

**AWDURDOD TÂN AC ACHUB CANOLBARTH A GORLLEWIN  
CYMRU**



**HYSBYSIAD**

**CYFARFOD YR Y PWYLLGOR ARCHWILIO A  
CHRAFFU AR BERFFORMIAD**

**DYDD LLUN, 5 CHWEFROR 2024**

**AM 10:00**

**O BELL DRWY MICROSOFT TEAMS**

Darperir gwasanaeth Cyfieithu ar y Pryd yn y cyfarfod hwn ac mae croeso i'r sawl a fydd yn bresennol ddefnyddio'r Gymraeg neu'r Saesneg yn y cyfarfod.

Gwasg a'r Cyhoedd: I wyllo cyfarfodydd yn fyw drwy gyfrwng Microsoft Teams, bydd angen i chi gofrestru ymlaen llaw i fod yn rhan o'r oriel gyhoeddus rithiol, drwy e-bostio a.hawkes @tancgc.gov.uk erbyn 12 hanner dydd 1 diwrnod gwaith cyn y cyfarfod. Cewch fanylion ynghylch sut i ymuno yn yr ymateb.

## AGENDA

**Gelwir Aelodau'r Pwyllgor Archwilio a Chraffu ar Berfformiad drwy hyn i fynychu cyfarfod o'r Y Pwyllgor Archwilio a Chraffu ar Berfformiad, a gynhelir yn O bell drwy Microsoft Teams  
Ar ddydd Dydd Llun, 5 Chwefror 2024 am 10:00**

***Bwriedir trafod y materion canlynol:***

1. Ymddiheuriadau am Absenoldeb
2. Datganiad gan Aelodau o unrhyw fuddiannau personol neu sy'n rhagfarnu
3. Cyhoeddiadau'r Cadeirydd a Meterion Personol
4. Cadarnhau a chymeradwyo fel cofnod cywir, cofnodion cyfarfod blaenorol y Pwyllgor Perfformiad, Archwilio a Chraffu a gynhaliwyd ar 23 Hydref 2023 (Tudalennau 5 - 10)
5. Crynodeb Archwilio Blynyddol Archwilio Cymru 2023 ar gyfer Awdurdod Tân ac Achub Canolbarth a Gorllewin Cymru (Tudalennau 11 - 30)
6. Adroddiadau Archwilio Mewnol (Tudalennau 31 - 82)
7. Adroddiad Diweddar Cofrestr Risg Busnes (Tudalennau 83 - 128)
8. Unrhyw eitemau arall o fusnes y mae'r Cadeirydd, oherwydd amgylchiadau arbennig, yn penderfynu y dylid eu hystyried fel mater o frys yn unol ag Adran 100(B)(4) o Ddeddf Llywodraeth Leol 1972



**D Daycock**  
**Clerc a Swyddog Monitro**

**Dyddiad y cyfarfod nesaf - Dydd Llun, 13 Mai 2024**



Mae'r dudalen hon yn wag yn fwriadol

**AWDURDOD TÂN AC ACHUB CANOLBARTH A GORLLEWIN  
CYMRU**



**MID AND WEST WALES FIRE AND RESCUE AUTHORITY**

**NOTES: THESE MINUTES ARE SUBJECT TO CONFIRMATION BY THE  
PERFORMANCE AUDIT AND SCRUTINY COMMITTEE AT ITS NEXT MEETING**

**MINUTES  
OF THE PERFORMANCE AUDIT AND SCRUTINY COMMITTEE MEETING**

Remotely VIA MICROSOFT TEAMS  
Fire and Rescue Service Headquarters, Carmarthen  
**23 OCTOBER 2023**

**10:00**

Present at Meeting:

**Chair:** Councillor Jan Curtice

**Members:** Cllrs: Gareth Lloyd, Maureen Bowen,  
Carl Jordan, Gordon Walker, Kim  
Broom, Elwyn Williams, Rob Evans,  
Edwin Roderick and Sarah Williams

**Apologies:** Cllrs: Lyndon Jones and Gwyn Evans

**In Attendance:** D Daycock (Clerk & Monitoring Officer  
to the Fire Authority),  
C Flannery (ACFO), M Harries (ACO -  
Director of Resources), J Lewis (AM),  
A Smith (AM), G Thomas (T/AM), S  
Lloyd (GM), R Felton (GM)  
S Mansbridge (Treasurer/Section 151  
Officer), A Lewis (T/Head CCBD), A  
Hawkes (Democratic Services  
Officer), H Pugh (Internal Audit), E  
Lake (Audit Wales) and C Rigby (Audit  
Wales)

**1 Apologies for Absence**

Apologies for absence were received from Cllrs Lyndon Jones and Gwyn Wigley-Evans.

**2 Declaration by Members of any Personal and / or Prejudicial Interests**

The Clerk/Monitoring Officer gave advice regarding the actual and/or potential interests on the agenda to be disclosed verbally and then to be confirmed in writing, in line with the requirements of the Code of Conduct. Following this, declarations were made as follows:

- All Members present declared that they had a personal interest in any matters affecting or relating to their own Constituent Authority.
- All Members declared a personal interest in item 6.

**3 Chair's Announcements / Personal Matters**

There were no Chair's Announcements / Personal Matters.

Members were provided with an operational response update on recent incidents.

**4 To confirm and approve as a true record, the minutes of the previous meeting of the Performance, Audit and Scrutiny Committee held on 31st of July 2023**

The minutes of the Performance, Audit and Scrutiny Committee meeting held on 31<sup>st</sup> of July 2023 were confirmed as a true record of proceedings. There were no matters arising.

**5 Internal Audit Reports**

The Internal Auditor reminded Members that the Audit Plan for the 2022/23 financial year was agreed with the Director of Resources and the Section 151 Officer, and was approved by the Performance, Audit and Scrutiny Committee (PASC) in April 2022.

Members were informed that during the period, Internal Audit have completed two audits attached at Appendix 1, Other IT Systems – Unit 4 Business World (Agresso) and Appendix 2, Follow-up Review End of Year Report.

Members attention was then drawn to Appendix 3 which provided an update on the audit plan 2022/23 and were informed that work had commenced on the remaining audit within the plan.

Members attention was then drawn to Appendix 4. It was explained that the Internal Audit Plan for the 2023/24 financial year was agreed with the Director of Resources and the Section 151 Officer, and was approved by the Performance, Audit and Scrutiny Committee (PASC) in May 2023 and that during the period no audits have been completed although work has commenced on three audits within the plan.

There were no comments or questions.

### **RESOLUTION**

It was **RESOLVED** that the Performance, Audit and Scrutiny Committee note the contents of the report.

## **6 DRAFT ANNUAL REPORT OF THE INDEPENDENT REMUNERATION PANEL FOR WALES 2024**

*All Members present declared a personal interest in the draft annual report of the Independent Remuneration Panel for Wales 2024/25.*

The Monitoring Officer presented a report to Members which summarised the findings contained within the draft annual report of the Independent Remuneration Panel for Wales (IRPW) 2024/25, set out at Appendix 1, regarding Members' allowances and remuneration. Members were reminded that they had been invited to make individual representations directly to the consultation document by close of business on 08 December 2023.

It was reported to Members that the IRPW had determined that there was to be an increase of £150 on the basic salary for Members of Fire and Rescue Authorities, which would equate to £ £2,632 per basic salary, made payable from 01 April 2024. Furthermore, an increase of £683 would be made to the senior salary of the Chair and £150 to the Deputy of the Fire Authority, which was inclusive of their basic salaries.

Members were also informed that there is a proposed change to the daily rate payable to co-opted Members of the Standards Committee which allows either an hourly rate of £33.50 for the Chair and £26.25 for ordinary members. However, Authorities can also opt to pay Chairs £134 (up to 4 hours) or £268 (4hours and over) and Ordinary Members - £105 (up to 4 hours) or £210 (4 hours and over). These rates remain unchanged from last year.

### **RESOLUTION**

It was **RESOLVED** that Members:

- i. To note the IRPW's draft determinations in relation to Members' allowances and remuneration, for implementation in the 2024/25 financial year;**
- ii. Members be invited to make individual representations to the IRPW on the proposals prior to the consultation closing date on 8 December 2023.**

## **7 Performance and Improvement Progress Report - Quarter 2 2023/2024**

The Community Risk Management Plan (CRMP) Project Lead presented the Performance and Improvement Progress Report for the quarter 2 of 2023/24 reporting period.

Members' attention was drawn to Appendix 1, which sets out the progress on

performance in respect of the number of fire incidents attended, including , hoax calls received, false alarms, road traffic collisions, flooding, medical response and fire deaths and injuries.

Members' attention was then drawn to Part 2 of the report. The CRMP Project Lead provided the Committee with a synopsis of progress against the improvement and well-being objectives.

Members were also provided with a synopsis of the progress made against the Service's corporate projects for the Training Development Review, National Operational Guidance (NOG), On-Call Improvement Project and Management of Contaminants as detailed within Part 3 of Appendix 1 of the report.

### **RESOLUTION**

***It was RESOLVED that Members note the content of the report and the progress made to date.***

#### **8 Audit of Mid and West Wales Fire and Rescue Authority's 2023-24 Improvement Plan**

The Community Risk Management Plan Project Lead presented the report and explained that each year the Auditor General for Wales is required, in accordance with section 17 of the Local Government (Wales) Measure 2009 (The Measure) and the Auditor General's Code of Audit Practice, to audit the Fire Authority's Annual Improvement Plan.

Members were informed that on 31 March 2023, the Fire Authority published its Annual Business Improvement Plan 2023/2024, which encompasses its annual Improvement and Well-being Objectives for 2023/2024, which has now been audited for compliance by the Auditor General and that the Auditor General for Wales has determined that the Fire Authority has discharged its duties under sections 17 and 19 of the Measure, to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

Members attention was drawn to the Certificate of Compliance at Appendix 1.

### **RESOLUTION**

***It was RESOLVED that Members note the Audit Wales Certificate of Compliance for the Audit of Mid and West Wales Fire and Rescue Authority's Improvement Plan 2023/2024 (Appendix 1).***

#### **9 Business Risk Register Update Report**

The Corporate Head of Organisational Risk presented the Business Risk Update Report to the Committee.

Members were referred to the Appendices contained within the report.



A summary of the latest considerations by the Business Risk Management Group (BRMG) for each of the risks contained within the Business Risk Register Decision Log was given to Members.

It was noted that in total, 6 Business Risks are captured by the current Business Risk Register (dated September 2023) and of the 6 risks identified, 2 of the previously noted risks have been increased, 4 have remained the same.

### **RESOLUTION**

It was **RESOLVED** that Members note the Report and acknowledge the ongoing progress to both identify and manage matters of business risk affecting the Service.

#### **10 Exclusion of Press and Public**

##### **RESOLUTION:**

It was **RESOLVED** that pursuant to section 100A (4) of the Local Government Act 1972, that the press and public be excluded from the meeting for the reason, that if they were present, it is likely that there would be disclosure to them of exempt information within the description of Schedule 12A to the Local Government Act 1972, namely:

Paragraph 18: information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime  
And that it is in the public interest to do so.

#### **11 Internal Audit Report - IT**

The Internal Auditor presented the exempt report to update Members of the Performance, Audit and Scrutiny Committee on the work of Internal Audit including completed audits and progress with the agreed Internal Audit Plan.

It was explained that the report was for information and no proposals were made.

##### **RESOLUTION**

It was **RESOLVED** that the Performance, Audit and Scrutiny Committee note the contents of the report.

#### **12 Any other items of business that by reason of special circumstances, the Chair decides should be considered as a matter of urgency pursuant to Section 100(4)(b) of the Local Government Act 1972.**

There were no items of urgent business.

Meeting closed 12.15

Mae'r dudalen hon yn wag yn fwriadol

**The report is Not Exempt**

If exempt, ensure exemption proforma is attached to report. Refer to Article 20 of the Constitution for guidance on exemption categories and criteria.

**The report is for Information**

**REPORT TO: PERFORMANCE, AUDIT AND SCRUTINY COMMITTEE**

**MEETING DATE: 05/02/24**

**SUBJECT: Audit Wales' Annual Audit Summary 2023 for Mid and West Wales Fire and Rescue Authority (MAWWFRA)**

**PURPOSE OF REPORT AND REASON FOR RECOMMENDATION(S):**

The report informs the Performance, Audit and Scrutiny Committee of the External Auditor's (Audit Wales) Annual Audit Summary 2023 which, in accordance with the Constitution, Members are required to consider.

**EXECUTIVE SUMMARY**

The Annual Audit Summary 2023 (Appendix 1a and 1b) shows the work completed since the last Annual Audit Summary, which was issued in January 2023. The audit summary forms part of the Auditor General for Wales' duties relating to:

- Audit of Accounts
- Continuous Improvement
- Value for Money
- Sustainable Development Principle

**RECOMMENDATIONS:**

That the Performance, Audit and Scrutiny Committee note the contents of the report.

**REPORT APPROVAL**

**Clerk / Monitoring Officer:**

**Comments: Approved**

**Relevant Director:**

**Comments: Approved**

**Section 151 Officer/Treasurer:**

**Comments: Approved**

**Chief Fire Officer /  
Deputy Chief Fire Officer**

**Comments: Approved**

**ACCESS TO INFORMATION LIST OF BACKGROUND PAPERS USED IN THE PREPARATION OF THIS REPORT:**

Audited Statement of Accounts 2022/23

Audit of Accounts Report 2022/23

Audit Wales report - False Fire Alarm Reduction Mid and West Wales Fire and Rescue Authority (June 2023)

Audit Wales report - Putting out the false alarms: Fire and Rescue Authorities' responses to Unwanted Fire Signals (October 2023)

Presenting the Report:	Kate Havard, Audit Wales
Report Author(s) and Designation	Sarah Mansbridge Treasurer / Section 151 Officer
Date original report written	17/01/2024

**Mae'r Adroddiad Heb ei eithrio**

**Mae'r Adroddiad ER GWYBODAETH**

**ADRODDIAD I'R: PWYLLGOR ARCHWILIO A  
CHRAFFU AR BERFFORMIAD**

**DYDDIAD Y CYFARFOD:**  
05/02/24

**TESTUN: Crynodeb Archwiliad Blynyddol Archwilio Cymru 2023 ar gyfer  
Awdurdod Tân ac Achub Canolbarth a Gorllewin Cymru (MAWWFRA)**

**DIBEN YR ADRODDIAD A'R RHESWM DROS YR  
ARGYMHELLIAD/ARGYMHELLION:**

Mae'r adroddiad yn hysbysu'r Pwyllgor Perfformiad, Archwilio a Chraffu am Grynoded Archwilio Blynyddol 2023 yr Archwiliwr Allanol (Archwilio Cymru) y mae'n ofynnol i Aelodau ei ystyried, yn unol â'r Cyfansoddiad.

**CRYNODEB:**

Mae Crynodeb Archwilio Blynyddol 2023 (Atodiad 1a ac 1b) yn dangos y gwaith a gwblhawyd ers y Crynodeb Archwilio Blynyddol diwethaf, a gyhoeddwyd ym mis Ionawr 2023. Mae'r crynodeb archwilio yn rhan o ddyletswyddau Archwilydd Cyffredinol Cymru mewn perthynas â'r canlynol: • Archwilio Cyfrifon  
• Gwelliant Parhaus  
• Gwerth am arian  
• Egwyddor Datblygu Cynaliadwy

**ARGYMHELLION:**

Bod y Pwyllgor Perfformiad, Archwilio a Chraffu yn nodi cynnwys yr adroddiad

**CYMERADWYO'R ADRODDIAD**

**Clerc:**

**Sylwadau: Cymeradwyd**

**Cyfarwyddwr berthnasol:**

**Sylwadau: Cymeradwyd**

**Swyddog Adran 151/Trysorydd:**

**Sylwadau: Cymeradwyd**

**Prif Swyddog Tân /  
Dirprwy Brif Swyddog Tân**

**Sylwadau: Cymeradwyd**

**PAPURAU CEFNDIR A DDEFNYDDIWYD WRTH BARATOI'R ADRODDIAD HWN:**

Datganiad Cyfrifon Archwiliedig 2022/23

Adroddiad ar yr Archwiliad o Gyfrifon 2022/23

Adroddiad Archwilio Cymru - Lleihau Galwadau Tân Diangen Awdurdod Tân ac Achub Canolbarth a Gorllewin Cymru (Mehefin 2023)

Adroddiad Archwilio Cymru - Diffoddwch y galwadau diangen: Ymatebion yr Awdurdodau Tân ac Achub i Signalau Tân Dieisiau (Hydref 2023)

Yn cyflwyno'r Adroddiad:	Kate Havard, Archwilio Cymru
Awdur(on) yr Adroddiad a'u Swyddi	Sarah Mansbridge Trysorydd / Swyddog Adran 151
Dyddiad yr ysgrifennwyd yr adroddiad gwreiddiol	17/01/2024

**PERFORMANCE, AUDIT AND SCRUTINY COMMITTEE**  
**5 FEBRUARY 2024**  
**AUDIT WALES' ANNUAL AUDIT SUMMARY 2023 FOR MID AND WEST WALES**  
**FIRE AND RESCUE AUTHORITY (MAWWFRA)**

**1 Executive Summary**

1.1 The Annual Audit Summary 2023 (Appendix 1a and 1b) shows the work completed since the last Annual Audit Summary, which was issued in January 2023. The audit summary forms part of the Auditor General for Wales' duties relating to:

- Audit of Accounts
- Continuous Improvement
- Value for Money
- Sustainable Development Principle

**2 National/Wales Position**

2.1 All Fire and Rescue Authorities in Wales receive an Annual Audit Summary from their Appointed Auditor.

**3 Mid and West Wales Fire and Rescue Service Current Position**

3.1 The Annual Audit Summary dated January 2024 (Appendix 1a and 1b) provides:

- details of work completed to meet the Auditor General for Wales duties in respect of audit of accounts, continuous improvement, value for money and sustainable development principle
- a summary of findings of the audit of the Authority's financial statements including confirmation that the Auditor General issued a certificate confirming the audit of accounts 2022/23 has been completed
- the Auditor General certification that the Authority has met its legal duties for improvement planning and reporting and is likely to meet the requirements of the Local Government (Wales) Measure 2009 during 2022/23.

**4 Proposal**

4.1 The report is for information and no proposals are made.

**5 Service Commitments, Improvement Objectives and Well-being goals**

- 5.1 The External Auditor's work in considering the Authority's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed under the Local Government (Wales) Measure 2009 and under the Well-being of Future Generations (Wales) Act 2015.

## **6 Financial/Procurement Implications**

- 6.1 The Annual Audit Summary would highlight any issues raised by the Appointed Auditor which would need to be brought to Members' attention.

## **7 Risk Assessment/Legal and Compliance Implications**

- 7.1 The Annual Audit Summary discharges the Appointed Auditors reporting responsibilities under the Code of Audit Practice. It also forms part of the mitigation of risk for the purposes of the Annual Governance Statement that the Section 151 Officer and Chief Fire Officer recommend to Members at the end of the financial year.

## **8 Fire Authority Governance Implications**

- 8.1 Under the Constitution the Performance, Audit and Scrutiny Committee is responsible for considering the External Auditor's Annual Audit Summary.

## **9 Equality and Diversity, including the Socio-economic Duty and Welsh Language Standards implications**

- 9.1 Considered, but not deemed relevant to the report.

## **10 Data Protection and Privacy Issues**

- 10.1 Considered, but not deemed relevant to the report.

## **11 Consultation and Communication**

- 11.1 Considered, but not deemed relevant to the report.

## **12 Prevention, Protection and Response Implication**

- 12.1 Considered, but not deemed relevant to the report.

## **13 Human Resource and People Development Implications**

- 13.1 Considered, but not deemed relevant to the report.



**14 Information and Communications Technology (ICT) / ICT Strategic Advisory Team (ISAT) Implications**

14.1 Considered, but not deemed relevant to the report.

**15 Estates Implications**

15.1 Considered, but not deemed relevant to the report.

**16 Fleet, Engineering and Logistics Implications**

16.1 Considered, but not deemed relevant to the report.

**17 Evaluation**

17.1 Considered, but not deemed relevant to the report.

**18 Recommendations**

18.1 That the Performance, Audit and Scrutiny Committee note the contents of the report.

Mae'r dudalen hon yn wag yn fwriadol

## Mid and West Wales Fire and Rescue Authority Annual Audit Summary 2023

This is our audit summary for Mid and West Wales Fire and Rescue Authority. It shows the work completed since the last Annual Audit Summary, which was issued in January 2023. Our audit summary forms part of the Auditor General for Wales' duties.

More information about these duties can be found on our [website](#).



### About the Fire and Rescue Authority

#### Key facts

Fire and Rescue Authorities (FRAs) consist of nominated elected members, representing the local authorities across the FRA area as a whole.

Mid and West Wales FRA is made up of 25 councillors who represent their constituent authorities and the following political parties:

- Labour 9
- Coalition Alliance 16

The FRA spent £60.42 million on providing services during 2022-23, which is a 7.66% increase on 2021-22<sup>1</sup>.

As at 31 March 2023, the FRA had £1.9 million of general fund reserves and £4.9 million in earmarked reserves.

FRAs have a statutory obligation under the Fire and Rescue Services Act 2004 to maintain a fire and rescue service capable of dealing effectively with all calls for assistance in the case of fire and other emergencies.

The Welsh Government has overarching responsibility for determining policy on FRAs. At a local level, FRAs must meet the requirements of the Local Government (Wales) Measure 2009 and the Well-being of Future Generations (Wales) Act 2015, as well as the National Framework for Fire and Rescue Services.

<sup>1</sup> Source: 2022-23 Statement of Accounts

## Key facts

Most of the funding for the three FRAs in Wales is received by way of a levy from the local unitary authorities within their area. The contribution is based on population numbers.

## The Auditor General's duties

### We completed work during 2022-23 to meet the following duties

- **Audit of Accounts**

Each year the Auditor General audits the Authority's financial statements to make sure that public money is being properly accounted for.

- **Continuous improvement**

The Authority also has to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General has to assess whether the Authority has met these requirements.

- **Value for money**

The Auditor General examines whether the Authority has put in place arrangements to get value for money for the resources it uses, and he has to be satisfied that it has done this.

- **Sustainable development principle**

Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.



**To meet the Auditor General's duties, we complete specific projects. We take the findings of our audit work into account when assessing whether the Authority has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.**

## What we found

### Audit of Mid and West Fire and Rescue Authority's 2022-23 Accounts

Each year we audit the Authority's financial statements.

#### For 2022-23:

- the draft statements were presented for audit on 31 May 2023. This was before the deadline of 31 July 2023 set by the Welsh Government.
- the draft statements presented for audit were of high quality.
- the Auditor General gave an unqualified true and fair opinion on the Authority's financial statements on 5 October 2023, before the deadline agreed with the Welsh Government of 30 November 2023. The audit was delivered later than in previous years, mainly due to the impact of new auditing standard requirements. These were covered in our audit plan considered by the Performance, Audit and Scrutiny Committee on 15 May 2023.
- the Authority's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were consistent with the financial statements prepared by the Authority and with our knowledge of the Authority.
- a very small number of changes were made to the Authority's financial statements arising from our audit work, which were reported to the Performance, Audit and Scrutiny Committee in our Audit of Financial Statements Report in September 2023.
- the Auditor General issued the certificate confirming that the audit of accounts for 2022-23 has been completed.

## Continuous improvement

The Auditor General certified that the Authority has met its legal duties for improvement planning and reporting and believes that it is likely to meet the requirements of the Local Government (Wales) Measure 2009 during 2022-23.

## Local project – False Fire Alarm Reduction

In June 2023 we published our [report](#) on reducing false fire alarms within the Authority. We concluded that the Authority has made progress in its approach to managing false fire alarms (FFAs), but, due to reductions in firefighter capacity and stand still budgets, now needs to review how it manages FFAs to ensure services remain resilient. Our findings across the three Welsh Fire Authorities were published in a national [report](#) in October 2023.

## Local government studies

As well as local work at each authority, each year we also carry out studies across the local government sector to make recommendations for improving value for money. Since the last annual improvement report, we have published the following reports which may be useful to the Authority, which can be found on our website.

- [Springing Forward – Lessons from our work on workforce and assets](#)
- [‘Cracks in the Foundations’ – Building Safety in Wales](#)

## Planned work for 2023-24

We also looked at the key challenges and opportunities facing the Authority. These could have an effect on the Authority’s ability to meet its legal obligations in relation to the sustainable development principle, continuous improvement, and the use of its resources.

Our planned work for 2023-24 includes:

- Targeted High Risk Prevention

The Auditor General is independent of government. The role is appointed to by His Majesty the King. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks, and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government and Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission, and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

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.

This document is also available in Welsh.

Mae'r dudalen hon yn wag yn fwriadol



# Awdurdod Tân ac Achub Canolbarth a Gorllewin Cymru

## Crynodeb Archwilio Blynyddol 2023

Dyma ein crynodeb archwilio ar gyfer Awdurdod Tân ac Achub Canolbarth a Gorllewin Cymru. Mae'n dangos y gwaith a gwblhawyd ers y Crynodeb Archwilio Blynyddol diwethaf, a gyhoeddwyd ym mis Ionawr 2023. Mae ein crynodeb archwilio'n rhan o ddyletswyddau Archwilydd Cyffredinol Cymru.



Ceir rhagor o wybodaeth am y dyletswyddau hyn ar ein [gwefan](#).

## Ynglŷn â'r Awdurdod Tân ac Achub

### Ffeithiau allweddol

Mae Awdurdodau Tân ac Achub (ATA) yn cynnwys aelodau etholedig enwebedig, sy'n cynrychioli'r awdurdodau lleol ledled ardal yr ATA ar y cyfan.

Mae ATA Canolbarth a Gorllewin Cymru'n cynnwys 25 o gynghorwyr sy'n cynrychioli eu hawdurdodau cyfansoddol a'r pleidiau gwleidyddol canlynol:

- Llafur 9
- Y Gynghair 16

Gwariodd yr ATA £60.42 miliwn ar ddarparu gwasanaethau yn ystod 2022-23, sy'n gynydd o 7.66% o'i gymharu â 2021-22<sup>1</sup>.

O ran y sefyllfa ar 31 Mawrth 2023, roedd gan yr ATA £1.9 miliwn wrth gefn yn y gronfa gyffredinol a £4.9 miliwn mewn cronfeydd wrth gefn wedi'u clustnodi.

Mae rhwymedigaeth statudol ar ATAAu dan Ddeddf Gwasanaethau Tân ac Achub 2004 i gynnal gwasanaeth tân ac achub sy'n gallu ymdrin yn effeithiol â'r holl alwadau am gymorth os ceir tân ac achosion brys eraill.

Llywodraeth Cymru sydd â chyfrifoldeb trosfwaol am bennu polisi ar ATAAu. Ar lefel leol, rhaid i ATAAu ateb gofynion Mesur Llywodraeth Leol (Cymru) 2009 a Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015, yn ogystal â'r Fframwaith Cenedlaethol ar gyfer Gwasanaethau Tân ac Achub.

<sup>1</sup> Ffynhonnell: Datganiad Cyrifon 2022-23

## Ffeithiau allweddol

Daw'r rhan fwyaf o'r cyllid ar gyfer y tri ATA yng Nghymru trwy ardoll gan yr awdurdodau unedol lleol yn eu hardal. Mae'r cyfraniad yn seiliedig ar niferoedd y boblogaeth.

## Dyletswyddau'r Archwilydd Cyffredinol

### Fe wnaethom gwblhau gwaith yn ystod 2022-23 i gyflawni'r dyletswyddau canlynol

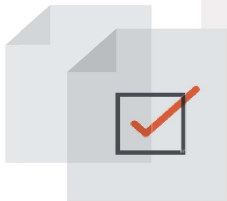
- **Archwilio'r Cyfrifon**

Bob blwyddyn mae'r Archwilydd Cyffredinol yn archwilio datganiadau ariannol yr Awdurdod i wneud yn siŵr y rhoddir cyfrif am arian cyhoeddus mewn modd priodol.
- **Gwella'n barhaus**

Rhaid i'r Awdurdod sefydlu trefniadau i wneud gwelliannau parhaus hefyd, gan gynnwys cynlluniau ac adroddiadau cysylltiedig, a rhaid i'r Archwilydd Cyffredinol asesu a yw'r Awdurdod wedi ateb y gofynion hyn.
- **Gwerth am arian**

Mae'r Archwilydd Cyffredinol yn archwilio pa un a yw'r Awdurdod wedi sefydlu trefniadau i gael gwerth am arian am yr adnoddau y mae'n eu defnyddio, a rhaid iddo fod wedi'i argyhoeddi ei fod wedi gwneud hyn.
- **Yr egwyddor datblygu cynaliadwy**

Mae angen i gyrff cyhoeddus gydymffurfio â'r ddyletswydd datblygu cynaliadwy wrth bennu eu hamcanion llesiant a chymryd camau i'w cyflawni. Rhaid i'r Archwilydd Cyffredinol asesu i ba raddau y maent yn gwneud hyn.



I gyflawni dyletswyddau'r Archwilydd Cyffredinol rydym yn cwblhau prosiectau penodol. Rydym yn cymryd canfyddiadau ein gwaith archwilio i ystyriaeth wrth asesu pa un a yw'r Awdurdod wedi sefydlu trefniadau i sicrhau gwerth am arian. Caiff ein canfyddiadau a'n casgliadau eu crynhoi isod.

## Yr hyn a ganfuom

### Archwiliad o Gyfrifon Awdurdod Tân ac Achub Canolbarth a Gorllewin Cymru ar gyfer 2022-23

Bob blwyddyn rydym yn archwilio datganiadau ariannol yr Awdurdod.

#### Ar gyfer 2022-23:

- cyflwynwyd y datganiadau drafft i'w harchwilio ar 31 Mai 2023. Roedd hyn cyn y terfyn amser, sef 31 Gorffennaf 2023, a bennwyd gan Lywodraeth Cymru.
- roedd y datganiadau drafft a gyflwynwyd i'w harchwilio o ansawdd da.
- rhoddodd yr Archwilydd Cyffredinol farn ddiamed ynglŷn â chywirdeb a thegwch datganiadau ariannol yr Awdurdod ar 5 Hydref 2023, cyn y terfyn amser y cytunwyd arno gyda Llywodraeth Cymru, sef 30 Tachwedd 2023. Cyflawnwyd yr archwiliad yn hwyrach nag mewn blynyddoedd blaenorol, yn bennaf oherwydd effaith gofynion safonau archwilio newydd. Rhoddwyd sylw i'r rhain yn ein cynllun archwilio a ystyriwyd gan y Pwyllgor Perfformiad, Archwilio a Chraffu ar 15 Mai 2023.
- paratowyd Datganiad Llywodraethu Blynyddol ac Adroddiad Naratif yr Awdurdod yn unol â Chod CIPFA a chanllawiau perthnasol. Roeddent yn gyson â'r datganiadau ariannol a baratowyd gan yr Awdurdod ac â'n gwybodaeth ni am yr Awdurdod.
- fe wnaed nifer fach iawn o newidiadau i ddatganiadau ariannol yr Awdurdod a gododd o'n gwaith archwilio, gyda'r rhain yn cael eu dwyn i sylw'r Pwyllgor Perfformiad, Archwilio a Chraffu yn ein Hadroddiad ar yr Archwiliad o'r Datganiadau Ariannol ym mis Medi 2023.
- fe wnaeth yr Archwilydd Cyffredinol gyhoeddi'r dystysgrif sy'n cadarnhau bod yr archwiliad o'r cyfrifon ar gyfer 2022-23 wedi cael ei gwblhau.

## Gwella'n barhaus

Fe wnaeth yr Archwilydd Cyffredinol ardystio bod yr Awdurdod wedi cyflawni ei ddyletswyddau cyfreithiol i gynllunio ar gyfer gwella ac adrodd ar wella a'i fod yn credu ei fod yn debygol o ateb gofynion Mesur Llywodraeth Leol (Cymru) 2009 yn ystod 2022-23.

## Prosiect lleol – Lleihau Galwadau Tân Diangen

Ym mis Mehefin 2023 fe gyhoeddodd ni ein hadroddiad ar leihau galwadau tân diangen yn yr Awdurdod. Daethom i'r casgliad bod yr Awdurdod wedi gwneud cynnydd o ran ei ddull o reoli galwadau tân diangen ond, oherwydd gostyngiadau yn ei gapasiti diffoddwyr tân a chyllidebau digyfnewid, bod angen iddo fynd ati yn awr i adolygu sut y mae'n rheoli galwadau tân diangen i sicrhau bod gwasanaethau'n dal i fod yn gydnerth. Cafodd ein canfyddiadau ar draws y tri Awdurdod Tân yng Nghymru eu cyhoeddi mewn adroddiad cenedlaethol ym mis Hydref 2023.

## Astudiaethau llywodraeth leol

Yn ogystal â gwaith lleol ym mhob awdurdod, bob blwyddyn rydym hefyd yn cynnal astudiaethau ar draws y sector llywodraeth leol i wneud argymhellion ar gyfer gwella gwerth am arian. Ers yr adroddiad gwella blynyddol diwethaf, rydym wedi cyhoeddi'r adroddiadau canlynol a allai fod yn ddefnyddiol i'r Awdurdod ac sydd i'w cael ar ein gwefan.

- Llamu Ymlaen – Gwersi o'n gwaith ar y gweithlu ac asedau
- 'Craciau yn y Sylfeini' – Diogelwch Adeiladau yng Nghymru

## Gwaith sydd yn yr arfaeth ar gyfer 2023-24

Fe wnaethom hefyd fwrw golwg ar yr heriau a chyfleoedd allweddol sy'n wynebu'r Awdurdod. Gallai'r rhain gael effaith ar allu'r Awdurdod i gyflawni ei rwymedigaethau cyfreithiol mewn perthynas â'r egwyddor datblygu cynaliadwy, gwella'n barhaus, a'r modd y mae'n defnyddio'i adnoddau.

Mae ein gwaith sydd yn yr arfaeth ar gyfer 2023-24 yn cynnwys:

- Atal Risg Uchel mewn modd wedi'i Dargedu

Mae'r Archwilydd Cyffredinol yn annibynnol ar y llywodraeth. Penodir y rôl hon gan Ei Mawrhydi y Brenin. Mae'r Archwilydd Cyffredinol yn gwneud ei waith gan ddefnyddio staff ac adnoddau eraill a ddarperir gan Swyddfa Archwilio Cymru, sy'n fwrdd statudol a sefydlwyd at y diben hwnnw ac i fonitro a chynghori'r Archwilydd Cyffredinol. Caiff Swyddfa Archwilio Cymru ei dwyn i gyfrif gan y Senedd.

Mae'r Archwilydd Cyffredinol yn archwilio cyrff llywodraeth leol yng Nghymru, gan gynnwys awdurdodau unedol, yr heddlu, awdurdodau tân ac achub, parciau cenedlaethol a chynghorau cymuned. Mae hefyd yn cynnal astudiaethau o werth am arian mewn llywodraeth leol, yn asesu cydymffurfiaeth â'r gofynion sy'n weddill o Fesur Llywodraeth Leol (Cymru) 2009 a gall gynnal arolygiadau arbennig dan Ddeddf Llywodraeth Leol ac Etholiadau (Cymru) 2021.

Y tu hwnt i llywodraeth leol, yr Archwilydd Cyffredinol yw archwilydd allanol Llywodraeth Cymru a'r cyrff cyhoeddus a noddir ganddi ac sy'n gysylltiedig â hi, Comisiwn y Senedd a chyrff y Gwasanaeth Iechyd Gwladol yng Nghymru.

Archwilio Cymru yw'r enw cyfunol anstatudol ar gyfer Archwilydd Cyffredinol Cymru a Swyddfa Archwilio Cymru, sy'n endidau cyfreithiol ar wahân a chanddynt eu swyddogaethau cyfreithiol eu hunain, fel a ddisgrifir uchod. Nid yw Archwilio Cymru yn endid cyfreithiol.

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.

Mae'r dudalen hon yn wag yn fwriadol

**The report is Not Exempt**

**The report is for Information**

**REPORT TO: PERFORMANCE, AUDIT AND SCRUTINY COMMITTEE**

**MEETING DATE: 05/02/24**

**SUBJECT: Internal Audit Reports**

**PURPOSE OF REPORT AND REASON FOR RECOMMENDATION(S):**

To update Members of the Performance, Audit and Scrutiny Committee on the work of Internal Audit including completed audits and progress with the agreed Internal Audit Plan.

**EXECUTIVE SUMMARY**

Internal Audit Plan 2022/23

The Internal Audit Plan for the 2022/23 financial year was agreed with the Director of Resources and the Section 151 Officer, and was approved by the Performance, Audit and Scrutiny Committee (PASC) in April 2022. During the period, Internal Audit have completed the last remaining audit within the plan which is included in the following appendix.

- Appendix 1 - Critical Operational Locations Surveys Grant

Work has now been completed for the 2022/23 plan as per appendix 5 - Internal Audit plan update 2022-23.

Internal Audit Plan 2023/24

The Internal Audit Plan for the 2023/24 financial year was agreed with the Director of Resources and the Section 151 Officer, and was approved by the Performance, Audit and Scrutiny Committee (PASC) in May 2023. During the period Internal Audit have reported on 3 audits which are included in the following appendices.

- Appendix 2 Main Accounting System
- Appendix 3 Value Added Tax (VAT)
- Appendix 4 Travel and Subsistence

Of the 14 audits in the plan, 3 are completed (21%) and 5 are in progress (36%) as shown at appendix 6 - Internal Audit plan update 2023-24.

**RECOMMENDATIONS:**

That the Performance, Audit and Scrutiny Committee note the contents of the report.

**REPORT APPROVAL**

<b>Clerk / Monitoring Officer:</b>	<b>Comments: Approved</b>
<b>Relevant Director:</b>	<b>Comments: Approved</b>
<b>Section 151 Officer/Treasurer:</b>	<b>Comments: Approved</b>
<b>Chief Fire Officer / Deputy Chief Fire Officer</b>	<b>Comments: Approved</b>

**ACCESS TO INFORMATION LIST OF BACKGROUND PAPERS USED IN THE PREPARATION OF THIS REPORT:**

Performance, Audit and Scrutiny Committee reports:

25 April 2022 Internal Audit Plan 2022-25

15 May 2023 Internal Audit Plan 2023-26

<b>Presenting the Report:</b>	Helen Pugh, Head of Revenues & Financial Compliance, Carmarthenshire County Council
<b>Report Author(s) and Designation</b>	Stephen Phillips, Head of Finance Helen Pugh, Head of Revenues & Financial Compliance, Carmarthenshire County Council
<b>Date original report written</b>	15/01/2024



**Mae'r Adroddiad Heb ei eithrio**

**Mae'r Adroddiad ER GWYBODAETH**

**ADRODDIAD I'R: PWYLLGOR ARCHWILIO A  
CHRAFFU AR BERFFORMIAD**

**DYDDIAD Y CYFARFOD:**  
05/02/24

**TESTUN: Adroddiadau Archwilio Mewnol**

**DIBEN YR ADRODDIAD A'R RHESWM DROS YR ARGYMHELLIAD/ARGYMHELLION:**

Rhoi diweddariad i Aelodau Pwyllgor Archwilio a Chraffu ar Berfformiad ar waith y Gwasanaeth Archwilio Mewnol, gan gynnwys yr archwiliadau a gwblhawyd a chynnydd o ran y Cynllun Archwilio Mewnol cytunedig.

**CRYNODEB:**

Cynllun Archwilio Mewnol 2022/23

Cytunwyd ar y Cynllun Archwilio Mewnol ar gyfer blwyddyn ariannol 2022/23 gyda'r Cyfarwyddwr Adnoddau a'r Swyddog Adran 151, ac fe'i cymeradwywyd gan y Pwyllgor Perfformiad, Archwilio a Chraffu (PASC) ym mis Ebrill 2022. Yn ystod y cyfnod, mae Archwilio Mewnol wedi gorffen yr archwiliad olaf yn y cynllun sydd yn gynwysedig yn yr atodiad canlynol

- Atodiad 1 Grant Arolwg Beirniadol Lleoliadau Gweithredol

Mae gwaith wedi gorffen ar y cynllun 2022/23 fel y dangosir yn atodiad 5- Diweddariad o'r Cynllun Archwilio 2022-23.

Cynllun Archwilio Mewnol 2023/24

Cytunwyd ar y Cynllun Archwilio Mewnol ar gyfer blwyddyn ariannol 2023/24 gyda'r Cyfarwyddwr Adnoddau a'r Swyddog Adran 151, ac fe'i cymeradwywyd gan y Pwyllgor Perfformiad, Archwilio a Chraffu (PASC) ym mis Mai 2023. Yn ystod y cyfnod mae Archwilio Mewnol wedi adrodd ar 3 archwiliad sydd yn gynwysedig yn yr atodiadau canlynol

- Atodiad 2 Prif System Gyfrifol
- Atodiad 3 Treth ar Werth (TAW)
- Atodiad 4 Teithio a Chynhaliaeth

O'r 14 archwiliad sydd yn y cynllun, mae 3 wedi gorffen (21%) ac mae 5 yn symud ymlaen (36%) fel y dangosir yn atodiad 6 - Diweddariad o'r Cynllun Archwilio 2023-24

**ARGYMHELLION:**

Bod y Pwyllgor Archwilio a Chraffu ar Berfformiad yn nodi cynnwys yr adroddiad.

**CYMERADWYO'R ADRODDIAD**

<b>Clerc:</b>	<b>Sylwadau: Cymeradwyd</b>
<b>Cyfarwyddwr berthnasol:</b>	<b>Sylwadau: Cymeradwyd</b>
<b>Swyddog Adran 151/Trysorydd:</b>	<b>Sylwadau: Cymeradwyd</b>
<b>Prif Swyddog Tân / Dirprwy Brif Swyddog Tân</b>	<b>Sylwadau: Cymeradwyd</b>

**PAPURAU CEFNDIR A DDEFNYDDIWDYD WRTH BARATOI'R ADRODDIAD HWN:**

Adroddiadau Pwyllgor Perfformiad, Archwilio a Chraffu:  
25 Ebrill 2022 Cynllun Archwilio Mewnol 2022-25  
15 Mai 2023 Cynllun Archwilio Mewnol 2023-26

Yn cyflwyno'r Adroddiad:	Helen Pugh, Pennaeth Refeniw a Chydymffurfiaeth Ariannol, Cyngor Sir Caerfyrddin
Awdur(on) yr Adroddiad a'u Swyddi	Stephen Phillips, Pennaeth Cyllid Helen Pugh, Pennaeth Refeniw a Chydymffurfiaeth Ariannol, Cyngor Sir Caerfyrddin
Dyddiad yr ysgrifennwyd yr adroddiad gwreiddiol	15/01/2024

**PERFORMANCE, AUDIT AND SCRUTINY COMMITTEE**  
**5 FEBRUARY 2024**  
**INTERNAL AUDIT REPORTS**

**1 Executive Summary**

1.1 Internal Audit Plan 2022/23

The Internal Audit Plan for the 2022/23 financial year was agreed with the Director of Resources and the Section 151 Officer, and was approved by the Performance, Audit and Scrutiny Committee (PASC) in April 2022. During the period, Internal Audit have completed the last remaining audit within the plan which is included in the following appendix.

- Appendix 1 Critical Operational Locations Surveys Grant

1.2 Work has now been completed for the 2022/23 plan as per appendix 5 - Internal Audit plan update 2022-23.

1.3 Internal Audit Plan 2023/24

The Internal Audit Plan for the 2023/24 financial year was agreed with the Director of Resources and the Section 151 Officer, and was approved by the Performance, Audit and Scrutiny Committee (PASC) in May 2023. During the period Internal Audit have reported on 3 audits which are included in the following appendices.

- Appendix 2 Main Accounting System
- Appendix 3 Value Added Tax (VAT)
- Appendix 4 Travel and Subsistence

1.4 Of the 14 audits in the plan, 3 are completed (21%) and 5 are in progress (36%) as shown at appendix 6 - Internal Audit plan update 2023-24.

**2 National/Wales Position**

2.1 All Fire and Rescue Services in Wales are required to have Internal Audit arrangements in place.

**3 Mid and West Wales Fire and Rescue Service Current Position**

3.1 Final reports for completed audits are set out in appendices 1 to 4.

3.2 Internal Audit Plan progress reports for 2022/23 and 2023/24 are included at appendices 5 and 6 respectively.

**4 Proposal**

4.1 The report is for information and no proposals are made.

## **5 Service Commitments, Improvement Objectives and Well-being goals**

- 5.1 The Internal Audit Plan has been set taking into account the Well-being Future Generations (Wales) Act 2015 sustainable development principle and the five ways of working (Long-term, Integration, Involvement, Collaboration and Prevention).
- 5.2 The work of internal audit contributes to Commitment 4 of the Strategic Plan 2022-27, specifically the Service's commitment to improving the way we work through organisational learning.

## **6 Financial/Procurement Implications**

- 6.1 There are no direct financial or procurement implications arising from the delivery of the Internal Audit Plan.

## **7 Risk Assessment/Legal and Compliance Implications**

- 7.1 The work of Internal Audit contributes to the completion of the Annual Governance Statement which is reported with the Annual Statement of Accounts.

## **8 Fire Authority Governance Implications**

- 8.1 Under the Constitution it is for the Performance, Audit and Scrutiny Committee to consider summaries of specific internal audit reports.

## **9 Equality and Diversity, including the Socio-economic Duty and Welsh Language Standards implications**

- 9.1 Considered, but not deemed relevant to the report.

## **10 Data Protection and Privacy Issues**

- 10.1 There are no General Data Protection Regulation (GDPR) or Data Privacy issues associated with the report.

## **11 Consultation and Communication**

- 11.1 Internal Audit reports which inform the overall opinion are agreed with the Head of Finance or relevant Head of Department, the Director of Resources and reported to Members.

## **12 Prevention, Protection and Response Implication**

- 12.1 Considered, but not deemed relevant to the report.

## **13 Human Resource and People Development Implications**

- 13.1 Considered, but not deemed relevant to the report.

**14 Information and Communications Technology (ICT) / ICT Strategic Advisory Team (ISAT) Implications**

14.1 Considered, but not deemed relevant to the report.

**15 Estates Implications**

15.1 Considered, but not deemed relevant to the report.

**16 Fleet, Engineering and Logistics Implications**

16.1 Considered, but not deemed relevant to the report

**17 Evaluation**

17.1 Progress against recommendations and management responses is monitored through the Business Risk Management Group to ensure agreed actions are implemented.

**18 Recommendations**

18.1 That the Performance, Audit and Scrutiny Committee note the contents of the report.

Mae'r dudalen hon yn wag yn fwriadol

# Cyngor Sir Gâr Carmarthenshire County Council

## Archwiliad Mewnol Internal Audit

**MWWFRS**

**Critical Operational Locations Surveys Grant**

**Final Internal Audit Report  
2023/24**

**16<sup>th</sup> November 2023**

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<b>CONTENTS</b>	<b>PAGE</b>
1. Introduction	<b>2</b>
Background	
Scope and Objectives	
Associated Risks	
2. General Opinion	<b>2</b>
3. Assurance Rating	<b>4</b>
4. Summary of Recommendations	<b>4</b>
5. Key Findings and Action Plan	<b>5</b>
Audit Assurance Ratings and Recommendation Priorities	<b>APPENDIX 1</b>

Review reference:	9122014
Draft Report issued:	2 <sup>nd</sup> November 2023
Action Plan agreed:	15 <sup>th</sup> November 2023
Final Report issued:	16 <sup>th</sup> November 2023
Auditor(s):	Alexa Thomas, Senior Auditor Rhiannon Dafis, Assistant Auditor



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## 1. INTRODUCTION

### Background

An element of the Emergency Services Mobile Communication Programme (ESMCP) is to ensure mobile coverage is provided where it is operationally required. Part of the Critical Operational Locations (COLs) assessment includes the identification of locations which are deemed critical, and identifying whether mobile coverage is present. The development of the COLs list includes both outdoor and indoor locations of the 3 Emergency Services (3ES) and 3 non-Emergency Services estate. Grant funding directly to User Organisations will enable surveys to be undertaken to understand and consequently address coverage gaps at COLs.

A grant of £354,000 has been allocated by Welsh Government (WG), in relation to COLs survey resource costs, to undertake exercises in Wales to validate the COLs list in Wales. The funding relates to the period 1 April 2022 to 31 March 2023 and had to be claimed in full by 31 March 2023.

### Scope and Objectives

The review was undertaken to ascertain the extent to which the aims and objectives of the grant have been achieved, the grant has been used for the purpose intended, and that grant terms and conditions and the Authority's Finance Policies are being fully complied with.

### Associated Risks

The risks that were considered in the review are as follows:

- In-appropriate payments made;
- Mis-use of the grant;
- Non-compliance with the Authority's policies and procedures.

## 2. GENERAL OPINION

The ESMCP is a Home Office (HO) programme to identify, assess and deliver mobile communication coverage at COLs throughout the UK. It was, however, decided to fund the surveys regionally, and funding of £354,000 was allocated to WG for locations in Wales. The surveys are required to be undertaken to support the identification of coverage gaps which, without rectification, will have a direct impact on the 3ES ability to operate, their safety, and the safety of the public. Due to the sensitive nature and security constraints of the grant funding, certain documents in relation to COL locations were restricted; Internal Audit placed reliance, therefore, on summary reports collated by MWWFRS.

In Wales, the programme is managed by the Programme Manager – All Wales Communications Projects, based within Mid and West Wales Fire and Rescue Service,

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on behalf of the Welsh Joint Emergency Service Group (JESG). Internal Audit has been advised that a full list of COLs has been validated by the JESG Strategy Group; the list is continuously updated and reviewed.

The grant offer letter received from WG, for the period 1 April 2022 to 31 March 2023, was dated 27<sup>th</sup> July 2022, and it was noted that the acceptance of the award of funding was signed within the specified timescale.

Emergency Services (ES) are expected to undertake surveys on their own locations. The funding allocation methodology and standard report template was agreed by the 'All Wales Coverage Group'. Each organisation was given a cost option, either to reclaim actual costs or to reclaim the specified £400 per survey completed. Internal Audit was advised that all methodologies were agreed in advance.

Testing of a sample of ten transactions that had been claimed during the 2022/23 financial year, found that nine of the transactions were eligible, funding had been spent exclusively against the progression of COL coverage assurance, and they had been appropriately approved. In four instances, there was no evidence provided to demonstrate that the appropriate checks had been undertaken, prior to payment, in accordance with the requirements of Financial Procedure Rules.

In one instance, income in relation to a transaction for £58k, included in the quarter 4 claim, had previously been received, in advance, from WG. The income was received from WG in 2021 for surveys that are yet to be undertaken and has, therefore, been accrued every year since; to include this transaction in the quarter 4 claim was inappropriate, and has resulted in an overclaim to WG of £58k. This was queried by Internal Audit. Finance staff have investigated this transaction and have notified WG of the overclaim. Remedial action has been agreed with WG, in September, to pay back £27,628 and to offset the remainder with an outstanding invoice that was agreed by WG as eligible expenditure.

The current review found that the grant in relation to COL's had been underspent by £161,723.58, however, approval had been obtained from the HO to carry forward funding to 2023/24. This was confirmed by the HO in their email of the 27<sup>th</sup> May 2022 which stated: *'Should all funds not be utilised the remaining balance will be made available by the Programme in FY23/24 under the same mechanisms. The expectation is this will be low level carry over if at all'*.

During testing, a transaction was identified, in relation to COLs surveys that had been attributed to Assurance Team expenditure.

The Assurance Team forms an integral part of the governance process for the ESMCP, and is required to facilitate the provision of sound advice to Welsh Ministers that the Emergency Services Network is safe, resilient and operationally fit for purpose. It also provides the operational assurances required around the Programme's transitional, operational evaluation and deployment work packages to delivery stage. Funding for the Assurance Team of £150,000 was allocated by WG for 2022/23.

The grant in relation to the Assurance Team was also underspent by £5,301.78. Due to the fact that the Assurance Team underspend could not be carried forward, a transaction of £800 in relation to COLs survey costs was adjusted, to be accounted and claimed for, in the Assurance Team claim. Internal Audit has been advised that this was done to maximise Assurance Team expenditure which was agreed verbally by WG; written confirmation for this re-allocation of costs was not available. Internal Audit enquired as to why the re-allocation of further costs was not actioned for the remaining Assurance Team underspend, in order to fully maximise grant income into the Authority, and were advised that this was not actioned due to time restrictions.

A review of the current position in relation to the target number of COL surveys required to be undertaken, has identified that the target was not met in 2022/23 but, as previously noted, the HO had agreed to carry the funding forward to 2023/24. It is acknowledged that progress reports are regularly provided to JESG, WG and the HO. In a JESG meeting in March 2023, it was reported that in the event that surveys are not concluded by Sept 2023, then it was assumed that the requirement to conclude this work would need to be met directly by the Welsh Emergency Services, with no supplementary funding provision. Internal Audit have been advised that all surveys had been completed by 17<sup>th</sup> September 2023.

**3. ASSURANCE RATING**

The post review assurance level for systems relating to the Critical Operational Locations Grant is categorised as follows:

Assurance Level	Description for Assurance Level
Acceptable	<p>Moderate Controls, some areas of non-compliance with agreed controls.</p> <p>Medium / low risk of not meeting objectives.</p> <p>Medium / low risk of fraud, negligence, loss, damage to reputation.</p>

**4. SUMMARY OF RECOMMENDATIONS**

The audit findings and recommendations are detailed in Section 5, together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below:

Priority	3*	2*	1*	Total
<b>Number of recommendations</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>

## 5. FINDINGS AND ACTION PLAN

<b>Finding 1: Overclaim</b>	
<p>Testing of a sample of ten transactions that had been claimed during the 2022/23 financial year identified one instance where income, in relation to an accrual transaction for £58k included in the quarter 4 claim, had previously been received, in advance, from WG. Accrual transactions in relation to the advance income receipt have been actioned as the respective surveys are yet to be completed. The accrual transaction has been included incorrectly in the quarter 4 claim, and has resulted in an overclaim to WG of £58k.</p>	
<b>Recommendation 1</b>	<b>Priority level</b>
<p>Claims should only include transactions that are eligible under the terms and conditions of the grant.</p> <p>The claim verification process should ensure that checks are undertaken to ensure the eligibility of transactions prior to submitting claims, to avoid any future overclaims occurring.</p>	**
<b>Management Response 1</b>	<b>Responsible Officer</b>
<p>The error has been corrected and discussed with WG. Funds to the value of £27,628 have been returned to Welsh Government (WG) and the remainder was attributed to an outstanding invoice that was agreed by WG as eligible expenditure.</p> <p>We will continue to monitor and check grant returns as appropriate and will pay particular attention to accruals to ensure that accrual reversals are matched off accordingly.</p>	Grant Manager / Accountancy & Systems Manager
	<b>Implementation Date</b>

<b>Finding 2: Re-allocated Costs</b>	
<p>Testing has identified one instance where a transaction for £800 has been claimed against the Assurance Team grant funding rather than the COLs grant funding. Internal Audit have been advised that WG verbally approved this re-allocation, however, there is no documentation available to support this approval.</p> <p>Internal Audit enquired as to why a virement was not actioned to re-allocate costs for the remaining Assurance Team underspend in order to fully maximise grant income into the Authority; the explanation provided was that further costs were not re-allocated to maximise the grant funding, due to time restrictions.</p>	
<b>Recommendation 2</b>	<b>Priority level</b>
<p>Written approval should be sought and maintained for all instances where costs are re-allocated, in order to demonstrate that adequate approval has been agreed by WG.</p> <p>Where it is appropriate to do so, with the correct approval in place, costs should be reallocated to maximise grant income for the Authority.</p>	**
<b>Management Response 2</b>	<b>Responsible Officer</b>
<p>This relates to a recharge to the Service for 2 COL surveys undertaken by Service employees @ a cost of £400 per survey. Verbal confirmation was received by the Grant Manager that these charges could be charged to the Assurance grant. Written approval will be sought in the future.</p> <p>We agree that where approval is in place, cost should be reallocated to maximise the grant income for the Authority. However, this is not always achievable owing to time constraints and organisations' differing end of year invoicing processes and timings.</p>	Grant Manager / Accountancy & Systems Manager
	<b>Implementation Date</b>

<b>Finding 3: Expenditure</b>	
Testing of a sample of 10 expenditure transactions identified four instances where there was no evidence provided to demonstrate that the appropriate checks had been undertaken, in accordance with the requirements of Financial Procedure Rules.	
<b>Recommendation 3</b>	<b>Priority level</b>
In accordance with the requirements of Financial Procedure Rules, the specified checks should be undertaken prior to the invoice being processed and obtaining final approval. Evidence that the checks have been undertaken should be maintained.	**
<b>Management Response 3</b>	<b>Responsible Officer</b>
For non-PO invoices - following consolidation of COL's reported on the Home Office software system, progress reports are provided to the Grant Manager and expected invoice totals agreed with the other Services/Public bodies. This is copied to Finance.  The other Services/Public bodies then raise the invoice and Finance follow the usual procedure of checking for accruals. Once the invoices are loaded to the Agresso approval workflow, the Grant Manager checks the invoice against the expected amount and approves only if it corresponds with the amounts expected (per the emails provided as evidence).  A review of the procedure for non-PO invoices will be undertaken to ensure compliance with FPR's.	Grant Manager / Head of Finance
	<b>Implementation Date</b>
	31/03/2024

**Audit Assurance Ratings**

Assurance Level	Description for Assurance Level
High	Good controls consistently applied. Low risk of not meeting objectives. Low risk of fraud, negligence, loss, damage to reputation.
Acceptable	Moderate Controls, some areas of non-compliance with agreed controls. Medium / low risk of not meeting objectives. Medium / low risk of fraud, negligence, loss, damage to reputation.
Low	Inadequate controls. High Risk of not meeting objectives. High risk of fraud, negligence, loss, damage to reputation.

**Recommendation Priorities**

**\*\*\* Priority 1 - Fundamental Weaknesses**

Control issues to be addressed as a high priority. These relate to issues that are fundamental and material to the system of internal control at a service level.

*Recommendation should be introduced as a high priority.*

**\*\* Priority 2 - Strengthen Existing Controls**

Action required to avoid exposure to significant risks. These relate to issues that procedures do exist but require strengthening.

*Implementation is strongly recommended.*

**\* Priority 3 - Minor Issues**

Action required which should result in enhanced control or better value for money. These are issues arising that would, if corrected, improve the internal control environment in general but are not vital to the overall system of internal control.

*Implementation of recommendation is desirable to comply with best practice guidance.*

Mae'r dudalen hon yn wag yn fwriadol



# Cyngor Sir Gâr Carmarthenshire County Council

## Archwiliad Mewnol Internal Audit

**MWWFRS**

**Main Accounting System**

**Final Internal Audit Report  
2023/24**

**15<sup>th</sup> November 2023**

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<b>CONTENTS</b>	<b>PAGE</b>
1. Introduction	<b>2</b>
Background	
Scope and Objectives	
Associated Risks	
2. General Opinion	<b>2</b>
3. Assurance Rating	<b>4</b>
4. Summary of Recommendations	<b>4</b>
5. Key Findings and Action Plan	<b>5</b>
Audit Assurance Ratings and Recommendation Priorities	<b>APPENDIX 1</b>

Review reference:	9123007
Draft Report issued:	19 <sup>th</sup> October 2023
Action Plan agreed:	15 <sup>th</sup> November 2023
Final Report issued:	15 <sup>th</sup> November 2023
Auditor(s):	Alexa Thomas, Senior Auditor Math Iorwerth-Scott, Audit Technician

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## 1. INTRODUCTION

### Background

One of the main objectives of the main accounting function is the maximisation of MWWFRS' financial resources, and the establishment and monitoring of sound and efficient financial control within the Service.

The Authority utilises Unit4 ERP as its financial management system. This is an integrated system that comprises the general ledger, accounts payable and accounts receivable modules.

The main accounting function is fundamental to the Service and, as such, is subject to an annual review.

### Scope and Objectives

The Main Accounting System was reviewed to ensure that:

- Budgets are recorded and controlled appropriately.
- The coding structure is applied in accordance with recognised procedures.

### Associated Risks

The risks that were considered in the review are as follows:

- Budgets may not be approved prior to implementation; expenditure would not be able to be monitored accurately against budgets and management information would not be accurate with the possibility that large variances or misappropriations may occur and go undetected.
- Budgets can be manipulated to disguise failures in service delivery.

## 2. GENERAL OPINION

Following the review of the Main Accounting System, it is pleasing to report that the procedures associated with the main accounting system continue to operate to a high standard. The Budget Guidance document provides guidance for officers responsible for budgetary control, and was up to date having been reviewed and updated in March 2023.

At the time of the Internal Audit review, testing to ensure 2022-23 end of year balances had been brought forward accurately in the financial management system could not be completed as balances had not yet been brought forward. The statement of accounts was approved by the Fire Authority on the 25<sup>th</sup> September 2023, and was subsequently signed off by Audit Wales on the 5<sup>th</sup> October 2023. Internal Audit has been advised that work is currently being undertaken for the balances to be brought forward on the financial management system. It is important to ensure that balances are brought forward on a timely basis.

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The Budget Guidance document provides clarification in relation to the classification of virements, and the appropriate levels of authorisation for virements and budget reclassification virements. Testing was carried out on all three virements that had been actioned at the time of the audit for the year 2023-24; two of which were budget reclassification virements. All were found to have been actioned correctly, utilising the correct forms, with the correct levels of authorisation.

MWWFRS Finance Department processes all journal transactions other than batch uploads, which are processed by Carmarthenshire County Council (CCC), as part of the Service level Agreement. A random sample of 5 journal transactions was tested, all of which transpired to be batch uploads; all were found to have been appropriately authorised prior to submission to CCC for processing, and all had been completed on the appropriate journal template forms, utilising a supporting journal spreadsheet, with adequate details/reasons documented. Testing did, however, identify one instance where amendments were made to the journal spreadsheet following errors identified during the processing of the journal transactions; these amendments were not subsequently approved by an appropriate authorising officer. It would be prudent to ensure that any amendments to the details of journal transactions are appropriately approved.

In addition, testing of financial codes was undertaken; no errors or issues in relation to the coding of transactions were identified, and in the instances where it appeared that income was coded as negative expenditure and vice versa, all appeared appropriate and legitimate. It was, however, identified that the process for the setting up, amendment and closure of financial codes was not always operating as expected. It was found that four amendments did not have appropriate authorisation or supporting documentation completed. Consideration should be given to documenting the process for inclusion in the Budget Guidance to ensure that all staff are clearly aware of the process, documentation to be completed, and authorisation requirements.

A review of suspense accounts was completed which identified five open accounts, two accounts of which were currently being utilised. Activity on these accounts appeared reasonable, and the accounts were being reviewed and cleared on a regular basis. There were no balances to be carried forward to 2023/24 from the previous financial year, demonstrating that these accounts were completely cleared at the year end.

**3. ASSURANCE RATING**

The post review assurance level for systems relating to Main Accounting System is categorised as follows:

Assurance Level	Description for Assurance Level
<b>High</b>	<p>Good controls consistently applied.</p> <p>Low risk of not meeting objectives.</p> <p>Low risk of fraud, negligence, loss, damage to reputation.</p>

**4. SUMMARY OF RECOMMENDATIONS**

The audit findings and recommendations are detailed in Section 5, together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below:

Priority	3*	2*	1*	Total
<b>Number of recommendations</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>

## 5. FINDINGS AND ACTION PLAN

<b>Finding 1: Financial Code Amendments</b>	
Testing identified four instances where amendments to financial codes did not have appropriate authorisation or supporting documentation completed.	
<b>Recommendation 1</b>	<b>Priority level</b>
<p>Consideration should be given to documenting the process for the amendment of financial codes, for inclusion in the Budget Guidance, to ensure that all staff are clearly aware of the process, documentation to be completed, and authorisation requirements.</p> <p>All amendments should have adequate supporting documentation available that has been approved appropriately.</p>	*
<b>Management Response 1</b>	<b>Responsible Officer</b>
<p>The 4 instances identified relate to account rule changes to account codes linked to the Construction Industry Scheme (CIS). It is proposed to document the process for the amendment of existing financial codes into a finance specific guidance "Unit4 ERP (Agresso) System Admin Guidance".</p> <p>Where there are amendments requested to existing financial codes by a member of the Finance Team, the relevant authorised officers in the Finance Team should be copied in on any e-mail requests. No specific authorisation requirements are deemed necessary for amendments to existing financial codes.</p>	Head of finance
	<b>Implementation Date</b>

**Audit Assurance Ratings**

Assurance Level	Description for Assurance Level
High	Good controls consistently applied. Low risk of not meeting objectives. Low risk of fraud, negligence, loss, damage to reputation.
Acceptable	Moderate Controls, some areas of non-compliance with agreed controls. Medium / low risk of not meeting objectives. Medium / low risk of fraud, negligence, loss, damage to reputation.
Low	Inadequate controls. High Risk of not meeting objectives. High risk of fraud, negligence, loss, damage to reputation.

**Recommendation Priorities**

**\*\*\* Priority 1 - Fundamental Weaknesses**

Control issues to be addressed as a high priority. These relate to issues that are fundamental and material to the system of internal control at a service level.

*Recommendation should be introduced as a high priority.*

**\*\* Priority 2 - Strengthen Existing Controls**

Action required to avoid exposure to significant risks. These relate to issues that procedures do exist but require strengthening.

*Implementation is strongly recommended.*

**\* Priority 3 - Minor Issues**

Action required which should result in enhanced control or better value for money. These are issues arising that would, if corrected, improve the internal control environment in general but are not vital to the overall system of internal control.

*Implementation of recommendation is desirable to comply with best practice guidance.*

Mae'r dudalen hon yn wag yn fwriadol



# Cyngor Sir Gâr Carmarthenshire County Council

## Archwiliad Mewnol Internal Audit

**MWWFRS**

**VAT**

**Final Internal Audit Report  
2023/24**

**4<sup>th</sup> December 2023**

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<b>CONTENTS</b>	<b>PAGE</b>
1. Introduction Background Scope and Objectives Associated Risks	<b>2</b>
2. General Opinion	<b>2</b>
3. Assurance Rating	<b>5</b>
4. Summary of Recommendations	<b>5</b>
5. Key Findings and Action Plan	<b>6</b>
 Audit Assurance Ratings and Recommendation Priorities	 <b>APPENDIX 1</b>

Review reference:	9123011
Draft Report issued:	9 <sup>th</sup> November 2023
Action Plan agreed:	4 <sup>th</sup> December 2023
Final Report issued:	4 <sup>th</sup> December 2023
Auditor(s):	Alexa Thomas, Senior Auditor Math Iorwerth-Scott, Audit technician

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## 1. INTRODUCTION

### Background

Value Added Tax (VAT) is a tax that is charged on most goods and services that VAT-registered businesses provide in the UK. When VAT-registered businesses buy goods or services they can generally reclaim the VAT they have paid.

The Fire Authority is required by law to make periodic VAT returns to His Majesty's Revenue and Customs (HMRC). VAT returns are compiled by staff from the Accountancy Section, from data contained in the financial management system on a monthly basis, and are submitted to HMRC electronically quarterly.

With effect from 1<sup>st</sup> March 2021 MWWFRS appointed the tax consultants, PS Tax, to provide VAT support and consultancy services, to include VAT advice and quarterly VAT return checks prior to submission to HMRC.

### Scope and Objectives

The review covered the controls and procedures in operation for VAT to assess the extent to which:

- Adequate guidance / documented procedures exist;
- Appropriate controls and procedures are established to ensure compliance with legislation and HMRC requirements.

### Associated Risks

The risks that were considered in the review are as follows:

- Failure to comply with HMRC regulations and legislation.
- Inaccurate accounting records.

## 2. GENERAL OPINION

A 'VAT Guidance' document has been formulated which includes guidance on key functions undertaken in relation to VAT including timeframes/deadlines. It is pleasing to report that these guidance notes are reviewed biennially, and updated where appropriate; the 'VAT guidance' document was last updated in November 2021 and is due for review in November 2023. In addition, this is supported by a 'VAT Return Completion and Submission' document which provides a step-by-step guide for the Finance Department to follow when completing the monthly VAT reconciliations, and the quarterly VAT submission to HMRC. This document was updated during the course of the Audit review and takes into account the HMRC requirement for Making Tax Digital (MTD).

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The Authority is required to keep records and submit VAT returns in compliance with the new HMRC system – MTD. Previous issues in relation to the adequacy of ledger reports to facilitate MTD have been partly resolved, although there continue to be some issues outstanding. There is ongoing consultation with Carmarthenshire County Council (CCC) in order to address these outstanding issues. In the interim, Finance Department staff have introduced temporary, revised completion procedures, to ensure compliance with MTD requirements. These revised procedures have previously been reviewed by PS Tax who have confirmed the accuracy of the method currently being utilised.

With effect from 2023, the quarterly VAT submissions are uploaded to HMRC via the MTD bridging software provided by AbraTax. There are currently five members of staff within the Finance Department who have access to the MTD bridging software provided by AbraTax. Whilst any of these five officers can complete and submit claims, there is currently no documented process in place to ensure a second officer checks the claim entered onto Abratax, for accuracy, prior to its submission. This control was in place in the past.

MWWFRS has a current VAT registration certificate that was issued by HMRC on 3<sup>rd</sup> August 2023.

Section 33 of the VAT Act 1994 provides for MWWFRS to recover VAT incurred on costs that relate to their non-business activities, providing the amount involved is insignificant (less than £7,500pa or 5% of total VAT incurred on all purchases in a year). A partial exemption calculation is completed as an annual exercise. The calculation must be carried out at the end of each financial year and any necessary adjustment should be included in the VAT Return for the next period. Extensions can be agreed locally but should be no later than the September VAT period. As part of their engagement, PS Tax reviewed the partial exemption calculation which was prepared by MWWFRS. The partial exemption calculation for 2022/2023 confirmed that the Authority is trading below the 5% de minimis threshold, and the exempt percentage was calculated at 1.06%. The calculation was completed in June 2023 and reviewed by PS Tax in July 2023, therefore, confirming that the calculation was completed in a timely manner to ensure that any adjustments, that may have been required, could have been processed by the September VAT return, as required by HMRC for S33 bodies.

The 'VAT Guidance' document specifies the Authority's business and non-business related activities for VAT purposes. To support this, additional VAT codes have been set up within the Financial Management System to ensure there is a distinction between the business and non-business activities of the Authority. It is noted that currently the Authority only has one property opted to tax, namely the Emergency Service Centre at Noyadd Farm, Llandrindod Wells for which there is an acknowledgement letter from HMRC.

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Testing of a sample of ten transactions, recorded as non-business within the Financial Management System, identified VAT for non-business activities had been correctly accounted for in accordance with HMRC guidance & requirements.

Reconciliations are completed monthly, and subject to check by PS Tax consultants, on a quarterly basis, in line with submission requirements. Relevant supporting documentation in relation to the reconciliation for the period 1<sup>st</sup> March 2023 to 31<sup>st</sup> May 2023 was viewed electronically. Testing identified that the figures in relation to VAT on the returns are correct and adjustments are being made to ensure figures are accounted for within the correct periods. There is ongoing consultation with Carmarthenshire County Council to resolve the need for the completion of adjustments in relation to stock, which currently need to be completed manually.

VAT returns continue to be submitted in a timely manner on a quarterly basis. Testing identified that the VAT return for 1<sup>st</sup> March 2023 to 31<sup>st</sup> May 2023 was authorised by the Accountancy & Systems Manager. Documented procedures, relative to that period, and the current 'VAT Return Completion and Submission' document, do not specify the officers responsible for authorisation of VAT documentation and submission of returns.

The review of documentation to support the VAT process did identify that documents that require approval, such as the VAT Return Proforma and the Partial Exemption calculation, are done so using photos of signatures. There was no evidence available that the documents had been seen and approved by the actual authorising officer. In addition, these documents are editable and, as such, the picture signature may be copied and subsequently mis-used.

It is noted that there has been no VAT suspense or holding accounts established for the Authority.

### 3. ASSURANCE RATING

The post review assurance level for systems relating to VAT is categorised as follows:

Assurance Level	Description for Assurance Level
<b>Acceptable</b>	Moderate Controls, some areas of non-compliance with agreed controls. Medium / low risk of not meeting objectives. Medium / low risk of fraud, negligence, loss, damage to reputation.

### 4. SUMMARY OF RECOMMENDATIONS

The audit findings and recommendations are detailed in Section 5, together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below:

Priority	3*	2*	1*	Total
<b>Number of recommendations</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>

## 5. FINDINGS AND ACTION PLAN

### Finding 1: Authorisations

Testing identified that the VAT return for 1<sup>st</sup> March 2023 to 31<sup>st</sup> May 2023 was authorised by the Accountancy & Systems Manager.

It is noted that the current 'VAT Return Completion and Submission' document does not specify the officers responsible for authorisation of VAT documentation and submission of returns.

There are currently five members of staff within the Finance Department who have access to the MTD bridging software provided by AbraTax. Whilst any of these five officers can complete and submit claims, there is currently no documented process in place to ensure a second officer checks the claim entered onto Abratax, for accuracy, prior to its submission. This control was in place in the past.

Testing also identified that the authorisation of documentation, such as the VAT monthly proforma and 'de minimus' calculation, is often undertaken using a photographic image of the authorising officer's signature. These documents are editable and, as such, the picture signature may be copied and subsequently mis-used.

### Recommendation 1

The responsibilities of officers, including the creation, checking, authorisation and submission of relevant documentation should be specified, and subsequently fully complied with. These should ensure an adequate separation in duties is maintained.

### Priority level

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<p>VAT returns and submissions should be authorised by the documented, designated authorising officer.</p> <p>A process should be documented to ensure a second officer checks the claim entered onto Abratax, for accuracy, prior to its submission. The possibility of restricting access to the functions appropriate for each member of staff should be explored, in order to ensure that inappropriate or inaccurate returns are not submitted.</p> <p>All documentation requiring authorisation should be supported by evidence to demonstrate that the actual authorising officer has seen and approved the document in question.</p>	
<p><b>Management Response 1</b></p>	<p><b>Responsible Officer</b></p>
<p>Every VAT return and De-minimis calculation shows the creator, checker (the Service's VAT consultants) and approver, with electronic signatures being present as well as supporting emails from the VAT consultants. Using version control in either document it is easily established if the signature was added to the document by the appropriate person. The procedure will be updated as appropriate.</p>	<p>Accountancy &amp; Systems Manager / Head of Finance</p>
<p>The current VAT submission process is that an Accountant enters the values onto AbraTax and a Manager checks and approves it for submission to HMRC. This is appropriate to ensure segregation of duties and the procedure will be updated to reflect this.</p> <p>We will consider an alternative to adding signature images to documents as evidence of approval.</p>	<p><b>Implementation Date</b></p> <p>15/01/2024</p>



**Audit Assurance Ratings**

Assurance Level	Description for Assurance Level
High	Good controls consistently applied. Low risk of not meeting objectives. Low risk of fraud, negligence, loss, damage to reputation.
Acceptable	Moderate Controls, some areas of non-compliance with agreed controls. Medium / low risk of not meeting objectives. Medium / low risk of fraud, negligence, loss, damage to reputation.
Low	Inadequate controls. High Risk of not meeting objectives. High risk of fraud, negligence, loss, damage to reputation.

**Recommendation Priorities**

**\*\*\* Priority 1 - Fundamental Weaknesses**

Control issues to be addressed as a high priority. These relate to issues that are fundamental and material to the system of internal control at a service level.

*Recommendation should be introduced as a high priority.*

**\*\* Priority 2 - Strengthen Existing Controls**

Action required to avoid exposure to significant risks. These relate to issues that procedures do exist but require strengthening.

*Implementation is strongly recommended.*

**\* Priority 3 - Minor Issues**

Action required which should result in enhanced control or better value for money. These are issues arising that would, if corrected, improve the internal control environment in general but are not vital to the overall system of internal control.

*Implementation of recommendation is desirable to comply with best practice guidance.*

Mae'r dudalen hon yn wag yn fwriadol

# Cyngor Sir Gâr Carmarthenshire County Council

## Archwiliad Mewnol Internal Audit

**MWWFRS**

**Travel & Subsistence**

**Final Internal Audit Report  
2023/24**

**2<sup>nd</sup> January 2024**

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<b>CONTENTS</b>	<b>PAGE</b>
1. Introduction	<b>2</b>
Background	
Scope and Objectives	
Associated Risks	
2. General Opinion	<b>2</b>
3. Assurance Rating	<b>4</b>
4. Summary of Recommendations	<b>4</b>
5. Key Findings and Action Plan	<b>5</b>
Audit Assurance Ratings and Recommendation Priorities	<b>APPENDIX 1</b>

Review reference:	9123010
Draft Report issued:	21 <sup>st</sup> November 2023
Action Plan agreed:	2 <sup>nd</sup> January 2024
Final Report issued:	2 <sup>nd</sup> January 2024
Auditor(s):	Alexa Thomas, Senior Auditor Math Iorwerth-Scott, Audit Technician

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## 1. INTRODUCTION

### Background

Mid and West Wales Fire and Rescue Service (MWWFRS) employs over 1,300 people; the payroll is a centralised function, and the Fire Authority has an integrated Payroll and HR system operated through 'PeopleXD' (formally known as 'CoreHR'). The existing Payroll and HR system, 'PeopleXD', has been used for the processing of travelling and subsistence claims of MWWFRS since 2015.

MWWFRS pay travelling expenses and subsistence allowances based on claims made by employees, authorised by the respective line manager and submitted via manual claims for payment.

### Scope and Objectives

The review covered the systems and procedures in operation to assess the extent to which: -

- Recommendations in the previous Internal Audit report have been actioned;
- There are adequate, documented policies and procedures in place for the processing of claims;
- Effective controls exist over payments made in relation to Travelling and Subsistence claims.

### Associated Risks

The risks that were considered in the review are as follows:

- Incorrect / erroneous payments made;
- Payments being made to fictitious employees;
- Employees being reimbursed business miles whilst not having the appropriate insurance cover or a valid driving licence.

## 2. GENERAL OPINION

The existing Travelling & Subsistence Procedure was reviewed and amended in July 2022. The updated Travel and Subsistence rates were presented to the Service Leadership Team (SLT) in May 2023 by Finance; the SLT minutes noted that there were no changes other than updates to the subsistence allowances, which SLT were requested to note would be effective from 1<sup>st</sup> April 2023. It should be ensured that any updates to the Procedure including the Travel and Subsistence rates are approved on a timely basis.

The current Travel and Subsistence Procedure has been updated to state that *'all employees who use their own vehicle for business mileage, however occasionally, must ensure that their vehicle is correctly taxed, fully comprehensively insured with the appropriate business use cover, hold a current MOT certificate (if required), and be*

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*maintained to legislative and manufacturers standards'*. The requirement for line managers to obtain evidence of such prior to the processing of claims has been removed, thus placing the responsibility to ensure these requirements are in place, with the relevant employee, rather than with the line manager. Testing of a sample of payments made, and the documentation available to support the claim entries, in relation to one month, for ten employees' travel and subsistence claims, identified that not all claims utilised have the relevant 'tick box' for staff to be able to confirm this. In addition, where claims do have the 'tick box' in place, it has not always been completed, when it would have been appropriate to do so.

There is also a requirement for employees to hold a current, 'full' motor car driving licence valid for use in Great Britain. The Fire Authority have implemented a new system to hold driving license information; the new system is called DAVIS, and is managed by the Corporate Risk Department. The DAVIS licence check system is used for fleet management, driving licence checks, and various other functions. The current documented procedure states that licence records will be held by the Corporate Risk Department, and that all licences will be examined periodically; the implementation of the new system means that licence checks are completed online and, therefore, the Corporate Risk Department no longer need to hold physical driving licence information. Testing confirmed that, for the sample of ten employees tested, all held the relevant driving licence, and all were appropriately recorded on the DAVIS system.

A review of the full process for the completion, checking, authorising and processing of travel and subsistence claims has identified that the 'Travel & Subsistence Policy' is not being fully complied with. It is of concern that, due to the issues detected throughout the process, assurance cannot be provided that all travel and subsistence payments made have been bona fide, accurate or appropriate. In addition, testing has identified a number of duplicate payments for mileage, subsistence and detachment hours, and overpayments of subsistence. The duplicate payments identified have resulted both from instances where employees have submitted duplicate claims for processing, and instances where the Payroll Section have processed claims twice.

Furthermore, appropriate VAT receipts were not always available to support claims, therefore, assurance cannot be provided that HMRC guidelines are being fully complied with.

The specific issues identified, together with the audit recommendations, are summarised in Section 5 of this report.

**3. ASSURANCE RATING**

The post review assurance level for systems relating to Travel & Subsistence is categorised as follows:

Assurance Level	Description for Assurance Level
<b>Low</b>	Inadequate controls. High Risk of not meeting objectives. High risk of fraud, negligence, loss, damage to reputation.

**4. SUMMARY OF RECOMMENDATIONS**

The audit findings and recommendations are detailed in Section 5, together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below:

Priority	3*	2*	1*	Total
<b>Number of recommendations</b>	1	1	0	2

## 5. FINDINGS AND ACTION PLAN

### Finding 1: Documented Procedures

A review of the Travel & Subsistence Procedure identified that the updated Travel and Subsistence rates were not presented to SLT for approval until May 2023. The amendments to subsistence allowances were effective from April 2023, which was prior to the approval date. In addition, it was noted that a member of SLT had a query in relation to the subsistence allowances which needed to be explored.

Whilst the current Travel and Subsistence Procedure has been updated to place responsibility on employees, who use their own vehicle for business mileage, to ensure their vehicle is correctly taxed, fully comprehensively insured with the appropriate business use cover, has a current MOT certificate (if required), and is maintained to legislative and manufacturers standards, not all claims utilised have the tick box for staff to be able to confirm this. Where claims do contain the relevant tick box, testing found that this is not always completed by the claimant.

### Recommendation 1

All future reviewed and updated Travel & Subsistence Procedures including travel and subsistence rates should be presented to SLT for approval promptly to ensure that all amendments are approved, and any queries may be resolved, prior to becoming effective.

All claims utilised should be the updated version which include the tick box to enable staff to confirm that their vehicle is correctly taxed, fully comprehensively insured with the appropriate business use cover, holds a current MOT certificate (if required), and is maintained to legislative and manufacturers standards. Subsequently, the tick box should be completed, when appropriate.

### Priority level

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Management Response 1	Responsible Officer
<p>The updates to the Travel and Subsistence Procedure referred to in July 2022 were minor updates to terminology, which did not require SLT approval. The next scheduled review is June 2024. The report to SLT in July 2022 was in relation to travel and subsistence rates, which had been updated, as was the report presented to SLT in May 2023. Whilst there is a clear link, the updating of the procedure and the review of travel and subsistence rates are separate matters, although the requirement for timely approval is noted.</p> <p>All staff have been advised that in order to ensure prompt and accurate payment of travel and subsistence claims, they must use the correct version of the form moving forward. Any claims received on the incorrect version or incomplete claims will not be processed, and will be returned to the approving manager for correction. In order for the consistency across the Service, claim forms have been revised and reissued to all employees.</p>	Senior Payroll Officer
	Implementation Date

## Finding 2: Travel & Subsistence Claims

Testing of a sample of payments made, and the documentation available to support claim entries in relation to one month, for ten employees' travel claims and ten employees' subsistence claims, identified that the MWWFRS Travel & Subsistence Procedure was not always being fully complied with, claims were not always completed appropriately or in full and the supporting documentation was not always sufficient to place an assurance that payments had been appropriately paid. In particular, the following was identified:

- Five instances (three individuals) where employees had not completed current forms, with old forms being utilised;
- Eleven instances (six individuals) where claims were not completed accurately, or with the full details required, to enable an assurance to be provided that mileage and subsistence allowances claimed and paid were accurate and consistent with the set policy;
- Two instances (two individuals) where VAT fuel receipts were not attached to the travel claim, as required;
- Three instances where receipts to support subsistence were not available; those that were available were not always consistent with claim details;
- Two instances (one individual) where claims had not been authorised for payment;
- Four instances (two individuals) where claims had not been signed by the Head of Section/Station, as required;
- Two instances (one individual) where claims had not been signed by the claimant;
- Four instances (three individuals) where dates and values on receipts to support subsistence payments being claimed were illegible and, therefore, it could not be confirmed that subsistence payments made were appropriate;
- Two instances (two individuals) where subsistence allowances had been overpaid due to the payments made being in excess of either the maximum allowance or the receipts provided, or due to mis-calculation by payroll staff;
- One instance (one individual) where a separate claim was not made for each calendar month;
- Fourteen instances (eight individuals) where the sections on the claims for 'Payroll Use Only' were not being completed as intended;
- Eighteen instances (eleven individuals) where claims were being 'checked by' and 'input by' the same member of staff, resulting in a lack of separation in duties.

Sample testing identified a potential duplicate payment had occurred; as a result, testing was undertaken of a further sample of five employees in receipt of potential duplicates. Of the five potential duplicates investigated, four were identified as actual duplicate payments; one instance had been identified by payroll staff and the duplicate payment in relation to mileage had been recovered accordingly, however the duplicate payment to the employee for passenger miles, in the same period, had not been recovered . Currently, there is no robust control in place for the identification of duplicate payments.

Testing identified three instances where duplicate payments of an expenses claim had occurred which included detachment hours, therefore, there has been a duplicate payment of hours in addition to the subsistence allowance.

Recommendation 2	Priority level
<p>The MWWFRS Travel &amp; Subsistence Procedure should be fully complied with.</p> <p>All staff should be reminded of the importance of completing claims accurately, in full, and in accordance with the Travel &amp; Subsistence Procedure, including maximum allowances, with all relevant documentation required attached, to facilitate the prompt and accurate payment of claims.</p> <p>Where appropriate, staff training should be provided to ensure there is a clear understanding of the requirements of the Travel &amp; Subsistence Procedure.</p> <p>A review of expense claims paid should be undertaken to identify any further duplicate payments made.</p> <p>Appropriate action should be taken to address all duplicate payments identified.</p> <p>Procedures should be introduced to ensure there are robust controls in place for the identification of duplicate claims in the future.</p>	<p style="text-align: center;">***</p>

<p>Action should be taken to ensure all staff with checking and authorising responsibilities are clearly aware of the functions they should be completing when passing and processing an expense claim for payment, to ensure only bona fide claims are paid and duplicate payments do not occur.</p> <p>Claims should be 'checked by' and 'input by' different members of staff to ensure an adequate separation in duties is maintained. Where this is not possible, appropriate compensating controls should be introduced.</p>	
<p><b>Management Response 2</b></p>	<p><b>Responsible Officer</b></p>
<p>Correspondence has been issued to all staff to remind them of the importance of completing claims accurately, in full and in accordance with the Travel &amp; Subsistence Procedure, including maximum allowances, with all relevant documentation required attached, to facilitate the prompt and accurate payment of claims. In order for consistency across the service, claim forms have been revised and re-issued to all employees. The current Travel &amp; Subsistence Procedure will be reviewed as a result of this IA report to ensure that procedures are clear and facilitate prompt and accurate payment of claims. Moving forward, any claims that are received that do not adhere to the Travel &amp; Subsistence Procedure, will not be processed, and will be returned to the relevant manager for correction.</p>	<p>Senior Payroll Officer</p>
<p>In addition to the communication referred to above, all incorrect forms will be monitored to identify any areas that, where appropriate, may need further staff training or guidance to ensure that there is a clear understanding of the requirements of the Travel and Subsistence Procedure.</p>	<p><b>Implementation Date</b></p> <p>30/04/2024</p>

A review of the expenses paid will be undertaken to identify any duplication.

Any duplicate payments that have been identified will be addressed accordingly and a mileage and subsistence report will be run every three months to undertake spot checks to identify any potential duplicate claims.

Due to the structure of the payroll team, it is not always possible to have the claims 'checked by' and 'input by' different members of staff, to ensure an adequate separation in duties is maintained. However, the service is currently exploring the option of an Expenses module to PeopleXD, which will have controls built into the system. In the meantime, the introduction of a three monthly mileage and subsistence report will introduce compensating controls.

Tudalen 77

**Audit Assurance Ratings**

Assurance Level	Description for Assurance Level
High	Good controls consistently applied. Low risk of not meeting objectives. Low risk of fraud, negligence, loss, damage to reputation.
Acceptable	Moderate Controls, some areas of non-compliance with agreed controls. Medium / low risk of not meeting objectives. Medium / low risk of fraud, negligence, loss, damage to reputation.
Low	Inadequate controls. High Risk of not meeting objectives. High risk of fraud, negligence, loss, damage to reputation.

**Recommendation Priorities**

**\*\*\* Priority 1 - Fundamental Weaknesses**

Control issues to be addressed as a high priority. These relate to issues that are fundamental and material to the system of internal control at a service level.

*Recommendation should be introduced as a high priority.*

**\*\* Priority 2 - Strengthen Existing Controls**

Action required to avoid exposure to significant risks. These relate to issues that procedures do exist but require strengthening.

*Implementation is strongly recommended.*

**\* Priority 3 - Minor Issues**

Action required which should result in enhanced control or better value for money. These are issues arising that would, if corrected, improve the internal control environment in general but are not vital to the overall system of internal control.

*Implementation of recommendation is desirable to comply with best practice guidance.*

MWWFRS Internal Audit Plan 2022/23									
As at 11 January 2024									
Job No	Departments	Days Planned	Pre. Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Final Report Issued	Status
9122001	Cloud Computing	6	*	*	*	*	*	*	Complete
9122002	Communications & Social Media	6	*	/	/	/	/	/	Deferred
9122003	Cyber/Network Security	6	*	*	*	*	*	*	Complete
9122004	Other Systems	6	*	*	*	*	*	*	Complete
9122005	Banking	6	*	*	*	*	*	*	Complete
9122006	Budget Setting	6	*	*	*	*	*	*	Complete
9122007	Creditor Payments	8	*	*	*	*	*	*	Complete
9122008	Leased Cars	10	*	*	*	*	*	*	Complete
9122009	Main Accounting	8	*	*	*	*	*	*	Complete
9122010	Payroll System	10	*	*	*	*	*	*	Complete
9122011	Treasury Management	6	*	*	*	*	*	*	Complete
9122012	Annual Report	1	/	/	*	*	*	*	Complete
9122013	Follow Up	8	*	/	*	*	*	*	Complete
9122014	Grants	8	*	*	*	*	*	*	Complete

Mae'r dudalen hon yn wag yn fwriadol



MWWFRS Internal Audit Plan 2023/24									
As at 11 January 2024									
Job No	Departments	Days Planned	Pre-Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Final Report Issued	Status
9123001	Licensing	5	*	*	*				Commenced
9123002	pdr Pro	6	*	*	*	*			Fieldwork Complete
9123003	Security of Information (incl consideration of GDPR)	6							
9123004	Evotix (formerly SHE Assure)	6	*	*	*				Commenced
9123005	Creditor Payments	8							
9123006	Debtors System	8	*	*	*	*	*		Draft Report issued
9123007	Main Accounting	5	*	*	*	*	*	*	Complete
9123008	Payroll System	10							
9123009	Purchase Cards	8	*	*	*				Commenced
9123010	Travel & Subsistence	8	*	*	*	*	*	*	Complete
9123011	VAT	5	*	*	*	*	*	*	Complete
9123012	Follow Up previous year's recommendations	8							
9123013	Management & Use of Service Vehicles	8							
9123014	Transport and Fleet Management (Transend)	8							

Mae'r dudalen hon yn wag yn fwriadol

<b>The report is Not Exempt</b>	
<b>The report is for Information</b>	
<b>REPORT TO: PERFORMANCE, AUDIT AND SCRUTINY COMMITTEE</b>	<b>MEETING DATE: 05/02/24</b>

**SUBJECT: BUSINESS RISK REGISTER UPDATE REPORT TO DECEMBER 2023**

**PURPOSE OF REPORT AND REASON FOR RECOMMENDATION(S):**  
 To provide a quarterly update to the Performance, Audit and Scrutiny Committee on the Service’s approach to managing business risk.

This is in accordance with Article 7 of the constitution relating to the terms of reference for the role of the Committee.

***“Monitor the effective development and operation of risk management and corporate governance in the Authority and;***

***Advise on the strategic processes for risk, control and governance;***

***Review any significant changes to the Business Risk Register.”***

The report communicates the business risks identified by the Service in a form of a Business Risk Register Decision Log (Appendix 1), in addition to the associated risk ratings and an overview of how the risks are being monitored and managed.

**EXECUTIVE SUMMARY**  
 Effective risk management arrangements are a key component in the Service’s approach to managing business risk. This Report provides the Committee with an update on the Service’s Business Risk Register.

**RECOMMENDATIONS:**  
 That Members note the Report and acknowledge the ongoing progress to both identify and manage matters of business risk affecting the Service.

<b>REPORT APPROVAL</b>	
<b>Clerk / Monitoring Officer:</b>	<b>Comments: Approved</b>
<b>Relevant Director:</b>	<b>Comments: Approved</b>
<b>Section 151 Officer/Treasurer:</b>	<b>Comments: Approved</b>
<b>Chief Fire Officer / Deputy Chief Fire Officer</b>	<b>Comments: Approved</b>

**ACCESS TO INFORMATION LIST OF BACKGROUND PAPERS USED IN THE PREPARATION OF THIS REPORT:**

- 2004 publication by Her Majesty's Treasury titled '*The Orange Book – Management of Risk – Principles and Concepts*'
- Service Business Risk Procedure 2023/24
- Service Business Risk Management Group meeting minutes 2023/24
- Performance, Audit and Scrutiny Committee (PASC) meeting minutes 2023/24
- Service Sickness Statistics 2023/24

Presenting the Report:	Deputy Chief Fire Officer Iwan Cray Director of Risk Management and Improvement
Report Author(s) and Designation	Miss Alex Roberts Head of Corporate Risk
Date original report written	09/01/2024

**Mae'r Adroddiad Heb ei eithrio**

**Mae'r Adroddiad ER GWYBODAETH**

**ADRODDIAD I'R: PWYLLGOR ARCHWILIO A  
CHRAFFU AR BERFFORMIAD**

**DYDDIAD Y CYFARFOD:**  
05/02/24

**TESTUN: ADRODDIAD DIWEDDARU AR Y GOFRESTR RISGIAU BUSNES HYD AT  
RHAGFYR 2023.**

**PWRPAS YR ADRODDIAD A RHESWM DROS YR ARGYMHELLION:**

Darparu diweddariad chwarterol i'r Pwyllgor Perfformiad, Archwilio a Chraffu ar ddull y Gwasanaeth o reoli risg busnes.

Mae hyn yn unol ag Erthygl 7 o'r cyfansoddiad sy'n ymwneud â'r cylch gorchwyl ar gyfer rôl y Pwyllgor.

**“Monitro datblygiad a gweithrediad effeithiol rheoli risg a llywodraethu corfforaethol yn yr Awdurdod;**

**Cynghori ar y prosesau strategol ar gyfer risg, rheolaeth a llywodraethu;**

**Adolygu unrhyw newidiadau sylweddol i'r Gofrestr Risg Busnes.”**

Mae'r adroddiad yn cyfleu'r risgiau busnes a nodwyd gan y Gwasanaeth ar ffurf Log Penderfyniadau Cofrestr Risg Busnes (Atodiad 1), yn ogystal â'r graddfeydd risg cysylltiedig a throsolwg o sut mae'r risgiau'n cael eu monitro a'u rheoli.

**CRYNODEB:** Mae trefniadau rheoli risg effeithiol yn elfen allweddol o'r modd y mae'r Gwasanaeth yn rheoli risgiau busnes. Mae'r Adroddiad hwn yn rhoi'r wybodaeth ddiweddaraf i'r Pwyllgor am Gofrestr Risgiau Busnes y Gwasanaeth.

**ARGYMHELLION:** Y dylai Aelodau nodi'r Adroddiad a chydabod y cynnydd parhaus sy'n cael ei wneud i nodi a rheoli risgiau busnes sy'n effeithio ar y Gwasanaeth.

**CYMERADWYO'R ADRODDIAD**

**Clerc:**

**Sylwadau: Cymeradwyd**

**Cyfarwyddwr berthnasol:**

**Sylwadau: Cymeradwyd**

**Swyddog Adran 151/Trysorydd:**

**Sylwadau: Cymeradwyd**

**Prif Swyddog Tân /  
Dirprwy Brif Swyddog Tân**

**Sylwadau: Cymeradwyd**

**PAPURAU CEFNDIR A DDEFNYDDIWD WRTH BARATOI'R ADRODDIAD HWN:**

Yn cyflwyno'r Adroddiad:	Dirprwy Prif Swyddog Tân Iwan Cray Cyfarwyddwr Rheoli Risgiau a Gwelliant
Awdur(on) yr Adroddiad a'u Swyddi	Miss Alex Roberts Pennaeth Adran Risg Gorfforaethol
Dyddiad yr ysgrifennwyd yr adroddiad gwreiddiol	09/01/2024

**REPORT TO THE PERFORMANCE, AUDIT & SCRUTINY COMMITTEE**  
**05 FEBRUARY 2024**  
**BUSINESS RISK REGISTER UPDATE REPORT TO DECEMBER 2023**

**1 Executive Summary**

- 1.1 Effective risk management arrangements are a key component in the Service's approach to managing business risk.
- 1.2 This Report provides the Committee with an update on the Service's Business Risk Register.

**2 National/Wales Position**

- 2.1 Risk management arrangements to monitor and manage risks exist in both South and North Wales Fire and Rescue Services (FRS).

**3 Mid and West Wales Fire and Rescue Service Current Position**

- 3.1 Risk Management reporting is contained within the Terms of Reference of the Committee. This is in accordance with Article 7 of the constitution relating to the terms of reference for the role of the Committee:

*"Monitor the effective development and operation of risk management and corporate governance in the Authority and*

*Advise on the strategic processes for risk, control and governance*

*Review any significant changes to the Business Risk Register."*

- 3.2 The current local government environment means that now, more than ever, risks need to be identified effectively and managed carefully to mitigate adverse effects.
  - 3.2.1 Organisations are increasingly being required to demonstrate effective corporate governance and internal control. Corporate governance is the term used to describe the way in which organisations are directed, controlled, and led. It defines relationships, accountability and responsibilities in the organisation and determines the rules and procedures through which the organisation sets and monitors performance against its aims and objectives.
  - 3.2.2 Governance frameworks, particularly around business risk management, scrutiny and audit, are required to complement each other and, especially in financially challenging times, efforts need to be directed to establishing and assuring key controls that protect the Service from failing to achieve its strategic objectives.
  - 3.2.3 Embedding good risk management and governance throughout an organisation is never easy or quickly achieved. Risks by their very nature change, people move on and 'unknown unknowns' will always arise. The Fire Authority just like every other must ensure that processes for managing business risk and governance are fit for purpose and resources are focused on areas of greatest risk.
  - 3.2.4 The Service created a Business Risk Register quite some time ago, as a method of adopting best practice in terms of having in place a process which would identify business risks to the Service.

The types of risks captured are split between four key headings of Strategy, Compliance, Programme and Economic, examples of which are shown below:

- **Strategy Risks**

These include community / service provision / IT systems, service continuity risks, etc.;

- **Compliance Risk**

These include regulatory risks / compliance issues / reputation etc.;

- **Programme Risks**

These include operating resource risks / increasing cost of risk / budget overrun / contract management, etc.

- **Economic**

These include inflation, exchange rates, new government regulations and other decisions that may adversely affect the service.

- 3.2.5 The Business Risk Register provides the Service with its own, 'Risk Profile' which is actioned upon through regular reviews as well as continually being developed.
- 3.2.6 To date, this register has underpinned the way the Service has progressed initiatives to mitigate business risks.
- 3.2.7 The underpinning risk ranking methodology used by the Group when reviewing each risk is derived from a 2004 publication by Her Majesty's Treasury titled 'The Orange Book – Management of Risk – Principles and Concepts.' This publication has become the definitive source of advice when establishing a risk register within Local Authorities and has proven to be invaluable.
- 3.2.8 At the same time, there is also a primary objective to deliver performance. As the Service deal with operational risks daily, it is very important that the arrangements and processes for managing business risk are well understood and above all, captured and managed.
- 3.2.9 For the Service to co-ordinate its arrangements for matters of risk management, it has established a Business Risk Management Group (BRMG) that is chaired by the Director of Risk Management and Improvement and held on a quarterly basis.
- 3.3 The BRMG was established in 2007 and has been pivotal in bringing all elements of business risk management into a single point of reference by the Executive Leadership Team.



## **4 Proposal**

4.1 Committee will be already aware that under Article 7.3.4 of the Fire Authority's Constitution that matters of Risk Management require to be reported upon by the Service to the Performance, Audit and Scrutiny Committee.

4.2 Committee to note the Report.

## **5 Service Commitments, Improvement Objectives and Well-being goals**

5.1 The report supports the Service's commitment to working towards the key principles of the Wellbeing of Future Generations (Wales) Act 2015.

## **6 Financial/Procurement Implications**

6.1 Considered, but not deemed relevant to the report.

## **7 Risk Assessment/Legal and Compliance Implications**

7.1 Committee will note that in total, 6 Business Risks are captured by the current Business Risk Register (dated December 2023) and of the 6 Risks identified, 1 Risk has been removed in its entirety with the 5 remaining risks unchanged.

Each risk has been reviewed by the Group and allocated a definitive 'Risk Ranking' value. The following breakdown of the Risk Register results is shown below:

- 4 Very High Risk (*Very Severe risk to the Authority*)
- 1 High Risk (*Severe risk to the Authority*)
- 1 Risk Removed

7.1.2 It is important to note that behind each listed risk is a documented audit trail and rationale as to why the risk has been identified and what mitigation is in place by the Service as part of its risk control measure. It is only when each of these component parts are considered together that an objective decision can be made as to their allocated risk ranking value.

7.1.3 As one would anticipate, definitive risk mitigating actions are issued to each Risk by the BRMG in an attempt to reduce their risk ranking value to an acceptable level, or risk tolerance. The Business Risk Register Decision Log is reviewed by the BRMG on a periodic basis and the latest version (December 2023) is attached at Appendix 1, titled Business Risk Register Decision Log.

7.1.4 The Risk Assessment Matrix and methodology that is used is attached at Appendix 2, titled Risk Register Risk Assessment Matrix and provides a clear indicator of the scoring used and the outcome achieved.

7.1.5 To ensure a continuous audit trail of what matters were raised to influence the scoring of any risks at any given time, then this is shown at Appendix 3, titled Risk Register Overview.

7.1.6 While the Business Risk Register version attached to this report is dated December 2023, PASC Members are assured that each risk heading, and risk ranking is monitored on a regular basis by the Corporate Risk Department to identify whether any activities are likely to influence a change in the risk ratings. Should any action be required to amend the Register, then this will be brought to the attention of the Executive Leadership Team outside the periodic Business Risk Management Group meetings.

- 7.1.7 The next meeting of the Business Risk Management Group is scheduled to take place in March 2024 and will include the periodic review of the current Business Risk Register Decision Log.
- 7.1.8 An invite is extended to the elected Business Risk Management Fire Authority representative to attend this next meeting to provide valuable Member involvement in defining the Risk Register.
- 7.2 The Service has implemented a self -assessment and tracker approach for monitoring progress against Internal Audit reports' recommendations. The BRMG is the forum which receives and reviews this information throughout the year and in accordance with the agreed protocol the mid-year monitoring report is included at Appendix 4.

## **8 Fire Authority Governance Implications**

- 8.1 This Report supports the Fire Authority Governance arrangements in accordance with Article 7 of the constitution relating to the terms of reference for the Committee.

## **9 Equality and Diversity, including the Socio-economic Duty and Welsh Language Standards implications**

- 9.1 Considered, but not deemed relevant to the report.

## **10 Data Protection and Privacy Issues**

- 10.1 The collection, storage and use of personal information is held centrally by the Corporate Risk Department and is securely held in accordance with the guidance provided by the Information Governance Officer.
- 10.2 There are no data protection issues in the report.

## **11 Consultation and Communication**

- 11.1 Considered, but not deemed relevant to the report.

## **12 Prevention, Protection and Response Implications**

- 12.1 Matters arising from the Business Risk Management Group are regularly communicated to all Service Delivery areas, as part of the risk management arrangements undertaken by the Service.

## **13 Human Resource and People Development Implications**

- 13.1 Considered, but not deemed relevant to the report.

## **14 Information and Communications Technology (ICT) / ICT Strategic Advisory Team (ISAT) Implications**

- 14.1 Considered, but not deemed relevant to the report.

## **15 Estates Implications**

- 15.1 Considered, but not deemed relevant to the report.

**16 Fleet, Engineering and Logistics Implications**

16.1 Considered, but not deemed relevant to the report.

**17 Evaluation**


17.1 Considered, but not deemed relevant to the report.

**18 Recommendations**

18.1 That Members note the Report and acknowledge the ongoing progress to both identify and manage matters of business risk affecting the Service.

Mae'r dudalen hon yn wag yn fwriadol

**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

RISK NO. & TITLE	CATEGORY	REGISTER REVIEW PERIOD JUNE – SEPT 2023	REGISTER REVIEW PERIOD JUNE – SEPT 2023	REGISTER REVIEW PERIOD SEPT – DEC 2023	REVIEW PERIOD SEPT – DEC 2023	REGISTER SCORING DECEMBER 2023	TRAVEL
<b>001 Regulatory Body Compliance</b>	Strategy <b>Compliance</b> Programme Economic	<b>M X VH</b>	<b>21</b>	<b>M X VH</b>	<b>21</b>	<b>21</b>	
<b>Risk Description</b>	<b>What we have done</b>					<b>What we are doing</b>	
<p><b>Milford Haven Waterway incident, September 2019</b></p> <p>Review of compliance regarding undertaking such water activities.</p>	<p>Fire fighter fatality on 17<sup>th</sup> September 2019. A dedicated internal Incident Support Team (IST) was established to support the investigation.</p> <p>The Marine Accident Investigation Branch (MAIB) report was published on 4th November 2020. Recommendations emanating from this report have been actioned by the Service and the MAIB issued a letter of completion for closure of the recommendations in April 2021.</p> <p>March 2021, Dyfed Powys Police confirmed that the case has been handed over to both the Health and Safety Executive (HSE) and the Maritime and Coastguard Agency (MCA).</p>					<p>Following a number of Pre-Inquest Review Hearings and the submission of various documentation on the part of the legal team representing Mid and West Wales Fire and Rescue Service and that of Government Legal Department on behalf of the MAIB, the Coroner for Carmarthenshire and Pembrokeshire has now set out the route to final inquest hearing.</p> <p>The Coroner has requested availability of the Interested Parties for the period from 8<sup>th</sup> January 2024 to 3<sup>rd</sup> May 2024 to dairies the Inquest.</p>	
<b>Risk Lead:</b> Director of Risk Management & Improvement	<b>Action Owners:</b> Director of Risk Management and Improvement and Corporate Head of Organisational Risk.						

**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

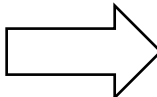
Tudalen 94

<p><b>Firefighters' Pension Schemes – Remedying Age Discrimination</b></p> <p>December 2018, the Court of Appeal judgement for McCloud / Sargeant Case, upholding the view that the transitional protections introduced with the new Firefighter Pension 2015 were unlawfully discriminatory on the grounds of age.</p> <p>July 2021, HM Treasury introduced the Public Service Pensions and Judicial Office's Bill (the Bill) to the house of Lords. The Bill is primary legislation that sets out in law how the Government will remove the discrimination contained within the 2015 reforms (referred to as remedy). The Bill is currently moving through the legislative process, and it is anticipated Royal Assent will be granted in April 2022. The Bill contains the timescales for implementing the remedy which is anticipated by October 2023.</p> <p>Members who have retired or are due to retire prior to legislative arrangements being finalised are in Immediate Detriment (ID).</p>	<p>Members have been kept updated throughout the McCloud / Sargeant case and reports provided to the Resource Management Committee in November 2021 and Fire Authority December 2021.</p> <p>In November 2021, Members approved the adoption of the Framework for Managing Immediate Detriment (ID) issues. Subsequent to that decision, the Service received notification that the Home Office have withdrawn their informal guidance relating to processing ID cases, and HM Treasury have advised that no ID cases should be processed before new legislation to enact the remedy is in place.</p> <p>The adoption of the Framework is now paused pending receipt of legal advice or guidance being obtained by the Local Government Association (LGA).</p> <p>Pension Members which have been affected by the ID position have been written to by the Service, setting out the current position and point of contact (Service Pensions Officer at Headquarters) and this was reported to Fire Authority on the 7<sup>th</sup> February 2022.</p> <p>The Service has communicated a Pensions Fact Sheet that originated from the LGA and branded under the Welsh FRS to all Pension Scheme Members during Spring 2022 and a Chief Fire Officer (CFO) Memo circulated November 2022.</p> <p>The Service has and continues to engage with its Tax Consultants to obtain a package of support relating to ID cases tax issues. A bespoke FRS webinar was held in the Summer 2022 purely focussed on the Immediate Detriment case and this was well attended by a number of FRS across the UK.</p> <p>Dialogue continues between each Welsh FRS, PS TAX (Service Tax consultants) and the LGA as it progresses the current position.</p> <p>The Service is working with the Scheme Administrators to determine the financial implications of processing ID cases. This was re-iterated in a meeting with Carmarthen County Council on the 10<sup>th</sup> March 2022, on the need for the outstanding two calculations to be undertaken to enable the Service to undertake its financial risk assessment.</p>	<p>Data extracts as required for McCloud are being prepared for transfer to Carmarthenshire County Council for calculations to be undertaken in readiness for October 2023, when the new McCloud legislation will come into force.</p> <p>Until this legislation is in place, pension scheme administrators can only provide estimated pension calculations. Consequently, the GAD (Government Actuary's Department) Firefighters' Retirement Calculator has been designed to help illustrate the projected benefits members could expect to receive at different retirement ages from both the legacy and reformed schemes in Wales and has been procured by the 3 Welsh Fire and Rescue Services collaboratively, with the intention to try and provide useful information prior to an individual deciding to retire.</p> <p>The Welsh Ff Pensions GAD online Calculator went live at the end of July and has been well received by Pension members although there are some reports of some calculation anomalies arising which are being fed back to GAD.</p>
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**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

	<p>The Service has been successful in defending a complaint to the Pensions Ombudsman relating to its decision not to progress a transfer of previous pension rights outside of the 12-month period from the date of commencement of employment.</p> <p>The Service's consultation response to the Welsh Government consultation on Remedying Age Discrimination in the Firefighters' Pension Schemes in Wales 2023 (Phase Two – Retrospective), which closes on 23 June 2023 has been submitted with approval of the Local Pension Board.</p>	<p>A full Local Pension Board (LPB) meeting was held on the 27th of November 2023. A 'Ff Pension in Wales' update was presented to Fire Authority in September 2023 by the LPB Chair.</p> <p>The Service will continue to keep Members informed of progress through the Resource Management Committee (RMC) and Fire Authority.</p>
<p><b>Risk Lead:</b> Director of Resources</p>	<p><b>Action Owners:</b> Corporate Head of Resources</p>	
<p><b>Risk Rating Rationale:</b></p>	<p>The overall risk rating for this Risk remains unchanged, reflecting the Service's current position.</p>	

**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

<b>RISK NO. &amp; TITLE</b>	<b>CATEGORY</b>	<b>REGISTER REVIEW PERIOD JUNE – SEPT 2023</b>	<b>REGISTER REVIEW PERIOD JUNE – SEPT 2023</b>	<b>REGISTER REVIEW PERIOD SEPT – DEC 2023</b>	<b>REVIEW PERIOD SEPT – DEC 2023</b>	<b>REGISTER SCORING DECEMBER 2023</b>	<b>TRAVEL</b>
<b>002 Financial Management Framework</b>	Strategy Compliance Programme Economic	<b>H X H</b>	<b>22</b>	<b>H X H</b>	<b>22</b>	<b>22</b>	
<b>Risk Description</b>		<b>What we have done</b>				<b>What we are doing</b>	
<p><b>Financial Management Framework and Medium-Term Financial Plan</b></p> <p>Risk that the key assumptions used for financial planning are incorrect:</p> <ul style="list-style-type: none"> <li>• Pay awards</li> <li>• Inflation factor</li> <li>• Budget Pressures</li> <li>• Service Demands</li> <li>• Capital Financing Costs</li> <li>• Grants</li> </ul> <p>Resulting in:</p> <ul style="list-style-type: none"> <li>• Funding shortfall from local authorities</li> <li>• Adverse impact on Service Delivery</li> <li>• Budget over-spend</li> </ul>		<p>The audited Statement of Accounts (SoA) 2022/23 was presented to Fire Authority in September 2023 alongside the unqualified audit report from Audit Wales.</p> <p>The budget setting process for 2023/24 was concluded in February 2023 with the Fire Authority approving:</p> <ul style="list-style-type: none"> <li>• Medium-Term Financial Plan 2022/23 to 2025/26</li> <li>• Revenue Budget Requirement 2023/24</li> <li>• 5-year Capital Programme 2022/23 to 2026/27</li> <li>• Treasury Management Strategy 2023/24</li> <li>• Capital Strategy 2023/24</li> </ul> <p>Revenue budget proposals and the capital programme has been communicated to Members via Authority meetings and to Officers via Executive Leadership Team (ELT) and Service Leadership Team (SLT).</p> <p>Budgets are routinely monitored against key assumptions to enable early action to avoid budget overspends.</p>				<p>The Service continues to monitor its financial position through existing processes and procedures, ensuring risks and mitigation are captured.</p> <p>In March 2023 Grey Book (Operational) agreed a pay offer of 5% for 2023/24 which exceeds the budget assumption. In November 2023 the Green Book (Support) pay award was agreed at £1,925 per scale point, which represented an average increase of 6%, again exceeding the budget assumption. Both pay awards result in an unfunded budget pressure.</p> <p>In addition to pay awards, inflation has been persistently high, albeit falling back in October 2023, and</p>	

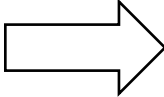


**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

Tudalen 97

<ul style="list-style-type: none"> <li>Unaffordable Capital Plans</li> </ul>	<p>The Strategic Workforce Group considers the Service’s establishment and requests for additional resources.</p> <p>The Strategic Capital Asset Management Group robustly monitors the capital programme.</p> <p>The Strategic Facilities Group ensures the Service’s estate is managed and maintained to desired standards and there is a cost effective, sustainable, systematic and coordinated management of our facilities.</p> <p>The 2023/24 budget, for both revenue and capital, is being monitored by both Officers and Members in accordance with the Service Budget Guidance and Financial Procedure Rules. Monthly budget monitoring reports have continued to be presented to SLT and ELT, and RMC received the budget monitoring reports at its July 2023 and November 2023 meetings.</p> <p>Welsh Government withdrawal of grant funding for Firelink created a budget pressure in 2023/24 of £592k; along with the ongoing delay in the implementation of ESN (Emergency Services Network). Firelink grant pressure will be funded from reserves in 2023/24 but will need to be factored in to base budget for 2024/25 onwards.</p> <p>Following a meeting of the Firefighter Pensions Scheme Advisory Board for Wales (SABW) meeting held on the 2<sup>nd</sup> November 2023, it was reported by Welsh Government that the Firefighter Pension Employer Contribution rate review which is undertaken on a quadrennial basis had resulted in an increase in Employer contributions from the 1<sup>st</sup> April 2024. This increase has been reported to the Resource Management Committee in November 2023.</p>	<p>bank interest base rate has increased to 5.25%.</p> <p>Through robust budget management and engagement with budget holders we are proactively working to minimise the budgetary impact in 2023/24.</p> <p>Budget planning for 2024/25 is progressing, the Medium-Term Financial Plan (MTFP) including revenue estimate for 2024/25 and 5-year Capital Programme were recommended for approval by the Resource Management Committee on 20<sup>th</sup> November 2023 and will be presented to Fire Authority on 18<sup>th</sup> December 2023 for approval. Members’ feedback from 3 Corporate Budget Planning sessions has informed the budget setting process. The Chief Fire Officer and Treasurer have made presentations to 5 of the 6 Constituent Authorities with the final presentation due to take place 7<sup>th</sup> December 2023.</p>
<p><b>Risk Lead:</b> Director of Resources</p>	<p><b>Action Owners:</b> Director of Resources and Section 151 Officer</p>	
<p><b>Risk Rating Rationale:</b></p>	<p>The overall risk rating for this Risk remains unchanged, reflecting the Service’s current position.</p>	

**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

<b>RISK NO. &amp; TITLE</b>	<b>CATEGORY</b>	<b>REGISTER REVIEW PERIOD JUNE – SEPT 2023</b>	<b>REGISTER REVIEW PERIOD JUNE – SEPT 2023</b>	<b>REGISTER REVIEW PERIOD SEPT – DEC 2023</b>	<b>REVIEW PERIOD SEPT – DEC 2023</b>	<b>REGISTER SCORING DECEMBER 2023</b>	<b>TRAVEL</b>
<b>003 Cyber Attacks, Threats &amp; Implications</b>	<b>Strategy Compliance Programme Economic</b>	<b>VH X H</b>	<b>23</b>	<b>VH X H</b>	<b>23</b>	<b>23</b>	
<b>Risk Description</b>	<b>What we have done</b>					<b>What we are doing</b>	
<p>There may be a risk if the ICT department are unable to protect the organisation from a successful Cyber-attack, which could impact on data integrity / loss of operational systems across the Service.</p> <p>Key Potential Causes:</p> <ul style="list-style-type: none"> <li>• Lack of infrastructure investment;</li> <li>• Reliance on legacy systems;</li> <li>• Limited integration with corporate systems;</li> <li>• Retention of skilled staff</li> <li>• Limited business engagement to identify appropriate IT solutions.</li> </ul>	<p>All Security and virus threats are highlighted at the ICT Advisory Group periodically and updates are sent out globally to all users as appropriate.</p> <p>The Service's Data Protection Register is now a standard feature of the Service's ICT Strategic Advisory Team (ISAT) meeting which is reviewed by the meeting members to ensure appropriate awareness and collective action where required.</p> <p>A re-structure of the ICT Department has enabled a more integrated approach to Security. As a result of both staff resource changes as well as ongoing vacancies, a review of the department's staff structure has taken place, involving staff and trade unions in order to fully quantify the staff structure and ensure that the necessary resources are in place to deliver on the Service's ICT requirements.</p> <p>The Service's Information Security Policy Document (ISPD), which is in line with best practice security controls proportionate to the business information being handled, was reviewed, revised and presented to the Service's Senior Leadership Team in September 2022.</p>					<p>Cyber threats are monitored on a daily basis, with several firewalls in place to assess and mitigate risk, at this time no upward trend in the frequency of cyber-attacks has been identified.</p> <p>The ICT department continues to prioritise the Service's security and cyber resilience processes. Over recent weeks the department has held a series of departmental workshops to discuss all area of the Cyber Assessment Framework (CAF) and the Service's classification in relation to all categories. This information is being used to form an action list for improvements, which once risk assessed will be categorised into short, medium and long term.</p>	

**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

Tudalen 99

	<p>Regular information security alerts continue to be issued to staff in respect of any practices which could threaten the security of the Service's network and the Service's Data Protection Officer continues to raise staff awareness regarding the processing of personal data. Self-service password reset and multi-step verification have also been implemented. Whilst training on Cyber Security awareness has now been made available to all staff via the Service's intranet pages.</p> <p>The Service has been successful in an application for a Welsh Government grant to support activities which will assist the Service in improving its preparedness to better deal with a Cyber Incident. In this vein, the Department continues to work towards obtaining Cyber Security Plus Certification.</p> <p>Internal Audit have now published their final report into the Service's Cyber and Network Security review. This report coupled with the Cyber Assessment Framework (CAF) report has been reported into the ISAT meeting in September 2023 and a consensus position was agreed by ISAT members to acquire the services of a specialist cyber security assessment to further the Service approach to cyber security resilience.</p>	<p>The ICT Department have undergone a Cyber Assessment Framework review from the National Cyber Security Centre and the results of this exercise coupled with outcomes arising from an Internal Audit into Cyber Security have been reported into the Service's ICT Strategic Advisory Team (ISAT).</p> <p>ISAT agreed to commission the services of an external cyber security assessment to further progress the Service's focus on Cyber Security and a Cyber Security Assurance assessment of the Service was completed w/c 18<sup>th</sup> December 2023, the report is due to be published w/c 8<sup>th</sup> January 2024, for service review upon which an action plan will be created.</p> <p>As a result of the heightened focus on cyber security, the ICT department have instigated a number of 'Notice of Change' updates to service software systems to further safeguard the organisation.</p>
<p><b>Risk Lead:</b> Director of Resources</p>	<p><b>Action Owners:</b> Corporate Head of Resources and Head of ICT</p>	
<p><b>Risk Rating Rationale:</b></p>	<p>The overall risk rating for this Risk remains unchanged, reflecting the Service's current position.</p>	

**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

Tudalen 100

<b>RISK NO. &amp; TITLE</b>	<b>CATEGORY</b>	<b>REGISTER REVIEW PERIOD JUNE – SEPT 2023</b>	<b>REGISTER REVIEW PERIOD JUNE – SEPT 2023</b>	<b>REGISTER REVIEW PERIOD SEPT – DEC 2023</b>	<b>REVIEW PERIOD SEPT – DEC 2023</b>	<b>REGISTER SCORING DECEMBER 2023</b>	<b>TRAVEL</b>
<b>004 Workforce Planning Threats &amp; Implications</b>	Strategy Compliance Programme Economic	<b>M X M</b>	<b>14</b>	<b>Risk Removed</b>			
<b>Risk Description</b>		<b>What we have done</b>			<b>What we are doing</b>		
<p><b>Vacancy Management</b></p> <p>The Service must ensure suitable vacancy management across all positions is vital to ensure consistency of delivery.</p> <p>Key Potential Causes:</p> <ul style="list-style-type: none"> <li>• Lack of appropriately trained staff;</li> <li>• Re-employment lag;</li> <li>• Minimal notice of 1 month required;</li> <li>• Specific skill set management;</li> </ul>		<p>Central Response Crewing Officer continues to monitor and address issues with crewing across the Service, particularly around SRT and TTL operations, and the availability of skilled operators. This has been alleviated with 12 additional fire-fighter posts being approved and funded by Fire Authority in February 2023.</p> <p>The new appraisal system has gone live in June 2023 which is re-establishing robust and auditable performance management arrangements. Procedural Guidance documents in relation to development and progression have been reviewed and transformed and are in the process of being finalised through existing governance arrangements.</p> <p>Strategic Workforce Group continually monitors and reviews vacancies against revenue budget and establishment.</p>			<p>A re-vamped 224 guiding principal document is now in use with additional resilience built in to crewing levels, supported by the additional posts. The On Call Improvement Program (OCIP) has begun and has been supported by a temporary supernumerary post since July 2023. A 5-year program of improvements is being worked upon for approval by ELT early in 2024.</p> <p>A recruitment campaign was facilitated in September 2023 with an appointments process concluding in November 2023, which resulted in</p>		

**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

Tudalen 101

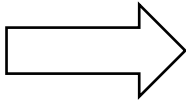
<ul style="list-style-type: none"> <li>• Pension disclosure amendments required in respect of the McCloud/Sergeant remedy;</li> <li>• Recruitment challenges of Corporate Services Staff Salary expectations against industry salary expectations;</li> <li>• High number of personnel in development in the operational environment.</li> </ul>	<p>Transfer and Promotion (T&amp;P) panel is in place and convene as and when required to support continuity.</p> <p>Regular meetings between HR and Finance to align establishment with budget.</p> <p>Due to the potential material impact of the remedy proposal on the Firefighter Pension Scheme pension liability, it has been necessary to request a revised Pension Disclosure report from the Government's Actuary Department.</p> <p>A new Task and Finish Group has been established to focus upon Service Recruitment with the first phase of the work relating to under-represented groups completed. Phase 2 has now commenced with a focus on:</p> <ul style="list-style-type: none"> <li>• a review and possible revision of the Wholetime Recruitment Process.</li> <li>• consideration as to how the Service may adopt the NFCC On-Call to Wholetime Migration Toolkit.</li> <li>• Identification of station vacancies within the Service's recruitment processes.</li> </ul> <p>The Support Staff job evaluation exercise concluded in December 2022 and all staff were notified of the outcomes of their role evaluations in January 2023. The stage 1 informal appeals process commenced on 21 February 2023, which provided employees with the opportunity to discuss their appeals and obtain a better understanding of scoring process. A total of 42 meetings took place during the stage 1 process, facilitated by the Head of HR, with 16 appeals progressing to Stage 2, the final Appeal taking place on 06 Sept 2023.</p> <p>The new Support Staff Pay &amp; Grading structure went live on the 1<sup>st</sup> April 2023.</p>	<p>offer of employment to 24 candidates, in addition to the inclusion of a number of others onto a holding list. Recruits training courses have been scheduled for early in the new year.</p> <p>The Service's Job Evaluation process has now been completed with the final Stage 2 appeal hearings having been concluded in September. A series of debriefs are being undertaken and a revised Job Evaluation Procedure has been approved by the Service Leadership Team.</p> <p>Current challenges remain around establishment on Day Crewed stations, working with HR, Response are exploring external transfers and all levels up to and including Station Manager.</p> <p>An external transferee course has been recently completed.</p>
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**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

Tudalen 102

	<b>The Group agreed for the risk to be removed, as this is now being managed under Business as usual.</b>	
<b>Risk Lead:</b> Director of Resources	<b>Action Owners:</b> Corporate Head of Resources and Corporate Head of Emergency Response, Training and Development.	
<b>Joint Fire Control (JFC) – Managerial Vacancies</b>  Joint Fire Control not able to fulfil managerial positions to align to the agreed outcomes of the 2021 JFC Review.	The current position within JFC is that: - <ul style="list-style-type: none"> <li>• The Joint Control Silver group is continuing to work through the implementation of the 2021 review and work arounds have been put in place in relation to the structure within the Control Management Team. It is planned over the next 12 months that a strong focus on succession planning will mitigate further.</li> <li>• MAWWFRS continues to support JFC with a Group Manager from Central Response, albeit less of late due to other workloads. Head of JFC continues to be jointly line managed with SWFRS.</li> <li>• Although sickness generally higher than in Service, numbers of operators are now higher due to review and therefore, better in-built resilience; This has resulted in far less notifications of crewing issues.</li> <li>• Firelink remains on as a financial risk as does ESN.</li> </ul> <b>The Group agreed for the risk to be removed, as this is now being managed under Business as usual.</b>	Fire Silver continue to meet to work through the outcomes of the JFC 2021 review, which in turn feeds the Chief Officer Gold group.
<b>Risk Lead:</b> Director of Emergency Response, Training and Development	<b>Action Owners:</b> Corporate Head of Emergency Response, Training and Development.	
<b>Risk Rating Rationale:</b>	<b>Following a review of Risk 004 Workforce Planning Threats and Implications the Group agreed that both risks noted were being effectively managed as part of business as usual and as such, this risk has been removed from the Risk Register to reflect the Service’s current position.</b>	

**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

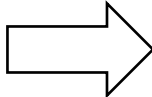
<b>RISK NO. &amp; TITLE</b>	<b>CATEGORY</b>	<b>REGISTER REVIEW PERIOD JUNE – SEPT 2023</b>	<b>REGISTER REVIEW PERIOD JUNE – SEPT 2023</b>	<b>REGISTER REVIEW PERIOD SEPT – DEC 2023</b>	<b>REVIEW PERIOD SEPT – DEC 2023</b>	<b>REGISTER SCORING DECEMBER 2023</b>	<b>TRAVEL</b>
<b>005 Service Delivery</b>	<b>Strategy Compliance Programme Economic</b>	<b>H X H</b>	<b>22</b>	<b>H X H</b>	<b>22</b>	<b>22</b>	
<b>Risk Description</b>		<b>What we have done</b>				<b>What we are doing</b>	
<p><b>On Call Establishment and Availability</b></p> <ul style="list-style-type: none"> <li>• Establishment / Staffing</li> <li>• Training</li> <li>• Alerting / Mobilisation</li> </ul> <p>On Call availability YTD is 87% as of December 2023. Southern Division continues to be by far the most challenged Division.</p> <p>On Call establishment reduction, presenting challenges around appliance availability and skillset requirements.</p> <p>Current On Call establishment has a head count of 662 (569.25 FTE) compared to an establishment of 702 as of the 21 December 2023</p>		<p>The Emergency Response, Training and Development Directorate (ERTD) presented a paper for consideration by ELT outlining a proposed Strategic direction in relation to the known On-Call establishment challenges currently being experienced.</p> <p>Following funding approval by the Fire Authority, a corporate project has been initiated, namely the On Call Improvement Program (OCIP) with a Single Point of Contact (SPOC) being funded as a supernumerary post from 1<sup>st</sup> July 2023 for a period of 12 months. This will assist in the implementation of options emanating out of the 2017/18 review and other options being consider from the most contemporary research undertaken.</p> <p>A Training and Development Review has been initiated, which will seek to ensure all elements of training and development within the Service are aligned to National Operational Guidance (NOG) where appropriate, equitable in terms of accessing the learning and fit for purpose when consider learning technology and modern teaching practices within the post 16 compulsory education arena.</p> <p>Challenges in appointing into roles at Station Manager level are creating pressures in support to On Call stations from a Station Commander,</p>				<p>The On Call Improvement Program (OCIP) is underway and has delivered papers and implemented improvements around:</p> <ol style="list-style-type: none"> <li>1. Enhanced remuneration for training and exercising.</li> <li>2. Recognition of commitment payment, the first instalment of which was delivered in November.</li> <li>3. Operational requirements of On Call Watch Manager's in the use of Breathing apparatus.</li> <li>4. Additional water response capabilities (wading)</li> </ol> <p>A five-year plan of improvements is be created based on evidence from contemporary research and previous MAWWFRS reviews of On Call.</p>	

**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

<p>Retirement profile information of the on call shows 10% of establishment are at age 55 or over.</p> <p>Direct correlation between availability and establishment.</p>	<p>however, Divisions are supporting through the Divisional Commanders and their deputies as an interim.</p>	<p>The Service supports the NFCC Strategic and Practitioner working groups to enable the sharing and understanding of good practice.</p> <p>A review of the development and progression Procedural Guidance document from People Development has replaced the need for technical exams with the inception of a Crew Command Course thereby removing a barrier for progression.</p>
<p><b>Risk Lead:</b> Director of Emergency Response, Training and Development</p>	<p><b>Action Owners:</b> Corporate Heads of Emergency Response, Training and Development, Divisional Commanders, OCIP Project lead</p>	
<p><b>Risk Rating Rationale:</b></p>	<p>The overall risk rating for this Risk remains unchanged, reflecting the Service's current position.</p>	



**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

<b>RISK NO. &amp; TITLE</b>	<b>CATEGORY</b>	<b>REGISTER REVIEW PERIOD JUNE – SEPT 2023</b>	<b>REGISTER REVIEW PERIOD JUNE – SEPT 2023</b>	<b>REGISTER REVIEW PERIOD SEPT – DEC 2023</b>	<b>REVIEW PERIOD SEPT – DEC 2023</b>	<b>REGISTER SCORING DECEMBER 2023</b>	<b>TRAVEL</b>
<b>006 BCM Events</b>	<b>Strategy Compliance Programme Economic</b>	<b>M X H</b>	<b>19</b>	<b>M X H</b>	<b>19</b>	<b>19</b>	
<b>Risk Description</b>		<b>What we have done</b>				<b>What we are doing</b>	
<p><b>Contractual Management</b></p> <p>Risks associated with supply of goods into the Service as a result of delays, cancelations and interruptions impacting on overall Service Delivery.</p> <p>Key factors</p> <ul style="list-style-type: none"> <li>• Inflationary markets;</li> <li>• Ukraine / Russian War;</li> <li>• Supplier Instability.</li> <li>• Fuel Prices</li> </ul>		<p>Supply chain risks identified by the Service include:</p> <ul style="list-style-type: none"> <li>- Following notification from the National Fire Chiefs Council (NFCC) of PPE supplier challenges.</li> <li>- Motor Fleet and operational equipment being affected by widespread delays on a global scale, along with significant cost increases.</li> <li>- Electronic devices affected by widespread delays on a global scale.</li> </ul> <p>Internal Task and Finish Group's established with key stakeholders to manage risks locally and escalate to Directorate meetings as appropriate. A strategic risk assessment on the supply of PPE has been completed and fed into the All-Wales National Issues Committee (NIC) Strategic Procurement Board.</p> <p>The three Welsh FRS are monitoring the situation via the NIC Procurement Board to share learning and maintain a joint approach to monitor the on-going risks.</p> <p>MAWWFRS receives regular updates and attends the Local Resilience Forums and NFCC associated meetings.</p>				<p>An All-Wales PPE meeting has been established to include representation from the Supplier. The inaugural meeting was held in April 2023 with assurances provided that all outstanding PPE would be delivered to the Service.</p> <p>PPE, vehicle spares, equipment, and ICT hardware lead time delays continue to be monitored by departments daily, in line with BCM arrangements.</p> <p>The Head of Procurement receives regular contract and supply risk briefings from the Welsh Local Government Association (WLGA) Market Intelligence Expert Group which refers to supply risk updates on Construction, Food (incl food price inflation), Fuel, Tyres, ICT, Paper, School Transport and Utilities. Such</p>	

**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

Tudalen 106

	<p>Fire Authority approval has been received to place early orders for fleet vehicles to deliver against the capital plan.</p> <p>Strategic Business Continuity Plans in place supported by Local Business Continuity Plans to mitigate interruptions.</p>	<p>briefings inform discussions with key Heads of Department's where appropriate. Existing supply chain risks continue to remain stable as of December 2023.</p> <p>An All-Wales Strategic Procurement Board meeting took place in October 2023, to discuss any potential issues arising from all Wales contract arrangements. Discussions centered around ongoing supplies of PPE. A further meeting with the Supplier occurred in November and a number of assurances were provided to the Service by the Supplier on the continued provision of PPE stock.</p>
<p><b>Risk Lead:</b> Director of Resources      <b>Action Owners:</b> Corporate Head of Resources and Head of Organisational Risk</p>		
<p><b>Reinforced Autoclaved Aerated Concrete (RAAC)</b></p> <p>Reinforced Autoclaved Aerated Concrete (RAAC) is a material used in construction in many buildings between the 1960s and 1990s. Its presence has been confirmed in a range of public sector properties across the United Kingdom including schools and hospitals.</p> <p>UK Governments have been aware of some of the vulnerabilities of RAAC since the 1990s and the Welsh Government</p>	<p>Within Service, risk associated with unsafe RAAC need to be managed effectively, the following areas have been identified with arrangements put in place to manage the risk.</p> <ul style="list-style-type: none"> <li>- Identification of RAAC in MAWWFRS Estate, any associated risks for shared premises locations;</li> <li>- Risks associated with Operational Response within MAWWFRS Service area;</li> <li>- Prevention and Protection duties within MAWWFRS.</li> </ul>	<p>A desk top review of the MAWWFRS Estate Condition survey report (2020) has been undertaken. Inspections have been carried out by the Estates department with no RAAC material identified.</p> <p>Welsh Government Fire Branch have been kept informed of the Service Estate position along with shared sites. The Service's Business Fire Safety (BFS) Department continue to support Premises owners with outcomes of RACC's inspections, with outcomes to be captured within Fire Risk Assessments, BFS Audits and Fire Fighting arrangements.</p>

**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

<p>has been working with the UK Government and other Devolved Governments since 2018 in the management of RAAC.</p> <p>Local Authorities have a statutory duty to assess condition and safety risks including structural integrity for all buildings within their Estate.</p>	<p><b>The Group agreed that arrangements and the management of the risk was captured as part of Business as usual and as such this risk can be removed.</b></p>	<p>Operational Response Alerts issued capturing updates to Fire Fighting arrangements in Service Operating Procedures (SOP's) and a Training Presentation.</p>
<p><b>Risk Lead:</b> Director of Resources      <b>Action Owners:</b> Corporate Head of Resources, Corporate Head of Emergency Response and Training Delivery and Corporate Head of Prevention and Protection.</p>		
<p><b>Premises Security</b></p> <p>Risks associated with targeted thefts at Service locations.</p> <ul style="list-style-type: none"> <li>- Management of Security at all Service locations</li> <li>- Review of local Security arrangements</li> <li>- Security of rural premises locations</li> </ul>	<p>Following a targeted theft at Knighton Fire Station on the 16<sup>th</sup> of November 2023, where items of operational equipment were stolen, a full review of security arrangements at Service locations has been undertaken.</p> <p>Security Event Alerts have been circulated Service wide to remind all Staff of their responsibilities regarding maintaining high standards of security across all Service sites.</p> <p>The Corporate Risk Department continue to monitor reported Security Events via the EVOTIX Assure system.</p>	<p>A review of station security has been carried out at a local level and reported back to the Business Continuity and Security Manager.</p> <p>The Business Continuity and Security Manager continues to carry out Security Audits of Service locations and is liaising with local Police to review Station Security arrangements.</p> <p>Division is working with local Police to carry out a Criminal Investigation into the theft and the Fleet and Engineering and Logistics Department (FELD) have notified the manufacturer of theft of items.</p> <p>Corporate Risk and the Estates Department's are continuing to monitor outcomes of local inspections.</p>

**APPENDIX 1 - BUSINESS RISK REGISTER DECISION LOG  
DECEMBER 2023**

<b>Risk Lead:</b> Director of Risk Management and Improvement	<b>Action Owner:</b> Corporate Head of Organisational Risk and Head of Corporate Risk
<b>Risk Rating Rationale:</b>	The overall risk rating for this Risk remains unchanged, reflecting the Service's current position. The Group agreed to monitor this risk closely, and where needed a review of the risk would take place if needed within the quarter prior to the next scheduled Business Risk Management Group meeting in March 2024.

# Risk Assessment Matrix for Risk Register

Appendix 2

		Impact				
		Very Low	Low	Medium	High	Very High
Likelihood	Very High	VH/VL (7)	VH/L (13)	VH/M (17)	VH/H (23)	VH/VH (25)
	High	H/VL (6)	H/L (9)	H/M (15)	H/H (22)	H/VH (24)
	Medium	M/VL (4)	M/L (8)	M/M (14)	M/H (19)	M/VH (21)
	Low	L/VL (2)	L/L (5)	L/M (11)	L/H (16)	L/VH (20)
	Very Low	VL/VL (1)	VL/L (3)	VL/M (10)	VL/H (12)	VL/VH (18)



# Risk Assessment Matrix for Risk Register

## Likelihood Ratings

<b>Very Low – (VL)</b>	0 – 5% Extremely unlikely to happen
<b>Low – (L)</b>	6 – 20% Low but not impossible to occur
<b>Medium – (M)</b>	21 – 50% Fairly likely to happen
<b>High – (H)</b>	51 – 80% More likely to occur than not
<b>Very High – (VH)</b>	>80% Almost certain to occur

## Impact Ratings

<b>Very Low –(VL)</b>	Minimal loss, delay, inconvenience or interruption. Can be easily and quickly remedied.
<b>Low – (L)</b>	Minor loss, delay, inconvenience or interruption. Short to medium term effect.
<b>Medium - (M)</b>	Significant waste of time and resources. Impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover.
<b>High – (H)</b>	Major impact on costs and objectives. Serious impact on output and/or quality and reputation. Medium to long-term effect and expensive to recover.
<b>Very High – (VH)</b>	Critical impact on the achievement of objectives and overall performance. Huge impact on costs and/or reputation. Very difficult and possibly long-term to recover.



# Risk Assessment Matrix for Risk Register

## Likelihood Ratings

Very Low – (VL)
Low – (L)
Medium – (M)
High – (H)
Very High – (VH)

## Impact Ratings

Very Low –(VL)
Low – (L)
Medium - (M)
High – (H)
Very High – (VH)




<b>Black = Very Severe Risk</b>	<ul style="list-style-type: none"> <li>• There is concern about this risk</li> <li>• Disastrous impact on reputation and business continuity</li> <li>• Comprehensive action is required immediately</li> </ul>
<b>Red = Severe Risk</b>	<ul style="list-style-type: none"> <li>• There is concern about carrying this risk</li> <li>• Consequences of risk materialising would be severe but not disastrous</li> <li>• Some immediate action required plus the development of a comprehensive action plan</li> </ul>
<b>Yellow = Material Risk</b>	<ul style="list-style-type: none"> <li>• There is unease carrying this risk</li> <li>• Consequences of risk not severe and can be managed via contingency plans</li> <li>• Action plans developed</li> <li>• Status of risk to be monitored regularly</li> </ul>
<b>Green = Manageable Risk</b>	<ul style="list-style-type: none"> <li>• Content to carry this risk</li> <li>• Consequences of risk relatively unimportant to business</li> <li>• Status of risk should be reviewed periodically</li> </ul>



# Risk Assessment Matrix for Risk Register

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		Impact				
		Very Low	Low	Medium	High	Very High
Likelihood	Very High	VH/VL (7)	VH/L (13)	VH/M (17)	VH/H (23)	VH/VH (25)
	High	H/VL (6)	H/L (9)	H/M (15)	H/H (22)	H/VH (24)
	Medium	M/VL (4)	M/L (8)	M/M (14) 	M/H (19)	M/VH (21)
	Low	L/VL (2)	L/L (5)	L/M (11)	L/H (16)	L/VH (20)
	Very Low	VL/VL (1)	VL/L (3)	VL/M (10)	VL/H (12)	VL/VH (18)

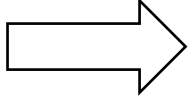
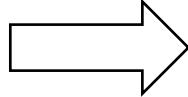
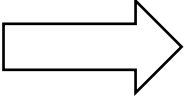
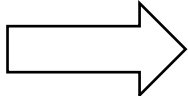
Black = Very Severe Risk	<ul style="list-style-type: none"> <li>• There is concern about this risk</li> <li>• Disastrous impact on reputation and business continuity</li> <li>• Comprehensive action is required immediately</li> </ul>
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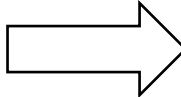




**APPENDIX 3 - RISK REGISTER OVERVIEW**

**DECEMBER 2023**

<b>RISK NO. &amp; TITLE</b>	<b>CATEGORY</b>	<b>REGISTER REVIEW PERIOD JUNE – SEPT 2023</b>	<b>REGISTER REVIEW PERIOD JUNE – SEPT 2023</b>	<b>REGISTER REVIEW PERIOD SEPT – DEC 2023</b>	<b>REVIEW PERIOD SEPT – DEC 2023</b>	<b>REGISTER SCORING DECEMBER 2023</b>	<b>TRAVEL</b>
<b>001 Regulatory Body Compliance</b>	Strategy <b>Compliance</b> Programme Economic	<b>M X VH</b>	<b>21</b>	<b>M x VH</b>	<b>21</b>	<b>21</b>	
<b>002 Financial Management Framework</b>	Strategy Compliance Programme <b>Economic</b>	<b>H X H</b>	<b>22</b>	<b>H X H</b>	<b>22</b>	<b>22</b>	
<b>003 Cyber Attacks, Threats &amp; Implications</b>	<b>Strategy</b> Compliance Programme Economic	<b>VH x H</b>	<b>23</b>	<b>VH X H</b>	<b>23</b>	<b>23</b>	
<b>004 Workforce Planning Threats &amp; Implications</b>	Strategy Compliance Programme <b>Economic</b>	<b>M X M</b>	<b>14</b>	<b>RISK REMOVED</b>			
<b>005 Service Delivery</b>	<b>Strategy</b> Compliance Programme Economic	<b>H X H</b>	<b>22</b>	<b>H X H</b>	<b>22</b>	<b>22</b>	

<b>006</b> <b>BCM Events</b>	<b>Strategy</b> Compliance Programme Economic	<b>M X H</b>	<b>19</b>	<b>M X H</b>	<b>19</b>	<b>19</b>	
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**INTERNAL AUDIT RECOMMENDATIONS MONITORING REPORT****DATE OF REVIEW:** 30 November 2023**DATE OF BUSINESS RISK MANAGEMENT GROUP:** 06 December 2023**DATE OF PERFORMANCE AND SCRUTINY COMMITTEE:** N/A – self tracker for BRMG**1.0 Overview**

In December 2020 a meeting was held with the Head of Internal Audit at Carmarthenshire County Council to discuss the monitoring arrangements for Internal Audit report recommendations. This was prompted by a request by the Performance, Audit and Scrutiny Committee (PASC) in July 2019 for members to receive a twice-yearly follow-up report at mid-year and end of year with all outstanding actions being reported to the Committee. This has proven quite an onerous task for both the Internal Auditors and the Service and Internal Audit have suggested that we implement a more efficient process based on a self-assessment and tracker approach.

The Business Risk Monitoring Group (BRMG) was identified as the appropriate forum for receiving and reviewing this information throughout the year.

The Recommendations are presented in the format of a monitoring report with updates from responsible officers. The first monitoring report was received by BRMG in March 2021 and quarterly update reports have been presented to subsequent meetings.

To satisfy the request from PASC to receive bi-annual updates, the mid-year update for 2022/23 was reported to PASC late January 2023. The “Head of Internal Audit’s Annual Report for 2022/23 was reported to PASC in July 2023. The “Follow-up” report for 2022/23, was not completed until September 2023 and was reported to PASC in October 2023.

For clarity the monitoring timetable is:

<b>Meeting</b>	<b>Date</b>	<b>Monitoring</b>	<b>Period</b>
PASC	July 2023	Internal Audit	EOY 2022/23
BRMG	September 2023	Self-Tracker	Q2
<b>BRMG</b>	<b>December 2023</b>	<b>Self-Tracker</b>	<b>Q3</b>
PASC	February 2024	Self-Tracker	Mid-Year 2023/24
BRMG	March 2024	Self-Tracker	Q4
BRMG	June 2024	No report	
PASC	July 2024	Internal Audit	EOY 2023/24

The starting point for 2023/24 is the outstanding actions brought forward from the 2022/23 End of Year Internal Audit report and earlier. Recommendations and agreed actions will be added as the 2023/24 Internal Audit Plan is delivered.

Management responses shown in section 3.0 identify that the majority of issues raised have been addressed, where issues remain outstanding the Responsible Officers are continuing to work on the agreed actions.

Recommendations arising from Internal Audit Work are graded according to the risk levels of the weaknesses identified with each recommendation assigned a rating as follows:

Priority Rating		Description
Priority 1 ***	Fundamental weakness	Control issues to be addressed as a high priority. These relate to issues that are fundamental and material to the system of internal control at a service level.
Priority 2 **	Strengthen Existing Controls	Action required to avoid exposure to significant risks. These relate to issues that procedures do exist but require strengthening.
Priority 3 *	Minor Issues	Action required which should result in enhanced control or better value for money. These are issues arising that would, if corrected, improve the internal control environment in general but are not vital to the overall system of internal control.

Based on an analysis of the number of recommendations and ratings an Assurance Level is noted for each report:

Assurance Level	Description
High	Goods controls consistently applied. Low risk of not meeting objectives. Low risk of fraud, negligence, loss, damage to reputation.
Acceptable	Moderate controls, some areas of non-compliance with agreed controls. Medium / low risk of not meeting objectives Medium / low risk of fraud, negligence, loss, damage to reputation.
Low	Inadequate controls. High risk of not meeting objectives. High risk of fraud, negligence, loss, damage to reputation.

## 2.0 INTERNAL AUDIT RECOMMENDATIONS SUMMARY

Section	Audit Job Details	Audit Year	Assurance Level	Issues Raised	Issues outstanding @ 30/11/2023	Further information / Comments
<a href="#">3.1</a>	Stores	2021/22	Low	5	1	Update provided by Head of Fleet, Engineering and Logistics
<a href="#">3.2</a>	Payroll	2022/23	Acceptable	3	1	Update provided by Head of Human Resources
<a href="#">3.3</a>	Leased Cars	2022/23	Acceptable	2	0	Update provided by Head of Fleet, Engineering and Logistics
<a href="#">3.4</a>	Critical Operational Locations (COL's) Surveys Grant	2022/23	Acceptable	3	1	Update provided by Accountancy & Systems Manager
<a href="#">3.5</a>	Main Accounting System (MAS)	2023/24	High	1	0	Update provided by Head of Finance
<a href="#">3.6</a>	VAT	2023/24	Acceptable	1	1	Update provided by Accountancy & Systems Manager
3.7	Cloud Computing	2022/23	High	1	1	See exempt report
3.8	Cyber/Network Security	2022/23	Acceptable	6	6	See exempt report

### 3.0 INTERNAL AUDIT REPORTS WITH OUTSTANDING ISSUES

#### 3.1 Stores

Five issues were raised in the 2021/22 audit, one of which is currently outstanding.

<b>Stores</b>	
<b>Finding 2: Stock Orders and Invoices</b>	<p>There are limited controls in place for the raising and authorisation of orders and invoices resulting in a lack of separation in duties.</p> <p>Testing of a sample of 10 expenditure transactions in relation to stock items identified that official orders are being raised and invoices are being paid without any formal authorisation process. In particular, it was found that:</p> <ul style="list-style-type: none"> <li>• Official orders for stock items are generally being raised and processed on the Agresso back-office system, by officers without the appropriate access levels;</li> <li>• Official orders are raised but are not required to be authorised when raised through the back-office system;</li> <li>• Invoices are not authorised prior to payment by the Finance Department, unless they are outside the set tolerance level;</li> <li>• Two instances were identified where the details of the official orders had been subsequently adjusted, therefore the invoices, which were greater than the original order in quantity of items and value, were automatically paid rather than going through the Agresso systems 'out of tolerance' approval process. It is unclear why such adjustments were made in this way or who actioned them;</li> <li>• There was one instance where there was no evidence available to support the date the invoice was received by the Finance Department and therefore, it was not possible to ensure that the invoice had been paid promptly, in line with the Late Payment of Commercial Debts legislation.</li> </ul>
<b>Recommendation Priority Level: ***</b>	<p>Procedures should be reviewed and improved to ensure that the requirements of Financial Procedure Rules are fully complied with, and documented procedures / flowcharts should be updated accordingly. In particular:</p> <ul style="list-style-type: none"> <li>• all orders should be raised appropriately,</li> <li>• all orders and invoices should be authorised by a designated authorising officer,</li> <li>• Staff should be reminded of the importance of maintaining evidence of the date invoices are received in order to demonstrate compliance with the Late Payment of Commercial Debts Legislation, the process should enable an adequate separation in duties to be achieved.</li> </ul>
<b>Management Response</b>	<p>Purchase orders raised in Back Office are generally for approved stock items that have reached the minimum order threshold, and not for ad-hoc purchases. However, as captured within the general opinion the system limitations of the Agresso Stores system does not permit varying levels of access control, as such if an individual has access to the stores module, they can raise orders and also amend orders.</p> <p>Despite this, no orders have been raised aside from those Stores staff whose task is as part of their Job Role.</p> <p>The current mode of operation has been in situ since the system was introduced in 2007, and the details of the order approval process have been considered within the 2018/19 Internal Audit which classed the overall Stores assurance rating as acceptable.</p>

	<p>That being said, it is acknowledged that despite the long standing and established mode of operation, the introduction of an approval stage would be a positive improvement. In this regard, the Service has previously worked with Carmarthenshire County Council prior to the completion of this audit to try and introduce an electronic approval stage to engineer out the issue, but it has been confirmed software system limitations will prevent this.</p> <p>Manual paper-based solutions are currently being considered but are proving challenging to implement due to the high volume of transactions and the small size of the Stores Team (4 people including one driver). The longer-term solution being considered is the scoping of a more modern and fit for purpose software system with various access and approval levels set up within the system which will remove the issue in its entirety.</p> <p>Regarding the amendment of purchase orders, this behaviour sits outside documented procedures. All staff have been reminded and readvised of the correct procedure and the appropriate managerial actions have been progressed.</p>
<b>Responsible Officer</b>	Head of Fleet, Engineering and Logistics Department
<b>Implementation Date</b>	March 2023
<b>PASC Position reported As at 21/03/2023:</b>	<p><b>Ongoing</b> - This element is still being scoped, with Agresso not being a dedicated warehouse management system it has significant gaps when compared to a modern system. The gaps mainly relate to the fact that there is currently a total reliance on complex manual process, paper print outs, and free text for almost all transactions, which is undesirable.</p> <p>Conversely dedicated stores management systems utilise automated workflows, barcode scanners, and other store specific functions to streamline processes and reduce the risk of human error.</p> <p>In addition to this there is the issue relating to the inability to separate access levels/responsibilities for staff, which cannot be overcome within the current software system.</p> <p>An increased focus is being placed on monitoring in the short term while a longer-term option of exploring a fit for purpose warehouse system is scoped, which in the view of FELD is essential to improve the overall management of stores and accuracy regarding frequent transactions.</p> <p>As long as the Agresso system remains in situ there will be a reliance on complex time-consuming manual processes, which due to their nature have an attached risk of inaccuracies. Options for a long-term solution will be reported back in due course.</p> <p>It is important to note that these systems have been in place since 2007 and the current ways of working are not a new occurrence.</p>
<b>BRMG Position reported As at 31/08/2023:</b>	<p><b>Ongoing</b> - Early review of the Warehouse module in TranSend indicates that it may be a potential option for the Main Service warehouse. Whilst this appears to offer the opportunity to introduce improvement, no decision will be progressed until the model has gone live in the fleet stores, to enable proper testing and evaluation.</p>

<p><b>Current Position As at 30/11/2023:</b></p>	<p><b>Ongoing</b> - Whilst no live evaluation has occurred yet, local examination of the TranSend workflows and system functionality appears positive, with various levels of user access control and stock monitoring dashboards present.</p> <p>The full evaluation of the warehouse module has not been able to be progressed as the interface between the TranSend system and the Service's Financial Management System (FMS) Agresso is yet to be implemented by our Agresso system host, this work is overdue and has been escalated.</p> <p>As soon as the interface is implemented staff in FELD and Finance will be retrained, and the warehouse module will be brought online and then evaluated.</p>
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### 3.2 Payroll

Three issues were raised in the 2022/23 audit, one of which is currently outstanding.

Payroll	
<b>Finding 1: Policies and Procedures</b>	It was identified that the Work and Family Procedure was due to be reviewed in March 2022, although Internal Audit has been advised that this has been delayed pending the Neo-natal Care (Leave & Pay) Bill being passed.
<b>Recommendation Priority Level: *</b>	All documented policies and procedures should be reviewed and updated, where appropriate, on a regular basis, in accordance with specified timelines.
<b>Management Response</b>	All policies and procedures are reviewed and updated as appropriate. The Work & Family Procedure was due a review in March 2022, and whilst no updates were required at that time, a single comprehensive review incorporating the pending Neonatal Care (Leave and Pay) Bill was considered appropriate. This remains the case and the procedure will be reviewed and updated in due course.
<b>Responsible Officer</b>	HR Manager
<b>Implementation Date</b>	31/07/2023
<b>BRMG Position reported As at 31/08/2023:</b>	<p><b>Ongoing</b> - Following internal feedback on the requirement for simplified procedures, the Work &amp; Family Procedure has been split out into separate procedures. This is currently in draft form, pending approval through the appropriate governance channels. The approved procedure will be uploaded to Teams in due course.</p> <p>The Neo-natal Care (Leave &amp; Pay) Bill has received Royal Assent on the 24 May 2023, with a likely implementation date of 2025, therefore the procedure will be updated in due course to reflect the changes once the secondary legislation has been laid.</p>
<b>Current Position As at 30/11/2023:</b>	<p><b>Ongoing</b> - This is currently in draft form, pending approval through the appropriate governance channels. The Neo-natal Care (Leave &amp; Pay) Bill has received Royal Assent on the 24 May 2023, with a likely implementation date of 2025, therefore the procedure will be updated in due course to reflect the changes once the secondary legislation has been laid.</p>

### 3.3 Leased Cars

Two issues were raised in the 2022/23 audit. One was partly outstanding at the Quarter 2 updated but this is now completed.

<b>Leased Cars</b>	
<b>Finding 2: Compliance</b>	<p>Testing of a sample of 10 employees identified that the service contributions were not always consistent with the approved allowance of 8% of the employees' salaries in three instances, and the employees' contributions were not restricted to 3% of their gross salary in three instances.</p> <p>During testing it was identified that the 'Contract Hire Salary Calculation' forms utilised are not consistent, with variations existing in the officers required in calculating, checking and approval.</p> <p>Testing identified one instance where an officer involved in the calculation verification process had a close personal relationship with the employee, resulting in a potential conflict of interest. Whilst the form had been signed by the Director of Operational Support &amp; Improvement in accordance with current practice, this form had not been signed by a Corporate Head as required.</p>
<b>Recommendation Priority Level: **</b>	<p>Procedures for the management and administration of the leased car scheme should be improved to ensure all calculations are accurate, and forms utilised are consistent and fit for purpose.</p> <p>Procedures need to be established to mitigate any conflict of interest, ensuring staff are not placed in a vulnerable position.</p> <p>All inaccuracies identified should be reviewed and adjustments actioned where appropriate.</p>
<b>Management Response</b>	<p>The procedures for the management and administration of the leased car scheme have been reviewed and improvements to forms and processes are currently being implemented.</p> <p>Where a Corporate Head had not signed the calculation form, this was because the individual applying for the lease vehicle was a Corporate Head himself and so it was signed off by a Director instead, which is appropriate.</p> <p>Procedures will be established to mitigate any conflict of interest that may occur. When any inaccuracies were identified, adjustments were made and reported accordingly.</p>
<b>Responsible Officer</b>	Head of Fleet, Engineering & Logistics Department / Accountancy & Systems Manager
<b>Implementation Date</b>	31/12/2023
<b>BRMG Position reported As at 31/08/2023:</b>	<p><b>Ongoing</b> - The improvements to forms and processes that were planned and mentioned in the previous update went live with the new lease car procedure in August 2023.</p> <p>A review of the process changes and new forms is planned for later in the year to consider the impact of the changes and whether it has improved the overall process.</p>
<b>Current Position As at 30/11/2023:</b>	<b>Complete</b> - The planned review has taken place and the new forms have been added to the policy as appendices and published on the Service's Insight pages.

### 3.4 Critical Operational Locations Surveys Grant

Three issues were raised in the 2022/23 audit, one of which is currently outstanding, the implementation date for which is 31 March 2024 in order to facilitate a review period.

<b>Critical Operational Locations Surveys Grant</b>	
<b>Finding 1: Overclaim</b>	<p>Testing of a sample of ten transactions that had been claimed during the 2022/23 financial year identified one instance where income, in relation to an accrual transaction for £58k included in the quarter 4 claim, had previously been received, in advance, from the HO.</p> <p>Accrual transactions in relation to the advance income receipt have been actioned as the respective surveys are yet to be completed. The accrual transaction has been included incorrectly in the quarter 4 claim and has resulted in an overclaim to WG of £58k.</p>
<b>Recommendation Priority Level: **</b>	<p>Claims should only include transactions that are eligible under the terms and conditions of the grant.</p> <p>The claim verification process should ensure that checks are undertaken to ensure the eligibility of transactions prior to submitting claims, to avoid any future overclaims occurring.</p>
<b>Management Response</b>	<p>This oversight was caused by a rapid changeover in staff. The £58k was correct to be on the Q4 claim, however in the Q1/2 return the accrual reversal of £58k was not processed which would have negated the Q4 £58k. The error has been corrected and funds to the value of £27,628 have been returned to Welsh Government (WG) and the remainder was attributed to an outstanding invoice that was agreed by WG as eligible expenditure.</p> <p>We will continue to monitor and check grant returns as appropriate and will pay particular attention to accruals to ensure that accrual reversals are matched off accordingly.</p>
<b>Responsible Officer</b>	Grant Manager / Accountancy & Systems Manager
<b>Implementation Date</b>	Immediate
<b>Current position As at 30/11/2023:</b>	<b>Complete</b> – Accruals will be monitored closely on each grant return.

<b>Critical Operational Locations Surveys Grant</b>	
<b>Finding 2: Re-allocated costs</b>	<p>Testing has identified one instance where a transaction for £800 has been claimed against the Assurance Team grant funding rather than the COLs grant funding. Internal Audit have been advised that WG verbally approved this re-allocation, however, there is no documentation available to support this approval.</p> <p>Internal Audit enquired as to why a virement was not actioned to re-allocate costs for the remaining Assurance Team underspend in order to fully maximise grant income into the Authority; the explanation provided was that further costs were not re-allocated to maximise the grant funding, due to time restrictions.</p>
<b>Recommendation Priority Level: **</b>	<p>Written approval should be sought and maintained for all instances where costs are re-allocated, in order to demonstrate that adequate approval has been agreed by WG.</p> <p>Where it is appropriate to do so, with the correct approval in place, costs should be reallocated to maximise grant income for the Authority.</p>
<b>Management Response</b>	<p>This relates to a recharge to the Service for 2 COL surveys undertaken by Service employees @ a cost of £400 per survey. Verbal confirmation was received by the Grant Manager that these charges could be charged to the Assurance grant. Written approval will be sought in the future.</p> <p>We agree that where approval is in place cost should be reallocated to maximise the grant income for the Authority. However, this is not always achievable owing to time constraints and organisations' differing end of year invoicing processes and timings.</p>
<b>Responsible Officer</b>	Grant Manager / Accountancy & Systems Manager
<b>Implementation Date</b>	Immediate
<b>Current position As at 30/11/2023:</b>	<b>Complete</b> – see management response.

<b>Critical Operational Locations Surveys Grant</b>	
<b>Finding 3: Expenditure</b>	Testing of a sample of 10 expenditure transactions identified four instances where there was no evidence provided to demonstrate that the appropriate checks had been undertaken, in accordance with the requirements of Financial Procedure Rules.
<b>Recommendation Priority Level: **</b>	In accordance with the requirements of Financial Procedure Rules, the specified checks should be undertaken prior to the invoice being processed and obtaining final approval.  Evidence that the checks have been undertaken should be maintained.
<b>Management Response</b>	For non-PO invoices - following consolidation of COL's reported on the Home Office software system, progress reports are provided to the Grant Manager and expected invoice totals agreed with the other Services/Public bodies. This is copied to Finance.  The other Services/Public bodies then raise the invoice and Finance follow the usual procedure of checking for accruals. Once the invoices are loaded to the Agresso approval workflow, the Grant Manager checks the invoice against the expected amount and approves only if it corresponds with the amounts expected (per the emails provided as evidence).  A review of the procedure for non-PO invoices will be undertaken to ensure compliance with FPR's.
<b>Responsible Officer</b>	Grant Manager / Accountancy & Systems Manager
<b>Implementation Date</b>	31/03/2024
<b>Current position As at 30/11/2023:</b>	<b>Ongoing</b> – The review period is ongoing as the Audit Report was only received 06 <sup>th</sup> November 2023. This recommendation relates to the Service's Creditors processes and the Services Financial Procedure Rules, which will need to be reviewed and go through an approval process if any changes are required.

### 3.5 Main Accounting System (MAS)

One issue was raised in the 2023/24 audit, which is now complete.

<b>Main Accounting System (MAS)</b>	
<b>Finding 1:</b>	Testing identified four instances where amendments to financial codes did not have appropriate authorisation or supporting documentation completed.
<b>Recommendation Priority Level: *</b>	<p>Consideration should be given to documenting the process for the amendment of financial codes, for inclusion in the Budget Guidance, to ensure that all staff are clearly aware of the process, documentation to be completed, and authorisation requirements.</p> <p>All amendments should have adequate supporting documentation available that has been approved appropriately.</p>
<b>Management Response</b>	<p>The 4 instances identified relate to account rule changes to account codes linked to the Construction Industry Scheme (CIS). It is proposed to document the process for the amendment of existing financial codes into a finance specific guidance "Unit 4 ERP (Agresso) System Admin Guidance".</p> <p>Where there are amendments requested to existing financial codes by a member of the Finance team, the relevant authorised officers in the Finance team should be copied in on any e-mail requests. No specific authorisation requirements are deemed necessary for amendments to existing financial codes.</p>
<b>Responsible Officer</b>	Head of Finance
<b>Implementation Date</b>	30/11/2023
<b>Current Position As at 30/11/2023:</b>	<p><b>Complete</b> - The process for the amendment of existing financial codes has been incorporated into the Finance Department specific guidance "Unit 4 ERP (Agresso) System Admin Guidance".</p> <p>The relevant authorised officers in the Finance team will be copied in on any e-mail requests but no specific authorisation requirements are deemed necessary for amendments to existing financial codes.</p>

### 3.6 VAT

One issue was raised in the 2023/24 audit, one of which is currently ongoing as the implementation date is not until 15/01/2024.

VAT	
<b>Finding 1: Authorisations</b>	<p>Testing identified that the VAT return for 1st March 2023 to 31st May 2023 was authorised by the Accountancy &amp; Systems Manager.</p> <p>It is noted that the current 'VAT Return Completion and Submission' document does not specify the officers responsible for authorisation of VAT documentation and submission of returns.</p> <p>There are currently five members of staff within the Finance Department who have access to the MTD bridging software provided by AbraTax. Whilst any of these five officers can complete and submit claims, there is currently no documented process in place to ensure a second officer checks the claim entered onto Abratax, for accuracy, prior to its submission. This control was in place in the past.</p> <p>Testing also identified that the authorisation of documentation, such as the VAT monthly proforma and 'de-minimus' calculation, is often undertaken using a photographic image of the authorising officer's signature. These documents are editable and, as such, the picture signature may be copied and subsequently mis-used.</p>
<b>Recommendation Priority Level: **</b>	<p>The responsibilities of officers, including the creation, checking, authorisation and submission of relevant documentation should be specified, and subsequently fully complied with. These should ensure an adequate separation in duties is maintained.</p> <p>VAT returns and submissions should be authorised by the documented, designated authorising officer.</p> <p>A process should be documented to ensure a second officer checks the claim entered onto Abratax, for accuracy, prior to its submission. The possibility of restricting access to the functions appropriate for each member of staff should be explored, in order to ensure that inappropriate or inaccurate returns are not submitted.</p> <p>All documentation requiring authorisation should be supported by evidence to demonstrate that the actual authorising officer has seen and approved the document in question.</p>
<b>Management Response</b>	<p>Every VAT return and De-minimis calculation shows the creator, checker (the Service's VAT consultants) and approver, with electronic signatures being present as well as supporting emails from the VAT consultants. Using version control in either document it is easily established if the signature was added to the document by the appropriate person. The procedure will be updated as appropriate.</p> <p>The current VAT submission process is that an Accountant enters the values onto AbraTax and a Manager checks and approves it for submission to HMRC. This is appropriate to ensure segregation of duties and the procedure will be updated to reflect this.</p> <p>We will consider an alternative to adding signature images to documents as evidence of approval.</p>

<b>Responsible Officer</b>	Accountancy & Systems Manager & Head of Finance
<b>Implementation Date</b>	15/01/2024
<b>Current Position As at 30/11/2023:</b>	<b>Ongoing</b> - Procedures are currently being updated accordingly, and consideration will be given to an alternative to adding signature images to documents as evidence of approval.