

# **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

**Council**

**26 May 2021**

**Report of**

**Chief Executive**

**Mrs K Jones**

## **Matter for Information**

**Wards Affected:** All Wards

## **Audit Wales – Annual Audit Summary 2020**

### **Purpose of Report**

1. To receive a presentation from Colin Davies (Regional Manager – Audit Wales) on the Annual Audit Summary 2020.

### **Executive Summary**

2. The Annual Audit Summary has been produced to combine the Annual Audit Letter and the Annual Improvement Report that were previously produced as separate documents by Audit Wales in order to provide a single summary of the findings of performance and financial audit work undertaken by Audit Wales as well as planned future audit work.
3. The Annual Audit Summary attached at Appendix 1 sets out the work completed by Audit Wales since the last Annual Improvement Report was issued in September 2019 (reported to Council on 27<sup>th</sup> November 2019).

## Background

4. Audit Wales produce a number of different types of reports. Some of the reports are termed “Local Reports” as they relate to audit work undertaken in specific Council’s and are funded from local fees. Other reports are termed “National Reports” as they relate to a programme of national studies and local government studies which are funded from the Welsh Consolidated Fund.
  
5. During the course of the year, no formal recommendations were made by the Auditor General deriving from the following local work undertaken by the Audit Wales:
  - a. **Audit of Neath Port Talbot’s 2019-2020 Accounts** – Every year the Auditor General audits the Council’s financial statements to make sure that public money is being properly accounted for. On 15<sup>th</sup> September 2020, the Auditor General gave an unqualified true and fair opinion on the Council’s financial statements for 2019-2020.
  
  - b. **Well-being of Future Generations Examination – Regeneration (August 2020)** - The examination undertaken in 2019-20 considered the extent to which the Council has acted in accordance with the sustainable development principle when taking steps to deliver strategic regeneration programmes. The examination concluded that the Council is designing its regeneration projects to improve well-being but there are opportunities to strengthen its application of the sustainable development principle. These are set out in a full report issued separately for this work in the form of an action plan presented to the Regeneration and Sustainable Development Cabinet Board on 14<sup>th</sup> May 2021.
  
  - c. **Continuous Improvement** - The Auditor General certified that the Council 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 2020-21. The Audit of Neath Port Talbot Council’s 2020-2021 Improvement Plan was presented to Cabinet on 8<sup>th</sup> January 2021.

- d. **Financial Sustainability (March 2020)** - During 2019-20 Audit Wales examined the financial sustainability of each council in Wales. The examination concluded the Council has a strong financial position and is therefore well placed to manage its financial sustainability over the medium term but some aspects of financial management could be strengthened.
  
- e. **National Fraud Initiative (NFI)** - In October 2020, the Auditor General published his report on the findings of the latest National Fraud Initiative (NFI) data-matching exercise in Wales. The exercise helped public bodies in Wales, including the 22 unitary authorities, identify fraud and overpayments amounting to £8m. NFI continues to be developed and in the forthcoming NFI exercise (NFI 2020-22), local authorities will have access to matches designed to help identify potential fraudulent applications for Covid-19 business support grants.
  
- f. **Review of Corporate Arrangements for Safeguarding (March 2020)** – Audit Wales undertook this review to seek assurance that the Council has effective corporate arrangements in place for safeguarding. The review concluded that the Council has corporate arrangements for safeguarding in place but needs to strengthen some areas. The proposals for improvement identified by Audit Wales are set out in a full report issued separately for this work in the form of an action plan and will be reported to Social Care, Health and Wellbeing Cabinet Board on 24<sup>th</sup> June 2021.
  
- g. **Review of the Corporate Performance Management System (December 2020)** - The review examined whether Neath Port Talbot Council's Corporate Performance Management System (CPMS) is strengthening its arrangements for business planning, performance and risk management. The review found the CPMS is helping to develop better links between corporate objectives and service business plans and improving the efficiency of performance reporting. However, this information could be used more effectively to support strategic direction and risk management arrangements still need strengthening. Due to the pandemic, this review was scaled down from the original project brief and no separate report was issued. However, a number of opportunities for improvement were identified by Audit Wales (presented via a PowerPoint presentation) which have been included in an action plan and will be reported to Cabinet on 30<sup>th</sup> June 2021.

6. As well as the above local work undertaken, every year Audit Wales also undertakes studies across the local government sector. The reports published by Audit Wales on this work since the last Annual Improvement Report are:
  - a. The “Front Door” to Social Care (September 2020)
  - b. Review of Public Services Boards (October 2019)
  - c. Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act (November 2019)
  - d. Rough Sleeping in Wales – Everyone’s Problem; No One’s Responsibility (July 2020)
  - e. Better Law Making (September 2020)
  - f. Commercialisation in Local Government (October 2020)
7. The reports of other Inspectorates are also referenced in the Annual Audit Summary. In January 2021, Estyn wrote to the Chief Executive outlining the outcome of their review of Neath Port Talbot Council’s work in supporting their learning communities in schools and pupil referral units (PRUs) during the period from March to October 2020. Also referenced is Estyn’s national report, ‘Local authority and regional consortia support for schools and PRUs in response to COVID-19 - Update report from June to November 2020’, published in January 2021. CIW produced the ‘Local authority annual performance review letter 2019-2020: Neath Port Talbot Council’ which summarises the evaluation of performance of social services (adults and children’s services) during 2019-2020.
8. The Annual Audit Summary also sets out the following work undertaken by Audit Wales during 2020-2021
  - a. Recovery planning in response to the Covid-19 pandemic
  - b. Covid learning project – helping to identify and share learning from the way in which public bodies have responded to the pandemic
  - c. Assurance and risk assessment
  - d. A review of the Council’s financial sustainability
  - e. A review of workforce planning

## **Financial Appraisal**

9. The programme of local audit and improvement assessment work undertaken by the Audit Wales during the period has been delivered within the budget allocated for audit and inspection work.

### **Integrated Impact Assessment**

10. There is no requirement to undertake an Integrated Impact Assessment as this report is for information purposes.

### **Valleys Communities Impact**

11. No implications.

### **Workforce Impact**

12. There are no workforce impacts.

### **Legal Impact**

13. The Local Government (Wales) Measure 2009 requires the Auditor General to undertake an annual improvement assessment and to publish an annual improvement report for each improvement authority in Wales.

### **Risk Management**

14. The findings of Audit Wales are a key input into the Council's corporate governance arrangements and the areas identified for improvement work inform the Annual Governance Statement and the associated improvement action plan.

### **Consultation**

15. There is no requirement for external consultation on this item.

### **Recommendations**

16. For Council to note the work undertaken by Audit Wales as contained in the Annual Audit Summary 2020.

### **Appendices**

17. Appendix 1 – Audit Wales – Annual Audit Summary 2020

### **List of Background Papers**

18. None

## **Officer Contact**

19. Mrs Karen Jones, Chief Executive Tel: 01639 763284 or e-mail: [chief.executive@npt.gov.uk](mailto:chief.executive@npt.gov.uk)