

<b>MEETING</b>	<b>AUDIT AND GOVERNANCE COMMITTEE</b>
<b>DATE</b>	<b>14 October 2021</b>
<b>TITLE</b>	<b>Recommendations and Improvement Proposals of External Audit Reports</b>
<b>PURPOSE</b>	<b>Ensure that the Audit Committee satisfies itself that the actions created in response to recommendations in external audit reports are realised.</b>
<b>AUTHOR</b>	<b>Geraint Owen, Head of Corporate Support Department</b>

## **1 The decision sought/purpose of the report**

- 1.1 The Committee will need to satisfy itself that appropriate arrangements are in place in order to ensure that the improvement proposals that arise from external audit reports are implemented.

## **2 Introduction**

- 2.1 The Audit and Governance Committee has a responsibility to consider external audit reports (national, and those local to Gwynedd), the recommendations contained in them, and the implications of these for governance, risk control or management.
- 2.2 The role of the Audit and Governance Committee in this matter is to satisfy itself that arrangements and processes are underway to ensure that these improvement proposals are implemented, and the Committee should not duplicate an investigation into matters that are within the remit of one of the other scrutiny committees. However, if the Committee is of the view that the arrangements - including the operation of one of the Scrutiny Committees - are inadequate, it may call in any matter for further consideration, either to the full committee or to the Controls Improvement Working Group.
- 2.3 The role and responsibilities of the Committee in the context of performance audit work has been confirmed in a letter from Derwyn Owen, Audit Director, Audit Wales to all Chairs of Governance and Audit Committees of Welsh local authorities in June. This letter is appended as **Appendix 1** for information.

## **3 Relevant Considerations**

- 3.1 In **Appendix 2**, a chronological list is submitted of inspections undertaken by external auditors between 2018 and August 2021, along with their improvement proposals. The 'local/relevant [reports] for Gwynedd Council' have been listed first, followed by the national reports.
- 3.2 We have noted 'the direction of the discussion on the recommendations' in order to show where the report and its recommendations have been discussed and, therefore, how any action plan was agreed upon.
- 3.3

3.4 We have noted 'Progress against improvement proposals' focusing on what has been achieved since the Committee last discussed this matter in November 2019.

3.5 We then note our 'Conclusion' of the progress made - have sufficient steps been taken to satisfy the Committee that the work of realising the recommendation is 'completed', or is it still 'on-going'? These conclusions have been agreed by the Council's Governance Group. It is a matter for this Committee to determine whether or not it agrees with the 'Conclusions'. A key to the meaning of the conclusions can be viewed at the beginning of Appendix 2.

All of the reports in Appendix 2 had recommendations deemed 'not commenced', 'plan in progress' or 'on-going' when the matter was last discussed by this Committee in November 2019, or are reports that have been published since then. The Governance Group is of the opinion that reports that are older than three years old have been addressed or the recommendations have dated so they are not relevant any more.

## **4 Reasons for Recommending the Decision**

4.1 The Audit and Governance Committee needs to ensure correct governance within the Council by having overview of how we will respond to improvement proposals made in external audit reports.

## **5 Next steps and timetable**

5.1 Responding to most of the improvement proposals is continuous work. Should the committee agree with the conclusions on the progress made against the proposals for improvement, then those that have been "completed" will not be addressed by this Committee again. Those "in progress" will be returned to this Committee to be considered again in 6 months' time.

## **6 List of Appendices/Literature**

Appendix 1 - A letter from Derwyn Owen, Audit Director, Audit Wales to Chairs of Governance and Audit Committees regarding the Reports and Recommendations of Audit Wales

Appendix 2 - Improvement Proposals in External Audit Reports 2018-2021.