

GOVERNANCE & AUDIT COMMITTEE: 19 July 2022

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

AGENDA ITEM: 11.4

Reason for this Report

1. This report provides an overview of the management and delivery of recommendations received from Audit Wales, Estyn, Care Inspectorate Wales and Her Majesty's Inspectorate for Prisons.
2. The role 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. Its terms of reference includes the responsibilities of the Governance and Audit Committee to:
 - Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
 - Consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
 - Consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
 - Consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
 - To consider specific reports as agreed with the external auditors.
 - 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 was introduced to provide a biannual overview of the progress made in delivering agreed Audit Wales recommendations, for the information and assurance of the Committee. Further to this, and as part of Audit Relationship Management meetings with Directors, 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.

5. This approach responds to the performance assessment functions of the Committee introduced by the Local Government and Elections (Wales) Act 2021 and confirmation provided by the Audit Director of Audit Wales that Governance and Audit Committees are expected to consider relevant reports and recommendations from external review bodies, and to receive assurances on the arrangements for their oversight and delivery. The approach for recording the recommendations of external regulatory bodies positions the Council well to respond to the requirements of the new statutory performance assessment regime and the Audit Director of Audit Wales.

Issues

6. In considering the item in January 2021, the Committee was advised of the intention 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 for Prisons. This has been done, and the Audit Tracker now reflects the position in relation to all the aforementioned external regulatory bodies.
7. It was also agreed that the Audit Tracker would include details of oversight arrangements, for each External Audit. As part of the strengthening of the Council's Planning and Performance Framework, a number of improvements have been introduced to ensure appropriate oversight of the Council's regulatory position.
 - Senior Management Team: The External Audit Recommendation Tracker is considered by the Council's Senior Management Team twice a year to ensure corporate oversight.
 - Chief Executive Assurance Session: The Audit Tracker is considered at the Assurance Session convened by the Chief Executive on a bi-annual basis, with each individual Director of Service. Each assurance session is also attended by the Corporate Director (Resources), Head of Finance, Head of Performance and Partnership and Operational Manager for Policy and Improvement and the regulatory position is considered.
 - Cabinet Performance Session: Based on the Assurance Sessions, the Chief Executive provides a Self-Assessment of Performance to Cabinet twice a year. This includes a summary of the judgements of regulators and the Council's improvement work in response.
 - Annual Wellbeing Report: Both the Annual Wellbeing Report and Half Year Self-Assessment Report provides a summary of the judgements of regulatory bodies. These reports are formally considered by Cabinet, the Policy Review and Performance Scrutiny Committee, Governance and Audit Committee and Full Council.
 - Wider Political Governance: The Council's wider political governance may consider the reports of external regulatory bodies, which fall under their terms of reference, and seek any assurance it deems appropriate. For each recommendation, the Audit Tracker now includes detail of the relevant oversight committee, in response to the recommendation of the Governance and Audit Committee in January 2021.

8. In addition to the above, the recommendations of regulatory bodies are formally reported to the Governance and Audit Committee twice a year. This update includes the summary position (Table 1 and Table 2 below) as well as details of all recommendations which are currently open or that have been closed during the last 6 months (Appendix 1 and 2). This ensures a focused consideration of all open and recently closed recommendations. Full details are available on request.

Overview- Latest Position

9. Table 1 below shows the progress made in closing recommendations since the tracker approach was adopted in January 2021. Table 2 shows the balance of RAG ratings in relation to responding to recommendations over the same period. Both demonstrate that progress has been made responding to recommendations received from external regulators since the introduction of the tracker approach.

Table 1: Total recommendations open/closed January 2021 - July 2022

Date	Total Recommendations	Total Open	Total Closed	% Open
July 2022	85	38	47	44%
January 2022	64	27	37	42%
July 2021	61	29	32	47%
January 2021	61	46	15	76%

Table 2: Overview of RAG status for recommendations January 2021 – July 2022

Date	Total Recommendations	Green	Amber	Red	No RAG assigned
July 2022	85	58	11	0	16
January 2022	64	54	10	0	N/A
January 2021	61	38	22	1	N/A

10. An overview of the progress against the External Regulators' Programme of work is included as Appendix 1, with full details of the recommendations and the Council's response is included as Appendix 2.

Legal Implications

11. The statutory functions of the Governance and Audit Committee include the duty to review and assess the risk management, internal control, performance assessment and corporate governance arrangements of the authority. In discharging its functions, the Committee must have regard to guidance given by the Welsh Ministers.

Financial Implications

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

RECOMMENDATIONS

13. 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 External Regulatory Body Programme July 2022

Appendix 2 - Detailed: Progress against External Regulatory Body Programme July 2022