



Welcome to our first Audit Committee Newsletter.

I intend to write our newsletter twice a year, to keep you up to date on the work we have delivered, the work we have planned and our outcomes. (Ian Arundale, Chairperson)



A Busy End to 2017/18

Our Review of Cardiff Council

We concluded our review of 2017/18 in our first meeting this year in June.

1. We were **joined by the Chief Executive (CEX)**, who outlined:
 - The refreshed Senior Management Structure
 - The targets to reduce the Council's most significant risks
 - The approach to assessing and managing governance by the Senior Management Team
2. We concluded our review of the Council's **Statement of Accounts (SOA) 2017/18**, through which we:
 - ✓ Considered the Council's accounting policies and application
 - ✓ Challenged and questioned financial transactions, balances and narrative information
3. We concluded our review of the Council's **Annual Governance Statement (AGS) 2017/18**, through which we:
 - ✓ Considered the Council's governance framework & approach
 - ✓ Challenged and questioned the results of supporting assessments and disclosures.

We meet the CEX annually to seek confidence in the Council's systems of governance and control and its management of risk.

We review the SOA and the AGS at draft stage and following Audit

Our Self-Review

- ✓ In March 2018, we completed a best practice self-assessment.
- ✓ We were assessed as effective in our core role but there is always room to improve and develop.
- ✓ In particular, we have plans to improve our **Communications, Networking and Wider Training**.

Internal Audit's Review

- ✓ The Audit Team has self-assessed its conformance with the Public Sector Internal Audit Standards (PSIAS)
- ✓ An independent validation has supported the self-assessment of conformance with the PSIAS.

Our Opinion 2017/18

The Positives

- The Council has for the most part, sound financial controls and governance arrangements
- Strategic risks representing the true challenges facing the Council are well captured and reviewed

Ongoing Areas of Concern & Committee Focus for 2018/19

- | | |
|--|----------------------------------|
| ▪ Budget prioritisation & control | ▪ Financial & Internal Controls |
| ▪ Financial resilience (Inc. Treasury mgt) | ▪ School governance & compliance |

Audit Committee Annual Report 2017/18

We have produced our Audit Committee Annual Report 2017/18, which I will be delighted to present to, and discuss with, Council in October 2018.

Our Annual Report provides an account of:

1. Our role, work and the opinion of the Audit Committee for 2017/18
2. Who we are, the results of our self-assessment, and our developmental action plan.

Onwards to 2018/19

What our Internal Audit Team has found so far this year...

The Positives

- An effective framework for corporate governance review and disclosure.
- Examples of good governance and effective decision making in directorates and schools

Areas for Development

- Partnership / collaboration guidance
- Directorate commissioning and procurement
- Business continuity planning compliance
- Music Service financial control.

Education and Lifelong Learning

We met the Director in September as part of our cyclical senior officer engagement in Committee meetings. The prominent matters of governance and risk discussed were as follows.

School Provision & Maintenance

We were advised of:

- Cabinet approval for additional capacity and governance for Band B 21st Century Schools.
- Work underway to manage school building compliance.

School Attainment & Budget Management

We were advised of:

- Improvements in school performance and the number categorised as 'Green'.
- The monitoring of school deficit recovery plans and surplus balances.

Governance Review

The Directorate has self-assessed their application of good governance as



Internal Audit Reports

The Director has welcomed the work of Internal Audit in Schools, and gave assurance that he is providing support and intervention where required to improve financial management and governance.

We will monitor these areas through quarterly risk updates, biannual governance reviews and the independent work of Internal Audit.

Planning, Transport and Environment

We met the Director in September as part of our cyclical senior officer engagement in Committee meetings. The prominent matters of governance and risk discussed were as follows

Environmental Management Programmes

We were advised of:

- Air quality management initiatives to reduce air pollution and the impact on health.
- Coastal erosion and flood risk management mitigation.
- The Management of climate change and consistent energy supply.

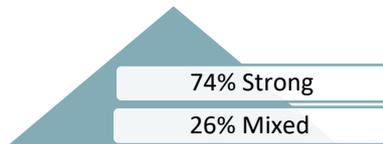
Security & Compliance Programmes

We were advised of:

- Waste Management compliance and control work.
- The progress in installing hostile vehicle mitigation bollards in key locations.

Governance Review

The Directorate has self-assessed their application of good governance as



Internal Audit Reports

The Director summarised the status of the audits planned and underway for this year.

The progress and targets were discussed for actions due in respect of 'Adopted Land' and 'Facilities Management IT (Tranman)'.

We will monitor these areas through quarterly risk updates, biannual governance reviews and the independent work of Internal Audit.

About Us & Our Work

Governance

Internal Control

Finance

Risk Management

We are independent

We are made up of four independent lay members & eight Councillors (non-Cabinet)

- ✓ **We review governance and internal controls**
- ✓ **We review Financial reporting, control and value for money**
- ✓ **We review Risk Management**

We receive and discuss reports and updates from a range of Managers, the Internal Audit and External Audit Teams.

If you **want to know more** about our role and work, please view the Council's website

<http://cardiff.moderngov.co.uk/mgCommitteeDetails.aspx?ID=137&LLL=0>

In November, **we are looking forward to meeting** the....

- Director, People and Communities
- Director, Governance and Legal Services
- Chief Digital Officer