

AUDIT COMMITTEE: 26 JANUARY 2021

**ANNUAL AUDIT SUMMARY REPORT
REPORT OF HEAD OF PERFORMANCE AND PARTNERSHIPS**

AGENDA ITEM: 9.1

Reason for this Report

1. This report provides an overview of the latest Annual Audit Summary Report from Audit Wales.
2. The Audit Committee Terms of Reference requires the Audit Committee to:
 - Consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
 - Comment on the scope and depth of external audit work, and to ensure it gives value for money.
 - To commission work from internal and external audit.

Background

3. The Audit Committee receives regular updates on the work of the Council's external auditors, and information in respect of the reports underway and completed as part of Committee meetings.
4. This Annual Audit Summary for Cardiff Council shows the work completed by Audit Wales since the last Annual Improvement Report, which was issued in October 2019. The production of the Annual Audit Summary forms part of the Auditor General for Wales' duties.

Issues

5. The Annual Summary report covers work undertaken in 2019-20, recognising that the Audit Wales work programme for the Council has affected the delivery of audit work, and in some areas, reshaped the priorities of Audit Wales' work programme with the Council.
6. Details of the findings of the following Audit Wales reports are included in the summary:
 - a. Audit of Cardiff Council's 2019-20 Accounts
 - b. Well-being of Future Generations Examination – Review of leisure services (October 2020)
 - c. Continuous Improvement - The Auditor General certified that the Council has met its legal duties for improvement planning and reporting
 - d. Financial Sustainability (March 2020)
 - e. Waste Management
 - f. National Fraud Initiative

7. Progress against the recommendations made by Audit Wales in each of the above reports, can be found in the Audit Wales Recommendation Tracker (item 8.1).
8. The Audit Summary report provides an overview of reports published by other regulatory bodies, including Estyn, Care Inspectorate for Wales and Her Majesty's Inspectorate for Probation (report on Youth Justice services), and on national studies undertaken by Audit Wales.
9. The report also includes an overview of the planned work for 2021/22, including:
 - Recovery planning in response to the COVID-19 pandemic
 - COVID-learning project – helping to identify and share learning from the way in which public bodies have responded to the pandemic
 - Assurance and risk assessment
 - A review of the Council's financial sustainability
 - Modernisation of workforce.

Legal Implications

10. The statutory functions of the Audit Committee include the duty to review, scrutinise and issue reports and recommendations on the appropriateness of the authority's risk management, internal control and corporate governance arrangements (pursuant to Part 6 Chapter 2 of the Local Government (Wales) Measure 2011). In discharging its functions, the Audit Committee must have regard to all relevant guidance, in particular the CIPFA guidance for Audit Committees.

Financial Implications

11. The financial implications (if any) arising from this report have been contained within the body of the report.

RECOMMENDATIONS

12. That the Committee considers and notes the contents of the report.

Gareth Newell
Head of Performance and Partnerships

The following is attached:

City of Cardiff Council, Annual Audit Summary 2020