

**The County Council of the City and County of Cardiff**  
**Audit Committee 27 November 2017**  
**External audit update**

**1. 2016-17 Accounts financial audit**

- The Council approved the accounts of the Council (and group), Pension Fund, Port Health Authority and the Harbour Authority on 28 September.
- The audit certificates, including the certificate of completion of the audit, were signed on behalf of the Auditor General on 29 September. The Council published the accounts before the 30 September statutory deadline.
- The annual returns of the joint committees (Glamorgan Archives, Project Gwyrdd and City Deal) were also completed and signed, with no issues noted. .
- We have also signed off the Council's Whole of Government Accounts return (which the Council completes using the signed accounts). However due in part to technical issues with the consolidation pack itself, the audited return was submitted on 12 October after the required deadline of 3 October 2017.
- There is no outstanding work from the 2016-17 financial audit of the accounts.

**2. 2016-17 Grants audit work**

- As noted previously, the Council is part of a pilot project with the Welsh Government, WAO and three other councils. The pilot involves auditing a financial summary, as well as the outcomes delivered from grant monies.
- The financial summary work was completed and audited within the required deadlines.
- The outcomes work is ongoing and, as we would expect from piloting a new approach, there have been some teething problems. However, we are working well with the Council to come up with practical solutions and this element of the work is progressing.
- Our work on other grants (Housing Benefits, Teachers Pension Fund and Non-Domestic Rates) is largely complete and we anticipate certifying these returns by the end of November 2017 as planned.

**3. 2017-18 Performance audit work**

- Scrutiny for the future work is underway. This includes observations, focus groups and interviews. The review is exploring whether the Council's overview and scrutiny function is well placed to respond to current and future challenges. This review is being undertaken across all Welsh councils. A local report will be issued to the Council and regional seminars will be arranged.
- Service user perspective review – we have agreed with officers that this will focus on the Council's housing tenants and will tie into local work we will do on the Welsh Housing Quality Standard. Discussions are ongoing with officers to plan this work. The service user perspective review is being undertaken at all Welsh council but the subject matter may differ at each council.

- Aligning levers of change workshops – we are discussing the scope of these workshops with officers taking account of activities already undertaken by the Council.
- Well-being of Future Generations Year One commentary – the focus of the project will be on understanding how the 44 public bodies are beginning to respond to the requirements of the Act. We have received the completed call for evidence from the Council and met with the Chief Executive to discuss this. We are meeting with the Leader on 17 November. A national report will be published in March 2018. The national report will set out how public bodies are responding to the Act and identify examples of notable emerging practice.
- Performance audit compliance certificate was issued to the Council on 13 November.
- We will provide a further update to the next Audit Committee meeting in early 2018.

#### **4. 2017-18 Accounts financial audit**

- We have already met several times with Council finance staff to share learning from the 2016-17 accounts and audit processes. In addition, Council and WAO staff attended a WAO Good Practice Exchange seminar looking at practical ways for the faster closing of financial accounts. Our joint aim is to make improvements to processes now and we have jointly identified a number of improvements to working papers, close down timetables, and streamlining of the accounts for 2017-18.
- There will be a change of Audit Manager for the 2017-18 audit. Matthew Coe is going on a 12-month secondment to South Wales Police to work with them on improving financial systems, supporting collaboration across Wales and developing outcome measures. The new Audit Manager will be Phil Pugh and there are no changes to the Engagement Lead (Ann-Marie Harkin) or the main accounts Team Leader (Jon Martin).

**Matthew Coe**  
**Financial Audit Manager**

**Sara-Jayne Byrne**  
**Local Government Performance Audit Manager**

**15 November 2017**