

THE VALE OF GLAMORGAN COUNCIL

CABINET: 23RD MAY, 2016

REFERENCE FROM AUDIT COMMITTEE: 25TH APRIL, 2016

“ EXTERNAL AUDIT PLAN 2016 (MD) –

The Audit Committee considered the Council's External Audit Plan 2016 which was produced annually by the Wales Audit Office. The Auditor General for Wales was required to carry out an audit which discharged its statutory duties and fulfilled its obligations under the Public Audit (Wales) Act 2004, the Local Government (Wales) Measure 2009, the Local Government Act 1999 and the Code of Audit Practice. This involved the following:

- Examination and certification of the Council's financial statements to ensure they are true and fair;
- Assessment of the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources;
- Audit and assessment of whether the Council has discharged its duties and met requirements of the Measure;
- Bespoke pieces of work aimed at enabling the Council to make improvements in economy, efficiency and effectiveness or financial or other management practices.

A copy of the External Audit Plan was attached at Appendix 1 to the report, with key highlights as follows:

- To issue a certificate and report on the Council's financial statements which include an opinion on their "truth and fairness". Whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if the Annual Governance Statement did not comply with requirements.
- To audit / independently examine the Joint Committee arrangements which are hosted by the Council, these being Shared Regulatory Services and Adoption Service. This would be the first year that the Council would need to produce Financial Statements for these bodies. In addition, an independent examination of the Welsh Church Act Fund would be undertaken in accordance with timescales agreed with the Council and the Charity Commission.
- A programme of performance audit work would be undertaken, however the Auditor General for Wales was unable to be specific at this time but was working through the practicalities of designing an appropriate work programme and examining the implications of the reduction in grant funding

with a view to ensuring, as far as possible, that there was little adverse impact on Local Authorities through fees.

Members discussed the proposals to explore alternative funding models in respect of fees for 2017/18. The Committee was advised that the majority of audit work in the Vale of Glamorgan was charged via fees, with all Wales work being funded directly through Welsh Government. It was planned that this would be considered in order to provide greater transparency around how fees were collected.

A Committee Member queried the need to secure continual improvement and asked what the driving force behind this was. In reply, the Committee was advised that this was being driven by the Local Government (Wales) Bill and through the Future Generations (Wales) Act 2015 around which the Vale of Glamorgan Council would need to demonstrate that it was continually improving. There were no specific benchmarking data, but the role of the Audit Office would be to highlight any issues around service provision and, if appropriate, make recommendations which could be statutory. Furthermore, the Committee was advised that the intention of the Wales Audit Office was not to evaluate the level of savings, but to comment on whether the Authority was moving in the right direction. Further context would be provided following publication of the report on the Corporate Assessment. In addition, a Committee Member stated that it would be the Council itself in conjunction with outside partnership who would be monitoring the effectiveness of service provision and he hoped that all performance indicators would be relevant to the local population.

Following consideration of the 2016 External Audit Plan, the Committee

RESOLVED – T H A T the External Audit Plan for 2016 be accepted and be referred to Cabinet for approval.

Reason for decision

To progress the External Audit work programme and to ensure that robust scrutiny of the External Audit Plan takes place.”

Attached as Appendix – [Report to Audit Committee: 25th April, 2016](#)