

MEETING: **AUDIT COMMITTEE**

DATE: **18 December 2014**

TITLE: **External Audit Reports**

PURPOSE / RECOMMENDATION: **To submit a summary of implementation steps established by the Services in response to external audit reports and their recommendations for consideration by the Audit Committee.**

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CABINET MEMBER: **Councillor Dyfed Edwards**

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## **1. INTRODUCTION**

1.1. One of the primary duties of the Audit Committee as outlined in the Local Government (Wales) Measure 2011, is to **review and assess the authority's risk management, internal control and corporate governance arrangements**. The Statutory Guidelines published pursuant to the Measure states that the Committee needs to:

- *“report on the adequacy of the authority's risk management and internal control arrangements, and comment on their effectiveness, as well as following up on risks identified by auditors and requiring reports as to action taken in response;”* and
- *“the authority will need to ensure there is no unnecessary duplication between the audit committee and any overview and scrutiny committee in considering such reports”.*

1.2 At its meeting on 3 December 2013, the Audit Committee approved new arrangements of reporting in order to strengthen governance arrangements and scrutiny of the main reports avoiding any duplication or vagueness. The principal reports are:

- ESTYN Reports
- Care and Social Services Inspectorate Wales (CSSIW) Reports
- Annual Reports of the Wales Audit Office (WAO)

1.3 There is a responsibility to ensure that arrangements and processes are in place to ensure that any recommendations included in external audit reports were implemented.

1.4 The Scrutiny Chairs Forum at its meeting on 24 January 2014, accepted the proposal for the relevant Scrutiny Committees to scrutinise the principal external audit reports.

- 1.5 In order to avoid duplication it was resolved to present to the Audit Committee a summary of the implementation steps established by the services in response to the external audit reports and their recommendations. A summary will be presented to the Audit Committee as the recommendations of the main reports or any other substantial recommendations come to our attention.

## **2. RECOMMENDATION**

2.1 The Audit Committee is asked to

- i) consider the contents of the appendix and satisfy itself that there is sufficient evidence that the external auditors' recommendations receive adequate attention.
- ii) decide if it is to call any matter in for further consideration, either to the full Committee or the Control Improvement Work Group.