

GOVERNANCE & AUDIT COMMITTEE: 24 October 2023

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

AGENDA ITEM: 9.1

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. As part of its terms of reference, the Governance and Audit Committee is required 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, new reporting arrangements were put in place to provide a biannual overview of the progress made in delivering agreed recommendations made by external regulators, for the information and assurance of the Committee.

Issues

5. This report includes the summary position of the Council's progress in responding to recommendations made by regulators (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 reporting period (Appendix 1 and 2). This ensures a focused consideration of all open and recently closed recommendations. Full details are available on request.
6. This approach responds to the performance assessment functions of the Committee introduced by the Local Government and Elections (Wales) Act 2021. It also responds to the requirement 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, as confirmed by the Audit Wales Director General. 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.
7. Oversight of the Council's regulatory position and the performance against the responding to recommendations made by regulators forms an important part of the Council's Planning and Performance Framework, including:
 - 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 and Head of Performance and Partnership.
 - 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. 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.

Overview- Latest Position

9. Table 1 below shows the position as off October 2023 and the progress made in closing recommendations since the recommendation tracker approach was adopted. 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 - October 2023

Date	Total Recommendations	Total Open	Total Closed	% Open
Mid-year 2023	109	28	80	26%
Mid-Year 2022/3	109	40	69	37%
Year-End 2021/22	85	38	47	44%
Mid Year 2021/22	64	27	37	42%
Yar End 2020/21	61	29	32	47%
Mid Year 2020/21	61	46	15	76%

Table 2: Overview of RAG status for open recommendations

Date	Number of open recommendations	Green	Amber	Red	No RAG assigned
2022/23	19	0	0	0	19
2021/22	4	4	0	0	0
2020/21	5	4	0	0	1
2019/20	0	0	0	0	0
2018/19	0	0	0	0	0
2017/18	0	0	0	0	0
Total	28	5	0	0	20

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

October 2023

The following Appendices are attached:

Appendix 1 – Summary Position: Progress against External Regulatory Body Programme
October 2023 (PowerPoint presentation)

Appendix 2 – Link to Recommendation Tracker: [External Audit Tracker Governance & Audit Committee Mid-Year Update 2023/4](#)