

Powys County Council Annual Governance Statement April 2022 to March 2023

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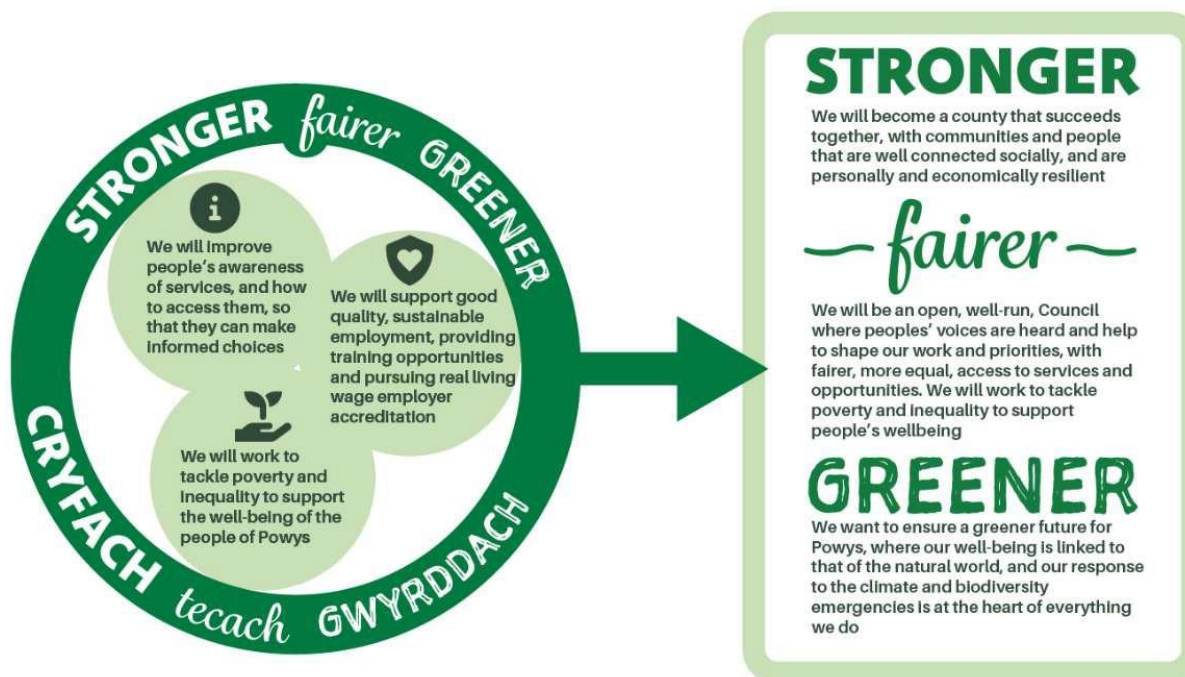
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Executive Summary

This Annual Governance Statement (AGS) provides an account of the processes, systems and records the council has in place to demonstrate the effectiveness of its governance arrangements. It principally covers the period April 2022 to March 2023 but may be subject to updates up to its date of publication.

Powys County Council's new administration finalised its ambitious five-year plan '[Stronger, Fairer, Greener](#)'. The key priorities of the plan are shown below:



The Authority has faced a challenging year, with a number of issues arising that have had a strong bearing on its governance landscape.

The Authority is currently operating with a high number of interim posts in place at the Executive and Senior Leadership level. An interim Chief Executive has been in place since April 2023 to cover the substantive CEO's absence due to sickness, and several other posts within Senior Leadership Team had already been made interim during the previous year because of staff leaving to take up positions with other organisations.

In May 2023, Full Council opted to continue to extend the existing interim arrangements for up to 12 months, following the decision that it would not be

appropriate for any permanent changes to be made to the leadership structure while no substantive Chief Executive is in post.

The following posts are included under this arrangement:

- Director of Social Services and Housing
- Director of Education and Children's Services
- Director of Corporate Services
- Head of Transformation and Democratic Services
- Head of Housing
- Head of Community Services
- Head of Commissioning and Partnerships

The substantive Chief Executive has already begun a review of the interim changes but due to her unexpected absence this has not been completed. In considering the governance in place during this period, it is not evident that the assurance levels have been negatively affected by the changes and the Cabinet and EMT are confident that good governance standards have been maintained.

In early 2022, some COVID restrictions were still in place and even once these passed some services remained in business continuity while they dealt with the ongoing impacts. Adult Services returned to business continuity over the winter and remained so until spring 2023 in order to support Powys Teaching Health Board with the increased numbers of delayed transfers of care and difficulties in providing domiciliary care and other services that would allow patients to return home.

There were a range of audit reports (from bodies such as Audit Wales, Information Commissioner's Office and Care Inspectorate Wales amongst others) were received this year that made recommendations regarding the Authority's governance processes including the spirit in which those processes are being implemented. Those that hold the potential for the most far-reaching impact are outlined briefly below.

In November 2022, the Audit Wales report [Follow-up Review of Arrangements for Corporate Safeguarding – Powys County Council](#) made the following recommendations:

R1 The Council needs to urgently assure itself that it has robust arrangements in place for corporate safeguarding and use appropriate mechanisms such as the governance and audit committee, scrutiny, the Corporate Safeguarding Group and internal audit to help it achieve that assurance.

R2 The Council should agree and implement a corporate safeguarding policy and ensure it is easily accessible and understandable to staff, members and other stakeholders, and that it is reviewed periodically to ensure it is kept up to date and embedded in the day-to-day workings of every service in the Council.

R3 The Council needs to urgently ensure that the Corporate Safeguarding Group is carrying out its responsibilities in accordance with the Group's own Terms of Reference 'to ensure that all members and staff fulfil their roles and responsibilities in helping to keep people safe from harm and abuse, acknowledging that safeguarding is everybody's business in every service within the Council'.

R4 The Council needs to publicise the roles and responsibilities of the lead officer and lead member for corporate safeguarding to strengthen corporate leadership and accountability.

R5 The Council should review the need for having two Disclosure and Barring Service policies. If it decides to keep the two policies, it should be clear as to the rationale why, and clear on the following matters, to avoid confusion:

- who the policies apply to
- ensure they are reviewed at the same time
- are consistent with each other
- that anyone using the policies is sighted that they are both current and up to date.

R6 The Council should produce central guidance on the recruitment of volunteers to help to ensure consistency across the Council.

R7 The Council should gather contractual monitoring information from across all Council Directorates to ensure they are all robustly monitoring and quickly addressing safeguarding-related actions.

R8 The Council should accelerate the rate of compliance with the completion of mandatory safeguarding training for staff and members so that ‘all members and staff fulfil their roles and responsibilities in helping to keep people safe from harm and abuse’.

R9 The Council needs to clarify its expectations of contractors in respect of safeguarding training because there are currently discrepancies in the Council’s approach.

R10 The Council should improve the quality of corporate safeguarding performance information that goes to Cabinet and scrutiny to facilitate improved oversight of corporate safeguarding.

R11 The Council should assure itself that all directorates are fully considering safeguarding risks, have suitable escalation and mitigation processes where necessary, and, where appropriate, ensure directorate risk registers reflect that consideration.¹

Remedial actions planned or undertaken in response to these recommendations will be addressed below (primarily [here](#) under Principle F1) and/or reflected in the planned actions for the current year.

In May 2023, an Audit Wales Review of the PCC Planning Service reported that it ‘[had] concerns about the fundamental strategic, operational, and cultural weaknesses of the Council’s Planning Service [and that] these weaknesses hinder its ability to consistently and sustainably support staff and Members to deliver an effective service that helps the Council achieve its corporate objectives’.

Its recommendations were that:

The Council needs to assure itself that fundamental foundations are in place to enable it to sustainably deliver an effective service. This includes but is not limited to:

- a) review the political and strategic intent for its planning enforcement responsibilities, clearly communicate this, and align resources to deliver the Council’s chosen intent.
- b) develop a Planning Services Business Plan which underpins the Property, Planning and Public Protection Integrated Business Plan. It should clarify the

planning service's links between the planning service and the Council's Corporate objectives, to focus the service's action on improvement, and set out effective service monitoring arrangements, performance targets, workforce development and risk management arrangements.

c) safeguard the planning service's officers, senior managers and elected members by developing clear arrangements and protocols which set out how they engage directly with planning agents and applicants to ensure integrity, trust and confidence in the service.

d) establish regular and effective team meeting arrangements to improve communication within the planning service and provide a structured and consistent opportunity for officers to discuss planning and enforcement cases.

e) put transparent and consistent arrangements in place for the service to act cohesively as a team to discuss officers' differences of opinion on planning applications, to ensure all officers are professionally satisfied with the final planning decisions.

f) establish service standards and protocols and effectively communicate these to all officers to ensure consistent approaches e.g., how to deal with applications with missing information.

g) put in place formal staff learning opportunities to ensure a consistent, structured and proactive approach to support new officers in the role and provide continuous development opportunities for existing staff.

h) assure that the Planning Service has robust data quality arrangements to ensure that it reports accurate performance data so that staff, Members, Welsh Government and the public can place reliance on its integrity to make accurate and informed decisions.

i) identify and learn from good practice from other Local Planning Authorities when implementing service improvements.

The Planning Service has established a Working Group and Action Plan to address the recommendations. Remedial actions planned or undertaken in response to these recommendations is included [here](#) under the relevant principles and/or reflected in

the planned actions for the 2023-24. The impact of these actions will not be evident in the timeframe reported here but will be revisited in the 2023-24 AGS.

Powys County Council follows a system of corporate governance that is consistent with the seven principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework [Delivering Good Governance in Local Government \(2016 Edition\)](#). This statement is structured around the seven core principles and provides an overview of how the Council has discharged its responsibilities during 2022/23 and sets out recommendations for improvement. We will implement and monitor the Governance issues identified for action in 2023/24 as part of our next annual review.

Based on the evidence set out in this annual governance statement, Powys County Council considers the overall level of assurance to be **REASONABLE**.

This is underpinned by the below assurance levels:

Principle	Assurance Level 2021-22	Assurance Level 2022-23
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Substantial	Substantial
Principle B: Ensuring openness and comprehensive stakeholder Engagement	Substantial	Reasonable
Principle C: Defining outcomes in terms of sustainable, economic, social, and environmental benefits	Substantial	Reasonable
Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes	Substantial	Substantial
Principle E: Developing the organisation's capacity, including the capability of its leadership and the individuals within it	Substantial	Substantial

Principle F: Managing risks and performance through robust internal control and strong public financial Management	Substantial	Reasonable
Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective Accountability	Reasonable	Reasonable

Rubric for Assurance Levels

Level	Description
Substantial	We are able to offer substantial assurance that the Council's arrangements adequately reflect the principles of good governance as indicated in the CIPFA Governance Framework. Processes are in place and operating effectively and risks to effective governance are well managed.
Reasonable	We are able to offer reasonable assurance that the Council's arrangements adequately reflect the principles of good governance as indicated in the CIPFA Governance Framework. Generally, risks are well managed, but some processes could be improved.
Partial	We are able to offer partial assurance that the Council's arrangements adequately reflect the principles of good governance. Some key risks are not well managed, and processes require the introduction or improvement of internal controls to ensure effective governance.
None	We are not able to offer any assurance. The Council's arrangements were found to be inadequately controlled. Risks are not well managed, and process require the introduction or improvement of internal controls to ensure effective governance.

Priority Levels for Actions

Level	Description
Critical	Failure to take action poses an immediate and severe risk
Potentially critical	Failure to take action may pose a significant risk at some point in the future
Necessary	Action is required to ensure that compliance is maintained
Recommended	Action would deliver best practice but is additional to normal standards of practice
Not urgent	May be addressed in the future but is not currently being considered – potentially aspirational

Introduction

Powys County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for; and is used economically, efficiently, and effectively. Powys County Council also has a duty under the [Local Government and Elections \(Wales\) Act 2021](#) to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, Powys County Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Powys County Council is the Administering Authority for the [Powys Pension Fund](#) (the Pension Fund). The governance arrangements detailed in this Self-Assessment Report apply to the council's responsibilities to the Pension Fund. There are further specific requirements for the Pension Fund which are:

- The Investment Strategy Statement
- Funding Strategy Statement
- A full Actuarial Valuation to be carried out every third year

Powys County Council's governance framework comprises the systems, processes, cultures and values, by which the Council is directed and controlled and through which it engages, leads and is accountable to residents and communities. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of outcome-focused and cost-effective services.

The system of internal control is a significant part of the framework and is designed to manage risk. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of Powys County Council's policies, aims and objectives. In addition, it assists in evaluating the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The roles, responsibilities and processes that form the Authority’s governance framework and system of internal control may be viewed in the [Constitution](#). This framework sets out the context in which the following report has been developed.

Table 1. Progress against areas for further development identified in the 2021/22 AGS

BRAG (Blue, Red, Amber & Green) status definitions

Blue	Action is complete
Green	Action is on track
Amber	Action mainly on track with some minor issues
Red	Action not on track with major issues
White	Action not started

Development Action (Completed actions are linked to further detail provided under each principle)	Supporting Actions	Lead/Deadline	BRAG	Mitigation/ Notes
Reintroduce face to face engagement, particularly with seldom-heard groups to maximise reach	Launched a new public participation strategy. Identified groups to engage with and working with engagement officers around organisation to coordinate effort.	John Evans	Green	
Continue to develop the effectiveness of the Cabinet Work Programme	Forward work programme is discussed regularly and forward looking in its approach.	Catherine James	Green	

<p>FM Code action plan continues to strengthen our compliance and we aim to deliver outstanding actions and monitor it</p>	<p>The process has been established. Appendix A highlights delivery in year and continuing actions</p>	<p>Dan Paley</p>	<p>Blue</p>	<p>Review of the of the FM Code will be reported annually in the AGS.</p>
<p>Further develop the prominence of the Strategic Equality Plan, across the organisation</p>	<ul style="list-style-type: none"> • Developed new plan • Implemented new Plan • Alignment of objectives to all Service IBP's Alignment to individual appraisal actions • Plan published 	<p>Caroline Turner</p>	<p>Blue</p>	<p>N/A</p>
<p>Work between Finance and Service areas to improve further understanding of outcome-based budgeting and look to implement further</p>	<p>Taking forward through Sustainable Powys Programme, reviewing services and their redesign</p>	<p>Jane Thomas</p>	<p>Green</p>	<p>Programme timetable is 2023-25</p>

Review the MTFS principles with the new Cabinet and align to their manifesto and new CIP	Reviewed and amended narrative, and the MTFS was approved as part of budget setting	Jane Thomas	Blue	N/A
Develop the outcomes / benchmarking /VFM template and use within service reviews to support budget setting	Some areas of benchmarking fully rolled out such as Schools, other local benchmarking has been put in place (legal / HR)	Anne Phillips	Green	Taking forward through Sustainable Powys Programme, reviewing services and their redesign
Asset review completed to support the Future capital requirements and strategy	The asset review is ongoing, circa 69% of assets will have been surveyed by Autumn 2023.	Neil Clutton	Green	Surveys will need to be reviewed and an evaluation of the assets is required to determine whether assets should be retained, refurbished or disposed of.
Review performance measures used as part of the Corporate Improvement	Measures reviewed and aligned to three objectives Corporate Report Cards. Supporting measure definition	Emma Palmer	Blue	N/A

Plan to ensure there is a robustness as outlined in report	documents created and collaborated on with Services.			
Continue to review the opportunities to embed Service Improvement Boards within business as usual	<ul style="list-style-type: none"> • Stepped down Social Services, Housing and Education Boards • Continued with HTR and stepped up Planning 	Caroline Turner	Green	Interim CEO reviewing and suggesting next steps

What we Know About our Governance Processes in 2022/23

The evidence and assurance levels provided in this document indicate Powys County Council's assessment of the effectiveness of its governance framework and supporting actions during 2022/23.

The [Internal Audit Annual Report 2022/23](#) undertaken by SWAP provides a corroborative independent assessment of several areas relevant to the AGS and concludes that there is Reasonable assurance and that [There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives.]. The overall findings of the audit report are summarised as follows:

The Headlines

- 62 reviews delivered as part of the 2022/23 Internal Audit Plan. Includes assurance, special investigation, advisory and follow-up reviews
- There were no areas of corporate high risk but there were areas of significant concern about:
 - Highways Operations
 - Continuing Health Care (CHC) and Deprivation of Liberty Safeguards (DoLS)
 - Housing Maintenance Services
- There was reasonable coverage across key strategic/audit risks and core services. The coverage across corporate priorities was less visible, but this linkage has been reinforced for 2023/24 work programme
- Assurance for the internal audit option was taken from consideration of the work of other Assurance providers, the follow up process, the work of the Counter Fraud Team, Risk Management and Value for Money activities
- The Council are in general effectively managing and mitigating the risks identified from internal audit work

Internal Audit Assurance Opinions 2022/23

Assurance Opinions	Count
Substantial	1
Reasonable (including grant certification)	35
Limited	9
No assurance	0
Other (including advisory, special investigations and follow ups)	17
Total	62

Internal audit agreed actions 2022/23

Priority	Number of Actions
1	16
2	89
3	133
Total	238

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

Powys County Council places a high value on upholding the highest standards in public office for both its Elected Members and its officers. The Authority holds a set of values that inform everything that it does, and it expects everyone who is engaged in our work, or who works alongside us, to endorse and exemplify these values and to aspire to be:

- Professional - Whatever role we play in the Council; we act with professionalism and integrity
- Positive - We take a proactive attitude in all we do
- Progressive - We take a proactive and responsible approach to planning for the future
- Open - We keep each other informed, share knowledge and act with honesty and integrity
- Collaborative - We work constructively and willingly on joint initiatives

A1. How do we evidence that we behave with integrity and demonstrate a strong commitment to ethical values?

- I. During 2022-23 the [Standards Committee](#) met on 6 occasions.
- II. During 2022-23 the Standards Committee was informed of 5 complaints made against Elected Members to the Public Services Ombudsman for Wales during the previous financial period. Three are undergoing further investigation from the Ombudsman.
- III. During 2022-23, low-level complaints between Members or between officers and Members were dealt with under the Local Resolution Process.
- IV. The [Governance and Audit Committee](#) has met on 8 occasions over the past year (the Constitution allows for quarterly meetings, but the workload has necessitated more frequent meetings). The Committee oversees the Authority's risk management process and ensures that it maintains effective internal controls, around the audit process, ethics, conflict of interest and

fraud control.

- V. A Policy Register was developed during 2022-23 that lists all corporate policies (excluding those pertaining to Schools and excluding guidance), last date of review and next due date of review. The list is stored in SharePoint and is accessible internally to designated officers. The system prompts review a year prior to deadline and follows up at 6 months prior to deadline. A warning notice is sent once the review date has passed. A Power BI dashboard provides oversight for the Executive Management Team. The system became live on the 18 April 2023.
- VI. The introduction of the Ukraine Procurement Supply and Costs Cell created a cross service group to monitor and report the ongoing situation. The impact on the Pension Fund performance was monitored and the national commitment to disinvest from Russia was actioned. The Pension Fund, together with the other Local Government Pension Scheme Pension Funds in Wales, moved quickly to ensure that Russian held investments were quickly dis-invested where possible and appropriate action taken to ensure no further investment took place.
- VII. The Authority's [Integrated Impact Assessment \(IIA\)](#) mechanism provides a structure methodology for considering potential impacts on residents, staff and the organisation during planning and the resultant documentation is instrumental in supporting policy development and decision making.

A2. How do we ensure that our External Providers understand and uphold our ethical standards?

- I. During 2022/23 the Council spent £252 million with external suppliers in revenue and capital expenditure. The Council has a fiduciary duty to use this money in the most effective way to achieve its objectives and desired outcomes for residents. The [Procurement Strategy](#) aims to 'promote responsible procurement that supports the Council's social, economic and environment aims, including strategies to maximise the use of local suppliers, embed the use of apprentices and employment as a condition of contracts and incorporate supply chain management expectations on major contractors such as fair payment terms to subcontractors and ethical employment practices.

- II. In 2021 the Authority recruited a Procurement Sustainability Officer to drive a coordinated, environmentally responsible procurement approach towards the sourcing of all goods, services and works. This role has led on producing the carbon accounts for the Council's supply chain (as required by Wales Government), the creation of a Procurement Climate Emergency Action Plan and influenced 17 contracts by embedding carbon reduction objectives within them.
- III. A new PCC procurement strategy was approved during 2021, these strategic aims have been a core driver of the new Commercial Performance and Risk Board and monitored through the Commercial Dashboard.
- IV. In 2022, a permanent appointment was made to the post of Professional Lead for Procurement and Commercial Services, replacing a long-standing interim.

A3. In what ways do we show that we respect the rule of law?

- I. The Authority has robust Anti-Fraud and Corruption, Anti-Money Laundering, and Fraud Prosecutions and Sanctions Policies in place. During 2022/23, the recoverable overpayments and/or rebills total was £412,651 and projected Income gains were £1,508,452.
- II. The Authority's Whistleblowing Policy was reviewed during 2022-23.
- III. All Committee reports include comments by the Monitoring Officer from a legal perspective and finance for any implications ahead of their onward presentation through the governance process.
- IV. The Authority strives to maintain compliance with the requirements of all acts of legislation that relate to its activities; most notably (but by no means limited to) the:
 - Human Rights Act 1998
 - Equality Act 2010
 - Health and Safety at Work Act 2015
 - Welsh Language Act 1993
 - Well-being of Future Generations (Wales) Act 2015
 - Social Services and Wellbeing (Wales) Act 2014.
- V. Changes in legal staffing over the last 12 months has been positive, leading to

improvements in the overall provision of legal service to the Council.

VI. Execution of Electoral duties over the past year has included:

- The Authority administered local government elections for 174 community wards and 68 county seats (including newly introduced multi-member wards).
- There were 179 county candidates and 1,144 community candidates with more contested county seats than in previous years
- There were 17,486 postal voters
- 155 polling stations and 482 staff (for elections)
- The Authority implemented late WG regulations and introduced online nominations for the 1,323 candidates
- There was an 80% increase in 16-17 registrations from 2021 (engagement programme for local elections)
- The Authority completed annual canvass with increased match rates and published the register of electors
- The Authority's Election Service was asked to speak at National Conference
- The Individual Electoral Registration Digital Service (IERDS) portal for Voter Certificate Authority went live in January without issue

Summary/Assurance

The Council is able to offer **substantial** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. Processes are in place and operating effectively and risks to effective governance are well managed.

Principle B: Ensuring openness and comprehensive stakeholder engagement

PCC recognises the profound importance of engagement, consultation and coproduction with our residents, partners, and the wider stakeholder landscape. The Council appreciates the rich and varied viewpoints that they can provide and values their involvement in the development of decisions and future service provision. While the Authority continues to engage its stakeholders through a variety of traditional methods which include focus groups and meetings, it is also investing in new digital tools such as online platforms, survey software and social media channels, to disseminate information and elicit wider response. Powys County Council is signed-up to the National Principles for Public Engagement in Wales and strives to ensure that conversations with its stakeholders are meaningful, timely and appropriately resourced.

B1. Do we engage with others in an open way?

- I. The Authority seeks the views of residents, business owners, visitors, and stakeholders through its [Have Your Say](#) public consultation and engagement hub.
- II. During 2022-23, 37 (34 external and 3 internal) engagement and consultation activities were undertaken to engage residents and staff, and these included:
 - a. Performance Feedback Ongoing Engagement Project
 - b. RPB Market Stability Report
 - c. Employment and Skills Survey
 - d. The future of our town centres – Brecon and Crickhowell
 - e. Staff recruitment and retention survey – Why Powys?
 - f. Corporate Plan Engagement
- III. There were 24,057 external visitors to the engagement hub during the year and it was promoted on social media and our web pages.
 - a. Budget consultation, the results of which form part of the budget pack that sees the MTFS approved at Council
- IV. Some committee meetings (including Cabinet meetings) were webcast, and committee agendas, minutes, and decisions were available to the public on the Council's [website](#).
- V. The Pension Fund holds an annual Employer Meeting online to enable participating employers to meet and receive an annual update from the Fund

(Actuarial, Investment, Governance, Administration, Legislation). In addition, the Pensions Section meets regularly with employers on an individual basis to provide training and deal with any concerns that the employers may have. Feedback from these sessions helps develop training and communications plans for group and individual employers.

B2. Do we engage widely with our stakeholders?

- I. The Public Service Board (PSB) is a statutory strategic partnership established under the Well-being of Future Generations (Wales) Act 2015 to improve the economic, social, environmental, and cultural well-being of Wales. The most recent available [PSB annual report](#) highlights work that was completed during 2021-22 to deliver the objectives presented in Towards 2040 – Our Well-Being Plan. There is no annual report available for 2022-23 as the time was set aside for the development of the new Wellbeing Plan and there was therefore no reporting requirement for that year.
- II. [The Powys Wellbeing Plan](#) was approved in June 2023 and sets out the way the Public Service Board wants Powys to look in the future. It contains 3 local objectives and 3 well-being steps to achieve those objectives. Prior to the drafting of the Wellbeing Plan, a public consultation was undertaken which ran from 27th January to 19th April 2023 and received 235 responses.
- III. The Authority works with its strategic partners through the Regional Partnership Board (RPB) to deliver integrated care services. The partnership's progress and key achievements for 2022-23 will be available in the RPB Annual Report (although this will not be available until late July/early August).
- IV. The Mid-Wales Corporate Joint Committee was established in 2022 to strengthen local democracy and accountability by integrating decision making with regards to regional transport, strategic development plans and the improvement of economic wellbeing. It comprises representatives for PCC, Ceredigion County Council and the Bannau Brycheiniog, and will in due course, be responsible for the preparation of several documents that will provide additional governance for its areas of accountability. The Corporate Joint Committee Corporate Plan 2023 – 2027 is currently in draft and out for public consultation.
- V. As a result of the local elections in May 2022, PCC's Scrutiny Committees

have seen a large number of new members joining during the past year as there were 26 new Councillors during the election, and have therefore largely concentrated their efforts on member training and establishing a firm understanding of their responsibilities. In consequence, there has been little opportunity to develop engagement with external partners. The Committees are keen to remedy this, and planned actions are in place to increase opportunities for engagement during 2023-24.

- VI. The Medium-Term Financial Strategy (MTFS) helps the Council to work more effectively with partners in other sectors and provides a strategy for the use of reserves to meet changes in resources, risks, or unforeseen demands from year to year without impacting unduly on services or council. We consult with the public each year as part of budget engagement.

B3. Do we engage with individual citizens and service users effectively?

- I. During 2022-23, 34 external engagement and consultation activities were undertaken to engage residents and service users.
- II. In compliance with the Local Government and Elections (Wales) Act Part 3 Promoting Access to Local Government, PCC has made available its [Public Participation Strategy](#), to ensure that all our stakeholders, including residents, partners, and businesses, have opportunities to participate and engage with us and to influence future decisions and service provision across Powys.
- III. The Authority has a Consultation and Engagement Framework to provide guidance for services that are planning to engage with the people of Powys. A summary of the consultation and engagement activities undertaken by the Council during 2022/23 may be viewed at [Appendix A](#).
- IV. An Equalities Community of Practice Forum has been established to disseminate information, share good practice, obtain feedback, and facilitate engagement with staff. The aims of the group are under review, and it will be necessary to confirm that there is sufficient investment being made in the Authority's equality plans to ensure that the activities undertaken are meaningful and have impact.
- V. The Powys Older People's Forum Report was completed in March 2022. Supported by a Welsh Government grant, the report was commissioned to identify ways in which the Authority can potentially improve engagement with

its older residents through the further development of its Older People's Forum.

- VI. A key opportunity identified by Adult Services during 2021-22 was the engagement of several residents (who are living with physical disability and/or sensory loss), in the co-production of a citizens' charter. This work has continued through 2022-23 and it is anticipated that the forum will be an effective, long-term facilitator of co-production. Members of both forums have been involved in shaping and designing of a range of services including the Adult Services Web page, the commissioning of disability supported living services, the Powys Teaching Health Board learning disability Health leaflet and budget efficiencies. Members co-developed the Terms of Reference for the forums and co-chair meetings. The Forum has been instrumental in the discussion and consultation around key draft policies, e.g., the Easy Read Advocacy Policy.
- VII. In the past year, the Authority has put in place a Youth Participation officer who ensures that children and young people's voices are heard at the highest level, and more importantly, acted upon. Their work in the future will concentrate on ensuring that the voices of those children who find it difficult to participate are heard and work has already started on this through building relationships with children looked after and our unaccompanied asylum seekers on a 1:1 basis. Over the past six months, the Authority has been exploring the idea of forming a children and young people's Committee to provide additional assurance on issues relevant to this group and it is hoped that work to establish the feasibility and exact parameters of the undertaking will start in September.
- VIII. Residents can use the Authority's website to suggest topics for scrutiny to consider and to comment on items due to be considered during Scrutiny meetings.
- IX. The Governance and Audit Committee is Chaired by a lay member.
- X. The Council has a formal compliments and complaints procedure that enables complaints to be escalated and investigated independently of the service concerned. The Authority's [Complaints Policy](#) was reviewed in April 2022 and is available via the public website.

- XI. To ensure the impact of our services in the Welsh language is considered, all surveys now incorporate three standard questions to capture feedback on how our decisions impact the Welsh Language and how they could be changed to ensure a more positive outcome.

Summary/Assurance

The Council is able to offer **reasonable** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle B: Ensuring openness and comprehensive stakeholder engagement.

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

Powys County Council uses a variety of processes and tools to develop, maintain and review its plans and actions. It has a Corporate Planning Cycle in place to ensure that it reviews its objectives and strategies annually to confirm that they remain relevant and focused on obtaining the right outcomes for residents and communities through the most appropriate and sustainable means available. An outline of the arrangements currently employed by the Authority may be viewed here within the context of the PCC governance framework.

C1. How do we define our desired outcomes?

- I. The [Medium-Term Financial Strategy](#) ties the current financial position to the desired future outcomes of the Council's vision and helps to chart a sustainable course between the two positions (see sub-principle [D3](#) for further detail).
- II. The Council's current Corporate Improvement Plan, [Vision 2025](#), is embedded within the Council and provides the strategic direction for the organisation and how it will meet its various legislative outcomes.
- III. [The Corporate and Strategic Equality Plan](#) (CSEP) for 2023-27 was considered and approved by Council on 23 February 2023 and was implemented from 1 April 2023.
- IV. In response to **Audit Wales Review of the PCC Planning Service** (recommendation A: review the political and strategic intent for its planning enforcement responsibilities, clearly communicate this, and align resources to deliver the Council's chosen intent), actions taken since the publication of the report in May 2023 include:
 - a. A Statement of intent for the Planning Service has been, and will continue to be, clearly communicated by the Council.
 - b. Additional resource of two Enforcement Officers has been established.
 - c. The Planning, Taxi Licensing and Rights of Way Committee have expressed support for the importance and commitment of resources to planning enforcement.

- d. The Service will undertake a review of planning enforcement policies and procedures. This review will ensure resources are appropriately aligned with enforcement priorities and investigate the potential to introduce a post determination/pre-implementation service to advised applicants on discharge of condition requirements.
 - e. The Property, Planning and Public Protection Integrated Business Plan has been strengthened and revised to include a stand-alone objective supporting planning enforcement. This will ensure that the Councils intent for planning enforcement is clearly identified, capable of being monitored, and appropriately resourced.
 - f. A broader Planning Service structure review is to be implemented to ensure the most appropriate alignment of resources to enable the Planning Service to sustainably deliver an effective planning service. During May 2023, the Head of Service has engaged and consulted with the Planning Service on potential structure options.
 - g. Additional technical training will be Implemented to ensure planners are able professionally undertake enforcement duties.
- V. In response to the Audit Wales Review of the PCC Planning Service (recommendation b), the Planning Service has drafted a business plan actioning the objectives identified within the Property, Planning and Public Protection Integrated Business Plan and the Planning Services contribution to a Stronger, Fairer and Greener Powys (golden thread).
- VI. In March 2023, the Authority agreed a revised approach to performance that sets out the processes and methods used by the organisation to manage and assess performance, and which will in due course replace the previous [Performance Management and Quality Assurance Framework](#). In addition, a Corporate Scorecard will be adopted to detail progress against our objectives and measures.
- VII. The [Wellbeing Assessment](#) was published in March 2022 on behalf of the Powys Public Service Board and presents data and insights concerning the well-being of Powys residents. The [Wellbeing Information Bank](#) supports the

assessment and provides interactive insight to support service delivery and long-term planning. It fulfils PCC's obligations under the Well-being of Future Generations (Wales) Act 2015 by setting out how we will improve the well-being of its communities, against the seven national goals.

- VIII. The [Population Needs Assessment](#) was published in March 2022 by the Regional Partnership Board to fulfil the requirements of the Social Services and Well-being (Wales) Act 2014 by providing a focused view of current and future health and social care needs in Powys.
- IX. A Strategy for Climate change- [Net positive Powys 2021-2030](#) was published in 2021 and details five key areas of change where climate action is needed to achieve the vision of Powys County Council being carbon neutral and climate resilient in 2030.
- X. The [Powys Nature Recovery Action plan](#) focuses on safeguarding and enhancing the natural environment for residents and communities.
- XI. Reporting templates and guidance are regularly updated to reflect organisational business planning and reporting requirements.
- XII. The Authority has agreed a Risk Appetite Statement (for further information see the section under principle [D3 below](#))

C2. How do we ensure that any economic, social, and environmental benefits we make are sustainable?

- I. The Council undertakes Integrated Impact Assessments for all significant service, financial or policy changes to ensure the implications are understood, to support effective decision making and to ensure legislative compliance.
- II. During 2021-22 the Council's Impact Assessment Process has been automated providing improvements through a consistent organisational approach and retention of records in a central repository. During 2022-23, reporting has been developed to understand the impacts of all decisions on a geospatial basis. This is currently being developed to further support the annual budget cycle.
- III. The [CIPFA Financial Management Code \(FM Code\)](#) sets out the standards of financial management expected for local authorities and is designed to

support good practice and to assist local authorities in demonstrating their financial sustainability. The Council assessed its processes, procedures, and governance arrangements as of 31st March 2022, and identified the actions to be developed to strengthen its compliance with the Code. The list of actions can be viewed in [Appendix A](#).

- IV. The Council has a clear [Treasury Management and Investment Strategy](#) which is approved at Council each year and sets out the expected activities and appropriate strategies of the Treasury function in respect of borrowing and investments.
- V. The investment environment has experienced a turbulent 12 months due to the performance of the global economy. The Pension Fund has several risk mitigation strategies (protection/diversification) to help manage this and the outlook is more positive, so strategy review may be appropriate if required.
- VI. **Annual Assurance and Risk Assessment from Audit Wales – Recommendation** - To meet its net zero ambition, the Council needs to fully cost its intended action plan and ensure that it is aligned with its Medium-Term Financial Strategy. To address this, the organisation will need to invest in training plus the development of action plans which can then be costed. One event has been held for Executive Management Team to raise understanding of requirements and a workshop to develop plans has been organised, but the scope and scale required to address the climate emergency needs a whole organisation shift which could be linked with the re-design of services.

Summary/Assurance

The Council is able to offer **reasonable** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.

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

D1. How do we make decisions and consider possible consequences?

- I. During 2022-23, it was proposed that changes might be made to the structure and remits of the Authority's Scrutiny Committees, however, following consultation with the Members it was decided not to proceed at this time.
- II. The Council undertakes Integrated Impact Assessments, which considers the possible impacts of any decisions upon a range of areas which impact upon the residents of Powys, alongside the outcomes of any related consultation and engagement activities.
- III. The Council has a robust risk management approach which considers risks and any potential mitigations to manage as far as possible any areas which may impact upon the delivery of outcomes.
- IV. One action arising from the 2021-22 AGS was for the organisation to complete a self-assessment. During spring 2022, all Powys County Council Services undertook a process of self-assessment to provide intelligence that they could use as the basis for their annual performance presentation to the Cabinet and Executive Management Team. A self-assessment workbook was completed by each service to gather the required information and in addition to the panel presentations, the information provided was used to assist in fulfilling the Authority's obligations under Section 6 of the Local Government and Elections (Wales) Act 2021. Powys was the first Authority to submit its [Annual Corporate Self-Assessment Report](#) and received some very positive feedback from its early readers. During the following year, the Authority considered the feedback (both internal and external) and revised some elements of the process to reduce the work created for its services and to align the collection of information for self-assessment and the AGS. The new Corporate Safeguarding Audit Tool was also appended to the Self-Assessment Workbook.
- V. The Scrutiny Committees, Finance Panel, and Governance and Audit Committee undertook self-assessment before the election and the committees developed action plans in response to those. The self-assessment workbooks examined working practices, achievements and challenges, and considered future improvement planning. The findings from those were used as a

foundation for committee action plans during 2022-23. Further detail is included under [principle G3. How do we provide assurance and effective accountability for our actions?](#)

- VI. Self-assessment during 2022-23 was carried out using learning from the previous year. Safeguarding was incorporated into the workbooks and each service had to present their assessment in front of a performance panel attended by Cabinet and Executive Management Team.

D2. How do we plan effective services, programmes and projects?

- I. The processes that Powys County Council used up to May 2023 to monitor and evaluate its performance against its objectives are set out in the [Performance Management and Quality Assurance Framework](#). The PMQAF was retained during 2022/23 in line with the completion of Vision 2025, but consideration has also been given to the development of a new approach to business planning going into the new financial period. The framework ensures that staff clearly understand their responsibilities regarding performance management and quality assurance, on which the council's governance arrangements will hold them to account.
- II. Services record and monitor their objectives and associated measures using an Integrated Business Plan (IBP)
- III. Following concerns regarding the affordability of the capital programme, work was commissioned around governance, assurance, and project and business appraisals. A capital workstreams working group was established to progress this detailed work and a report was compiled at the end of the first phase of this work. In their 2022-23 Self-Assessment, Governance and Audit report that since it has been raised there have been improvements in governance arrangements and the way that the capital programme is being approached.
- IV. Transformation Delivery Board meet and report on a monthly cycle and report externally on a quarterly basis.
- V. Improvement Boards have a monthly meeting and reporting cycle.
- VI. Powys County Council's strategic and operational performance management is underpinned by the learning provided by regulatory recommendations and other feedback received from external bodies. This intelligence, enriched by national study data, governmental guidance, and examples of best practice

identified in the work of our partners and the wider public service landscape, supports the Council's work to improve the ways in which it determines and achieves its intended outcomes.

D3. How do we ensure that our budgets and financial plans are sustainable?

The Council is required under the Local Government Act 2003 to set a balanced budget for the forthcoming financial year. The Council's Medium Term Financial Strategy sets out how a balanced budget has been developed for 2023/24. There is no requirement to set out a balanced position beyond the next year, but the five-year strategy has been developed to enable longer term planning and transformation.

The MTFS sets out the:

- Financial, regulatory and policy drivers affecting the Council.
- Direction and approach that the Council will take in handling its finances.
- Plan for delivering a balanced budget for 2023-24, and indicative budgets for the following 4 years to March 2028.

This means the Council has an ongoing financial plan to:

- Enable service transformation within the funding levels available.
- Prepare for the challenges in setting a balanced budget in future years.
- Allow decision makers to consider the allocation of resources, helping to ensure they are directed towards delivering core responsibilities alongside corporate priorities.
- Understand the Council's financial resilience, helping to protect the Council's long term financial health and viability.
- Consider affordability in decision making. It is a live document so will change as estimates and assumptions are confirmed.
- Align revenue and capital to ensure that our limited resources are prioritised to achieve maximum effectiveness and based on securing outcomes that matter to our residents.

The MTFS includes all Council services activity funded by the revenue budget, the Housing Revenue Account, and the Capital programme. This information is

presented in a 5-year budget model and a 5-year Capital Programme.

In all Capital programmes we consider the affordability of the scheme against other options, and that's evidenced through the whole life costing work we do for Schools Transformation, once this modelling is fully populated with rebuild or do nothing and repair then over the life cycle of a building it evidences that transformation is more cost effective in terms of total outlay.

As part of the HoWPS insourcing we needed 75+ vans for the operatives, we undertook a lease versus buy appraisal to consider what was most affordable against what funding we had available. Also, as part of the wider Howps return set up costs (agreed up to a level of £435k) were funded through spend to save reserve, which is used to pump prime the change agenda, this reserve has an agreed payback period as savings are delivered.

As part of setting the budget we undertake due diligence on our savings plans to ensure they can be delivered as expected so as not to create a financial burden when managing the revenue budget in year. We also increased our risk budget to £3m which is a recurrent budget that underpins service pressures that are managed at risk because they may not occur, or the level of severity is uncertain.

Our reserves policy is reviewed each year and recently increased the general reserve level to 4% of net budget (excluding schools and the HRA), we have set up several specific reserves to buffer against specific service issues and the uncertainty of the pay awards in 2023-23.

The Council approved the MTFs for 2023/24 on 23rd February 2023.

Summary/Assurance

The Council is able to offer **substantial** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

Principle E: Developing the organisation's capacity, including the capability of its leadership and the individuals within it

E1. How do we ensure that the organisation continues to improve?

- I. The new Corporate and Strategic Equality Plan was published on the 23 February 2023 and sets out the Council's objectives for the administrative period.
- II. The Vision 2025 – End of Administration Programme Report was published in March 2022 and reviews Powys County Council's Vision 2025 Transformation Programme; outlining how and why the programme was established, what it set out to achieve, progress to date and lessons learned.
- III. Action plans are monitored through the Tracker and where it is identified that actions are not being implemented the Governance and Audit Committee requests the relevant Head of Service to attend and provide explanation.
- IV. While the Authority has a performance reporting mechanism in place, it is currently reviewing its performance management process. Services provide information on a quarterly basis, but formal reporting has been moved to every other quarter to allow services to concentrate on self-assessment on the interleaving quarters.
- V. As part of this monitoring process, workforce and financial are also interlinked, with key information considered such as workforce changes, training and sickness, to seek to ensure that Services are resourced to meet their objectives.
- VI. The first [self-assessment](#) was published in July 2022, considering a range of materials such as performance, risk, etc. to provide a holistic view of performance to shape future delivery.
- VII. Internal Audit reports with limited assurance are considered by the Governance and Audit Committee.
- VIII. Improvements to the AGS process and an AGS framework have been in development during 2022-23
- IX. In response to the Audit Wales Review of the PCC Planning Service (recommendation I, the Planning Service is attending regional and national planning groups, with the intention of identifying additional ways to:
 - Promote consistency.

- Identify and promote best practice.
- Promote benchmarking.
- Promote networking.
- Aid officer development.

E2. How do we develop the skills and knowledge of the leadership and workforce?

- I. A new workforce plan is in place with a three-year phased approach.
- II. In response to an [Audit Wales recommendation](#) that the Council should strengthen the performance management of its workforce, the Head of Workforce and Organisational Development (WOD) has acted as chair of an all-Wales group of local authorities working to develop key performance indicators (KPI's) to support the improvement of measurement and reporting of workforce management in local government. To date, this group has agreed terms of reference and delivered an early draft suite of KPIs, which are now undergoing further development and review.
- III. The Leadership Behaviours Competency Framework has been developed and is ready to go to print so that it can be embedded and integrated in the Council's induction and training programmes.
- IV. Following the Line Manager Induction programmes, four Line Manager forums have been established and are regularly meeting as a means of peer support to staff, with regards to managing remotely and implementing New Ways of Working protocols.
- v. Feedback from the staff survey (which had 872 staff responses) suggests that 74% of respondents are satisfied with their current work-life balance and 79% of respondents stated their working environment is fit for purpose. With the exception of the Planning Service, we do not feel that productivity has reduced because of some staff working more flexibly, in many cases productivity has increased, and this has had a positive impact on CO2. The challenge is around the fact that we are humans and like social interaction. Work is ongoing to reconnect teams in a proportionate manner face to face.
- VII. Training Needs analysis have been completed by each service area, this will ensure that we can implement training and development to ensure that the skills need of the workforce are supported in the future.
- VIII. A suite of learning and development opportunities has been identified for

Senior Leadership Team.

- IX. ILM 7 Leadership and Management and ILM 5 Coaching and Mentoring programmes have been offered to senior managers along with ILM Leadership and Management programmes from levels 2 – 5 being offered to the wider workforce via the Welsh Government apprenticeship programme.
- X. Work has commenced on developing an electronic appraisal process which will providing robust performance reviews and identify CPD needs of the workforce and areas for improvement.
- XI. Significant changes have been made to the Discipline and Grievance Policy and a complete refresh of guidance and toolkits for managers, with the introduction of an Informal Resolution Framework. Main changes improve the timeliness of investigations and procedures and move to a culture of supporting change and improvement rather than punishment and blame.
- XII. Following the election in May 2022, a significant amount of training was provided to all Councillors, including Cabinet and Scrutiny members, to provide them with information and skills to support their decision making. This is supported by an ongoing member's development programme.
- XIII. In response to Audit Wales Review of the PCC Planning Service recommendation c, actions taken since the publication of the report include:
 - a. An operational protocol for Agent/Applicant interaction will be adopted by Planning Service and is currently in draft. The protocol will be communicated to relevant parties and published on the Councils website in due course.
 - b. A front-facing Development Management Guide and FAQ is in preparation.
- XIV. In response to recommendation D of the Audit Wales Planning Service review, a schedule of new, regular meeting cycles has been implemented to ensure clear and effective communication exists between staff and management and in particular to check on staff wellbeing, enable dynamic learning, regularly review workload to ensure workload if distributed efficiently, provide officers with the opportunity to highlight any workload issues promptly and provide a forum for best practice to be shared (appeal decisions for example).
- XV. In response to recommendation e of the Audit Wales Planning Review,

weekly Development Management team meetings are now in place to enable discussion to take place regarding differences of opinion on planning applications, planning enforcement cases, planning policy and planning case law and to provide a learning and development environment for the team.

- XVI. In response to recommendation F of the Audit Wales Planning Review, guidance notes have been developed for the specific steps required to process planning applications and to promote best practice and ensure consistency of approach. The guidance notes are discussed at Development Management team meetings and at 1-2-1 meetings, when required. Guidance notes will be used as a training resource for staff induction.
- XVII. In response to recommendation g of the Audit Wales Planning Review, actions taken since the publication of the report include:
- a. The implementation of a Planning Working Group training programme is continuing that will ensure a consistent, structured, and proactive approach that supports officers, and provides continuous professional development.
 - b. A mentor will be allocated to all new Planners.
 - c. Development Management Officers are now required to attend the Council Offices 1-3 days a week (depending on experience) to establish and strengthen relationships, create a learning environment, and promote consistency.
 - d. A training matrix has been adopted by the Planning Service.
 - e. Weekly Development Management teams meeting are being utilised as a training forum.

Summary/Assurance

The Council is able to offer **substantial** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle E: Developing the organisation's capacity, including the capability of its leadership and the individuals within it.

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

The Council is continuously working to improve its management of risk. It aims to better identify, understand, and manage the risks that may accompany its activities and to prepare for future challenges. Risk management supports organisational delivery and effective processes increase the likelihood of achieving objectives. The risks facing the organisation are constantly changing so not only does the Council prepare for what has been assessed as a potential risk, but it also attempts to prepare and build resilience for unknown situations.

F1. How do we manage risk?

A description of the risk management arrangements currently employed by the Authority may be viewed here within the context of the PCC governance framework. The Risk Management Framework is in place which details how the Council manages its risks and offers advice for officers in how to do so. In addition, consideration of risk forms an integral part of quarterly performance reviews held with Portfolio Holders, Directors, and Heads of Service. The Governance and Audit Committee has a key role in monitoring and challenging the Council's risk register. The committee are asked to review the reports considered by Cabinet and the arrangements in place to ensure that there is an appropriate understanding and management of risk and that these and the actions in place to mitigate the risks are monitored and regularly reviewed.

- I. Following previous action in 2021 to extend the remit of the Audit Committee to include oversight of Governance, the function of the Governance and Audit Committee continues to develop in providing assurance around the processes employed by the council and supporting finance officers in their decision making.
- II. A Commercial Performance and Risk Board was established during December 2022, that builds on the work of the Ukraine Costs and Risk Cell. The Board's activity includes greater focus on establishing a clear procurement pipeline as this will aid improved planning of future procurements and will also help to prepare the council for the future as publishing a procurement pipeline will be a legal requirement under the new UK and Welsh Procurement legislation expected to come into force in FY23/24.

- III. In December 2022, the Authority introduced a new Financial Risk Management regime of Council's suppliers. This includes working with services to address suppliers with a poor financial risk status identified by Dunn & Bradstreet reporting and agree mitigations.
- IV. In response to concerns raised by [Audit Wales in its Follow-up Review of Arrangements for Corporate Safeguarding – Powys County Council](#) report, a number of actions have been taken by the Council to address the report's recommendations and strengthen the Council's safeguarding arrangements:
- A Safeguarding Audit Tool has been developed and integrated into the Annual Service Self-Assessment Workbook to ensure that all services are aware of and in compliance with safeguarding policy and procedures.
 - A [safeguarding information page](#) has been created within the staff intranet to provide centralised resources which include:
 - Guidance to the responsibilities of staff and councillors
 - Contact details for reporting safeguarding concerns
 - The Council's Corporate Safeguarding Policy including a summary of the policy
 - Governance information
 - The Council has reviewed the need to have two Disclosure and Barring Service policies and from January 2023 onwards has ensured that one comprehensive policy has been in place.
 - A policy to provide central guidance on the recruitment of volunteers is currently under development and following the normal governance processes should be in place by May 2023.
- V. The risk appetite definition for the Council is the amount and type of planned risk we are willing to take to meet strategic objectives and deliver services. Risk appetite can and will vary across levels of service, based on several factors including knowledge, understanding, and experience. Risk appetite will change over time and can also vary between different types of risks and events. The Authority's [Risk Appetite Statement](#) was agreed by Cabinet on the 7th March 2023. The Risk Appetite Statement is to be reviewed annually, while the Risk Policy and Guidance is reviewed at 3 yearly intervals, following

the release of new risk management legislation, or following audit review.

- VI. Heads of Service and Executive Directors attend Governance and Audit Committee to discuss their specific risks and mitigations when requested.

F2. How do we ensure that our systems for managing risk are fit for purpose?

During 2022-23, the ways in which we have ensured that our systems are fit for purpose have included:

- I. The Risk Management Policy and Guidance was reviewed in draft during 2022 and is intended to go to Cabinet for sign off by the 11 July 2023. Like its predecessor, the Risk Management Framework 2019, it sets out our approach to managing risk. It provides clear guidance on the how to implement best practice management of risk across the Council. It is designed to provide all the information and supporting templates required to develop, implement, and maintain risk management within the Council. Work took place during 2022/23 to develop the Risk Management Framework 2019, and during 2022/23 we have built upon on our learned experiences and good practice. Importantly, the roles and responsibilities associated with risk management are given greater emphasis to ensure that ownership and accountabilities are clear. As well as more detailed guidance to help safeguard the Council and building resilience into our services, programmes and partnerships.
- II. The Authority has developed and implemented a risk appetite matrix (see point F1 V above) recommended as best practice by internal audit.
- III. An action plan has been written following on from an internal audit on Risk Management, which in summary highlights that the Council has made progress in its risk maturity journey moving from assessment rating 2 to 3 in the criteria levels of leadership, risk strategy, people, partnership, risk handling and outcomes.
- IV. The software system in which we record and manage our risks, has been amended to improve the managing of risks and increase correlation with the risk appetite.
- V. The Risk Officer continues to offer support and advice to all services, programmes and projects, and regularly attends all services senior leadership team meetings.

- VI. The Risk Officer has delivered risk management training to Cabinet, Governance and Audit, Scrutiny committees during the financial year.
- VII. Senior Leadership Team have attended dedicated risk sessions focusing on individual strategic risks.

F3. How do we manage data?

- I. The Council has a set process in place to monitor and evaluate its performance against its objectives, the detail is contained in the Performance Management and Quality Assurance Framework, and this is also referred to in Principle [D2](#) and Principle [E1](#)
- II. The Council has a set process in place to monitor and evaluate its performance against its objectives, the detail is contained in the Performance Management and Quality Assurance Framework and this is referred to in [Principle D](#) as well as [Principle E](#).
- III. The Corporate Information Governance Group (CIGG) met three times during 2022-23. The meetings are chaired by the Senior Information Risk Owner (SIRO) and would normally take place quarterly.
- IV. Additionally, seven Corporate Information Operational Group Governance (CIOG) meetings have taken place, involving representatives of the Information Asset Owners (IAOs), to discuss and monitor IG matters and measurements and to carry out work activities as directed by the CIGG. These meetings take place every six weeks.
- V. The Council has in place an Information Governance framework made up of the policies, groups, training, processes, and agreements that are currently in place. The areas of control covered by the framework include:
 - Management of Information Governance
 - Information Risk Management
 - Information Assurance (including confidentiality, integrity, and availability)
 - Information Compliance (e.g., Data Protection and access to information legislation)
 - Information Quality Assurance
 - Records Management (irrespective of medium)
 - Information Sharing

- VI. The actions required to fulfil the requirements of the IG Framework are set out in the Information Management, Assurance, and Governance (IMAG) Plan and reviewed at two-yearly intervals. The 2021-2023 IMAG plan was agreed by the Corporate Information Governance Group (CIGG) in March 2021. It was agreed that due to the pressure on Directors and Heads of Service at that time, revised planning for 2023 – 2025 should be delayed until June 2023. As of the 31st March 2023 there were 61 elements to the plan and 31 had been completed (51%), including:
- the implementation of a revised publication scheme and revised web pages, explaining to the public what information is available from the Council.
 - A Cyber Security Incident response exercise being undertaken.
 - Publication of a policy regarding the Council's use of special category personal data.
 - Revision of the Council's policy on Regulation of Investigatory Powers. (RIPA)
- 23 were in progress and still within the revised timescales for the 2023-25 plan (38%) and seven were out of timescales (11%).
- VII. The compliance rate for the authority's mandatory staff Cyber Security and GDPR training ranged from 71% - 76.8% (target 95%) over the year and was 74.8% in March 2023.
- VIII. 38 recommendations for improved compliance with Data protection legislation have been received from the Information Commissioner (*April to Feb 2023*), 33 of which had been implemented as of April 2023. 1 outstanding recommendation will form part of the forthcoming work on Information management. Some recommendations are service specific and others at an organisational level. This information will be used to develop the annual improvement plan.
- IX. In response to Audit Wales Review of the PCC Planning Service recommendation h, a protocol for inputting planning enforcement data into Planning ICT system (Idox) has been developed and communicated to the Development Management team.
- X. Regulations of Investigatory Powers (RIPA) Inspection; recommendations received included the need to revise the Council's RIPA policy (completed),

RIPA training (completed), correct recording of authorisations required (completed through training, and policy), undertaking of a review, retention, and destruction activity (not yet completed as of April 2023).

- XI. Given the amount of personal data handled by Service Areas, it is realistic to acknowledge that human errors will occur and may result in a personal data breach. The Council has robust reporting and management processes in place, which continue to ensure swift containment action, informed identification of information risks and mitigation, and supports relevant reporting obligations, to both the regulator and data subjects.
- XII. During 2022/23, there were 267 information security incidents and five personal data breaches reported to the ICO (2% of information security incidents). The table below provides details of incidents and personal data breaches, and comparison data from last year.

	2021/2022	2022/2023
Numbers of reported incidents	263	267
Number of personal data breaches ⁴	149	166
Number of incidents reported to the ICO	11	5
Number of notifications to data subjects	0	2
Number of separate complaints made to the ICO over personal data breaches	4	0
Number of DPA breaches occurring externally	90	116
Number of DPA breaches occurring internally	57	45
Number of DPA breaches involving special category data	43	42
Number of DPA breaches contained	126	131

⁴ using the definition of a personal data breach within the UKGDPR. A personal data breach is a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored, or otherwise processed in connection with the provision of a public electronic communications service.

- XIII. There has been an increase of 1.5% in the numbers of information security incidents reported but an increase of 11% of those identified as a personal data breach. However there has been a decrease of personal data breaches reported to the ICO, and no complaints received directly from the ICO. Two personal data breaches reported to the Information Commissioner are being

questioned in more detail before a decision is made on any potential regulatory action.

- XIV. The ICO has provided 24 recommendations within their decision notices. At this time, 22 have been implemented, and two are still in progress. Three recommendations are still open from previous years and will form part of wider pieces of IMAG planned activities.
- XV. In May 2022, Bob's Business, a consulting firm engaged to carry out Phishing simulation and training activities across Welsh local authorities, reported that because of their work with PCC staff, the vulnerability of the Council to phishing attacks had been reduced from 13.2% to 6.8%. The report also stated that PCC had the '3rd lowest opening baseline, and 5th lowest closing baseline phishing rate of all Welsh Government organisations. Phishing remains one of the biggest Cyber Security threats to any organisation and is the root cause of most Cyber Security incidents so further training and awareness will be continued during 2023.
- XVI. One of the Council's major suppliers was affected by a cyber security Incident which caused them to take some of their applications offline for a considerable length of time this year, resulting in loss of access to systems by Council staff. As a result, work is underway to embed a supplier security assessment process and to investigate strengthening supplier contracts in regard to Security Protocols.
- XVII. Quarterly Cyber Resilience reports are presented to the Executive Management team, highlighting achievements, plans, issues, and risks over the previous quarter.
- XVIII. In January 2023 the Council began the process to recertify their Cyber Essentials Plus and IASME Gold accreditations for the 4th year. As Cyber Essentials certification run on a 3-year renewal cycle, the 4th year is a more intense review.

F4. How do we ensure that we manage public money well?

- I. SWAP Fraud Risk Assessment
- II. Four quarterly finance reports were published on the forecast and outturn

position for revenue and capital. These reports show how well budgets are managed and the budget holders encouraged to remain within their financial envelopes, taking remedial action in the earlier part of the year to bring overspending forecasts into balance and identifying alternative savings where the planned savings were unachievable.

- III. Emphasis has been placed on maintaining financial resilience evidenced through the ability to increase our levels of reserve (using the outturn underspend) for future specific pressures like the pay award and capital financing, as well as the general reserve staying within its threshold of 4% above net budget (excluding schools and the HRA).
- IV. In March 2023, Cabinet reviewed and approved the [Housing Revenue Account \(HRA\) Thirty Year Financial Business Plan 2023-24](#). The Economy, Residents and Communities Scrutiny Committee and Tenants Scrutiny Panel provided feedback that found the Housing Revenue Account (HRA) Business Plan to be robust and thorough but expressed concerns at how the Council could meet the raising level of demand. The Scrutiny Committee's recommendations were accepted and a response provided that indicated that the Cabinet considered the target to build 311 new homes by 2027/28 to be realistic and achievable but would be prepared to look again at increasing this target in twelve to eighteen months.
- V. PCC promote and develop a strong "antifraud" culture, raise awareness, and provide information on its counter-fraud work. This includes regular reporting to S151 Officer and G&A committee, a fraud awareness e-learning tool for all staff, delivering mandatory fraud training to Officers and Members, and undertaking proactive fraud detection work and investigations. SWAP Audit and CAFT will work with managers and policy makers to ensure new and existing systems, procedures and policy initiatives consider any fraud risks

and that anti-fraud controls are built in. Fraud trends will be monitored, and Fraud Risk is recorded on the Risk Register, maintained, and routinely updated to identify areas of new or existing fraud exposure meaning that preventive and detective measures can then be taken.

VI. The Authority's Financial Services ensures that its workforce is suitably trained and encourages continuing professional development for members of staff, including:

- Junior staff are encouraged to complete accounting training (AAT) (a 3-year accounting technician course) alongside work experience, generally after a few years they progress to accountancy technician posts. We always have staff undertaking professional accountancy qualifications (3-year course) to be ready to step into Finance Business Partner roles and more senior roles including that of Section 151 officer. Institute of Leadership and Management (ILM) 3 and 5 are also expected for new and developing managers.
- Two staff in Income and Awards proposed for ILM5 this year and one member of staff in final stage of Institute of Revenues Rating and Valuation (IRRV) tech, and two further officers' mid-way through the IRRV tech qualification.
- Pensions have two staff who have recently joined the team and will commence their professional pension qualifications in September 2023. The remaining 12 already have at least one professional pension qualification or are working towards one. Training is continuous and encouraged. One team member achieved Chartered Institute of Payroll and Pension Foundation Degree Year Two and one achieved Foundation Degree Year 3.
- Commercial Services - Officers' training needs are identified through the Appraisal process and subject to available funding. Training undertaken by the team includes:
 - 3 Officers have undertaken Chartered Institute of Procurement Specialists Diploma (Level 6 qualification) 1 complete, and 2 are still ongoing. (Welsh Gov funded)
 - 1 Officer is undertaking ILM7 training & 2 officers at ILM4. (Welsh Gov

funded)

- 10 Officers have completed the Government Commercial College Contract Management Foundation Training (2 outstanding as focused on ILM training) (Cabinet Office funded).
- 3 Officers have undertaken CIPFA Tender Evaluation Strategy Training.

VII. Commercial Services have introduced a monthly Commercial Dashboard to highlight and promote performance management on Commercial activity across the Council. This provides a clear picture of commercial performance throughout the Authority and any actions underway to manage supply chain risks.

VIII. As a result of the local elections in May 2022, Councillors across all Committees have seen a large percentage of new members joining during the past year and Finance have therefore ensured member training was delivered on an Introduction to Councils' Finances and their role and responsibilities. Scrutiny Committees had training on how to scrutinise their finances, alongside risk and performance. Two Treasury Management seminars are facilitated in year with an independent advisor. Pension committee members also received financial training re the pension fund.

IX. The Authority's Finance service continues to be significantly impacted administering the numerous schemes in place to support individuals, businesses, and specific groups, especially with regards to the cost-of-living crisis (in particular, the Cost-of-Living Scheme, Discretionary Cost of Living scheme, and Winter Fuel payments).

X. A Procurement Strategy has been endorsed by EMT and Cabinet and an action plan incorporating the strategy, Climate Change, and our IBP commitments has been drafted and will be communicated in April.

XI. A School Meal Debt Audit undertaken in March 2023 reached the following conclusions:

Assurance opinion: Reasonable (Low) - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Risks Reviewed:

1. A lack of policies and procedural guidance results in school meal debt accumulating and not being collected or monitored – Priority: High
2. Free school meals are offered incorrectly resulting in financial loss to the authority – Priority: Medium

Recommendations:

1. School Meal Debt chasing process review in line with new cashless system including checking of debts for FSM pupils.
2. Policy and process reviewed and implemented around School Meal Debt Write off.
3. Staff debt be claimed back through salaries and included in the updated policy including staff leaver debt.
4. Process for debts transferring to the new cashless system, monitoring of debts and recovery of debts post- transfer.

Actions identified:

1. Policy and process to be updated
2. Staff debt claimed back through their salaries

F5. How do we manage our physical assets?

- I. A Strategic Asset Management Review is underway to ensure that the Council has a robust and affordable Capital and Treasury Management Strategy.
- II. The Council adopted an [Asset Management Strategy](#) in October 2022.

Summary/Assurance

The Council is able to offer **reasonable** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle F: Managing risks and performance through robust internal control and strong public financial management.

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

G1. How do we ensure that we are open and accountable with our stakeholders?

- I. The Council's Constitution sets out how the Council operates and the process for policy and decision making. Within this framework, decisions are taken by Council, Cabinet, individual Cabinet Members and Officers. Certain specific decisions are taken by the Planning, Taxi Licensing and Rights of Way Committee, The Licensing Act 2003 Committee, Pensions and Investment Committee and the Employment and Appeals Committee.
- II. The Authority's compliments and complaints procedure allows complaints to be escalated and investigated independently of the service concerned. Work is being undertaken to redevelop the Corporate Complaints system to:
 - Enable the recording of extracted learning from the complaint by the Investigation Officers (estimated completion early Summer 2023).
 - Enable the recording of recommendations, and the implementation of such to prevent similar complaints (estimated completion Autumn 2023).
 - Develop new reporting mechanisms for Service Areas.
 - The Council produces an [Annual Complaints report](#) detailing a summary of complaints for 2022-23 to understand volumes of complaints and lessons learned
- III. During the period 2022-23, the following response rates were recorded for requests for information:
 - a. 1,093 requests for information were dealt with across the three legislations (a slight decrease by 16 from last year's figure).
 - b. Freedom of Information (FOI) requests compliance: 84% (this figure has remained at 84% since 2020-2021).
 - c. Environmental Information Regulations (EIR) compliance :84% (a fall from 90% in 2021-2022).
 - d. GDPR compliance: 57% in 2022/23 (this was 63% in 2021/22).
 - e. 92% of non-compliance was a result of service area delay (potential

compliance rate without service area delay is 98.60%).

- IV. The deterioration in compliance rates for FOI and EIR requests can be attributed to:
 - An increased number of instances where delays were experienced in obtaining information to enable a response to the FOI /EIR request to be issued.
 - Information Compliance Officers carrying out more Information Governance related activities as part of their role.
 - The efforts taken to ensure the number of Subject Access Reviews outstanding are managed even if not responded to within timescales and that backlogs don't build.
- V. Some information requests, in particular Subject Access Requests, have been complex or lengthy resulting in levels of non-compliance with statutory timescales. 68 requests received, with 61% compliance rate. (ICO target 90%).
- VI. The Authority's [Publication Scheme](#) became available in March 2023 with a remit to make information readily available at minimum inconvenience and cost to the public.
- VII. The Budget Books and Statement of Accounts for 2022/23 has been published to the Council's public website.
- VIII. 80% of Powys County Council's national strategic planning and performance monitoring statutory deliverables met the submission deadline.
- IX. During 2022/23, 37 engagement and consultation activities were undertaken to engage residents and staff.

G2. How do we reflect good practice in our reporting?

- I. An Annual Governance Statement Framework has been drafted and the AGS process has been revised to strengthen and formalise the process underpinning the drafting and authorisation of the report. Changes made to the process were agreed on the 20th January 2023 and include:
 - The mechanism for obtaining the relevant information from services has been formally aligned with that of the Corporate Self-Assessment to maximise value and ensure a more comprehensive representation of service activity in the AGS.

- The draft AGS Framework describes the Key evidence sources (both existing and aspirational for future development) that underpin the report annually.
- Responsible officers have been assigned to have oversight for specific areas of governance and provide their assessment of assurance for the Authority's performance in the following areas:

Responsible Officer	Area of Assurance
Monitoring Officer	Operating within the rule of the law and constitutional arrangements including the member code of conduct
Head of Workforce and Organisation Development	Human resources arrangements and policies
Section 151 Officer	Finance matters
Health and Safety Manager	Health and Safety matters
Lead on Procurement	Procurement
Senior Information Risk Owner	Information Governance and Complaints
Director of Corporate Services	Policy, Strategy and Resources
Director of Social Services and Housing	Safeguarding

A rubric, has been adopted to support the Executive Management Team and Responsible Officers in assessing the levels of assurance to be recorded:

	None	Partial	Reasonable	Substantial
Controls	Significant concerns regarding adequacy of controls in place	Many controls are in place but coverage is inconsistent/unclear	Controls are not in place to cover some risks	Controls in place
Review	No cyclical review is taking place	Cyclical review is taking place in most areas but not all. Level of detail is inconsistent.	Assurance is not cyclically performed in all areas/not sufficiently Detailed	Detailed cyclical review
Governance evidence	The evidence presented does not reduce risks	The evidence presented reduces risks to an agreed (but not necessarily desired) level	The evidence presented reduces risks to an acceptable Level	The evidence presented reduces risks to a low level
Risk	Key risks are not adequately mitigated	Key risks are adequately Mitigated	Risk is adequately Mitigated	Risk is adequately Mitigated
Policy	Significant gaps exist in policy	Policies in some areas are not in place, not appropriate/fit for purpose	Policies are generally in place as required but not communicated	Policies in Place and Communicated
Automation of Controls	Significant concerns exist regarding efficacy of manual controls	Concerns exist regarding efficacy of manual controls	Manual controls are present, work well but are not automated	ICT Tools are being used to automate controls and report red flagged transactions
Business Planning	Business Planning not monitored	Business Planning monitored but inconsistent	Business Planning monitored adequately	Business Planning closely monitored

G3. How do we provide assurance and effective accountability for our actions?

- I. In addition to the self-assessment undertaken yearly by the Authority's services, the Scrutiny Committees and Governance and Audit Committee also complete an annual Self-Assessment Workbook to evaluate their performance and progress during the previous financial year. Following Self-Assessment, an action plan has been developed by each of the committees to shape improvement work over the coming year.
- II. A recurrent theme raised by the Scrutiny Committees during the Self-Assessment process was that of the quantity of information submitted for their attention and the difficulty of adequately digesting large reports. In response, a covering pro-forma has been introduced to be completed by Service Areas for committee guidance.
- III. The Scrutiny Committees felt that in general, their work had been slow to gain momentum last year, largely because of the change in membership following the local elections in May 2022. New members have required training and in some cases were new to their position as both an Elected Member and as a Committee Member.
- IV. The Governance and Audit Committee felt that its work started slowly early in the 2022-23 year (influenced by pressure and capacity on democratic services) but the pace has increased, and by the end of the financial year it was making an impact. There was some feeling that the nature of online meetings may possibly be hindering the progress of the committee. In response, the Committee intends to meet in-person or in hybrid form frequently in 2023-24. To seek the Assurance necessary for the Committee to fulfil its remit, scrutiny and challenge offered to officers, thereby raising awareness of good governance, resulting in enhanced impact. To support its work, Governance and Audit Committee (G&A) developed a more coherent and comprehensive Annual Work Plan and has established four member Working Groups, covering: -
 - i. Heart of Wales Property Service (HoWPS)
 - ii. Capital Programme
 - iii. Transport, Highways and Recycling
 - iv. Internal Audit

- V. During 2022-23, G&A members have undertaken member development training on a wide range of areas: -
- i. Code of Conduct
 - ii. Chairing Skills (Chair only)
 - iii. Governance and Audit training
 - iv. Scrutiny training
 - v. Introduction to Council Finances
 - vi. Future Generations
 - vii. Scrutiny Chairs and Vice Chairs training
 - viii. Scrutiny development – questioning skills
 - ix. Treasury Management
 - x. Freedom of Information

- VI. During 2022-23 G&A undertook a skills audit to help inform its ongoing Member Development plans.

Future actions planned by the G&A committee include:

- Engagement with the public and consideration of ways in which the Committee might achieve this
- Quarterly feedback to be received from a representative on the Finance Panel (this is already programmed into the Forward Work Programme)
- Committee Press Releases with consideration given to possible press release topics as part of the post-meeting reflection
- Committee to have a pro-forma document for every report submitted to clarify purpose of report and role of the Committee
- Scoring and prioritisation of possible items for inclusion on the work programme

- VII. The Finance Panel has undergone a change in composition since May 2022; it is politically balanced and now includes a member of the Governance and Audit Committee. A pro-forma has been devised to enable high level feedback to G&A. Formal reports of observations and Recommendations are forwarded to Cabinet, with Cabinet having a 2-month timeframe to respond to Panel with Accept, Reject or Partially Accept. Future actions planned by the Finance Panel include:

- Panel to focus more on Finance Resource Model /Medium Term Financial Strategy
- Development of a Recommendations Tracker for the Committee
- Panel to receive high level benchmarking data to compare with other local authorities
- Panel to receive training from CIPFA / Data Cymru regarding benchmarking information
- Panel to review Well-Being data resource information
- CIPFA Reports on Council delivery to be considered by Panel for information purposes
- Training for Panel on benchmarking/Budget Planning and delivery outcomes/Statutory Services, legislation and governance; what discretion is permitted and where?
- Improve Work Programme including mapping previous matters considered by the Panel

VIII. During 2022-23, the Learning and Skills Scrutiny Committee has gained a number of new Members with no previous experience to provide perspective; it was noted that new members may not feel sufficiently well-informed to contribute and find it easier to speak up in a pre-meeting. Initial meetings were dominated by revisiting decisions made by the previous Administration and as a result the Committee felt that it had made a slow start. Attendance at meetings has been raised as a concern by the Chair, with regards to the political environment, as there has not been representation present from all groups. Relationships with officers are considered to be good, with officers described as 'exceptional, responsive and willing to explain'. Future actions planned by the Learning and Skills Committee include:

- Pre-meetings to be held 2-3 days before each meeting to allow time for follow-up request for information and clarification with relevant Officers
- Meetings will be held on a set day/time, to allow better time management for members

- Working Groups are to be considered by the Committee to carry out in-depth analysis and scrutiny
- Forward Work Programme will be reviewed at 6 weekly meetings which are scheduled throughout the year by Director of Education

IX. The Health and Care Scrutiny Committee has a new committee of new members (following the 2022 election) and the Chair felt it would be worthwhile to have a series of Member Development sessions and budget familiarisation sessions for both service areas; Member development for the committee has paid off and questions have been to a challenging and robust standard. The Committee has a new Vice Chair who brings good experience and knowledge of the public sector, financial acumen, and knowledge of services for young people. Committee attendance over the past year has been of concern to the Chair who has raised this with group leaders. While there has been a new management structure put in place for the senior leadership team and a new interim head of Children's services. Engagement with scrutiny has however remained consistent and good. Future actions planned by the Health and Care Committee include:

- Briefing notes for Members on areas of service to assist Member understanding
- Further training for Members on questioning skills
- Use of pre-meetings prior to the meeting
- Regular meetings to be established between the Chair and new heads of Service
- Chair to discuss shadowing of officers with Director
- Committee will consider interaction with partners as part of work programming

X. Following commencement of the Audit Wales review of the Planning Service in March 2022, a Service Improvement Board was established in advance of the report to respond and provide support to the recommendations.

XI. Audit Wales reports received by G&A during 2022-23:

- Quarterly Programme updates
- Audit Plans
- Springing Forward Workforce Management
- Corporate Safeguarding

XII. No regulatory reports were received by Finance Panel this year.

Summary/Assurance

The Council is able to offer **reasonable** assurance that the Council's arrangements adequately reflect the principles of good governance as set out in Core Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Responsible Officer	Area of Assurance	Assurance Level	Comments
Monitoring Officer	Operating within the rule of the law and constitutional arrangements including the member code of conduct	Reasonable	
Head of Workforce and Organisation Development	Human resources arrangements and policies	Reasonable	
Section 151 Officer	Finance matters	Reasonable	We can offer reasonable assurance that progress continues to be made in delivering on actions raised in the FM Code and identifying improvements that will be of benefit across the Council.
Health and Safety Manager	Health and Safety matters	Reasonable	
Lead on Procurement	Procurement	Reasonable	We can offer reasonable assurance; we have contract procedure rules in place (section 17 of council constitution). This year we have established Commercial performance and risk board made up of officers from across the council, providing oversight and assurance, and future improvements will be agreed and monitored by the board.

Responsible Officer	Area of Assurance	Assurance Level	Comments
Senior Information Risk Owner	Information Governance and Complaints	Partial ⁵	We can offer partial assurance that the council's arrangements adequately reflect the principles of good information governance. Some key risks are not well managed, and processes require the introduction or improvement of internal controls, and resources to ensure effective governance, but plans for future improvement are in place and are monitored by CIGG.
Director of Corporate Services	Policy, Strategy and Resources	Substantial	We can offer substantial assurance, we have a new corporate plan in place, 'Stronger, Fairer, Greener' and have established systems in place to track corporate policies, monitor progress of Audit recommendations and questions to Cabinet.
Director of Social Services and Housing	Safeguarding	Reasonable	We can offer reasonable assurance, significant progress has been made in improving corporate safeguarding governance, policies and procedures during the financial period. There are areas where improvements can be made, and these actions have been captured and are being regularly monitored and scrutinised by the corporate safeguarding board. Activity reports are

⁵ This assurance level was provided as part of the Authority's Information Governance Annual Report 2022-23 and reflects a judgement made on the basis of that report. It does not necessarily reflect the criteria shown in the rubric provided at G2 but is based on criteria specific to the IG Annual Report.

Responsible Officer	Area of Assurance	Assurance Level	Comments
			provided to Cabinet, Health and Care scrutiny committee and Governance and Audit.

Governance issues identified for action during 2023/24

Following on from both the Self-Assessment and Annual Governance Statement, the below action plans have been identified surrounding governance. These have been prioritised using the below matrix:

Level	Description
Critical	Failure to take action poses an immediate and severe risk
Potentially Critical	Failure to take action may pose a significant risk at some point in the future
Necessary	Action is required to ensure that compliance is maintained
Recommended	Action would deliver best practice but is additional to normal standards of practice
Not urgent	May be addressed in the future but is not currently being considered – potentially aspirational

Issue	Responsible Officer	Priority
Introduce a Conflict-of-Interest Register for officers	Clive Pinney	Necessary
Develop a more effective engagement approach to improve our understanding of the views of people of Powys	Catherine James	Recommended
Delivery of the planned review of Internal Audit that will seek assurance about the robustness of their remit and service to the council	Governance and Audit Committee Jane Thomas	Critical
Develop training offer for Risk and Finance ensuring we have identified need and training for specific roles	Jane Thomas	Recommended
Implement the improvement actions identified through the FM Code	Jane Thomas	Necessary

Certification of the Annual Governance Statement 2022-23

Signed on behalf of Powys County Council:

Chief Executive

Leader of the Council

Date:

Date:

Chair of Governance and Audit Committee

Date

Appendix A: 2022-23 Financial Management Code Actions

The CIPFA Financial Management Code (FM Code) sets out the standards of financial management expected for local authorities and is designed to support good practice and to assist local authorities in demonstrating their financial sustainability. The Council assessed its processes, procedures, and governance arrangements and identified the following actions to be developed at 31st March 2022 to strengthen its compliance with the Code. The sections below monitor progress against these actions and whether they have been fully delivered. A separate table identifies future actions recognised in year to be delivered through 2023-24.

Section 1 – The Responsibilities of the Chief Finance Officer and leadership team

a.) The leadership team can demonstrate that the services provided by the authority provide value for money

Action 31 st March 2022	Owner	2022-23 Progress
Integrated Business Plans (IBP) pilots will utilise benchmarking and Value for Money (VFM)	Senior Leadership Team (SLT)	Blue – Action is completed
Develop examples of good practice and share for learning.	Transformation & Change	Further action required
To review Welsh Government models and adapt for PCC use where appropriate.	Transformation & Change	Further action required
Develop scrutiny skills to actively challenge and assess Value For Money analysis.	Scrutiny	Partially delivered but further action required

Action 31st March 2023	Owner
Wider benchmarking and Value for Money review work, approaches that allow comparison on a like for like basis.	Senior Leadership Team (SLT)
Review IBP template - fit for purpose and link to the CESP	Senior Leadership Team (SLT)
Implement new procurement structure	Financial Services
Review how we develop social value and climate analysis alongside VFM.	Adult Social Care

b.) The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government

Action 31st March 2022	Owner	2022-23 Progress
Include financial section in Individual Performance Review guidance (IPRs) for budget holders to highlight capability gaps.	Workforce & Organisational Development	Further action required
Survey and feedback from stakeholders to take place more widely.	Financial Services	Partially delivered but further action required

Action 31st March 2023	Owner
Review the support to schools and cluster model to assist recruitment to cluster roles.	Financial Services
Develop the apprenticeship scheme to support succession planning	Workforce & Organisational Development
Implement new procurement structure	Financial Services
Improve training delivery and materials to internal stakeholders	Financial Services

Section 2 - Governance and financial management style

c.) The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.

Action 31 st March 2022	Owner	2022-23 Progress
Improve the effectiveness of Internal control, more SLT involvement with Audit plan and review.	SLT	Partially delivered but further action required
EMT self-assessment	EMT	Further action required

Action 31 st March 2023	Owner
SWAP to undertake a governance review.	SWAP

d.) The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)

No outstanding actions identified

e.) The financial management style of the authority supports financial sustainability

Action 31 st March 2022	Owner	2022-23 Progress
Framework in place but gaps in terms of collaboration links, addressing silos.	EMT	Further action required

Improve level of involvement relating to appropriate finance input into the development of strategic and operational plans.	SLT	Blue – Action is completed
Improve the scheme of delegation and the understanding of who the primary decision makers are.	SLT	Further action required
Survey to gain feedback on satisfaction of service.	Financial Services	Further action required

Action 31 st March 2023	Owner
Improve dashboards through Business Intelligence	Financial Services/ Business Intelligence

Section 3 - Medium and Long Term Financial Management

f.) The authority has carried out a credible and transparent financial resilience assessment

No outstanding actions identified

g.) The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members

Action 31 st March 2022	Owner	2022-23 Progress
Welsh Government engagement regarding rural analysis and increased cost of services	EMT/Cabinet	Blue – Action is completed

Ability for achieving long term financial sustainability – impact on short term decisions – how to better plan for the medium term	EMT/Cabinet	Blue – Action is completed
IBP Pilots that will focus on Outcome Based Budgets activity	SLT	Deprioritised

Action 31 st March 2023	Owner
Delivery of Stronger, Fairer, Greener Projects	EMT/Cabinet

h.) The Authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities

No outstanding actions identified

i.) The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans

Action 31 st March 2022	Owner	2022-23 Progress
Develop cost drivers and benchmarking through Outcome Based Budgets	Financial Services	Deprioritised

Section 4 - The annual budget

j.) The authority complies with its statutory obligations in respect of the budget setting process

No outstanding actions identified

k.) The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves

No outstanding actions identified

Section 5 – Stakeholder engagement and business cases

l.) The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.

Action 31 st March 2022	Owner	2022-23 Progress
Key stakeholders, wider member engagement and stronger use of scrutiny	Cabinet	Blue – Action is completed
Limited consultation with wider membership due to covid and being in business continuity and plan to engage more broadly this year and in future years	Cabinet	Blue – Action is completed

Action 31 st March 2023	Owner
Development of 3-year balanced budgets	EMT/Cabinet
Budget survey linked to new corporate plan and priorities	EMT/ Financial Services

m.)The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions

Action 31 st March 2022	Owner	2022-23 Progress
Work still to be done to develop use of business cases and cabinet to review and consider affordability early in the process	SLT	Blue – Action is completed
Project management and transformation management training available	SLT	Blue – Action is completed
Need a stronger risk framework around tenders and allowing bids to be taken forward – strengthen guidance	SLT/Financial Services	Further action required

Section 6 – Monitoring financial performance

n.) The leadership team acts using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability

Action 31 st March 2022	Owner	2022-23 Progress
Development and clarification of the mechanisms in place to report the performance of the authority's significant delivery partnerships such as contract monitoring data.	EMT/SLT	Further action required.

o.) The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability

Action	Owner	2022-23 Action
Redesign the debt recovery process to ensure that it is fit for purpose, failure demand removed which will allow the staff to prioritise key debt collection activities	Financial Services	Partially delivered but further action required.
Move from the current manual debt collection work to an automated stage driven system that will free up staff time to focus on collection rather than administration	Financial Services	Partially delivered but further action required.
Improve the collection process by strengthening our ability to measure debt performance better in the debt recovery lifecycle.	Financial Services	Further action required.

Action 31 st March 2023	Owner
Develop use of ratios and KPIs in Head of Service reports	Financial Services

Section 7 – External financial reporting

p.) The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom

No outstanding actions identified

q.) The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions

No outstanding actions identified