

# **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

**Council**

**16 March 2022**

**Report of**

**Chief Executive**

**Mrs K Jones**

## **Matter for Information**

**Wards Affected:** All Wards

## **Audit Wales – Annual Audit Summary 2021**

### **Purpose of Report**

1. To receive a presentation from Non Jenkins ( Engagement Lead) and Gillian Gillet (Financial Audit Manager) from Audit Wales on the Annual Audit Summary 2021.

### **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 Audit Summary was issued in April 2021 (reported to Council on 26<sup>th</sup> May 2021).

#### 4. **Summary of work undertaken by Audit Wales:**

- a. **Audit of Neath Port Talbot's 2020-2021 Accounts** – Every year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for. On 30th July 2021, the Auditor General gave an unqualified true and fair opinion on the Council's financial statements for 2020-2021.
- b. **Continuous Improvement** - The Auditor General certified that the Council has met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2020-21, as saved by an order made under the Local Government and Elections (Wales) Act 2021.

The Audit Wales Certificate of Compliance for the audit of the Council's assessment of performance 2020-2021 performance was issued in December 2021 and presented to Cabinet on 12<sup>th</sup> January 2022.

- c. **Recovery Planning** - During 2020-21, Audit Wales reviewed the arrangements that each council in Wales was putting in place to support recovery planning.
- d. **Workforce Planning** – As set out in the Audit Plan 2020, Audit Wales undertook a review of the Council's workforce planning arrangements, the impact of Covid on the workforce and future resilience of the Council's workforce.

Audit Wales found that prior to the Covid pandemic, the Council had made significant progress with workforce planning. Audit Wales also found the Council's responsive workforce planning during the pandemic worked well, with a strong focus on maintaining essential services and ensuring employee wellbeing. The review also found the Council has strategic and operational tools in place to support effective workforce planning and is building on the current momentum, working at pace, and is clarifying its vision for workforce planning. Audit Wales will revisit aspects of workforce planning as

part of the all Wales Springing Forward project and will report back to the Council in April 2022.

5. **Other Inspectorates** - Audit Wales also consider the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response.
  
6. **Local Government Studies** - As well as local work at each council, each year Audit Wales also carries out studies across the local government sector to make recommendations for improving value for money. Since the last Annual Audit Summary , the following reports have been published:

**Discretionary Services (April 2021)** - This study found financial pressures led to councils reducing spend and cutting services, but the pandemic has highlighted the importance and relevance of local government in serving and protecting people and communities. There were no recommendations in this report.

**Regenerating town centres in Wales (September 2021)** - The report set out the main findings from the Auditor General's review of how local authorities are managing and regenerating their town centres. The report concluded that town centres are at the heart of Welsh life and can be vibrant and sustainable places, but addressing the many challenges they face requires brave decisions and ambitious leadership. The report contained a number of recommendations for both the Welsh Government and local authorities to consider. An action plan setting out the Council's response to the recommendations for local authorities to consider will be presented to the Regeneration and Sustainable Development Cabinet Board on 11<sup>th</sup> March 2022.

7. **Planned Work for 2021-2022** - The Annual Audit Summary also sets out the planned work for 2021-22.

Audit Wales have looked at the key challenges and opportunities facing councils and the most significant risk and issue facing councils and the wider public sector during 2021-22 continues to be the COVID-19 pandemic.

Planned work for 2021-22:

- Assurance and risk assessment including a focus on:
  - The Local Government and Elections Act (Wales) 2021
  - Recovery planning
  - Carbon reduction plans
  - Self-assessment arrangements
  - Financial position
  - Assessing the Council's response to its independent investigation and subsequent action plan.
  
- Springing Forward – This review is looking at how effectively councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
  
- Improvement reporting audit – audit of discharge of duty to publish an assessment of performance.

### **Financial Appraisal**

8. 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**

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

### **Valleys Communities Impact**

10. No implications.

### **Workforce Impact**

11. There are no workforce impacts.

## **Legal Impact**

12. The Auditor General is required to conduct local government value for money studies and assess compliance with the remaining requirements of the Local Government (Wales) Measure 2009.

## **Risk Management**

13. 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**

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

## **Recommendations**

15. For Council to note the work undertaken by Audit Wales as contained in the Annual Audit Summary 2021.

## **Appendices**

16. Appendix 1 – Audit Wales – Annual Audit Summary 2021

## **List of Background Papers**

17. None

## **Officer Contact**

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