

My Ref: T: Scrutiny/PRAP/comm papers/correspondence

Date: 10 October 2018

Councillor Chris Weaver,
Cabinet Member Finance, Modernisation and Performance,
Cardiff Council,
County Hall,
Cardiff
CF10 4UW



County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088

Dear Chris,

Policy Review & Performance Scrutiny Committee: 3 October 2018

You once again kindly attended the Policy Review and Performance Scrutiny Committee to share the Wales Audit Office (WAO) Annual Improvement Report for the Council for 2017-18. The Members and I remain committed to maintaining strong links between internal Scrutiny and external Auditors as a way of ensuring the focus of the Committees work is appropriate. I am therefore passing on the following Member comments and observations captured during discussion at the Way Forward.

The Committee acknowledges that the Council's Cabinet and management have worked constructively with WAO over a number of years to positively address issues raised in the last Corporate Assessment. We note the Auditors determination, based on its own and relevant regulators programmes of work this year, that the Council is meeting its statutory requirements in relation to continuous improvement, and is likely to comply with the requirements of the Local Government Measure (2009) during 2018-19.

We note that fees charged for all inspection work throughout the year are currently £471,097, of which a significant proportion is for the external audit of the Council's accounts, and there is no opportunity for a lighter touch to ensure statutory compliance.

Further, we note that WAO's improvement assessment work is now high level in respect of performance, rather than a detailed review of performance indicators.

We acknowledge the Auditor takes a risk-based approach to work programming as WAO cannot cover everything, and will reference whether its previous recommendations have been addressed through follow up work.

The Committee understands there is a strong relationship between WAO and the Council's Audit Committee. However, as mentioned above, we consider it important that strong links are maintained between internal scrutiny and external audit. As such, the Committee is of the view that the organisation would benefit from improved interaction and greater sharing of information between the Audit Committee and the Council's five Scrutiny Committees. We feel it is important that the outcomes of WAO improvement reviews be notified to the relevant Scrutiny Committee Chair. As the main point of contact for WAO, we therefore request that the Chair of Audit be reminded of the opportunity to refer assessments and audit committee concerns for internal scrutiny for the benefit of the organisation.

Similarly, the WAO Forward Work Programme is an important point of reference for Scrutiny forward work programming, and should be easily accessible to the scrutiny function when issued to the Council.

In light of the above concerns, I am requesting that the Head of Democratic Services add a discussion on this matter to the next agenda of the Scrutiny Chairs Liaison Forum.

To recap, going forward the Committee is requesting that:

- The relationship between WAO, Audit Committee and the five Scrutiny Committees be further strengthened by a greater sharing of information and the referral of concerns between the Audit Committee and the Council's five Scrutiny Committees;
- The WAO Forward Work Programme be easily accessible to the scrutiny function, as an important point of reference for Scrutiny forward work programming; and
- The relationship between internal scrutiny and external auditors be discussed at the next Scrutiny Chairs Liaison Forum.

Once again, on behalf of the Committee, please pass my sincere thanks to all who attended PRAP Scrutiny Committee for consideration of the WAO Annual Improvement Report 2017-18 for Cardiff Council.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Walker', written in a cursive style.

COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee
Sara-Jane Byrne, Wales Audit Office
Ian Phillips, Wales Audit Office
Samantha Clements, Wales Audit Office
Paul Orders, Chief Executive
Christine Salter, Corporate Director Resources
Joseph Reay, Head of Performance and Partnerships
Ian Allwood, Head of Finance
Gary Jones, Head of Democratic Services
Heather Warren, Cabinet Support Officer
Joanne Watkins, Cabinet Office Manager