

## Draft - Neath Port Talbot Council Annual Audit Summary 2023

This is our audit summary for Neath Port Talbot Council. It shows the work completed since the last Annual Audit Summary, which was issued in March 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 Council

### Some of the services the Council provides



#### Key facts

The Council is made up of 60 councillors (1 seat is currently vacant) who represent the following political parties:

- Welsh Labour 26
- Independent 17
- Plaid Cymru 11
- Coedffranc Liberal and Green 3
- Dyffryn Independent 2

The Council spent £372.1 million on providing services<sup>1</sup> during 2022-23<sup>2</sup>.

<sup>1</sup> We define spending on services as the cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest.

<sup>2</sup> Source: 2022-23 Statement of Accounts

## Key facts

As at 31 March 2023, the Council had £91 million of useable financial reserves<sup>3</sup>. This is equivalent to 24.5% of the Council's annual spending on services<sup>4</sup>.

Neath Port Talbot has 15% of its 91 areas considered to be within the most deprived 10% of areas in Wales, this is the 5<sup>th</sup> highest of the 22 unitary councils in Wales<sup>5</sup>.

The population of Neath Port Talbot is projected to increase by 5% between 2023 and 2043 from 144,900 to 151,900, including a 1% decrease in the number of children, a 1% increase in the number of the working-age population and a 20% increase in the number of people aged 65 and over<sup>6</sup>.

## 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 Council's financial statements to make sure that public money is being properly accounted for.

- **Value for money**

The Auditor General examines whether the Council 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.

<sup>3</sup> We define useable financial reserves as reserves usable for revenue costs, where the purpose is not protected by law. This is the total of the general fund, earmarked reserves and schools' balances. It excludes Housing Revenue Account reserves, capital receipts and capital grants unapplied.

<sup>4</sup> Source: 2022-23 Statement of Accounts

<sup>5</sup> An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

<sup>6</sup> Source: [Stats Wales, Population Projections](#)

## What we found

### Audit of Neath Port Talbot Council's 2022-23 Accounts



**To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.**

Each year we audit the Council's financial statements.

#### **For 2022-23:**

- The draft statements were presented for audit on 26 May 2023. This was before the deadline of 31 July 2023 set by Welsh Government.
- The quality of the draft statements presented for audit was good.
- The Auditor General gave an unqualified true and fair opinion on the Authority's financial statements on 14 November 2023, before the deadline agreed with 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 agreed with officers in June 2023 and considered by the Governance and Audit Committee on 13 November 2023.
- The Authority's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Authority and with our knowledge of the Authority.
- A small number of changes were made to the Authority's financial statements arising from our audit work, which were reported to the Audit Committee in our Audit of Financial Statements Report in November 2023.
- In addition to the Auditor General's responsibilities for auditing the Authority's financial statements, he also has responsibility for the certification of a number of grant claims and returns. Our work to date has not identified any significant issues.
- The Auditor General issued the certificate confirming that the audit of accounts for 2022-23 has been completed.

## Assurance and risk assessment review

We reviewed the arrangements the Council has put in place to secure value for money in the use of its resources. We produced the following reports from our assurance and risk assessment work:

- Setting of well-being objectives – we looked at the Council’s approach to setting its well-being objectives. We found that the Council has applied the Sustainable Development Principle and carried out extensive engagement when setting its Wellbeing objectives but will need to further develop its monitoring arrangements.
- Use of performance information – service user perspective and outcomes – we looked at the service user perspective and outcome data provided to members and senior officers, and how this information is used. We found that the performance information provided by the Council to senior leaders to enable them to understand the service user perspective and the outcomes of the Council’s activities is limited.

## Digital Strategy

We reported on the Council’s strategic approach to digital, and specifically the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of the Council’s resources. We found that the Council has an integrated and well-articulated digital strategy but does not have a clear timeframe to deliver it which makes it more difficult for the Council to assess progress and value for money.

## Review of Scrutiny Arrangements

We reported on the effectiveness of the Council’s scrutiny arrangements. We found that the Council is missing opportunities for scrutiny to maximise its impact, influence and effectiveness in holding cabinet to account, shaping council policies and reviewing performance.

## Springing Forward – Strategic Management of Assets

We reported on the Council’s arrangements for managing its assets with a focus on office accommodation and buildings from which the Council delivers services to its residents. We looked at how the Council strategically plans the use of its assets, how it monitors the use of its assets and how it reviews and evaluates the effectiveness of its arrangements. We found that the Council does not have a current vision and plan for managing its assets or timely and comprehensive monitoring arrangements.

## Springing Forward – Strategic Workforce Management

We reported on the Council’s strategic approach to its workforce and if this was strengthening its ability to transform adapt and maintain the delivery of its services in the short and longer term. We found that the Council has a clear vision for its workforce, strengthened by its work with partners.

## Other inspectorates

We also took into account the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response.

## Ongoing work

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

Our ongoing work includes:

- Assurance and risk assessment (2023-24)
- Thematic review – financial sustainability (2023-24)
- Thematic review – commissioning arrangements (2023-24)
- Unscheduled care review (2022-23)

The Auditor General is independent of government and was appointed by Her Majesty the Queen. 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.