

GOVERNANCE & AUDIT COMMITTEE: 20 JULY 2021

RECOMMENDATION TRACKER - REPORTS OF EXTERNAL REVIEW BODIES REPORT OF HEAD OF PERFORMANCE AND PARTNERSHIPS

AGENDA ITEM: 8.1

Reason for this Report

1. This report provides an overview of the management and delivery of recommendations received from Audit Wales but will be extended to include Estyn, Care Inspectorate Wales and Her Majesty's Inspectorate for Prisons for the next update. A summary of progress against recommendations is attached as Appendix 1 of this report, with a fuller assessment attached as Appendix 2.
2. The purpose of the Governance and Audit Committee in accordance with its terms of reference is to provide independent assurance to the members of Cardiff Council, and its wider citizens and stakeholders, on the risk management framework, the internal control environment, and the performance assessment of the Council. the Committee's terms of reference include responsibility for the following:
 - To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
 - To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
 - To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
 - To consider specific reports as agreed with the external auditors.
 - To comment on the scope and depth of external audit work, and to ensure it gives value for money.

Background

3. The Governance and 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. In January 2021, an external audit recommendation tracker item was introduced, to provide a periodic overview and account, of the progress made in delivering agreed Audit Wales recommendations, for the information and assurance of the Committee.

5. In considering the item in January 2021, the Committee was advised of the intentions to expand the information provided in future reports to include progress against Audit Wales national reports (where appropriate) and recommendations made by other external regulatory bodies, including Estyn, Care Inspectorate for Wales and Her Majesty's Inspectorate of Probation (HMIP). These reporting intentions were accepted, as was the need to include the 'accountability / reporting to' arrangements, in respect of relevant Committees or Boards which are to be received and considered by the Governance and Audit Committee on a bi-annual basis.
6. To progress this work and strengthen existing practice, the recommendations of Her Majesty's Inspectorate of Probation's (HMIP) most recent inspection of youth offending services in Cardiff have been included in the tracker. There are no outstanding corporate recommendations arising from the last Estyn monitoring visit, with Cardiff Council judged to have made sufficient progress in relation to the recommendations that arose from the monitoring visit of February 2014. As these are historic recommendations that have previously been addressed they have not been included in the tracker, however the output of any future Estyn visits will be included in the monitoring arrangements. The most recent Care Inspectorate Wales inspection – A Risk Based Inspection of Cardiff Council Social Services- was undertaken in 2020/21. Given that the recommendations have only recently been published, these will be included and updated against in the next half year update, which will be considered by the Committee.
7. The Governance and Audit Committee was renamed in 2021/22 (formerly an Audit Committee), and has additional responsibilities incorporated into its terms of reference relating to performance, whilst it has retained all existing responsibilities in accordance with the provisions of the Local Government and Elections (Wales) Act 2021. The Committee's terms of reference was approved by Council on 27 May 2021 for the current municipal year following consideration and agreement by Committee on 23 March 2021.
8. On 3 June 2021, the Chair of the Governance and Audit Committee received a letter from the Audit Director of Audit Wales titled 'Audit Wales Reports and Recommendations' (attached as **Appendix 3** to this report) which was consistent with letters issued to the Chairs of all Local Authority Governance and Audit Committees. The letter is appended in full to this report, and an extract below outlines the expectations of Audit Wales for Governance and Audit Committees to consider relevant reports and recommendations from external review bodies, and to receive assurances on the arrangements for their oversight and delivery.

“Given the role of the Governance and Audit Committee is to review and assess the risk management, internal control, performance management and corporate governance arrangements of the Council, we would expect that all councils' Governance and Audit Committee formally consider all reports of external review bodies – principally; Audit Wales, Estyn and the Care Inspectorate Wales (CIW).

As well as actively considering reports we would expect committees to assure themselves that there are arrangements in place to monitor and evaluate progress against any recommendations contained in them. The focus here should be on holding executives and officers to account to ensure that reports and recommendations have been acted upon. Some of our reports may be relevant for consideration by scrutiny committees also.”

Issues

9. The pathway for expanding the External Review Tracker, as agreed in the Committee meeting in January 2021, provides the Governance and Audit Committee with oversight information on the scope, assurances and recommendations of reports received from external review bodies, and the position in responding to associated recommendations and relevant board level reporting details for its information and assurance. In receiving the recommendation tracker, enquiries can be made with relevant managers as appropriate and detailed reports can be requested and reviewed where the Committee considers this necessary.
10. The Audit Committee Chairperson has discussed the letter from Audit Wales with the Audit Manager. The Audit Manager has advised that as part of Audit Relationship Management meetings with Directors and / or their senior representatives, senior management are asked to advise if there are any concerns with the delivery of improvement actions identified through the reports of external review bodies. The Chair of the Governance and Audit Committee will be notified if any concerns are raised.
11. The approach for recording the recommendations of external regulatory bodies, particularly when the proposals for strengthening the approach are enacted, positions the Council well to respond to the requirements of the Audit Director of Audit Wales

Legal Implications

12. Relevant legal provisions are set out in the body of the report.

Financial Implications

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

RECOMMENDATIONS

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

Gareth Newell
Head of Performance and Partnerships

The following appendices are attached:

- Appendix 1** – Summary: Progress against Recommendations from External Review Bodies
- Appendix 2** – Detailed: Progress against Recommendations from External Review Bodies
- Appendix 3** – Letter to Governance and Audit Committee Chair re: Audit Wales Reports and Recommendations