

Pwyllgor Llywodraethu ac Archwilio

Man Cyfarfod
**Ystafell Bwyllgor A - Neuadd y Sir,
Llandrindod, Powys**

Dyddiad y Cyfarfod
Dydd Iau, 24 Tachwedd 2022

Amser y Cyfarfod
10.00 am

I gael rhagor o wybodaeth cysylltwch â
Wyn Richards
01597 826375
wyn.richards@powys.gov.uk



Neuadd Y Sir
Llandrindod
Powys
LD1 5LG

Dyddiad Cyhoeddi

Mae croeso i'r rhai sy'n cymryd rhan ddefnyddio'r Gymraeg. Os hoffech chi siarad Cymraeg yn y cyfarfod, gofynnwn i chi roi gwybod i ni erbyn hanner dydd ddau ddiwrnod cyn y cyfarfod

AGENDA

1.	YMDDIHEURIADAU
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Derbyn ymddiheuriadau am absenoldeb.

2.	DATGANIADAU O DDIDDORDEB
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Derbyn unrhyw ddatganiadau o ddiddordeb gan Aelodau yn ymwneud ag eitemau i'w hystyried yn y cyfarfod.

3.	COFNODION
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Awdurdodi'r Cadeirydd i lofnodi cofnodion y cyfarfod blaenorol a gynhaliwyd fel a ganlyn:

Derbyn ac ystyried y Rhestr Weithredu.

(Tudalennau 1 - 14)

4.	SICRHAU DATGANIAD LLYWODRAETHU BLYNYDDOL
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Derbyn ac ystyried adroddiad yr Arweinydd ac Aelod Portffolio ar gyfer Powys Agored a Thryloyw a'r Datganiad Llywodraethu Blynyddol.

(Tudalennau 15 - 130)

5.	RHEOLI'R TRYSORLYS - ADRODDIAD CHWARTER 2
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Derbyn ac ystyried adroddiad yr Aelod Cabinet ar gyfer Cyllid a Thrawsnewid Corfforaethol

(Tudalennau 131 - 148)

6.	TWYLL A CHAMGYMERIADAU CORFFORAETHOL - ADRODDIAD CHWARTER 3
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Derbyn ac ystyried adroddiad y Pennaeth Cyllid.

(Tudalennau 149 - 158)

7.	CYFRIFON Y GRONFA BENSIWN 2021-22
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Derbyn ac ystyried Cyfrifon y Gronfa Bensiwn, ISA260 a Llythyr Cynrychiolaeth.

(Tudalennau 159 - 256)

8.	RHEOLI'R GWEITHLU LLAMU YMLAEN
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Derbyn ac ystyried adroddiad Archwilio Cymru – Rheoli'r Gweithlu Llamu Ymlaen

(Tudalennau 257 - 280)

9.	ADRODDIAD GWEITHGAREDDAU ARCHWILIO MEWNOL - ADRODDIAD CHWARTER 2
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Derbyn ac ystyried adroddiad Chwarter 2 SWAP.

(Tudalennau 281 - 300)

10.	GWEITHGORAU
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Derbyn ac ystyried y Cylch Gorchwyl drafft ac aelodaeth arfaethedig o'r Gweithgorau.

(Tudalennau 301 - 310)

11.	RHAGLEN WAITH
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Ystyried y blaenraglen waith drafft (wedi'i atodi) a dynodi unrhyw eitemau ychwanegol i'w hystyried ar gyfer y dyfodol.

(Tudalennau 311 - 314)

Cyfle i'r Pwyllgor Myfyrio a Briffio'r Pwyllgor

13:20 i 13:55

Ar ol cau'r cyfarfod:

1. Gofynnir i'r Pwyllgor gymryd 5 i 10 munud i fyfyrion ar y cyfarfod heddiw.
2. Bydd y Pwyllgor hefyd yn derbyn cyflwyniad am y broses Cynllunio Busnes Integredig a gofynnwyd amdano'n flaenorol.

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

MINUTES OF A MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE HELD AT BY ZOOM ON FRIDAY, 30 SEPTEMBER 2022

PRESENT: Lynne Hamilton (Chair)

County Councillors P Lewington, WD Powell, G W Ratcliffe, C Walsh and A Williams

Independent Members: G Hall and J Brautigam

Cabinet Portfolio Holders In Attendance: County Councillor D Thomas (Cabinet Member for Finance and Corporate Transformation)

Officers: Jane Thomas (Head of Finance), Wyn Richards (Scrutiny Manager and Head of Democratic Services) and Bets Ingram (Strategic Equalities and Risk Officer)

1.	APOLOGIES
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An apology for absence was received from County Councillor G Breeze.

2.	DISCLOSURES OF INTEREST
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There were no Declarations of Interest from Members relating to items to be considered on the agenda.

3.	MINUTES
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The Chair was authorised to sign the minutes of the previous meetings, held on 24-06-2022 and 29-07-2022, as correct records.

Arising thereon:

24-06-2022

Page 3 – Strategic Asset Review.

Members commented that this review needed to be progressed. The Chair agreed that this is included in the work programme for a forthcoming meeting.

Page 3 – Insurance Cover for Members on outside bodies.

The Head of Finance confirmed that insurance policies were in place. The concern was in relation to Members representing the Council on outside bodies as some of those bodies would have their own insurance arrangements and some would not. The Head of Finance had asked the Insurance Officer to review what is in place and whether the Council needs to make its own arrangements for this. It was also suggested that officers consult with officers at the Brecon Beacons National Park who had undertaken a similar exercise in relation to Welsh Government representatives on the Authority.

Page 5 – Assurance Mapping.

The Chair agreed to discuss the way forward with the Assistant Director (Powys) (SWAP)

Risk Framework – the Chair asked the Scrutiny Officer to recirculate this to the Committee.

Outcome:

- **Head of Finance to provide an update to the Committee on insurance policies for Members on outside bodies.**
- **Strategic Asset Review – add to work programme for forthcoming meeting.**
- **Chair to discuss way forward with assurance Mapping with the Assistant Director (Powys) (SWAP).**
- **Risk Framework – Scrutiny Officer to recirculate to the Committee.**

29-07-2022

Global Centre for Rail Excellence (GCRE).

The Committee was advised of a potential interest for G Hall (Independent Member) as a former colleague of his now worked for GCRE. However, as there was no discussion in relation to GCRE Mr Hall was advised that there was no need to disclose an interest at this time.

Page 20 – Members asked if the informal briefing for Members with the Chief Executive of GCRE could be expedited. The previous confidential reports also needed to be circulated to Members.

Page 27 – Working Groups.

The Committee noted that the skills audit of Members was to be undertaken. The Chair suggested that Members should probably not sit on more than two working groups at a time.

Outcome:

- **The Scrutiny Officer was asked to liaise with the Corporate Director (Economy and Environment) regarding the GCRE briefing and to circulate previous confidential reports to the Committee.**

4. STRATEGIC RISK REGISTER REPORT QUARTER 1 2022-23
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Documents Considered:

- Strategic Risk Register Report – Quarter 1 2022-2023.

Issues Discussed:

- The Quarter 1 report was considered by the Cabinet in July 2022.
- The Senior Leadership Team (SLT) has been reviewing the strategic risk register to ensure that all current, potential and global risks are included. Key areas of risk were to be continually monitored by SLT and Cabinet such as health and safety and social services, the Council's budget and economy, recruitment and retention, climate and nature emergency, compliance with GDPR (General Data Protection Regulations) and DPA (Data Protection Act), cyber security and regulatory inspections.
- Further detailed work has commenced in September. At the end of quarter 1 there were 15 strategic risks, one had a probability of likely and an impact of catastrophic, and three had a probability of likely and an impact of major. Some risks had been escalated (housing), some de-escalated such as HOWPS, Highways, Transport and Recycling and the Covid risk register (transferred to the Service risk register). All these had been accepted by the Cabinet.
- Questions:

Question	Response
<p>HOWPS and transfer of risks to services. How is this being mitigated. Are the risks still at a high level when handed back to services and not downgraded.</p>	<p>There is only one risk currently with the remainder having been closed. This is being closely monitored by Directors, Heads of Service and Cabinet Members. The risks once transferred are being managed within the Service's risk registers. Additional information can be provided to the Member.</p>
<p>The concern is regarding Intellectual Property where HOWPS undertook the consultancy and design work for new builds. There is no indication whether this has been transferred seamlessly back to the Council in June 2022 and it is not included in the register although it was considered a major risk previously.</p>	<p>It was considered as a risk during the transition. It is understood that all of the issues were resolved but the Head of Finance agreed to request an update as to whether the transfer of this element of the project happened as expected and whether everything is in place.</p>
<p>What reassurance is there that the Senior Leadership Team (SLT) is taking account of the developing financial situation, particularly around the threat to pension funds and the wider budgetary implications, in view of the potential collapse in the wider UK economy.</p>	<p>The Quarter 2 period ends today, but officers review and assess risks on a continual basis based on the changing situation. The Head of Finance had advised the Committee of the budget risks and the Cabinet has considered a paper about the financial position and the economic situation this week and how this affects budget planning. The Committee received assurance that SLT and Cabinet is keeping this under review. An update had been received from the pensions advisers and action was taken to mitigate the impact of what was happening recently. An assurance was received from pension advisers that they had taken as much action as possible to mitigate impact. There is also a forthcoming Members briefing to be held where Members will be updated.</p>
<p>In relation to Housing risk and mitigating actions, there are several long standing derelict properties in Newtown. As a mitigating factor can the Council compulsorily purchase these properties and turn them into homes.</p>	<p>Compulsory purchase is not something the Council can use for this as it requires a specific purpose and need. In addition, compulsory purchase is strictly regulated as to what the Council can purchase. There is an additional Council tax premium applied to empty properties to make people think about the use of properties and bring them back into housing occupation where possible. Unless they are Council properties we have limited opportunities to do anything with these properties ourselves.</p>

	<p>The Cabinet Member commented that in relation to derelict properties Welsh Government is understood to be reviewing the position.</p>
<p>It is good to be assured that financial issues are top of the priorities for Cabinet and SLT. Would like the Council to go back to basics when looking at its budgets rather than treat this as a one off response. The Council should be considering whether it delivers some services or not rather than making incremental changes. It should also consider zero based budgeting as well as looking at outcomes and outputs. There is a need for a mid-year review of business plans as part of business planning going forward. This is an opportunity coming out of a difficult situation to establish new business practices.</p>	<p>Agree with how the process must be driven by outcomes and outputs and understanding what is being delivered for the cost of a service and whether this is appropriate. This is the basis on which services have been asked to review their Integrated Business Plans. There are different levels of success in services' understanding of the cost of activities and what is essential that they do and what they would like to do. To address the current financial situation will require a wholesale change. At the budget briefing for the Council there will be detail about what services are considering to do things differently and following that will be detailed proposals.</p> <p>The Integrated Business Plan process is defined including the toolkit used to fulfil the obligations and the Committee could review these documents. Following that there are challenge events by Cabinet and SLT. These challenge events have been delayed this year as outputs were not what was needed to respond to the current situation and so Heads of Service have been set a more rigorous approach with responses due by 21st October. Following that there will be a week of challenge of that work.</p> <p>The Cabinet Member commented that the process of challenging Heads of Service has started with a review of the Integrated Business Plans. The financial update provided is a high level document which sets out the financial challenges in setting the budget and the impact this will have. This has also been considered by the Finance Panel.</p>

Comments:

- HOPWS Intellectual Property – The Chair commented that the review of this could be undertaken by the Committee’s HOWPS Working Group. The Working Group should also look at lessons learned from the HOWPS project.

- Integrated Business Planning – the chair requested a presentation to the Committee on the IBP process, including what issues were being found and risks or difficult points in the process.
- The Chair suggested that the Committee should undertake a series of deep dives into areas of risk starting with Social Care Provider risks. These reviews to be undertaken on a quarterly basis so that the Committee could understand the nature of risks, what controls and actions are in the gift of the Council and what is in the external environment where it would be difficult for the Council to influence. The relevant Head of Service and Cabinet Member would be invited to attend these sessions with the Committee.
- It was noted that the nature of the management actions and controls was not particularly clear on the risk register; it was also unclear whether actions and controls had been completed. Officers were asked to consider how the information brought to the Committee could be clearer.
- The Committee also asked for it to be clear whether of not completed actions and controls had brought down the risk scores.

Outcomes:

- **Noted.**
- **HOWPS Intellectual Property - The Head of Finance to request an update as to whether the transfer of the Intellectual Property element of the project happened as expected.**
- **Integrated Business Planning Process – Head of Finance to provide a presentation to the Committee regarding the process – to be added to the work programme.**
- **Risk – series of deep dives into areas of risk on a quarterly basis to be added to the work programme starting with Social Care, with a focus on provider financial sustainability and risk of provider failure.**

5.	CORPORATE FRAUD
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Documents Considered:

- The Head of Finance advised the Committee that it had not been possible for the Income and Awards Senior Manager to prepare the report as he is the Lead Officer in relation to the Cost of Living Schemes grants. The timing of the fraud reporting has coincided with the preparations for issuing the new grants schemes to meet Welsh Government guidelines and this had to be prioritised.
- The fraud work and the work of the Fraud Team continues and is an integral part of the application process for these schemes.
- The report would be presented to the next meeting of the Committee.

Outcomes:

- **Noted and report required for the next meeting.**

6.	COMMITTEE SELF ASSESSMENT
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Documents Considered:

- Report and Draft Self Assessment Action Plan.

Issues Discussed:

- The Assessment had been undertaken in March 2022. All committees are expected to undertake a self assessment and develop an action plan.
- The action plan was draft and provided an opportunity for the Committee to influence the final document.
- The plan is set around the four themes identified with some specific areas of focus and 53 actions. The action plan shows action taken to date and further action suggested. Most action points are currently green, some highlighted as amber. There are some gaps in the report and the Committee was asked to comment whether actions were appropriate, and once finalised the Committee could monitor the delivery of actions.
- **Comments:**
- The Cabinet Member commented that when the Committee undertakes deep dives Cabinet Members would be more than prepared to attend meetings with Heads of Service.
- Whilst the working of the Committee has improved over the years there needs to be a more dynamic relationship between the Committee and the Cabinet. The same is also true for the Finance Panel.
- The Committee should review the action plan on a quarterly basis and look at tracking actions annually as well as themes.
- In relation to engagement with the public, there are a variety of options which the Committee could consider depending on the subject matter under consideration. The Cabinet Member also commented that the Council had commenced a consultation on its public participation strategy.

Outcomes:

- **Noted.**
- **That the action plan be monitored and reported to the Committee on a quarterly basis.**

7.	WORK PROGRAMME
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The Committee noted the Work Programme as set out on the agenda. A number of items had already been identified earlier in the meeting for inclusion on the work programme. There would also be a need to commence the work of Working Groups and to identify opportunities for Working Groups to provide an update to the Committee on their work.

Lynne Hamilton (Chair)

2022 Governance and Audit Committee – Decision Tracker

Item	Decision	Lead Officer	Completion Date	BRAG Status	Comments
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Committee Date: 13-06-2022

Appointment of Internal Audit Working Group:

1	<ul style="list-style-type: none"> (i) that an Internal Audit Working Group be established to meet as and when required; (ii) that membership of the Working Group be determined on a subject by subject basis; (iii) that a skills audit of members be undertaken; (iv) that the Working Group comprise between 3 and 5 Members as a general principle; (v) that the Working Group should comprise a minimum of 1 Lay Member and 1 Councillor. 				
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2022 Governance and Audit Committee – Decision Tracker

Item	Decision	Lead Officer	Completion Date	BRAG Status	Comments
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Committee Date: 24-06-2022

Minutes:

1	Review Committee self assessment and develop an action plan	Jane Thomas	July 2022		
2	Items to add to the Forward Work Programme: <ul style="list-style-type: none"> • Net Zero / Passive House • Strategic Asset Review • Insurance Policy Arrangements • Establish Capital Working Group • CIW Report 	Wyn Richards	June 2022		Added to List of potential items for FWP.

Strategic Risk:

3	Risk Management Framework to be circulated to the Committee for information	Bets Ingram / Wyn Richards			
4	Consideration of a deep-dive into Social Care.	LH / JT / WR			Added to FWP

2022 Governance and Audit Committee – Decision Tracker

Item	Decision	Lead Officer	Completion Date	BRAG Status	Comments
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Committee Date: 29-07-2022

Minutes:

1	Head of Finance to present a report to the Committee once the work on reviewing insurances for Members and officers has been finalised	Jane Thomas			
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Treasury Management:

1	Sundry Debt – in future reports can visual indicators be included so that the Committee can track trends	Jane Thomas			
2	Debt policy to be shared with the Committee	Martin Harding			Emailed to Committee 22-08-2022
3	GCRE – previous confidential reports to be shared with the Committee.	Wyn Richards			
4	Confidential briefing with the CEO of GCRE to be arranged for the Committee.	Wyn Richards			Arranged December 2022
5	Include creditor information (debt owed by the Council) in the sundry debt report as well as information about short term debtors.	Jane Thomas			

SWAP Reports:

1	Highways Presentation to be circulated to the Committee.	Ian Halstead			
2	Highways issues – to be discussed at a single item meeting of the Committee to which the Head of Service and Project Manager can be	Wyn Richards			

2022 Governance and Audit Committee – Decision Tracker

Item	Decision	Lead Officer	Completion Date	BRAG Status	Comments
	invited. Following that the Working Group can take this work forward.				

Monitoring and Review of Rising Energy Costs:

9	Contracts - The Head of Finance agreed to find out what information was available in terms of categorisation of contracts and could be shared with the Committee	Jane Thomas			
10	Budget Seminars – that all of the Lay Members be invited to the budget seminars for Members.	Jane Thomas / Steve Boyd			

2022 Governance and Audit Committee – Decision Tracker

Item	Decision	Lead Officer	Completion Date	BRAG Status	Comments
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Committee Date: 30-09-2022

Minutes:

1	Head of Finance to provide an update to the Committee on insurance policies for Members on outside bodies.	Jane Thomas			
2	Strategic Asset Review – add to work programme for forthcoming meeting.	Wyn Richards			Scheduled for February 2023
3	Chair to discuss way forward with assurance Mapping with the Assistant Director (Powys) (SWAP).	Chair			
4	Risk Framework – Scrutiny Officer to recirculate to the Committee.	Wyn Richards			Emailed to Members
5	The Scrutiny Officer was asked to liaise with the Corporate Director (Economy and Environment) regarding the GCRE briefing and to circulate previous confidential reports to the Committee.	Wyn Richards			

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Strategic Risk:

1	HOWPS Intellectual Property - The Head of Finance to request an update as to whether the transfer of this element of the project happened as expected.	Jane Thomas			
2	Integrated Business Planning Process – Head of Finance to provide a presentation to the	Jane Thomas			Programmed for 24-11-22.

2022 Governance and Audit Committee – Decision Tracker

Item	Decision	Lead Officer	Completion Date	BRAG Status	Comments
	Committee regarding the process – to be added to the work programme.				
3	Risk – series of deep dives into areas of risk on a quarterly basis to be added to the work programme starting with Social Care.	Wyn Richards / Jane Thomas			Scheduled in FWP

Committee Self Assessment:

1	That the action plan be monitored on a quarterly basis.	Wyn Richards			Scheduled in FWP
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2022 Governance and Audit Committee – Decision Tracker

Item	Decision	Lead Officer	Completion Date	BRAG Status	Comments
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Committee Date:

2022 Governance and Audit Committee – Decision Tracker

Item	Decision	Lead Officer	Completion Date	BRAG Status	Comments
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Committee Date:

CYNGOR SIR POWYS COUNTY COUNCIL.**CABINET EXECUTIVE****Date: 11.10.2022**

REPORT AUTHOR: County Councillor James Gibson-Watt, Leader and Portfolio Holder for an Open and Transparent Powys

REPORT TITLE: Annual Governance Statement assurance

REPORT FOR: **Decision**

1. Purpose

- 1.1. The purpose of this report is to present the Annual Governance Statement (AGS) for consideration by Cabinet.
- 1.2. To form the basis on which Cabinet is able to provide an opinion as to its level of assurance that the Council's arrangements adequately reflect the principles of good governance as set out in the seven principles of the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 1.3. To obtain Cabinet's approval that the AGS represents an accurate record of the Authority's governance arrangements over the 2021/22 financial period.

2. Background

2.1 The Authority is required to produce an Annual Governance Statement each year alongside its statement of accounts, in fulfilment of its obligations under the Accounts and Audit (Wales) Regulations 2014.

2.2 The AGS provides an account of the processes, systems and records that the council has in place in order to demonstrate the effectiveness of its governance arrangements during the financial period covering 2021/22. It is structured around 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). The CIPFA principles are:

- Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B: Ensuring openness and comprehensive stakeholder engagement
- Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Principle D: Determining the interventions necessary to optimize the achievement of the intended outcomes
- Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

- Principle F: Managing risks and performance through robust internal control and strong public financial management
- Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

2.3 A level of assurance should be provided against each of the CIPFA principles to indicate the extent to which the Authority judges itself to have performed against that tenet. In addition, an overall assurance level should be provided to indicate the Authority's level of assurance, based on the evidence provided in the report, regarding the effectiveness of its governance arrangements over the previous financial period.

The 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 processes require the introduction or improvement of internal controls to ensure effective governance.

2.4 Modifications have been made to the Authority's AGS approach during the past year in order to increase assurance levels and improve clarity:

- In order to increase assurance levels, additional use has been made of the sub-principles that underpin the seven primary CIPFA principles. These sub-divisions provide an increased degree of guidance and their use ensures that every required aspect of the primary principle has been considered.
- So as to adhere to the guidance (that the AGS avoid being predominantly descriptive in character) more closely, the committees, processes and policies that form the Authority's governance framework have been removed into Appendix A of the document for ease of reference. Where a principle may appear to have little evidence under it, this may simply reflect that no improvement or additional work has been necessary during the preceding

financial year. Assuming that the governance framework indicates that appropriate governance processes are in place, this does not indicate that the Authority is failing to fulfil its obligations under that principle.

3. **Advice**

3.1 That Cabinet and EMT satisfies itself that the above criteria have been fulfilled by the Annual Governance Statement as presented.

3.2 That Cabinet and EMT reach consensus regarding the level of assurance provided by the evidence for each CIPFA principle, and by the Authority's governance arrangements overall during 2021/22.

3.3 The **suggested** levels of assurance for the individual CIPFA principles (with some supporting criteria) are as follows:

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

- The planned actions for 2021/22 were completed.
- 3 complaints by the public against Elected Members have been referred to the Ombudsman indicating a process that is working effectively without fear or favour
- The Governance and Audit Committee review and the widening of its remit has addressed a number of significant recommendations
- The self-assessment undertaken by the Governance and Audit Committee and the Scrutiny Committees has evidenced significant areas of improvement and identified further areas for focus.
- Significant and extensive work has been undertaken to strengthen the Authority's approach to combatting fraud.

Principle B: Ensuring openness and comprehensive stakeholder engagement - **Substantial**

- Public consultation and engagement has been strengthened and has been usefully employed in many areas but is not yet evidenced as being fully consistent or joined-up across the organisation. The degree of engagement is variable across services and committees.
- Employment of Communication HQ has widened access for public consultation.
- There has been a delay in the publication of the anticipated Public Participation Strategy.
- The Authority provides a good degree of public access via the webcasting of committee meetings etc. although there is, in many cases, little evidence of significant take-up of the offer.
- There are a range of citizen forums in place, providing opportunities for service user consultation and co-production.

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

- The planned actions for 2021/22 have been completed.
- There is evidence of strong internal process for defining outcomes. Although there will always be potential for improvement, the current arrangements are appropriate and effective.
- The Financial Management Code Review was completed during 2021/22.
- A recent Audit Wales review indicated that Powys has made significant progress with regards to improving its financial resilience and sustainability.
- There is good evidence of clear, robust strategies and regular review.

Principle D: Determining the interventions necessary to optimize the achievement of the intended outcomes – **Substantial**

- The planned actions for 2021/22 are either completed or progressing.
- Appropriate processes are in place as detailed in the Performance Management and Quality Assurance Framework (PMQAF).
- Audit report recommendations have resulted in the implementation of an action plan.
- Changes have been made to Scrutiny work programming and other critical areas of the process following audit recommendations.
- Following self-assessment, additional areas have been identified for further development, evidencing a rigorously self-reflective approach to improvement across the committees.
- Scrutiny has been able to offer constructive challenge although greater clarity is required regarding the power of some Committees to affect decision-making.
- Evidence indicates that effective challenge was offered during the year regarding the affordability of the capital programme, leading to further, more detailed work.
- The Council's Medium Term Financial Strategy has been developed for 2022/23.

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

- The planned actions for 2021/22 are not on track but there is evidence of considerable development work having been undertaken overall.
- Following review by the Governance and Audit Committee, concerns regarding the strength of project safeguards and approval gateways have started to be addressed with further actions planned.
- Work has commenced on developing an electronic appraisal process which will provide robust performance reviews and identify CPD needs of the workforce and areas for improvement.
- A Leadership Behaviours Competency Framework has been developed, based on a compassionate and inclusive leadership style and Line Manager forums have been established to support staff, in particular with regards to managing remotely and implementing the New Ways of Working protocols.

- Training Needs analysis has been completed by each service area to ensure that the skills needs of the workforce are identified and a suite of learning and development opportunities has been identified for SLT

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

- The planned actions for 2021/22 are mostly completed with the remainder on track.
- Procedures to monitor, control and mitigate risk are in place and work to further improve these is underway.
- A Risk Management Framework has been developed with completion expected by the end of the year.
- An Information Governance Framework Improvement Plan developed in 2021 is currently awaiting approval (estimated publication date October 2022).
- The ICO recommendations are now being added to the Regulatory Tracker. During 2021/22, there were 11 (4% of total information security incidents) personal data breaches reported to the ICO.
- A Digital records management Audit took place in 2021 which provided a reasonable level of assurance and following this an action plan/options paper has been developed for the Senior Information Risk Owner in Nov 2021.
- Due to increased pressures, there was insufficient Digital resource available over the past year to provide planned improvements for PCC by managing and supporting implementation and maintenance of Information Asset Registers. The development and implementation of a process of information risk identification and management has also been unavoidably delayed.
- The Audit Wales Report of July 2020 highlighted weaknesses identified in fraud risk controls within the authority, following which, significant work has been undertaken including mandatory fraud training for all officers and Members.
- Fraud risk has been included within the governance code.
- The Financial Management Code annual assessment has been established with a baseline score and action plan developed to meet the mandatory requirement.
- A number of new policies including Employer, Compliments/Complaints have been published by the Pension Fund this year to strengthen the Fund governance.
- There is significant evidence that the Authority responds to recommendations in a timely manner and undertaken regular self-review to drive improvements in processes.

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

- The planned actions for 2021/22 are on track.
- The Authority has appropriate processes in place to handle complaints and other channels of communication.
- GDPR compliance has increased.

- In 2021/22 all Council meetings were webcast and a new and improved webcast system was introduced, using Zoom and YouTube.
- 100% of Powys County Council's national strategic planning and performance monitoring statutory deliverables met the submission deadline.
- The restructured Finance Panel is anticipated to become more proactive and influential in order to improve the strategic financial scrutiny of the Council. In addition, the Governance and Audit Committee is moving away from considering transactional work to focussing on assurance work and there is therefore evidence that the internal processes to deliver accountability are being significantly strengthened.
- There was some disruption during the year to the internal audit work programme as a result of capacity issues on the client side and this resulted in draft reports being delayed for consideration by the Committee.
- Detailed consideration of the Y Gaer and Ysgol Calon Cymru internal audit reports have led to improved processes being put in place and better outcomes can be expected in the longer term which indicates the effective use of internal challenge within the organisation.

3.4 The **suggested** level of assurance for the Authority's governance arrangements overall during 2021/22 is that of '**reasonable**' for the following reasons:

- The governance framework evidences that the Authority has in place robust policies and processes to support rigorous and effective governance.
- The majority (18/22) of the planned actions listed in the 2020/21 AGS have been completed or are rated as being on schedule. Only 2 actions are rated as red, with these attributable to COVID-19 workforce disruption.
- There is clear evidence that significant changes and improvements have been made in response to regulatory and audit recommendations across all areas.
- There is good evidence of a rolling programme of review for policies and procedures.
- There is good evidence of safeguards and accountability at all levels of governance and authority.

3.5 Governance and Audit Committee approves the Annual Governance Statement for publication alongside the statement of accounts, proposed date 30 September 2022 but no later than 30 November 2022.

3.6 A summary of the Council's assurance levels versus previous years can be found in Appendix 1.

4. Resource Implications

4.1 The Annual Governance Statement has been undertaken within existing resources, based upon a range of mechanisms including the Council's current Integrated Business Plans, Corporate Improvement Plan and Medium-Term Financial Strategy.

Any actions identified for delivery are to be considered by the organisation, and to be embedded within Service's Integrated Business Plans as part of the Council's strategic planning cycle. Where resources are needed to support future actions, they will be identified as a pressure within the Councils Finance Resource Model.

5. Legal implications

5.1

6. Data Protection

6.1 Not applicable

7. Comment from local member(s)

7.1 The report impacts with equal force across the whole County, and therefore comments have not been sought from individual Members.

8. Impact Assessment

3.6 An Impact Assessment (IA) is not required for this report as the report does not include any formal proposals or policy changes.

3.7 All actions within the report will be taken forward by responsible officers as part of the strategic planning process, which will have the relevant Impact Assessments as required as part of this process.

9. Recommendation

9.1 That Cabinet give consideration to the report presented here and satisfies itself that the following criteria have been met:

- That the Annual Governance Statement fulfils the Authority's obligations under the Accounts and Audit (Wales) Regulations 2014.
- That the adjustments in approach adopted in drafting the 2021/22 AGS are acceptable and support understanding of the matters reported therein.
- That the conclusions presented by the AGS are considered to be a fair and accurate evaluation of the Authority's fulfilment of its governance obligations during 2021/22.

9.2 That Cabinet provide their judgement as to the assurance levels that provide an accurate reflection of the Authority's attainment of each of the CIPFA principles.

9.3 That in addition, Cabinet provide their judgement as to the assurance level that most accurately reflects the Authority's overall fulfilment of its governance obligations during 2021/22.

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CABINET REPORT NEW TEMPLATE VERSION 3

Appendix 1

Core Principle	2019-20	2020-21	2021-22
Core Principle A <i>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</i>	Substantial	Substantial	Substantial
Core Principle B <i>Ensuring openness and comprehensive stakeholder engagement</i>	Substantial	Substantial	Substantial
Core Principle C <i>Defining outcomes in terms of sustainable economic, social and environmental benefits</i>	Reasonable	Substantial	Substantial
Core Principle D <i>Determining the interventions necessary to optimise the achievement of the intended outcomes</i>	Reasonable	Substantial	Substantial
Core Principle E <i>Developing the entity's capacity, including the capability of its leadership and the individuals within it</i>	Reasonable	Substantial	Substantial
Core Principle F <i>Managing risks and performance through robust internal control and strong public financial management</i>	Reasonable	Reasonable	Substantial
Core Principle G <i>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</i>	Reasonable	Reasonable	Reasonable

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol



Annual Governance Statement April 2021 – March 2022



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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 effectiveness of its governance arrangements. It principally covers the period April 2021 to March 2022 but may be subject to updates up to its date of publication.

The local elections in May brought a new administration that shifted the Authority from an Independent Conservative administration to that of a Liberal Democrat and Labour. It is acknowledged that with such a large number of newly elected Members, much work will be required to ensure that the training and development support provided for Members allows them to quickly understand their new roles and ensure smooth continuity of governance processes.

The Council has opted to move to an Outcome led budget approach, focused on the medium to long-term and aligned to service and workforce planning. Better aligning revenue and capital will ensure that our limited resources are prioritised to achieve maximum effectiveness and secure outcomes that matter to our residents.

The initial Financial Management (FM) Code Assessment undertaken in 2021/22 indicated that of the 63 activities that underpin the 7 standards, 39 are rated green (62%) and 24 rated amber (38%), there were no red rated activities.

In response to recommendations from Audit Wales, the Council has undertaken significant improvement work to strengthen its Scrutiny arrangements, and self-evaluation exercises undertaken in April indicated that many actions are already embedding with positive results.

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 2021/22 and sets out recommendations of suitable areas for development.

Based on the evidence set out in this annual governance statement, Powys County Council considers the overall level of assurance to be **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 processes require the introduction or improvement of internal controls to ensure effective governance.

Priority Levels for Actions



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 (Wales) Measure 2009 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 at a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control 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 components that form the Authority's governance framework and system of internal control that have been in place in Powys County Council for the year ended 31 March 2022, may be viewed [here](#). This framework sets out the context in which the following self-evaluation has been undertaken.

Progress against areas for further development identified in the 2020/21 AGS





Development Action	Lead/Deadline	RAG
Review the Membership and Terms of Reference of the Governance and Audit Committee to meet the requirements of the Local Government and Elections (Wales) Act 2021	Clive Pinney December 2021	Green
Review the effectiveness of the Governance and Audit Committee and undertake some refresh training for members as to the role of the Committee	Jane Thomas/Wyn Richards 30 th May 2021	Green
Raise the profile and awareness of the new Anti-Fraud policies and develop the reporting of fraud activity and performance.	Jane Thomas 31 st December 2021	Green
Implementation of new consultation software Engagement HQ in partnership with PTHB and PAVO.	John Evans March 2021	Green
Publication of a Public Participation Strategy	John Evans April 2022	Green
Working with partners to update the Well-being Assessment and Population Assessment	Emma Palmer	Blue
New Vision 2025 communications campaign in accordance with the WAO recommendations	Emma Palmer	Blue
Implementation of the Socio-Economic Duty through effective Impact Assessment process and on-going training	Emma Palmer	Green
Transition the Service Improvement Boards to form part of the quarterly review meetings held as part of the Performance Management and Quality Assurance Framework	Corporate Directors December 2021	Green
Continuation of the Integrated Business Planning Transformation Project and deliver Outcomes Based Budgeting pilots	Jane Thomas	Blue

Implementation of Part 6 of the new Local Government and Elections Wales Act	Emma Palmer	Green
Service Performance Panels to be undertaken to assess each services performance and review Integrated Business Plans	Dr Caroline Turner	Green
The number of staff attaining digital core skills (bronze level) will reach 100%	Diane Reynolds March 2023	Red
The percentage of our leaders who are digitally capable and reach the Gold Standard will increase to 100%	Diane Reynolds March 2022	Red
Develop Outcomes Based Budgeting pilots across service areas to feed into the budget /IBP process for 2022/23	Jane Thomas	Amber
Restart the Finance Transformation Programme delivering the identified objectives of the business case and improved financial acumen council wide	David Morris / Anne Phillips	Green
Develop and implement the main drivers within the Capital and Treasury Management Strategy including the Schools financial strategy and updating the MRP policy	James Chappelle	Blue
Identify level of compliance with Financial Management Code and additional activities required to ensure adequate standard can be achieved when this becomes mandatory in 2021/22.	Dan Paley	Blue
Continue to embed a risk managed approach to decision making and good governance of the Council, to ensure everyone manages and understands risks which could prevent us from achieving our objectives.	Anne Phillips/Bets Ingram	Green
Develop a Regulatory Tracker to keep a central record of the regulatory recommendations the	Emma Palmer	Blue

Council receives and an overview of progress against them.		
Continue to strengthen the performance of scrutiny in particular the scrutiny of performance and risk	Clive Pinney March 2022	Green
Review the effectiveness of Internal Audit with a greater focus on improvement across the organisation	Jane Thomas March 2022	Green

What we Know About our Governance Processes in 2021/22

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 2021/22. The Internal Audit Annual Report 2021/22 undertaken by SWAP provides a corroborative independent assessment of a number of 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	
	51 Completed reviews were delivered as part of the 2021/22 Internal Audit Plan. The internal audit work programme was substantially delivered. The profile of audits with positive assurance (substantial or reasonable) supported an annual opinion of reasonable assurance.
	7 Audit assignments found weakness of significant concern that resulted in limited levels of assurance. These were either reported to committee throughout the year or will be reported in 22/23.
	Other key areas of concern have been highlighted to Committee throughout the year however recognition is given where improvements to control frameworks have already commenced including those relating to corporate project management and governance.
	Internal Audit activity is supporting the Council in its duty to prevent and detect fraud. The Fraud risk assessment is a critical document in audit planning so that key fraud risks are mitigated. The Committee should ensure they are sighted on the ongoing fraud risks the Council faces.
	Improvements from the implementation of agreed actions (2021/22) Action tracking is on-going, and the Council have access to the results of those activities on the data dashboard. In general, the Council are implementing internal audit recommendations in accordance with plans.

Internal Audit Assurance Opinions 2021/22	
	YTD
Substantial	3
Reasonable/ Certified	33
Limited	7
No Assurance	0
Advisory / Support	8
Total	51

Internal Audit Agreed Actions 2021/22	
	YTD
Priority 1	10
Priority 2	51
Priority 3	69
Total	130

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

Actions that were identified for further development during 2021/22:

- [Review the Membership and Terms of Reference of the Governance and Audit Committee](#) to meet the requirements of the Local Government and Elections (Wales) Act 2021
- [Review the effectiveness of the Governance and Audit Committee](#) and undertake some refresh training for members as to the role of the Committee
- Raise the profile and awareness of the new Anti-Fraud policies and develop the [reporting of fraud activity and performance](#).

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

- I. During 2021-22 the Standards Committee met on 4 occasions.

- II. Mandatory fraud training for all officers and Members has been implemented following a recommendation made by the Governance and Audit Committee.
- III. The workload for the Authority's [Governance and Audit Committee](#) has been heavy over the past year and while the Constitution allows for quarterly meetings, the volume of business has necessitated nine meetings for the Committee over the period.
- IV. During 2021-22 the Standards Committee was informed of 3 complaints made against Elected Members to the Public Services Ombudsman for Wales during the previous financial period. These are all undergoing further investigation from the Ombudsman.
- V. During 2021/22, low-level complaints between Members or between officers and Members were dealt with under the Local Resolution Process.
- VI. Prior to the pre-election period the Authority's Political Neutrality and Restricted Posts Policy was updated.
- VII. In the pre-election period, five of the Political Group Leaders signed up to the Fair Election Pledge and encouraged all Elected Members and candidates to do the same.
- VIII. As a result of the war in Ukraine the Authority has committed to disinvestment from Russian interests. The Powys Pension Fund, alongside the Wales Pension Partnership, has committed to disinvest from any Russian held investments as soon as practically possible.

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

- I. During 2021/22 the Council spent £224.8m with external suppliers in revenue and capital expenditure and it has a responsibility to use this money in the most effective way to achieve its objectives and desired outcomes for residents. The [Commissioning and Commercial 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.
- III. A new PCC procurement strategy was drafted during 2021 and this will be followed up with an action plan (currently in draft) and associated indicators to measure progress against the strategy.

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

- I. The Membership and Terms of Reference of the Governance and Audit Committee have been reviewed and updated during the year to ensure that the requirements of the Local Government and Elections (Wales) Act 2021 are fully reflected. The focus of the work carried out by the Audit Committee has been broadened through modification to a Governance and Audit Committee. The function of the Governance and Audit Committee is still in its infancy and further embedding is needed to gain full assurance around the processes employed by the council and to support finance officers in their decision making.
- II. In March 2022, the Governance and Audit Committee (along with the other Scrutiny Committees) completed a self-assessment exercise. The extracted insight has been collated into a Lessons Learned Report and will also contribute to the Self-Assessment Report prepared in fulfilment of the Authority’s obligations under Section 6 of the Local Government and Elections (Wales) Act 2021.
- III. Since 2019 the Authority has adopted three new policies which cover [Anti-Fraud and Corruption](#), [Anti-Money Laundering](#), and [Fraud Prosecutions and Sanctions](#). During 2021/22, there were £645k of fraud income gains and recoverable overpayments of £320k.
- IV. Fraud Reporting has become a regular Governance and Audit Committee agenda item and Members are now much more aware of issues and the impact on the revenue budget.
- V. In 2019 the Authority established a [Whistleblowing Policy](#).

- VI. A review of the Financial Services Governance Frameworks was undertaken during 2021/22 to update the constitution, policies and guidance, and financial rules in order to ensure compliance with all regulatory requirements.
- VII. 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.

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 co-production with our residents, partners and the wider stakeholder landscape. The Council appreciates the rich and varied viewpoints that they are able to 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. The restrictions created by the pandemic have provided increased impetus to the implementation of virtual spaces for engagement and have driven innovation in the development of new ways to engage with residents. In some instances, this has improved the Authority's ability to engage hard to reach demographics through the removal of previous barriers to participation.

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.

Actions that were identified for further development during 2021/22:

- [Implementation of new consultation software Engagement HQ](#) in partnership with PTHB and PAVO.
- Publication of a Public Participation Strategy (this is now due to be published in 2022/23)

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 2021/22, 36 engagement and consultation activities were undertaken to engage residents and staff and these included:
- [Homes in Powys Common Allocation Scheme](#) (Consultation held Sept – Dec 2021)
 - [Powys Local Development Plan \(2011-2026\) Review Report](#) and the [Powys Replacement Local Development Plan 2022-2037 Delivery Agreement Consultation Draft](#) completed public consultation in February 2022.
 - [Draft Welsh in Education Strategic Plan 2022-2032](#) (Nov 2021), which informed the [Welsh in Education Strategic Plan \(WESP\) for 2022-2032](#), setting out the planned provision to increase the opportunities for children and young people in Powys to become fully bilingual.
 - The [Child Poverty in Powys](#) consultation completed in August 2021.
- III. A range of committee meetings are [webcast](#) and agendas, minutes and decisions are made available [online](#).
- IV. Further details of engagement and consultation activity within stakeholders can be found within the Annual Self-Assessment Report.

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 PSB annual report highlights work that has been completed during the year to deliver the objectives presented in [Towards 2040 Our Well-being Plan](#). The report for 2021/22 is not currently available.
- II. 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 2021/22 are available in the RPB [Annual Report](#).
- III. 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 Brecon Beacons National Park, and will in due course, be responsible for the preparation of a number of documents that will provide additional governance for its areas of accountability.

- IV. While variable between the Scrutiny Committees, engagement has taken place with a number of external partners although it is acknowledged that there is still room for improvement in this area. Peer assistance has been sought from other Councils including Torfaen and Blaenau Gwent.
- V. Following the dissolution of ERW, Powys and Ceredigion have formed a partnership to facilitate collaborative working on school improvement priorities which is underpinned by a 'Memorandum of Understanding' that has been in place since September 2021.
- VI. The 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.

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

- I. During 2021/22, 36 engagement and consultation activities were undertaken to engage residents and staff.
- II. The Authority does not currently have an overarching policy that sets out the types of issues on which it will consult with its stakeholders. Decisions concerning engagement are often driven by a statutory requirement; for example, for the Powys schools transformation the public participation strategy is required to go out for public consultation in compliance with the Local Government and Elections (Wales) Act. Smaller engagement projects are frequently driven by the desire to inform the improvement of services, in which case the decision to engage will usually be taken by the relevant Head of Service. 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 2021/22 may be viewed at [Appendix B](#).
- III. An [Equality Forum](#) has been established to disseminate information, 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.

- IV. 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.
- V. A key opportunity identified by Adult Services during the last 12 months was the engagement of a number of residents (who are living with physical disability and/or sensory loss), in the co-production of a citizens' charter.
- VI. Membership of the Governance and Audit Committee is to be modified to comprise one third of independent lay members.
- VII. Scrutiny Committee collaboration with residents and communities has increased, with for example, work carried out around child poverty and COVID funding. Online Scrutiny meetings offer the opportunity for improved accessibility for the public although there is currently little evidence that the public has taken up the offer.
- VIII. In response to recommendations made by Audit Wales, residents are now able to 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 Council has a formal compliments and complaints procedure that enables complaints to be escalated and investigated independently of the service concerned. [Link to Complaints Policy](#)
- X. 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.
- XI. In 2019-20 the Head of Democratic Services became accountable for maintaining and updating the Cabinet Forward Work Programme in consultation with the Senior Leadership Team. This has improved the completeness and quality of the Forward Work Programme.
- XII. The Council's social media policy was reviewed in October 2021 and the advice relating to Welsh language provision was strengthened.

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 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 focussed 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.

Actions that were identified for further development during 2021/22:

- Working with partners to update the [Well-being Assessment](#) and [Population Assessment](#)
- New Vision 2025 communications campaign in accordance with the WAO recommendations
- Implementation of the Socio-Economic Duty through [effective Impact Assessment process](#) and on-going training

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.
- II. The [Corporate Improvement Plan \(CIP\) for 2021-25](#) (including the integrated Strategic Equality Plan) was updated and approved by Council on 4 March 2021.
- III. The [Performance Management and Quality Assurance Framework](#) sets out the processes and methods used by the organisation to manage performance and was updated in 2021 to reflect process changes, in particular those made in response to the requirements of Section 6 of the Local Government & Elections (Wales) 2021 Act. This is reviewed annually to reflect any organisational changes.

- IV. 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. 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.
- V. The [Population Needs Assessment](#) was published in March 2022 by the Regional Partnership Board in order 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.
- VI. [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.

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.
- III. [The Transformation Narrative: A guide to Powys County Council's Transformation Programme](#) (2021) outlines the Council's nine key projects that drive transformation of services to meet the aspirations in the Vision 2025 Corporate Improvement Plan. The [End of Administration Programme Report](#) assesses the progress made so far and examines the lessons that can be extracted to support future efforts.
- IV. During 2021, PCC completed its Financial Management (FM) Code Assessment, a review intended to support good practice in financial management and assist local authorities in demonstrating their financial sustainability. The initial self-assessment identified actions to carry forward

and at the end of the year a summary of the status of those actions is shown below. The list of outstanding actions can be found in [Appendix C](#).

Standard	Green	Amber	Red
The responsibilities of the Chief Finance Officer and leadership team	12	6	2
Governance and financial management style	11	5	1
Medium and long term financial management	8	3	1
The annual budget	1	0	0
Stakeholder engagement and business cases	1	6	0
Monitoring financial performance	3	1	1
External financial reporting	1	0	0
	37 (59%)	21 (33%)	5 (8%)

- V. A recent Audit Wales review found that Powys has made significant progress to improve financial resilience and sustainability.
- VI. 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.

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 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

Actions that were identified for further development during 2021/22:

- Transition the Service Improvement Boards to form part of the quarterly review meetings held as part of the Performance Management and Quality Assurance Framework.
- Continuation of the Integrated Business Planning Transformation Project and deliver Outcome Based Budgeting pilots.
- [Implementation of Part 6 of the new Local Government and Elections Wales Act](#)
- Service Performance Panels to be undertaken to assess each services performance and review Integrated Business Plans.

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

- I. Scrutiny arrangements in Powys have previously received two poor Audit Wales reports, in response to which an Action plan has been developed and implemented. This includes areas such as bespoke training via WLGA for Scrutiny Chairs and members around the role of scrutiny and effective questioning, one to one sessions between Chairs and Vice-Chairs and WLGA to reflect on practice and areas for improvement, whilst also embedding reflective practice at the end of scrutiny sessions for all members moving forward. The Committee has also improved public participation via creating a web form to allow the public to propose areas for further consideration.
- II. Scrutiny work Programming is now led by the Chairs and Committees following the decommissioning of the Co-ordinating Committee from the Council Constitution and this development has been welcomed. While Scrutiny now has more freedom to set its own work programme, in practice there has been less capacity to do so as a result of other pressures (in particular, transformation work).

- III. In response to the recommendations made by Audit Wales in their inspection of Scrutiny in Powys, the introduction to the agenda of a self-reflective activity at the end of meetings has been a positive addition, providing greater insight and focus on the work undertaken.
- IV. 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.
- V. The Scrutiny Committees, Finance Panel and Governance and Audit Committee each completed an adapted version of the workbook to examine their working practice, set out their achievements and challenges, and consider future improvement planning. The insight provided has formed the basis for a Scrutiny Committee Lessons Learned Report.
- VI. During the self-assessment process, some concerns were raised by the Scrutiny Committees regarding a lack of clarity and consistency as to the impact or influence that their reports have been able to effect on the decision-making process. While most recommendations made by some Committees are accepted by Cabinet with only a very small percentage being rejected, other Committees had found that when issues are raised it is not always as evident that they have been taken into account in making the final decision. Where items have been raised by scrutiny and picked up by Cabinet, the outcomes have proved to be beneficial for the Council.
- VII. In response to Audit Wales recommendation, to facilitate better communication of Cabinet feedback to the Committees, this has now been included as a standard item on committee agendas and recognised as an area for improvement.
- VIII. Scrutiny Committee challenge of officers over the past year is considered to have been appropriate; holding them to account in terms of performance while maintaining a politically impartial stance.

- IX. The relationship between Scrutiny and officers is generally good and improving, with officers displaying an understanding of the role of Scrutiny.

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

- I. The processes that Powys County Council uses to monitor and evaluate its performance against its objectives are set out in the [Performance Management and Quality Assurance Framework](#).
- 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. The next phase will link to the asset review which will conclude in autumn 2022.

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

The Council's Medium Term Financial Strategy sets out how a balanced budget has been developed for 2022/23. 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 2022/23, and indicative budgets for the following 4 years to March 2027'.¹

The Council approved the MTFS for 2022/23 on 24th February 2022.

Key points highlighted in the current MTFS include:

¹ Powys County Council's Medium Term Financial Strategy 2022 to 2027, p.4.

- I. The Council's budget planning has traditionally been determined using an incremental budgeting approach and has tended to focus on one year with limited development over the longer term. This will not deliver a sustainable financial position for the Council going forward. The Council is therefore moving to an Outcome Based Budgeting approach, focused on the medium to long-term and aligned to service and workforce planning.[...] It will better 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.
- II. The strategy is supported by a detailed five year budget model. The budget model has been improved with scenario planning across Best, Realistic and Worse case scenarios. Funding, pay and price pressures and changes in service demand have been modelled on this basis and the budget gap identified for each year of the plan. This provides the basis for the allocation of funding to each service.

In addition:

- I. This year, as part of its governance and assurance work, the Governance and Audit Committee identified areas for improvement in understanding of the capital programme and how this may impact on the revenue budget. Through a process of questioning and briefings, a far greater understanding of the issue has been achieved. During this process, the Committee also considered the Project Assurance Review; an area which may not have been considered had assurances regarding the capital programme not been sought.
- II. During this financial period there has been increased liaison between Governance and Audit and the Scrutiny Committees regarding financial management. The Finance Panel has also provided support and effort has been made to avoid duplication whilst continuing to support improved financial management. Both Committees have provided additional financial expertise to working groups of scrutiny committees and have indicated that this work will now need to continue post-election.

- III. Budget setting processes have been improved through Integrated Business Planning although further assurance will be needed to ensure that the process is embedded across the Authority.

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

Actions that were identified for further development during 2021/22:

- The number of staff attaining digital core skills (bronze level) will reach 100%
- The percentage of our leaders who are digitally capable and reach the Gold Standard will increase to 100%

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

- I. The Council's [Corporate Improvement Plan](#) was reviewed and published in April 2022.
- 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. The council has a robust performance management process, reported to Cabinet and Council on a quarterly basis
- V. 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 share future delivery.
- VI. Internal Audit reports with limited assurance are considered by the Governance and Audit Committee. There have been several reports which have caused concern, with regards to project management and a lack of early warning signs when projects are not fulfilling expectation. Improved project management is being introduced and it is hoped that assurance can be gained as newer projects are achieved. Improvements to business cases have been implemented and the Governance and Audit Committee will monitor this to ensure viable projects are taken forward that are affordable and effective.

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

- I. A Leadership Behaviours Competency Framework has been developed, based on a compassionate and inclusive leadership style and Line Manager forums have been established to support staff, in particular with regards to managing remotely and implementing the New Ways of Working protocols.
- II. Professor Michael West has delivered a session to SLT to raise awareness of Compassionate and Inclusive Leadership and how it can be embedded across the organisation.
- 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, in particular with regards to managing remotely and implementing New Ways of Working protocols
- V. A repository of resources has been developed within SharePoint to support staff with remote and New Ways of Working

- VI. Training Needs analysis have been completed by each service area to ensure that the skills needs of the workforce are identified
- VII. A suite of learning and development opportunities has been identified for SLT
- VIII. 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
- IX. 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

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 is a 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 the as yet unknown situations.

Actions that were identified for further development during 2021/22:

- Develop Outcome Based Budgeting pilots across service areas to feed into the budget /IBP process for 2022/23
- Restart the Finance Transformation Programme delivering the identified objectives of the business case and improved financial acumen council wide
- Develop and implement the main drivers within the Capital and Treasury Management Strategy including the Schools financial strategy and updating the MRP policy
- Identify level of compliance with [Financial Management Code](#) and additional activities required to ensure adequate standard can be achieved when this becomes mandatory in 2021/22.
- Continue to embed a risk managed approach to decision making and good governance of the Council, to ensure everyone manages and understands risks which could prevent us from achieving our objectives.
- [Develop a Regulatory Tracker](#) to keep a central record of the regulatory recommendations the Council receives and an overview of progress against them.

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.

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 action in 2021 to extend the remit of the Audit Committee to include oversight of Governance, the function of the Governance and Audit Committee is still in its infancy and further embedding will be needed to gain full assurance around the processes employed by the council and to support finance officers in their decision making.
- II. Under normal circumstances, risk is considered quarterly but during 2021 Q3 reporting was suspended as a result of the pandemic.
- III. Staff recruitment and retention, with specific emphasis on social care
- IV. Heads of Service and Executive Directors attend Governance and Audit Committee to discuss their specific risks and mitigations when requested. During the past year the following have been considered with Executive Directors and Heads of Service:
 - Staff recruitment and retention, with specific emphasis on social care
 - Brexit
 - COVID-19
 - Wales Community Care Information System (WCCIS)
 - Budget Management
 - Russian invasion of Ukraine
 - Climate and Nature emergency
 - Rising inflation and emerging cost of living crises
 - Health and safety (staff and premises)
 - Cyber security
- V. A Regulatory Tracker has been implemented to record recommendations received from internal audit reports and regulatory reports.

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

During 2021/22, the ways in which we have ensured that our systems are fit for purpose have included:

- I. The [Risk Management Framework](#) has been reviewed in draft during 2022 and is intended to go to Cabinet for sign off by the end of the year. This reflects any reviews since 2019 and guidance published.

F3. How do we manage data?

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

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.

- i. The Authority currently does not have in place a formally defined information management process beyond that used in relation to manual records. The issue has been raised with the Corporate Information Governance Group and with SWAP and an Information Governance Framework Improvement Plan developed in 2021 is currently awaiting approval (estimated publication date October 2022).

- ii. The compliance rate for the authority's mandatory staff Cyber Security and GDPR training in June 2022 was 73% (target 95%).
- iii. The ICO recommendations are now being added to the Regulatory Tracker and have been updated for Quarter 1. This will continue to be updated during the remainder of 2021/22.
- iv. During 2021/22, there were 11 (4% of total information security incidents) personal data breaches reported to the ICO.
- v. A Digital records management Audit took place in 2021 which provided a reasonable level of assurance and following this an action plan/options paper has been developed for the Senior Information Risk Owner in Nov 2021. The matter has been raised in CIGG.
- vi. Policy review will be undertaken by CIOG
- vii. Due to increased pressures, there was insufficient Digital resource available over the past year to provide planned improvements for PCC by managing and supporting implementation and maintenance of Information Asset Registers. The development and implementation of a process of information risk identification and management has also been unavoidably delayed.

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

- I. SWAP Fraud Risk Assessment
- II. The Audit Wales Report of July 2020 highlighted weaknesses identified in fraud risk controls within the authority.
- III. Fraud Reporting has become a regular agenda item for Scrutiny and Members are now much more aware of the issues and their impact on the revenue budget.
- IV. Mandatory fraud training for all officers and Members has been implemented.
- V. Further training on fraud prevention will be required and continued reporting to gain assurance, with the council needing to move from a reactive to proactive approach as a whole Council commitment. The Governance and Audit Committee will aim to explore the risk of fraud within the expanding capital programme.

- VI. An issue identified this year was that while the Authority has a good Fraud Team in place, there had been little visibility of the work undertaken and steps have been taken to address this through increased messaging to staff.
- VII. Outline additions made to IBPs etc to improve fraud risk identification within services.
- VIII. Fraud risk has been included within the governance code.
- IX. Members of the Audit Committee and other Council Members underwent training in November 2021 and February 2022 for treasury management. No finance and budget training was carried out last year but Members were, as usual, given the opportunity to attend seminars on the budget during the latter part of 2021.
- X. The Authority's Finance service continues to be significantly impacted in responding to the pandemic. Administering the numerous schemes to support individuals, businesses and specific groups continues and has increased throughout the year.
- XI. Early in 2021, although compliance was maintained, the Finance Service struggled to meet its statutory obligations because of pandemic pressures. By summer the redeployment of staff enabled the Service to regain ground and report significant improvements in performance.
- XII. All public-facing financial services have been maintained over the year although many of these were delivered online or on reduced hours.
- XIII. The Financial Management Code annual assessment has been established with a baseline score and action plan developed to meet the mandatory requirement.
- XIV. The annual [Budget Survey](#) was undertaken in December 2021 to provide [insight](#) into resident opinion regarding PCC's funding priorities.
- XV. 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.
- XVI. A few new policies including Employer, Compliments/Complaints have been published by the Pension Fund this year to strengthen the Fund governance.
- XVII. Successfully re-tendered and appointed an Investment Consultant for the Pension Fund.

- XVIII. An additional Scheme Member and an Employer representative have been added on to the Pension Board to improve resilience.
- XIX. Questions regarding the future of HOWPS began with concerns regarding performance and this culminated in planning to bring HOWPS back in-house and discussion as to how this will be managed going forward.
- XX. Inflation is starting to rise and, in association with Finance Panel, the Governance and Audit Committee will seek assurance as to why the cost of delivery of services is rising and whether this is attributable to inflation or because performance is falling.

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. Challenge occurred around the Asset Review and the issues raised have increased awareness regarding capital receipts. Such issues had not been considered by the wider membership in the past but are now recognised as part of the budget planning process. This was also included within the Spring Forward audit by Audit Wales.

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 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

Actions that were identified for further development during 2021/22:

- Continue to strengthen the performance of scrutiny in particular the scrutiny of performance and risk
- Review the effectiveness of Internal Audit with a greater focus on improvement across the organisation

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.
- III. During the period 2021-22, the following response rates were recorded for requests for information:
 - a. 1109 requests for information dealt with across the three legislations (a rise of 109 on last year).
 - b. Freedom of Information requests compliance 84% (this figure has remained at 84% since 2020-2021).
 - c. Environmental Information Regulations compliance 90% (a slight fall from 94% in 2020-2021).
 - d. GDPR compliance was 63% in 2021/22 (this was 57% in 2020/21).
 - e. 89% of non-compliance was a result of service area delay (potential compliance rate without service area delay is 98%).
- IV. [Democratic Services Committee](#)

- V. In 2021/22 all Council meetings were webcast and a new and improved webcast system was introduced, using Zoom and YouTube.
- VI. A Publication Scheme Policy is under development, with a remit to make the maximum amount of information readily available at minimum inconvenience and cost to the public.
- VII. The [Budget Books and Statement of Accounts](#) for 2021/22 has been published to the Council's public website.
- VIII. 100% of Powys County Council's national strategic planning and performance monitoring statutory deliverables met the submission deadline.
- IX. During 2021/22, 36 engagement and consultation activities were undertaken to engage residents and staff.

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

- I. In 2021-22 all Members produced an Annual Report on their activities and these are all published on the Council's public website. Councillor Annual Reports
- II. Cabinet office accessibility audit report – actions being considered
- III. Case studies and news releases have been included within our public performance reports on a quarterly basis highlighting the work of the Council towards delivering against their well-being objectives

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

- I. Good working relationships are maintained between the Governance and Audit Committee and External and Internal Audit bodies and new terms of reference devised in 2021 will necessitate the further development of understanding with other regulatory bodies.
- II. The newly restructured Finance Panel is anticipated to become more proactive and influential and by operating in line with its terms of reference to improve the strategic financial scrutiny of the Council.

- III. The Governance and Audit Committee is moving away from considering transactional work to focussing on assurance work. This needs to continue and become embedded with the new (post-election) committee membership and will be addressed through induction and training.
- IV. An internal audit report highlighted issues regarding Children’s Services budget management. The Governance and Audit Committee was able to assist the Health and Care Scrutiny Committee in fully understanding the issues raised.
- V. There was some disruption to the internal audit work programme due to capacity issues on the client side which resulted in draft reports being delayed for consideration by the Committee.
- VI. Core business has been maintained although there have been delays in some performance and risk reporting.
- VII. Audits received by G&A:
- Y Gaer
 - Ysgol Calon Cymru
 - Covid Business Grants
 - Risk Management
 - Fraud
 - Children’s Services Budget Management
 - Transport Grants (Capital Payments)
- VIII. Audits received by Finance Panel
- Audit Wales – Financial Sustainability
 - Financial Management Code Self-Assessment
 - Children’s Services Budget Management
- IX. A [commissioned Welsh Government Gateway Review](#) to review the objectives and outcomes of the 21st Century Schools Programme, and ensure they make the necessary contribution to the Ministers’ overall strategy provided a delivery confidence assessment of “Amber Green”, meaning that “successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.”

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*

Governance issues identified for action during 2022/23

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:



Issue	Priority Level	Responsible Officer
Reintroduce face to face engagement, particularly with hard-to-reach groups to maximise reach	4	John Evans
Continue to develop the effectiveness of the Cabinet Work Programme	4	Clive Pinney
FM Code action plan continues to strengthen our compliance and we aim to deliver outstanding actions and monitor it	3	Dan Paley
Further develop the prominence of the Strategic Equality Plan, across the organisation	2	Caroline Turner
Work between Finance and Service areas to improve further understanding of outcome-based budgeting and look to implement further	2	Jane Thomas
Review the MTFS principles with the new Cabinet and align to their manifesto and new CIP	1	Jane Thomas
Develop the outcomes / benchmarking /VFM template and use within service reviews to support budget setting	3	Anne Phillips

Asset review completed to support the future capital requirements and strategy	2	Neil Clutton
Review performance measures used as part of the Corporate Improvement Plan to ensure there is a robustness as outline in report	3	Emma Palmer
Continue to review the opportunities to embed Service Improvement Boards within business as usual	4	Caroline Turner

Certification of the Annual Governance Statement 2021-2022

Signed on behalf of Powys County Council:

Chief Executive

Date:

Leader of the Council

Date:

Appendix A: The Powys County Council Governance Framework

Role or Committee	Oversight Responsibility and Reporting	Policies and Procedures	Culture	Infra-structure
<p>County Council</p>	<p>The Council is made up of the Elected Members who represent the Powys electoral wards.</p> <p>The Council is responsible for appointing the Leader and for approving the Leader's budget.</p> <p>The full Council agrees the Council's constitution and development plans.</p> <p>The Council's Constitution sets out the roles and responsibilities of Members and officers to ensure that accountability for decisions made and actions taken are clear.</p>	<p>In Powys, three documents form the strategic framework that underpins the authority's decision making. Vision 2025 is the Council's Corporate Improvement Plan (CIP) in which it sets out its vision and objectives. The CIP integrates with the Authority's partnership plans which include Towards 2040; the Powys Public Service Board well-being plan and the Powys Regional Partnership Board Joint Area Plan, A Healthy Caring Powys</p>	<p>The way the Council goes about its business and makes its decisions is governed by the procedural framework.</p> <p>The Members Development Strategy sets out a competency framework applicable for all Councillors.</p> <p>Powys County Council is accredited with the Wales Charter for Member Support and Development.</p> <p>The roles and responsibilities of all Elected Members and Officers are set out in full in the Risk Management Framework.</p> <p>The Council provides a variety of training opportunities to support Members' development:</p> <ul style="list-style-type: none"> - Newly elected Members receive induction training. 	<p>Performance achieved against the objectives set out in the CIP (employing Public Accountability Measures and other metrics) has to date been reported via the Corporate Improvement Plan Annual Performance Report.</p> <p>Councillor Annual Reports.</p> <p>Corporate Score Card</p>

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	<p>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.</p>		<ul style="list-style-type: none"> - Targeted training is available to support the development of skills appropriate to specific committee membership. - A Member Development Working Group, formed of Councillors and officers, develops and monitors the implementation of the Member Development Programme. The programme is reviewed and amended on a regular basis with input from the Council's Senior Leadership Team to ensure that it includes the current areas of priority for the Council. - An annual Member Development Programme is in place and the Council has identified mandatory and discretionary training as well as sanctions that can be utilised by the Standards Committee against Members who fail to achieve mandatory training. - Members in receipt of Senior Salaries (e.g., Cabinet 	
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			<p>Members and Committee Chairs) undertake personal development reviews (PDRs) to assess their individual training needs. These are completed on a two-yearly basis or within three months of their initial appointment.</p> <p>The principles that guide the Council:</p> <ul style="list-style-type: none"> - Openness - we're open about our decision-making, how we're managed and Council staff are open with the public. - Inclusivity - we make sure that the community can engage effectively with decision-making processes and council actions. - Integrity - we are honest and objective, put the public good before personal benefit and manage public money responsibly. - Accountability - we make sure that Council staff and Councillors are responsible for their decisions and actions and are open to appropriate external scrutiny. 	
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Role or Committee	Oversight Responsibility and Reporting	Policies and Procedures	Culture	Infrastructure
County Council	<p>The Council is made up of the Elected Members who represent the Powys electoral wards.</p> <p>The Council is responsible for appointing the Leader and for approving the Leader's budget.</p> <p>The full Council agrees the Council's constitution and development plans.</p> <p>The Council's Constitution sets out the roles and responsibilities of Members and officers to ensure that accountability for decisions made and actions taken are clear.</p>	<p>In Powys, three documents form the strategic framework that underpins the authority's decision making. Vision 2025 is the Council's Corporate Improvement Plan (CIP) in which it sets out its vision and objectives. The CIP integrates with the Authority's partnership plans which include Towards 2040; the Powys Public Service Board well-being plan and the Powys Regional Partnership Board Joint Area Plan, A Healthy Caring Powys</p>	<p>The way the Council goes about its business and makes its decisions is governed by the procedural framework.</p> <p>The Members Development Strategy sets out a competency framework applicable for all Councillors.</p> <p>Powys County Council is accredited with the Wales Charter for Member Support and Development.</p> <p>The roles and responsibilities of all Elected Members and Officers are set out in full in the Risk Management Framework.</p> <p>The Council provides a variety of training opportunities to support Members' development:</p> <ul style="list-style-type: none"> - Newly elected Members receive induction training. 	<p>Performance achieved against the objectives set out in the CIP (employing Public Accountability Measures and other metrics) has to date been reported via the Corporate Improvement Plan Annual Performance Report.</p> <p>Councillor Annual Reports.</p> <p>Corporate Score Card</p>

Tudalen 71

	<p>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.</p>		<ul style="list-style-type: none"> - Targeted training is available to support the development of skills appropriate to specific committee membership. - A Member Development Working Group, formed of Councillors and officers, develops and monitors the implementation of the Member Development Programme. The programme is reviewed and amended on a regular basis with input from the Council's Senior Leadership Team to ensure that it includes the current areas of priority for the Council. - An annual Member Development Programme is in place and the Council has identified mandatory and discretionary training as well as sanctions that can be utilised by the Standards Committee against Members who fail to achieve mandatory training. - Members in receipt of Senior Salaries (e.g., Cabinet 	
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Tudalen 72

			<p>Members and Committee Chairs) undertake personal development reviews (PDRs) to assess their individual training needs. These are completed on a two-yearly basis or within three months of their initial appointment.</p> <p>The principles that guide the Council:</p> <ul style="list-style-type: none"> - Openness - we're open about our decision-making, how we're managed and Council staff are open with the public. - Inclusivity - we make sure that the community can engage effectively with decision-making processes and council actions. - Integrity - we are honest and objective, put the public good before personal benefit and manage public money responsibly. - Accountability - we make sure that Council staff and Councillors are responsible for their decisions and actions and are open to appropriate external scrutiny. 	
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Leader of the Council	<p>The Leader is elected by the full Council and in turn is responsible for selecting the members of their Cabinet.</p> <p>The Leader, in partnership with the Cabinet, is responsible for setting the Authority's strategic direction and development of the appropriate plans and policies to support the Council's goals.</p>		The Corporate Planning Cycle [Link]sets out the processes in place to annually review the objectives and corporate plans to ensure that they remain relevant and focussed.	
Cabinet	Members of the Cabinet are chosen by the Leader from the general Council membership. Each Cabinet member holds a portfolio or responsibility for a service area of Council business.		<p>There are clear schemes of delegation to officers as well as limits to such delegation set out within the Constitution.</p> <p>The Council operates on the presumption that reports will be publicly available unless certain, specific tests are met. For information to be treated as exempt, an assessment of public interest has to be made,</p>	The Council publishes its quarterly and annual performance reports on its website as part of the Cabinet Meeting agendas to provide transparency and accountability. Reporting is made available to Members, services and the public via interactive dashboards.

	<p>Decisions are taken by individual portfolio holders or by the Cabinet as a whole. Decisions made in Cabinet will be subject to review by the relevant Scrutiny Committee.</p> <p>The Leader and Cabinet are responsible for the Authority's policies, plans, and strategies, and these must work within the budget previously agreed by the full Council Membership.</p> <p>The Cabinet reports back to the full Council.</p>		<p>to ensure proper balance is achieved between the right to know, the right to personal privacy and the delivery of efficient government. There are seven categories of exempt information and these include:</p> <ul style="list-style-type: none"> - Information relating to a particular individual - Information relating to legal matters <p>The Council webcasts all Council and Cabinet meetings and is considering whether other meetings might also be webcast in the future.</p> <p>The agendas, reports and minutes of the Council's committees are published online and are accessible to the public unless an item contains information which is classed as exempt.</p> <p>There is a presumption that most meetings will be open to the public, again except where information is to be discussed which is classed as exempt.</p>	<p>Annual Self-Assessment Report (From 2022 and incorporating former Annual Governance Statement and Annual Performance Report)</p>
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<p>PCC Standards Committee</p>	<p>To promote and maintain high standards of conduct by Elected Members (including church and parent governor representatives) and to assist the same in observing the Members' Code of Conduct.</p> <p>The Standards Committee is active in assisting Members, either individually or collectively, in taking part in discussions where they might otherwise be debarred from taking part by the Code of Conduct, through the granting of individual or general dispensations. By this means, the Standards Committee seeks to ensure that the representative role of Members is protected as well as protecting the Council's decision-</p>	<p>The Authority follows the Code of Conduct (Qualifying Local Government Employees)(Wales) Order 2001 which sets out the expected standards of conduct for Councillors and Officers to ensure that they act with honesty, accountability and in ways that uphold lawful decision making at all times.</p> <ul style="list-style-type: none"> - Gifts and hospitality Protocol - Planning Protocol 	<p>The Standards Committee monitors attendance at Mandatory Member Development Sessions to ensure that Members complete the Mandatory Training.</p> <p>In addition, the Standards Committee monitors Members' attendance at committees.</p> <p>A failure to comply with the 60% attendance requirement will result in the Member being asked by the Committee to account for their absences.</p> <p>A Local Resolution Process has been adopted to mediate low-level complaints between Members (or between Officers and Members) and hopefully to thereby alleviate the need for referral to the Public Services Ombudsman for Wales.</p>	
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	<p>making processes from being brought into disrepute.</p> <p>The conduct of Elected Members is also overseen by the Public Services Ombudsman.</p>			
Chief Executive Officer	<p>The CEO is responsible for the management of the organisational structure.</p> <p>They ensure that the decisions made by Council are implemented and oversee the routine management of the Authority's activities.</p> <p>They advise the Council.</p> <p>They represent the Authority in negotiation with other organisations.</p>		<p>The Regulatory Employment and Appeals Committee holds responsibility for short listing the Head of Paid Service and also for functions relating to disciplinary and grievance procedures in respect of all Chief and Deputy Chief Officers other than the Head of Paid Service, Monitoring Officer, Chief Financial Officer and Head of Democratic Services.</p>	

<p>Executive Management Team</p>	<p>The Executive Management Team is led by the Chief Executive Officer and is responsible for providing leadership and governance for the Authority's Officers.</p> <p>In addition to the CEO, the EMT comprises:</p> <ul style="list-style-type: none"> - Two corporate directors - The Head of Legal and Democratic Services who is the designated Monitoring Officer and Senior Information Risk Owner (SIRO) - The Head of Financial Services who is the designated Section 151 Officer - The Head of Transformation and Communication - The Strategic Lead for Education. <p>The Corporate Director for Children and Adults</p>		<p>The Regulatory Employment and Appeals Committee holds responsibility for short listing Strategic Directors and Directors.</p>	<p>The Director of Social Services is responsible for publishing the Annual Report of the Director of Social Services / Annual Council Reporting Framework (ACRF) which provides an annual report of the impact and performance of the work of social services and evidences achievement against well-being standards as required by the Social Services and Well-being Act. Reports published in previous years are available online, allowing comparison of performance over time and providing a narrative continuity since 2009.</p>
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	<p>is the designated Statutory Director for Social Services, responsible for an annual review of the Council's social services under the ACRF</p>			
<p>Transformation Delivery Board</p>	<p>A membership made up of Cabinet and EMT.</p> <p>The Transformation Delivery Board has oversight for those programmes that will have the most dramatic impact on the Powys population, including schools' transformation, a well-being programme for the whole of North Powys, a Mid Wales Growth Deal and investment in extra care and affordable housing.</p>		<p>There are also three cross cutting programmes around workforce, digital technology and integrated business planning which are focused on transforming the way in which the Council works. The Vision 2025 Transformation Programme governance is proportionate and consistent across the programme and the focus is on delivery.</p>	

<p>Integrated Business Planning Programme Board</p>	<p>The IBPP Board is a function of the 'Making it Happen' workstream of the Transformation Programme.</p> <p>The membership is made by the Senior Leadership Team and it has responsibility for the development and oversight of the Service-Level Integrated Business Plans.</p>	<p>Integrated Business Plan</p>	<p>Individual PCC Services develop their Integrated Business Plan (IBP) on a yearly basis and these detail how anticipated outcomes and continuous service improvements (in alignment with Vision 2025) will be achieved. IBPs are completed as part of the budget setting and workforce planning process.</p>	
<p>Service Improvement Boards</p>	<p>Service Improvement Boards facilitate Council-led development effort with a focus on Highways, Transport and Recycling.</p> <p>They are responsible for ensuring that there is a well-documented plan of action with clear milestones and targets for improvement that has been endorsed from</p>		<p>Service Improvement Boards drive positive performance outcomes through regular monitoring and reporting against agreed plans and targets.</p>	

	the outset by Cabinet/EMT.			
Senior Leadership Team	The Head of Financial Services is the designated Section 151 Officer with responsibility for certifying that the Council's Accounts present a true and fair view of its financial position and income and expenditure.	The Performance Management and Quality Assurance Framework provides a consistent approach and clear accountability for performance improvement across all services and activities.	<p>The Head of Democratic Services is accountable for maintaining and updating the Cabinet Forward Work Programme 18 months ahead, in consultation with the Senior Leadership Team.</p> <p>Integrated Impact Assessments (IIA) are undertaken prior to all significant service, financial or policy changes to ensure that the implications of the proposed actions are understood, to support effective decision making and to ensure compliance with relevant legislation, in particular:</p> <ul style="list-style-type: none"> - The Well-being of Future Generations Act - Equalities legislation - The Socio-Economic Duty - The Welsh Language Measure <p>The IIA incorporates the Equality Impact Assessment</p>	Every service holds a Quarterly Performance Review meeting, where performance data is presented, analysed and discussed between the Head of Service, the relevant Director(s) and Cabinet Member(s). A member of the corporate Strategic Planning, Policy and Performance Team also attends – in some cases to provide challenge where a key issue has gone unaddressed or to simply observe with a view to providing further critical discussion at a later time.

			(EIA) and is supported by an Equalities tool kit	
Democratic Services Committee	<p>Reviews the adequacy of provision by the authority of staff, accommodation and other resources to discharge its democratic services functions and to make recommendations to Council on that provision.</p> <p>Assists in the improvement of the scrutiny and non-executive role acting as a catalyst for improving the relationship between the Cabinet and Scrutiny.</p> <p>Considers issues arising from the Annual Improvement Letter in relation to the operation of the Cabinet, Scrutiny and committees generally</p>	<p>The Constitution sets out clear terms of reference for all Committees of the Council. The Cabinet, and the Scrutiny and Audit Committees have rolling work programmes.</p> <p>Powys County Council is signed up to the National Principles for Public Engagement in Wales to ensure that conversations with our stakeholders are meaningful, timely and appropriately resourced.</p>	<p>Terms of reference, membership, agendas, minutes, attendance statistics and other relevant information related to the Authority's committee structure are made available via the public website in a timely manner.</p>	

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	<p>including member support and development.</p> <p>Oversees the Member Development project.</p> <p>Reviews committee structures.</p> <p>Revises the Constitution.</p>			
Scrutiny Committees	<p>A Scrutiny Committee acts as a 'critical friend' to the decision-making process and is responsible for assembling evidence on matters that affect the region and then using this information to make recommendations based on the findings.</p> <p>The Co-ordinating Committee brings together representatives of the Cabinet, Chairs and Vice-Chairs of the</p>		<p>The Scrutiny officer and the Monitoring officer support the Scrutiny Committee and ensure that the Council fulfils its statutory responsibility to protect and promote scrutiny activity within the organisation.</p> <p>Scrutiny committees undertake reviews and inquiries, within the Committee as a whole or within Working Groups. The findings of Scrutiny reviews and inquiries are presented to Cabinet with recommendations for action.</p> <p>The Council's scrutiny committees also include some</p>	<p>A timetable ensures that each Scrutiny Committee will scrutinise the relevant quarterly performance information (against the Corporate Improvement Plan).</p> <p>A pro-forma supports scrutiny to provide challenge, and the feedback received through the pro-forma is fed back to the appropriate Cabinet Members and Directors.</p>

	Scrutiny and Audit Committees and representatives of the Executive Management Team to undertake the development of the Scrutiny Forward Work Programme.		representatives who are not County Councillors; the Audit Committee has an independent “lay” member, the Learning, Skills and Economy Scrutiny Committee has co-opted Members in respect of education scrutiny and the Economy, Residents, Communities and Governance Scrutiny Committee has a co-opted member in respect of crime and disorder matters.	
Tudalen 83	<p>Health and Care Scrutiny Committee</p> <p>A scrutiny committee with responsibility for:</p> <p>Vision 2025 Objectives</p> <ul style="list-style-type: none"> - Health and Care: - Focussing on well-being - Early help and support - Providing joined up care - Developing a workforce for the future - Creating innovative environments - Developing digital solutions 	<p>The Authority works in partnership with Powys Teaching Health Board to provide integrated Health and Care services.</p> <p>Health and Care Strategy for Powys</p> <p>Joint Area Plan, A Healthy Caring Powys</p> <p>When services are commissioned from external providers, the authority’s expectations regarding</p>	<p>The Authority employs a team of five Contract Monitoring Officers (CMO) who each have oversight of a service-specific area (two for services that fall under ‘Start Well,’ one for ‘Live Well’ and two for ‘Age Well’).</p> <p>Poor Practice issues relating to the quality and standards of service delivery that are observed by a professional may be brought to the attention of the CMOs via submittal of a Dyfed Powys Poor Practice - Service Standards Referral Form [Link]</p>	

	<p>- Transforming in partnership</p> <p>Services:</p> <ul style="list-style-type: none"> - Children's Services - Adult Services - Commissioning (Children and Adults) <p>Partnerships:</p> <ul style="list-style-type: none"> - Regional Partnership Board - Powys Executive - Safeguarding Group - Regional Safeguarding Group - Youth Justice Board - Health, Social Care and well-Being Partnership - Powys Community Health Council 	<p>compliance with its ethical standards are set out in the Standard Services Contract [Link].</p>	<p>Powys Joint Inter-Agency Monitoring Panel (JIMP) [Link to TOR]</p>	
<p>Economy, Residents and Communities Scrutiny Committee</p>	<p>A scrutiny committee with responsibility for:</p> <p>Vision 2025 Objectives</p> <ul style="list-style-type: none"> - Economy: - Providing support for businesses to grow 	<p>Powys County Council Workforce Strategy</p> <p>Equality and Diversity Policy</p> <p>Employee Health and Well-being Policy</p>	<p>All new employees receive induction training and are required to complete corporate mandatory training and any other related to their role.</p> <p>A range of vocational training is offered throughout the Council to ensure staff have</p>	

	<ul style="list-style-type: none"> - Promoting Powys as a place to live, visit and do business - Improving the availability of affordable and sustainable housing - Improving our infrastructure to support regeneration and attract investment - Improving skills and supporting people to get good quality jobs <p>Vision 2025 Objectives</p> <ul style="list-style-type: none"> - Residents and Community: - Strengthening community development and resilience - Support communities to be able to do more for themselves and reduce the demand on our public services - Strengthening our relationship with residents and communities- Improve our understanding of 	<p>Individual Performance Review (Appraisal) Policy</p> <p>Whistleblowing Policy [Link].</p> <p>Powys Digital Strategy</p> <p>Digital Competency Framework</p>	<p>the opportunity to develop the knowledge and skills necessary to fulfil their role safely and to an appropriate standard.</p> <p>The Council provides an ILM-centred Leadership Programme for managers at all levels and a coaching programme available to all staff.</p> <p>The Authority employs an appraisal system through which individuals' objectives are agreed, training needs are identified and performance assessed. A full appraisal is carried out in March, with an interim appraisal following up six months later.</p> <p>The Organisations' values provide a structure to staff appraisals and comprise:</p> <p>- Professional - Whatever role we play in the Council; we act with professionalism and integrity.</p>	
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	<p>our residents needs and improve our service delivery</p> <p>Services:</p> <ul style="list-style-type: none"> - Finance - Legal and Democratic Services - Property, Planning and Public Protection - Highways, Transport and Recycling - Housing and Community Development - Strategy, Performance and Transformation Programmes - Customers and Communications - Workforce and OD <p>Partnerships:</p> <p>Growing Mid Wales</p> <ul style="list-style-type: none"> - Powys Regeneration Partnership - TRACC - BBNP - MWWFRA - WLGA 		<ul style="list-style-type: none"> - 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. <p>In 2020, Powys County Council declared a climate emergency and in 2021 published the Red Kite Climate Vision & Strategy [Link]</p>	
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	<ul style="list-style-type: none"> - Central Wales Infrastructure Collaboration - Central Wales Waste Partnership - North and Mid Wales Trunk Road Agency Partnership Board - Tourism Partnership Mid Wales - Western Valleys Strategic Regeneration Area Board - Powys Community Endowment Fund 			
Learning and Skills Scrutiny Committee	<p>A scrutiny committee with responsibility for:</p> <p>Vision 2025 Objectives</p> <ul style="list-style-type: none"> - Learning and Skills: - Improving the educational attainment of all pupils - Supporting children and families to have the best start in life - Improving our schools infrastructure 			

	<ul style="list-style-type: none"> - Improving the skills and employability of young people and adults <p>Service:</p> <ul style="list-style-type: none"> - Education <p>Partnership:</p> <ul style="list-style-type: none"> - ERW 			
Cyd-Bwyllgor Craffu Tyfu Canolbarth Cymru / Growing Mid Wales Joint Scrutiny Committee				
Governance and Audit Committee (Regulatory)	<p>Responsible for approving the authority's statement of accounts, income and expenditure and balance sheet to ensure clarity and reliability.</p> <p>Provides governance for the Authority's approach to ethics and fraud.</p>	<p>The Council's Medium-Term Financial Strategy 2020-2025 and 2020-21 Budget and Capital Programme for 2020-2030 articulates how the Council plans to use its resources (revenue and capital) to support the achievement of its corporate priorities as well as the management of its statutory and core duties, known pressures and risks.</p>	<p>The management of the Council's financial affairs are conducted in accordance with the Financial Procedure Rules set out in Section 16 of the Constitution which sets out the financial management standards for staff and members.</p> <p>Monthly reports are prepared in conjunction with Budget Holders and Heads of Service who calculate the forecasts</p>	<p>The Finance Panel is a scrutiny committee with a focus on strategic financial scrutiny.</p>

	<p>Oversees the establishment of a robust risk management process. Plays a key role in monitoring and challenging the Council's risk register.</p> <p>Liaises with external auditors and carries out review of audit findings.</p> <p>Provide governance for the procurement process.</p>	<p>The 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 taxpayers. It includes a set of principles that will govern the strategy, a five-year Financial Resource Model, Capital and Treasury Management Strategies and a Capital Programme.</p> <p>The Risk Management Framework sets out the Authority's approach to risk and the procedures in place to implement this approach.</p> <p>PCC Procurement Strategy</p> <p>The PCC Procurement Strategy [Link] contributes to the Welsh national vision for procurement, the main principles of which are set</p>	<p>with their accountants. These reports are then used to populate the formal reports made to the Directors and Cabinet, providing intelligence regarding the monitoring of performance against budget with full year forecasting and variance reporting. The delivery of savings and the forecast use of reserves are also included.</p> <p>The Risk Officer and the oversight of Risk for the Council are sited within Finance.</p> <p>Consideration of risk is an integral part of the quarterly performance reviews held with Portfolio Holders, Directors and Heads of Service.</p> <p>The Strategic Equalities and Risk Officer works with SLTs on a quarterly basis to raise risk awareness and support compliance.</p>	
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		<p>out in the Wales Procurement Policy Statement 2021. An Action Plan accompanies the Strategy and this is reviewed on a regular basis to integrate feedback and progress.</p> <p>The Authority publishes its procurement programme on an annual basis.</p> <p>The Council's expectations of external providers are set out in the Selling to Powys Guide (p.11) and made available via the Procurement and Contracts page of the Authority's public website.</p> <p>Commissioning and Commercial Strategy</p> <p>The Council's expectations concerning the cooperation of external providers with regard to the economic, social and environmental well-being of the area covered by the Authority are</p>	<p>The authority records, monitors, and reports, on risk and risk mitigation through the JCAD Core[Link] system.</p> <p>Risk is recorded at strategic and service levels.</p> <p>Transformation project risk is also managed through JCAD [Link].</p> <p>Strategic risk is reviewed by the Cabinet who ensure that procedures are in place to monitor the management of significant risk.</p> <p>Recommendations received via regulatory review or audit are recorded and monitored in the Regulatory Tracker [Link].</p> <p>Risk management training for new managers and other relevant staff is provided during induction by way of a video wales.nhs.uk.</p> <p>Budget Challenge events are undertaken throughout the</p>	
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		<p>set out in the Standard Services Contract [Link]</p>	<p>year to challenge financial performance at a service level.</p> <p>Responsibility for identifying and monitoring service-level risk rests with the individual services. Services themselves decide on the frequency of review of both risk and mitigating actions. Generally, it is recommended that reviews occur quarterly as a minimum, however this is not a directive and the decision remains with the service.</p> <p>The Strategic Equalities and Risk Officer attends services SLT or performance review meetings on a quarterly basis to support and challenge risk management (horizon scanning, identifying of new risks, management of current risks etc).</p> <p>Powys County Council has an open risk appetite but recognises that services will display different levels of appetite according to the</p>	
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			<p>requirements of their business and these individual levels are shown in the appropriate service risk register.</p> <p>The Integrated Impact Assessment incorporates the Equality Impact Assessment (EIA) and is supported by an Equalities tool kit.</p> <p>The Portfolio Holder for Risk Management is also the Portfolio Holder for Finance and is updated on the progress of the risk management programme on a quarterly basis.</p> <p>Risk management reports are presented to Cabinet quarterly and are reviewed by the Audit and Scrutiny Committees.</p> <p>A Procurement Sustainability Officer leads a coordinated, environmentally responsible procurement approach towards the sourcing of all goods, services and works.</p>	
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			<p>The ICT Governance Committee supports the Council in meeting its contract procurement rules that govern the purchase of IT hardware/software/Applications and provide assurance that investments in IT meet all relevant standards, including security, Information Governance and compatibility.</p>	
Tudalen 93	<p>Planning, Taxi Licensing & Rights of Way Committee (Regulatory)</p>	<p>Responsible for:</p> <ul style="list-style-type: none"> - Planning Matters - determines planning and other related applications and functions relating to town and country planning and development control - Licensing Matters – functions relating to the licensing of hackney carriages and private hire vehicles - Rights of Way Matters - functions include determining Definitive Map 		

	Modification Orders [DMMOs], the registration and deregistration of Common Land and determining controversial or contested Public Path Orders [PPOs]			
Finance Transformation Board	Responsible for the delivery and monitoring of a programme of improvement for financial management across the organisation, based on the conclusions and recommendations provided by a commissioned assessment carried out by CIPFA (Chartered Institute of Public Finance and Accountancy) Financial Management assessment.	Anti-Fraud and Anti-Corruption Policy Fraud Sanction and Prosecution Policy Money Laundering Policy	A Powys County Council Corporate Anti-Fraud Team has been in place since 2015	
Joint Partnership Board	The Joint Partnership Board provides			

	<p>oversight for a number of agreements formed between PCC and Powys Teaching Health Board under Section 33 (Arrangements between NHS bodies and local authorities) of the NHS Wales Act 2006.</p> <p>These agreements concern the provision of health and care services and ICT. In addition to governing these agreements, the Joint Partnership Board oversees the shared change agenda set out in the Area Plan and our CIP.</p>			
Regional Partnership Board	<p>The RPB was established to drive the strategic regional delivery of social services in close collaboration with Powys Teaching</p>	<p>Joint Area Plan, A Healthy Caring Powys</p> <p>Health and Care Strategy for Powys</p> <p>Strategic framework for the health and care workforce?</p>	<p>The Council works closely with key partners through both statutory and non-statutory arrangements.</p>	<p>Annual Report</p> <p>Powys Population Needs Assessment</p>

	<p>Health Board and Third Sector partners.</p> <p>It ensures that the statutory partners have appropriate provisions in place to satisfy the requirements set out under the Social Services and Wellbeing (Wales) Act 2014.</p> <p>It Identifies and responds to opportunities for collaboration and integration in the delivery of health, social care and wellbeing.</p>			
Public Service Board	The PSB is responsible for the development of a wellbeing assessment and for the publication an annual local well-being plan which sets out how the member partners will meet their responsibilities under	Partnership Well-being Plan Towards 2040	The Public Service Board Scrutiny Committee is responsible for scrutiny of the Authority's activities undertaken within the PSB partnership.	Annual Progress Report Powys Wellbeing Assessment

	the Wellbeing of Future Generations (Wales) Act.			
Mid-Wales Corporate Joint Committee	Established to strengthen local democracy and accountability by integrating decision making with regards to regional transport, strategic development plans and the improvement of economic wellbeing.	The Mid-Wales CJC will, in due course, be responsible for the preparation of a number of documents that will provide additional governance in its areas of accountability.	Newly established in 2022 and comprising representatives for PCC, Ceredigion County Council and the Brecon Beacons National Park.	
Pensions and Investment Committee	<p>The Committee is responsible for all functions relating to local government pensions</p> <p>Roles and responsibilities for Constituent Authorities within the Wales Pension Partnership are set out here.</p>	<p>The Fund's Governance Policy and Compliance Statement sets out in detail the Governance arrangements of the Powys Pension Fund</p> <p>Powys Pensions Fund Risk Register</p> <p>Responsible Investment Policy</p> <p>Investment Strategy Statement</p>		The Wales Pension Partnership Joint Governance Committee (JGC) oversees the pooling of the investments of the eight Local Government Pension Scheme funds in Wales and comprises one Elected Member from each of the Authorities.

<p>Corporate Information Governance Group</p>	<p>The Corporate Information Governance Group (CIGG) [Link] determines how the Council will manage the Information Governance framework of activity and is chaired by the Head of Legal and Democratic Services as the Senior Information Risk Owner (SIRO), who holds delegated responsibilities for information risk within the Authority</p> <p>Its objectives are to ensure effective policies, practices and programmes are in place to support all aspects of Information Governance, including, but not limited to information risk management, information compliance, and</p>	<p>The Information Governance Framework is made up of all the policies, groups, training, processes, agreements in place</p> <p>The Authority operates with a two-year Corporate Information Management, Assurance, and Governance (IMAG) Plan that sets out the activities that must be undertaken to fulfil the Information Governance Framework.</p> <p>Information risks are recorded on the Powys County Council Risk Register (JCAD) and shared as appropriate with partners and the supply chain.</p>	<p>The Corporate Information Operational Group (CIOG) [Link] is chaired by the Professional Lead Data Protection and provides a forum for discussion and interface between CIGG decision-making and service-level procedure and facilitates dissemination of learning and, when required, remedial action.</p> <p>Formal information requests (Freedom of Information, Environmental Information Regs and Subject Access Request under UK GDPR) are managed centrally to enable consistency in the application of legislation and ensure response within set timescales.</p> <p>Robust Personal data breach reporting and management processes are in place allowing for the appropriate management and investigation of personal data breaches and lessons to be learnt and disseminated through the organisation</p>	<p>Annual Information Governance Report</p> <p>Powys County Council undertakes or commissions annual assessments and audits of its Information Governance policies and arrangements, including but not limited to IASME (Information Assurance Small Medium Size Enterprises) and Cyber Essentials Plus</p>
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	information management etc.		Annual IG report submitted to Cabinet	
Internal Audit South-West Audit Partnership (SWAP)	<p>SWAP is a wholly-owned (not-for-profit) public sector audit partnership.</p> <p>Powys County Council belongs to this partnership which includes twenty-five local authority and public service members.</p> <p>SWAP conforms to the International Professional Practices Framework of the Institute of Internal Auditors (IIA).</p>		<p>The internal audit tracker is integrated into the Corporate Scorecard to facilitate the monitoring and management of audits by EMT and SLT .</p> <p>In accordance with the recognised standards, the Head of Audit is required to give an opinion on the overall internal control environment based on the work undertaken throughout the year.</p>	
External Regulatory Inspections	<p>The core regulatory bodies for PCC are:</p> <ul style="list-style-type: none"> - Care Inspectorate Wales - Audit Wales - Health and Safety Executive 		<p>Services are required to embed any recommendations they receive into their Integrated Business Plan to ensure that they are being addressed through appropriate improvement objectives. These objectives are then monitored</p>	

	<ul style="list-style-type: none">- Social Housing Regulator- Estyn- ICO		quarterly to ensure that the necessary progress is being made.	
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Appendix B: Consultation and Engagement

Powys County Council Engagement Reporting 2021-22

(The below figures include both English and Welsh hub sites/engagement projects)

EXTERNAL ENGAGEMENT

Quarter	External PCC Surveys	External Visitors	External Engaged Participants ²	Have opportunities to have their say and participate in decision-making ³	Speak positively about the Council ⁴	New Membership of Powys People's Panel
1	9	5,896	1,031	N/A	N/A	500
2	8	5,510	864	N/A	N/A	680
3	7	12,894	1,959	N/A	N/A	1073
4	7	6,381	926	12%	14%	561
TOTAL	31	30,681	4,780	12%	14%	2,814

INTERNAL ONLY ENGAGEMENT

Quarter	Internal PCC Surveys	Internal Visitors	Internal Engaged Participants
1	3	4,006	1,039
2	1	2,192	499

² Number of people who have engaged (taken part) in external engagement and consultation activities

³ % of people that are satisfied or very satisfied that they have opportunities to have their say and participate in the Council's decision-making processes

⁴ % of people that speak positively about the Council (with or without being asked)

3	1	529	30
4	1	3,087	1,319
TOTAL	6	9,814	2,887

Breakdown of engagement projects by quarter:

QUARTER 1

Internal or External	Name of project	Date	Background	Number of responses	Outcome/Latest update
External	Ysgol Dyffryn Trannon	25/02/21 to 15/04/21	The proposal to change the language category of Ysgol Dyffryn Trannon: - To make a regulated alteration to alter the medium of instruction at Ysgol Dyffryn Trannon to Welsh-medium - This would be introduced on a phased basis, year-by-year, starting with Reception in September 2022	<ul style="list-style-type: none"> 71 completed the consultation response form 9 written responses 	<p>Consultation Report</p> <p>On the 14 September 2021, the Council's Cabinet considered the Objection Report and agreed to go ahead with the proposal to move Ysgol Dyffryn Trannon along the language continuum.</p> <p>The decision letter outlining the Cabinet's decision is available online.</p>
External	Digital Services for Archives, Museums and Libraries	01/03/21 to 11/04/21	Libraries Service were seeking views on how they can develop digital resources so that they can deliver improved and more efficient services. This includes using technology to connect with communities, offering more services	234 responses	Report of findings compiled and sent to Catherine Richards and the external company running the project Ammba Digital.

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			online and helping people to use those services with confidence.		
External	Brecon Schools (Mount St Infants, Mount St Juniors, and Cradoc CP Schools)	25/02/21 to 12/05/21	<p>The Proposals are as follows:</p> <p>Phase 1</p> <ul style="list-style-type: none"> To close Mount Street Infants School, Mount Street Junior School, and Cradoc C.P. School To establish a new English-medium primary school for pupils aged 4-11 on the current sites of Mount Street Infants School, Mount Street Junior School, and Cradoc C.P. School. <p>The current target date is to close the three schools on the 31 August 2022, with the new school opening on the 1 September 2022.</p> <p>Phase 2</p> <ul style="list-style-type: none"> To make a regulated alteration to transfer the new school to a new school building on a new site in Brecon. <p>The current target date for this phase is September 2024 at the earliest.</p>	<ul style="list-style-type: none"> 229 completed the consultation response form 53 written responses 1,275 signature petition 	<p>Consultation Report</p> <p>On the 11 March 2022, the Council's Cabinet considered the Objection Report and agreed to go ahead with the proposing to close Mount Street Infant School, Mount Street Junior School and Cradoc C.P. School from the 31 August 2023 and establish a new primary school for pupils aged 4-11 on the three current sites from the 1 September 2023.</p> <p>The decision letter outlining the Cabinet's decision is available online.</p>
External	Castle Caereinion C in W School	14/04/21 to 02/06/21	<p>The proposal is to close Castle Caereinion C. in W. School from 31 August 2022, with pupils to attend their nearest alternative schools.</p>	<ul style="list-style-type: none"> 68 completed the consultation 	<p>Consultation Report</p> <p>On 23 November 2021, the Council's Cabinet considered the Objection Report and agreed to go ahead with the</p>

				<p>response form</p> <ul style="list-style-type: none"> • 25 written responses • 676 signature petition 	<p>proposal to close Castle Caereinion C. in W. School from 31st August 2022.</p> <p>The decision letter outlining the Cabinet's decision is available online.</p>
External	Churchstoke	14/04/21 to 02/06/21	The proposal is to close Churchstoke C.P. School from the 31st August 2022, with pupils to attend their nearest alternative schools	<ul style="list-style-type: none"> • 347 completed the consultation response form • 163 written responses • 1,744 signature petition 	<p>Consultation Report</p> <p>The Council's Cabinet considered the Consultation Report on the 23 November, and agreed to end the process to close Churchstoke C.P. School.</p> <p>However, concerns remain regarding the school which need to be addressed and Cabinet gave the go-ahead for the council to further consider options to address these concerns. A further report will be brought back to Cabinet in due course.</p>
External	Llanfihangel Rhydithon C.P. School	14/04/21 to 02/06/21	The proposal is to close Llanfihangel Rhydithon C.P. School from the 31	<ul style="list-style-type: none"> • 290 completed the 	<p>Consultation Report</p>

			August 2022, with pupils to attend their nearest alternative schools.	<p>consultation response form</p> <ul style="list-style-type: none"> • 130 written responses 	<p>On the 8 February 2022, the Council's Cabinet considered the Objection Report and agreed to go ahead with the proposal to close Llanfihangel Rhydithon C.P. School from 31 August 2022.</p> <p>The decision letter outlining the Cabinet's decision is available online.</p>
External	Llanbedr C in W School	21/04/21 to 23/06/21	The proposal is to close Llanbedr C. in W. School from 31 August 2022, with pupils to attend their nearest alternative schools .	<ul style="list-style-type: none"> • 113 completed the consultation response form • 62 written responses • 2,119 signature petition 	<p>Consultation Report</p> <p>On 8 March 2022, the Council's Cabinet considered the Objection Report and agreed to go ahead with the proposal to close Llanbedr C. in W. School from 31 August 2022.</p> <p>The decision letter outlining the Cabinet's decision is available online.</p>
Internal	Staff Wellbeing Survey 2021	01/06/21 to 30/06/21	Following more than year of Covid-19 restrictions and changes to how we live and work, this survey provided an updated insight into staff well-being across the council. This survey has been conducted six-monthly since the Covid-19 pandemic hit and asks staff opinions	821 responses	<p>Key Findings Summary Report</p> <p>The Senior Leadership Team used the feedback and ideas to ensure staff are supported across the whole Council and to</p>

			on how they are finding work at the moment, whether they are working from home or on the front line.		help shape the new ways of working.
Internal	Member Survey 2021	07/06/21 to 01/07/21	Survey of members during Covid-19 to assess home working and welfare at the current time (June 2021).	35 out of 73 members responded	Report of findings sent to EMT July 2021 to inform Council recovery and make recommendations for action.
External	Living in Powys – Informing our wellbeing plan	08/06/21 to 31/07/21	<p>The Well-being of Future Generations (Wales) Act, which came into force in April 2016, is about improving the social, economic, environmental, and cultural well-being of Wales.</p> <p>The Act established Public Service Boards (PSB) for each local authority area, made up of the council, the health board, the fire and rescue service and Natural Resources Wales. The PSB is responsible for developing a local Well-being Assessment and Well-being Plan for the area and updating that plan every five years. It details the actions that will be taken to address local issues and contribute to the national Well-being goals.</p> <p>The information from this survey, along with other sources of data, will</p>	475 responses	<p>The PSB gathered data from a variety of sources, conducted a Living in Powys survey and used many other engagement sources to get a good understanding of people's well-being needs across the county.</p> <p>All this information resulted in a detailed and comprehensive assessment of well-being in Powys which was published on the PCC Engagement Hub with an accompanying survey that ran from 16 November to 17 December 2021.</p>

			be used to inform the next Well-being plan and ensure we understand the pressures that our communities are facing.		
Internal	Governor Questionnaire 2021	21/06/21 to 19/07/21	School Governors and Clerks to the Governors were invited to complete an online survey, asking for their views on training, briefing sessions and the Governors' Bulletin.	200 responses	Report of findings compiled and sent to Beth Groves (Principal Officer – Governor Support)
External	The future of our town centres	22/06/21 to 19/07/21	A four-week engagement exercise to seek the views of businesses, residents, and visitors on the future of Powys town centres. The Covid-19 crisis has had a significant impact on the lives and health of many Powys citizens, but it has also had severe economic consequences. The lockdown had an immediate impact on the way in which our town centres operate with many businesses adapting the way in which they have worked to ensure that their local communities were provided with the services and goods they needed throughout the pandemic.	1044 responses	Following extensive feedback, the temporary arrangements in Brecon, Newtown and Crickhowell will stay in place for now. Smaller measures in other towns, including pavement licences granted to individual businesses to make use of public areas such as walkways and roads, will also remain. On the contrary, in line with the initial feedback from the engagement exercise and at the request of the town council, the temporary restrictions in Hay on Wye were lifted from 7 August 2021.

QUARTER 2

Internal or External	Name of project	Date	Background	Number of responses	Outcome/Latest update
Internal	Internal Communications Survey	05/07/21 to 31/07/21	It's important that we take stock of how we communicate across our organisation. The survey captured views on a range of topics, including how we use email to keep you informed, the staff intranet, and much more. Staff feedback will directly help identify what is and isn't working, inform improvements, and be able to help the organisation and Communications Team know what can be done to support better internal communications.	472 responses	Report of key findings shared with EMT and SLT for their information, including: <ul style="list-style-type: none"> • Comms Team - reviewing detailed feedback and actions • Intranet Governance Group – reviewed relevant results to inform refresh of the Staff Intranet front page • Main findings overview - EMT & SLT for information • Main findings overview - NWOW working group
External	New Llanfair Caereinion All Age School - Election of Parent/Governor	06/07/21 to 14/07/21	Parent Governor Election: Ballot Paper The number of parent governors to be elected on this occasion was two.	73 responses	Top two candidates were elected as Parent Governors
External	Ysgol Cedewain, Newtown: Pre-application consultation	26/07/21 to 20/08/21	Pre-application consultation for the proposed development of a new £22m school for Ysgol Cedewain in Newtown. As part of the proposed development, the new Ysgol	Unknown (Hosted a link on our engagement hub to a third-party project)	Sept 2021 - A planning application has been submitted by the county council. The new school will be built by Denbighshire-based company

			Cedewain school will have purpose-built and state-of-the-art facilities including a hydrotherapy pool, sensory and physiotherapy rooms and garden as well as a community café.		Wynne Construction, who carried out the pre-application consultation.
External	Robert Owen House, Newtown: Pre-application consultation	26/07/21 to 20/08/21	Pre-application consultation for the proposed development of 32 energy efficient one-bedroomed flats, for council rent, on the site of the former Robert Owen House in Newtown.	Unknown (Hosted a link on our engagement hub to a third-party project)	June 2022 - A planning application for the flats on the site of the former Robert Owen House in Newtown was approved by Powys County Council's Planning, Taxi Licensing & Rights of Way Committee today (Thursday, June 16).
External	Llanfair Caerenion Town Plan Consultation	03/08/21 to 11/09/31	Llanfair Caerenion Town Council prepared its Town Plan for consultation. The plan covered everything from governance, finance and projects for the Town along with a programme and monitoring system in place.	Unknown (Hosted a link on our engagement hub to a third-party project)	November – consultation report was considered by the town council. Included in the meeting agenda documents online.
External	Child Poverty Survey	12/08/21 to 30/08/21	As part of the PCC Economy, Residents and Communities Scrutiny Committee's investigation into child poverty in the county, a survey was conducted to understand the picture of child poverty in Powys and to ensure that the council targets its resources effectively to improve the	121 responses	Report of findings compiled and sent to Economy, Residents and Communities Scrutiny Committee to consider at their meeting on 6 September 2021 .

			opportunities and outcomes for children living in poverty.		
External	Active Travel – Commonplace mapping	16/08/21 to 08/11/21	Following feedback from residents, town and community councils, schools, and other stakeholders (in 2016/17), the draft Active Travel Network Map (ATNM) have been developed for each of the county's 11 designated active travel localities (as defined by Welsh Government).	Unknown (Hosted a link on our engagement hub to a third-party project)	The draft Active Travel Network Map will now be finalised before being submitted to Welsh Government for consideration.
External	Homes in Powys Common Allocation Scheme	13/09/21 to 06/12/21	Following a review in December 2020, the Council and its partners recommended changes to the Common Allocation Scheme. A summary of the proposals, together with the reasoning behind each recommendation was put out for consultation	264 responses	Documents considered by: Portfolio Holder for Adult Social Care, Welsh Language, Housing & Climate Change - Friday, 11th March, 2022 "The proposed amendments to the 'Homes in Powys' Common Allocations Scheme, set out in Appendix A to the report, are approved."
External	Draft Welsh in Education Strategic Plan (WESP) for 2022-2032	24/09/21 to 19/11/21	The School Standards and Organisation (Wales) Act 2013 requires all local authorities to prepare a Welsh in Education Strategic Plan (WESP) setting out how they will develop Welsh-medium education.	93 responses	Consultation Report 25 January 2022 - Cabinet approved the updated WESP, which will now be submitted to the Welsh Government for their consideration and approval.

			The councils draft 10-year plan (2022-2032) sets out the Council's vision for Welsh-medium education, followed by a number of targets and actions, based around 7 Outcomes, with the aim of increasing the use of Welsh in education over the next 10 years. These outcomes will contribute towards achieving the Welsh Government's Cymraeg 2050 Strategy, which aims to have one million Welsh speakers by 2050.		
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QUARTER 3

Internal or External	Name of project	Date	Background	Number of responses	Outcome/Latest update
External	Health and Care in Powys: Informing our Population Needs Assessment	01/09/21 to 28/10/21	The Social Services and Well-being (Wales) Act 2014 requires that local authorities and local health boards must jointly carry out an assessment of the needs for care and support, and the support needs of carers in the local authority areas.	8 responses	Following the publication of our PNA , we will produce an area plan which outlines our integrated priorities for the next five years. The plan will be published in March 2023.

			<p>The Population Needs Assessment consists of two sections:</p> <ul style="list-style-type: none"> Assessing the extent to which there are people (or their carers) who need care and support and the extent to which they need this Assessing the range and level of services required for the care and support needs of the population (and carers) to prevent needs arising and escalating, and the actions required to provide services in Welsh <p>The Powys Regional Partnership Board is required to produce a population needs assessment every four years. The next assessment is due for completion in March 2022. Views will feed into this work and will help inform future decision-making around health and care services in Powys.</p>		<p>The PNA will be used to inform the upcoming regional Market Stability Report which is due for publication in June 2022. The Market Stability Report will assess the stability and sufficiency of the social care market considering the findings and needs identified within this assessment.</p>
External	Brecon High School - Election of Parent Governor	29/09/21 to 18/10/21	<p>Parent Governor Election: Ballot Paper</p> <p>The number of parent governors to be elected on this occasion was two.</p>	627 responses	Top two candidates were elected as Parent Governors
Internal	School Funding Formula Review	05/10/21 to 22/10/21	The current funding formula came into effect in the 2019-20 financial year following a fundamental review	30 responses	December 2021 - Cabinet considered responses received to the consultation to changes

		<p>carried out to create a clear and transparent funding model to deliver a core educational offer to schools in Powys.</p> <p>The proposals on which we are consulting are intended to support a move to a pupil-led formula whilst also securing stability for schools across Powys. This should provide a stable, transparent, and equitable funding arrangement for schools, which will:</p> <ul style="list-style-type: none"> • Create a more equitable provision for all learners across Powys • Support the aspirations of the transformation programme • Support all learners including helping offset the effects of disadvantage • Support a collaborative schools' community which offers effective professional learning to facilitate the self-improving system • Support inclusion and bilingualism, and promote access to excellence for all learners <p>The proposals will apply to primary schools and the primary phase of all-age schools only. Work on reviewing</p>		<p>to the School Funding Formula for mainstream Primary phase schools and revisions to the Powys Scheme for Financing Schools.</p> <p>More detailed information on Cabinet decision can be found online.</p>
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			the formulae for secondary schools and special schools is ongoing and will align with the progression of the Strategy for Transforming Education in Powys 2020-2030.		
External	How has Covid-19 affected Powys?	08/10/21 to 11/11/21	<p>PCC wanted to find out what impact the COVID-19 pandemic has had on the wellbeing of our communities and on individuals.</p> <p>This information will help us to understand the wider effect, beyond its immediate impact on those who have contracted the virus. It will also help us decide how we will respond in the future, in ways that best support the good health and wellbeing of Powys residents.</p>	204 responses	
External	Wellbeing Assessment Report - Consultation	16/11/21 to 17/12/21	<p>The Public Service Board (PSB) gathered data from a variety of sources, conducted a Living in Powys survey (mentioned earlier) and used many other engagement sources to get a good understanding of people's well-being needs across the county.</p> <p>All this information has resulted in a detailed and comprehensive assessment of well-being in Powys.</p>	614 responses	An updated full Well-being Assessment analysis for Powys was published.

			However, we really need your help to understand what well-being means to you and what you consider is important for well-being.		
External	Budget Survey	29/11/21 to 19/12/21	The budget survey happens every year and allows us to understand what our residents, businesses and communities feel is important and should be prioritised in the coming years.	493 responses	Consultation Report January 2022 : Cabinet considered the draft Medium Term Financial Strategy (MTFS) for 2022-27, which included a Financial Resource Model (FRM) for 2022-27, a draft revenue budget for 2022-23 and a draft capital programme for 2022-23 to 2026-27. Each had been reviewed and developed by the Cabinet and Executive Management Team as part of the overall strategic planning process alongside Vision 2025, the Council's Corporate Improvement Plan.
External	Future plans for Ysgol Calon Cymru	30/11/21 to 26/01/22	In 2020, the Council developed a business case which looked at future options for Ysgol Calon Cymru. This identified the following possible plan: <ul style="list-style-type: none"> • A new 11-18 English-medium campus in Llandrindod Wells; plus 	516 responses	March 2022 - The Transforming Education Team are considering the results and will report the findings to Cabinet in due course.

			<ul style="list-style-type: none"> • A remodelled 4-18 Welsh-medium all-through campus in Builth Wells. <p>The Council wanted to know what people thought about the possible plan before it started the legal process that would need to be followed to make these changes.</p>		
External	Climate Strategy Consultation	15/12/21 to 09/01/22	<p>Powys County Council declared a climate emergency in September 2020 and the council agreed to create a cross-party motion on climate change. This document builds on that declaration highlighting how acting on climate change meets all four pillars of vision 2025 and is delivering on and strengthening the councils existing policies and approach.</p> <p>Through this strategy we aim to play our part in combatting climate change by facilitating change and providing civic leadership across our County that will encourage others to follow. We also recognise that we do not have the sole responsibility to make this happen and are keen to</p>	175 responses	<p>Consultation Report</p> <p>March 2022: Cabinet considered the revised Climate Change Strategy which had been updated following a consultation exercise and presented to the Climate Action Programme Board and the Cross-Party Working group. The revisions addressed a number of issues highlighted in the consultation.</p> <p>Cabinet approved the publication of the Climate Change Strategy as set out in Appendix A to the report.</p>

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			<p>work with all local, regional, and national stakeholders in order to ensure sufficient action is taken and progress made.</p> <p>This engagement exercise asks you a few general questions about your interest in climate change, to rate each of the sections of the new strategy and gives you the opportunity to leave wider feedback.</p>		
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QUARTER 4

Internal or External	Name of project	Date	Background	Number of responses	Outcome/Latest update
External	Performance Feedback Ongoing Engagement Project	04/01/22 ongoing...	<p>Welsh Government requires councils to keep under review the extent to which they are fulfilling the 'performance requirements', that is, the extent to which:</p> <ul style="list-style-type: none"> • they are exercising its functions effectively • they are using resources economically, efficiently, and effectively • the governance is effective for securing the above. 	<p>Up to 31/03/22:</p> <ul style="list-style-type: none"> • 472 survey responses • 2 questions asked • 1 idea submitted • 12% are satisfied or very satisfied that they have opportunities 	<p>Quarterly data included with engagement information in cabinet report:</p> <ul style="list-style-type: none"> • % of people that are satisfied or very satisfied that they have opportunities to have their say and participate in the Council's decision-making processes • % of people that speak positively about the Council (with or without being asked)

			To fulfil this requirement an ongoing engagement exercise was proposed to (and approved by) Cabinet to gather views from the local community which will be reported on quarterly and included as part of the council's performance self-assessment work.	<p>to have their say and participate in the Council's decision-making processes</p> <ul style="list-style-type: none"> • 14% speak positively about the Council (with or without being asked) 	Full report including verbatim open comments, ideas and Q&A is also sent with the high-level figures.
External	Powys Local Development Plan (2011-2026) Review Report	06/01/22 to 01/02/22	<p>The Powys Local Development Plan (LDP) adopted in April 2018 sets out the Council's policies for the development and use of land in Powys (except for the area within the Brecon Beacons National Park) up to 2026.</p> <p>The Review Report Consultation Draft sets out the information that has informed the review and considers the impact of the findings on the LDP. It also sets out the proposed approach towards revision of the LDP. The Review Report Consultation Draft</p>	12 responses	Following this consultation, the Council will review the comments received and make amendments to the Review Report as considered appropriate. The comments will be summarised within the final Review Report, which will also include the Council's response to the comments along with any changes proposed to the Review Report. The Review Report will be considered for approval by the Council before being submitted to the Welsh

			<p>concludes that the most appropriate form of revision would be a Full Revision of the LDP through preparation of a Replacement LDP for the period 2022-2037.</p> <p>As part of this consultation, we are seeking your views on the findings and conclusions set out in the Review Report Consultation Draft and on what other issues should be considered in the review. It is not possible to consider changes to the LDP in detail at this stage, as this will be considered as part of the Replacement LDP process.</p>		Government and then published on the Council's Local Development Plan website.
External	Replacement Local Development Plan (2022-2037) Delivery Agreement	06/01/22 to 01/02/22	This consultation concerns the delivery agreement for the Replacement LDP (2022-2037). The Delivery Agreement Consultation Draft sets out the proposed timetable for the key stages in the preparation of the Replacement LDP, along with the proposed Community Involvement Scheme detailing how and when the community will be able to get involved in the Replacement LDP process.	8 responses	Following this consultation, the Council will review the comments received and make amendments to the Delivery Agreement as considered appropriate. The comments will be summarised within the final Delivery Agreement, which will also include the Council's response to the comments along with any changes proposed to the Delivery Agreement. The Delivery Agreement will be

			This consultation seeks your views on the content of the Delivery Agreement.		<p>considered for approval by the Council before being submitted to the Welsh Government for agreement.</p> <p>The Delivery Agreement must be formally agreed by the Welsh Government. The agreement of the Delivery Agreement will mark the formal start of the Replacement LDP process.</p> <p>The approved Delivery Agreement will be published on the Council's Local Development Plan website and will be made available for inspection at the principal office of the Council during normal opening hours.</p>
External	Llangorse Church in Wales School - Election of Parent Governor	28/01/22 to 09/02/22	<p>Parent Governor Election: Ballot Paper</p> <p>The number of parent governors to be elected on this occasion was one.</p>	214 responses	Top candidate was elected as a Parent Governor.
External	School's admissions arrangements	01/02/22 to 14/03/22	This consultation was broken into two parts.	Unknown (Hosted link to survey on main	Powys County Council have determined the admissions arrangements for 2023-24 ,

	and catchment maps		<ol style="list-style-type: none"> 1. Admissions Information and Arrangements 2023 - 24. 2. Catchment areas <p>Public Consultation on school's admissions arrangements and catchment maps - Powys County Council</p>	PCC webpage – led by Sarah Quibell)	following the consultation which ran from 1 February 2022 until the 1 March 2022.
External	Llandrindod Wells Town Council Banks Survey	17/02/22 to 31/03/22	<p>Llandrindod Town Council has established a Banking Task and Finish Group and have developed a survey to understand what residents and businesses want from their bank and whether the physical presence of national banks in the town provides a real benefit to individuals, businesses, and charities.</p> <p>The survey was for residents of the town and anyone who banks (or used to bank) there.</p>	Unknown (Hosted a link on our engagement hub to a third-party project)	Unknown - Survey link is still live.
Internal	Staff Wellbeing Survey Winter 2021/Staff OD Survey	07/03/22 to 11/04/22	The last staff engagement survey was held in 2019 which told us a lot about our organisation and how employees felt about their jobs, being a team member, how valued and informed they felt about changes taking place in their service area, and whether they felt	703 responses	Sway report of key findings sent to SLT and will be communicated to wider staff w/c 20 June 2022.

			<p>their line manager took account of their views.</p> <p>During the past two years of working through a global pandemic, we focussed on asking you about your wellbeing whilst working in different ways.</p> <p>This time, we merged the original staff engagement survey with the wellbeing survey, so we can get up-to-date results and measure progress across the Council in both areas.</p>		
External	Engagement exercise for Transport Levelling up bid	24/03/22 to 14/04/22	<p>In 2021, Powys County Council submitted a bid to the UK Government's Levelling Up Fund, seeking funding for local infrastructure improvements. The purpose of the Levelling Up Fund is to provide one-off investment in infrastructure which will make a real difference for local people and the local economy.</p> <p>The original bid was not successful; feedback from the Government indicated that the council should undertake engagement with</p>	68 responses	Data sent to, and report compiled by, Atkins and shared with key stakeholders/senior managers from Highways team.

			<p>stakeholders, particularly businesses in the tourism and leisure sectors, to demonstrate strong local support. Of particular interest was how the schemes would support tourism and Net Zero.</p> <p>In response, as part of their support with the bid resubmission, Atkins has carried out engagement activities to gather feedback from local businesses and organisations to understand how the proposed schemes might bring benefit to our communities and businesses.</p>		
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Appendix C: 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 first full year of compliance is 2021/22. The Council has assessed its processes, procedures, and governance arrangements and has identified the following actions to be developed through 2022-23 to strengthen its compliance with the Code.

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	Owner
Integrated Business Plans (IBP) pilots will utilise benchmarking and Value for Money (VFM)	SLT
Develop examples of good practice and share for learning.	Transformation & Change
To review Welsh Government models and adapt for PCC use where appropriate.	Transformation & Change
Develop scrutiny skills to actively challenge and assess.	Scrutiny

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

Action	Owner
Include financial section in Individual Performance Reviews (IPRs) for budget holders to highlight capability gaps.	Workforce & Organisational Development
Survey and feedback from stakeholders to take place more widely.	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	Owner
Improve the effectiveness of Internal control, more SLT involvement with Audit plan and review.	SLT
EMT self-assessment	EMT

**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	Owner
Framework in place but gaps in terms of collaboration links, addressing silos.	EMT
Improve level of involvement relating to appropriate finance input into the development of strategic and operational plans.	SLT
Improve the scheme of delegation and the understanding of who the primary decision makers are.	SLT
Survey to gain feedback on satisfaction of service.	Financial Services

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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	Owner
Welsh Government engagement regarding rural analysis and increased cost of services	EMT/Cabinet
Ability for achieving long term financial sustainability – impact on short term decisions – how to better plan for the medium term	EMT/Cabinet
IBP Pilots that will focus on Outcome Based Budgets activity	SLT

**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	Owner
Develop cost drivers and benchmarking through Outcome Based Budgets	Financial Services

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	Owner
Key stakeholders, wider member engagement and stronger use of scrutiny	Cabinet
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

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

Action	Owner
Work still to be done to develop use of business cases and cabinet to review and consider affordability early in the process	SLT
Project management and transformation management training available	SLT
Need a stronger risk framework around tenders and allowing bids to be taken forward – strengthen guidance	SLT/Financial Services

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	Owner
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

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

Action	Owner
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
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
Improve the collection process by strengthening our ability to measure debt performance better in the debt recovery lifecycle.	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

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Mae'r dudalen hon wedi'i gadael yn wag yn fwiadol

CYNGOR SIR POWYS COUNTY COUNCIL.**AUDIT COMMITTEE
24th November 2022****CABINET EXECUTIVE
13th December 2022****REPORT AUTHOR: County Councillor David Thomas
Portfolio Holder for Finance and Corporate
Transformation****REPORT TITLE: Treasury Management Quarter 2 Report**

REPORT FOR: Information

1 Purpose

- 1.1 CIPFA's 2009 Treasury Management Bulletin suggested:
'In order to enshrine best practice, it is suggested that authorities report formally on treasury management activities at least twice a year and preferably quarterly.'

The CIPFA Code of Practice on Treasury Management emphasises a number of key areas including the following:

- xi. Treasury management performance and policy setting should be subject to scrutiny prior to implementation.

- 1.2 In line with the above, this report is providing information on the activities for the quarter ending 30th September 2022.

2 Background

- 2.1 The Treasury Management Strategy approved by Full Council on 3rd March 2022 can be found here - [Council \(moderngov.co.uk\)](https://www.moderngov.co.uk)

3 Advice**3.1 Investments**

- 3.2 The Authority's investment priorities within the Strategy are.

- (a) the security of capital, then,
(b) the liquidity of its investments then
(c) the yield

- 3.3 The Authority aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite has been low in order to give priority to security of investments. With interest rates for investments remaining

significantly lower than borrowing rates, the use of cash reserves as opposed to borrowing is prudent and cost-effective.

- 3.4 Short-term money market investment rates have continued to increase following the three increases to the Bank Rate in the last quarter. Due to the terms of the original GCRE repayable funding agreement and the uncertainty around the short term cash requirements we have continued to hold any surplus funds in the council's deposit accounts. These funds have earned interest totalling £0.18 million for the first two quarters of this financial year
- 3.5 Investment returns on inter-authority lending have increased in line with the increased PWLB rates. When looking at temporary investing, the Treasury team consider the bank fee to set up the arrangement, because of this cost some investments are not cost effective for very short periods of time. However, the Authority does not have sufficient certainty around its cashflow to lend for longer periods where the return is higher.
- 3.6 A revised agreement with Welsh Government for the repayable funding the council originally received in March 2021 towards the Global Centre of Rail Excellence (GCRE) has been agreed and as part of this change, the council has repaid £15.60 million.
- 3.7 The Authority had no other investments on 30th September 2022.

3.8 Credit Rating Changes

- 3.9 There have been no credit rating changes relevant to this Authority's position during the last quarter.

3.10 The Authority's Capital Position

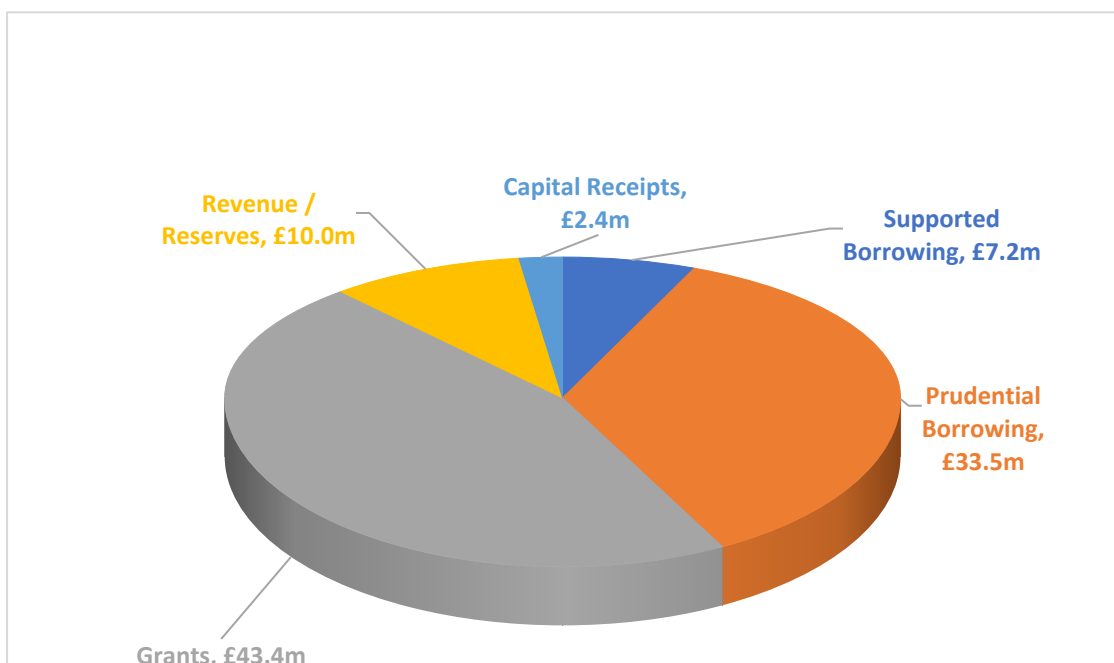
- 3.11 The 2022/23 Capital Programme was approved by Council on the 3rd March 2022. It included capital schemes totalling £133.88 million, of which £25.55 million related to the Housing Revenue Account (HRA). The revised programme at the 30th September 2022 is budgeted at £96.46 million following the successful award of additional grants and the reprofiling of budgets between financial years. Actual spend amounts to £24.37 million, representing 25% of the total budget.

3.12 Table 1 - Breakdown by service

Service	Original Budget	Virements Approved	Revised Budget	Actuals	Remaining Budget	
	£,000	£,000	£,000	£,000	£,000	%
Adult Services	712	339	1,051	-8	1,059	100%
Childrens Services	0	1,111	1,111	597	514	46%
Education	27,868	827	28,695	5,126	23,569	82%
Highways Transport & Recycling	14,163	6,298	20,461	8,383	12,078	59%
Property, Planning & Public Protection	100	2,427	2,527	1,514	1,013	40%
Housing & Community Development	2,462	3,052	5,514	-152	5,666	102%
Economy & Digital Services	9,974	4,944	14,918	1,756	13,162	88%
Corporate	53,047	(53,001)	46	0	46	100%
Total Capital	108,326	(34,003)	74,323	17,216	57,107	77%
Housing Revenue Account	25,550	(3,412)	22,138	7,156	14,982	68%
TOTAL	133,876	(37,415)	96,461	24,372	72,089	75%

3.13 Currently, 42%, £40.66 million, of the capital programme will be supported through borrowing, the interest cost for this is charged to the revenue account. Finance will be working with the services to ensure the profiling of budgets is accurate to effectively manage the borrowing requirement.

3.14 Chart 1 – Capital Programme funding



3.15 Inflation is having a severe impact on the cost of schemes due to rising material and construction costs. It is unclear at this stage how this will impact the programme over the coming years. Services are aware of the impact and are mitigating these increases as far as possible but is likely that schemes will be reduced or paused. Any additional funding required is likely to be raised with further borrowing, this will increase costs on the revenue budget so must be minimised.

- 3.16 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. It represents the current year's unfinanced capital expenditure and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
- 3.17 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the Council's cash position is managed to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through external borrowing or utilising temporary cash resources within the Council.
- 3.18 Net external borrowing (borrowings less investments) should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for the current year and next two financial years. This allows some flexibility for limited early borrowing for future years.

3.19 Capital Financing Requirement (CFR)

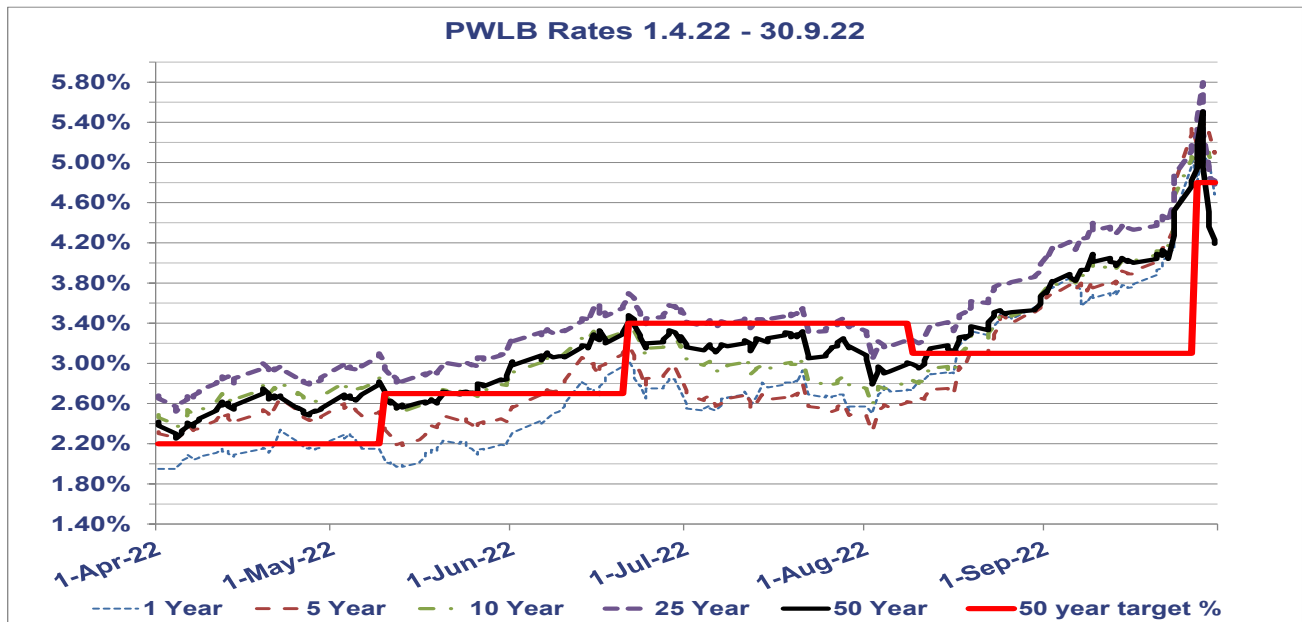
£'m	Total	HRA	Council Fund
Opening Balance – 1st April 2022			
Original Estimates ¹	430.33	106.83	323.50
Actual Balance	405.21	101.44	303.77
Closing Balance – 31st March 2023			
Original Estimates ¹	468.25	118.62	349.63
Quarter 1 Estimate	441.92	113.44	328.48
Quarter 2 Estimate	429.58	107.06	322.52
Closing Balance – 31st March 2024			
Original Estimates ¹	502.47	137.78	364.69
Quarter 1 Estimate	465.79	126.50	339.29
Quarter 2 Estimate	453.83	122.33	331.50
Closing Balance – 31st March 2025			
Original Estimates ¹	535.78	156.87	373.91
Quarter 1 Estimate	484.81	139.44	345.37
Quarter 2 Estimate	477.47	139.23	338.24

¹ Original estimate included in the Treasury Management Strategy approved by Full Council on 3rd March 2022 (excluding GCRE).

3.20 Borrowing / Re-scheduling

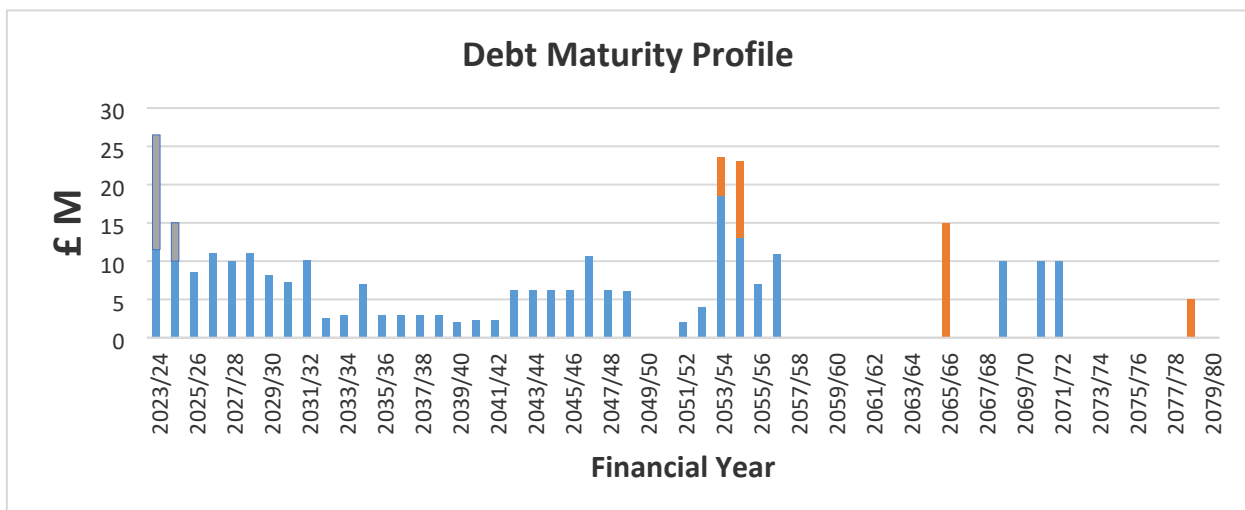
- 3.21 Effective management of the Authority's debt is essential to ensure that the impact of interest payable is minimised against our revenue accounts whilst maintaining prudent borrowing policies.
- 3.22 The finance team are currently working with council's treasury advisors to investigate if it would be beneficial to refinance any of the existing loans. With the increased gilts market, it may be advantageous to repay some of the LOBO (lenders options, borrowers' options) loans, officers have started this process and an update will be provided in the next report.

3.23 The chart below shows the increases in PLWB interest rates since the start of the financial year. PWLB borrowing rates are based on the Gilts market. Rates have steadily increased since the start of the financial year. A sharper increase has occurred since August, peaking at 5.8% for 25 year loans in September, an increase of just over 3% since the start of the year. Rates dropped slightly in the last few days of September.



3.24 A prohibition is still in place to deny access to borrowing from the Public Works Loan Board (PWLB) for any local authority which had purchase of assets for yield in its three year capital programme. There are currently no schemes for yield in the Capital Programme. With the significant amounts of borrowing in the future Capital Programme, the inability to access PWLB borrowing will need to be a major consideration for any future purchases of assets for yield. The additional income these assets generate must be sufficient to cover the increased borrowing costs, as borrowing sources other than the PWLB are likely to be more expensive.

3.25 Debt Maturity Profile



Key Blue = PWLB; Grey = Inter Authority Borrowing; Orange = Market Loans

3.26 £1.50 million PWLB and £5 million of borrowing from other local authorities has been repaid during the first quarter. A further £5 million was due to mature during this quarter but this borrowing has been extended for another 8 months. A further £5 million was borrowed from another local authority during the last quarter.

3.27 A further £5.01 million PWLB is due to be repaid in the third quarter. There will not be sufficient cash resources to absorb this repayment and the commitments in the capital programme. Additional borrowing will be required before the end of the financial year. With the uncertain economic position and significantly higher interest rates, the treasury team will look at shorter term borrowing (less than 1 year) to cover any requirements over the next few months. As outlined by Link later in this report, it is anticipated that borrowing rates will fall over the next few years, so we need to ensure that the council isn't locked into higher rate borrowing for long periods to allow flexibility to take advantage should rates drop.

3.28 With the changes to the MRP policy and the delayed requirement to borrow, the revenue budget set aside to cover these costs is projected to be underutilised in this financial year, however as demonstrated in the tables later in the report, these costs are likely to increase year on year.

3.29 PWLB Loans Rescheduling

3.30 Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted PWLB new borrowing rates since October 2010. Existing borrowing rates remain lower than current rates, therefore no debt rescheduling has been undertaken to date in the current financial year.

3.31 Financing Costs to Net Revenue Stream

3.32 This indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the Councils net revenue budget (net revenue stream). The estimates of financing costs include current commitments and the proposals in the capital programme.

£'m	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
From the approved Treasury Management and Capital Strategy 2022/23			
Financing Costs	11.29	12.17	12.85
Net Revenue Stream	302.33	314.29	324.37
%	3.7%	3.9%	4.0%
Quarter 2 estimates			
Financing Costs	11.56	12.82	13.22
Net Revenue Stream	302.33	314.29	324.37
%	3.8%	4.1%	4.1%

3.33 The table above shows the capital financing costs and the change between those disclosed in the 2022/23 Treasury Management and Capital Strategy, with financing costs now increasing due to rising interest rates we estimate that the ratio will increase slightly to 3.8% of the council's net revenue budget.

3.34 The change has been caused by two factors.

1. The reduced borrowing requirement to support the capital programme in 2021/22 and future years. This has been the result of reprofiling of budgets into future years. This has allowed the council to defer the date that it expected to take out additional borrowing, reducing the current interest costs, however this borrowing will still be required in the future.
2. The cost of borrowing has increased significantly and continue to increase, a margin is built into the forecast, but rates have increased well above this.

3.35 Prudential Indicators

3.36 All Treasury Management Prudential Indicators were complied with in the quarter ending 30th September 2022.

3.37 Economic Background and Forecasts

3.38 The forecast of interest rates by the Authority's advisor at the 27th September 2022 are shown below. The rates have increased over the last few months but are expected to reduce slightly over the next few years. The current higher rates will increase the cost of borrowing over the next few years. The revised Medium Term Financial Strategy will be updated to take account of these changes.

Link Group Interest Rate View	27.09.22											
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

3.39 The economic background provided by our treasury advisers; Link Group at the 30th September 2022 is attached at Appendix A. It should be noted that this was provided at the end of the quarter and circumstances have changed since then.

3.40 Sundry Debt

3.41 The prompt collection of debt and encouraging payment as soon as possible helps the Councils cashflow position, reducing the need for short term borrowing.

3.42 The following table outlines the Council's outstanding sundry debt at the 13th October 2022 of £15.77 million, up slightly from £15.13 million last quarter. This does not include Council Tax arrears.

Service	Current Debt	Aged Debt	Aged Debt	Aged Debt	Total	Change from previous quarter
	(30 days or less)	(31 to 60 days)	(61 - 90 days)	(Over 90 days)	Aged Debt	
Adult Services ²	1,301,456	3,146,572	295,317	6,324,871	9,766,760	3,057,405
Children's Services	56,021	2	112,204	58,040	170,246	-57,893
Corporate, Legal & Democratic Services	0	0	0	1,121	1,121	-460
Digital Services	33,531	615	4,016	26,326	30,957	5,649
Finance	10,907	14,816	512	479,145	494,473	-41,298
Highways, Transport & Recycling	267,967	63,606	100,946	641,329	805,881	-20,457
Housing	32,037	235,205	52,346	701,528	989,079	254,886
Leisure	18,195	0	971	45,175	46,147	-11,717
Other	26,456	5,000	5,961	79,045	90,005	5,811
Property, Planning & Public Protection	346,504	40,352	54,141	655,638	750,131	7,332
Schools	25,080	10,100	0	240,194	250,294	-119,215
Workforce and OD	129,201	46,455	30,207	53,346	130,009	-49,167
Total	2,247,353	3,562,722	656,622	9,305,758²	13,525,101	3,030,875

² There is a further £1.05 million outstanding debt with the local health board that sits outside this figure.

3.43 The £2.25 million shown in the current debt column relates to invoices that are less than 30 days old, overdue debt is classed as overdue when it is above 30 days after the invoice date.

3.44 The 2022/23 revenue budget includes £73.59 million of generated income. Based on the total debt it represents 21% of the annual generated income, if you exclude the current debt (less than 30 days old) this falls to 18% up from 14% last quarter.

3.45 There is a significant level of aged debt (over 30 days old) which has increased by £3.03 million since the last quarter.

3.46 The table in 3.42 shows that around two thirds of the over three month debt is adult social care debt. This is more difficult to collect as Welsh Government will not allow bailiff action on residential care fees and court action only as a last resort. This debt relates to a high proportion of elderly and vulnerable customers, and often deferred charges are placed on their properties, which requires waiting for houses to be sold and estates to be realised which is often a lengthy process.

3.47 The table below shows the debt raised and collected over the last five years.

Year	Debt Raised	Debt Collected	% Collected
2018	£37.0m	£29.3m	79%
2019	£39.4m	£26.8m	68%
2020	£43.9m	£38.7m	88%
2021	£49.0m	£40.4m	82%
2022 so far	£22.5m	£20.3m	90%

3.48 The debt recovery team is a small team of 5 FTE (full time equivalent) recovery officers. 2.5 FTE recovery officers are mostly collecting over £100m in council tax each year and 2.5 FTE work on the sundry debt full time. A system reminder is generated after a month and the team tends to concentrate on chasing the over 3 month debt. There are currently vacancies within the team, and there has been an inability to attract suitable candidates. When the team is at full strength it is better equipped to chase and reduce debt levels.

3.49 VAT

3.50 The Technical Section of Finance act as the authority's VAT section. VAT can pose a risk to the authority hence this report includes VAT information.

3.51 The monthly VAT returns were submitted within the required deadlines during this quarter.

3.52 Key Performance Indicators - The VAT KPI's for 2022/23 are attached at Appendix B.

4. Resource Implications

a. N/A

5. Legal implications

5.1 N/A

6. Data Protection

6.1 N/A

7. Comment from local member(s)

7.1 N/A

8. Impact Assessment

8.1 N/A

9. Recommendation

9.1 This report has been provided for information and there are no decisions required. It is recommended that this report be accepted.

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Head of Service:	Jane Thomas

Appendix A

1. Economics update – Provided by Link Group on the 1st October 2022

- The second quarter of 2022/23 saw:
 - GDP in Q1 2022/23 revised upwards to 0.2% q/q from -0.1%, which means the UK economy has avoided recession for the time being.
 - Signs of economic activity losing momentum as production fell due to rising energy prices.
 - CPI inflation ease to 9.9% y/y in August but domestic price pressures showing little sign of abating in the near-term.
 - The unemployment rate falls to a 48-year low of 3.6% due to a large shortfall in labour supply.
 - Bank Rate rise by 100bps over the quarter, taking Bank Rate to 2.25% with further rises to come.
 - Gilt yields surge and sterling fall following the “fiscal event” of the new Prime Minister and Chancellor on 23rd September.
- The UK economy grew by 0.2% in July following an upward revision to Q1’s GDP data (+0.2% q/q), though revisions to historic data left it below pre-pandemic levels.
- There are signs of higher energy prices creating more persistent downward effects in economic activity. Both industrial production (-0.3% m/m) and construction output (-0.8% m/m) fell in July 2022 for a second month in a row. Although some of this was probably due to the heat wave at the time, manufacturing output fell in some of the most energy intensive sectors (e.g., chemicals), pointing to signs of higher energy prices weighing on production. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.
- The fall in the composite PMI from 49.6 in August to a 20-month low of 48.4 in September points to a fall in GDP of around 0.2% q/q in Q3 and consumer confidence is at a record low. Retail sales volumes fell by 1.6% m/m in August, which was the ninth fall in 10 months. That left sales volumes in August just 0.5% above their pre-Covid level and 3.3% below their level at the start of the year. There are also signs that households are spending their excess savings in response to high prices. Indeed, cash in households’ bank accounts rose by £3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rise of £4.6bn.
- The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. Labour Force Survey (LFS) employment rose by 40,000 in the three months to July (the smallest rise since February). But a renewed rise in inactivity of 154,000 over the same period meant that the unemployment rate fell from 3.8% in June to a new 48-year low of 3.6%. The single-month data showed that inactivity rose by 354,000 in July itself and there are now 904,000 more inactive people aged 16+ compared to before the pandemic in February 2020. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth. Indeed, in July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.
- CPI inflation eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was mainly due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. And with the oil price now just below \$90pb, we would expect to see fuel prices fall further in the coming months.
- However, utility price inflation is expected to add 0.7ppts to CPI inflation in October when the Ofgem unit price cap increases, typically, to £2,500 per household (prior to any benefit payments). But, as the government has frozen utility prices at that level for two years, energy price inflation will fall sharply after October and have a big downward influence on CPI inflation.
- Nonetheless, the rise in services CPI inflation from 5.7% y/y in July to a 30-year high of 5.9% y/y in August suggests that domestic price pressures are showing little sign of abating. A lot of that is being driven by the tight labour market and strong wage growth. CPI inflation is expected to peak close to 10.4% in November and, with the supply of workers set to remain unusually low, the tight labour market will keep underlying inflationary pressures strong until early next year.

- The new Prime Minister and Chancellor have appeared to make a step change in government policy. The government's huge fiscal loosening from its significant tax cuts will add to these domestic inflationary pressures and will leave a legacy of higher interest rates and public debt. Whilst the government's utility price freeze, which could cost up to £150bn (5.7% of GDP) over 2 years, will reduce peak inflation from 14.5% in January next year to 10.4% in November this year, the long list of tax measures announced at the "fiscal event" adds up to a loosening in fiscal policy relative to the previous government's plans of £44.8bn (1.8% of GDP) by 2026/27. These included the reversal of April's national insurance tax on 6th November, the cut in the basic rate of income tax from 20p to 19p in April 2023, the cancellation of next April's corporation tax rise, the cut to stamp duty and the removal of the 45p tax rate, although the 45p tax rate cut announcement has already been reversed.
- Fears that the government has no fiscal anchor on the back of these announcements has meant that the pound has weakened, adding further upward pressure to interest rates. Whilst the pound fell to a record low of \$1.035 on the Monday following the government's "fiscal event", it has since recovered to around \$1.12. That is due to hopes that the Bank of England will deliver a very big rise in interest rates at the policy meeting on 3rd November and the government will lay out a credible medium-term plan in the fiscal statement on 23rd November. Nevertheless, with concerns over a global recession growing, there are downside risks to the pound.
- Since the fiscal event, we now expect the Monetary Policy Committee (MPC) to increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023 (up from our previous forecast peak of 2.75%). The combination of the government's fiscal loosening, the tight labour market and sticky inflation expectations means we expect the MPC to raise interest rates by 100bps at the policy meetings in November (to 3.25%) and 75 basis points in December (to 4%) followed by further 50 basis point hikes in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If Bank Rate climbs to these levels the housing market looks very vulnerable, which is one reason why the peak in our forecast is lower than the peak of 5.50% priced into the financial markets at present.
- Gilt yields rose sharply at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the government's extraordinary fiscal stimulus plans. The 30-year gilt yield rose from 3.60% to 5.10% following the "fiscal event", which threatened financial stability by forcing pension funds to sell assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31st October. Second, it committed to buy up to £65bn of long-term gilts to "restore orderly market conditions" until 14th October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons.
- Since the Bank's announcement on 28th September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%.
- There is a possibility that the Bank continues with QE at the long end beyond 14th October or it decides to delay quantitative tightening beyond 31st October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government's deficit. But instead, that it is a temporary intervention with financial stability in mind.
- The S&P 500 and FTSE 100 climbed in the first half of Q2 2022/23 before falling to their lowest levels since November 2020 and July 2021 respectively. The S&P 500 is 7.2% below its level at the start of the quarter, whilst the FTSE 100 is 5.2% below it as the fall in the pound has boosted the value of overseas earnings in the index. The decline has, in part, been driven by the rise in global real yields and the resulting downward pressure on equity valuations as well as concerns over economic growth leading to a deterioration in investor risk appetite.

MPC meetings 4th August and 22nd September 2022

- In August, the Bank of England's Monetary Policy Committee (MPC) increased Bank Rate to 1.75%, and on 22nd September moved rates up a further 50 basis points to 2.25%. The increase reflected a split vote – five members voting for a 50 basis points increase, three for 75 basis points and one for 25 basis points. The MPC continues to grapple with getting inflation back on track over a three-year horizon.
- Moreover, the UK now has a new Prime Minister, a new Chancellor and new economic policies that seek to grow the UK economy faster than at any time since the 1980s. The central planks to the government's new policies are tax cuts and regulatory simplification. It is too early to say whether such policies will boost growth in the ways intended, but what is clear at this juncture is that the lack of scrutiny of the various projections, ideally by the Office of Budget Responsibility (OBR), and an emphasis upon borrowing to fund the significant cost of the proposals scared the markets.
- Subsequently, the Government has announced that the OBR will scrutinise their spending plans on 23rd November, after the MPC next meets on 3rd November. Naturally, the Bank Rate forecast set out below will be dependent on a more joined-up set of communications from the Bank of England and the government than that which we have seen or heard so far. In addition, the fiscal governance aspects referred to in the OBR's upcoming review in November will need to be suitably couched in reassuring language and analysis to persuade the markets that fiscal rectitude has not been abandoned.
- Of course, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has led with increases of 300 basis points in the year to date and is expected to increase rates further before the end of the year. Similarly, the ECB has also started to tighten monetary policy, albeit from an ultra-low starting point, as have all the major central banks apart from Japan. Arguably, though, it is US monetary policies that are having the greatest impact on global bond markets.
- What happens in Ukraine will also impact the global economy, but particularly in Europe. The search for alternative providers of energy, other than Russia, will take both time and effort. The weather will also play a large part in how high energy prices stay and for how long.

2. Interest rate forecasts

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The latest forecast on 27th September sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices. The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances after September's "fiscal event". To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, but its job is that much harder now.

Our current and previous PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View 27.09.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

Link Group Interest Rate View 09.08.22													
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	2.25	2.50	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.00
3 month ave earnings	2.50	2.80	3.00	2.90	2.80	2.50	2.40	2.30	2.30	2.30	2.20	2.20	2.20
6 month ave earnings	2.90	3.10	3.10	3.00	2.90	2.80	2.70	2.60	2.50	2.50	2.40	2.30	2.30
12 month ave earnings	3.20	3.30	3.20	3.10	3.00	2.90	2.80	2.70	2.40	2.40	2.40	2.40	2.40
5 yr PWLB	2.80	3.00	3.10	3.10	3.00	3.00	2.90	2.90	2.80	2.80	2.80	2.70	2.70
10 yr PWLB	3.00	3.20	3.30	3.30	3.20	3.10	3.10	3.00	3.00	3.00	2.90	2.90	2.80
25 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.40	3.30	3.30	3.20	3.20	3.20	3.10
50 yr PWLB	3.10	3.20	3.20	3.20	3.20	3.10	3.10	3.00	3.00	2.90	2.90	2.90	2.80

Link Group Interest Rate View 21.06.22												
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
BANK RATE	1.75	2.25	2.75	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25
3 month ave earnings	2.00	2.50	2.80	2.80	2.80	2.80	2.60	2.50	2.30	2.30	2.20	2.20
6 month ave earnings	2.50	2.80	3.00	3.00	2.90	2.90	2.80	2.70	2.60	2.50	2.40	2.30
12 month ave earnings	3.10	3.20	3.20	3.20	3.00	2.90	2.80	2.60	2.50	2.40	2.40	2.40
5 yr PWLB	3.20	3.30	3.30	3.30	3.30	3.20	3.10	3.00	3.00	3.00	2.90	2.90
10 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.30	3.20	3.20	3.20	3.10	3.10
25 yr PWLB	3.70	3.70	3.70	3.70	3.70	3.70	3.60	3.50	3.50	3.40	3.40	3.30
50 yr PWLB	3.40	3.40	3.50	3.50	3.40	3.40	3.30	3.20	3.20	3.10	3.10	3.00

- LIBOR and LIBID rates ceased at the end of 2021. In a continuation of our previous forecasts, our money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- Our central forecast for interest rates was previously updated on 9th August and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened but the “fiscal event” has complicated the picture for the MPC, who will now need to double-down on counteracting inflationary pressures stemming from the government’s widespread fiscal loosening.
- Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- The CPI measure of inflation will peak at close to 10.4% in November 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently, a very tight labour market.
- Regarding the “provisional” plan to sell £10bn of gilts back into the market each quarter, this is still timetabled to take place but not until October at earliest.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)
- On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy, and rent/mortgage payments.

PWLB RATES

- The yield curve has shifted upwards since our August update and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.25% to 5.75%. The yield curve is currently inverted.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea, and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.

- **The Government** acts too quickly to cut taxes and/or increases expenditure in the light of the cost-of-living squeeze.
- **The pound weakens** because of the UK's growing borrowing requirement resulting in investors pricing in a risk premium for holding UK sovereign debt.

Longer term **US treasury yields** continue to rise strongly and pull gilt yields up even higher than currently forecast.

Appendix B

VAT - Key Performance Indicators

Creditor Invoices

VAT return for	No of high value Creditor invoices checked	No of Creditor invoices highlighted as requiring "proper" document for VAT recovery	% of creditor invoices checked requiring "proper" document for VAT recovery
Apr-22	269	3	1.12%
May-22	294	8	2.72%
Jun-22	247	4	1.62%
Jul-22	262	5	1.91%
Aug-22	230	4	1.74%
Sep-22	253	2	0.79%
Oct-22			
Nov-22			
Dec-22			
Jan-23			
Feb-23			
Mar-23			

Income Management Entries

VAT return for	No of entries checked by formula per the ledger account code used	No of entries needing follow up check (but not necessarily incorrect).	% of entries needing follow up check
Apr-22	857	0	0.00%
May-22	955	2	0.21%
Jun-22	1,080	0	0.00%
Jul-22	925	0	0.00%
Aug-22	1,077	2	0.19%
Sep-22	989	0	0.00%
Oct-22			
Nov-22			
Dec-22			
Jan-23			
Feb-23			
Mar-23			

Debtor Invoices

VAT return for	No of Debtor invoices checked	No of checked debtor invoices with incorrect VAT code used	% of debtor invoices with incorrect VAT code
Apr-22	81	0	0.00%
May-22	73	0	0.00%
Jun-22	84	0	0.00%
Jul-22	93	0	0.00%
Aug-22	96	0	0.00%
Sep-22	120	0	0.00%
Oct-22			
Nov-22			
Dec-22			
Jan-23			
Feb-23			
Mar-23			

Note: Debtors VAT checking is carried out by Finance via a work process prior to the invoice being raised hence the improvement in errors compared to previous years

Purchase Cards

VAT return for	No of transactions for which paperwork requested for checking	Resolvable errors discovered	Value of VAT potentially claimable but recharged to budget due to non- response	No of transactions where VAT claimed incorrectly	% of transactions available to be checked where VAT was claimed incorrectly	Value of VAT incorrectly claimed hence recharged to budget
Apr-22	155	22	£2,668.91	14	9.03%	£380.22
May-22	142	14	£2,159.74	25	17.61%	£196.73
Jun-22	141	15	£2,048.25	18	12.77%	£1,005.40
Jul-22	148	10	£883.67	21	14.19%	£1,244.60
Aug-22	116	27	£1,011.58	4	3.45%	£141.44
Sep-22	164	24	£2,402.72	27	16.46%	£1,329.19
Oct-22						
Nov-22						
Dec-22						
Jan-23						
Feb-23						
Mar-23						

Chargebacks to service areas

The upload of appropriate documents to the Barclaycard purchase card system to enable vat recovery was made mandatory in September 2017 as a result of the lack of response from service areas/establishments to provide documents when requested. Where no document has been uploaded, any VAT amount input against the transaction is charged to the service area as there is no evidence to support the vat recovery.

Any other VAT errors that come to light as a result of the various checks are also charged to the relevant service areas.

Budget holders are able to see this clearly as chargebacks are coded to account code EX400600 and the activity code used alongside this gives the reason why this chargeback has occurred.

The total amount charged back to service areas in 2022/23 is £211,128 to date. The breakdown of this is as follows:

Potentially correctable errors

Reason	Amount £
Not a tax invoice	17,825
Powys County Council is not the named customer	31
No invoice uploaded to purchase card system	13,345
Invoice(s) do not match payment	1,096
No evidence to back recovery	0
No Signed Authenticated Receipt ³	174,767
Total	207,064

³ The relevant documentation has been sourced for these entries and the VAT will be claimed in the VAT return.

Other errors

Reason	Amount £
Non-domestic VAT	746
No tax on invoice	1,473
Supply not to Powys County Council	316
Over-accounting for VAT	1,462
Internal payments	67
Total	4,064

CYNGOR SIR POWYS COUNTY COUNCIL.

GOVERNANCE AND AUDIT COMMITTEE

24th November 2022

REPORT AUTHOR: Jane Thomas Head of Financial Services

REPORT TITLE: Corporate Fraud and Error Quarter 3 2022 Report

REPORT FOR: Information & Discussion

1. Purpose

- 1.1 To provide a quarterly update to the Governance and Audit Committee on current work activities and performance.
- 1.2 To advise Governance and Audit Committee from the Fraud teams work, any systems or process weaknesses of significance.
- 1.3 Seek Governance and Audit Committee's input on the Fraud Team's future work plans.
- 1.4 To provide a response to the recommendations raised in audit work by Audit Wales and SWAP and to advise the Governance and Audit Committee on the progress made against the actions identified.

2. Fraud and Money Laundering Policies

2.1 The policies set out below were approved in July 2020 and can be found in the HR policies areas of the corporate handbook.

- Anti-Fraud Policy
- Anti-Money Laundering Policy
- Fraud, Sanctions and Prosecutions Policy

2.2 Further promotion and awareness raising has happened

- In this quarter we have promoted the work of the team again during national anti-fraud awareness week.
- In the next quarter of 2022 we plan to roll out the mandatory fraud awareness training package for the Council.
- In the next quarter of 2022 we are arranging fraud awareness and cyber fraud awareness training sessions with Members conducted by Dyfed Powys Police.

3. Quarter 3 2022 Activity Report

3.1 The Fraud and Intel team undertake a series of proactive review exercises that seek to verify eligibility to reliefs, discounts exemptions and awards across the Council in key areas, then correct any that are error and identify any that warrant fraud investigation.

3.2 The team are currently working on 4 joint working cases with the Dept of Work and Pensions Fraud team around capital and living together situations.

There are no outcomes as yet on any of the cases to report.

3.3 The Fraud team have 126 investigations in 2022 so far.

At the end of Q3, the accumulative figures and outcomes are:

Current Status	Number	Areas Investigated	Number
Current cases ongoing	32	Employee cases	5
		Council Tax	2
		Council Tax Exemptions	2
		Council Tax Discounts	1
		Council Tax Premiums	3
		Business Rates	4
		Council Tax Reduction Scheme	15
		Housing Benefit	1
		Social Care	1
		Housing Tenancy	1
No Further Action (for example circumstances were already corrected or not as reported)	31	Council Tax Reduction Scheme	13
		Housing Benefit	3
		DWP Benefits	
		Council Tax Premiums	3
		Tenancy	
		Council Tax	2
		Council Tax Discounts	8
		Business Rates	1
		Social Care	1
Housing Tenancy	1		
Insufficient or no evidence	21	Council Tax Reduction Scheme	2
		Blue Badge	2
		Council Tax	1
		Council Tax Exemptions	1
		Council Tax Reduction Scheme	6
		Housing Benefit	1
		Council Tax Discounts	8
		Social Care	1
Housing Tenancy	2		
Cases Closed but with Recommendations	9	Council Tax	1
		Council Tax Discounts	2
		Discretionary Housing Payment	1
		Employee	4

		Council Tax Premium	1
Case Closed with an application closed, stop or withdrawn	1	Council Tax Reduction	1
Closed with no overpayment	1	Business Rates Covid Grants Council Tax Premium Council tax Reduction Scheme	1 1 1 1
Fraud Proven	28	Council Tax Reduction Scheme Council Tax Discount Council Tax Council Tax Premiums Housing Benefit Business Rates	5 9 4 12 2 2

3.4 In the relevant Q4 meeting we plan to seek the Committee's views on any particular areas of focus for the team's work next year that it feels may be relevant. This can then help inform our work plans for 2023/24.

4. Gains and Outcomes to the end of Q3 (accumulative 2022/23 figures) are:

Current Status	Number	Value
Prosecutions Administration Penalties Civil Penalties Other Sanctions: -	12	£600
Overpayments Gains: - This is the value of recoverable overpayments for Powys Council from the work of the team around fraud and error		£210,381
Income Gains: - This is the value of potential income saved or potential revenue gained by Powys Council over the course of 52 weeks from the work of the team around fraud and error		£989,134

5. System and Process Recommendations

5.1 No serious fraud risk management recommendations were made in Q3 following conclusion of the Fraud and Intel team's investigation and error work that the Committee need to be made aware of.

6. Response to the recommendations raised in audit work by Audit Wales and SWAP and the progress made against the actions identified

6.1 The table below sets out the current actions to address the shortfalls and the timetable to achieve them.

Action	Date	Completed	Notes	Issue
Net Consent sign off of all the policies for staff and Councillors			2180 staff/councillors have accepted. None refused. 650 left to sign.	1/3
All policies will now form part Powys HR policies			All policies now accessible as part of HR policy group for staff/councillors to access	1/3
Work with service areas will be undertaken to have staff who don't sign in via Net Consent to understand the policies and agree to them	Q2 22		Work has begun on identifying and matching the 650 users who have not agreed.	1/3
Promote amongst staff and Councillors, fraud awareness via structured communications campaign			Series of internal articles External media release about the amount of fraud detected or prevented Promotion of Fraud Awareness Week Follow up media releases at the end of each financial year to promote the amount of fraud detected or prevented Animation in English and Welsh, promoting the fraud service and how to report fraud Issuing of fraud alerts on social media when there is an issue of concern affecting Powys residents	1/3
Encourage take up of fraud e-learning module across staff and Councillors	Q3 22		Work is being done to improve module. Licence procured and contract signed. Work will be done early in Q4 to get it ready to relaunch asap in Q4.	6/8
Reintroduce reporting cycle with Governance and Audit Committee which stated purposes				2/12

Offer specific Fraud Training to service teams and Councillors as required	Q2 23		Date moved as appropriate to offer at end of process of roll out and after risk assessment process complete	6/8
Develop regular review meetings with key service teams and stakeholders including Internal Audit	Q4 22			1/2/5
Create a fraud risk section in the IBP for service teams to consider fraud risks and mitigations			this work started early and has a simple review question in the risk section but will be developed again next year	1/4/5/7/ 9/11
Present to SLT around fraud awareness and the anti-fraud Policies roll out				1
Develop an intranet to notify all of fraud risk alerts from central agencies				1
Internal Audit to undertake fraud risk assessment for Powys	Q4 21		The work has not been completed in 4 areas of the Council	4/5/7/ 9/11
From the Internal Audit fraud risk assessment, this may highlight further fraud risk assessment and mitigation work to be done at a service area level	Q2 22		Risk assessment analysed and work programme with service areas being devised	4/5/7/ 9/11
Align fraud resource to any issues identified in the Powys fraud risk assessment or the service area fraud risk assessment	Q2 22		Being considered as work plan devised	4/5/7/9
Following the fraud risk assessments, develop risk registers and consider if a fraud risk plan for services and strategy needed.	Q4 22 To Q1 23		Corporate fraud risk being developed with Head of Service As the risk assessment doesn't show specific issues not able to develop service risks without individual service discussion. So, work will start in Q4 and into Q1 23 to meet with service teams and	

			agree risks and work to mitigate. Timings for this work element moved to accommodate new approach	
Introduce new Investigations Panel to ensure: - Appropriate route of new investigations Support of cases during investigation Discharge of prosecution or sanction at the end of the investigation Build Intel for risk for S151				2
Build in key competency for Powys managers training for Financial Services around fraud awareness and ability to review systems and procedures and new service modules	Q2 23		Moved date as applicable to do this one all other aspects known and up and running	1/5/6/8
Where appropriate publish in the media, cases investigated that have been thorough a fraud prosecution process				1
Review the internal and external website to ensure its clear how to report fraud to the Council	Q4 22		Issue with not being able to add fraud icon to intranet to link to form on website.	1
Procure and use Fraud Hub software to create better opportunities for data matching and managing fraud risks	Q2 22 & Q3 22		Implemented and now running new and regular data sets for PCC. Will then roll out new areas not currently included when NFI add	5/7/9
Once other fraud risk assessment actions above are complete, incorporate fraud and corruption risks into corporate risk management and intelligence report for S151 Officer review	Q4 22			4/5/7/ 9/11

Review Portfolio Holder Member that should be responsible for counter-fraud.			The PFH for Finance is to be the member responsible for counter fraud	1
Review Whistleblowing Policy and ensure it has the correct contact details and is then made available to key stakeholders as appropriate	Q2 22			10
Update staff and Member codes of conduct to include direct anti-fraud references	Q2 22		Now with HR on employee side to update. Cllr one is owned by Public Ombudsman so need to contact them to discuss inclusion	10
Implement a process for vetting candidates in respect of fraud and financial fraud risk	Q3 22		Meeting to be held with ES to implement	10
Report to Members on declarations of interest and gifts and hospitality	Q4 22		DOI Policy has been approved but not live yet and HR working on implementation which includes reporting.	10
Ensure relevant strategies and policies are subject to required ongoing scrutiny and review	Q4 2022		All policies have review dates	1/3/4/7/ 9/11

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Head of Service:	Jane Thomas
Corporate Director:	

Appendix 1 - Wales Audit Office Report and Internal Audit Report Issues

Powys Issues to resolve	Audit Wales Report Issue
Senior management indicated that that the Council demonstrates a commitment to counter-fraud and has a zero-tolerance to fraud but there was little evidence to confirm that this message is actively promoted across the Council on an on-going basis	1
The approach to counter fraud work and activity was uncoordinated and there was a lack of clarity in terms of the roles and responsibilities of staff involved in Counter Fraud work (e.g., Internal Audit & Income & Awards)	2
At the time of undertaking the work, key policies to support effective counter fraud arrangements were either out of date or could not be located. A number of these have since been updated (e.g. Anti-Fraud Policy, Anti Money Laundering Policy and Fraud Prosecutions and Sanctions Policy)	3
The Council did not have an appropriate fraud response plan in place	4
The Integrated Business Plans completed by services / directorates did not consistently consider any risk assessment on the potential for fraud to impact on the delivery of the service or cost of providing the service	5
The extent of any counter-fraud training undertaken across the Council has been very limited	6
	Internal Audit Report Issue
There is no agreed Anti-Fraud Strategy or Fraud Response Plan.	7
There has been no recent training delivered in relation to anti-fraud and corruption. Fraud training is not mandatory and there is little evidence that anti-fraud awareness is promoted across the Council.	8
The Council has not yet completed a formal assessment in relation to fraud and corruption risks.	9
The Whistleblowing Policy contact details are out of date. The Officer and Member Code of Conduct documents do not specifically include reference to fraud.	10
Fraud risk is not specifically reviewed by Senior Management and Members.	11
The programme of counter-fraud work was not provided and there is no evidence that this is agreed, and progress is monitored by Audit Committee.	12

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

CYNGOR SIR POWYS COUNTY COUNCIL**GOVERNANCE AND AUDIT COMMITTEE****24th November 2022****REPORT AUTHOR: Jane Thomas, Head of Financial Services****SUBJECT: Pension Fund Accounts 2021/22**

REPORT FOR: Decision

- 1.1 The approval of the Powys Pension Fund accounts is delegated to the Governance & Audit Committee.
- 1.2 The draft Pension Fund accounts for 2021/22 were signed off by the Head of Finance (Section 151 Officer) on 30 June 2022 and circulated to Committee members on 20 July 2022.
- 1.3 The Auditor General intends to issue an unqualified report in respect of the 2021/22 Pension Fund Accounts, following receipt of the certified Letter of Representation and the approved Pension Fund Accounts.
- 1.4 The Governance & Audit Committee is asked to consider the enclosed Letter of Representation and Powys Pension Fund Accounts and authorise the Chair of the Governance and Audit Committee and the Head of Finance (Section 151 Officer) to sign the documents.
- 1.5 The ISA260 report provided by the Auditor General notes that there are no identified misstatements in the accounts which remain uncorrected. The corrected misstatements are listed in Appendix 3 of the report.
- 1.6 As part of its role in scrutinising the Pension Fund Accounts, Governance and Audit Committee will have participated in two Governance and Audit Committee seminars. One on 25 July 2022, where they received a presentation on the draft accounts and another held on 21 November 2022 which presented the main changes made since the draft and reviewed the items and issues raised during the audit period. Members of the Committee will have used this opportunity to review and question the amendments, enabling them to fully understand the reasons for the changes and any impact they have on the accounts.
- 1.7 The Pension Fund Accounts and Annual Governance Statement are presented as separate documents and approval will be sought for each.
- 1.8 The approved accounts form part of the Pension Fund Annual Report which will be considered by the Pensions and Investment Committee on the afternoon 24 November, with the intention to publish the Annual Report prior to the Local Government Pension Scheme Regulations 2013 deadline of 1 December.

Recommendation:	Reason for Recommendation:
<p>That Governance & Audit Committee considers and approves the 2021-22 Pension Fund Accounts and Letter of Representation. Which can be formally signed by Chair of the Committee and the Section 151 Officer.</p> <p>That Governance and Audit Committee considers and approves the 2021-22 Annual Governance Statement. Which can be formally signed by The Leader of the Council and the Chief Executive.</p>	<p>To ensure compliance with the Statutory Requirements.</p>

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Pension Fund Annual Report & Accounts 2021/22



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Chairman's Statement

I am pleased once again to be able to present to you the Annual Report of the Powys Pension Fund. This report covers the 12 months ending on the 31st of March 2022.

This has been a challenging year once again in respect of investments, rising energy bills, inflation and of course the terrible events that are currently taking place in the Ukraine.

Starting with that final point, our thoughts are with the Ukrainian people in this difficult time. The Local Government Pension Scheme pension funds in Wales took rapid action related to investments held within Russia, in response to the invasion of the Ukraine. The exposure that the Powys Fund had to investments within Russia before the invasion, was small at 0.11% of the total value of the fund. The decision was taken, with colleagues throughout Wales, to disinvest from these investments as soon as is practically possible and a [press release](#) was made to indicate such.

Once again, a significant focus for the fund this year has been on Responsible Investment and Climate Change. Work has commenced on preparation for the Taskforce for Climate Related Financial Disclosures (TCFD) and some assets were transferred into a Paris Aligned sub-fund within the Wales Pension Partnership (WPP) during the year. I am pleased that the WPP has now become a [signatory](#) to the UK Stewardship Code, which demonstrates our commitment to this journey into a lower carbon economy.

The Fund continues to take its Environmental, Social and Governance (ESG) responsibilities seriously and will continue to monitor progress and developments in this area closely.

The fund has again taken the decision to continue with the equity protection that it put in place ahead of the valuation at 31st March 2019, ahead of the latest Valuation at 31st March 2022. This strategy will help the fund manage fluctuations in the stock market, whilst still maintaining a desired rate of return for the fund.

The Powys Pension Fund has continued to work alongside the other Welsh LGPS Funds as part of the Wales Pension Partnership (WPP) and has currently pooled all of its Global Equity Assets and Fixed Income investments into sub-funds within the WPP. This accounts for approximately 70.9% of assets within the Fund now being invested in pooled investment vehicles and we look forward to working with the WPP on the next set of asset classes that will become available.

As we look forward, there will be strong focus on the triennial valuation work and the administration team will be busy working on cleansing data for that. There are also other projects on the horizon like the McCloud remedy, that will place a significant requirement on the administration team, but we will look to take advantage of technology to help where we can.

I trust that you will find this year's report interesting and informative. Should you have any comments on this report or any aspect of the Pension Fund or the Local Government Pension Scheme, see Appendix 4 for details of how to contact us.

Cllr Peter Lewis
Chair of the Pensions and Investment Committee

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Scheme Management and Advisors

The Pensions & Investment Committee is the principal decision-making body for the Pension Fund responsible for management, investment and administration issues. The Committee is governed by its constitution which sets out the Committee's authority, its membership and its overall mode of operation.

Members of the Committee are drawn from Powys County Council as the administering authority with the addition of two further (non-voting) members representing Fund Employers and Scheme Members. The Committee receives advice and guidance from both Officers of Powys County Council and external professional advisers. From 5 May 2018 the membership of the Committee was as follows:

County Councillor P Lewis (Chair)
County Councillor E A Jones (Vice Chair)
County Councillor T Van-Rees
County Councillor J Morris
County Councillor H Williams
County Councillor A Davies
Mr A M C Weale (Fund Employers)
Vacant (Scheme Members)

Officers:

Mrs J Thomas (s.151 Officer and Head of Finance)
Mr C Hurst (Pension Fund Manager)
Mr D Paley (Financial Reporting and Policy Accountant)

External Parties:

Actuary	AoN Solutions
Asset pool	Wales Pension Partnership (Link Fund Solutions)
Auditor	Audit Wales
AVC providers	Prudential, Standard Life & Utmost Life and Pensions
Bank	HSBC
Investment advisor	AoN Solutions
Legal advisor	Burges Salmon
Scheme administrator	Powys County Council
Internal Audit	SWAP Internal Audit Services

Risk Management

The Fund uses a risk register to identify, manage and monitor risks to the Fund. The risk register can be found under the heading Governance and Policies, with the following link.

<https://www.powyspensionfund.org/forms-and-publications/>

The Investment Strategy Statement highlights the Funds approach to risk, the assessment of risks and how they are managed. The Funding Strategy Statement which can be viewed [here](#) includes the key risks and controls in place to mitigate them.

At year end investment managers are requested to provide SSAE16/70 or equivalent type reports for review. Our Investment Advisors provide quarterly reports in line with Committee meetings to update on investment activity and performance over the period.

Financial Performance

The main movements between years can be attributed to increases in the market value of the investments. The movements in non-investments assets and liabilities can be found in Note 13: Current Assets and Liabilities of the accounts. The Fund's return for the year to 31 March 2022 was 8.7%

At the last valuation it was determined that the aggregate Employer total contribution rate required to restore the funding ratio to 100% using a recovery period of 16 years from 1 April 2020 is 25.3% of pensionable pay. In 2021-22, 87.2% of contributions & 84.0% of contributions data were received in timely manner.

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Fund Administration Report

Scheme Details

Powys County Council is the Administering Authority for the Powys Pension Fund. The Pension Fund provides pension entitlements under the Local Government Pension Scheme (“LGPS”) to all eligible employees of Powys County Council and other participating bodies. Membership of the LGPS is not mandatory and excludes teachers, police officers and fire fighters, for whom specific separate pension schemes are available. The LGPS is a statutory public service defined benefit pension scheme based on final salary for benefits accrued up to 31 March 2014 and career average revalued earnings (“CARE”) for benefits accrued from 1 April 2014. Contributions payable by employees and the benefits due to them are prescribed by the Local Government Pension Scheme Regulations.

Additional Voluntary Contribution (AVC) Scheme

Since 6 April 1988, it has been a legal requirement for all pension schemes to provide members with access to an in-house AVC Scheme. The Powys Pension Fund’s appointed providers are the Standard Life Assurance Company, Prudential plc and the Equitable Life Assurance Society, who transferred their business over to Utmost Life and Pensions. Members are able to pay contributions into a variety of AVC arrangements offered by the providers, to secure additional pension benefits. The AVC investments are excluded from the Pension Fund Accounts.

Annual Governance Statement

The Annual Governance Statement for Powys County Council can be viewed [here](#)

Changes to Scheme Rules

During 2021/22 there have been two statutory instruments (SI) issued that have changed the rules governing the LGPS. These are SI2021-272 and SI2021-112. More information on those Statutory Instruments can be found [here](#).

The Pensions Regulator

In April 2015 the Pensions Regulator published the Code of Practice no. 14: Governance and Administration of Public Service Pension Schemes. The Code applies to all schemes established under the Public Service Pensions Act 2013 and is directed at scheme managers and members of pension boards of public service schemes. The Code currently contains four parts, although the Regulator launched a consultation in May 2021 on a consolidated code, which the Powys Pension Fund responded to. In its current form the code is broken down as follows:

- Governing your scheme
- Managing risks
- Administration
- Resolving issues

Pension Fund officers and the Powys Pension Board will continue to oversee and monitor the performance of the Powys Pension Fund against the Code.

The Fund is required to complete an annual return to The Pensions Regulator and include scores on the quality of the Common and Scheme Specific Data, measured

against the regulator's specified criteria. In the latest return, the scores for the quality of Common Data was 97.7% and the Scheme Specific Data was 91.9%.

The fund maintains a data improvement plan which can be viewed [here](#) and cleanses data annually.

Altair

Since January 2011 the Pensions Team's main administration system has been Altair, provided by Heywood. This system is used for holding membership data, the calculation of pension benefits, the generation of scheme documents and the data extracts required at each actuarial valuation. Workflow is now monitored through Altair and makes use of the Insights reporting software, also provided by Heywood.

A member self-service portal is also provided for scheme members use, enabling 24/7 access for scheme members to their Powys Pension Fund pension benefits.

The address for this facility is www.mypowypension.co.uk.

More detail on the online facility is included in the "My Powys Pension Engagement" section of this report.

Performance Standards

The Pensions Team has a number of service standards that it seeks to meet in order to ensure that it is providing an efficient and timely service to members of the LGPS. The standards are:

New Active Members

Membership Certificate: We aim to issue a Membership Certificate to a new member within one month of receiving a completed notification from the member's employer.

Transfers In: We aim to acknowledge the member's request for transfer details and calculate the estimated benefits that a transfer value will buy and issue a quotation within 20 days of receiving details from the previous scheme and any additional essential information required from Her Majesty's Revenue & Customs. We aim to request payment of the transfer value within 10 days of receiving confirmation from the member that the transfer is to proceed. We aim to confirm the actual benefits purchased by the transfer value within 10 days of receiving payment from the previous scheme.

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Existing Active Members

Annual Benefit Statements: Provided pay details are received from employers promptly after the year end and provided we hold all of the relevant information, we will make available by 31st August each year, an Annual Benefit Statement to each member showing the estimated current value of accrued benefits, the value of prospective benefits at normal retirement age, the estimated current value of death-in-service benefits and, for tax purposes the amount of Annual Allowance used by the change in benefit value since the previous year.

Paying Extra Contributions: We aim to provide information within 10 days of receiving a request from a member wishing to pay extra contributions.

Retirements: We aim to send details of the benefits payable and pay the member's tax-free cash lump sum within 20 days of receiving all the information required from the member's employer and/or the member.

Deaths: We aim to send details of the benefits payable within 20 days of receiving all the information required from the late member's employer and we will pay the lump sum death grant within 20 days of receiving Grant of Probate (or other appropriate documentation) or authorisation from two delegated officers.

Early Leavers: We aim to send details of the benefit options available within 2 months of receiving all the information required from the employer.

Refunds: We aim to pay a refund by the end of the month following receipt of the member's formal request for payment.

Transfers Out: We aim to issue a quotation, guaranteed for 3 months, within 20 days of receiving the member's request and confirmation of the member's contracted-out rights from Her Majesty's Revenue & Customs (where appropriate). We aim to pay a transfer value within 10 days of receiving confirmation from the member that the transfer is to be made and all the information we require to make payment.

Deferred Members

Annual Benefit Statements: We aim to make available to each deferred member a Benefit Statement by 31 August annually, showing the current value of the member's preserved benefits.

Deferred Benefits into Payment: Provided we hold an address which has been confirmed we will write to the member setting out the benefit options available to them, at least 30 days prior to the date benefits become payable.

Communications

An effective communications strategy is vital for any organisation that strives to provide a high quality and consistent service to its customers. The complexity of pensions in general and the LGPS in particular, places communications at the heart of a high quality service provision. Communication material is produced locally and on an all Wales basis in collaboration with the 7 other Welsh LGPS Pension Funds.

Powys Pension Fund communicates with all stakeholders, as defined in specific legislation. Communications are increasingly distributed via electronic means, with all documents available on the dedicated Pension Fund website: www.powyspensionfund.org, whilst Pension Team staff can be contacted via a dedicated email address: pensions@powys.gov.uk. A named Pension Technician is allocated to each member of the Scheme.

The Communications Policy was reviewed in 2020 and is available on the Fund's website [here](#).

Appropriately qualified members of staff from the Pension Team or external advisers will deliver presentations to groups of stakeholders and conduct individual meetings as required. The Pension Fund's objective in respect of communication is to comply with relevant legislation and ensure that individual members and employers receive accurate and timely information about their pension arrangements.

Value for money statement

The Fund constantly considers value for money and seeks efficiencies where possible through automation, workflow developments and utilising new technologies when available. Where required, the Fund will use the national LGPS Framework for procurement, which complies with the relevant procurement legislation and will save time and money by allowing a quicker, more efficient procurement process.

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Scheme Statistics and Performance

Details of new pensioners

Total Retirements in 2021-22	
Ill Health	4
Early Retirements	198
Normal Retirements	42

Financial Indicators

The total number of scheme members at 31 March 2022 was 17,910.

	2021-22 Total Expenses £'000	2021-22 Cost per member £
Administration expenses	1,261	70
Investment management expenses	3,348	187
Oversight and governance costs	125	7
Total Management Expenses	4,734	264

The following data has been collected from SF3 data

Process	2017/18	2018/19	2019/20	2020/21	2021/22
Investment Management Expenses					
Total Cost (£'000)	2,330	2,432	2,778	3,575	3,348
Total Membership (number)	16,431	16,601	16,655	16,911	17,910
Sub Cost per Membership (£)	141.81	146.50	166.80	211.40	186.93
Administration Costs					
Total Cost (£'000)	1,002	1,019	1,073	1,118	1,261
Total Membership (number)	16,431	16,601	16,655	16,911	17,910
Sub Cost per Membership (£)	60.98	61.38	64.43	66.11	70.41
Oversight and Governance Costs					
Total Cost (£'000)	92	151	126	126	125
Total Membership (number)	16,431	16,601	16,655	16,911	17,910
Sub Cost per Membership (£)	5.60	9.10	7.57	7.45	6.98
Total Cost per Member	208.39	216.98	238.80	284.96	264.32

The Fund participates in the National Fraud Initiative, a data matching exercise to detect and prevent fraud and overpayments. The initiative, which is organised by the Audit Commission, requires the provision of details of pensioners to compare against data provided by other public bodies to ensure:

- Pensions are not paid to persons who are deceased or no longer entitled to them
- Occupational pension income is declared when any benefits are applied for.

Participation in the latest exercise revealed no cases of overpayments as a result of fraud.

Staffing

There are 13.8 (FTE) members of staff in the Pension Administration section. Of their work 10.7 FTE equivalents would be performing purely pension administration tasks. This calculates to a ratio of 1,674 members per member of staff performing purely pension administration tasks.

Employers in the Fund

Employer Data	Active	Ceased	Total
Scheduled Bodies	11	6	17
Admitted Bodies	14	7	21
Total	25	13	38

Further details of Fund Employers can be found in Appendix 4.

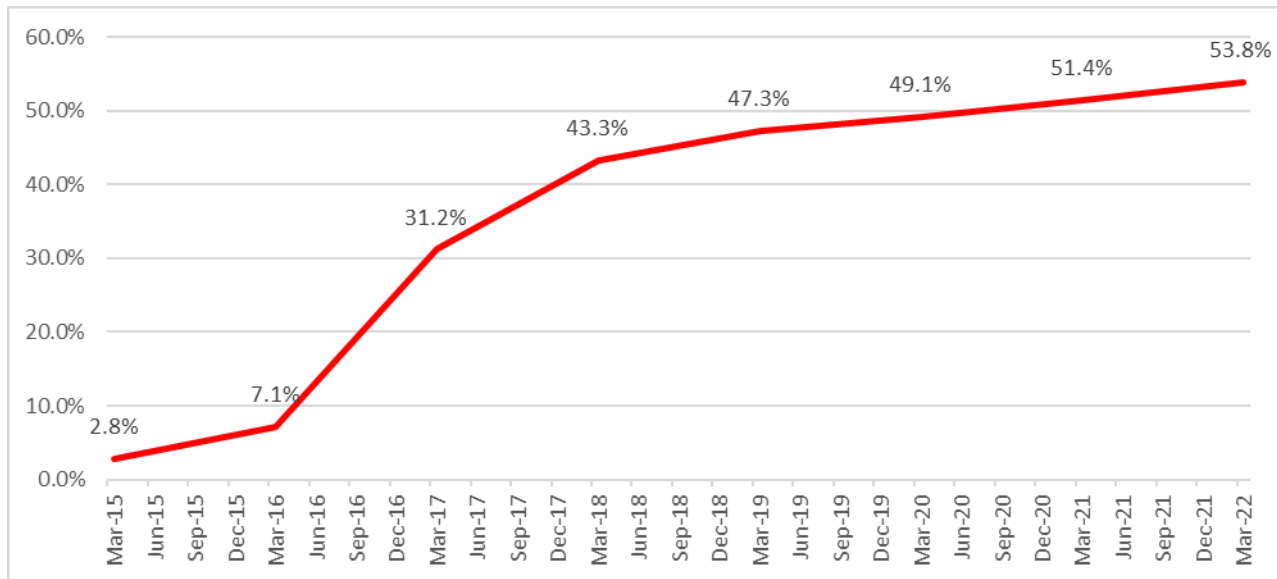
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Contributions received by employers and employees

2021/22	No of Contributors as at 31 Mar	Employers Normal	Employers Additional	Members Normal	Total
		£	£	£	£
Scheduled Bodies					
Brecon Beacons Nat. Pk.	117	538,455	-	164,167	702,622
Brecon Town Council	6	28,253	2,800	7,290	38,343
Llandrindod Wells Town Council	1	8,036	-	2,363	10,399
Llanidloes Burial Joint Cttee	1	3,441	1,300	838	5,579
Llanidloes Town Council	1	7,153	210	1,962	9,325
Machynlleth Town Council	6	21,411	-	5,377	26,788
Newtown Town Council	11	61,381	-	17,769	79,150
Powys County Council	5,248	18,258,015	3,412,259	5,330,685	27,000,959
Welshpool Town Council	1	4,449	11,500	1,033	16,982
Ystradfellte Community Council	1	555	150	129	834
Ystradgynlais Town Council	2	12,439	3,018	3,268	18,725
Total	5,395	18,943,588	3,431,237	5,534,881	27,909,706
Admitted Bodies					
Adapt Business Services	7	14,109	-	3,393	17,502
Adapt Fire Stations	5	4,472	-	1,022	5,494
Careers Wales	19	119,335	-	29,924	149,259
Freedom Leisure (Ex Pcc)	138	201,461	-	80,719	282,180
Freedom Leisure (Post PCC)	47	16,540	-	6,282	22,822
Heart Of Wales Property Services	49	320,074	-	102,051	422,125
Menter Maldwyn	3	21,470	-	5,562	27,032
Mirus-Wales Ltd	4	21,371	-	5,752	27,123
P.A.V.O. (Former P.R.C.)	3	18,595	-	4,557	23,152
Powys Dance	-	3,872	-	1,246	5,118
Shaw Health Care (Group)	18	106,124	-	23,964	130,088
Shaw Healthcare Brynhyfrydd	1	5,708	-	1,028	6,736
Solo Service Group	-	6,318	-	1,626	7,944
Theatr Brcheiniog	1	4,187	-	1,733	5,920
Ystradgynlais Miners Welfare & Com Hall Trust Ltd	1	9,302	-	2,399	11,701
Total	296	872,938	-	271,258	1,144,196
Total	5,691	19,816,526	3,431,237	5,806,139	29,053,902

My Powys Pension Engagement

My Powys Pension was launched at the end of February 2015 as the new way for scheme members to monitor and engage with their pension. Below is a chart which shows the percentage of scheme members (excluding councillors) who have registered to this service since it was launched.



Website traffic

The hosts of our websites are able to track how many visits they receive, including new visitors and how many webpages have been viewed. Below is a summary of their data over each financial year.

Financial Year	Visits	New Visits	Page Views	Avg. Pages per Visit
2018/19	3,359	2,527	5,886	1.75
2019/20	3,186	2,464	5,650	1.77
2020/21	2,639	2,154	4,793	1.81
2021/22	2,648	2,026	4,674	1.77

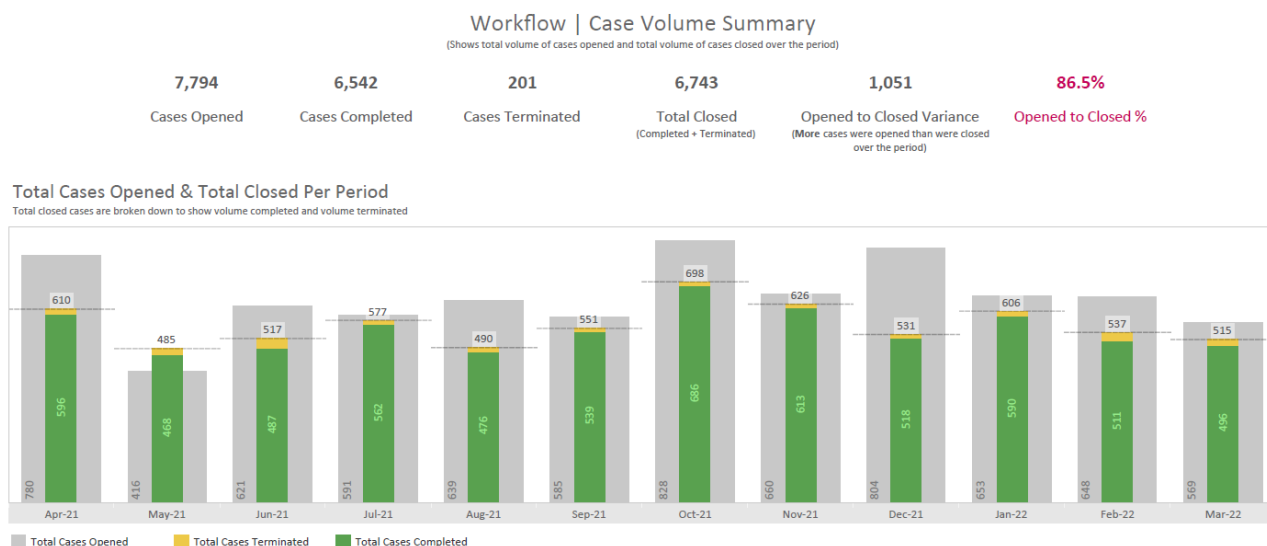
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Workflow Performance

As covered in Performance Standards on page 5, the below table shows the workload placed on the Pensions Team and how many of the various requests have been fulfilled. The 'Performance' percentage is calculated by dividing the number of tasks completed in the given year by those raised in the same year. As such if some of the completed tasks were originally raised in the previous year, this may exceed 100%.

	2019/20	2020/21	2021/22
Brought Forward	1,882	2,277	2,756
Started	8,766	7,091	7,794
Completed	8,371	6,612	6,542
Carried Forward	2,277	2,756	3,305
Performance	96.11%	93.20%	86.50%

2021/22 Performance visualised:



The overall performance over the 2021/22 year is at 86.50%. Whilst this is below the benchmark of 100%, once again, this primarily due to the increase in the number of leavers with deferred benefits and the aggregations arising as a result.

The following tables are also calculated using a system that is still in development, so there may be a slight discrepancy in some of the values whilst development continues. However, best efforts have been made to provide meaningful results.

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Process	No. cases outstanding at start of period	No. Cases commenced in year	No. cases completed in year	No. cases outstanding at year end	% completed in year
Deaths	23	226	232	17	102.65
Retirements	56	332	317	71	95.50
Deferment	981	696	215	1,462	30.90
Transfers In	4	64	36	32	56.30
Transfers Out	0	180	149	21	88.30
Divorce Quote	8	18	16	10	88.90
Divorce Actual	1	2	2	1	100.00
Pension Estimates	58	691	678	58	98.10
Starters	2	1,109	1,107	4	99.80
Aggregations	371	812	659	524	81.20

Process		Legal Requirement (from Notification)	% achieved
Death	Letter Acknowledging death of member	2 months	95.7
Death	Letter notifying amount of dependant's benefits	2 months	93.9
Deferment	Calculate & Notify Deferred Benefits	2 months	76.3
Transfer Out	Letter detailing Transfer Out Quote	2 months	83.8
Refund	Process and Pay a Refund	2 months	98.9
Divorce Quote	Letter detailing cash equivalent value and other benefits	3 months	100
Divorce Actual	Letter detailing implementation of cash equivalent value and application of pension sharing order	3 months	100
Joiners	Send notification of joining the LGPS to scheme member	2 months	99.3

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Investment Policy and Performance Report

Asset Class and Manager Performance

Asset Class/ Manager	1 Year			3 Year			5 Year		
	% PF	% BM	% ER	% PF	% BM	% ER	% PF	% BM	% ER
Equity	7.7	12.0	(4.3)	13.2	14.6	(1.4)	10.1	11.8	(1.7)
LF WPP Global Growth Fund	2.6	12.4	(9.8)	12.4	13.4	(1.0)	-	-	-
BlackRock	11.0	11.0	-	13.9	13.9	-	11.0	11.1	(0.1)
Bonds	0.7	2.0	(1.3)	3.7	3.5	0.2	2.9	3.1	(0.2)
Link WPP Global credit	(4.3)	(5.1)	0.8	-	-	-	-	-	-
Link WPP ARBF	0.4	2.1	(1.7)	-	-	-	-	-	-
Link WPP Multi Asset Credit	(2.6)	4.1	(6.7)	-	-	-	-	-	-
Insight Index Linked Gilt	11.5	4.8	6.7	9.2	3.3	5.9	-	-	-
BlackRock Index Linked Gilt	4.9	4.8	0.1	3.3	3.3	0.0	3.3	3.2	0.1
Blackrock Gilts	(5.0)	(5.1)	0.1	(0.4)	(0.5)	0.1	0.0	0.5	(0.5)
Property Fund	22.5	20.9	1.6	8.4	7.4	1.0	8.1	7.4	0.7
Aviva	38.8	20.9	17.9	12.6	7.4	5.2	10.7	7.4	3.3
Hermes UK Property Fund	24.1	21.7	2.4	7.6	7.6	0.0	8.3	7.8	0.5
Schroders UK Property Fund	18.7	20.9	(2.2)	7.2	7.4	(0.2)	7.6	7.4	0.2
CBRE European Property Fund	(71.0)	9.0	(80.0)	(51.1)	4.3	(55.4)	(36.8)	3.7	(40.5)
Private Equity	87.2	12.7	74.5	39.3	14.3	25.0	26.1	11.4	14.7
Standard Life	(24.8)	15.9	(40.7)	(5.1)	15.1	(20.2)	2.1	11.8	(9.7)
HarbourVest	87.7	15.9	71.8	39.6	15.1	24.5	26.2	11.8	14.4
Hedge Funds	2.7	0.2	2.5	(1.5)	0.4	(1.9)	0.6	0.5	0.1
Adept	-	-	-	-	-	-	-	-	-

PF = Powys pension Fund

BM = Benchmark

ER = Excess Return

Adept were appointed as a Hedge Fund of Funds manager for the Fund in October 2021, replacing the previous hedge fund managers, no performance is yet attributable to them for the timeframes given.

Wales Pension Partnership (WPP)

The WPP was established in 2017 with the objective to deliver:

- economies of scale
- strong governance and decision making
- reduced costs and excellent value for money, and
- an improved capacity and capability to invest in infrastructure

The WPP is one of the eight Local Government Pension pools nationally and is a collaboration of the eight LGPS funds in Wales including Cardiff and the Vale of Glamorgan, Clwyd, Dyfed, Greater Gwent (Torfaen), Gwynedd, Powys, Rhondda Cynon Taff and Swansea. The eight funds have a long, successful history of collaboration including a collaborative tender for a single passive equity provider for the Welsh funds pre-dating the Government's pooling initiative.

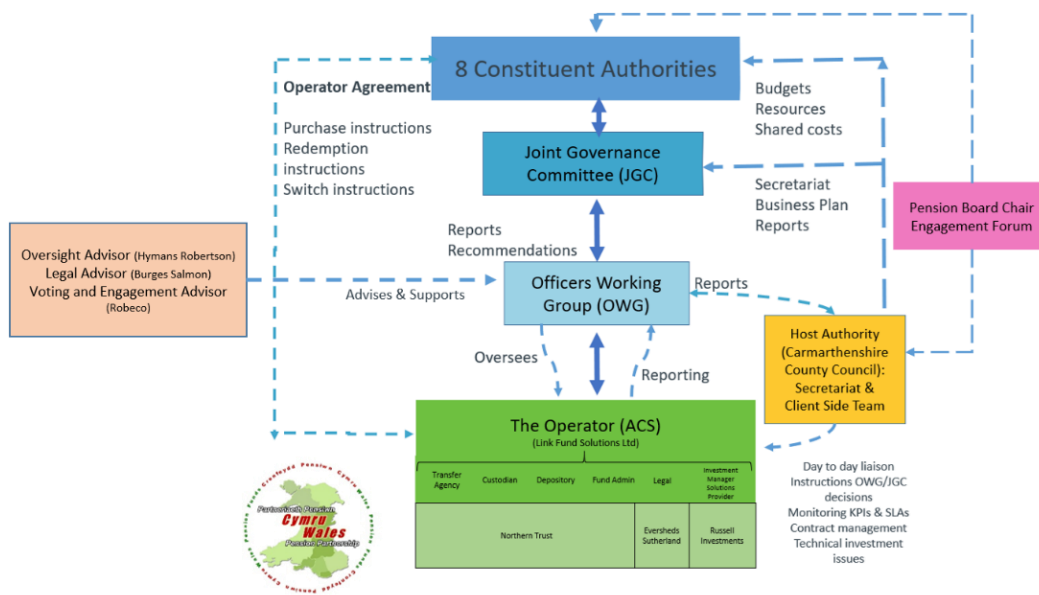
Collective investment management offers the potential for investment fee savings, opportunities to broaden investment portfolios, enhanced voting and engagement activity as well as access to shared knowledge and best practice. Whilst the WPP is responsible for providing collaborative investment solutions, each constituent authority remains responsible for setting their own investment strategy.

WPP's operating model is designed to be flexible and deliver value for money. WPP appointed an external fund Operator and makes use of external advisers to bring best of breed expertise to support the running of the Pool. The Operator is Link Fund Solutions and they have partnered with Russell Investments to deliver effective investment management solutions and provide strong net of fee performance for all the Constituent Authorities.

Governance

The WPP details how it deals with all aspects of Governance through its Inter Authority Agreement (IAA) which was approved by all eight Constituent Authorities in March 2017. The IAA defines the standards, roles and responsibilities of the Constituent Authorities, its Members, Committees and Officers and includes a Scheme of Delegation outlining the decision-making process. In line with its belief that good governance should lead to superior outcomes for stakeholders, the WPP has put in place a robust governance structure:

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The eight Constituent Authorities of the WPP are:

- Carmarthenshire County Council (Host)
- City and County of Swansea Council
- City of Cardiff Council
- Flintshire County Council
- Gwynedd Council
- Powys County Council
- Rhondda Cynon Taff County Borough Council
- Torfaen County Borough Council

The Constituent Authorities sit at the top of the WPP’s governance structure. They retain control of all activity carried out by the WPP and remain responsible for approving the WPP’s Business Plan, which outlines the WPP’s budget and workplan, as well as its Beliefs and Objectives.

The Joint Governance Committee (JGC) oversees and reports on the WPP and is comprised of one elected member from each of the eight Constituent Authorities.

The OWG provides support and advice to the Joint Governance Committee and is comprised of practitioners and Section 151 officers from all eight Constituent Authorities.

Carmarthenshire County Council is the Host Authority for the WPP and is responsible for providing administrative and secretarial support to the JGC and the OWG, and liaising day to day with the Operator on behalf of all of the Welsh LGPS funds.

Link Fund Solutions (Operator) carries out a broad range of services for the WPP, which includes facilitating investment vehicles & sub-funds, performance reporting, transition implementation and manager monitoring and fee negotiations. There is an Operator Agreement in place which sets out the contractual duties of the Operator and governs the relationship between the Operator and the WPP. The JGC and OWG, with the support of Hymans Robertson, oversee the work that Link Fund Solutions carries out on behalf of the WPP. Link engages with the Constituent Authorities by:

- Direct engagement – attendance at annual committee meetings

- Indirect engagement – with CAs collectively, through the JGC and OWG

In collaboration with Link Fund Solutions, Russell Investments provide investment management solution services to the WPP and they work in consultation with WPP’s eight Constituent Authorities to establish investment vehicles.

Northern Trust is the Depository for the WPP ACS vehicle and provides numerous services including securities lending, fund administration, compliance monitoring and reporting.

Hymans Robertson are WPP’s Oversight Advisor and their role spans oversight and advice on governance arrangements, operator services, strategic investment aspects and project management support.

Burges Salmon are WPP’s legal advisors and they provide legal advice in relation to FCA regulated funds, tax and governance arrangements, including assisting with complex procurement processes.

Robeco UK has been appointed as WPP’s Voting and Engagement provider and are responsible for implementing the Voting Policy across WPP’s portfolio and undertaking engagement activity on behalf of the WPP.

The WPP’s beliefs are the foundation for WPP’s governance framework and have been used to guide all of the WPP’s activities and decision making, including its objectives and policies. The WPP, in consultation with the Constituent Authorities, has developed a set of governing policies. In all instances the WPP’s policies and procedures have been developed to either complement or supplement the existing procedures and policies of the Constituent Authorities. The WPP’s key policies, registers and plans are listed below and can be found on the WPP website.



Responsible Investment has been a key priority for the WPP since it was established in 2017. Various activities have been undertaken to work towards WPP’s ambition of becoming a leader in Responsible Investment. Initially the focus was on formulating a Responsible Investment Policy and since then the WPP has formulated its own Climate Risk Policy and has worked with its Voting and Engagement Provider, Robeco, to agree a Voting Policy. A WPP RI Sub-Group has been established to take ownership of RI related workstreams and actions that are required to achieve the commitments made in the WPP’s RI and Climate Risk Policies.

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The WPP's Business Plan, Governance Manual and all other policies detailed in the chart above can be found on the WPP website:

<https://www.walespensionpartnership.org/>

Risk

Risk management is a critical element of WPP's commitment to good governance, the WPP has developed a structured, extensive and robust risk strategy which seeks to identify and measure key risks and ensure that suitable controls and governance procedures are in place to manage these risks. The WPP's Risk Policy has been developed in such a way that risks can be anticipated and dealt with in a swift, effective manner to minimise potential loss or harm to the WPP and its stakeholders.

WPP maintains a Risk Register which is reviewed regularly by a dedicated Risk Sub-Group which reports back to the OWG and JGC on a quarterly basis.

Training

The WPP has its own training policy and develops an annual training plan which is designed to supplement existing Constituent Authority training plans. Local level training needs will continue to be addressed by Constituent Authorities while the WPP training plan will offer training that is relevant to the WPP's pooling activities.

Pooling progress to date

The WPP aims to deliver investment solutions that allow the Constituent Authorities to implement their own investment strategies with material cost savings while continuing to deliver investment performance to their stakeholders. The WPP have made significant progress towards delivering on this objective. The launching of WPPs first three active equity sub-funds in 2019/20, five fixed income sub-funds in 2020/21 and the Emerging Markets equity sub-fund in 2021/22, alongside the Constituent Authorities existing passive investments, has meant that that the WPP has now pooled 72% of assets.

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As at 31 March 2022, WPP has total assets worth £23.1bn, £16.6bn of which sits within the pool, see breakdown below:

Asset Class	Managed by	Launch Date	31 March 2022 £000	%
Global Growth Equity Fund	Link Fund Solutions	February 2019	3,303,494	14.3
Global Opportunities Equity Fund	Russell Investments	February 2019	3,387,940	14.7
UK Opportunities Equity Fund	Russell Investments	September 2019	730,278	3.2
Emerging Markets Equity Fund	Russell Investments	October 2021	464,615	2
Global Credit Fund	Russell Investments	July 2020	757,659	3.3
Global Government Bond Fund	Russell Investments	July 2020	507,273	2.2
UK Credit Fund	Link Fund Solutions	July 2020	574,224	2.5
Multi-Asset Credit Fund	Russell Investments	July 2020	723,184	3.1
Absolute Return Bond Fund	Russell Investments	September 2020	509,605	2.2
Passive Investments	BlackRock	March 2016	5,599,927	24.2
Investments not yet pooled			6,534,711	28.3
Total Investments across all 8 Pension Funds			23,092,910	100

Investment assets split between Powys Pension Fund and WPP

	31 March 2022 £000	%
Global / UK Opportunities / Emerging Markets Equities	133,337	16.8
Global Credit / Global Government / UK Credit...	184,040	23.1
Passive Equities	207,492	26.1
Passive Bonds	39,001	4.9
Investments not yet pooled	231,350	29.1

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Total Investment Assets	795,220	100
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The above table summarises Powys Pension Fund's investment in the WPP, together with the assets that remain under the direct oversight of the Fund as at 31 March 2022.

Pooling costs

Carmarthenshire County Council, as the Host Authority for the Wales Pension Partnership is responsible for providing administrative and secretarial support and liaising day to day with the Operator on behalf of all of the LGPS funds in Wales. The WPP budget is included in the WPP Business Plan and approved annually by all eight Constituent Authorities.

The Host Authority and External Advisor costs, the running costs are funded equally (unless specific projects have been agreed for individual Funds) by all eight of the Constituent Authorities and recharged on an annual basis. The amount recharged to Powys Pension Fund for the financial year ending 31 March 2022 was £134.7k, see table below.

In addition to the running costs, there are also transition costs associated with the transition of assets into the pool, these costs can be categorised in terms of direct and indirect costs. Direct costs include the costs of appointing a transition manager to undertake the transition, together with any additional oversight of this process undertaken from a research and reflection perspective. Indirect costs include both explicit and implicit costs, such as commissions, spread and impact and opportunity costs known as Implementation Shortfall. Transition costs are directly attributable to the assets undergoing the transition and are therefore deducted from their net asset value as opposed to a direct charge to the Fund.

Details of the costs incurred by the Powys Pension Fund in respect of the WPP are detailed below.

2020/21 £000	WPP pooling costs	2021/22 £000
19.2	Host Authority Costs *	23.4
80.7	External Advisor Costs *	111.3
99.9	Total	134.7

* Host Authority and External Advisor costs are recharged directly to the fund

Asset Allocation and Performance

Asset Category	Opening Value		Closing Value		Performance (1 year)	Local / Target
	£000s	%	£000s	%	%	%
Pooled Assets						
Equities Passive	195,302	25.6	207,492	26.1	11.4	11.3
Equities Active	154,812	20.2	133,337	16.8	2.6	12.4
Fixed Income Active	180,053	23.5	184,040	23.1	(1.4)	1.7
Fixed Income Passive	42,304	5.5	39,001	4.9	(0.7)	(0.8)
Total	572,471	74.8	563,870	70.9		
Assets not yet pooled						
	193,215	25.2	231,350	29.1	30.9	13.5
Total	765,686	100	795,220	100		

Objectives 2022/23

Following the launch of a number of sub-funds to date, progress will continue to be made with significant rationalisation of the existing range of mandates. The operator / allocators will be developing and launching a further series of sub-funds which will collectively reflect the strategic asset allocation needs of the eight constituent funds and facilitate a significant move of the assets to be pooled.

In establishing the WPP pool, the prime focus has been on pooling the most liquid assets, namely equities and fixed income. In July 2021, the Joint Governance Committee appointed bfinance as WPP's Allocator Advisors and they will assist the WPP with the identification of Private Markets Allocators for the Private Market Asset Classes.

A transition timetable has been provided below:

Investment Portfolio	Timeline for Launch / Implementation
Sustainable Equities	Launch due by the end of 2022
Private Debt / Infrastructure	Launch due before the end of 2022/23
Private Equity	Launch scheduled for early 2023/24

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During 2021/22, the WPP published its first annual Stewardship Report and has been accepted as a signatory to the 2020 UK Stewardship Code. During 2022/23 the WPP hopes to enhance its approach as a responsible investor further with the establishment of an engagement framework, enhancing reporting in accordance with the requirements of the UK Stewardship Code and the Taskforce on Climate-Related Financial disclosure (TCFD) and to continue reviewing existing sub-fund mandates to ensure compatibility with WPP's Responsible Investment and Climate Risk Beliefs.

There will also be a focus on the review and development of additional WPP policies, as well as the provision of timely and relevant training facilitated by the pool for the benefit of its wider stakeholder groups.

Securities Lending

Securities lending commenced in March 2020. Revenue is split on a 85:15 basis between WPP and Northern Trust with all costs for running the securities lending programme taken from Northern Trust's share of the fee split. A minimum of 5% of the nominal quantity of each individual equity holding is held back and a maximum of 25% of total AUM is on loan at any one time. Total revenue of LF Wales Revenue during 2021/22 was £1,296,016 (gross) / £1,101,659 (net) with £430,743,792 out on loan as at 31 March 2022.

More detailed information can be found in WPP's Annual Return which is published on the WPP website - <https://www.walespensionpartnership.org/>

Pension Board Report

1 Constitution, Representation and Attendance

- 1.1 The Powys County Council Local Government Pension Scheme (LGPS) Local Pension Board (“the Board”) was constituted under the Public Service Pensions Act 2013. As such, the Board is not a Committee of the Council.
- 1.2 It held its first meeting on 31 July 2015. From inception it consisted of two representatives of the Scheme employers, and two representatives of the Scheme members, all of whom are voting members. There is also a non-voting independent Chair. In September 2020, Powys County Council approved the addition of two extra Board members, one each from scheme employers and from scheme members, who were appointed during 2021/2022.
- 1.3 The Board met on five occasions during the year on the following dates: 8 July, 24 September, 15 December 2021, 14 February and 1 March 2022. The meeting of 14 February was inquorate. All meetings were held virtually.

	8.7.21	24.9.21	15.12.21	14.2.22	1.3.22
Gerard Moore: Independent Chair	√	√	√	√	√
John Byrne: Scheme Member representative	√	√	√	√	x
Mick Hutchinson: Scheme Member representative	x	x	x	x	x
David Powell: Scheme Member representative	n/a	n/a	x	√	√
Wayne Thomas: Scheme Employer representative	√	√	x	x	x
Nigel Brinn: Scheme Employer representative	√	x	x	x	√
Graham Evans: Scheme Employer representative	n/a	n/a	√	x	√

- 1.4 Board meetings are open to the public, other than when considering exempt items.
- 1.5 To facilitate the operation of the Board, the Chair is invited as an observer to meetings of the Powys County Council Pensions and Investment Committee (“the Committee”).
- 1.6 Where possible opportunities are taken to arrange succession planning.

2 Functions and Operation of the Board

Annual Report 2021/22

- 2.1 The two primary functions of a Local Pension Board (LPB) are to assist the Administering Authority to:
- ensure effective and efficient governance and administration of the LGPS;
 - ensure compliance with relevant laws and regulations.
- 2.2 It therefore has a monitor/assist/review/scrutinize purpose, and is not a decision-making body. It could be seen as being a critical but supportive friend. It sets its own agenda, and can be selective and probe particular topics in more depth than the Committee, which has a wider range of statutory responsibilities. As such, the general approach of the Board is to seek assurances with evidence from the Fund and external bodies, that the Fund is meeting its objectives, producing its required statements, managing its risks, etc. so as to achieve the overall objectives as set out in paragraph 2.1 above. It can and does commission its own reports, and where appropriate, makes recommendations to the Committee and to officers.
- 2.3 In so doing, the Board is helping manage the reputational risk of both the Fund and the Administering Authority. The LGPS in England and Wales has both the Department of Levelling Up, Housing and Communities (DLUHC) and the Pensions Regulator (TPR) as its regulators. The Administering Authority, and in extreme circumstances Board members, can be fined by TPR, who also has other powers available, including producing Regulatory Intervention Reports. No such reports from TPR have been issued to the Powys Pension Fund.
- 2.4 The Board is supported by the Board Secretary and has benefited from the presence of the s151 Officer at some of its meetings. [The url for current Terms of Reference is shown in paragraph 7.1.](#)
- 2.5 In 2021/2022 the direct costs of operating the Board, covering travel and training expenses relating to Board members and the fees and expenses of the Independent Chair amounted to £19k. These costs do not include any indirect costs relating to officer time nor any apportioned costs for the use of the Council's premises, systems or services recharged to the Fund by the Council. There was a specific budget of £25k. Board members are covered by indemnity insurance.

3 Detailed Work of the Board

3.1 Overview

- 3.1.1. This is the seventh Annual Report produced by the Board. Since their inception, Local Pension Boards have become increasingly visible and pro-active, as had been anticipated by both TPR and the Scheme Advisory Board (SAB).
- 3.1.2. Boards are in a continuous state of evolution. There is increasing dialogue between Board members between formal meetings, especially between the Board Chair and the Board Secretary, including updates of bulletins from TPR, SAB, DLUHC, Local Government Association (LGA) and other relevant sources.
- 3.1.3 There are efficient communication links between the Board and the Committee, as the Board Chair now produces and formally presents to the Committee an Executive Summary from each Board meeting showing any specific recommendations made by the Board, what assurances it has gained on behalf of the Committee, and any other matters considered to be relevant. I believe the Triangle of Trust between Committee,

Officers and Board is firmly established. It is pleasing that governance and administration, which are the primary focus of the Board, now feature more prominently on the agenda of the Committee.

- 3.1.4. As indicated above, the main elements of the work programme of the Board are governance, and oversight of the pensions administration function, which is run by an in-house team. As most of this team had for some time experienced a significant element of working from home, the majority of the risks and revised procedures associated with home working due to the pandemic had already been identified, mitigated and managed.
- 3.1.5 Amongst other objectives, the Board endeavours to help manage the reputational risk of the Fund. Such a focus seeks assurances that the Fund is complying with its responsibilities and obligations. The Board reviews the quarterly administration performance reports, and requests greater detail where necessary. Where appropriate, these reviews are extended to ensure that all scheme employers are similarly complying, as their complete, accurate, timely and secure supply of data is critical. As Chair, I attend the annual meeting with scheme employers. Increasingly, data flows from employers are becoming electronic, so data quality is expected to further improve. Provision of quality data prevents a chain reaction of poor key performance indicators, breaches of the law, inaccurate payment of pensions, inaccurate employer contribution rates and inappropriate investment decisions. With these objectives in mind, the Board previews draft policies, statements and procedures, primarily from the viewpoints of process, consistency and communications, and makes appropriate recommendations. During 2021/22 the Board helped shape the Compliments and Complaints Policy, for approval by the Committee.

3.2 Risk management

A separate Risk Register, formatted to be consistent with that of the County Council, is produced for the Pension Fund. The detailed assessment of the likelihood of each risk occurring, and its impact, has been judged in the light of the existence of the Board as an additional scrutiny resource. An oversight review of the Risk Register, and consideration of any new risks, is a standing item at the quarterly Board meetings. The Risk Register is being streamlined to help better manage related areas of risk. During the year, the Board made various recommendations regarding the Risk Register. These included adding staff recruitment and retention, including staff training policies, as an additional risk. With anticipated legislation regarding responsible investment, the Board recommended that potential non-compliance with the guidance under the Task Force for Climate Related Financial Disclosures (TCFD) be added as a risk. The Board also reviewed the contracts register.

3.3 The Pensions Regulator (TPR)

- 3.3.1 The Pensions Regulator monitors the LGPS on an ongoing basis and has, for example, highlighted delays across LGPS Funds in producing Annual Benefit Statements (ABS's). The Board was pleased to note that Powys Pension Fund once again produced its ABS's by the due date but nevertheless continues to seek assurances that the next set will once again be delivered on time.

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- 3.3.2 The Board, together with the Board Secretary, during the year conducts a phased review of the Fund against the standards and expectations as reflected in TPR's Code of Practice 14 (COP 14), which is specifically for public services pension schemes. Using a "red, amber, green" approach the Board identifies areas in which the Fund can make improvements. When examining improvements that have been achieved, the Board seeks assurance that the evidence supports the revised assessment levels. It is expected that TPR's Single Modular Code, to replace COP 14, will be implemented later in 2022, and the transition will represent a significant challenge for officers and the Board.
- 3.3.3 The Board monitors TPR's annual review of its priorities, and studies its guidance, intervention reports and the reasons behind any action it takes. TPR pays particular attention to data protection and cyber security. Like officers, elected and co-opted Members, the Board members also complete the Council's annual examination in these areas, which is seen as good practice.
- 3.3.4 The Board continues to be mindful of TPR's Scheme Annual Return, which is a statutory, factual document to be returned within a set deadline, with which Powys complied. TPR will be measuring and seeking annual improvements in data quality. Using 2018/2019 data as a baseline, the return shows percentages for completeness and accuracy of "common data" and "scheme specific data". The most recent submission from Powys indicates figures of 98% for common data and 92% for scheme specific data. It is important to note that the Fund depends on timely submission of accurate data from all employers. Whilst data quality for Powys is at a high level, nevertheless a Data Improvement Plan remains in place, which the Board continues to monitor as a key part of its Work Programme.

3.4 Reporting and Recording Breaches

The Board, and all associated with the Fund, other than individual scheme members, have a responsibility to report significant breaches of law to TPR. The Board reviews any breaches of the law as a quarterly standing item. During 2021/2022 none of the recorded breaches were deemed to be of material significance to the TPR, hence no breaches were formally reported via the Administering Authority. A fast-track reporting system is in place for reporting breaches (those of material significance to TPR) in a timely manner. Recorded breaches included several cases of non-payment of "frozen refunds", for which the Fund does not have all necessary information to enable payments to be made.

3.5 Scheme Advisory Board (SAB)

- 3.5.1. The Board monitors the focus and priorities of the SAB, takes them into account in setting its Work Programme, and also receives minutes of SAB meetings. Increasingly the SAB is issuing guidance and recommending good practice to pension funds. The SAB produces an Annual Report encompassing data for all LGPS Funds in England and Wales, which is made available to Board members.
- 3.5.2. The SAB commissions periodic surveys of local pension boards. A new survey is expected imminently.

3.6 Government Actuaries Department (GAD)

3.6.1 The Board was pleased that no areas of concern were expressed by GAD in its Section 13 review of the assumptions within the Triennial Valuation 2019.

3.7 Review of Investment Issues

Whilst the vast majority of the Board's work programme focuses on administration and governance issues, investment issues are not ignored.

3.7.1 As expected under the relevant Investment Regulations, the Board continues to monitor the on-going consideration and development of an appropriate strategy for responsible investment, as reflected in the Fund's Investment Strategy Statement.

3.7.2. The Board continues to receive updates on progress by the Wales Pensions Partnership on the pooling of assets. The Chairs of each Pension Committee make up the Joint Governance Committee of WPP, which also meets quarterly. Hence the demands on each Committee Chair have significantly increased.

3.7.3 The eight Chairs of the Wales Pension Boards participate in half yearly engagement meetings with the host authority and external providers. WPP has successfully applied for approval under the Stewardship Code 2020 (the Powys Fund is now considering its plans for its individual application). The relationship between the responsible investment policy of the Wales Pool compared with that of Powys is monitored. The Board was pleased that a scheme member observer has been appointed to the WPP Joint Committee.

3.7.4 The Board keeps a watchful eye on on-going compliance with MiFID II, particularly should there be any changes of key staff with investment expertise, or in membership of the Committee, which is responsible for decisions on assets of some £795m, consisting of multiple and increasingly complex and diverse asset classes. Consequently there are significant training requirements for all Committee Members, which include training on understanding and monitoring liabilities. From a risk viewpoint, it is important that, where possible, the most appropriate appointments are made to the Committee, including the Chair.

3.7.5 The Board receives reports on cash flow predictions. These help the Board gain assurances that pensions and lump sums will be paid on time, and that cash management arrangements are sufficiently flexible both to avoid any forced fire-sale of assets and to have cash available when called up by the investment managers.

3.8 Scheme documents

3.8.1 The Board examines the range of scheme documents expected to be in place, and with which Board members are expected to be conversant. All relevant documents are listed and easily accessible on the Fund's website.

3.8.2 The Board pays regard to those standard letters and documents which are sent to scheme members and has made recommendations regarding their content. Particular focus is given to the ever-present dangers of pension scams.

3.9 Engagement with s151 Officer

Annual Report 2021/22

As Board Chair, I hold an annual discussion with Powys County Council's Section 151 Officer. Appropriate assurances have been given to the Committee regarding the appropriate resourcing of the Pensions Team in the light of the additional administrative burdens arising from the multitude of actual and anticipated legislative changes and guidance.

4. Ensuring Compliance with Regulatory Deadlines.

- 4.1 An increasing component of the Board's agenda is ensuring compliance with regulatory deadlines, some of which represent an annual requirement, whilst others relate to the effective dates of new legislation and regulations. In all cases timely progress reports are received, with the Board considering whether any recommendations are needed to help ensure that deadlines are met.
- 4.2 Annual requirements include producing Annual Benefit Statements for active members, Pension Savings Statements, the submission of the Scheme Annual Return to the TPR and publication of the Pension Fund Annual Report and Accounts. Notwithstanding the practical difficulties caused by the pandemic, the Fund complied with the relevant deadlines, and followed guidance issued by TPR regarding work priorities.

5. Training

- 5.1 Each Board member must be conversant with the details of the Scheme, which translates as having a good working knowledge. On appointment, a new Board member receives one to one training with the Board Chair.
- 5.2 The training policy for Board members is based on an individual training needs analysis and is therefore being individually tailored. This allows use of both the CIPFA Framework and TPR Toolkit. Board members are informed of external training opportunities such as CIPFA Pensions Network events and the annual LGA/LGPS Trustees Conference, and are encouraged to attend at least two such seminars or conferences each year.
- 5.3 Board members are invited to internal training events provided for Committee members which are often targeted to specific issues or asset classes.
- 5.4 A communications log is maintained of all relevant guidance and regulatory documents received and distributed to Board members, to ensure that their knowledge and skills are kept up to date, and to monitor the Fund's compliance with the associated changes.
- 5.5 Further, easily available training opportunities were presented via the availability of webinars during UK lockdown, and subsequently. This was particularly true of the excellent investment training courses provided on-line by the Wales Pensions Partnership and made available for Board members to participate.
- 5.6 As Independent Chair, I attend many industry events, and am able to share some of the learning outcomes with Board members, thus adding informal training to the range

of opportunities available to the Board. I personally undertook a substantial amount of Continuing Professional Development during the year.

6. Workplan

- 6.1 The work plan for 2022/2023 will include the following activity areas:
- Pension Fund Annual Report and Accounts
 - administration, including Key Performance Indicators, the Data Improvement Plan and, potentially, Value for Money studies
 - audit and risk management, including the Risk Register
 - a self-assessment by the Pension Board of its own performance
 - governance; including conflicts of interest, recording and, if appropriate, reporting breaches, and compliance with TPR's Code of Practice 14 and its proposed successor, the Single Modular Code of Practice.
 - preparation for implementing the DLUHC guidance on the Good Governance Project
 - training, to include the Triennial Valuation March 2022 and the Wales Pension Partnership (WPP)
 - investments, including on-going developments at WPP and implications for Administering Authorities
 - overview progress on responsible investments and the Stewardship Code
 - monitoring external deadlines such as issuing Annual Benefit Statements
 - member communications
 - on-going reviews of cyber security, GDPR and managing the threats from pension scams
 - participating in and learning from relevant surveys, e.g. of SAB and TPR.
 - a review of the Forward-Looking Business Plan
- 6.2 The above represents a challenging list. There is flexibility to allow for any additional reviews and developments. The experience gained through holding virtual meetings opens up the possibility of arranging additional short but focussed on-line meetings to supplement the scheduled quarterly meetings, should business so require.

7. Public accountability

- 7.1 As well as being open to the public, the agendas, minutes and the Board's Terms of Reference are available on the Authority's website at the following address:
<https://www.powypensionfund.org/powys-pension-fund/about-us/forms-and-publications/>

Thanks.

I wish to thank my fellow Board members, who have volunteered their time and energies in their roles. Thanks are also expressed to the Board Secretary, the Chair of the Pensions and Investments Committee, the s151 Officer, and in particular the Cabinet Manager for Legal, Scrutiny and Democratic Services and team, plus the Council's IT staff, for their timely and effective support during these challenging times. Finally I pay tribute to the Pensions Administration Team for their sterling determination to ensure benefits were paid accurately and in a timely way, notwithstanding the difficulties presented.

Annual Report 2021/22



Gerard Moore
Independent Chair
Powys County Council LGPS Local Pension Board

20 June 2022

Pension Fund Accounts 2021/22

Statement of Responsibilities for the Pension Fund Accounts

The Council's Responsibilities as Administering Authority

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. For Powys County Council, that officer is the Section 151 Officer.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the Pension Fund Accounts.

These accounts were approved by Governance and Audit Committee.

Signature: _____ Date: 2022

Governance and Audit Committee Chairman

Section 151 Officer Responsibilities

The Section 151 Officer is responsible for the preparation of the Pension Fund's Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code of Practice"). These accounts are required to present a true and fair view of the financial position of the Fund at the accounting date and its income and expenditure for the year.

In preparing the Pension Fund Accounts, the Section 151 Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code of Practice.

The Section 151 Officer has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Section 151 Officer on the Accounts of Powys County Council Pension Fund for 2021/22.

I certify that the pension fund accounts present a true and fair view of the financial position of Powys County Council Pension Fund as at 31 March 2022 and its income and expenditure for the year then ended.

Signature: _____ Date of authorisation for issue 24 November 2022

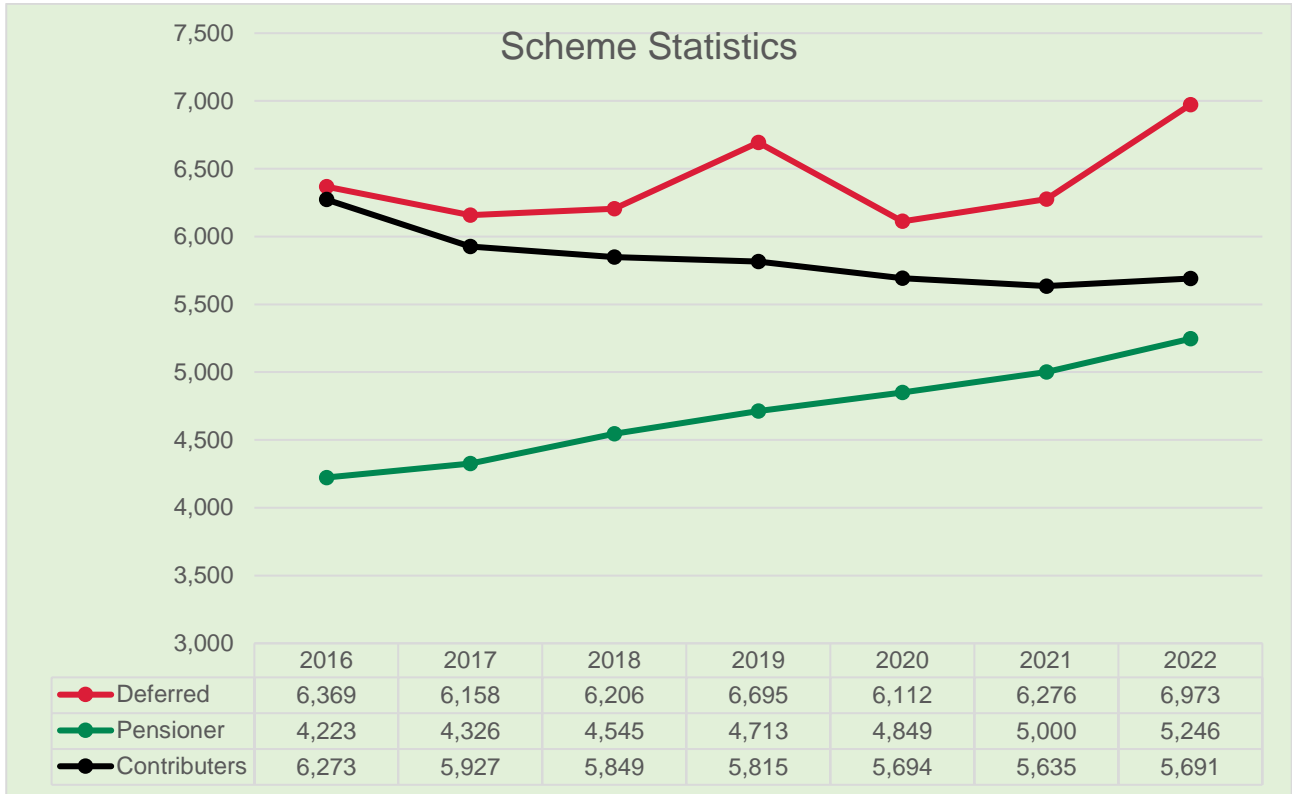
J Thomas, Head of Finance

Pension Fund Accounts 2021/22

Scheme Statistics and Performance

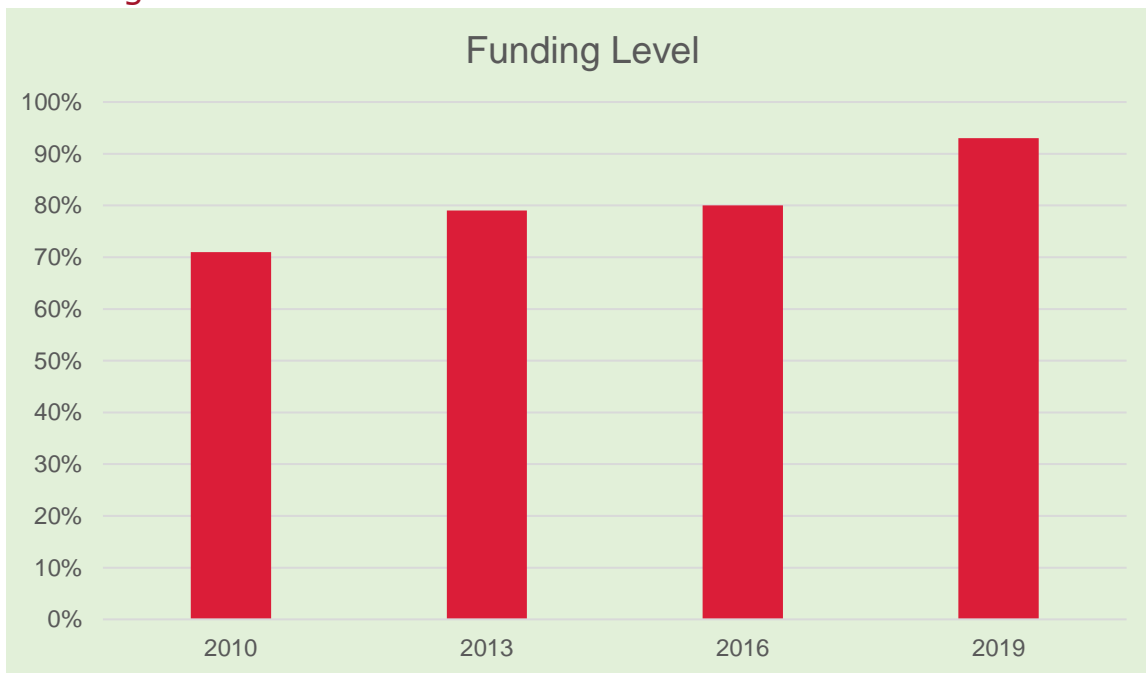
Membership Trends

The graph below shows the membership of the Fund as at 31 March. Deferred members are former employees of the contributing authorities who have yet to draw their pensions.



The total for deferred members includes frozen refunds.

Funding and Valuation



The aim of the funding is to accumulate current contributions at a level sufficient to provide known benefits at some time in the future. In short therefore, the scheme benefits are

Pension Fund Accounts 2021/22

financed by contributions from employees and employers together with income from investments. Both the employees' contributions and the benefits to be provided by the scheme are fixed by the Government as set out in the Local Government Pension Scheme Regulations, leaving the employers' rate of contribution as the only element which can be deliberately adjusted.

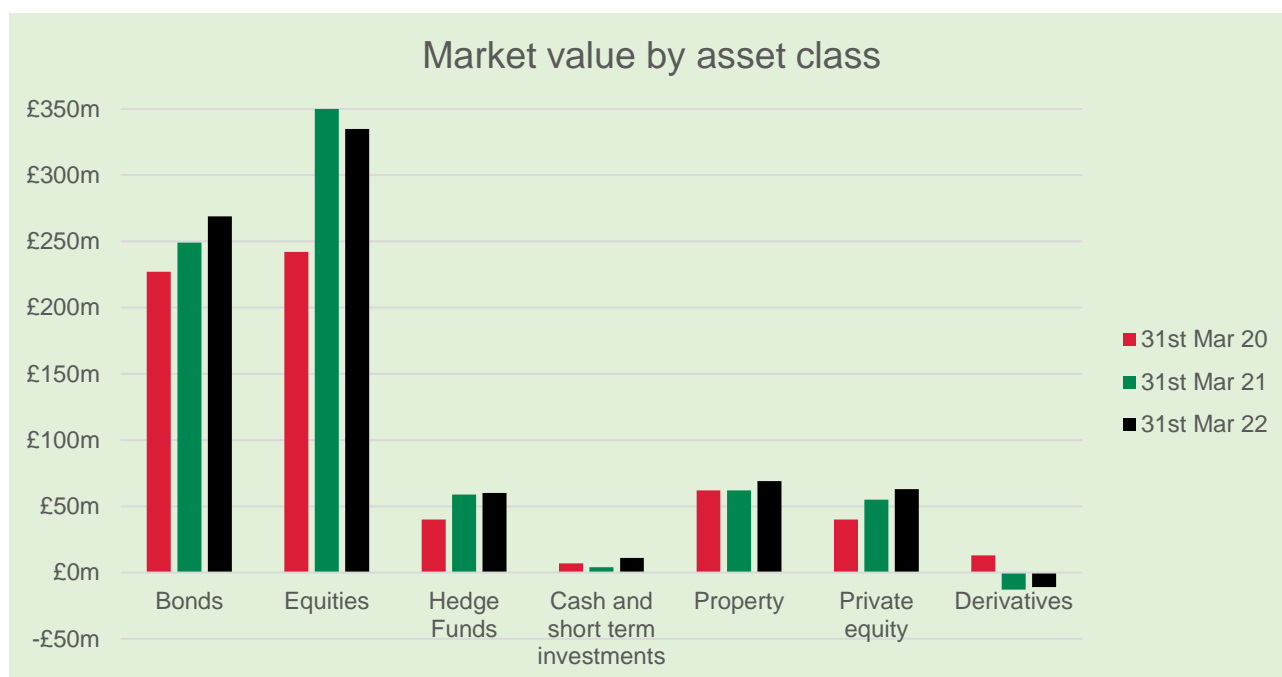
The employers' rate of contribution is assessed by the Actuary to the Fund who reviews the future income and liabilities of the Fund. These reviews, or actuarial valuations, are required by law with a major review being undertaken every third year. The statement of the actuary can be seen on page 34.

The actuarial valuation as at 31 March 2019 showed the assets held at the valuation date were sufficient to cover 93% of the accrued liabilities assessed on an ongoing basis. This is a marked improvement on the 80% achieved as at 31 March 2016, however, it is the long-term goal to achieve 100% funding and efforts continue to be made to address this. The level of funding has no impact on members' benefits which are guaranteed by law.

Pension Fund Accounts 2021/22

Investment Policy and Performance Report

The prime requirement in managing the Fund is to ensure adequate diversification of its assets over different asset classes and different geographical areas. The right balance must be struck between the desire for enhanced returns and potential 'risk' of volatility in those returns i.e. the investment policy of the Fund is aimed at maximising returns within the acceptable limits of risk. There is no ideal split for any fund, so the portfolio balance needs to be regularly monitored and adjusted in line with the economic, financial and market indicators.



The investment style of the Fund is to appoint external expert fund managers with clear performance benchmarks and place accountability for performance against those benchmarks on the fund managers. The benchmarks are outlined in the Investment Strategy Statement, included in the Annual Report. The Chief Financial Officer must ensure that the management of the Fund falls within the requirements of the Local Government Pension Scheme Regulations.

Of the £20.1m capital commitment (Note 18) outstanding as at 31 March 2021, £4.8m was drawn down in 2021/22.

Pension Fund Accounts 2021/22

Performance Review

	1 Year %	3 Years %	5 Years %
Powys Pension Fund Overall Return	8.7	8.3	7.6
Inflation CPI	4.0	2.1	2.3
Average Earnings Index	6.4	3.9	3.4

Given the long-term nature of the Fund, perhaps the most significant column above is that detailing the comparisons over five years. Inflation and average earning percentages are taken from the Office for National Statistics data.

The strategic asset allocation is as follows:

2020/21		2021/22
39%	Equities	37%
36%	Bonds	30%
10%	Property	10%
5%	Private equity	5%
10%	Hedge fund of funds	8%
-	Infrastructure/ Private Debt	10%
100%	Total	100%

The market value of assets spread between the fund managers as at 31 March 2022 is shown in note 12a.

Pension Fund Accounts 2021/22

Net Assets Statement

As at 31 March

2021 £'000		Note	2022 £'000
765,686	Investments	12	795,220
5,851	Current Assets	13	23,363
(715)	Current Liabilities	13	(216)
770,822	Net Assets as at 31 Mar		818,367

The funds financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is shown in note 21.

The accounts show cash held with the Investment Managers as investments as recommended in the Statement of Recommended Practice, Financial Reports for Pension Schemes.

Pension Fund Account

Reclassified

2020/21 £'000		Note	2021/22 £'000
	Contributions and benefits		
(27,211)	Contributions receivable	4	(29,054)
(3,614)	Transfers in	5	(2,656)
(30,825)	Total income		(31,710)
28,685	Benefits payable	7	28,163
1,217	Payments on account of leavers	8	1,546
29,902	Total expenditure		29,709
(923)	Net (additions)/withdrawals from dealing with members		(2,001)
(29)	Other income	6	(1)
4,819	Management expenses	9	4,734
3,867	Net (additions)/withdrawals		2,732
	Returns on investments		
(6,827)	Investment income	10	(10,798)
3	Taxes on Income	11	-
(123,320)	Changes in the market value of investments	12	(39,479)
(130,144)	Net (profit)/loss on investments		(50,277)
(126,277)	Net (increase)/decrease in the fund		(47,545)
644,545	Opening net assets		770,822
770,822	Closing net assets		818,367

2020/21 figures have been reclassified to reflect consistency in the classification of investment income as defined in the accounting policies. The reclassification is reflected by £1,210k decrease in investment income and increase in changes in market value of investments of the same amount.

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Note 1: Basis of Preparation

The financial statements have been prepared in accordance with the requirements of the 2021/22 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The financial statements summarise the transactions of the scheme and deal with the net assets at the disposal of the trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the scheme year. The actuarial position of the scheme, which does take account of such obligations, is dealt with in the statement by the actuary included in the annual report and these financial statements should be read in conjunction with it.

Note 2: Accounting Policies

Contributions and Benefits

Contributions are accounted for on an accruals basis. Benefits payable represents the benefits entitlement up to the end of the reporting period.

Transfers to other Schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the fund during the financial year and are calculated in accordance with The Local Government Pension Scheme Regulations.

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contribution to purchase scheme benefits are accounted for on a receipts basis and are included in Additional Contributions.

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

Refunds to Leavers

These are accounted for when due.

Investment Management Expenses

Each fund manager receives a fee for their services based on the market value of the assets they manage.

Investment Income

Interest income

Interest income is recognised in the fund account as it accrues.

Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

Change in Market Value

Changes in market value of investments comprise reinvested investment income and all realised and unrealised profits/losses during the year.

Foreign Currency Transactions

Assets and liabilities held in a foreign currency are translated at the rate of sterling quoted at year-end. Income and expenditure arising during the year is translated into sterling at the rate quoted on the date of receipt or payment. Resulting exchange gains or losses are recognised through the revenue account.

Valuation of Assets

No property is directly held by the fund. The market value used for quoted investments is the bid market price ruling on the final day of the accounting period. Fund Managers value unquoted securities at the year-end in line with generally accepted guidelines to ascertain the fair value of the investment. Change in Market value also includes income which is reinvested in the fund, net of applicable tax. Fixed interest securities are recorded at net market value based on their current yields. Fair value for limited partnerships is based on the net asset value ascertained from periodic valuations provided by those controlling the partnership. It is not the intention of the fund to dispose of unquoted investments before maturity.

Cash and cash equivalents

Cash comprises cash in hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to cash and that are subject to minimal risk of changes in value.

Taxation

The fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

Financial Assets

Financial assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of the asset are recognised in the fund account.

Financial Liabilities

The fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the net assets statement on the date the fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the fund.

Actuarial present value of promised retirement benefits

The actuarial value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards. As permitted under IAS 26, the fund has opted to disclose the actuarial value of promised retirement benefits by way of a note to the net assets statement (note 21).

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Administrative expenses

All staff costs of the pension administration team and other overheads are apportioned to the fund in accordance with Council policy.

Contingent Liabilities

Contingent liabilities are possible liabilities whose existence will only be confirmed by future events and are not recognised until the realisation of the loss is virtually certain.

Additional Voluntary Contributions (AVC's)

Members of the Pension Fund may make additional voluntary contributions (AVCs) in order to obtain improved benefits on retirement. The AVC investments are excluded from the Financial Statements of the Powys Pension Fund, in accordance with section 4(2)b of the Local Government Pension Scheme (Management & Investment of Funds) Regulations 2009 (SI 2009/3093) but are disclosed as a note only (note 15).

Note 3: Critical Judgements in Applying Accounting Policies

Unquoted private equity investments

It is important to recognise the subjective nature of determining the fair value of private equity investments. They are inherently based on forward looking estimates and judgements involving many factors. Unquoted private equity investments are valued by the investment managers using acceptable guidelines. The value of these investments at 31 March 2022 was £62.7m (31 March 2021: £55m).

Pension Fund liability

The pension fund liability is calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with IAS 19. Assumptions underpinning the valuations are agreed with the actuary and are summarised in the statement of the actuary. This estimate is subject to significant variances based on changes to the underlying assumptions.

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Note 4: Contributions Receivable

2020/21 £'000	By Category	2021/22 £'000
21,917	Employers	23,248
5,294	Employees	5,806
27,211		29,054

2020/21 £'000	By Authority	2021/22 £'000
25,136	Powys County Council (administering body)	27,001
861	Scheduled bodies	909
1,214	Admitted bodies	1,144
27,211		29,054

2020/21 £'000	By Type	2021/22 £'000
18,465	Employers normal contributions	19,817
5,294	Employees normal contributions	5,806
272	Employers additional contributions	136
3,180	Employers deficit reduction contributions	3,295
27,211		29,054

Note 5: Transfers In

2020/21 £'000		2021/22 £'000
3,614	Individual transfers from other schemes	2,656

Note 6: Other Income

2020/21 £'000		2021/22 £'000
29	Administration	1
29		1

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Note 7: Benefit Payable

2020/21 £'000		2021/22 £'000
23,827	Pensions	24,323
4,064	Commutations and lump sum retirement benefits	3,255
794	Lump sum death benefits	585
28,685		28,163

Benefits can be further analysed as follows:

2020/21 £'000		2021/22 £'000
24,383	Powys County Council (administering authority)	24,165
2,647	Scheduled bodies	2,537
1,655	Admitted bodies	1,461
28,685		28,163

Note 8: Payments to and on Account of Leavers

2020/21 £'000		2021/22 £'000
43	Refunds to members leaving service	72
1,174	Individual transfers to other schemes	1,474
1,217		1,546

Note 9: Management Expenses

2020/21 £'000		2021/22 £'000
1,118	Administration expenses	1,261
3,575	Investment management expenses (see Note 9a)	3,348
126	Oversight and governance costs	125
4,819		4,734

Included in Administration expenses, the chair of the pension and investment committee was paid the equivalent of a senior responsibility allowance from 23 September 2021 totalling £6k including on costs.

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Note 9a: Investment Management Expenses

2020/21 £'000		2021/22 £'000
222	Bonds	16
17	Equities	21
1,049	Wales Pool investments	1,426
380	Pooled Property investments	418
758	Private Equity	585
892	Hedge Funds	612
88	Derivatives	90
166	Investment Advice	178
3	Custody fees	2
3,575		3,348

Note 10: Investment Income

Reclassified

2020/21 £'000		2021/22 £'000
-	Interest on cash deposits	(15)
(1,145)	Pooled property investments	(513)
(5,682)	Private equity income	(10,270)
(6,827)		(10,798)

2020/21 figures have been reclassified to reflect consistency in the classification of investment income as defined in the accounting policies. Pooled Property investments have been reduced by £540k and Income from Bonds which were shown as £670k have been removed from the note (see Net Assets Statement and Note 12).

Note 11: Taxes on Income

2020/21 £'000		2021/22 £'000
3	Tax on investments	-
3		-

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Note 12: Investments

	Value as at 1 Apr 21	Purchases at Cost	Sales Proceeds	Fees included in NAV	Cash Movement	Change in Market Value	Value as at 31 Mar 22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bonds	249,566	35,967	(15,001)	(834)	-	(601)	269,097
Equities (pooled funds)	344,743	15,000	(49,812)	(674)	-	26,201	335,458
Property (pooled funds)	62,227	-	(6,574)	(429)	513	13,105	68,842
Private Equity	54,951	4,839	(14,878)	(585)	10,287	8,109	62,723
Hedge Fund of Funds	58,774	60,000	(60,884)	(631)	-	2,356	59,615
Derivatives (Options)	(13,491)	16,751	-	-	-	(14,671)	(11,411)
Cash & Short Term Investments	8,916	-	(3,000)	-	-	4,980	10,896
	765,686	132,557	(150,149)	(3,153)	10,800	39,479	795,220

Reclassified

	Value as at 1 Apr 20	Purchases at Cost	Sales Proceeds	Fees included in NAV	Cash Movement	Change in Market Value	Value as at 31 Mar 21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bonds	227,089	174,482	(167,983)	(531)	-	16,509	249,566
Equities (pooled funds)	241,837	-	(12,000)	(645)	-	115,551	344,743
Property (pooled funds)	61,112	-	(1,185)	(353)	1,145	1,508	62,227
Private Equity	40,724	4,873	(7,572)	(757)	5,682	12,001	54,951
Hedge Fund of Funds	39,917	17,000	-	(895)	-	2,752	58,774
Derivatives (Options)	13,349	-	-	-	-	(26,840)	(13,491)
Cash & Short Term Investments	7,077	26,626	(26,626)	-	-	1,839	8,916
	631,105	222,981	(215,366)	(3,181)	6,827	123,320	765,686

2020/21 figures have been reclassified to reflect consistency in the classification of investment income as defined in the accounting policies. Purchases at Cost have been reduced by £540k Property (pooled funds) and Bonds £670k. Change in market value has increased by the same amount for those Assets to reflect the change.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including

profits and losses realised on sales of investments during the year. Some transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the scheme such as fees, commissions, stamp duty and other fees.

These transaction costs incurred in the year are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the scheme. All equity investments held by the fund are in unitised funds.

The notional value of the Derivative options as at 31st March 2022 is £158.25m

Derivatives Summary

Investment Objective

The investment objective is to hedge against the Fund's underlying exposures as may be communicated to the Investment Manager.

Investment Policy

The Investment Manager will seek to achieve the Fund's investment objective by investing in including but not limited to put and call options. Whilst the Base Currency is Sterling, the manager may invest in non-Sterling denominated assets which may not necessarily be hedged back into Sterling.

The investments may or may not be listed on recognised exchanges and markets and will be without restriction as to geographical, industrial or sectoral exposure.

The manager may take both long and short positions.

The derivatives relate to the Funds Equity Protection Strategy, which seeks to protect the Fund against falls in the equity market. As part of the strategy downside losses are protected using a mechanism that caps gains above agreed levels. A negative value reflects the value of the positive performance of equities above this cap.

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Note 12a: Analysis of Investments

2020/21 £'000		2021/22 £'000
	Wales Pension Partnership	
180,053	Bonds	184,040
149,441	Equities	127,966
5,371	Cash & Cash Equivalents	5,371
334,865		317,377
	Other Investments	
69,513	Bonds	85,057
195,302	Equities	207,492
62,226	Pooled property	68,842
54,951	Private equity	62,723
58,774	Hedge Funds	59,615
(13,490)	Derivatives	(11,411)
3,545	Cash & Cash Equivalents	5,525
430,821		477,843
765,686	Total Investment Assets	795,220

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Note 12b: Investments Analysed by Fund Manager

31-Mar 21			31-Mar 22	
Market Value £'000	%		Market Value £'000	%
		Investments managed by WPP asset pool		
154,812	20.2	Link	133,337	16.8
180,053	23.5	Russel Investments	184,040	23.1
334,865			317,377	
		Investments managed outside WPP asset pool		
-	0.0	Adept	59,616	7.5
9,391	1.2	Aviva Investors Pensions Ltd	6,430	0.8
237,606	31.0	Blackrock Global Investors Ltd	246,493	31.0
41	0.0	CBRE Ltd	6	0.0
16,460	2.1	CFM	-	0.0
19,680	2.6	Graham Capital Management	-	0.0
54,808	7.2	HarbourVest Partners LLC	62,691	7.9
13,229	1.7	Hermes Fund Managers Ltd	15,470	1.9
17,263	2.3	Insight Investment Ltd	40,170	5.1
5,986	0.8	IPM	-	0.0
16,649	2.2	MAN	-	0.0
39,565	5.2	Schroders Investment Management Ltd	46,935	5.9
143	0.0	Standard Life Investments Ltd	32	0.0
430,821			477,843	
765,686			795,220	

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The following investments represent more than 5% of the net assets of the scheme:

31-Mar	21		31-Mar	22
Market Value £'000	%	Security	Market Value £'000	%
-	0.0	Adept Hedge Fund	59,616	7.5
47,138	6.2	Blackrock Aquila Life Currency Hedged MSCI Wrld Idx S1	49,307	6.2
89,721	11.8	Blackrock Aquila Life Currency Hedged US Equity Idx S1	94,756	11.8
17,263	2.2	Insight LDI Active 51 Fund	40,170	5.1
154,812	20.4	Link WPP Global Growth	133,337	16.8
65,627	8.6	Link WPP Multi Asset Credit	64,487	8.1
84,978	11.2	Link WPP Absolute Return Bonds	91,363	11.5
39,565	5.2	Schroder UK Real Estate Fund	46,935	5.9

The table below shows the strategic asset allocation against the actual allocation as at 31 March 2022. The Fund's asset allocation strategy is set out in the Investment strategy Statement.

Asset Class	Strategic allocation %	Actual allocation %
Bonds	30	34
Equities	37	42
Property	10	9
Private Equity	5	8
Hedge Funds	8	7
Infrastructure/ Private Debt	10	0
	100	100

Note 13: Current Assets and Liabilities

2020/21 £'000	Current Assets	2021/22 £'000
119	Contributions due from employers and members	145
5,599	Cash balances	2,233
-	Investment debtors	20,000
133	Sundry debtors	985
5,851		23,363
	Current Liabilities	
(315)	Benefits payable	(72)
(400)	Sundry creditors	(144)
(715)		(216)

Amounts unpaid at the year-end are subsequently paid within a reasonable time frame, i.e. the majority of the balances are paid within a 3 month period.

Investment debtors represents an investment with Adept hedge fund, paid 16 March 2022 with a trade date of 01 April 2022.

Note 14: Related Party Transactions

Details of Members and officers of the Council represented on the Pensions and Investment Committee are shown in Appendix 3. Their combined contributions into the scheme totalled £22.7k in 2021/22 (£21.8k in 2020/21). Key management personnel remuneration can be found in the Powys County Council Statement of Accounts.

The Fund is administered by Powys County Council. Consequently, there is a relationship between the Authority and the Fund.

The Authority incurred costs of £1,118k in 2021/22 (2020/21: £997k) in relation to the administration of the Fund and was subsequently reimbursed by the Fund.

The Authority is also the single largest employer of members in the Fund and contributed £21,534k to the Fund in 2021/22 (2020/21: £20,067k) in employers' contributions and deficit recovery payments.

Governance

The makeup of the Pensions and Investment Committee can be seen in Appendix 3.

The role of Section 151 Officer for the Authority plays a key role in the financial management of the Fund and is also an active member of the Fund.

Councillors are required to declare their interest at each meeting.

The Committee members and Section 151 Officer accrue their benefits in line with the regulations encompassing councillors and employees of the employing bodies of the Fund.

For the full Governance Statement please refer to the links in Appendix 2 of the Annual report.

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Note 14a Key Management Personnel

Key management personnel are the head of finance and the pension fund manager. Their remuneration is set out below:

2020/21 £'000	Current Assets	2021/22 £'000
75.5	Short term benefits	78.8
26.9	Post-employment benefits	39.5
-	Other long term benefits	-
-	Termination benefits	-

Note 15: Additional Voluntary Contributions (AVC)

Members of the Pension Fund may make additional voluntary contributions (AVCs) in order to obtain improved benefits on retirement. The AVC investments are excluded from the Financial Statements of the Powys Pension Fund, in accordance with section 4(2)b of the Local Government Pension Scheme (Management & Investment of Funds) Regulations 2009 (SI 2009/3093). However, as administering authority we oversee the following AVC arrangements:

Contributions 2020/21 £'000	Market Value 31-Mar 2021		Contributions 2021/22 £'000	Market Value 31-Mar 2022
233	1,324	Prudential	103	1,301
53	966	Standard Life	30	799
-	88	Utmost Life and Pensions	-	91
286	2,378		133	2,191

Note 16: Contingent Liabilities

No contingent liabilities were known to exist at the Balance Sheet date.

Note 17. Post Balance Sheet Events

There are no known post balance sheet events.

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Note 18: Capital Commitments

2020/21 £'000	Private Equity and Property mandate	2021/22 £'000
897	Standard Life (Private Equity)	-
19,218	Harbourvest (Private Equity)	19,006
20,115		19,006

The Pension Fund has committed to guaranteed investments in private equity that the asset managers can draw down upon as and when required. The Capital Commitments figure above, represents the level of investment guaranteed but not yet drawn down at the year end. Standard Life have confirmed the outstanding capital commitment of €1.039m at 31 March 2022 will not be drawn down.

Note 19: Stock Lending

The Fund only currently invests in pooled vehicles so cannot undertake any stock lending directly. The stock lending policy on pooled funds is determined by the individual investment managers. Any income not retained by the fund manager and / or the lending agent is incorporated in the net asset value of each pooled fund.

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Note 20: Financial Instruments

Note 20A: Classification of financial instruments & liabilities

31 Mar	2021		31 Mar	2022
Amortised cost	Fair value through profit and loss		Amortised cost	Fair value through profit and loss
£'000	£'000	Financial Assets	£'000	£'000
		Wales Pension Partnership:		
	180,053	Bonds		184,040
	149,441	Equities		127,966
	5,371	Cash & short term investments		5,371
		Other Investments:		
	69,513	Bonds		85,057
	195,302	Equities		207,492
	62,226	Property (pooled funds)		68,841
	54,951	Private equity		62,723
	58,774	Hedge fund of funds		59,616
	(13,490)	Derivatives (options)		(11,411)
	3,545	Cash & short term investments		5,525
5,851		Current assets	23,363	
5,851	765,686	Total financial assets	23,363	795,220
		Financial Liabilities		
(715)		Current liabilities	(216)	
(715)			(216)	

Note 20B: Valuation of financial instruments carried at fair value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Level 2

Financial instruments at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or

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where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted investments and hedge fund of funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The private equity values are based on valuations provided by the general partners to the private equity funds in which the Powys Pension Fund has invested.

The hedge fund values are based on the net asset value provided by the fund manager.

The tables below show the financial assets and liabilities of the Pension Fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

Value as at 31 Mar 22	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	298,073	386,219	110,928	795,220
Current assets	23,363	-	-	23,363
Current liabilities	(216)	-	-	(216)
Net financial assets	321,220	386,219	110,928	818,367

Value as at 31 Mar 21	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	268,360	397,091	100,235	765,686
Current assets	5,851	-	-	5,851
Current liabilities	(715)	-	-	(715)
Net financial assets	273,496	397,091	100,235	770,822

Reconciliation of Level 3 movements

Level 3 asset	Value as at 31 Mar 21 £'000	Purchases, sales & transfers £'000	Other movement £'000	Change in market value £'000	Value as at 31 Mar 22 £'000
Hedge funds	58,774	(884)	(631)	2,357	59,616
Private equity	54,951	(10,040)	9,703	8,109	62,723
Derivatives	(13,491)	16,751	-	(14,671)	(11,411)
Total	100,234	5,827	9,072	(4,205)	110,928

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Note 21: Actuarial Present Value of Promised Retirement Benefits

CIPFA's Code of Practice requires the disclosure for the year ending 31 March 2019 of the actuarial valuation of promised retirement benefits as set out in IAS 26. The actuarial present value should be calculated on an IAS 19 basis. IAS 26 is the accounting standard that sets out the requirements for accounting and reporting in respect of retirement and the requirements for accounting and reporting of promised retirement benefit plans following the move to financial reporting of the Pension Fund Accounts under the IFRS.

The actuarial present value of the promised retirement benefits were as follows

31 March 2016	31 March 2019
£'000	£'000
724,600	962,200

Assumptions used

	31 March 2016 %	31 March 2019 %
Discount rate	3.4	2.4
Inflation (CPI)	1.8	2.2
Salary increase rate	3.3	3.7

McCloud / Sargeant Judgement

The actuarial present value of the defined benefit obligation at 31 March 2019 includes an estimated liability in relation to the McCloud / Sargeant Judgement of £6.99M

The McCloud / Sargeant Judgement (December 2018) found that the transitional arrangements put in place when the firefighters' and judges' pension schemes were reformed constituted illegal discrimination. The Government has since committed to compensate members of all public service schemes who were illegally discriminated against. In relation to the LGPS in England and Wales, all members joined the new 2014 Scheme for membership after 1 April 2014, but members within 10 years of normal retirement were given an underpin (or "better of both") promise so their benefits earned after 1 April 2014 would be at least as valuable in terms of amount and when they could be drawn, as it they had remained in the 2008 Scheme.

The additional liability included within this note assumes the underpin will be extended to cover all members who were actively participating in the Scheme on 1 April 2012 and not just those within 10 years of retirement) and will apply on retirement or the date of leaving service if earlier. This remedy proposed as part of the of a consultation issued in July 2020 will extend the final salary underpin for service up to 31 March 2022.

Equalisation and indexation of Guaranteed Minimum Pensions

The actuarial present value of the defined benefit obligation includes an estimated liability in relation to the equalisation and indexation of Guaranteed Minimum Pensions (GMPs) beyond the arrangements already formally in place, which apply to members whose State Pension Age (SPA) is between 6 April 2016 and 5 April 2021 inclusive. Those arrangements require the LGPS to pay pension increases on GMPs at the full rate of CPI

for those members, whereas GMP legislation only requires limited price increases to be applied. The additional liability included within this note assumes those arrangements for fully indexing GMPs will be extended to members whose SPA is after 5 April 2021. This has increased the defined benefit obligation by in the region of 0.1% to 0.2%.

Note 22: Nature and Extent of Risks Arising from Financial Instruments Risk and Risk Management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members.) Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The council manages these investment risks as part of its overall pension fund risk management programme. Responsibility for the Fund's risk management strategy rests with the Pension Fund Committee.

Market Risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Council and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis. Specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments. It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

Other Price Risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

Pension Fund Accounts 2021/22

The Fund's investment managers mitigate this price risk through diversification.

Other Price Risk – Sensitivity Analysis

The following movements in market price risk are considered reasonably possible for 2022/23. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates remain unchanged.

Asset Type	Value as at 31 Mar 22 £'000	Percentage Change %	Value on Increase £'000	Value on Decrease £'000
Equities	335,458	15.45	387,286	283,630
Bonds	269,097	6.13	285,593	252,601
Property	68,841	3.99	71,588	66,094
Private Equity	62,723	26.18	79,144	46,302
Hedge Funds	59,616	5.28	62,764	56,468
Derivatives	(11,411)			
Cash & short term investments	10,896	0.1	10,907	10,885
Total Assets	795,220		897,282	715,980

Pension Fund Accounts 2021/22

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate and return are monitored by the Council and its investment advisors as part of the monthly and quarterly reporting and assessment of interest rate return against benchmark.

Interest rates are forecast to rise in the next twelve months, based on the Authorities Treasury Management advisor's latest advice. The Fund's exposure to interest rate movements as at 31 March 2021 and 31 March 2022 is set out below.

As at 31 Mar 21 £'000	Asset Type	As at 31 Mar 22 £'000
8,916	Cash Instruments	10,896
5,599	Cash balances	2,233
195,778	Bonds	205,610
210,293	Total	218,739

Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (£UK). The fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

The fund's currency rate risk is routinely monitored by the Council and its investment advisors in accordance with the Fund's risk management, including monitoring the range of exposure to currency fluctuations.

Pension Fund Accounts 2021/22

The fund's currency exposure as at 31 March 2021 and 31 March 2022 is set out below.

As at 31 Mar 21 £'000		As at 31 Mar 22 £'000
54,951	Private equity	62,723
54,951	Total	62,723

A 6.3% volatility associated with exchange rates is considered likely, based on analysis of historical movements.

This analysis assumes that all other variables, in particular interest rates, remain constant.

A 6.3% strengthening/weakening of the pound against the various currencies in which the fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Asset Type	Value as at 31 Mar 22 £'000	Value on Increase £'000	Value on Decrease £'000
Private equity	62,723	66,700	58,746
Total	62,723	66,700	58,746

Credit Risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the fund's financial assets and liabilities.

In essence the fund's entire investment portfolio is exposed to some form of credit risk, with the exception of the derivatives positions, where the risk equates to the net market value of a positive derivative position. However, the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Contractual credit risk is represented by the net payment or receipt that remains outstanding, and the cost of replacing the derivative position in the event of counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the council's credit criteria. The council has also set limits as to the maximum percentage of the deposits placed with any one class of financial institution.

Pension Fund Accounts 2021/22

The Council believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits over the past five financial years. The table below shows the funds cash holding as at 31 March.

	Rating	As at 31 Mar 21 £'000	As at 31 Mar 22 £'000
Bank Current Account			
HSBC	AA-	5,111	1,372
Bank Deposit Account			
HSBC	AA-	488	861

Liquidity risk

Liquidity risk represents the risk that the fund will not be able to meet its financial obligations as they fall due. The Council therefore takes steps to ensure that the pension fund has adequate cash resources to meet its commitments. This will particularly be the case for meeting the pensioner payroll costs; and also cash to meet investment commitments.

The Fund has immediate access to its pension fund cash holdings.

The fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. As at 31 March 2022 the value of illiquid assets was £184.7m, which represented 23.3% of the total fund assets - (31 March 2021 - £155.9m, which represented 20.5% of the total fund assets).

Management prepares periodic cash flow forecasts to understand and manage the timing of the fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the fund's investment strategy.

All financial liabilities at 31 March 2022 are due within one year.

Refinancing risk

The key risk is that the Council will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The Council does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

Note 23: Accounting Standards That Have Been Issued but Have Not Yet Been Adopted.

The Code of Practice requires that the Authority discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This requirement applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. on or before 1 January 2021 for 2021/22). None of the standards introduced in the 2021/22 code are expected to have a material impact on the financial statements.

Pension Fund Accounts 2021/22

The independent auditor's report of the Auditor General for Wales to the members of Powys County Council as administering authority for Powys Pension Fund

Opinion on financial statements

I have audited the financial statements of Powys Pension Fund for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004. Powys Pension Fund's financial statements comprise the fund account, the net assets statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2022, and of the amount and disposition at that date of its assets and liabilities;
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the pension fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the pension fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial

Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit the information contained in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements and the annual report has been prepared in accordance with the Local Government Pension Scheme Regulations 2013.

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the annual report.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the financial statements, the responsible financial officer is responsible for the preparation of the financial statements, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the responsible financial officer is responsible for assessing the pension fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Pension Fund Accounts 2021/22

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to Powys Pension Funds policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud; and
- Obtaining an understanding of Powys Pension Fund's framework of authority as well as other legal and regulatory frameworks that Powys Pension Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Powys Pension Fund.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the administering authority; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Pension Fund Accounts 2021/22

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Powys Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Powys Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton

Auditor General for Wales

XX November 2022

24 Cathedral Road

Cardiff

CF11 9LJ

The maintenance and integrity of Powys County Council's website is the responsibility of the Section 151 Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Pension Fund Accounts 2021/22

Statement of the Actuary for the Year Ended 31 March 2022

Introduction

The Scheme Regulations require that a full actuarial valuation is carried out every third year. The purpose of this is to establish that the Powys County Council Pension Fund (the Fund) is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial investigation into the financial position of the Fund was completed as at 31 March 2019 by Aon, in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.

Actuarial Position

1. The valuation as at 31 March 2019 showed that the funding level of the Fund had increased since the previous valuation with the market value of the Fund's assets as at 31 March 2019 (of £654.6M) covering 93% of the liabilities allowing, in the case of pre 1 April 2014 membership for current contributors to the Fund, for future increases in pensionable pay.
2. The valuation also showed that the aggregate level of contributions required to be paid by participating employers with effect from 1 April 2020 was:
 - 20.6% of pensionable pay. This is the rate calculated as being sufficient, together with contributions paid by members, to meet the liabilities arising in respect of service after the valuation date (the primary rate),

Plus

- an allowance of 1.1% of pay for McCloud and cost management – see paragraph 9 below,

Plus

- Monetary amounts to restore the assets to 100% of the liabilities in respect of service prior to the valuation date over a recovery period of 16 years from 1 April 2020, equivalent to 3.6% of pensionable pay (or £3.0M in 2020/21, and increasing by 3.6% p.a. thereafter), which together with the allowance above comprises the secondary rate.

3. In practice, each individual employer's or group of employers' position is assessed separately and contributions are set out in Aon's report dated 30 March 2020 (the "actuarial valuation report"). In addition to the contributions certified, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

Pension Fund Accounts 2021/22

Total contributions payable by all employers over the three years to 31 March 2023 are estimated to be:

Year from 1 April	% of pensionable pay	Plus total contribution amount (£M)
2020	21.6	3.2
2021	21.6	3.3
2022	21.6	3.4

4. The funding plan adopted in assessing the contributions for each employer is in accordance with the Funding Strategy Statement. Different approaches were adopted in relation to the calculation of the primary contribution rate, stepping of contribution increases and individual employers' recovery periods as agreed with the Administering Authority and reflected in the Funding Strategy Statement, reflecting the employers' circumstances.
5. The valuation was carried out using the projected unit actuarial method for most employers and the main financial actuarial assumptions used for assessing the funding target and the contribution rates were as follows.

Discount rate *	4.1% p.a.
Rate of pay increases	3.6% p.a.
Rate of increase to pension accounts	2.1% p.a.
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.1% p.a.

** In addition, the discount rate for already orphaned liabilities (i.e. where there is no scheme employer responsible for funding those liabilities and employer has exited the Fund) was 1.3% p.a.*

The assets were valued at market value.

Further details of the assumptions adopted for the valuation, including the demographic assumptions, are set out in the actuarial valuation report.

6. The key demographic assumption was the allowance made for longevity. The post retirement mortality assumption adopted for the actuarial valuation was in line with standard self-administered pension scheme (SAPS) S2 mortality tables with appropriate scaling factors applied based on an analysis of the Fund's pensioner mortality experience and a Fund membership postcode analysis using Aon's Demographic Horizons™ longevity model, and included an allowance for improvements based on the 2018 Continuous Mortality Investigation (CMI) Projections Model (CMI2018), with a long term annual rate of improvement in mortality rates of 1.5% p.a. The resulting average future life expectancies at age 65 (for normal health retirements) were:

Pension Fund Accounts 2021/22

	Men	Women
Current pensioners aged 65 at the valuation date	21.8	24.9
Current active members aged 45 at the valuation date	23.1	26.3

7. The valuation results summarised in paragraphs 1 and 2 above are based on the financial position and market levels at the valuation date, 31 March 2019. As such the results do not make allowance for changes which have occurred subsequent to the valuation date. The Actuary, in conjunction with the Administering Authority, monitors the funding position on a regular basis.
8. The formal actuarial valuation report and the Rates and Adjustments Certificate setting out the employer contribution rates for the period from 1 April 2020 to 31 March 2023 were signed on 30 March 2020. Other than as agreed or otherwise permitted or required by the Regulations, employer contribution rates will be reviewed at the next actuarial valuation of the Fund as at 31 March 2022 in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.
9. There are a number of uncertainties regarding the Scheme benefits and hence liabilities:

- **Increases to Guaranteed Minimum Pensions (GMP)s:**

The 2019 valuation allows for the extension of the 'interim solution' for public service schemes to pay full inflationary increases on GMPs for those reaching State Pension Age (SPA) between 6 April 2016 and 5 April 2021. On 23 March 2021, the Government published a response to its consultation on the longer term solution to achieve equalisation for GMPs as required by the High Court judgement in the Lloyds Bank case. The response set out its proposed longer term solution, which is to extend the interim solution further to those reaching SPA after 5 April 2021.

The results of the 2019 valuation do not allow for the impact of this proposed longer term solution. Based on approximate calculations, at a whole of fund level, the impact of providing full pension increases on GMPs for those members reaching State Pension Age after 5 April 2021 is an increase in past service liabilities of between 0.1% to 0.2% across the Fund as a whole.

- **Cost Management Process and McCloud judgement:**

Initial results from the Scheme Advisory Board (SAB) 2016 cost management process indicated that benefit improvements / member contribution reductions equivalent to 0.9% of pay would be required. However, the cost management process was paused following the Court of Appeal ruling that the transitional arrangements in both the Judges' Pension Scheme (McCloud) and Firefighters' Pension Scheme (Sargeant) constituted illegal age discrimination. Government confirmed that the judgement would be treated as applying to all public service schemes including the LGPS (where the transitional arrangements were in the form of a final salary underpin) and a consultation on changes to the LGPS due to this judgement was issued in July 2020. On 13 May 2021 Government confirmed the key elements of the expected changes to the LGPS to implement the McCloud judgement in a Written Ministerial Statement, although final regulations are not expected to come into force until 2023. After incorporating

the potential costs of the McCloud remedy, the 2016 SAB cost management process has concluded, with no benefit improvement or member contribution changes recommended under that process. However, some uncertainty remains as the inclusion of McCloud costs in the cost management process is the subject of a Judicial Review.

The employer contributions certified from 1 April 2020 as part of the 2019 valuation include an allowance of 1.1% of pay in relation to the potential additional costs following the McCloud judgement / cost management process. This was a simplified approach which didn't take account of different employer membership profiles or funding targets and may be more or less than the assessed cost once the details of the LGPS changes arising from the McCloud judgement and (if applicable) arising from the 2016 cost management process have been finalised.

- **Goodwin**

An Employment Tribunal ruling relating to the Teachers' Pension Scheme concluded that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements, although these changes are yet to be reflected in LGPS regulations. We expect the average additional liability to be less than 0.1%, however the impact will vary by employer depending on their membership profile.

10. This Statement has been prepared by the Actuary to the Fund, Aon, for inclusion in the accounts of the Fund. It provides a summary of the results of the actuarial valuation which was carried out as at 31 March 2019. The valuation provides a snapshot of the funding position at the valuation date and is used to assess the future level of contributions required.

This Statement must not be considered without reference to the formal actuarial valuation report which details fully the context and limitations of the actuarial valuation.

Aon does not accept any responsibility or liability to any party other than our client, Powys County Council, the Administering Authority of the Fund, in respect of this Statement.

11. The report on the actuarial valuation as at 31 March 2019 is available on the Fund's website [here](#)

Aon Solutions UK Limited

May 2022

Pension Fund Accounts 2021/22

Appendix 1: Pension Board

The Pension Board is the local pension board for the Pension Fund responsible for the oversight, scrutiny and where appropriate, assisting the Pensions & Investment Committee. The Board was established with effect from 1st April 2015 in accordance with the requirements of the Public Service Pensions Act 2013. The Board is governed on a day-to-day basis by its Terms of Reference which sets out the Board's remit and its membership requirements.

The Board has an independent Chair (who regularly attends Pensions & Investment Committee as an observer) together with three representatives each of Fund Employers and Scheme Members.

The Board receives support and advice from Officers of Powys County Council and may seek advice and information from external professional advisers. During 2021/22 the membership of the Board was as follows:

Mr G Moore (Independent Chair)
Cllr W Thomas (Employer Representative)
Mr N Brinn (Employer Representative)
Mr J Byrne (Scheme Member Representative)
Mr M Hutchison (Scheme Member Representative)
Mr G Evans (Employer Representative)
Mr D Powell (Scheme Member Representative)

Throughout the year, members of the Board have also taken part in various Pension Fund training events, attended relevant online seminars, webinars and conferences.

Appendix 2: Key Documents

If you have any difficulty accessing the documents through the links below, please contact us using the details in Appendix 4, or visit our website at:

<https://www.powyspensionfund.org>

Investment Strategy Statement	<u>Forms and Publications - Powys Pension Fund</u>
Governance Statement	<u>Forms and Publications - Powys Pension Fund</u>
Funding Strategy Statement	<u>Forms and Publications - Powys Pension Fund</u>
Communications Policy	<u>Forms and Publications - Powys Pension Fund</u>

Pension Fund Accounts 2021/22

Appendix 3: Pensions and Investment Committee

The Pensions & Investment Committee is the principal decision-making body for the Pension Fund responsible for management, investment and administration issues. The Committee is governed by its constitution which sets out the Committee's authority, its membership and its overall mode of operation.

Members of the Committee are drawn from Powys County Council as the administering authority with the addition of two further (non-voting) members representing Fund Employers and Scheme Members. The Committee receives advice and guidance from both Officers of Powys County Council and external professional advisers. From 5 May 2018 the membership of the Committee was as follows:

County Councillor P Lewis (Chair)
County Councillor E A Jones (Vice Chair)
County Councillor T Van-Rees
County Councillor J Morris
County Councillor H Williams
County Councillor A Davies
Mr A M C Weale (Fund Employers)
Vacant (Scheme Members)

Officers and Advisors:

Mrs J Thomas (s.151 Officer and Head of Finance)
Mr C Hurst (Pension Fund Manager)
Mr K Ettles/ Mr G Feane/ Mr R Antrobus– Aon (Investment Consultants)
Mrs B Durran – Aon (Actuary)
Burgess Salmon (Legal Advisers)

Over the year the Committee met on 6 occasions. Dates of which can be seen [here](#). Member attendance can be viewed [here](#).

During the year, members of the Committee have also taken part in various Pension Fund training and attended relevant online seminars, webinars and conferences, covering a wide range of topics such as investments, governance, responsible investment, Climate change and specific asset classes.

Appendix 4: Fund Employers

Powys County Council administers the scheme for employees and ex-employees of the following bodies:

Scheduled Bodies	Admitted Bodies
Brecon Beacons National Park Authority, Brecon Town Council, Knighton Town Council, Llandrindod Wells Town Council, Llanidloes Burial Joint Committee, Llanidloes Town Council, Machynlleth Town Council, Newtown and Llanllwchaiarn Town Council, Powys County Council, Powys Magistrates Courts' Committee, Welshpool Town Council, Ystradfellte Community Council, Ystradgynlais Town Council	Adapt Business Services, Agoriad, BUPA Care Homes, Camping & Caravanning Club, Careers Wales Powys, Development Board for Rural Wales, Elite Supported employment Agency, Freedom Leisure, Heart of Wales Property Services Ltd Just Perfect Catering Ltd. Kier Facilities Services Ltd. MENCAP, Menter Maldwyn, Mirus Wales, Powys Association of Voluntary Organisations, Powys Dance, Powys Valuation Panel, Presteigne Shire Hall Museum Trust, Shaw Healthcare Ltd. Solo Service Group, Theatr Brycheiniog, Wales European Centre, Ystradgynlais Miners Welfare & Community,

Town and Community Councils and various other statutory bodies have the right to be included in the Fund. Other bodies can be admitted at the discretion of the County Council.

Contact List and Communications

A copy of this report is available to anyone on demand, subject to a small administration charge. A full copy of the report can be viewed at www.powyspensionfund.org. Should you have any comments on the financial statement or any other pension matter please contact the appropriate officer in the following list:

Pension Scheme, Fund Governance & Other Matters

Pension Fund Manager	Mr C Hurst	01597 827640
Pensions Administration Manager	Mrs M Price	01597 827642

Accounts & Investment

Pension Fund Accounts	Mr D Paley	01597 826042
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Glossary of Terms

Accrual

An accrual is a sum (provision) shown in the accounts to cover income or expenditure for the accounting period but which was not actually paid or received as at the date of the Balance Sheet.

Actuary

An actuary is a person who works out insurance and pension premiums, taking into account factors such as life expectancy.

Actuarial Valuation

This is when an actuary checks what the pension scheme assets are worth and compares them with the scheme's liabilities. They then work out how much the contributions from employers and members must be so that there will be enough money in the scheme when people receive their pensions.

Additional Voluntary Contributions

An option to secure additional pension benefits by making regular payments in addition to the percentage of basic earnings payable.

Admitted Bodies

Voluntary and Charitable bodies that fulfil certain conditions can apply to allow their employees to become members of the Local Government Pension Scheme.

Audit

An audit is an independent examination of the Council's activities.

Balance Sheet

This is a statement of our assets, liabilities and other balances at the date of the Balance Sheet.

Contingent Liabilities

Contingent liabilities exist where it is probable that a future event will result in a material cost to the Council and can be estimated with reasonable accuracy.

Creditor

A Creditor is someone we owed money to at the date of the Balance Sheet for work done, goods received or services rendered.

Current Asset

These are short-term assets that are available for use in the following accounting year.

Current Liabilities

These are short-term liabilities that are due for payment by the Council in the following accounting year.

Current Service Costs (Pension)

The increase in the liability of a defined benefit pensions scheme as a result of employee's service in the current period.

Debtor

A debtor is an organisation/individual that owes the Council money at the Balance Sheet date.

Equities - Pooled

The Pension Fund invests in equities through unit Trusts. It has no direct investments in equities.

Financial Reporting Standards (FRS's)

Financial regulations to be followed as set by the Accounting Standards Board.

Financial Year

This is the accounting period. For local authorities it starts on 01 April and ends on the 31 March in the following year.

Gilt Edged Stocks

These are investments in government or local Authority stocks. They are regarded as risk-free.

Liability

A liability is an amount payable at some time in the future.

Past Service Costs (Pension)

For a defined benefit pension scheme, this is the extra cost resulting from changes or improvements to the proportion of retirement benefit that relates to an employee's past service.

Post Balance Sheet Events

Post Balance Sheet events are items that have arisen after the Balance Sheet date. The items did not occur at the time the Balance Sheet was prepared but have subsequently been discovered. To give a fair representation they may need to be disclosed.

Scheduled Body

A Scheduled Body is an employer which is listed in the Local Government Pension Scheme (Administration) Regulations 2008 (Schedule 2, Part 1) and include county councils and district councils.

Securities

These are investments such as stocks and bonds.

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol



Jane Thomas
Head of Financial Services/
Pennaeth Gwasanaethau Ariannol

Auditor General for Wales
Wales Audit Office
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County Hall / Neuadd y Sir,
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If calling please ask for / Os yn galw gofynnwch am
Jane Thomas

Tel / Ffôn (01597) 826 789
Email /Ebost: jane.thomas@powys.gov.uk
Your ref / Eich cyf:
Our ref / Ein cyf:
Date / Dyddiad: 24th November 2022

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements of Powys Pension Fund for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom UK 2021-22; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Powys Pension Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.

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- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

- All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.
- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.
- All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.
- The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by the Governance & Audit Committee

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Governance and Audit Committee on 24 November 2022.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Head of Finance and Section 151 Officer

Chair of Governance & Audit Committee

24 November 2022

24 November 2022

Audit of Accounts Report – Powys Pension Fund

Audit year: 2021-22

Date issued: November 2022

Document reference: [TBC]

Purpose of this document

This document is a draft supplied in confidence solely for the purpose of verifying the accuracy and completeness of the information contained in it and to obtain views on the conclusions reached.

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

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Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2021-22 annual report and accounts in this report.
- 2 We have already discussed these issues with officers.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £8,185,830 for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for related party transactions disclosures of £10,000.
- 6 We have now substantially completed this year's audit although we are yet to complete our internal file review. We will provide a verbal update to the Committee should there be any matters arising from our file review.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.
- 8 As already communicated to the Chief Executive and the S151 officer it was necessary to make a change to the audit Engagement Lead to that advertised in the Audit Plan. Derwyn Owen, a Director within Audit Wales, is the Engagement Lead for the audit of the Pension Fund Accounts.

Impact of COVID-19 on this year's audit

- 9 The COVID-19 pandemic has had a continuing impact on how our audit has been conducted. We summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

Exhibit 1 – impact of COVID-19 on this year’s audit

Timetable	<ul style="list-style-type: none">• The timetable for presenting the draft accounts for audit and commencing the audit remains later than pre-COVID-19.• We received the draft accounts on 6th September.• We expect your audit report to be signed on 29 November following receipt of the signed approved accounts and Annual Report and ahead of the 1 December statutory deadline for publishing the Annual Report.
Audit evidence	<p>The entirety of our financial audit was undertaken remotely. Despite the challenging circumstances Council staff fully engaged in the audit process and effectively supported the audit by providing good quality draft accounts with supporting working papers and responded to audit queries on a timely basis. Specifically, Council officers:</p> <ul style="list-style-type: none">• provided audit evidence to the audit team in electronic form via e-mail or a shared folder accessible to both Council and Audit Wales staff; and• were available by video conferencing for discussions, and for the sharing of on-screen information/evidence.

Proposed audit opinion

- 10 We intend to issue an unqualified audit opinion on this year’s accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 11 We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 12 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards.
- 13 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

- 14 There are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

- 15 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in Appendix 3.

Other significant issues arising from the audit

- 16 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no issues arising in these areas this year.

Recommendations

- 17 There are no recommendations arising from our audit.

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Appendix 1

Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

[Date]

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements of Powys Pension Fund for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom UK 2021-22; in particular the financial statements give a true and fair view in accordance therewith;
- the design, implementation, maintenance, and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Powys Pension Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware

Financial statement representations

- All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.
- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.
- All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.
- The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by the Governance and Audit Committee

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Governance and Audit Committee on 24 November 2022.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Head of Finance and Section 151 Officer

Chair of Governance and Audit Committee

Date: 24 November 2022

Date: 24 November 2022

Appendix 2

Proposed Audit Report

The independent auditor's report of the Auditor General for Wales to the members of Powys County Council as administering authority for Powys Pension Fund

Opinion on financial statements

I have audited the financial statements of Powys Pension Fund for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004. Powys Pension Fund's financial statements comprise the fund account, the net assets statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2022, and of the amount and disposition at that date of its assets and liabilities;
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the pension fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the pension fund's ability to continue to adopt the going concern basis of accounting

for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit the information contained in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements and the annual report has been prepared in accordance with the Local Government Pension Scheme Regulations 2013.

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the annual report.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the financial statements, the responsible financial officer is responsible for the preparation of the financial statements, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the responsible financial officer is responsible for assessing the pension fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to Powys Pension Funds policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud; and
- Obtaining an understanding of Powys Pension Fund's framework of authority as well as other legal and regulatory frameworks that Powys Pension Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Powys Pension Fund.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the administering authority; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Powys Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Powys Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
XX November 2022

24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

Summary of Corrections Made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 2: summary of corrections made

Value of correction	Nature of correction
£1,328k 2021/22 £1,210k 2020/21	Reclassification of reinvested investment income The removal of reinvested investment income from property funds and bonds from Note 10 Investment Income and instead disclosed within changes in market value in Note 12, to comply with the Pension Funds accounting policy in Note 2. This also resulted in a prior year restatement of Notes 10 and 12.
£15,076k / £14,265k	Note 20B fair value disclosures The purchases, sales & transfers, and change in market value figures for Derivatives were understated within Note 20B due to arithmetic errors.
N/A	A number of minor narrative and numerical disclosures were amended to correct errors made during the preparation of the financial statements and Annual Report.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Springing Forward – Workforce Management – Powys County Council

Audit year: 2021-22

Date issued: October 2022

Document reference: 3222A2022

This document has been prepared for the internal use of Powys County Council as part of work performed/to be performed in accordance with Section 17 of the Public Audit (Wales) Act 2004, and Section 15 of the Well-being of Future Generations Act (Wales) 2015.

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This document is also available in Welsh.

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The Council has clear plans for its workforce with actions to address recruitment challenges and current and future training needs 6

The Council is collaborating with partners and supporting managers and staff to deliver services through its new ways of working 7

The Council has clear arrangements for monitoring workforce activity and recognises workforce benchmarking needs improvement, however, scrutiny could be more frequent to ensure challenge and monitor the impact of workforce management 8

Summary report

Summary

What we reviewed and why

- 1 We reviewed the Council's arrangements for managing its workforce. We looked at how the Council strategically plans for its workforce, how it monitors the use of its workforce and how it reviews and evaluates the effectiveness of its arrangements.
- 2 We delivered this review as the world moves forward, using the experiences from the global COVID-19 pandemic, to look at how councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
- 3 We have undertaken this project at all councils as part of our 2021 audit plans to help discharge the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015.
- 4 When we began our audit work under the Well-being of Future Generations (Wales) Act 2015 (the Act) we recognised that it would take time for public bodies to embed the sustainable development principle, but we also set out our expectation that over the medium-term public bodies would be able to demonstrate how the Act is shaping what they do. It is approaching seven years since the Act was passed and we are now into the second reporting period for the Act. Therefore, we would expect public bodies to be able to demonstrate that the Act is integral to their thinking and genuinely shaping what they do.
- 5 Under the Act, councils must carry out sustainable development in accordance with the sustainable development principle. To do something in accordance with the sustainable development principle means that the Council must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. To act in that manner, the Council must take account of the five ways of working: long-term, integration, involvement, collaboration, and prevention. Statutory guidance on the Act sets out seven core organisational activities that it is essential that the sustainable development principle is applied to. Workforce is one of those core organisational activities.
- 6 This review had three main aims:
 - to gain assurance that councils are putting in place arrangements to transform, adapt and maintain the delivery of services;
 - to explain the actions that councils are taking both individually and collectively to strengthen their arrangements; and
 - to inspire councils and other organisations to further strengthen their arrangements through capturing and sharing notable practice examples and learning and making appropriate recommendations.
- 7 We undertook the review during the period January 2022 to May 2022.

8 There are approximately 5500¹ full time equivalent members of staff in the Council's workforce.

What we found

9 Our review sought to answer the question: Is the Council's strategic approach to its workforce effectively helping the Council to strengthen its ability to transform, adapt and maintain the delivery of its services in the short and longer-term?

10 Overall, we found that: **the Council has clear plans and effective service planning arrangements to deliver its workforce planning agenda in the short and longer term and is working with partners and staff to do this.**

11 We reached this conclusion because:

- the Council has clear plans for its workforce with actions to address recruitment challenges and current and future training needs;
- the Council is collaborating with partners and supporting managers and staff to deliver services through its new ways of working; and
- the Council has clear arrangements for monitoring workforce activity and recognises workforce benchmarking needs improvement, however, scrutiny could be more frequent to ensure challenge and monitor the impact of workforce management.

Recommendation

Exhibit 1: recommendation

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

Recommendation	
Performance management	
R1	The Council needs to strengthen the performance management of its workforce by: <ul style="list-style-type: none">• highlighting workforce items to Scrutiny Chairs for their consideration in developing agendas; and• continuing to develop benchmarking activity on workforce with other organisations.

¹ [Table | Staff in post | All staff | Local authority workforce | Local government | Data | Home - InfoBaseCymru](#)

Detailed report

The Council has clear plans and effective service planning arrangements to deliver its workforce planning agenda in the short and longer term and is working with partners and staff to do this

The Council has clear plans for its workforce with actions to address recruitment challenges and current and future training needs

- 12 During the COVID-19 pandemic many councils have worked differently. Large numbers of staff have worked from home and some have been redeployed to other roles to support the Council's response to the pandemic. To capture learning and capitalise on delivering services differently, the Council approved their New Ways of Working Strategy in September 2021. This strategy has a focus on how work is undertaken rather than where it is undertaken. The Council hopes this approach will reduce staff travel, increase flexibility for workers and aid in recruitment challenges.
- 13 The Council has a Strategic Workforce Plan which is a high-level document and is regularly updated. The Strategic Workforce Plan sets out the Council's ambitions, values and areas of focus for its workforce. The Council also has a Corporate Workforce Development Plan and to accompany this, there is a detailed Workforce and Organisational Development Aspirations project plan spanning 2021-2023. At a service level the Workforce and Organisational Development Integrated Business Plan largely links to the 'Vision 2025: Corporate Improvement Plan' with a broad set of actions and performance measures. These plans identify the key workforce challenges the Council is facing both internally and externally and set out how the challenges identified will be addressed. Through these plans, the Council has a well-developed understanding of the long-term risks and opportunities relating to its workforce.
- 14 The Council has effective arrangements to identify the future training needs of its workforce and adapts training provision in line with service requirements. Each service reviews its Workforce Plans annually as part of the integrated business planning cycle. To help inform the Workforce Plans, each service area also undertakes an annual Training Needs Analysis to identify any gaps in the skills mix of the service which need addressing to meet its objectives. These service level Workforce Plans inform the Council's Corporate Workforce Development Plan helping to inform a 'ground up' approach to future training needs. This ground up approach includes developing a Corporate Leadership and Development programme for future leaders, retraining staff with lapsed qualifications for hard to fill jobs such as Social Workers and introducing graduate programmes to attract a younger workforce. Powys has an aging population so focusing resources and

training to fill future skill gaps is likely to help mitigate against some of the future risks the Council has identified.

- 15 The Council has identified challenges around recruitment of staff and noted this within its service level risk registers and the corporate risk register. The Council has put mitigating actions in place to try and limit this risk and has embedded them within the Workforce and Organisational Development Aspirations project plan. This project plan is split into 'pillars' which identify and represent a specific workforce workstream. In Pillar One 'Developing organisational agility', the Council aims to address some of the issues it faces around recruitment. An example of solutions in Pillar One includes an end-to-end review of recruitment processes and targeted support for service areas who have difficulty recruiting. For example, the Council undertook a targeted Social Services recruitment campaign in January 2022 due to the high demand on the service. The Council undertook an evaluation of the recruitment campaign which identified how well the campaign had worked and mapped the Council's current retention situation identifying any problem areas on which it could focus. In addition to this, the Council gave staff working on the Test, Trace Protect project the opportunity to move to Social Services as Well-being Officers in the first instance before being redeployed more widely in the Council. The Council are using opportunities to improve processes and address vacancies within Social Services by creating support roles such as the Well-being Officers who assist with Social Worker workload and redeploying staff from other service areas.
- 16 The Council has undertaken an initial assessment of the resource implications of its New Ways of Working Strategy but recognises the costs may vary over time. The Council's Cabinet received a report in September 2021 outlining these resource implications and the potential savings of the implementation of New Ways of Working Strategy. The Council anticipates there will be some savings from reduced staff travel which could be used to offset service cost pressures however this has been done as an initial costing exercise and could be subject to change.

The Council is collaborating with partners and supporting managers and staff to deliver services through its new ways of working

- 17 The Council's Strategic Workforce Plan recognises the need for collaboration in line with the sustainable development principle and there are a number of examples that demonstrate how it collaborated in delivering its workforce plan. The Council works with a range of partners to deliver training such as its apprenticeship programmes. Various apprenticeship programmes are offered by the Council for employees. In order to deliver the apprenticeships, the Council collaborates with a range of partners including external training providers, the Department of Work and Pensions and Neath Port Talbot County Borough Council. In addition to this work, a joint Health and Social Care Academy based in Bronllys has been developed with Powys Teaching Health Board and the University of Wales offering specialised

training. As a result of this partnership working, staff are being trained to fill future service gaps.

- 18 The Council has continued to engage with staff in relation to its New Ways of Working Strategy and is committed to this going forward. 'Pillar Three' of the Council's Workforce and Organisational Development Aspirations project plan relates to 'Culture and Engagement'. The Council has issued a number of detailed surveys out to staff since June 2020 asking about wellbeing and working from home. One of these surveys ran for seven weeks between March 2022 and April 2022. The Council analyses survey responses and the most recent survey recorded that staff have less desire to be back in the office. This was one of the considerations in the Council not compelling flexible workers to return to office working and giving staff members a choice of their work location where possible.
- 19 The Council has arrangements in place to assist managers to support their teams as they adjust to the New Ways of Working strategy and support its implementation. Resilience and Wellbeing Training for the Senior Leadership Team and the development of practical guidance for managers to enable them to support themselves and their teams in the new working environments is in place. Managers guidance includes resources for teams including links to working policies, grievance procedures and key questions to support staff. This guidance also includes discussions around display screen equipment working assessments and reference to risk assessments.
- 20 An Integrated Impact Assessment on the New Ways of Working Strategy has been completed by the Council and was updated in August 2021. The Integrated Impact Assessment encourages wider thinking around the well-being objectives and well-being goals. This assessment identifies areas the Council wants to further develop within its New Ways of Working Strategy. These include expanding partnership working and the challenges the Council faces integrating new starters in a virtual environment. In response the partnerships, the Council intends to seek further collaboration with Powys Teaching Health Board and Powys Association of Voluntary Organisations. Regarding the induction of new starters, the Council is exploring the introduction of a digital 'buddy system' for new staff.

The Council has clear arrangements for monitoring workforce activity and recognises workforce benchmarking needs improvement, however, scrutiny could be more frequent to ensure challenge and monitor the impact of workforce management

- 21 The Council had arrangements in place before the pandemic to monitor workforce activity through its Workforce Board. The Workforce Board was responsible for assessing and challenging workforce programmes and comprised a mix of senior staff from across services. The Workforce Board was stood down during the pandemic and progress was reported instead to the Council's Transformation Board. The Workforce Board is due to be reinstated to monitor progress going

forward. At an operational level, the delivery of service level plans is the responsibility of each service lead. The Corporate Workforce Development Plan is implemented and monitored by the Senior Leadership Team with progress being reported to the Executive Management Team.

22 The actions within the Workforce and Organisational Development Integrated Business Plan are specific and most actions have a performance measure. The Integrated Business Plan contains a comprehensive list of performance measures for workforce topics relating to:

- Appraisals
- Mandatory Training
- Apprentices
- Sickness
- Staff well-being
- Reducing the gender pay gap
- Flexible working

The combination of actions and performance measures provides arrangements for the Council to monitor and evaluate progress in workforce development and inform future decision making.

23 The Council's Head of Workforce and Organisational Development meets with the relevant Cabinet Portfolio Holder monthly to provide updates on workforce matters.

24 However, scrutiny committees have limited information on the progress and impact of the work which is being undertaken in relation to the New Ways of Working Strategy. A report on Leadership and Apprenticeships went to the Economy, Residents and Community Scrutiny Committee in September 2021 and more recently to discuss aspects of integrated business plans at Learning and Skills Scrutiny Committee in February 2022. To ensure effective scrutiny and challenge and to highlight the impact of work being undertaken, Scrutiny could request for progress relating to workforce development to be scrutinised more regularly.

25 The Council undertakes very little benchmarking in relation to workforce but is in the early stages of addressing this. The Head of Workforce and Organisational Development works in collaboration with other Councils as part of a recently established subgroup looking at the development of benchmarking of workforce across Wales.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Llamu Ymlaen – Rheoli'r Gweithlu – Cyngor Sir Powys

Blwyddyn Archwilio: 2021-22

Dyddiad cyhoeddi: Hydref 2022

Cyfeirnod: 3222A2022

Paratowyd y ddogfen hon at ddefnydd mewnol Cyngor Sir Powys fel rhan o'r gwaith a berfformiwyd/i'w berfformio yn unol ag Adran 17 Deddf Archwilio Cyhoeddus (Cymru) 2004, ac Adran 15 Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015.

Ni chymerir cyfrifoldeb gan yr Archwilydd Cyffredinol na staff Archwilio Cymru mewn perthynas ag unrhyw aelod, cyfarwyddwr, swyddog neu weithiwr arall yn rhinwedd eu swydd unigol, nac i unrhyw drydydd parti.

Os bydd y ddogfen hon yn derbyn cais am wybodaeth y gall y ddogfen hon fod yn berthnasol iddi, tynnir sylw at y Cod Ymarfer a gyhoeddwyd o dan adran 45 o Ddeddf Rhyddid Gwybodaeth 2000. Mae'r Cod adran 45 yn nodi'r arfer wrth drin ceisiadau sy'n ddisgwyliedig gan awdurdodau cyhoeddus, gan gynnwys ymgynghori â thrydydd partiön perthnasol. Mewn perthynas â'r ddogfen hon, mae Archwilydd Cyffredinol Cymru ac Archwilio Cymru yn drydydd partiön perthnasol. Dylid anfon unrhyw ymholiad ynghylch datgelu neu ailddefnyddio'r ddogfen hon at Archwilio Cymru ar swyddog.gwybodaeth@archwilio.cymru.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Saesneg.

Cynnwys

Adroddiad cryno

Crynodeb 4

Adroddiad manwl

Mae gan y Cyngor gynlluniau clir a threfniadau cynllunio gwasanaethau effeithiol i gyflawni ei agenda cynllunio'r gweithlu yn y tymor byr a'r tymor hirach ac mae'n gweithio gyda phartneriaid a staff i wneud hyn 6

Mae gan y Cyngor gynlluniau clir ar gyfer ei weithlu gyda chamau i fynd i'r afael â heriau recriwtio ac anghenion hyfforddi 6 yn y presennol ac yn y dyfodol

Mae'r Cyngor yn cydweithio gyda phartneriaid a chefnogi rheolwyr a staff i ddarparu gwasanaethau drwy ei ffyrdd newydd o weithio 7

Mae gan y Cyngor drefniadau clir ar gyfer monitro gweithgarwch y gweithlu ac yn cydnabod gwella anghenion meincnodi'r gweithlu, fodd bynnag, gallai craffu fod yn amlach er mwyn sicrhau her a monitro effaith rheoli'r gweithlu 9

Adroddiad cryno

Crynodeb

Beth wnaethon ni adolygu a pham

- 1 Fe wnaethon ni adolygu trefniadau'r Cyngor ar gyfer rheoli ei weithlu. Edrychwyd ar sut mae'r Cyngor yn cynllunio'n strategol ar gyfer ei weithlu, sut mae'n monitro'r defnydd o'i weithlu a sut mae'n adolygu ac yn gwerthuso effeithiolrwydd ei drefniadau.
- 2 Fe wnaethom gynnal yr adolygiad hwn wrth i'r byd symud ymlaen, gan ddefnyddio'r profiadau o'r pandemig COVID-19 byd-eang, i edrych ar sut mae cynghorau'n cryfhau eu gallu i drawsnewid, addasu a chynnal y gwaith o ddarparu gwasanaethau, gan gynnwys y rhai a gyflwynir mewn partneriaeth â rhanddeiliaid a chymunedau allweddol.
- 3 Rydym wedi ymgymryd â'r prosiect hwn ym mhob cyngor fel rhan o'n cynlluniau archwilio yn 2021 i helpu i gyflawni dyletswyddau'r Archwilydd Cyffredinol o dan adran 17 o Ddeddf Archwilio Cyhoeddus (Cymru) 2004 (Deddf 2004) ac adran 15 o Ddeddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015.
- 4 Pan ddechreuon ni ar ein gwaith archwilio o dan Ddeddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 (y Ddeddf) gwnaethom gydnabod y byddai'n cymryd amser i gyrff cyhoeddus wreiddio'r egwyddor datblygu cynaliadwy, ond rydym hefyd yn nodi ein disgwyliad y byddai cyrff cyhoeddus dros y tymor canolig yn gallu dangos sut mae'r Ddeddf yn llunio'r hyn a wnânt. Mae'n agosáu at saith mlynedd ers i'r Ddeddf gael ei phasio ac rydym bellach i mewn i'r ail gyfnod adrodd ar gyfer y Ddeddf. Felly, byddem yn disgwyl i gyrff cyhoeddus allu dangos bod y Ddeddf yn rhan annatod o'u meddylfryd ac yn wirioneddol siapio'r hyn maen nhw'n ei wneud.
- 5 O dan y Ddeddf, rhaid i gynghorau gyflawni datblygiad cynaliadwy yn unol â'r egwyddor datblygu cynaliadwy. Mae gwneud rhywbeth yn unol â'r egwyddor datblygu cynaliadwy yn golygu bod yn rhaid i'r Cyngor weithredu mewn modd sy'n ceisio sicrhau bod anghenion y presennol yn cael eu diwallu heb beryglu gallu cenedlaethau'r dyfodol i ddiwallu eu hanghenion eu hunain. Er mwyn gweithredu yn y modd hwnnw, rhaid i'r Cyngor ystyried y pum ffordd o weithio: tymor hir, integreiddio, cynnwys, cydweithio, ac atal. Mae canllawiau statudol ar y Ddeddf yn nodi saith gweithgaredd trefnu craidd y mae'n hanfodol bod yr egwyddor datblygu cynaliadwy yn cael ei chymhwyso iddo. Mae'r gweithlu yn un o'r gweithgareddau trefnu craidd hynny.
- 6 Roedd tri phrif nod i'r adolygiad hwn:
 - i gael sicrwydd bod cynghorau'n cyflwyno trefniadau i drawsnewid, addasu a chynnal darparu gwasanaethau;
 - i esbonio'r camau y mae cynghorau'n eu cymryd yn unigol ac ar y cyd i gryfhau eu trefniadau; ac

- i ysbrydoli cyngorau a sefydliadau eraill i gryfhau eu trefniadau ymhellach drwy ddal a rhannu enghreifftiau o ymarfer nodedig a dysgu a gwneud argymhellion priodol.

7 Gwnaethom gynnal yr adolygiad yn ystod y cyfnod rhwng Ionawr 2022 a Mai 2022.

8 Mae tua 5500 o aelodau staff cyfwerth ag amser llawn yng ngweithlu'r Cyngor.¹

Yr hyn a chanfuom

9 Nod ein hadolygiad oedd ateb y cwestiwn: A yw dull strategol y Cyngor o'i weithlu yn helpu'r Cyngor i bob pwrpas i gryfhau ei allu i drawsnewid, addasu a chynnal y gwaith o ddarparu ei wasanaethau yn y tymor byr a'r tymor hwy?

10 Ar y cyfan, gwelsom fod **gan y Cyngor gynlluniau clir a threfniant cynllunio gwasanaethau effeithiol i ddarparu ei agenda cynllunio'r gweithlu yn y tymor byr a hwy o ac mae'n gweithio gyda phartneriaid a staff i wneud hyn.**

11 Daethom i'r casgliad hwn oherwydd:

- mae gan y Cyngor gynlluniau clir ar gyfer ei weithlu gyda chamau i fynd i'r afael â heriau recriwtio ac anghenion hyfforddi presennol ac yn y dyfodol;
- mae'r Cyngor yn cydweithio â phartneriaid ac yn cefnogi rheolwyr a staff i ddarparu gwasanaethau drwy ei ffyrdd newydd o weithio; ac
- mae gan y Cyngor drefniadau clir ar gyfer monitro gweithgarwch y gweithlu ac mae'n cydnabod gwella anghenion meincnodi'r gweithlu, fodd bynnag, gallai craffu fod yn amlach i sicrhau her a monitro effaith rheoli'r gweithlu.

Argymhelliad

Arddangosyn 1: argymhelliad

Mae'r tabl isod yn nodi'r argymhellion a nodwyd gennym yn dilyn yr adolygiad hwn.

Argymhelliad	
Rheoli perfformiad	
R1	Mae angen i'r Cyngor gryfhau rheolaeth perfformiad ei weithlu drwy: <ul style="list-style-type: none"> • tynnu sylw at eitemau'r gweithlu at Gadeiriau Craffu i'w hystyried wrth ddatblygu agendâu; a • pharhau i ddatblygu gweithgaredd meincnodi ar weithlu gyda sefydliadau eraill.

¹ Tabl | Staff yn y swydd | Pob aelod o staff | Gweithlu awdurdodau lleol | Llywodraeth leol
| | Data Hafan - InfoBaseCymru

Adroddiad manwl

Mae gan y Cyngor gynlluniau clir a threfniadau cynllunio gwasanaethau effeithiol i gyflawni ei agenda cynllunio ar gyfer y gweithlu yn y tymor byr a'r tymor hirach ac mae'n gweithio gyda phartneriaid a staff i wneud hyn

Mae gan y Cyngor gynlluniau clir ar gyfer ei weithlu gyda chamau i fynd i'r afael â heriau recriwtio ac anghenion hyfforddi presennol ac yn y dyfodol

- 12 Yn ystod pandemig COVID-19 mae llawer o gynghorau wedi gweithio'n wahanol. Mae nifer fawr o staff wedi gweithio o adref a rhai wedi cael eu hadleoli i rolau eraill er mwyn cefnogi ymateb y Cyngor i'r pandemig. Er mwyn dal dysgu a manteisio ar ddarparu gwasanaethau'n wahanol, cymeradwyodd y Cyngor eu trasiedi Ffyrdd Newydd o Weithio ym mis Medi 2021. Mae'r strategaeth hon yn canolbwyntio ar sut y cyflawnir gwaith yn hytrach na lle y gwneir hynny. Gobaiht y Cyngor yw y bydd y dull yma yn lleihau teithio staff, yn cynyddu hyblygrwydd i weithwyr a chymorth mewn heriau recriwtio.
- 13 Mae gan y Cyngor Gynllun Gweithlu Strategol sy'n ddogfen lefel uchel ac sy'n cael ei diweddarau'n rheolaidd. Mae'r Cynllun Gweithlu Strategol yn nodi uchelgeisiau, gwerthoedd a meysydd ffocws y Cyngor ar gyfer ei weithlu. Mae gan y Cyngor Gynllun Datblygu'r Gweithlu Corfforaethol hefyd ac i gyd-fynd â hyn, mae cynllun prosiect Dyheadau'r Gweithlu a Datblygu Sefydliadol manwl sy'n rhychwantu 2021-2023. Ar lefel gwasanaeth mae'r Cynllun Busnes Integredig Gweithlu a Datblygu Sefydliadol yn cysylltu'n bennaf â 'Gweledigaeth 2025: Cynllun Gwella Corfforaethol' gyda set eang o gamau gweithredu a mesurau perfformiad. Mae'r cynlluniau hyn yn nodi'r heriau gweithlu allweddol y mae'r Cyngor yn eu hwynebu'n fewnol ac yn allanol ac yn nodi sut y bydd yr heriau a nodwyd yn cael sylw. Through these plans, mae gan y Cyngor ddealltwriaeth ddatblygedig iawn o'r risgiau a'r cyfleoedd hirdymor sy'n ymwneud â'i weithlu.
- 14 Mae gan y Cyngor drefniadau effeithiol i nodi anghenion hyfforddi ei weithlu yn y dyfodol ac addasu'r ddarpariaeth hyfforddiant yn unol â gofynion gwasanaethau. Mae pob gwasanaeth yn adolygu ei Gynlluniau Gweithlu yn flynyddol fel rhan o'r cylch cynllunio busnes integredig. Er mwyn helpu i lywio Cynlluniau'r Gweithlu, mae pob ardal gwasanaeth hefyd yn ymgymryd â Dadansoddiad Anghenion Hyfforddiant blynyddol i nodi unrhyw fylchau yn y gymysgedd sgiliau o'r gwasanaeth sydd angen mynd i'r afael â nhw er mwyn cyflawni ei amcanion. Mae'r Cynlluniau Gweithlu lefel gwasanaeth hyn yn hysbysu Cynllun Datblygu'r Gweithlu Corfforaethol y Cyngor sy'n helpu i lywio dull 'arloesol' o anghenion hyfforddi'r dyfodol. Mae'r dull arloesol hwn yn cynnwys datblygu rhaglen Arweinyddiaeth a Datblygu Corfforaethol ar gyfer arweinwyr y dyfodol, ailhyfforddi staff sydd â

chymwysterau darvoudedig ar gyfer swyddi anodd eu llenwi fel Gweithwyr Cymdeithasol a chyflwyno rhaglenni i raddedigion er mwyn denu gweithlu iau. Mae gan Bowys boblogaeth sy'n heneiddio felly mae canolbwyntio adnoddau a hyfforddiant i lenwi bylchau sgiliau yn y dyfodol yn debygol o helpu i liniaru yn erbyn rhai o'r risgiau y mae'r Cyngor wedi'u nodi yn y dyfodol.

- 15 Mae'r Cyngor wedi nodi heriau o ran recriwtio staff a nodi hyn o fewn ei gofrestrau risg lefel gwasanaeth a'r gofrestr risg gorfforaethol. Mae'r Cyngor wedi rhoi camau lliniaru ar waith i geisio cyfyngu ar thyw risg ac mae wedi'u gwreiddio o fewn cynllun prosiect Dyheadau'r Gweithlu a Datblygu Sefydliadol. Mae'r cynllun prosiect hwn wedi'i rannu'n 'bileri' sy'n nodi ac yn cynrychioli llif gwaith penodol i'r gweithlu. Yn Colofn Un 'Datblygu ystwythder sefydliadol', nod y Cyngor yw mynd i'r afael â rhai o'r materion y mae'n eu hwynebu ynghylch recriwtio. Mae enghraifft o atebion yn Pillar One yn cynnwys adolygiad o'r dechrau i'r diwedd o brosesau recriwtio a chefnogaeth wedi'i thargedu ar gyfer ardaloedd gwasanaeth sy'n cael trafferth recriwtio. Er enghraifft, cynhaliodd y Cyngor ymgyrch recriwtio gwasanaethau Cymdeithasol wedi ei thargedu ym mis Ionawr 2022 oherwydd y galw mawr ar y gwasanaeth. Cynhaliodd y Cyngor werthusiad o'r ymgyrch recriwtio a nododd pa mor dda yr oedd yr ymgyrch wedi gweithio a mapio sefyllfa gadw bresennol y Cyngor gan nodi unrhyw feysydd problemus y gallai ganolbwyntio arnynt. Yn ogystal â hyn, rhoddodd y Cyngor y cyfle i staff sy'n gweithio ar y prosiect Profi, Orlhain Diogelu symud i Wasanaethau Cymdeithasol fel Swyddogion Llesiant yn y lle cyntaf cyn cael eu hadleoli yn ehangach yn y Cyngor. Mae'r Cyngor yn defnyddio cyfleoedd i wella prosesau a mynd i'r afael â swyddi gwag o fewn y Gwasanaethau Cymdeithasol drwy greu rolau cymorth fel y Swyddogion Llesiant sy'n cynorthwyo â llwyth gwaith Gweithwyr Cymdeithasol ac adleoli staff o feysydd gwasanaeth eraill.
- 16 Mae'r Cyngor wedi cynnal asesiad cychwynnol o oblygiadau adnoddau ei ffyrdd newydd o weithio Strategy ond mae'n cydnabod y gall y costau amrywio dros amser. Derbyniodd Cabinet y Cyngor adroddiad ym mis Medi 2021 yn amlinellu'r goblygiadau hyn o ran adnoddau ac arbedion posibl gweithredu Strategaeth Ffyrdd Newydd o Weithio. Mae'r Cyngor yn rhagweld y bydd rhai arbedion o deithio llai o staff y gellid eu defnyddio i wneud yn erbyn pwysau cost y gwasanaeth, fodd bynnag, gwnaed hyn fel ymarfer costau cychwynnol ac y gallai fod yn destun newid.

Mae'r Cyngor yn cydweithio gyda phartneriaid a'n cefnogi rheolwyr a staff i ddarparu gwasanaethau trwy ei ffyrdd newydd o weithio

- 17 Mae Cynllun Gweithlu Strategol y Cyngor yn cydnabod yr angen am gydweithio yn unol â'r egwyddor datblygu cynaliadwy a cheir nifer o enghreifftiau sy'n dangos sut y bu'n cydweithio wrth gyflawni ei gynllun gweithlu. Mae'r Cyngor yn gweithio gydag ystod o bartneriaid i ddarparu hyfforddiant fel ei raglenni prentisiaeth. Mae'r Cyngor gweithwyr yn cynnig rhaglenni prentisiaeth amrywiol. Er mwyn darparu y

prentisiaethau, mae'r Cyngor yn cydweithio gydag ystod o bartneriaid gan gynnwys darparwyr hyfforddiant allanol, yr Adran Gwaith a Phensiynau a Chyngor Bwrdeistref Sirol Castell-nedd Port Talbot. Yn ogystal â'r gwaith hwn, mae Academi Iechyd a Gofal Cymdeithasol ar y cyd ym Mronllys wedi ei datblygu gyda Bwrdd Iechyd Addysgu Powys a Phrifysgol Cymru yn cynnig hyfforddiant arbenigol. O ganlyniad i'r gwaith partneriaeth hwn, mae staff yn cael eu hyfforddi i lenwi bylchau yn y gwasanaeth yn y dyfodol.

- 18 Mae'r Cyngor wedi parhau i ymgysylltu â staff o ran ei Strategaeth Ffyrdd Gweithio Newydd ac wedi ymrwmo i hyn wrth symud ymlaen. Mae 'Colofn Tri' o gynllun Dyheadau Gweithlu a Datblygu Sefydliadol y Cyngor yn ymwneud â 'Diwylliant ac Ymgysylltu'. Mae'r Cyngor wedi cyhoeddi nifer o arolygon manwl allan i staff ers Mehefin 2020 yn holi am les a gweithio o adref. Cynhaliwyd un o'r arolygon hyn am saith wythnos rhwng Mawrth 2022 ac Ebrill 2022. Mae'r Cyngor yn dadansoddi ymatebion yr arolwg a chofnododd yr arolwg diweddaraf bod gan staff lai o awydd bod yn ôl yn y swyddfa. Dyma oedd un o'r ystyriaethau yn y Cyngor nad oedd yn cymhell gweithwyr hyblyg i ddechreio i weithio yn y swyddfa a rhoi dewis i aelodau staff o'u lleoliad gwaith lle bo hynny'n bosib.
- 19 Mae gan y Cyngor drefniadau ar waith i gynorthwyo rheolwyr i gefnogi eu timau wrth iddynt addasu i'r strategaeth Ffyrdd Newydd o Weithio a chefnogi ei weithredu. Mae Hyfforddiant Gwytnwch a Llesiant ar gyfer yr Uwch Dîm Arwain a datblygu canllawiau ymarferol i reolwyr i'w galluogi i gefnogi eu hunain a'u timau yn yr amgylcheddau gwaith newydd ar waith. Mae canllawiau'r rheolwyr yn cynnwys adnoddau ar gyfer timau gan gynnwys dolenni at bolisiau gwaith, gweithdrefnau cwyno a chwestiynau allweddol i gefnogi staff. Mae'r canllawiau hyn hefyd yn cynnwys trafodaethau ynghylch asesiadau gwaith offer sgrin arddangos a chyfeirio at asesiadau risg.
- 20 Mae'r Cyngor wedi cwblhau Asesiad Effaith Integredig ar y Strategaeth Ffyrdd Newydd o Weithio a chafodd ei ddiweddarau ym mis Awst 2021. Mae'r Asesiad Effaith Integredig yn annog meddwl ehangach ynghylch yr amcanion llesiant a'r nodau llesiant. Mae'r asesiad yn nodi meysydd y mae'r Cyngor eisiau eu datblygu ymhellach o fewn ei Strategaeth Ffyrdd Gwaith Newydd. Mae'r rhain yn cynnwys ehangu gwaith partneriaeth a'r heriau y mae'r Cyngor yn eu hwynebu wrth integreiddio cychwynwyr newydd mewn amgylchedd rhithwir. Wrth ymateb i'r partneriaethau, bwriad y Cyngor yw ceisio cydweithio ymhellach gyda Bwrdd Iechyd Addysgu Powys a Chymdeithas Mudiadau Gwirfoddol Powys. O ran sefydlu cychwynwyr newydd, mae'r Cyngor yn archwilio cyflwyno 'system gyfeillion' ddigidol ar gyfer staff newydd.

Mae gan y Cyngor drefniadau clir ar gyfer monitro gweithgarwch y gweithlu acmae'n cydnabod bod angen gwella anghenion meincnodi'r gweithlu, fodd bynnag, gallai craffu fod yn amlach er mwyn sicrhau her a monitro effaith rheoli'r gweithlu

- 21 Roedd gan y Cyngor drefniadau mewn lle cyn y pandemig i fonitro gweithgarwch y gweithlu trwy ei Fwrdd y Gweithlu. Roedd Bwrdd y Gweithlu yn gyfrifol am asesu a herio rhaglenni'r gweithlu ac roedd yn cynnwys cymysgedd o uwch staff o bob rhan o wasanaethau. Safodd y Bwrdd Gweithlu i lawr yn ystod y pandemig a chafodd cynnydd ei adrodd yn hytrach i Fwrdd Trawsnewid y Cyngor. Mae disgwyl i Fwrdd y Gweithlu gael ei adfer i fonitro'r cynnydd wrth symud ymlaen. Ar lefel weithredol, cyfrifoldeb pob arweinydd gwasanaeth yw darparu cynlluniau lefel gwasanaeth. Mae'r Cynllun Datblygu'r Gweithlu Corfforaethol yn cael ei weithredu a'i fonitro gan yr Uwch Dîm Arwain gyda chynnydd yn cael ei adrodd i'r Tîm Rheoli Gweithredol.
- 22 Mae'r camau gweithredu yn y Gweithlu a'r Cynllun Busnes Integredig Datblygu Sefydliadol yn benodol ac mae gan y rhan fwyaf o gamau gweithredu fesur perfformiad. Mae'r Cynllun Busnes Integredig yn cynnwys rhestr gynhwysfawr o fesurau perfformiad ar gyfer pynciau'r gweithlu sy'n ymwneud â:
- Gwerthusiadau
 - Hyfforddiant gorfodol
 - Prentisiaid
 - Anhwyllder
 - Lles staff
 - Lleihau'r bwlch cyflog rhwng y rhywiau
 - Gweithio hyblyg
- Mae'r cyfuniad o gamau gweithredu a mesurau perfformiad yn darparu trefniadau i'r Cyngor fonitro a gwerthuso cynnydd wrth ddatblygu'r gweithlu a llywio'r broses o wneud penderfyniadau yn y dyfodol.
- 23 Mae Pennaeth Gweithlu a Datblygu Sefydliadol y Cyngor yn cwrdd â'r Deiliad Portffolio Cabinet perthnasol bob mis i roi'r wybodaeth ddiweddaraf am faterion yn ymwneud â'r gweithlu.
- 24 Fodd bynnag, prin yw'r wybodaeth sydd gan bwyllgorau craffu am gynnydd ac effaith y gwaith sy'n cael ei wneud mewn perthynas â'r Strategaeth Ffyrdd Newydd o Weithio. Aeth adroddiad ar Arweinyddiaeth a Phrentisiaethau i'r Pwyllgor Economi, Trigolion a Chraffu Cymunedol ym mis Medi 2021 ac yn fwy diweddar i drafod agweddau ar gynlluniau busnes integredig y Pwyllgor Craffu Dysgu a Sgiliau ym mis Chwefror 2022. Er mwyn sicrhau craffu a her effeithiol ac i dynnu sylw at effaith y gwaith sy'n cael eiddadwneud, gallai craffu ofyn am graffu ar gynnydd yn ymwneud â datblygu'r gweithlu yn fwy rheolaidd.
- 25 Ychydig iawn o meincnodi y mae'r Cyngor yn ei wneud mewn perthynas â gweithlu, ond mae yn y camau cynnar o roi sylw i hyn. Mae'r Pennaeth Gweithlu a Datblygu

Sefydliadol yn gweithio ar y cyd â Chynghorau eraill fel rhan o is-grŵp sydd wedi ei sefydlu'n ddiweddar sy'n edrych ar ddatblygu meincnodi'r gweithlu ar draws Cymru.



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Council Response Form

Council action planned in response to the recommendations issued by Audit Wales

Council: Powys County Council

Report title: Springing Forward - Workforce

Issue date: October 2022

Document reference: 3222A2022

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
279	<p>Performance management The Council needs to strengthen the performance management of its workforce by:</p> <ul style="list-style-type: none">• highlighting workforce items to Scrutiny Chairs for their consideration in developing agendas; and• continuing to develop benchmarking activity on workforce with other organisations.			

Mae'r dudalen hon wedi'i gadael yn wag yn fwiadol

Powys County Council

Quarterly Internal Audit Update Report
As at 30th September 2022

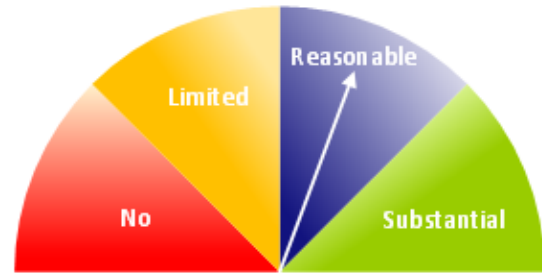
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Internal Audit Progress Report as at Quarter 2 2022/23

As part of our update reports, we will provide an ongoing opinion to support our end of year annual opinion. Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness.

Rolling Opinion



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.

Action Priority	Description	No of Actions
P1	Fundamental	7
P2	Important	47
P3	Requires Attention	36

The Headlines for audits completed to date for 2022/23

	The agile plan outlines the agreed work programme throughout Quarters 3 and 4. The work programme remains flexible to react to changing situations and resource availability. Engagement continues with Senior Management to ensure audit work is focused on Council priorities. Assurance can be sought from the coverage of strategic risk.
	27 audits complete, 6 at draft report stage and 9 in progress. The delivery of internal audit work is on track to deliver an annual opinion.
	77% of the opinion related work found the control environment to be either Substantial or Reasonable assurance. There are no significant risks to be reported, but Limited Assurance reports were issued for National Fraud Initiative 2020, Continuing Health Care and Deprivation of Liberty Safeguards.
	SWAP ask for feedback from the client at the end of each audit on the scoping, conduct, communication, and the value added. The result for the calendar year to date is that 100% of the audits undertaken met expectation in terms of quality.
	SWAP are transitioning to a new audit management system with the intention that the Committee and Management Team will be able to see live dashboards on progress and control risk from April onwards.

Assurance Opinions as @ Q2

Substantial	1
Reasonable	16
Limited	5
No Assurance	0
Support/ Advisory	5

Progress/ Activity as @ Q2

Complete	27
Draft	6
In progress	9
Total	42

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Internal Audit Progress Report as at Quarter 2 2022/23

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Primarily the work programme includes:

- Operational Audit Reviews
- Cross Cutting Governance Audits
- Annual Review of Key Financial System Controls
- IT Audits
- Grant Assurance Work
- Other Special or Unplanned Review

Internal Audit Work Programme and Coverage

Internal audit coverage has been measured against the corporate risks presented to Committee in September 2022. This includes audits completed in 2020/21, 2021/22 and the current financial year (2022/23) as well as future planned audits. Please note as future audits are flexible there is potential for coverage to increase or decrease.

Risk Ref.	Audit Coverage	Future Coverage	Risk Narrative
ASC0064	None	None	WCCIS Unreliability - IF the unreliability of WCCIS is not resolved. THEN Veracity of decision making around adults and children in Powys will be compromised, leading to poor outcomes.
ASC0066	Some	Some	Risk of social care provider failure. THEN risk of care services becoming unviable and not sustainable, resulting in requirement to support residents to access different services/care homes etc
ASC0069	Some	Some	If there is insufficient capacity to respond to the longer-term demand in children's and adults' services in timely manner. THEN the Local Authority will be unable to discharge its statutory duty and safeguard children, young people and adults.
CS0081	Good	Some	BUDGET: If Children's Services are unable to manage within budget. THEN have implications for the whole Council: - Unable to meet statutory duties - Leaving service users at risk - Reputational damage to the Authority - Unable to manage within financial envelope
ED0022	Good	Good	The council will be unable to manage the schools' budget without ongoing adjustments to the distribution formula and improving financial management. If they are unable to manage the budget, there will be a significant compromise to the quality of education for Powys learners. THEN Some schools will have escalating deficits which will have a financial impact on the rest of the Council and the learners in their care.
FIN0001	Some	Some	The Council is unable to deliver a financially sustainable budget over the short and medium term. The continued impact of Covid coupled with the more recent events around rising inflation, energy costs and the situation in Ukraine impacting on supply chains and prices all increase the risk on the Council financial resilience. THEN- The Council is unable to fulfil its legal obligation in setting a balanced budget - The Council will not be financially resilient or sustainable - Council reputation damaged - Inability to fulfil our statutory requirements

Internal Audit Progress Report as at Quarter 2 2022/23

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The assessment of none, some, and good is based on the number of audits in these areas and the scope of the audits. This gives the Committee assurance that internal audit is aligned to the corporate risks although we would not expect all audits to align to all corporate risks.

Risk Ref.	Audit Coverage	Future Coverage	Risk Narrative
HO0024	Good	Good	Failing to meet all applicable statutory requirements providing for the health and safety of the occupants in Powys County Council Housing Stock . THEN • Increased risk of death & serious injury. • Reputational risk. • Failure to support well-being and peace of mind of residents and tenants
HTR0016	Some	Some	Shortage of lorry and bus drivers. Unable to deliver statutory service e.g. Waste and recycling, domestic and commercial collections, school transport and the knock on effect on delivering highways maintenance i.e. flooding and winter maintenance, hedge cutting, potholes. increase complaints
ICT0010	Good	Good	Non-compliance with data protection legislation UK General Data Protection Regulations (GDPR) and Data Protection Act. THEN - Potential fine of up to £17,000,000 or 4% of annual turnover - The Council is subject to regulatory data protection audits - Reputational damage - Regulatory enforcement action - Detriment to the data subjects - Civil action and associated consequences
ICT0029	Some	Good	Cyber Security Threat. Risk of financial loss, disruption or damage to the reputation of Powys County Council from a failure of its information technology systems and or/loss of Data due to a cyber. THEN Loss of Information systems until they can be successfully restored. Loss of data, inability to access data or public disclosure of Personal Data. Cyber risk could materialize in a variety of ways, such as: • Deliberate and unauthorized breaches of security to gain access to information systems. • Unintentional or accidental breaches of security. • Operational IT risks due to factors such as poor system integrity
PCC0003	Some	Some	The council receives a negative regulatory / inspection report. THEN - Meeting regulatory and legislative duties - Ability to provide a good quality of service to service users - Managing demand on the service - Recruitment and retention of staff - Staff morale - Reputational damage
PCC0005	Some	None	The impact to Powys residents, services and Council staff as a result of a COVID-19 (Coronavirus) epidemic. THEN Increased staff absenteeism; Increase demand for services from residents Increased workload for council staff as a result of staff absence and increased service demand Closure of Council premises resulting in reduced services to residents and office accommodation.
PPPP007	Some	Some	Heart of Wales Property Services (HOWPS) being unable to undertake contracted work in a timely and cost effective manner. THEN - Failure of statutory functions (Compliance). Potential for prosecution (HSE) and prohibition notices. - Failure to perform repairs and maintenance. Could lead to legal action against the authority. - Reputational damage to PCC (client credibility). - Cost to PCC for poor performance. - Officer time costs (due to additional workload). - Financial Risk to HRA and wider Authority. - Critical Wales Audit Office Report. - Non-delivery of key projects due to lack of resources. - Health and safety risks.

Internal Audit Progress Report as at Quarter 2 2022/23

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Risk Ref.	Audit Coverage	Future Coverage	Risk Narrative
PRO0008	None	None	Russian Invasion of Ukraine and Other Market Pressures leading to Increased risks of price variations and labour & material shortage caused by rising inflation. THEN Effect on capital and revenue budget but mainly effecting supplies of materials relating to any contract or project. Unable to deliver statutory and non-statutory services which could result in a backlog of work, reputational damaged, quality of buildings and knock-on consequences. Examples of a key consequence: delayed or cancelled housing development reduces capacity to address homelessness and other housing needs, Delays or affordability of delivery of schools transformation etc
WO0021	Good	Some	The Council is unable to recruit, retain and commission the workforce it requires, in the short term due to increased staff absences and a challenging UK labour market, and in the longer term due to an expected long-term decrease in the local working age population. THEN Council is unable to secure the services needed by the local population, including care and assessment provision, education, waste, highways, housing culture and support services.

Internal Audit Progress Report as at Quarter 2 2022/23

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At the conclusion of an audit assignment each review is awarded a “Control Assurance Definition”;

- Substantial
- Reasonable
- Limited
- No

The schedule provided in Annex B contains a list of those audits completed, in draft, and in progress.

We also undertake Advisory / Non-Opinion work on a consultancy basis where we have been asked to look at a specific area of potential concern

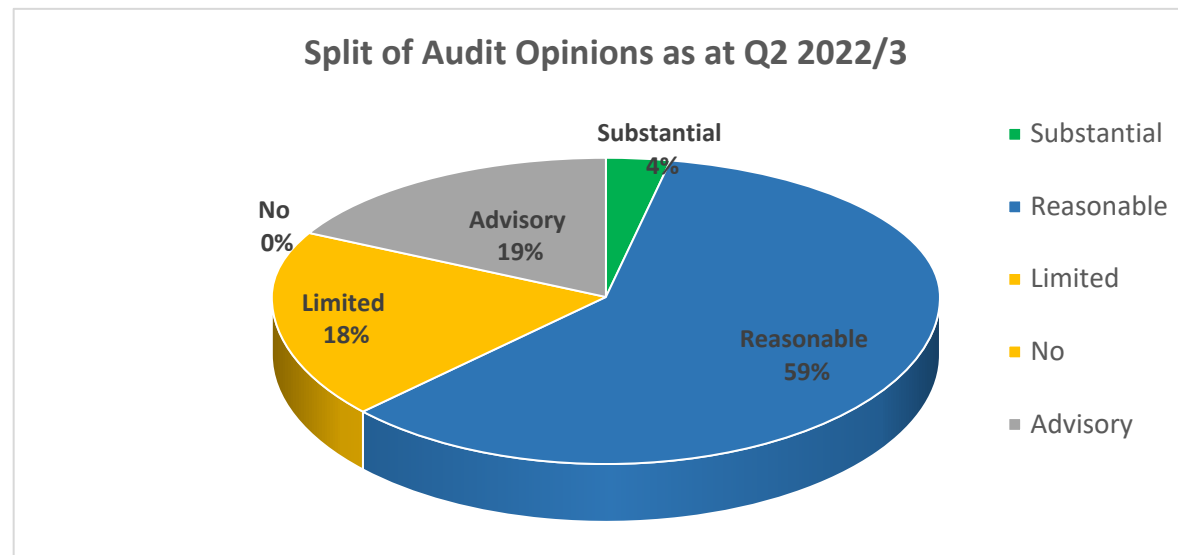


Internal Audit Progress and Outcomes

It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to deliver an annual opinion. Each completed assignment includes its respective “assurance opinion” rating together with the number and relative ranking of agreed actions that have been raised with management. The assurance opinion ratings have been determined in accordance with the “Audit Framework Definitions” as detailed in Annex A of this document.

Twenty-seven audits have been completed and six audits are at draft report stage at the end of Quarter 2. A further 9 audits are in progress and will conclude in Quarter 3. These are shown in more detail in Annex B.

The graphic below displays the split of audit opinions for the financial year 22/23.



These are areas that have been identified as significant control issues that should be brought to the attention of the Audit and Governance Committee.

Deprivation of Liberty Safeguarding and Continuing Health Care will be reported to the next Committee meeting.

An NFI follow up audit and preparedness assessments are currently in progress.



Summary of Significant Concerns

Internal Audit has produced three reports with “Limited Assurance” during Quarter 2 2022/23. Continuing Health Care (CHC) and Deprivation of Liberty Safeguards (DoLS) will be reported in full to the next committee meeting along with an update from the Service. Below is a summary of the position with the remaining adverse opinion report.

National Fraud Initiative (NFI) 2000

The National Fraud Initiative is a data matching exercise run every two years by the Cabinet Office and Audit Wales to prevent and detect fraud in areas such as council tax discounts, payroll, housing tenancy, procurement and benefits. Whilst Internal Audit co-ordinate activities, potentially fraudulent matches are investigated by the originating Services and the Counter Fraud Team.

The audit found that there that was a mixed approach to the investigation of matches within the Council and a backlog existed in some areas. This was significantly impacted by workforce pressures caused by the Covid 19 pandemic in addition to the role of the Counter Fraud Team in checking covid related grant claims. A follow-up review is in draft, and it has been agreed by the Section 151 Officer that the backlog of un-investigated cases will be picked up as part of the new exercise (NFI2022). A further assessment is planned for Q3 using Audit Wales guidelines to measure the Council’s commitment, resources and processes for the NFI 2022 exercise.

Follow up work confirms the responsive nature of management in implementing agreed actions to mitigate exposure to areas of risk.

All significant issues arising from follow-up reviews will be reported to the Governance and Audit Committee



Follow Up Audits

The follow-up audit is to provide assurance to the Director, Senior Management and the Audit and Governance Committee that the key risks have been mitigated to an acceptable level. Evidence is obtained to demonstrate implementation and progress made in relation to all recommendations.

The table below gives the status of follow-up reviews:

Audit Name	Status
Deprivation of Liberty safeguards (DoLS)	Complete
NFI 2020	Draft with Client
Fraud Risk Maturity Assessment	Draft with Client
Managing Financial Commitments- Children	In Progress
Llandinam Primary School	Planned
Housing Voids	Planned

Action Tracking

The Action tracker shows the status of completed and outstanding recommendations. This is mostly done through a self-certification process with each client. Currently there are 18 recommendations that have gone beyond their target implementation date.

A list of the Outstanding Actions is included in appendix C.

Overleaf is a copy of the action tracking dashboard as at 1/11/2022. Members can access this dashboard and drill into the detailed content of each audit assignment.

Internal Audit Progress Report as at Quarter 2 2022/23

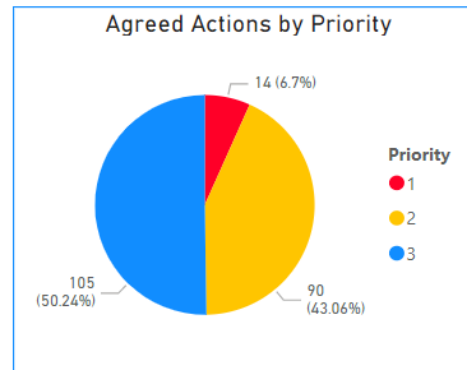
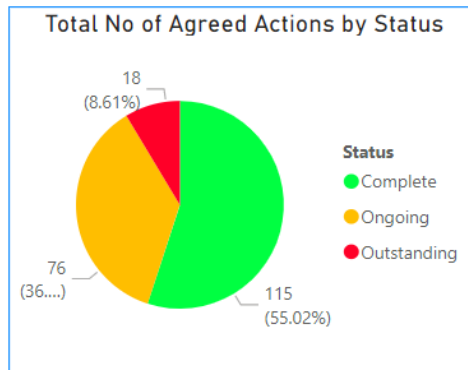
← to Detailed Summary

Powys County Council Insight Dashboard

Drill down to Agreed Actions



Agreed Actions made by Internal Audit



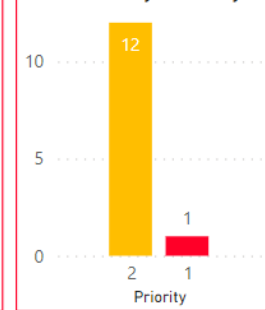
Priority 1&2 requiring immediate attention



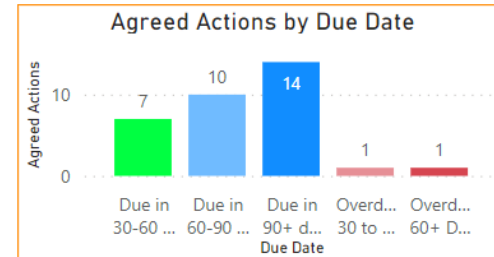
Outstanding Agreed Actions by Directorate

Directorate/ Service	Overdue 30 to 60 Days	Overdue 60+ Days	Total
Adult Care Services		1	1
Democracy		2	2
Education	5		5
Finance	3		3
ICT		2	2
Total	8	5	13

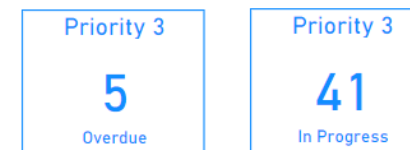
Outstanding Agreed Actions by Priority



Priority 1&2 Agreed Actions on the Horizon (due in 30 days or less)



Priority 3 Agreed Actions that would add value (if implemented)



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Internal Audit Progress Report as at Quarter 2 2022/23

Contact Information

SWAP is an internal audit partnership covering 27 organisations. Powys County Council is a part-owner of SWAP, and we provide the internal audit service to the Council.

The contacts at SWAP in connection with this report are:

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For further details see: www.swapaudit.co.uk

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At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- Substantial
- Reasonable
- Limited
- No

In addition, to our opinion-based work we will provide consultancy services. The advice offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance.

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.



Audit Framework Definitions

APPENDIX A

Control Assurance Definitions

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	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.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Risk	Reporting Implications
	In addition to the corporate risk assessment, it is important that management know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. Each recommendation has been given a priority rating at service level with the following definitions:
Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

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Internal Audit Activity and Work Programme as at 30 th September 2022						APPENDIX B		
Quarter	Service	Assignment	Scope	Status	Opinion	Actions by Priority		
						P1	P2	P3
Q1&2	Highways	Commissioning	Reviewing commissioning activities to ensure that critical road defects are repaired promptly and effectively.	Complete	REASONABLE	1	2	2
Q1&2	Highways	Procurement	Value for Money is achieved when procuring services whilst protecting against the risk of fraud.	Complete	REASONABLE	1	2	4
Q1&2	Highways	Delivery, Monitoring & Reporting	Ensuring the Service have effective oversight over operations from a performance and financial perspective.	Complete	LIMITED	2	0	2
Q1&2	Highways	Vehicles, Assets & Fuel	Ensuring the use of vehicle and plant is effectively monitored and there are no signs to misuse. Ensuring a complete record of all fuel transactions to enable effective monitoring to protect against fuel theft.	Complete	LIMITED	1	2	0
Q1&2	Highways	Materials and Stock	Material and stock are effectively controlled to provide assurance that the items have been used for the delivery of commissioned work.	Complete	REASONABLE	0	1	2
Q1&2	Housing	Supporting People Grant- Certification	Grant Certification required by Welsh Government to give assurance that expenditure items are legitimate.	Complete	CERTIFIED			
Q1&2	Schools	School Forum - Risk and Control in Schools	Supporting schools by providing training on the audit process and the key areas of governance and control.	Complete	ADVISORY			
Q1&2	Finance	Risk Appetite Benchmarking	Using benchmarking and Partner Sources to support the Council on developing a risk appetite	Complete	ADVISORY			
Q1&2	Finance	Covid Grant Certification	Reviewing expenditure for legitimacy as part of covid grant arrangements.	Complete	CERTIFIED			

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Quarter	Service	Assignment	Scope	Status	Opinion	Actions by Priority		
						P1	P2	P3
Q1&2	Finance	Contract Exemptions	To ensure that proper planning and value for money is delivered when a contract exemption is employed.	Complete	REASONABLE	0	2	0
Q1&2	Schools	Ysgol Maesydderwen-Secondary	Review Governance, financial administration and Asset Management at school using 360 assessment	Complete	REASONABLE	0	1	3
Q1&2	Adults & Children	Continuing Health Care	Ensure that effective partnership working is in place to allow effective financial arrangements.	Complete	LIMITED	0	4	0
Q1&2	Finance	Fraud -Those Charged with Governance	Contributing to the Council's assessment of fraud risk	Complete	ADVISORY			
Q1&2	Finance	National Fraud Initiative Report Update Q4 2021/22	Providing data and coordinating investigations to ensure potential fraud cases are identified and investigated.	Complete	LIMITED	1	0	0
Q1&2	Public Protection	Estate Agents Grant-Certification	Grant Certification required by UK Governments to obtain the NTSB grant	Complete	CERTIFIED			
Q1&2	Schools	Gwernyfed High School - Secondary	Review Governance, financial administration and Asset Management at school using 360 assessment	Complete	SUBSTANTIAL	0	2	1
Q1&2	Schools	Ysgol Bro Hyddgen - Secondary	Review Governance, financial administration and Asset Management at school using 360 assessment	Complete	REASONABLE	0	1	6
Q1&2	Schools	Bryn Hafren - Primary	Review Governance, financial administration and Asset Management at school using 360 assessment	Complete	REASONABLE	0	1	3
Q1&2	Schools	Berriew - Primary	Review Governance, financial administration and Asset Management at school using 360 assessment	Complete	REASONABLE	0	5	4
Q1&2	Schools	St Mary's - Primary	Review Governance, financial administration and Asset Management at school using 360 assessment	Complete	REASONABLE	0	5	2
Q1&2	Schools	Guilsfield- Primary	Review Governance, financial administration and Asset Management at school using 360 assessment	Complete	REASONABLE	0	7	2
Q1&2	Schools	Llanidloes - Primary	Review Governance, financial administration and Asset Management at school using 360 assessment	Complete	REASONABLE	0	3	0

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Quarter	Service	Assignment	Scope	Status	Opinion	Actions by Priority		
						P1	P2	P3
Q1&2	Schools	Penygloddfa - Primary	Review Governance, financial administration and Asset Management at school using 360 assessment	Complete	REASONABLE	0	8	2
Q1&2	Adults & Children	Deprivation of Liberty safeguarding	Ensuring that the Council have improved performance on undertaking best interest assessments and meeting statutory guidelines.	Complete	LIMITED	1	1	0
Q1&2	Support	Archiving Powys IA Records	Supporting the Council with the management of audit Files/ information from Pre-SWAP	Complete	ADVISORY			
Q1&2	Support	Action Tracking Reports Q1 & Q2	Reports tracking the implementation of internal audit agreed actions.	Complete	ADVISORY			
Q1&2	Finance	Suspense Account Income	Examining unallocated income and identifying the root cause and user behaviour for non-compliance	Complete	REASONABLE	0	0	3
Q1&2	Finance	Mid Wales Growth Deal	Audit certification of expenditure and Governance controls for 21/22					
Q1&2	Finance	Orders for Goods and Services	Analysing data to identify noncompliance and risk that goods are not procured soundly. Further detailed analysis to identify the root cause of any failures.	Draft- with Client				
Q1&2	Finance	Purchase cards- Q1	On-going continuous review of purchase card transactions to identify non-compliance with council rules and exceptions that require more detailed investigation. The outcome will improve customer behaviour and more sound financial control.	Draft with Client				
Q1&2	Finance	Risk in Projects and Partnerships	Review the Council visibility, governance and risk management on significant partnerships and projects	Draft with Client				
Q1&2	Finance	Fraud Risk Maturity Assessment -Follow up	Following up on the fraud Maturity baseline assessment to give committee assurance that the Council is preventing and detecting fraud.	Draft with Client				



SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

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Internal Audit Activity and Work Programme as at 30 th September 2022						APPENDIX B		
Quarter	Service	Assignment	Scope	Status	Opinion	Actions by Priority		
						P1	P2	P3
Q1&2	Finance	Purchase cards	Continuous audit programme identifying spending behaviours and controls for Q2	Draft with Client				
Q1&2	Finance	National Fraud Initiative Report Update- Follow up	Providing data and coordinating investigations to ensure potential fraud cases are identified and investigated.	Draft with Client	Follow-up			
Q1&2	Democratic	Conflict of Interests- Follow up	Ensure that the Council have improved the awareness, visibility, and reporting of any potential conflicts of interest.	In progress Delayed				
Q2&3	Corporate	Complaints	Give assurance to the Audit Committee that the administration of Complaints is effective	In Progress				
Q2&3	Finance	Debt Administration	Review the systems for the administration of Debt to ensure that they are sound, secure and drive the recovery process.	In Progress				
Q2&3	Corporate	Whistle Blowing	Review the Council's whistleblowing arrangements to give assurance that fraud and corruption measures are in place.	In Progress				
Q2&3	Finance	Risk Management	Ensure that the Council's Risk management process are agile, timely and are forward thinking in terms of risk appetite.	In Progress				
Q2&3	Housing	Statutory Compliance	Ensure improvement in the achievement of the Council statutory responsibility to ensure properties are compliant and safe.	In Progress				
Q2&3	Adults & Children	Managing Financial Commitments	Review the way in which Childrens Service manage budgets commitments to enable effective budget management.	In Progress				

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Internal Audit Activity and Work Programme as at 30 th September 2022						APPENDIX B		
Quarter	Service	Assignment	Scope	Status	Opinion	Actions by Priority		
						P1	P2	P3
Q1,2,3&4	Support	Committee / Management Reporting	Supporting Council Management Teams and Governance and Audit Committee.	In Progress				
Q1,2,3&4	Support	Planning & Engagement	Engaging with Services to develop risk-based plans	In Progress				
Q3&4	Finance	NFI 2022/23 Exercise -Process Checklist	Review the governance, administration, and controls the investigation of NFI Fraud matches	Pipeline				
Q3&4	Transformation	Integrated Business Planning IBP)	Review Integrated business plans to ensure aligned with Council priorities and the delivery of its outcomes. The Council have requested a Delay on the full audit. An interim position statement will be produced in Q3	Pipeline				
Q3&4	Digital	Data Quality Maturity	To review the quality of the data produced by different areas of the Council with the aim of reporting Maturity	Pipeline				
Q3&4	Customer/ Digital	School Meals Debt-parent pay	The review debt collection and outstanding debt before the Council transitions to free school meals	Pipeline				
Q3&4	Workforce	Safeguarding	Review the Councils DBS checking in payroll following on from a Wales Audit review	Pipeline				
Q3&4	Schools	Llandinam- Primary	Review Governance, financial administration and Asset Management at school using 360 assessment	Pipeline				
Q3&4	Schools	Cradoc - Primary	Review Governance, financial administration and Asset Management at school using 360 assessment	Pipeline				
Q3&4	Schools	Churchstoke - Primary	Review Governance, financial administration and Asset Management at school using 360 assessment	Pipeline				

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Internal Audit Activity and Work Programme as at 30 th September 2022						APPENDIX B		
Quarter	Service	Assignment	Scope	Status	Opinion	Actions by Priority		
						P1	P2	P3
Q3&4	Schools	Presteigne - Primary	Review Governance, financial administration and Asset Management at school using 360 assessment	Pipeline				
Q3&4	Schools	Leighton - Primary	Review Governance, financial administration and Asset Management at school using 360 assessment	Pipeline				
Q3&4	Housing	Supporting People Grant 21/22	Welsh Government require validation and certification of claim expenditure	Pipeline				
Q3&4	Digital	Technology Assisted Framework Review	An advisory review to assess specific risks highlighted as well as providing direction and scope for the targeted provision of future technology and digital audit	Pipeline				
Q3&4	Schools	Ysgol Calon Cymru - Secondary	Review Governance, financial administration and Asset Management at school using 360 assessment	Pipeline				
Q3&4	Schools	Brecon High School-Secondary	Review Governance, financial administration and Asset Management at school using 360 assessment	Pipeline				
Q3&4	Finance	Main Accounting	Ensure the accounting transactions are made in accordance with financial regulations	Pipeline				
Q3&4	Finance	Insurance	Assessing coverage, claims handling, claim management and the VFM of Insurance Services	Pipeline				
Q3&4	Housing	Voids – Follow up	To follow up a previous limited report on the administration, control and reporting of void properties.	Pipeline				
Q3&4	Housing	Enable Grant 21/22	Welsh Government require validation and certification of claim expenditure	Pipeline				
Q3&4	Finance	Business Rates (Liability and Billing)	Ensure liability of Business rates are effectively determined in light of eligibility of Covid Grants for businesses.	Pipeline				

Internal Audit Activity and Work Programme as at 30 th September 2022						APPENDIX B		
Quarter	Service	Assignment	Scope	Status	Opinion	Actions by Priority		
						P1	P2	P3
Q3&4	Workforce	Health & Safety	Review corporate guidance, oversight and governance arrangements with Health and Safety legislation. A further review of od Service compliance will be undertaken in the next audit cycle.	Pipeline				
Q3&4	Finance	NFI 2022	Activity reporting for new exercise	Pipeline				
Q3&4	Finance	Pension Administration	Review the administration of Pension transactions to ensure funds are effectively controlled.	Pipeline				

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APPENDIX C

to Summary
 to Directorate
 to Overview

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in Total




Drill Down

Priority - filter
All

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Directorate/ Service	Audit Name	Ref	Agreed Action	Priority	Responsible Officer	Implementation Date	Revised End Date	Implementation Days	Status
Education	St Marys Catholic School	47574	A GDPR Information Asset Register will be produced and maintained.	2	Headteacher	30 September 2022		48	Outstanding
Finance	Baseline Assessment of Fraud Maturity	45803	Align counter-fraud resources to the results of the risk assessment and establish responsibility for assurance between SWAP and the Powys Counter Fraud Team.	2	David Morris	30 September 2022		48	Outstanding
Education	St Marys Catholic School	47570	All receipts will be attached within the Purchase Card system.	2	Headteacher	30 September 2022		48	Outstanding
Finance	Supply Chain Investigation	46632	Monitoring spends with suppliers where identified. The authority only checks conflicts of interests for Council Members only.	3		31 March 2022		231	Outstanding
Finance	Baseline Assessment of Fraud Maturity	45810	Re-perform baseline assessment for fraud maturity.	2	David Morris	30 September 2022		48	Outstanding
Finance	Baseline Assessment of Fraud Maturity	45806	Review Whistleblowing Policy and ensure it has the correct contact details and is then made available to key stakeholders as appropriate.	2	David Morris	30 September 2022		48	Outstanding
Adult Care Services	D.O.L.S	42073	Staffing Resources - Assessors We recommend reviewing staffing/contractor arrangements to ensure that the DoLS team is adequately resourced with appropriate procedures in place to ensure the availability of Best Interest Assessor to enable assessments to be carried out on a timely basis.	1	Senior Manager Contact & Adult Safeguarding	31 March 2020	30 April 2022	201	Outstanding
Education	St Marys Catholic School	47569	The Governing Body to consider the risk of fraud and take necessary steps against any risk.	2	Governing Body	30 September 2022		48	Outstanding
Education	St Marys Catholic School	47568	The Governing Body to review detailed budget reports monthly.	3	Governing Body	30 September 2022		48	Outstanding
Education	St Marys Catholic School	47572	The previous and current years school accounts will be audited and completed annually thereafter.	2	Headteacher	30 September 2022		48	Outstanding
Education	St Marys Catholic School	47573	The school to receive regular feedback from their ICT Contractor including when patches are installed.	3	Headteacher	30 September 2022		48	Outstanding
Education	St Marys Catholic School	47571	The school will ensure that no delegated budget income is paid into the voluntary fund account	2	Headteacher	30 September 2022		48	Outstanding

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 to Summary
  to Directorate
  to Overview

18

in Total

Drill Down

Priority - filter

All






Tudalen 300

Directorate/ Service	Audit Name	Ref	Agreed Action	Priority	Responsible Officer	Implementation Date	Revised End Date	Implementation Days	Status
Finance	Supply Chain Investigation	46631	To manage the impact of conflicts of interests the Authority ensure that two people are involved in the ordering process. A second person approves all purchase card transactions. All contracts over £50k are signed off by the Head of Service & Professional Lead.	3	Clive Pinney	31 March 2022		231	Outstanding
Democracy	Conflict of Interest	42929	We recommend all staff should receive appropriate training as new employees and periodic refreshers in relation to the code of conduct. We also recommend that the Authority needs to issue guidelines for all Officers of the Authority as to how to declare and record any Conflicts of Interests. This guidance should be linked to the Code of Conduct and should form part of a structured training and refresher programme.	2	Head of Legal and Democratic Services.	01 January 2021	30 June 2021	505	Outstanding
ICT	GDPR- Information Asset Registers	45119	We recommend that going forward the Professional Lead Data Protection officer undertakes monitoring of the information that the services enter into the asset registers to determine that the information is accurate and timely.	2	Helen Dolman/ Clive Pinney	31 March 2022		231	Outstanding
ICT	GDPR- Information Asset Registers	43973	We recommend that more guidance and training is given to staff.	3	Helen Dolman/ Clive Pinney	31 March 2022		231	Outstanding
Democracy	Conflict of Interest	42928	We recommend that the Authority needs to ensure that all staff are made aware of their declaration responsibilities and methods to record any conflict of interests.	2	Head of Legal and Democratic Services.	01 December 2020	31 March 2021	596	Outstanding
ICT	GDPR- Information Asset Registers	43965	We recommend that the Council reviews its current information asset registers to ensure that all information has been included, and the quality of information is consistent throughout.	2	Helen Dolman/ Clive Pinney	31 March 2022		231	Outstanding

Governance & Audit Committee

Capital Working Group

DRAFT

Purpose: To examine the County Council's Asset Management Plan and Capital investment programme, with a focus on alignment to strategic objectives for a *Stronger, Fairer, Greener Powys* and our borrowing, capital, revenue budget priorities.

Terms of Reference:

To:

1. Scrutinise and make an assessment of the effectiveness of the Asset Management Plan in Council decision making, and how the process for its development and agreement can be improved.
2. Examine the Council's capital investment programme, its prioritisation, affordability and scheduling, to make an assessment of areas of improvement in the process of its development, agreement and implementation. For example, does bringing HoWPS services back in-house support driving better value for money?
3. Examine and make an assessment of the effectiveness of the strategic and the operational management of the Asset Management Plan and Capital Investment Plan; are the plans sufficiently integrated?
4. Make an assessment of the Council's knowledge and skills, and training needs, to adequately scrutinise and assess the Asset Management Plan and Capital Investment programme. For example, are elected members, lay members and officers skilled and confident in making assessments using business cases using the 5 Case Model; are they able to make informed decisions about potential funding models and options, including the Welsh Government Mutual Investment Model (MIMs) for infrastructure development?
5. Consider and make an assessment of the effective use of benchmark data to inform effective asset management and capital investment.
6. Make an assessment of the effectiveness of the governance processes which oversee the capital borrowing risk profile in the short, medium and longer term, and its impact on the overall financial health and the council.

Timing

The Working Group will report formally to GAC initially by end June 2023.

Reporting

The Working Group will provide a brief summary Report to each formal meeting of GAC meeting, under the six headings, above.

Membership

- County Councillors: P Lewington, A Williams
- Independent Member: J Brautigam, G Hall

Note: would welcome additional elected membership of this group

The membership of the Working Group will appoint a chair from the membership.

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

Governance & Audit Committee

Highways, Transport and Recycling Working Group

DRAFT

Purpose: To scrutinise and seek assurance on the effectiveness and impact of management responses to the suite of seven Internal Audit Reports on the Highways, Transport and Recycling service, including making a recommendation to Governance and Audit Committee on the timing of the reauditing of the 7 functions (Commissioning; Procurement; Monitoring and Delivery; Stock; Fleet; Non-standard Payments; Time Recording).

Terms of Reference:

To:

1. Examine, scrutinise and seek assurance on management response to each of the seven internal audit reports. The Working Group should consider having a separate meeting to examine each of the reports.
2. Seek and examine the evidence which discharges each of the audit recommendations.
3. Make an assessment of the extent to which the HTR team requires and receives the support and intervention of other service areas and corporate functions to fully address the internal audit recommendations.
4. Make an assessment of the effectiveness and impact of IT systems, data management and integrated performance reporting on the operational performance of the service.
5. Make an assessment of the effectiveness of and impact of the County Council's officer performance management arrangements as they are implemented in HTR.

Timing

The Working Group will report formally to GAC initially by end June 2023. The Working Group will recommend when the seven HRT functions should be reaudited, ideally this should be no later than December 2023.

Reporting

The Working Group will provide a brief summary Report to each formal meeting of GAC meeting, under the five headings, above.

Membership

- County Councillors G Breeze, G Ratcliffe, W Powell, P Lewington, A Williams
- Independent Members G Hall, J Brautigam, L Hamilton

The membership of the Working Group will appoint a chair from the membership.

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

Governance & Audit Committee

Heart of Wales Property Services Limited (HoWPS) Working Group

DRAFT

Purpose: To learn lessons which will inform the Council's decision making and governance of the establishment and operation of any future commercial enterprises with partners (private, public or third sector).

Terms of Reference:

The lessons learnt review will examine, in particular:

1. Arrangements underpinning the formal establishment of the HoWPS Ltd.
2. HoWPS Ltd Board establishment and oversight of the company by the Board, including financial and operational oversight, performance management and decision making.
3. The effectiveness of operational management arrangements below Board level.
4. Contractual arrangements between Powys CC, Kier and HoWPS, including but not exclusively, contract specification, contract management, off-contract decision making.
5. Inter-company financial decision making and reporting.
6. Operational and financial implications of IT systems interfaces.
7. Kier's wider commercial and financial relationship with the Council, in relationship to the capital programme.
8. Partner cultural fit.

Timing

The Working Group will report formally to GAC by end December 2023.

Reporting

The Working Group will provide a brief summary Report to each formal meeting of GAC meeting, under the eight headings, above.

Membership

- County Councillors G Ratcliffe, W Powell, A Williams
- Independent Members J Brautigam and G Hall
- GAC will also invite a member of the Environment Scrutiny Committee Working Group on HoWPS to attend its meetings to ensure that the work of the respective working groups is complementary.

The membership of the Working Group will appoint a chair from the membership.

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

Governance & Audit Committee

Internal Audit Working Group

DRAFT

Purpose: To examine in detail the effectiveness and impact of the Internal Audit process and service on the performance of public-facing and corporate services provided by or on behalf of Powys County Council.

Terms of Reference:

In particular to:

1. Examine and seek assurance on the strategic and operational relationship between the Internal Audit Plan, the Risk Register and the Service Integrated Business Plan delivery.
2. Examine data and management information on Audit performance, initially with a particular focus on open recommendations, 'age' of open recommendations, the nature of and recording of evidence provided to discharge audit recommendation.
3. Review in more detail timeliness and evidence in connection with management responses to all Limited Assurance Reports.
4. Examine management, senior management and Executive Team engagement with and ownership of Internal Audit and responses to recommendations.
5. Review SWAP MI and reporting to Governance and Audit Committee and consider what, if any improvements, can be made.
6. With SWAP to examine and learn from Audit and Audit reporting best practice on other public service delivery organisations.
7. Review and make an assessment of Internal Audit's role within the broader assurance framework for the council.

Timing

The Working Group will provide a first report formally to GAC by end June 2023.

Reporting

The Working Group will provide a brief summary Report to each formal meeting of GAC meeting, under the seven headings, above.

Membership

- County Councillors P Lewington, C Walsh and A Williams
- Independent Members J Brautigam and L Hamilton

The membership of the Working Group will appoint a chair from the membership.

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

GAC Working Group Membership – indications of interest on serving of each working group @ October 2022

	Lynne H	John B	Gareth H	Cllr Graham Breeze	Cllr Pete Lewington	Cllr Gareth Ratcliffe	Cllr Ange Williams	Cllr William Powell	Cllr Chris Walsh
HoWPS		X	X			X	X	X	
Capital		X	X		X		X		
Highways, Transport, Recycling	X	X	X	X	X	X	X	X	
Internal Audit	X	X			X		X		X

Mae'r dudalen hon wedi'i gadael yn wag yn fwiadol

**Governance and Audit Committee
Forward Work Programme 2022 – 2027**

2022

Date and Time	Type and Detail
14-12-22 11.00 a.m.	Briefing for Members

2023

Date and Time	Type and Detail
01-23 Date TBC	<p>Final Statement of Accounts (including Letters of Representation, ISA 260 etc)</p> <p>Strategic Risk Management Q2</p>
09-02-23 10.00 – 12.30	<p>Quarterly (Q3 Reports):</p> <ul style="list-style-type: none"> • Strategic Risk Management • SWAP quarterly report • Fraud • Treasury Management - 2021/22 <p>Risk Deep Dives – Risks 1 and 2.</p> <p>Audit Wales Reports?</p> <p>Work Programme</p> <p>Strategic Asset Review update (Gwilym Davies) (Confirmed)</p> <p>Self Assessment Action Plan - update</p> <p>Update Report – Winter Fuel Payments. (Anne Phillips)</p>
Mar	Self-Assessment
05-05-23 10.00 – 12.30	<p>Annual:</p> <ul style="list-style-type: none"> • Election of Chair • Election of Vice Chair <ul style="list-style-type: none"> • Appointments to Finance Panel • Appointments to Working Groups <p>Risk Deep Dives – Risks 3 and 4.</p> <p>Self Assessment Action Plan - update</p>

**Governance and Audit Committee
Forward Work Programme 2022 – 2027**

Date and Time	Type and Detail
23-06-23 10.00 – 12.30	Risk Deep Dives – Risks 5 and 6.
21-07-23 10.00 – 12.30	Seminar
28-07-23 10.00 – 12.30	<p>Annual: AW Audit Plans.</p> <p>Quarterly (Q4 Reports):</p> <ul style="list-style-type: none"> • Strategic Risk Management • SWAP quarterly report • Fraud • Treasury Management - 2021/22 <p>Audit Wales reports?</p> <p>Council Annual Self Assessment</p> <p>Self Assessment Action Plan - update</p> <p>Work Programme</p>
29-09-23 10.00 – 12.30	<p>Statement of Accounts – if audit completed – otherwise Oct (including Letters of Representation, ISA 260 etc) – if audit completed – otherwise Oct</p> <p>Quarterly (Q1 Reports):</p> <ul style="list-style-type: none"> • Strategic Risk Management • SWAP quarterly report • Fraud • Treasury Management - 2021/22 <p>Audit Wales Reports?</p> <p>Work Programme</p>
24-11-23 10.00 – 12.30	<p>Quarterly (Q2 Reports):</p> <ul style="list-style-type: none"> • Strategic Risk Management • SWAP quarterly report • Fraud • Treasury Management - 2021/22 <p>Audit Wales Reports?</p>

**Governance and Audit Committee
Forward Work Programme 2022 – 2027**

Date and Time	Type and Detail
	Risk Deep Dives – Risks 7 and 8. Self Assessment Action Plan - update Work Programme

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol