

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

28 JANUARY 2021

REPORT OF THE INTERIM CHIEF OFFICER - FINANCE, PERFORMANCE AND CHANGE

AUDIT WALES GOVERNANCE AND AUDIT COMMITTEE REPORTS

1 Purpose of report

- 1.1 The purpose of this report is to submit to the Committee a number of updates and reports from Audit Wales, including an update on the financial and performance audit work undertaken, and due to be undertaken, by Audit Wales, during 2020-21.

2 Connections to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:
- Smarter use of resources – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help deliver the Council's well-being objectives.
- 2.2 The Council's performance is an important element in determining the extent to which the well-being objectives can be delivered.

3 Background

- 3.1 Audit Wales undertakes a programme of work during the year to help the Auditor General discharge his duties under the Public Audit (Wales) Act 2004 (the 2004 Act) and the Local Government (Wales) Measure 2009. The Auditor General's functions include auditing accounts and undertaking local performance audit work at a broad range of public bodies, alongside conducting a programme of national value for money examinations and studies. The Auditor General also assesses the extent to which public bodies are complying with the sustainable development principle when setting and taking steps to meet their well-being objectives.
- 3.2 Part 2 of the 2004 Act sets out the powers and duties of the Auditor General to undertake studies in relation to local government bodies in Wales. The most widely used of these provisions is section 41, which requires the Auditor General to undertake studies designed to enable him to make recommendations for, among other things, improving the value for money in the provision of services.
- 3.3 The Local Government (Wales) Measure 2009 includes a general duty that requires Welsh improvement authorities to make arrangements to secure continuous improvement in the exercise of their functions. It requires the Auditor General to carry

out an annual Improvement Assessment to determine whether the Council is likely to comply with the requirements of Part 1 of the Measure.

4 Current situation / proposal

4.1 Audit Wales has produced a number of reports for the Governance and Audit Committee to consider. These are:

- **The Audit Wales Governance and Audit Committee Update** (Appendix A) - this outlines both financial and performance work undertaken in the Council by and on behalf of the Auditor General under the Local Government (Wales) Measure 2009 and the Public Audit (Wales) Act 2004.
- **Annual Audit Summary** (Appendix B) – this report is a composite of the Annual Improvement Report and the Annual Audit Letter, and it shows the work completed since the last Annual Improvement Report, which was issued in October 2019. The audit summary forms part of the Auditor General for Wales’ duties.
- **Financial Sustainability of Local Government as a Result of the Covid-19 Pandemic** (Appendix C) – this report is the beginning of the work looking at the financial sustainability of local councils during 2020-21, building on the work completed in 2019-20.

5 Effect upon policy framework & procedure rules

5.1 There is no impact on the policy framework and procedure rules.

6 Equality Impact Assessment

6.1 There are no equality implications arising from this report.

7 Well-being of Future Generations (Wales) Act 2015 implications

7.1 The wellbeing goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of wellbeing goals/objectives as a result of this report.

8 Financial implications

8.1 There are no financial implications arising from this report.

9 Recommendation

9.1 That the Committee notes the Audit Wales Governance and Audit Committee Reports at Appendices A, B and C.

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Background Documents: None