Officer's report will inform the Group's decisions. But where it is practicable and sensible, some or all actions may be progressed before the report is finalised. Likely areas for action include the following:

Feeding back to the person raising the initial concern

The Response Group will decide how and what stage to provide, in confidence, feedback to the person(s) who raised the initial concerns.

Disciplinary Action

Fraud is gross misconduct under the council's disciplinary policy and may lead to dismissal. The relevant Director/Head of Service will oversee the process, working with HR and the individual's line manager. Guidance must be sought from the Response Group before disciplinary action is initiated. Disciplinary action must follow the set procedure.

Where there is an on-going police investigation, it may still be appropriate for the council to proceed with disciplinary action. Prior to commencing any action, advice will be sought from the police to ensure any criminal investigation will not be compromised. The Council's interest must be taken into account in these circumstances and the Response Group will take a decision as to whether to instigate internal disciplinary proceedings in parallel with any police investigation.

Professional disbarring

The council will inform the individual's professional regulatory body if there is a proven case of fraud. Once again, care should be taken to ensure such a referral does not impact on any criminal investigations. Referrals will be made by the relevant Director/Head of Service.

Civil Recovery

Recovering losses is a major objective of any fraud investigation. Where the loss is substantial, legal advice will be obtained about the need to freeze, and feasibility of freezing, through the courts, the subject's assets, pending conclusion of the investigation. Legal advice will also be obtained about the prospects of recovering losses through the civil court, where the subject refuses repayment. The council will normally seek to recover its costs in addition to any losses as a result of the fraud; it will balance the need to take action as a deterrent with achieving value for money for the taxpayer. Legal advice should be sought on the appropriate action on a case-by-case basis.

Strengthening systems and learning lessons

Where the investigation identified vulnerabilities in a particular system or process, or a lack of safeguards, the relevant Director/Head of Service will draw up an action plan to address the vulnerabilities. He/she will report back to the Chief Internal Auditor on progress in implementing the actions. Where there are vulnerabilities that cut across council systems, the relevant Head of Service will lead the action planning. He/she will also ensure any wider lessons are learned and acted on.

The Monitoring Officer and Chief Internal Auditor will see that this Response Plan is updated as necessary based on learning from how the case was handled. It will be reviewed periodically alongside the Strategy for the Prevention & Detection of Fraud, Corruption & Bribery Strategy.

Reporting to Governance & Audit Committee

Incidents of fraud will be reported to the subsequent meeting of the Governance & Audit committee. Where the case is serious and ongoing, updates will be provided at subsequent meetings.

The most serious cases of fraud will be reported to the Leader by the Head of Paid Service as soon as the facts are established. The Chair of the Governance & Audit Committee will also be informed. Periodic updates will follow as appropriate.

Dealing with complaints about the investigation

Any complaints by staff will be dealt with under the council's grievance policy as appropriate. Complaints from outside parties will be dealt with under the council's complaints process.

Mae tudalen hwn yn fwriadol wag

Adroddiad i	Pwyllgor Llywodraethu ac Archwilio
Dyddiad y cyfarfod	28 Gorffennaf 2021
Aelod Arweiniol / Swyddog	Y Cyng. Julian Thompson Hill / Lisa Lovegrove – Prif Archwilydd Mewnol
Awdur yr adroddiad	Lisa Lovegrove – Prif Archwilydd Mewnol
Teitl	Diweddariad Archwilio Mewnol

1. Am beth mae'r adroddiad yn sôn?

Mae'r adroddiad hwn yn rhoi diweddariad i'r Pwyllgor Llywodraethu ac Archwilio ar gynnydd diweddaraf Archwilio Mewnol o ran darpariaeth gwasanaeth, darparu sicrwydd, adolygiadau a gwblhawyd, perfformiad ac effeithiolrwydd mewn ysgogi gwelliant.

2. Beth yw'r rheswm dros lunio'r adroddiad hwn?

Darparu gwybodaeth am y gwaith a wnaed gan yr Adain Archwilio Mewnol ers cyfarfod diwethaf y Pwyllgor. Mae'n galluogi'r Pwyllgor i fonitro perfformiad a chynnydd yr Adain Archwilio Mewnol yn ogystal â darparu crynodeb o adroddiadau Archwilio Mewnol er mwyn i'r Pwyllgor gael sicrwydd ar wasanaethau eraill y Cyngor a meysydd corfforaethol. Mae hyn yn galluogi'r Pwyllgor i gyflawni ei gyfrifoldebau yn unol â'i Gylch Gorchwyl. Bydd cyflawni'r cynllun archwilio yn cynorthwyo'r Pwyllgor i gael sicrwydd bod y Datganiad Llywodraethu Blynyddol yn adlewyrchu amodau'r Cyngor yn briodol.

3. Beth yw'r Argymhellion?

Bod y Pwyllgor yn ystyried cynnwys yr adroddiad, asesu cynnydd a pherfformiad yr Adain Archwilio Mewnol.

Bod y Pwyllgor yn penderfynu a oes arno angen sicrwydd pellach ynghylch meysydd a archwiliwyd i olrhain cynnydd y cynlluniau gweithredu gwelliant.

4. Manylion yr Adroddiad

Mae atodiad 1 yn darparu diweddariad ar y gwaith archwilio mewnol a wnaed ers yr adroddiad diweddaru diwethaf i'r Pwyllgor ym mis Ebrill 2021. Ers yr adroddiad diweddaru diwethaf i'r Pwyllgor Llywodraethu ac Archwilio mae pum archwiliad wedi'u cwblhau, ac ni roddwyd graddfa sicrwydd isel i unrhyw un ohonynt. Cwblhawyd dau adolygiad dilynol o archwiliadau sicrwydd isel blaenorol sydd wedi'u cynnwys fel eitemau rhaglen ar wahân.

5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?

Nid oes angen gwneud penderfyniad ynglŷn â'r adroddiad hwn. Nid oes cyfraniad uniongyrchol at y Blaenoriaethau Corfforaethol, ond bydd rhai prosiectau yn y Cynllun yn adolygu meysydd blaenoriaeth corfforaethol ac yn darparu sicrwydd ar eu darpariaeth.

6. Faint fydd hyn yn ei gostio a sut y bydd yn effeithio ar wasanaethau eraill?

Amherthnasol – nid oes penderfyniad na chostau yn gysylltiedig â'r adroddiad.

7. Beth yw prif gasgliadau'r Aseiad o'r Effaith ar Les?

Amherthnasol – nid oes angen penderfyniad na chynnig ar gyfer newid mewn perthynas â'r adroddiad hwn.

8. Pa ymgynghoriadau sydd wedi'u cynnal gyda Chraffu ac eraill?

Amherthnasol.

9. Datganiad y Prif Swyddog Cyllid

Ni cheir goblygiadau ariannol o ganlyniad i'r adroddiad hwn.

10. Pa risgiau sydd ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?

Os na chwblheir gwaith archwilio digonol yn ystod y flwyddyn, mae yna risg na fydd y Prif Archwilydd Mewnol yn gallu tynnu ar sicrwydd digonol i gyflwyno barn flynyddol gyflawn yn unol â Safonau Archwilio Mewnol y Sector Cyhoeddus. Caiff archwiliadau eu blaenoriaethu i roi sylw i lywodraethu, rheoli risg a rheolaethau mewnol a bydd y cwmpas ar gyfer yr archwiliadau hyn yn canolbwyntio ar risgiau allweddol.

11. Pŵer i wneud y Penderfyniad

Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

Mae tudalen hwn yn fwriadol wag

Internal Audit Update

July 2021

Contents

Contents	2
Internal Audit Reports Recently Issued	3
Risk Management – June 2021	4
ICT Capacity & Resilience – July 2021	5
Accounts Payable & Payroll – July 2021	6
Treasury Management – May 2021	7
Capital Management – May 2021	8
Revenues & Benefits – May 2021	8
Project Management of SC2 – July 2021	10
Community Living Schemes – May 2021	12
Ysgol Bro Cinmeirch – June 2021	13
Project Management: Queen’s Building Follow Up – June 2021	14
Contract Management Follow Up – July 2021	15
Progress in Delivering the Internal Audit Assurance	16
Progress with Counter Fraud Work	19
Referrals 2021/22	19
Internal Audit Performance Standards	20
Appendix 1 – Assurance Level Definition.....	21

Internal Audit Reports Recently Issued

Since the last Internal Audit Update report in April 2021, Internal Audit has completed nine reviews and a full copy of each report has been circulated to members of the committee. Two follow up reviews of low assurance audits have also been completed with a reassessed assurance rating awarded.

The assurance given and number of issues raised for each review is summarised below:

Area of work	Assurance Level	Critical Issues	Major Issues	Moderate Issues
Risk Management	Medium ●	0	0	5
ICT Capacity & Resilience	Medium ●	0	0	4
Accounts Payable & Payroll	High ●	0	0	1
Treasury Management	Medium ●	0	0	3
Capital Management	Medium ●	0	0	3
Revenues & Benefits 2020-21	High ●	0	0	0
Project Management - SC2	Medium ●	0	1	2
Community Living Schemes	Medium ●	0	0	3
Ysgol Bro Cinmeirch	Medium ●	0	0	5
Project Management – Queen’s Building follow up*	Medium ●	N/a	N/a	N/a
Contract Management follow up*	Low ●	N/a	N/a	N/a

* Follow Up of audits previously awarded a low assurance rating. It should be noted that the updated opinion is based on the assumption that systems and controls as previously identified during the original audit remain in operation and are being complied with in practice. The purpose of our follow up exercises is not to retest the operation of controls which have already been assessed, but to review how management has responded to the action plans following our initial work. The Follow Up reports for Project Management – Queen’s Buildings and Contract Management are available in full as part of separate agenda items.

Risk Management – June 2021

Medium Assurance ●

Number of Risk Issues:

5 Moderate ●

The purpose and scope of this review focused on the management of the key corporate risks from the Corporate Risk Register not covered in other assurance reviews. The review considered the effectiveness and performance measurement of controls and procedures for monitoring and reporting. Seven of the corporate risks were reviewed, relating to: safeguarding; economic and financial environment; serious event e.g. weather or public health event; Senior Leadership capacity; fraud and corruption; partners; and Ash Die Back.

The review found that, overall, there are appropriate mechanisms and procedures in place to identify and evaluate the key corporate risks. Ongoing progress has been made to implement and embed the concept of risk appetite within the Council. Risk owners demonstrated strong risk awareness and understanding of the impact of risk crystallisation on both the Council and the public. Five risk issues were raised with actions agreed to:

- Further improve identification and prioritisation of controls as mitigations.
- Clarify how risk managers measure the performance and efficacy of controls.
- Provide more frequent and targeted scrutiny of higher severity risks, particularly where the residual risks is above the corporate risk appetite.
- Consider the role and function of the Corporate Safeguarding Panel as risk mitigation in relation to corporate safeguarding.
- Consider the role and function of strategic partnerships in order to measure and monitor how they serve as risk mitigation.

The review concludes that demonstrable progress has been made in implementing the Council's risk management framework with the appropriate inclusion of high impact risks in the corporate risk register. Further enhancements are required in the identification, evaluation and measurement of key risk controls to provide assurance that the Council is managing its strategic risks effectively.

ICT Capacity & Resilience – July 2021

Moderate Assurance ●

Number of Risk Issues: 4 Moderate ●

The purpose of the review was to assess how well the existing ICT resource supported service delivery and whether it is sustainable. The scope focused on: IT Disaster Recovery Plans and Business Continuity Plans and testing, fall-back arrangements, monitoring and management of network bandwidth capacity, staff capacity including workforce planning specific to ICT.

Our review confirmed that key ICT governance documents are in place; such as the Digital Strategy, Information Security Policy, Service Business Continuity Plan (BIM) and Disaster Recovery Management plan, and key officers had good knowledge of them. The Disaster Recovery Management plan and Information Security Policy are currently being reviewed. The review of the disaster recovery plan was delayed due to the pandemic.

The number of remote access to the Council's network has nearly quadrupled since the pandemic and first national lockdown in March 2020. Despite having mechanisms in place for monitoring the capacity of network bandwidth usage, the current process does not allow monitoring of busy periods.

The ICT function works closely with services to upgrade and improve systems to strengthen overall capacity and resilience.

The council has two server rooms that act as fall-back for each other providing resilience. Arrangements are in place with a supplier to provide a transportable hardware unit to restore systems if servers are inaccessible during a disaster; however, testing of the effectiveness of the arrangements has not been performed in recent years.

The ICT service has experienced difficulties in recruiting and retaining staff, largely due to certain roles being more specialist and other organisations paying more competitive salaries. Efforts have been made to address some of these issues, such as: in-house promotions and the introduction of learning agreements for staff who undertake work-based courses. However, no formal workforce planning exercise has been performed for the service in recent years. Four risk issues were raised with actions agreed as follows:

- Timetable developed to prompt review of key ICT policies and plans.
- Work with external partners to improve bandwidth monitoring reporting mechanisms.
- Test external disaster recovery solution.
- HR to lead workforce planning exercises across all services including ICT.

Accounts Payable & Payroll – July 2021

High Assurance ● Number of Risk Issues: 1 Moderate ●

Purpose of this review was to review the processes and controls used by both Payroll and Accounts Payable. The review considered the impact of Covid-19 on the control environment, including any changes to existing procedures and resource implications. Included within the scope of this financial services audit was the use of Purchasing Cards and emergency CHAPS payments.

The review found that there were effective controls and procedures in place across both Payroll and Accounts Payable (AP). These had been updated and enhanced to withstand the challenges presented by the Covid-19 pandemic.

AP has experienced a sharp increase in the volume of new creditors and grant payments as a result of Covid-19, data analysis testing (using Active Data for Excel) found that controls are largely effective. In the instances where duplicate payments or errors have occurred, the monitoring and reclaiming process has worked well. The extensive documentation of procedures and provision for staff absence reduces key officer and business continuity risk.

Sample testing was conducted on emergency CHAPS payments. Recording of the rationale for, and payment approval of, emergency CHAPS payments needs to be consistently adopted to avoid error and duplicate creditor payments being made.

Controls and procedures over the use of purchasing cards, such as two stage authorisation and submission of supporting receipts, remain broadly effective. Sample testing found the increased use of PayPal and eBay by cardholders. There is currently no specific policy for online purchases where card details are stored online. While purchasing

cards do not fall within the strict remit of Accounts Payable, we have included an issue for management to address as part of this financial services review.

Payroll processes have become more electronic since March 2020 with internal policies reviewed to ensure they reflect any changes. As a result, Payroll was well placed to respond to changes to working practices as a result of Covid-19.

Treasury Management – May 2021

Medium Assurance ● Number of Risk Issues: 3 Moderate ●

There is robust governance oversight and challenge of the Treasury Management (TM) strategy provided by the Governance and Audit Committee. Performance against the Prudential Indicators (PIs) is monitored biannually in compliance with the 2017 CIPFA Prudential Code. The Treasury Management Policy Statement has also been updated to incorporate the prescribed text set out in the CIPFA TM Code.

Whilst primary risks such as interest rate and credit rate risk are being monitored, the TM risk register has not been updated since 2019 and does not accurately identify current and emerging risks. Operational risks such as key officer risk have been identified; however, associated controls have not been fully implemented.

There are good controls designed to ensure the separation of TM duties, appropriate authority levels and compliance with borrowing and investment limits.

Our review acknowledges the additional demands Covid-19 has placed on the finance team. The pandemic has impacted the Council's cash flow position to varying degrees over the last twelve months and has increased pressure in making short term loans and emergency payments. In light of this, consistency and transparency in recording TM decisions is vital. It would be beneficial to consider ways of improving the recording of TM decisions to ensure consistency and transparency and to provide a robust audit trail.

Overall, the review found effective controls have been identified by the finance team and good examples of working practices including the separation of duties, rota system and TM approvers' checklist. Only minor weaknesses were identified.

Capital Management – May 2021

Medium Assurance ●

Number of Risk Issues: 3 Moderate ●

Overall, the review identified there were effective controls in place and good examples of working practices and only minor weaknesses were identified.

There are clear high level capital management rules set out in the Financial Regulations in the Constitution with guidance in the annual Capital Strategy Report. As a standalone strategic overview it would be beneficial to cross refer to the Medium Term Financial Plan (MTFP) and the Council's corporate priorities as set out in the Corporate Plan. Due to the pressures of Covid-19 a Medium Term Financial Strategy was not completed in 2020 but was in the process of being developed.

Governance oversight is achieved through monthly finance reports to cabinet which include capital investment recommendations from the main capital working group, the Strategic Investment Group (SIG).

The Asset Management Group and Strategic Investment Group act as control mechanisms for the effective use of the council's assets and scrutiny of capital expenditure respectively. The Terms of Reference for both groups require review.

Capital investment decisions generally comply with approved governance processes.

Improvement areas consisted of the following:

- Documenting capital management procedures to cover the end to end process
- Strengthen arrangements around the finance asset register to ensure secure and accurate recording of the council's assets.
- Review and update terms of reference for the Asset Management Group and Strategic Investment Group.

Revenues & Benefits – May 2021

High Assurance ●

Number of Risk Issues: 0

Governance arrangements over the Civica partnership were unaffected by the Covid-19 pandemic and continue to operate well as, for example, both the Strategic and Operational boards met regularly. The partnership risk register has been updated to include Covid-19 risks.

Operationally, performance has been clearly impacted across the service because of the Covid-19 pandemic with seven of the eleven Key Performance Indicators (KPIs) being rated as 'amber' or 'red' at the conclusion of our review. Performance is unlikely to recover by the financial year end in some areas, due to the extenuating circumstances, and this is regularly monitored at Operational Board meetings.

The Department for Works and Pensions (DWP) provided initial delivery guidance at the start of the first lockdown and Benefits staff developed processes around this, particularly where the claimant was unable to provide supporting evidence. No further advice has been provided since, so we have suggested that the small number of cases this affected be reviewed to ascertain if evidence has now been received. Testing of a sample of discretionary housing payments (DHPs) was overall positive with a completed application form and evidence provided in support of their DHP eligibility; and applications being appropriately approved.

The implementation of the Free School Meals (FSM) payments process during the first Covid-19 lockdown required adaptability in redesigning application forms to capture bank details, and devising a process to make payment as the current system was not designed for this purpose. Civica staff carried out data validation checks prior to making payment, and we were also involved in analysing data to prevent erroneous payments. During this review, our sample testing was overall positive, e.g. a FSM application form and supporting evidence was held to verify eligibility.

Administering the significant number of Covid-19 business grant applications has clearly impacted the Business Rates function with staff working overtime to meet tight timescales. As well as the data validation checks carried out by Civica staff prior to payment, we have performed data analysis of applications from the first lockdown to assist with preventing duplicate payments. Out of 6,887 payments reviewed, only three duplicates were detected by us and a further three by Civica.

Within Sundry Debtors, staff have assisted other areas where there has been significant demand, such as processing hardship forms for businesses that are struggling. The number of invoices and credit notes raised has been substantially reduced as payments were suspended in key areas, e.g. garden waste, commercial rents, leisure, etc.

Some Council Tax staff also provided support in other areas, such as benefits and business rates, during the pandemic. Our sample testing for accounts where recovery is on hold was overall positive.

Write offs of debts for benefit overpayments, business rates, council tax and sundry debtors have been minimal because of capacity, but also because the process requires physical signatures, which logistically is difficult as staff and elected members continue to work from home. The Head of Finance & Property explained that this is under review and an alternative solution is being pursued

The Revenues and Benefits service has had to be adaptable in developing new processes quickly and undertaking new activities as a result of Covid-19, but controls and key risks have been managed effectively.

Project Management of SC2 – July 2021

Medium Assurance ● Number of Risk Issues: 1 Major ● 2 Moderate ●

This review forms part of our review of Programme and Project Management with two other reviews i.e. Rhyl Regeneration Programme and Queen's Buildings Project Management reported to the committee previously. The scope covered: roles and responsibilities and governance arrangements, finance and grant funding, project delivery and risk management.

SC2 was a large and ambitious regeneration project for the council. The project has been recorded as closed on the project management system (Verto). There is evidence that it followed corporate project management guidance for a large project; comprising a designated project manager, project executive and a separate project board. Effective scrutiny was provided by the project board, which met regularly and was well attended.

The original business case is very detailed, particularly in terms of the financial analysis, and there was extensive scrutiny of its content, both internally and externally. A small

number of key elements expected of a business case were not included, e.g. project risk assessment and the revised business case for TAG Active did not include an options appraisal similar to that outlined in the original business case.

Full Council approved the original business case due to the significant risks involved and financial commitment required. The Strategic Investment Group (SIG) also approved it and the TAG Active revised business case. The Corporate Executive Team (CET) discussed the revised charging structure within the third revised business case. While the relevant lead member was involved, further consultation was not carried out with members considering this was a significant change to that contained in the original business case.

The actual income level for 2019/20 was lower than forecasted in the business case. Income levels have since been significantly impacted by the Covid-19 pandemic. SC2 was conceived as a regeneration investment for Rhyl and by approving the original business case, elected members were made aware of the financial risks involved by undertaking the project.

We had difficulties in obtaining financial information during our review; due to the Covid-19 pandemic as staff had other work priorities, and key staff leaving the council. Therefore, we have not been able to complete analysis work in this area. We were able to confirm that detailed financial analysis and monitoring was carried out at key stages of the project and, at the time of our review, a funding shortfall of £133,000 was reported, to be covered by additional prudential borrowing.

There were instances where Contract Procedure Rules (CPRs) have not been adhered to with the procurement of an ICT contract for SC2 and another involving a financial payment arrangement with a contractor.

Most key project management information is accessible and up-to-date with a milestone log maintained to reflect any delays, and regular highlight reports prepared. However, a project closure report has yet to be completed to capture details such as good practice, lessons learnt and benefit realisation plan for any benefits that have yet to be realised.

While one major risk issue is raised (relating to non-compliance with CPRs) and continuing financial commitment for SC2, overall, for such a large and ambitious project, there was generally a suitable system of governance, risk management and control.

Community Living Schemes – May 2021

Medium Assurance ●

Number of Risk Issues: 3 Moderate ●

There are examples of good mechanisms and processes in place for the monitoring of the clients' information. There are a number of officers involved in the community living scheme process to ensure clients' needs are met in line with the Mental Health Capacity Act 2005. However, there is no documented procedures for the processes completed to allow for business continuity and consistency.

There are 43 AHSC (Additional Housing Services Charge) accounts for properties where clients who in receipt of housing benefits contribute funds for the management costs of properties where they reside, mostly relating to the communal areas. The controls appear to be satisfactory to ensure accounts are being used for the intended purposes. Monitoring of balances are performed and reimbursement are paid to clients' individual accounts annually to reduce excessive balances. However, despite efforts to reduce balances by reviewing the AHSC Calculator, reimbursing those who have incurred costs and purchasing items required for the properties, several properties continue to have excessive balances.

There is a coordinated approach to ensure clients' safety and needs are monitored; which involve the Receivership team, appropriate care providers, Client Support Officers and other services who provide support as required. The needs of clients are reviewed and recorded in care plans, provider team meeting minutes and annual property reviews. The Coronavirus Act 2020 provides modifications to the Social Services and Wellbeing (Wales) Act 2014 to ensure the best possible care for the most vulnerable in our society during this exceptional time. This has resulted in the service recording the clients' needs in other formats such as case notes and risk assessments.

Annual financial assessments are performed by the Financial Assessment Office Team; financial calculations are reviewed by the Receivership team and officers within Central Finance. Annual reports are produced and sent to the Office of Public Guardian (OPG) for clients that the receivership team are deputy officers for. However, there are weaknesses in the reconciliation process with no independent checks included in financial processes. At the properties, individual financial ledgers are maintained by appointed care providers.

Confirmation from a sample of care provider house managers confirmed regular reconciliations were performed to protect clients' funds; however, we were unable to verify this due to restrictions in place due to Covid-19.

We reviewed care provider agreements, which identified that a number of the agreements had been extended to March 2022 to allow the contracts and procurement officers to perform a thorough review of the agreements in place. This has been extended to March 2023 due to staff pressures as a result of the pandemic and staff absences.

Ysgol Bro Cinmeirch – June 2021

Medium Assurance ●

Number of Risk Issues: 5 Moderate ●

Our review of Ysgol Bro Cinmeirch identified satisfactory governance arrangements are in place for the governing body; with an effective mechanism for record keeping. Statutory committees are in place with up-to-date terms of reference, the exception to this is the Health and Safety Committee. Governors are required to complete mandatory training within 12 months of being appointed; however, not all governors at the school have completed this.

Key policies are available to view on the school's website with an agreed timetable in place for reviewing them to ensure they are up-to-date; however, not all the statutory policies have been reviewed and adopted by the governing body.

There are effective arrangements in place for the monitoring of the School Development Plan (SDP) and annual PLASC returns. Financial controls are robust where funds are paid through ParentPay (cashless school payment system), and there is an appropriate separation of duty in place for financial transactions. School fund certificates are audited annually and are up to date.

All governors have completed annual declaration of interest forms for their role.

There are good controls in place for site security with CCTV cameras installed, regular fire drills performed, and all visitors are required to sign in when visiting the school. Fire safety and health and safety assessments are also in place.

Five moderate risk issues were raised with agreed actions as follows:

- Training will be organised for all governors that have yet to complete the governor induction training module.
- Policy review timetable to enable monitoring of policies.
- School secretary to complete a 'how to' document to cover all aspects of school secretary and governor clerk key tasks and process to support business continuity.
- Complete an asset register for the school.
- School staff to complete a declaration of interest form.

Project Management: Queen's Building Follow Up – June 2021

Medium Assurance ●	Actions fully implemented	8
	Actions outstanding	4

Our original review of Project Management: Queen's Buildings was completed in January 2021 giving a low assurance rating.

Our review found that progress has been made in a number of areas since our last review with eight of the twelve actions being fully implemented. Outstanding actions were mostly delayed due to the project management system undergoing a tendering process:

- Project Management Guidelines have been updated but await outcome of project management system procurement process before finalising,
- The review of the Stage Review Group process will conclude once the new Project Management system is up and running to ensure roles and responsibilities are clear.
- Verto (Project Management system) access levels to be regularly reviewed.
- The Project Board is developing a mechanism so that project benefits can be effectively measured.

An updated opinion of medium assurance is given based on the assumption that systems and controls as previously identified during the original audit remain in operation and are being complied with in practice. The purpose of our follow up exercise focused on reviewing how management has responded to the action plans following our initial work.

Contract Management Follow Up – July 2021

Low Assurance ●	Actions fully implemented	4
	Actions outstanding	7
	Actions not yet due	3

Our original review of Contract Management was completed in January 2020 giving a low assurance. In July 2020, Corporate Governance and Audit Committee identified that the original action plan contained actions which were no longer feasible given the suspension of Corporate Support Services Review at the height of the Covid-19 pandemic. A revised action plan was agreed at Corporate Governance and Audit Committee in January 2021 to provide assurance that suitable actions had been devised to address the issues identified in the original report. This first follow up review is to establish progress made in addressing those issues.

Limited progress has been made in addressing the actions as set out in the revised action plan agreed in January 2021. The full implementation of a number of the actions is dependent on the approval by SLT of the Contract Management Framework. The draft framework is scheduled for SLT in July 2021. Ongoing resource pressures have also restricted the ability to provide appropriate contract management oversight, training and guidance.

Based on the extent of progress made in implementing the agreed actions we are providing an updated opinion of low assurance. This is based on the assumption that systems and controls as previously identified during the original audit remain in operation and are being complied with in practice. The purpose of our follow up exercise focused on reviewing how management has responded to the agreed action plan.

Progress in Delivering the Internal Audit Assurance

The table below provides an update on progress against the Audit Plan for 2021/22.

The internal audit structure continues to carry a vacant Senior Auditor post. We have extended the temporary contract for the Senior Auditor for another 12 months (to 31 December 2022) to cover the secondment (initially a redeployment) of the Senior Auditor to the Test, Trace & Protect Team which has now been extended to March 2022. The Chief Internal Auditor is also looking at buying-in audit resource from an external provider if possible to cover the capacity shortfall using budget made available from the vacant position. This is due to difficulties in recruiting Senior Auditors for what would be a short-term period.

Audits due to commence shortly include:

- Cefndy Healthcare
- Housing Rent Arrears
- Housing Maintenance

Internal Audit Update – July 2021

Area of work	Current status	Assurance level	Critical issues	Major issues	Moderate issues	Comment
AONB Grant 2020/21	Complete	High ●	0	0	0	Annual accounts audit
Deprivation of Liberty Safeguards	Not yet started	-	-	-	-	2021-22. Awaiting revised Welsh Government guidance
Pupil Improvement Grant	Not yet started	-	-	-	-	Annual grant certification
Accounting Systems including Budgetary Control	Fieldwork	-	-	-	-	Carried forward from 2020-21
Recruitment & Retention	Complete	High ●	0	0	2	
School Audit: Ysgol Bro Cinmeirch	Complete	Medium ●	0	0	5	
Housing Support Grant 2020-21	Fieldwork	-	-	-	-	Nearing completion
Project Management: SC2	Complete	Medium ●		1	2	
Rhuddlan Town Council 2020-21	Complete	N/a				External fee earning work
National Fraud Initiative	Ongoing	N/a	N/a	N/a	N/a	2020-21 exercise
Revenues & Benefits 2020/21	Complete	High ●	0	0	0	
Capital Management	Complete	Medium ●	0	0	3	
Treasury Management	Complete	Medium ●	0	0	3	
Financial Services 2020/21: - Accounts Payable - Payroll	Complete	High ●	0	0	1	Review included Purchasing Cards and Emergency CHAPS payments
Community Living Schemes	Complete	Medium ●	0	0	3	
Data Protection & Freedom of Information	Complete	Medium ●	0	0	3	
Governance & Contract Arrangements with Denbighshire Leisure Limited	Draft Report	-				

Internal Audit Update – July 2021

Area of work	Current status	Assurance level	Critical issues	Major issues	Moderate issues	Comment
ICT Capacity & Resilience	Complete	Medium ●	0	0	4	
Risk Management	Complete	High ●	0	0	5	
Governance – Decision Making	Fieldwork	-	-	-	-	
Procurement – Exemptions & Exceptions	Fieldwork	-	-	-	-	
Housing Rent Arrears	Scoping	-	-	-	-	
Direct Payments for Children 1st follow up	Complete	Medium ●	-	-	-	
Project Management: Queen’s Building 1 st follow up	Complete	Medium ●	-	-	-	
Contract Management 1 st Follow Up	Complete	Low ●	-	-	-	
Support Budgets & Direct Payments: Adults 1 st Follow Up	Complete	Medium ●	-	-	-	
General Fraud Enquiries	Ongoing	N/a	N/a	N/a	N/a	
Whistleblowing Investigation	Fieldwork	N/a	N/a	N/a	N/a	
Follow up audits	Ongoing	N/a	N/a	N/a	N/a	
School fund audits	Ongoing	N/a	N/a	N/a	N/a	
Corporate Governance Framework	Ongoing	N/a	N/a	N/a	N/a	
Corporate Working Groups	Ongoing	N/a	N/a	N/a	N/a	
Consultancy & Corporate Areas	Ongoing	N/a	N/a	N/a	N/a	
Team Meetings /1:1s	Ongoing	N/a	N/a	N/a	N/a	
Management	Ongoing	N/a	N/a	N/a	N/a	
Training & Development	Ongoing	N/a	N/a	N/a	N/a	

The audit of Wellbeing Impact Assessments may no longer be required in 2021/22 as this area will shortly be reviewed by Audit Wales as part of its national studies programme.

Progress with Counter Fraud Work

Counter fraud work carried out since the last internal audit update includes:

1. Providing advice on counter fraud to officers on request. This has included the emergency Covid-19 related grants for businesses.
2. National Fraud Initiative (NFI) update - Data matches for the 2020-21 exercises have been released. Training and awareness raising with services to enable review and investigation. Internal Audit has reviewed the recently released Covid-19 related business rates grants data matches to ascertain which matches may require further investigation.
3. Education Support continue to prompt schools to maintain up-to-date school fund certificates. Internal Audit provided guidance and direction to Governors Board on 17 June 2021 with schools Chairs of Governors in attendance.
4. The Strategy for the Prevention and Detection of Fraud, Corruption and Bribery and Fraud Response Plan was endorsed by the Senior Leadership Team. They are included as a separate agenda item for Governance & Audit Committee to comment and recommend for Cabinet to approve.
5. Alerts from the National Anti-Fraud Network (NAFN) relating to Business Rates Grants and potential Mandate Fraud reviewed with the relevant service and response taken accordingly.
6. Responding to Whistleblowing concerns which involve allegations of potential fraud.

Referrals 2021/22

While it is not Internal Audit's role to identify or investigate fraud, Internal Audit keeps abreast of potential fraud from a view of ensuring that any governance, risk management or control weaknesses are addressed.

Three allegations relating to potential fraud have been referred to Internal Audit during the financial year 2021/22: all three are currently under investigation.

Whistleblowing concerns are reported separately to Committee as part of the Annual Whistleblowing Report but are included in the above figures should there be an element relating to potential for fraud.

Internal Audit Performance Standards

The table below shows Internal Audit's performance to date for 2021/22.

Performance Measure	Target	Current Performance
Send a scoping document before the start of every audit	100%	100%
Issue draft report within 10 days of the closing meeting	Average days less than 10	2 days
Issue final report within 5 days after agreeing the draft report and action plan	Average days less than 5	1 day
Percentage of audit agreed actions that have been implemented by services	75%	42%

The audit agreed actions that have been implemented figure is always lower than the target at the start of the financial year and expect to improve over the course of the year. Covid-19 is also still affecting progress with some services areas placed under additional demands in terms of ongoing response to the pandemic.

Internal Audit are prioritising the completion of assurance work and continue to follow up previous reviews awarded a low assurance to ensure that necessary improvements are being made. While many actions are taking longer to resolve than originally envisaged by services, we are satisfied that progress is still being made to implement the requisite change.

Appendix 1 – Assurance Level Definition

Assurance Level	Definition	Management Intervention
High Assurance ●	Risks and controls well managed and objectives being achieved	Minimal action required, easily addressed by line management
Medium Assurance ●	Minor weaknesses in management of risks and/or controls but no risk to achievement of objectives.	Management action required and containable at service level. Senior management and SLT may need to be kept informed.
Low Assurance ●	Significant weaknesses in management of risks and/or controls that put achievement of objectives at risk.	Management action required with intervention by SLT.
No Assurance ●	Fundamental weaknesses in management of risks and/or controls that will lead to failure to achieve objectives.	Significant action required in a number of areas. Required immediate attention from SLT.

Risk Issue Category	Definition
Critical ●	Significant issues to be brought to the attention of SLT, Cabinet Lead Members and Governance and Audit Committee.
Major ●	Corporate, strategic and/or cross-service issues potentially requiring wider discussion at SLT.
Moderate ●	Operational issues that are containable at service level.

Mae tudalen hwn yn fwriadol wag

Adroddiad i'r	Pwyllgor Llywodraethu ac Archwilio
Dyddiad y cyfarfod	28 Gorffennaf 2021
Aelod Arweiniol / Swyddog	Y Cynghorydd Julian Thompson Hill / Lisa Lovegrove – Prif Archwilydd Mewnol
Awdur yr Adroddiad	Lisa Lovegrove – Prif Archwilydd Mewnol
Teitl	Camau Dilydol Archwilio Mewnol – Rheoli Prosiect Adeilad y Frenhines

1. Am beth mae'r adroddiad yn sôn?

- 1.1. Mae'r adroddiad hwn yn rhoi'r wybodaeth ddiweddaraf am y cynnydd o ran gweithredu'r cynllun gweithredu a oedd yn cyd-fynd â'r adroddiad Archwilio Mewnol ar Reoli Prosiect Adeilad y Frenhines, dyddiedig Ionawr 2021, a gyflwynwyd i'r pwyllgor hwn ym mis Ionawr 2021.

2. Beth yw'r rheswm dros lunio'r adroddiad hwn?

Is-bennawd (dilëwch yn ôl yr angen)

- 2.1. Bwriad yr adroddiad hwn yw darparu gwybodaeth am sut mae'r Cyngor yn gweithredu gwelliannau wrth reoli prosiect Adeilad y Frenhines yn unol â'r cynllun gweithredu y cytunwyd arno ers cyhoeddi'r adroddiad Archwilio Mewnol. Rhoddodd yr adroddiad sicrwydd isel, felly gofynnodd y Pwyllgor Llywodraethu ac Archwilio am adroddiad cynnydd. Dyma'r adroddiad cynnydd cyntaf.

3. Beth yw'r Argymhellion?

- 3.1. Bod y pwyllgor yn adolygu'r cynnydd o ran mynd i'r afael â chymau gweithredu yr archwiliad a phenderfynu a oes angen unrhyw adroddiadau diweddarau pellach ynglŷn â chynnydd o ran y cynllun gweithredu gwelliant.

4. Manylion yr Adroddiad

- 4.1. Rhoddodd ein hadolygiad o reoli prosiect Adeilad y Frenhines, adroddiad dyddiedig Ionawr 2021, sicrwydd isel.
- 4.2. Nododd y camau dilynol fod cynnydd wedi ei wneud mewn sawl maes yn dilyn ein hadolygiad diwethaf, gydag wyth o'r deuddeg cam gweithredu wedi eu gweithredu'n llawn.
- 4.3. Bydd angen cynnal adolygiad dilynol arall er mwyn sefydlu pa gynnydd a wnaed o ran y camau gweithredu sydd ar ôl, sydd wedi eu hoedi yn bennaf oherwydd bod y system reoli prosiectau'n mynd drwy broses dendro. Mae ein hail adolygiad dilynol wedi ei drefnu ar gyfer mis Rhagfyr 2021.
- 4.4. Yn seiliedig ar ganlyniadau ein hadolygiad dilynol, rydym yn darparu sgôr sicrwydd canolig.

5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?

- 5.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

6. Faint fydd hyn yn ei gostio a sut y bydd yn effeithio ar wasanaethau eraill?

- 6.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

7. Beth yw prif gasgliadau'r Aseiad o'r Effaith ar Les?

- 7.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

8. Pa ymgynghoriadau sydd wedi'u cynnal gyda Chraffu ac eraill?

- 8.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

9. Datganiad y Prif Swyddog Cyllid

9.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

10. Pa risgiau sydd, ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?

10.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

11. Pŵer i wneud y Penderfyniad

11.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

Mae tudalen hwn yn fwriadol wag

Internal Audit of Project Management: Queen's Buildings

Follow Up Review

Purpose & Background Information

Our original review of Project Management: Queen's Buildings was completed in January 2021 giving a low assurance rating.

It should be noted that the updated opinion is based on the assumption that systems and controls as previously identified during the original audit remain in operation and are being complied with in practice. The purpose of our follow up exercise is not to retest the operation of controls which have already been assessed, but to review how management has responded to the action plans following our initial work.

Tudalen 156

Audit Opinion

Progress has been made in a number of areas since our last review with eight of the twelve actions being fully implemented. A further follow up will be needed to establish the progress made with the following outstanding actions which are mostly delayed due to the project management system undergoing a tendering process:

- Updating Project Management Guidelines.

- Reviewing the Stage Review Group process once the new Project Management system is up and running to ensure roles and responsibilities are clear.
- Verto (Project Management system) access levels to be regularly reviewed.
- The Project Board developing a mechanism so that project benefits can be effectively measured.

Once addressed, these improvements should further strengthen the Council's project management arrangements.

Based on the results of the first follow up review, we are providing a medium assurance.

Assurance Rating

Audit Opinion	Rating
At Final Report	Low ●
At First Follow Up	Medium ●

Internal Audit of Project Management: Queen's Buildings

Progress with Implementing Agreed Actions

Action Risk Rating	Actions Fully Implemented	Actions Not Implemented	Actions Not Yet Due
Critical ●	0	0	0
Major ●	4	0	0
Moderate ●	4	4	0

Tudalen 157

Ref	Agreed Action	Original Issue & Risk Rating	Manager Responsible & Target Date	Follow Up Status and Comments
1.1	Terms of Reference to be reviewed and finalised by the Project Board.	Lack of effective governance and scrutiny arrangements at the start of the project Moderate ●	Project Manager 01/02/2021	Complete The first meeting of the new Project Board was held on the 14 April 2021 at which the Board's Terms of Reference was agreed. Meetings have been arranged monthly for the remainder of 2021.
1.2	Update Project Management guidelines to include further clarification on the roles and responsibilities, escalation and internal DCC reporting and approvals.	Lack of effective governance and scrutiny arrangements at the start of the project. Moderate ●	Strategic Planning Team Manager 31/03/2021	In Progress – Revised Date 31/12/2021 The project management guidelines are currently being updated. Amendments have been carried out, but the Section 151 Officer and the Strategic Planning Team Manager will

Internal Audit of Project Management: Queen's Buildings

Tudalen 158

				look at the project management processes to identify if they can be aligned with the Strategic Investment Group (SIG) process as part of the specification for a new project management system.
1.3	Reaffirm roles and responsibilities with the Stage Review Group (e.g. ICT, Finance, Communications, Property and Strategic Planning) representatives.	Lack of effective governance and scrutiny arrangements at the start of the project. Moderate ●	Strategic Planning Team Manager 31/03/2021	In Progress – Revised Date 31/12/2021 A tendering process for a new project management system is currently being undertaken. This action is on hold until a decision is made on the future platform.
1.4	Verto access levels have been reviewed to ensure that they are appropriate and up-to-date. These will be regularly reviewed in future.	Lack of effective governance and scrutiny arrangements at the start of the project. Moderate ●	Performance & Programme System Administrator Complete	In Progress The Performance & Programme System Administrator has reviewed Verto system access levels since our original review, but responsibility for the Verto system now lies with ICT. There are users listed who have not accessed the system since 2015, ICT will look at deleting these going forwards. ICT will be reviewing the account status on a six monthly cycle to identify inactive accounts and action them appropriately.

Internal Audit of Project Management: Queen's Buildings

Tudalen 159

				Currently out to tender on the Project Management and Performance Software and will be implementing Single Sign On which will link to the Active Directory and will restrict access as soon as a leaver or a mover has been actioned.
2.1	Linked to actions 1.2 and 1.3, Project Management Guidance and roles and responsibilities of the Stage Review Group will be reviewed and reaffirmed.	Actual and forecasted project costs far exceed estimates. Major ●	Strategic Planning Team Manager 31/03/2021	Closed Duplicated with actions 1.2 & 1.3
2.2	A revised business case has been completed for Phase 1 detailing more realistic costings; currently tendering for the demolition work, but are continuing to explore options for external funding to proceed with Phase 1.	Actual and forecasted project costs far exceed estimates. Major ●	Project Manager/ Lead Officer – Strategic Asset Management 31/01/2021	Complete A revised business case was submitted to Cabinet for approval in September 2020. It was further updated and submitted to Welsh Government in January 2021, which was reviewed at their Capital Panel and approved. External funding for Phase 1 has now been secured.
3.1	External legal advice is being sought.	Non-adherence to Contract Procedure Rules. Major ●	Legal Services Manager 31/01/2021	Complete The external legal review has now concluded, and the outcome discussed with the relevant parties.

Internal Audit of Project Management: Queen's Buildings

Tudalen 160

3.2	A protocol will be developed to detail how and when Legal should be engaged, and will be agreed by the Senior Leadership Team (SLT).	Non-adherence to Contract Procedure Rules. Major ●	Legal Services Manager 31/01/2021	Complete The Legal protocol was approved by the Senior Leadership Team (SLT) on the 1 April 2021.
4.1	The Project Board to develop a mechanism so that projects benefits can be effectively measured.	Some key project management information is either not recorded or has not been updated. Moderate ●	Project Manager/ Lead Officer – Strategic Asset Management 31/03/2021	In Progress - Revised Date 31/08/2021 The Project Manager and Lead Officer (Strategic Asset Management) are working with the Rhyl Regeneration Programme Manager on developing a mechanism so project benefits can feed into the over-arching Rhyl Regeneration Programme.
4.2	The Project Manager to meet with the recently appointed communications resource for the Rhyl Programme Board so that she can include elements of the project within the programme's communications plan.	Some key project management information is either not recorded or has not been updated. Moderate ●	Project Manager Complete	Complete The Project Manager and the Communications Resource Officer for the Rhyl Programme Board regularly meet to update the Queen's Buildings Communication Plan.
4.3	A log of key changes to be captured within monthly project board meetings.	Some key project management information is either not recorded or has not been updated. Moderate ●	Project Manager/ Lead Officer – Strategic Asset Management Complete	Complete A log of key changes is maintained and is a standing agenda item for the Project Board.

4.4	The project will be reviewed to ensure lessons learnt are captured.	Some key project management information is either not recorded or has not been updated. Moderate ●	Project Manager 18/12/2020	Complete The Project Manager confirmed that lessons learnt are now being captured on the 'Verto' project management system, and incorporate those from the start of the project.
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Mae tudalen hwn yn fwiadol wag

Adroddiad i	Pwyllgor Llywodraethu ac Archwilio
Dyddiad y cyfarfod	28 Gorffennaf 2021
Aelod Arweiniol / Swyddog	Y Cyng. Julian Thompson-Hill / Lisa Lovegrove – Prif Archwilydd Mewnol
Awdur yr adroddiad	Lisa Lovegrove – Prif Archwilydd Mewnol
Teitl	Adolygiad Dilynol Archwilio Mewnol o Drefniadau Rheoli Contractau

1. Am beth mae'r adroddiad yn sôn?

1.1. Mae'r adroddiad hwn yn rhoi'r wybodaeth ddiweddaraf am y cynnydd wrth weithredu'r cynllun gweithredu sy'n cyd-fynd â'r adroddiad Archwilio Mewnol ar Reoli Contractau. Cyflwynwyd yr adroddiad i'r pwyllgor hwn ym mis Gorffennaf 2020 a gofynnodd y pwyllgor am gynllun gweithredu diwygiedig i adlewyrchu newidiadau allweddol. Cafodd y cynllun diwygiedig ei gyflwyno ym mis Ionawr 2021.

2. Beth yw'r rheswm dros lunio'r adroddiad hwn?

Is-bennawd (dilëwch yn ôl yr angen)

2.1. Bwriad yr adroddiad hwn yw darparu gwybodaeth am y ffordd y mae'r Cyngor yn gwneud gwelliannau i'r trefniadau rheoli contractau ers cyhoeddi'r adroddiad Archwilio Mewnol a'r cynllun gweithredu diwygiedig. Rhoddodd yr adroddiad sicrwydd isel, felly gofynnodd y Pwyllgor Llywodraethu ac Archwilio am adroddiad cynnydd. Hwn yw'r adroddiad cynnydd cyntaf.

3. Beth yw'r Argymhellion?

- 3.1. Bod y pwyllgor yn adolygu'r cynnydd o ran mynd i'r afael â chamau gweithredu'r archwiliad a phenderfynu a oes angen unrhyw adroddiad diweddar pellach ynglŷn â chynnydd y cynllun gweithredu gwelliant.

4. Manylion yr Adroddiad

- 4.1. Rhoddodd ein hadolygiad o drefniadau rheoli contractau (adroddiad mis Ionawr 2020) sicrwydd isel.
- 4.2. Ym mis Gorffennaf 2020, sylwodd y Pwyllgor Llywodraethu Corfforaethol ac Archwilio fod y cynllun gweithredu gwreiddiol yn cynnwys camau gweithredu nad oeddynt bellach yn ymarferol oherwydd bod Adolygiad o'r Gwasanaethau Cymorth Cymunedol wedi'i atal ar anterth pandemig Covid-19. Ym mis Ionawr 2021 cytunodd y Pwyllgor Llywodraethu Corfforaethol ac Archwilio ar gynllun gweithredu diwygiedig i ddarparu sicrwydd bod camau gweithredu addas wedi'u nodi i fynd i'r afael â'r materion a nodwyd yn yr adroddiad gwreiddiol.
- 4.3. Mae'r adroddiad dilynol cyntaf yma yn adolygu cynnydd y camau gweithredu yn unol â'r cynllun gweithredu diwygiedig (mae'r adroddiad llawn yn Atodiad 1). Daethom i'r casgliad bod cynnydd cyfyngedig wedi'i wneud o ran mynd i'r afael â'r camau gweithredu fel y nodir yn y cynllun gweithredu diwygiedig a gytunwyd arno ym mis Ionawr 2021. Mae cyflawni nifer o'r camau gweithredu yn llawn yn dibynnu ar gymeradwyaeth yr Uwch Dîm Arwain ar gyfer y Fframwaith Rheoli Contractau. Ar adeg ein hadolygiad, nid oedd y fframwaith drafft wedi'i gyflwyno i'r Uwch Dîm Arwain i dderbyn eu sylwadau a'u cymeradwyaeth, ond bydd yn cael ei gyflwyno iddynt ar 15 Gorffennaf 2021. Mae pwysau parhau o ran gallu a diffyg adnoddau rheoli contractau pwrpasol hefyd wedi cyfyngu ar y gallu i ddarparu'r oruchwyliaeth, yr hyfforddiant a'r arweiniad sy'n angenrheidiol ar gyfer rheoli contractau.
- 4.4. Yn seiliedig ar ganlyniadau ein hadolygiad dilynol, mae'r sgôr sicrwydd yn parhau'n isel. Mae Archwilio Mewnol yn bwriadu cynnal ail adolygiad dilynol ym mis Tachwedd 2021 er mwyn adolygu'r cynnydd mewn perthynas â chyflawni'r camau gweithredu sy'n weddill.

5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?

5.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

6. Faint fydd hyn yn ei gostio a sut y bydd yn effeithio ar wasanaethau eraill?

6.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

7. Beth yw prif gasgliadau'r Asesiad o'r Effaith ar Les?

7.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

8. Pa ymgynghoriadau sydd wedi'u cynnal gyda Chraffu ac eraill?

8.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

9. Datganiad y Prif Swyddog Cyllid

9.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

10. Pa risgiau sydd ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?

10.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

11. Pŵer i wneud y Penderfyniad

11.1. Amherthnasol – nid oes angen gwneud unrhyw benderfyniad gyda'r adroddiad hwn.

Mae tudalen hwn yn fwriadol wag

Internal Audit of Contract Management

First Follow Up Review

Purpose & Background Information

Our original review of Contract Management was completed in January 2020 giving a low assurance rating. This was due to a lack of coordination and central responsibility for contract management and an absence of staff training and guidance. In addition, the review found inconsistent recording of information on contract management by services including performance monitoring and risk assessments to identify and manage major risks.

In July 2020, Corporate Governance and Audit Committee identified that the original action plan contained actions which were no longer feasible given the suspension of Corporate Support Services Review at the height of the Covid-19 pandemic. A revised action plan was agreed at Corporate Governance and Audit Committee in January 2021 to provide assurance that suitable actions had been devised to address the issues identified in the original report. This first follow up review is to establish progress made in addressing those issues.

It should be noted that the updated opinion is based on the assumption that systems and controls as previously identified during the original audit remain in operation and are being complied with in practice. The purpose of our follow up exercise is not to retest the operation of controls which have already been assessed, but to review how management has responded to the action plans following our initial work.

Audit Opinion

Limited progress has been made in addressing the actions as set out in the revised action plan agreed in January 2021. The full implementation of a number of the actions is dependent on the approval by the Senior Leadership Team (SLT) of the Contract Management Framework. At the time of our review, the draft framework had not been reported to SLT as the Head of Legal, HR & Democratic Services has had a number of competing priorities during the first half of the year most notably in recruitment for key roles. It is on the agenda for SLT on 15 July 2021. Ongoing capacity pressures and lack of dedicated contract management resource have also restricted the ability to provide the required contract management oversight, training and guidance.

Based on the extent of progress made in implementing the agreed actions we are providing a ‘low’ assurance.”

Assurance Rating

Audit Opinion	Rating
At Final Report	Low ●
At First Follow Up	Low ●

Progress with Implementing Agreed Actions

Action Risk Rating	Actions Fully Implemented	Actions Not Implemented	Actions Not Yet Due
Critical ●	0	0	0
Major ●	3	7	3
Moderate ●	1	0	0

Contract Management Follow Up

Tudalen 170

Ref	Agreed Action	Original Issue & Risk Raised	Manager Responsible & Target Date	Follow Up Status and Comments
1.1	<ul style="list-style-type: none"> Report to SLT highlighting the weakness identified with contract management and non-compliance with CPRs with a view to SLT reviewing arrangements in their own services to ensure: All contracts are recorded on the Proactis contract management module or other suitable systems (until a decision is taken to replace it); Signed contracts are obtained for all contracts over £25,000 and held on the Proactis system (or suitable approved contract management system); Contract management activity is recorded in the contract management module within Proactis, or 	<p>There is a general lack of coordination and central responsibility around the way contract management is being carried out by services. Major Risk ●</p>	<p>Head of Legal, HR & Democratic Services / Head of Finance & Property by 28/02/2021</p>	<p>Complete: A report was taken to SLT on 18 March 2021.</p>

Contract Management Follow Up

Tudalen 171

Ref	Agreed Action	Original Issue & Risk Raised	Manager Responsible & Target Date	Follow Up Status and Comments
	<p>other method as agreed corporately;</p> <ul style="list-style-type: none"> • Ensure that the delivery of community benefits is monitored; • Ensure appropriate performance indicators are included within contracts with suitable monitoring of the contractor's performance; • Ensure that contract risks are considered within the procurement and contract monitoring activity. Also, that significant risks are captured on the service risk register. 			
2.1	<p>Ensure staff involved with managing contracts are suitably trained. Training will be rolled out across the council to all staff who are involved in contract management and delivered in two parts:</p>	<p>Lack of training and guidance has been identified as an issue for staff who carry out contract management as part of their role and this has occasionally resulted in</p>	<p>Interim Procurement Manager & Head of Legal, HR & Democratic Services Proactis 31/12/2020 (and ongoing thereafter);</p>	<p>In progress: Targeted training has been delivered on the Proactis Contract Management module to those who use the system. A user guide has also been circulated. Ongoing Proactis training is done on an ad hoc basis as required.</p>

Contract Management Follow Up

Tudalen 172

Ref	Agreed Action	Original Issue & Risk Raised	Manager Responsible & Target Date	Follow Up Status and Comments
	<p>1. Proactis Contract Management module</p> <p>2. Contract management principles (to explore the use of e-learning).</p>	<p>non-compliance with CPRs.</p> <p>Major Risk ●</p>	<p>Contract Management principles underway by 30/04/2021</p>	<p>The Interim Procurement Manager has advised that more bespoke contract management training cannot be rolled out until SLT agree that the Contract Management Framework is the right approach.</p> <p>Appropriate contract management principles have yet to be devised due to time and resource constraints. Devising appropriate principles which can be easily understood and deployed by contract managers is ongoing. A quote has been sought from a training provider</p> <p>Revised action date 30/10/2021</p>
2.2	<p>Contract Management framework will be produced to document the stages of contract management and include a task list with the minimum recommended activities to undertaken.</p> <p>Scope to develop standard templates at a later stage.</p>	<p>Lack of training and guidance has been identified as an issue for staff who carry out contract management as part of their role and this has occasionally resulted in non-compliance with CPRs.</p>	<p>Interim Procurement Manager & Contract and Performance Manager by 31/03/2021</p>	<p>Complete. A detailed draft contract management evaluation framework has been devised. The framework sets out the roles and responsibilities of the contract manager, Procurement team and Head of Service. The framework stipulates the actions required by the above and includes a detailed classification matrix for critical, major and minor contracts and minimum</p>

Contract Management Follow Up

Tudalen 173

Ref	Agreed Action	Original Issue & Risk Raised	Manager Responsible & Target Date	Follow Up Status and Comments
		Major Risk ●		action required for each contract classification.
2.3	Contract Managers Forum to be set up to share best practice.		Interim Procurement Manager & Contract and Performance Manager by 31/10/2021	Not yet due. Discussions to be held regarding appropriate resourcing requirements and structure. Current resource capacity means that this Forum cannot be established as yet.
2.4	Once framework circulated and e-learning and training provided, guidance notes to be developed to provide staff with additional information around contract management.		Interim Procurement Manager & Contract and Performance Manager by 31/12/2021	Not yet due. The framework has not yet received SLT approval and therefore has not been circulated amongst services. Discussions are ongoing about dedicated resource to ensure the delivery of additional guidance on contract management.
3.1	Procurement business partners to run a Proactis report showing a list of contracts by service area and share with service management teams in order for the Heads of Service to ensure that contracts are appropriately uploaded. Scope to include contract risk categorisation score down the	All new contracts over £25k (or renewable contracts under £25k) are now moved onto the Proactis contract management module, but services are still storing key contract management information elsewhere, if at all.	Procurement Business Partners & Heads of Service by 31/03/2021	In progress: Task lists are being shared with service management to highlight overdue items in relation to contract procurement and set up. Risk categorisation is not included as yet. Procurement Business Partners encourage management teams to upload signed contracts onto Proactis Contract Management, there is limited

Contract Management Follow Up

Tudalen 174

Ref	Agreed Action	Original Issue & Risk Raised	Manager Responsible & Target Date	Follow Up Status and Comments
	line once the contract management framework is launched.	Major Risk ●		evidence to show that this is happening. Revised action date: 30/10/2021
3.2	A review of the current contract management system (Proactis) to be undertaken to establish if the system is still fit for purpose. If the current system is considered unfit, then a business case will be formed to justify replacement.		Head of Legal, HR & Democratic Services by 31/12/2021	Not yet due. A formal review has not taken place as yet.
4.1	Review the commissioning form to include a section on KPIs to prompt for their inclusion in relevant contracts e.g. high and medium risk/strategic contracts.	The level of performance monitoring around contracts is weak with staff not recording meetings, maintaining performance records and completing information around KPIs (key performance indicators). Major Risk ●	Legal & Procurement Operations Manager by 31/03/2020	Complete. The updated commissioning form includes a section to be completed setting out the KPIs to be used to monitor contractor performance.

Contract Management Follow Up

Tudalen 175

Ref	Agreed Action	Original Issue & Risk Raised	Manager Responsible & Target Date	Follow Up Status and Comments
4.2	Proactis has the potential to send out reminders if monitoring is not completed/uploaded through creation of tasks. This will be included as part of the Proactis contract management training (see action 2.1).	The level of performance monitoring around contracts is weak with staff not recording meetings, maintaining performance records and completing information around KPIs (key performance indicators). Major Risk ●	Interim Procurement Manager by 30/04/2021	Not yet implemented. There is limited evidence that the tasks function on Proactis is being used to monitor contract performance. A sample of 6 approved contracts shows that tasks are not being created at the outset to monitor performance. While training can be delivered on this it is the responsibility of the contract manager to ensure that it is recorded and monitored. Revised action date 30/10/2021
5.1	Review of the contract management system confirms it has the functionality to record contract risks. Mandatory field to be added to Proactis to capture the information and enable reporting	Significant contracts in a number of cases did not have a risk assessment so that major risks identified could be managed accordingly. Without this, major risks could materialise and cause significant impact where it could have been avoided. For those contracts that had been assessed, there	Interim Procurement Manager by 31/03/2021	Not yet implemented. A mandatory field can be added easily, however this functionality is also dependent on the approval of the Contract Management Framework by SLT. Revised action date 30/10/2021

Contract Management Follow Up

Tudalen 176

Ref	Agreed Action	Original Issue & Risk Raised	Manager Responsible & Target Date	Follow Up Status and Comments
		is little evidence to show they are updated regularly. Major Risk ●		
5.2	All risks associated with operating a contract need to be recorded on a pre-contract risk form. A Contract Management framework will be taken to SLT for approval with the view for it to be adopted for all new contracts and applied by all services.	Significant contracts in a number of cases did not have a risk assessment so that major risks identified could be managed accordingly. Without this, major risks could materialise and cause significant impact where it could have been avoided. For those contracts that had been assessed, there is little evidence to show they are updated regularly. Major Risk ●	Head of Legal, HR & Democratic Services and SLT by 31/03/2021	Not yet implemented. The position regarding risk assessments for significant contracts remains unchanged. There is limited evidence that pre-contract risk forms are being completed. The draft Contract Management Framework, due to go to SLT on 15 July 2021 for approval, contains provisions for pre-contract risk assessments. Revised action date 30/10/2021
5.3	Contract risk scores will be picked up in Proactis reports generated for service management teams to review and Heads of Service to ensure	Significant contracts in a number of cases did not have a risk assessment so that major risks identified could be managed accordingly. Without this,	Interim Procurement Manager & Heads of Service by 31/03/2021	Not yet implemented. Risk scoring for contracts has been devised in draft form but not yet agreed by SLT therefore it has yet to be picked up in Proactis reports to services. Revised action date 30/10/2021

Contract Management Follow Up

Tudalen 177

Ref	Agreed Action	Original Issue & Risk Raised	Manager Responsible & Target Date	Follow Up Status and Comments
	that the framework is applied appropriately.	major risks could materialise and cause significant impact where it could have been avoided. For those contracts that had been assessed, there is little evidence to show they are updated regularly.		
5.4	See also action 1.1, Heads of Service to ensure that any contracts deemed as a significant risk to the service or council are captured on the service risk register where appropriate.	Major Risk ●	n/a	In Progress. There are a few examples of significant or strategic contracts being captured on service risk registers. The risk of poor performance of contracted services is captured in broader terms. The approval and subsequent circulation of the framework should encourage inclusion on both contract and service risk registers.
6.1	Community Benefit Hub will monitor all community benefits centrally to coordinate and ensure that they are delivered. Links to Internal Audit review of Section 106 agreements	Currently, services are not including community benefits into contracts worth between £25k and £1m. Where it has been included, very little monitoring is being carried out.	Framework Manager - Legal, HR & Democratic Services by 31/03/2020	Complete: The Community Benefit Hub has been established with recent software used to monitor community benefits. Contracts above the mandatory £1m threshold include community benefits.
6.2	See also actions 1.1	Moderate Risk ● N/a	N/a	N/a

Mae tudalen hwn yn fwiadol wag

Adroddiad i'r:	Pwyllgor Llywodraethu Corfforaethol ac Archwilio
Dyddiad y Cyfarfod:	28th Gorffennaf 2021
Aelod/Swyddog Arweiniol:	Cyng. Hugh H Evans, Arweinydd: Alan Smith, Pennaeth Gwella Busnes a Moderneiddio
Awdur yr Adroddiad:	Alan Smith, Uwch Berchennog Risg Gwybodaeth (SIRO)
Teitl:	Adroddiad SIRO 2020-21

1. Am beth mae'r adroddiad yn sôn?

Mae'r adroddiad yn ymwneud â'r cyfnod **Ebrill 2020 - Mawrth 2021** ac yn rhoi manylion ynghylch toriadau'r Cyngor o'r Ddeddf Diogelu Data sydd wedi bod yn destun ymchwiliad gan yr Uwch Swyddog Risg Gwybodaeth (SIRO - Pennaeth Moderneiddio a Gwella Busnes yng Nghyngor Sir Ddinbych). Mae'r adroddiad hefyd yn ymdrin â chwynion am y Cyngor cysylltiedig â'r ddeddfwriaeth Rhyddid Gwybodaeth a gyfeiriwyd i Swyddfa'r Comisiynydd Gwybodaeth ac yn rhoi rhywfaint o wybodaeth am y ceisiadau Mynediad at Wybodaeth/Rhyddid Gwybodaeth a dderbyniodd y Cyngor. Eleni, am y tro cyntaf, mae'r adroddiad yn cynnwys gwybodaeth am ysgolion Sir Ddinbych.

2. Beth yw'r rheswm dros lunio'r adroddiad hwn?

Mae Polisi Diogelu Data'r Cyngor yn gofyn am adroddiad blynyddol ar gynnydd i'r Pwyllgor Llywodraethu Corfforaethol er mwyn caniatáu i'r Aelodau oruchwylio'r broses.

3. Beth yw'r Argymhellion?

3.1. Bod cynnwys yr adroddiad yn cael ei nodi gan y Pwyllgor.

4. Manylion yr Adroddiad

Ochr yn ochr â'r Swyddog Diogelu Data, mae ar yr Uwch Berchennog Risg Gwybodaeth (SIRO) gyfrifoldeb penodol i sicrhau bod gwybodaeth a gedwir gan y Cyngor yn cael ei rheoli'n ddiogel, yn effeithiol ac yn unol â'r ddeddfwriaeth. Mae'r systemau a ddyluniwyd i sicrhau bod y rolau hyn yn cael eu cyflawni'n llwyddiannus yn dibynnu ar dryloywder ac agoredrwydd, felly mae'n arbennig o bwysig bod Aelodau'n cael trosolwg o'r broses.

Mae'r adroddiad eleni yn cynnwys mwy o wybodaeth nag yn y blynyddoedd blaenorol oherwydd buddsoddiad cynyddol y Cyngor mewn rheolaeth data diogel, yn cynnwys:

- Mwy o ymgysylltiad â'r ysgolion
- Mwy o amser dynodedig wedi'i neilltuo ar gyfer swyddogion yn y Gwasanaethau Cyfreithiol
- Cydweithio effeithiol ar draws y cyngor drwy gyfrwng y Grŵp Llywodraethu Gwybodaeth sy'n cael ei gadeirio gan Uwch Swyddog Risg Gwybodaeth y Cyngor.
- Codi ymwybyddiaeth ar draws yr holl wasanaethau drwy hyfforddiant a chymorth dynodedig.

Fodd bynnag er gwaethaf y gwelliannau hyn digwyddodd y toriadau data o hyd ac maent wedi'u nodi isod ynghyd â gwybodaeth am rôl y Cyngor mewn rheoli ceisiadau Rhyddid Gwybodaeth, Ceisiadau am Wybodaeth Amgylcheddol a cheisiadau Gwrthrych am Wybodaeth.

4.1 Torri Rheolau Diogelu Data

Rhwng Ebrill 2020 a Mawrth 2021 bu 22 o ddigwyddiadau yn ymwneud â data personol, mwy na'r llynedd pan fu 13.

Gwybodaeth am bobl eraill wedi'i chynnwys mewn dogfennau mewn camgymeriad	6
E-bost yn cynnwys gwybodaeth bersonol wedi'i anfon at yr unigolyn anghywir	10
Dogfennau wedi'u hanfon drwy'r post at yr unigolyn anghywir	4
Arall	2

Tabl 1: Toriadau diogelu data yr hysbyswyd yn eu cylch yn ystod 2020/21

Er mai dim ond un o'r digwyddiadau hyn yr ystyriwyd y dylid hysbysu Swyddfa'r Comisiynydd Gwybodaeth yn ei gylch, mae hwn yn gynnydd sylweddol o hyd. Er mai camgymeriadau dynol yn eu hanfod yw'r rheswm sylfaenol dros y toriadau hyn, fel SIRO mae gennyf rai pryderon fod y digwyddiadau hyn wedi dod yn fwy cyffredin oherwydd bod staff swyddfeydd wedi bod yn gweithio i ffwrdd o'u swyddfeydd yn ystod y flwyddyn ac nad oedd ganddynt felly fynediad at yr un prosesau gwirio ag sydd ganddynt yn eu lleoliadau gwaith arferol. Er mwyn datrys hyn mae gweithdrefnau newydd ar gyfer 'gwirio o bell' yn cael eu harchwilio yn cynnwys:

- Gweld a yw'n bosibl i Microsoft Outlook stopio cynnig cyfeiriadau e-bost yn awtomatig yn y blwch 'derbynnydd' - ar y gweill, TG
- Gweld a fyddai'n bosibl i neges ymddangos yn Microsoft Outlook i gadarnhau a yw'r anfonwr eisiau anfon yr e-bost ai peidio (fel sy'n digwydd pan nad oes unrhyw beth yn y blwch testun, pan nad oes atodiad ac ati) pan fo'r neges wedi'i chyfeirio at dderbynnydd allanol - ar y gweill, TG

- Pan fo adroddiadau'n cael eu hargraffu gan Staff Cymorth Busnes ar ran aelod arall o staff sydd ddim yn y swyddfa, bod yr adroddiad wedi'i brintio'n cael ei sganio'n ôl at yr aelod perthnasol o staff i'w wirio cyn i'r copi caled gael ei bostio - ar y gweill, Gwasanaethau Cymdeithasol.

Mae hyfforddiant gloywi ar ddiogelu data'n cael ei lansio ar gyfer pob aelod o staff, sy'n cynnwys cyngor ar reoli data'n effeithio wrth weithio i ffwrdd o'r swyddfa.

Mewn perthynas â'r digwyddiad a gyfeiriwyd at Swyddfa'r Comisiynydd Gwybodaeth (manyllion gwrthrych data arall wedi'u cynnwys yn y dogfennau mewn camgymeriad, nid oedd SCG yn barnu fod angen unrhyw gamau gweithredu pellach.

4.2 Rheoliadau Diogelu Data Cyffredinol (GDPR)

Mae'r holl waith a oedd wedi'i gynllunio yn y maes hwn bellach wedi'i gwblhau, ac eithrio rhywfaint o waith ar gofrestr contractau'r Cyngor. Mae rhaglen o waith ar asesu ac addasu'r contractau sy'n weddill yn parhau ac yn cael ei threfnu ar sail blaenoriaeth.

4.3 Ceisiadau Rhyddid Gwybodaeth (RhG), Rheoliadau Gwybodaeth Amgylcheddol (RhGA) a Cheisiadau Gwrthrych am Wybodaeth

Cafwyd cyfanswm o 1196 cais yn ystod y 12 mis hyd 31 Mawrth 2021. Am y tro cyntaf dros y blynyddoedd diwethaf, mae Ceisiadau Gwrthrych am Wybodaeth wedi gostwng yn sylweddol. Nid yw'n glir beth yw'r rheswm dros hyn ond os mai'r pandemig sydd wedi tarfu ar fusnes arferol yna gallwn ddisgwyl i lefelau gynyddu eto dros y 12 mis nesaf wrth i gymdeithas ddechrau dychwelyd i'r drefn arferol.

Mae ceisiadau Rheoliadau Gwybodaeth Amgylcheddol wedi cynyddu eleni ond eto mae'n debyg fod hyn yn rhannol oherwydd y pandemig. Mae cwmnïau sy'n cynnal chwiliadau tir wedi cyflwyno ceisiadau RhGA am nad oedd yn bosibl iddynt fynd i mewn i adeiladau CSDd i wneud hyn eu hunain. Mae hyn yn cyfrif am tua hanner y cynnydd o gymharu â ffigyrau'r llynedd. Wrth i'r mater hwn gael ei ddatrys mae'n debygol iawn y bydd nifer y ceisiadau'n disgyn yn ôl i lefelau mwy arferol. Serch hynny mae'n werth nodi ei bod yn ymddangos fod ceisiadau am wybodaeth ym mhob categori wedi mynd yn fwy cymhleth yn ystod y cyfnod ac wedi galw am fwy o adnoddau i'w hateb.

	Rhyddid Gwybodaeth	Rheoliadau Gwybodaeth Amgylcheddol	Cyfanswm	Diogelu Data/SAR	Cyfanswm pellach:
14/15	880	127	1007	131	1138
15/16	871	183	1054	182	1236
16/17	955	128	1083	248	1331
17/18	1042	85	1127	240	1367

18/19	1175	94	1269	231	1500
19/20	971	151	1122	139	1261
20/21	778	280	1058	138	1196

Tabl 2: Nifer o geisiadau a gwblhawyd ar gyfer 2014/15 hyd 2020/21

Bu gostyngiad eleni yn nifer y ceisiadau a gwblhawyd o fewn y cyfraddau amser statudol (Tabl 3). Mae'n ymddangos mai'r rheswm dros hyn yw bod swyddogion gwybodaeth o fewn y Gwasanaethau dan bwysau a hynny i raddau helaeth oherwydd y datgymaliad cyffredinol sydd wedi digwydd yn sgil y pandemig.

Blwyddyn	Cyfanswm ceisiadau a dderbyniwyd:	Nifer a gwblhawyd o fewn y terfyn amser)	Canran o fewn y terfyn amser
14/15	1138	1038	91%
15/16	1236	1153	93%
16/17	1331	1281	96%
17/18	1367	1303	95%
18/19	1500	1425	95%
19/20	1261	1221	96%
20/21	1196	1010	84%

Tabl 3: Nifer y Ceisiadau a gwblhawyd o fewn y Terfyn Amser

4.4 Cais am Adolygiad

Mewn rhai achosion, cafodd penderfyniadau am fynediad at wybodaeth eu herio gan yr ymgeisydd a chynhaliwyd adolygiad mewnol. Roedd 24 her o'r fath dros y 12 mis diwethaf gyda 13 ohonynt wedi'u cynnal yn gyfan gwbl neu'n rhannol.

Lle nad oedd yn bosibl datrys materion yn uniongyrchol gyda'r ymgeisydd, neu os oeddent yn achosion cymhleth neu sensitif, roeddent yn cael eu hystyried gan y Panel Mynediad at Wybodaeth sy'n cael ei gadeirio gan Bennaeth y Gwasanaethau Cyfreithiol, AD a

Democrataidd. Cyfarfu'r Panel ddwywaith yn ystod y flwyddyn i ystyried 3 achos nad oedd modd eu datrys yn uniongyrchol.

4.5 Swyddfa'r Comisiynydd Gwybodaeth

Mae SCG wedi bod yn rhan o dri achos yn ystod y cyfnod hwn:

- Mis Mai 2020. Cawsom lythyr gan SCG yn dweud nad oedd ymgeisydd wedi derbyn ymateb i gais RhG. Datryswyd y mater hwn a thynnwyd y gŵyn yn ôl.
- Mis Chwefror 2021. Cawsom lythyr cychwynnol gan SCG am achos RHG/DD, ond nid aethpwyd ymlaen â'r achos hwn.
- Mis Mawrth/Ebrill 2021. Roedd SCG yn feirniadol o'r modd y gwnaethom ymdrin â materion diogelu data cysylltiedig ag ymgeisydd a chawsom gyfarwyddyd i gyflwyno'r wybodaeth y gofynnwyd amdani (RhGA)

4.6 Ysgolion

Hwn yw'r tro cyntaf i'r adroddiad SIRO gynnwys data gan yr ysgolion. Erbyn hyn mae gan y Sir Ddirprwy Swyddog Diogelu Data sy'n gweithio'n unswydd gyda'r ysgolion ac o ganlyniad i hyn mae gennym wybodaeth gwell o lawer am y sector hwn. Mae pob ysgol unigol yn gyfrifol am y modd y rheolir eu data a hwy yw eu rheolyddion data eu hunain, ond yn amlwg mae o fudd i'r Cyngor eu helpu nhw i gyflawni'r safonau uchaf o ran diogelu data. Rydym yn gwneud hyn mewn llawer iawn o ffyrdd, yn cynnwys cynnig cyngor a mynediad at ein polisïau a'n gweithdrefnau.

4.7 Toriadau Diogelu Data mewn Ysgolion

Adroddwyd **14** mân doriad yn ystod y cyfnod Ebrill 2020 –Mawrth 2021 yn cynnwys un digwyddiad seiber.

Roedd y rhan fwyaf o'r rhain o ganlyniad i anfon gwybodaeth am ddisgybl drwy'r post neu e-bost at y rhiant anghywir, neu e-byst yn datgelu cyfeiriadau personol rhieni i bob derbynydd (ddim wedi defnyddio bcc).

Roedd 1 digwyddiad o golli data heb unrhyw fodd o'i gael yn ôl ac 1 digwyddiad o gyhoeddi gwybodaeth bersonol disgybl yn anghywir ar gyfrif cyfryngau cymdeithasol ysgol.

Effeithiodd digwyddiad seiber ar bob un o'r 6 ysgol uwchradd rhwng 18 a 23 Mehefin 2020. Canfuwyd bod e-bost gwe-rwydo wedi'i anfon i gyfrifon e-bost sawl aelod o staff. Pan agorwyd yr atodiad crëwyd 'rheol' a anfonodd bob e-bost yn awtomatig i gyfrif @gmail diawdurdod. Cafodd y toriad hwn ei riportio i SCG o fewn 72 awr gan ein bod yn ymwybodol fod o leiaf 1 cyfrif e-bost wedi'i effeithio arno gan y falwedd hon. Wedi ymchwilio i'r cyfrifon e-bost yr effeithiwyd arnynt, canfuwyd mai dim ond ychydig iawn o ddata bersonol oedd wedi'i golli o un ysgol. Rhoddwyd diweddariad i SCG ac ni chymerwyd unrhyw gamau gweithredu.

- 5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?**
Mae'r adroddiad hwn yn cefnogi amcan y Cyngor i fod yn effeithiol ac yn effeithlon ond nid yw'n uniongyrchol gysylltiedig â blaenoriaeth gorfforaethol.
- 6. Faint fydd hyn yn ei gostio a sut y bydd yn effeithio ar wasanaethau eraill?**
Mae'r adroddiad hwn er gwybodaeth yn unig.
- 7. Beth yw prif gasgliadau'r Asesiad o'r Effaith ar Les?**
Nid oes angen Asesiad o Effaith ar Les
- 8. Pa ymgynghoriadau sydd wedi'u cynnal gyda Chraffu ac eraill?**
Amh.
- 9. Datganiad y Prif Swyddog Cyllid**
Ddim yn angenrheidiol.
- 10. Pa risgiau sydd ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?**
Er mai er gwybodaeth yn unig y mae'r adroddiad hwn, byddai risg i'r Cyngor pe na bai systemau rheoli gwybodaeth a diogelu data yn cael eu cynnal. Mae trosolwg gan Bwyllgor yn elfen bwysig o sicrhau bod ein systemau yn effeithiol.
- 11. Pŵer i wneud y Penderfyniad**
Nid oes angen penderfyniad.

Mae tudalen hwn yn fwiadol wag

Rhaglen Gwaith i'r Dyfodol y Pwyllgor Llywodraethu ac Archwilio

22 Medi 2021		Eitemau Sefydlog	
	1	Materion a Gyfeiriwyd gan y Pwyllgorau Craffu (os oes rhai)	Cydlynnydd Craffu – Rhian Evans
	2	Adroddiadau Rheoleiddio Allanol a Dderbyniwyd yn ddiweddar (os oes rhai)	Pennaeth Gwella Busnes a Moderneiddio – Alan Smith, Nicola Kneale
	3	Rhaglen Gwaith i'r Dyfodol	Gwasanaethau Democraidd
		Adroddiadau	
	4	Adroddiad dilynol ar Bwysau Costau Cyllidebol y Gwasanaethau Cymdeithasol	Swyddfa Archwilio Cymru
	5	Incwm Parcio	Pennaeth Archwilio Mewnol – Lisa Lovegrove
	6	Datganiad Cyfrifon Terfynol	Pennaeth Cyllid – Steve Gadd
	7	Archwiliad Mewnol o Gyllidebau Cefnogi a Thaliadau Uniongyrchol – Adroddiad dilynol	Pennaeth Archwilio Mewnol – Lisa Lovegrove
	8	Y wybodaeth ddiweddaraf ynghylch y Cyfansoddiad – Enw'r Pwyllgor	Gary Williams, Pennaeth y Gwasanaethau Cyfreithiol, AD a Democraidd
Tudalen 187		Eitemau Sefydlog	
2021			
	1	Materion a Gyfeiriwyd gan y Pwyllgorau Craffu (os oes rhai)	Cydlynnydd Craffu – Rhian Evans
	2	Adroddiadau Rheoleiddio Allanol a Dderbyniwyd yn ddiweddar (os oes rhai)	Pennaeth Gwella Busnes a Moderneiddio – Alan Smith, Nicola Kneale
	3	Diweddariad Archwilio Mewnol	Pennaeth Archwilio Mewnol – Lisa Lovegrove
	4	Rhaglen Gwaith i'r Dyfodol	Gwasanaethau Democraidd
		Adroddiadau	
	5	Adroddiad dilynol – Seibergadernid	Barry Eaton – Prif Swyddog Digidol
	6	Archwilio Mewnol – Tenantiaethau Tai – Adroddiad dilynol	Pennaeth Archwilio Mewnol – Lisa Lovegrove
	7	Archwiliad Mewnol o Ddiogelwch Data Diwydiant y Cardiau Talu	Pennaeth Archwilio Mewnol – Lisa Lovegrove
		Safonau – Dilynol	
	8	Y Gofrestr Risg Gorfforaethol – Diweddariad	Swyddog Cynllunio a Pherfformiad – Emma Horan

Rhaglen Gwaith i'r Dyfodol y Pwyllgor Llywodraethu ac Archwilio

26 Ionawr 2022		Eitemau Sefydlog	
	1	Materion a Gyfeiriwyd gan y Pwyllgorau Craffu (os oes rhai)	Cydlynnydd Craffu – Rhian Evans
	2	Adroddiadau Rheoleiddio Allanol a Dderbyniwyd yn ddiweddar (os oes rhai)	Pennaeth Gwella Busnes a Moderneiddio – Alan Smith, Nicola Kneale
	3	Rhaglen Gwaith i'r Dyfodol	Gwasanaethau Democraataidd
		Adroddiadau	
16 Mawrth 2022		Eitemau Sefydlog	
Tudalen 188	1	Materion a Gyfeiriwyd gan y Pwyllgorau Craffu (os oes rhai)	Cydlynnydd Craffu – Rhian Evans
	2	Adroddiadau Rheoleiddio Allanol a Dderbyniwyd yn ddiweddar (os oes rhai)	Pennaeth Gwella Busnes a Moderneiddio – Alan Smith, Nicola Kneale
	3	Diweddariad Archwilio Mewnol	Pennaeth Archwilio Mewnol – Lisa Lovegrove
	4	Rhaglen Gwaith i'r Dyfodol	Gwasanaethau Democraataidd
		Adroddiadau	
27 Ebrill 2022		Eitemau Sefydlog	
	1	Materion a Gyfeiriwyd gan y Pwyllgorau Craffu (os oes rhai)	Cydlynnydd Craffu – Rhian Evans
	2	Adroddiadau Rheoleiddio Allanol a Dderbyniwyd yn ddiweddar (os oes rhai)	Pennaeth Gwella Busnes a Moderneiddio – Alan Smith, Nicola Kneale
	3	Rhaglen Gwaith i'r Dyfodol	Gwasanaethau Democraataidd
		Adroddiadau	
8 Mehefin 2022		Eitemau Sefydlog	
	1	Materion a Gyfeiriwyd gan y Pwyllgorau Craffu (os oes rhai)	Cydlynnydd Craffu – Rhian Evans
	2	Adroddiadau Rheoleiddio Allanol a Dderbyniwyd yn ddiweddar (os oes rhai)	Pennaeth Gwella Busnes a Moderneiddio – Alan Smith, Nicola Kneale

Rhaglen Gwaith i'r Dyfodol y Pwyllgor Llywodraethu ac Archwilio

	3	Diweddariad Archwilio Mewnol	Pennaeth Archwilio Mewnol – Lisa Lovegrove
	4	Rhaglen Gwaith i'r Dyfodol	Gwasanaethau Democraidd
		Adroddiadau	
27 Gorffennaf 2022		Eitemau Sefydlog	
	1	Materion a Gyfeiriwyd gan y Pwyllgorau Craffu (os oes rhai)	Cydlynnydd Craffu – Rhian Evans
	2	Adroddiadau Rheoleiddio Allanol a Dderbyniwyd yn ddiweddar (os oes rhai)	Pennaeth Gwella Busnes a Moderneiddio – Alan Smith, Nicola Kneale
	3	Rhaglen Gwaith i'r Dyfodol	Gwasanaethau Democraidd
		Adroddiadau	
21 Medi 2022		Eitemau Sefydlog	
Tudalen 189	1	Materion a Gyfeiriwyd gan y Pwyllgorau Craffu (os oes rhai)	Cydlynnydd Craffu – Rhian Evans
	2	Adroddiadau Rheoleiddio Allanol a Dderbyniwyd yn ddiweddar (os oes rhai)	Pennaeth Gwella Busnes a Moderneiddio – Alan Smith, Nicola Kneale
	3	Diweddariad Archwilio Mewnol	Pennaeth Archwilio Mewnol – Lisa Lovegrove
	4	Rhaglen Gwaith i'r Dyfodol	Gwasanaethau Democraidd
		Adroddiadau	
23 Tachwedd 2022		Eitemau Sefydlog	
	1	Materion a Gyfeiriwyd gan y Pwyllgorau Craffu (os oes rhai)	Cydlynnydd Craffu – Rhian Evans
	2	Adroddiadau Rheoleiddio Allanol a Dderbyniwyd yn ddiweddar (os oes rhai)	Pennaeth Gwella Busnes a Moderneiddio – Alan Smith, Nicola Kneale
	3	Rhaglen Gwaith i'r Dyfodol	Gwasanaethau Democraidd
		Adroddiadau	

Rhaglen Gwaith i'r Dyfodol y Pwyllgor Llywodraethu ac Archwilio

EITEMAU'R DYFODOL	1	Cynllun gweithredu diwygiedig o'r Adroddiad Rhannu Pryderon	Pennaeth Gwasanaethau Cyfreithiol, AD a Democrataidd
	2	Deddf Llywodraeth Leol	Pennaeth Gwasanaethau Cyfreithiol, AD a Democrataidd

Sylwer: Nid yw union ddyddiad cyhoeddi adroddiadau achlysurol gan er enghraifft Swyddfa Archwilio Cymru neu Adroddiadau Blynyddol gan yr Ombwdsmon yn hysbys ar hyn o bryd. Bydd dyddiad cyfarfod yn cael ei neilltuo ar eu cyfer cyn gynted ag y bo'n ymarferol.

Dyddiad Diweddaru: 15/07/2021 SJ