

SOUTH WEST WALES CORPORATE JOINT COMMITTEE

Report of Chief Finance Officer (Section 151 Officer)

Report Title: Audit Wales - Approach to auditing Corporate Joint Committees and understanding their evolving arrangements

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| Purpose of Report | To update Members on the approach to be undertaken by Audit Wales in regards the undertaking of an early landscape review to understand the evolving arrangements of the CJC and in the auditing of the CJC from an accounting perspective for the 2021-22 and 2022-23 financial years. |
| Recommendation | It is recommended that (a)Members note the content of this report. (b)That the CJC Executive Officers respond as appropriate to the requirements as outlined by Audit Wales. |
| Report Author | Karen Jones |
| Finance Officer | Chris Moore |
| Legal Officer | Craig Griffiths |

Background:

1. In the Autumn of 2022, Audit Wales will be doing some work to gain an understanding of the CJC's' evolving arrangements and its plans. Section 41 of the Public Audit Wales Act 2004 places a duty on the Auditor General for Wales to undertake studies designed to enable the making of recommendations for improving economy, efficiency and effectiveness in the discharge of the functions or services of local government bodies in Wales. The work will also support the responsibilities of the Auditor General for Wales under the Well-being of Future Generations (Wales) 2015 Act given that CJC's are named bodies under the Act.

2. The CJC is considered to be a local government body under Part 2 of the Public Audit (Wales) Act 2004. As such, the Auditor General for Wales is required to:
 - Give an opinion on the Annual Accounts of the CJC;
 - Be satisfied that the CJC has proper arrangements to secure economy, efficiency and effectiveness in its use of resources;
 - Provide opportunity for electors to ask questions or make objections at audit; and
 - Consider whether there are any matters that come to attention that should be brought to the attention of the public and/or whether written recommendations should be made under section 25 of the Public Audit (Wales) Act 2004.
3. It should be noted that Appendix 1 of this report (letter ref AC/322/caf – dated 1/9/22) provides an overview in respect of the audit arrangements for 2021-2022 and 2022-2023 from an accounting point of view. It is noted that the anticipated charging fee for 2021-22 is approximately £2,000. Members will note the reference to the requirements for the production of a statement of accounts and an annual governance statement as appropriate and by means of annual return.
4. Members will note that the letter set out in Appendix 1 refers to a project brief being circulated by Audit Wales. For clarity, Members are advised that the Brief has been received and is appended to the report presented under agenda item 10. It is intended that many of the facets highlighted within the brief will be addressed by the formulation of a Corporate Plan for the CJC. This would seek to address those requirements set out within the Well-being of Future Generations (Wales) Act 2015 (including the setting of well-being objectives and steps). It should be noted that the Auditor General for Wales is required to carry out examinations to assess the extent to which CJsCs have applied the sustainable development principle when taking steps to meet their well-being objectives. Members will note that the Auditor General makes reference to adopting a proportionate approach to this work.

Financial Impacts:

5. It is not considered that there will be any new financial implications related to this item. Members will note the reference to the audit fee in 3 above, however the CJC budget is considered appropriate in this regard.

Integrated Impact Assessment:

6. The CJC is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socio-economic disadvantage
 - Consider opportunities for people to use the Welsh language
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

7. The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

Workforce Impacts:

8. There are no new workforce impacts for the CJC to be concerned with in relation to this report.

Legal Impacts:

9. Reference is made to Public Audit (Wales) Act 2004 and the Well-being of Future Generations (Wales) Act 2015.

Risk Management Impacts:

10. Failure to comply with the requirements could result in a negative report from Audit Wales and the issue of statutory recommendations which would reflect negatively on the reputation of the CJC.

Consultation:

11. There is no requirement for external consultation on this report.

Reasons for Proposed Decision:

12. To comply with the requirements of Audit Wales.

Implementation of Decision:

13. Following the three day call in period.

Appendices:

14. Appendix 1- Letter ref AC/322/caf – dated 1/9/22 “Approach to auditing the Corporate Joint Committees and understanding their evolving arrangements” – Adrian Crompton - Auditor General for Wales.