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Dear Martin

Assurance and Risk Assessment Progress Update

Following on from our meeting with the Corporate Management Team earlier this year, we said that we would more formally feed back on some specific aspects of our assurance and risk assessment work that we have undertaken. This letter provides a progress update on the Council's arrangements for responding to the requirements of the Local Government and Election (Wales) Act 2021.

This work was undertaken as part of our 2021-22 Assurance and Risk Assessment (ARA) project to help discharge the Auditor General's duties¹.

We recognise that the Council's response to the Local Government and Elections (Wales) Act 2021 is ongoing. This feedback provides a point in time assurance and risk progress update on the Council's arrangements in this area.

¹ These duties include under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act). It may also inform a study for improving value for money under section 41 of the 2004 Act, and/or an examination undertaken by the Auditor General under section 15 of the Well-being of Future Generations (Wales) Act 2015.

Arrangements for responding to the Local Government and Elections (Wales) Act 2021

What we did

We undertook our assessment of the Council's progress in responding to key requirements in the Local Government and Elections (Wales) Act 2021 between March and April 2022. The evidence was gathered through interviews and document reviews and also drew on relevant findings from our other ongoing and recent work at the Council. Our work looked at the arrangements the Council is putting in place in responding to the Local Government and Elections (Wales) Act 2021. The work was not an assessment of the effectiveness of these arrangements.

What we found

• Arrangements for Self-Assessment and Panel Assessments

The Council's approach to undertaking its self-assessment has been based on the principle of utilising existing frameworks. The approach has several positive attributes including:

- the modification of the Future Generations Commissioner's Self-Reflection tool to support an integrated approach to the gathering of evidence to determine progress against the Council's well-being objectives and to fulfil its new self-assessment responsibilities;
- clear corporate and Member awareness and buy-in to the proposed new approach;
- enhancement of the Council's Annual Governance Statement process into a Service Assurance and Management process;
- utilisation of SWOT analysis within its Annual Service Planning to provide additional evidence for the self-assessment process;
- the integration of the final self-assessment output into the Council's Annual review of its well-being objectives, this being its Annual Review of Performance due to be published in October 2022;
- a clear time frame for completing the self-assessment and for how and when governance, oversight and scrutiny will be involved in design and sign-off; and

- the intention to undertake an evaluation of the process at the end of the first iteration to learn any lessons and improve the approach.

The decisions for the arrangements and timing for the related statutory Panel Assessment will be taken by the new administration after the May 2022 Local Government elections.

- **Arrangement for the Consultation Duty and Participation Strategy**

In early 2022, the Council undertook a consultation on its 2020-21 performance and its priorities for 2022-23. It proposes to use the evidence from this consultation in the development of its self-assessment. Whilst the Council did seek to engage with the statutory consultees proposed in the Local Government and Elections Act, the response was poor. Therefore, given this, it will be important that the Council learns from this and clearly articulates how it proposes to improve its consultation around its future self-assessments and if what it is currently doing discharges its responsibilities under this consultation duty.

Whilst the response rate to the survey was low, there were a number of challenging results to some of the survey questions, such as those around the Council having good governance arrangements. It will be important to ensure that the output for the Council's self-assessment reflects the feedback from the whole survey.

At the time of our work the Council told us they were progressing their participation Strategy. However, full details for the status of this strategy are still to be confirmed.

- **Arrangements for the changes to Governance and Audit Committees**

The Council approved the composition of its new Governance and Audit Committee (G&AC), this being ten councillors and five lay members, in October 2021.

The committee currently has two lay members, one of which is the current Chair, both of whom intend to continue to serve. Whilst the Council has reported that the campaign to recruit suitable lay members has been challenging, it has now successfully recruited and appointed two further lay members and a second recruitment campaign for the final additional lay member is underway with the closing date for this being 20 May 2022.

A draft training programme for all G&AC Members was presented in the April 2022 G&AC meeting and includes training across several competencies such as governance, financial, performance management.

- **Arrangements for establishing Corporate Joint Committees (CJCs)**

The South West Wales CJC (SWWCJC) was established on 13 January 2022, in conjunction with the other statutory partners, Neath Port Talbot Council, Carmarthenshire County Council, Brecon Beacons and Pembrokeshire Coast National Park Authorities. Key statutory decisions were taken at this meeting, such as appointment to the governance structure, agreeing the constitution and other statutory requirements, such as those around scrutiny and overview. The approval of the Draft Budget was taken at a later meeting on 25 January 2022.

The SWWCJC has been organised around a sub-committee structure for the key areas of responsibility. However, a decision was taken not to integrate other regional economic development programmes, such as the City Deal, into the CJC, at this point in time, to avoid any potential disruption to the delivery of the City Deal.

- **Use of the General Power of Competence (GPoC)**

The Council is currently assessing opportunities of how it might use the GPoC as part of its revised Commercial Strategy which aims to support the delivery of its 'Achieving Better Together' ambitions. However, at this stage, the Council has not identified any specific opportunities to use the GPoC over and above activity that has been progressed under existing legislation.

This letter forms part of the feedback on our Assurance and Risk Assessment work. We will also be reporting in due course on three further subject areas: recovery planning, carbon reduction and an update on financial sustainability. It is intended that the work on these three areas will be reported in Summer 2022.

I would like to take this opportunity to thank you and your officers for the ongoing support you provide to enable us to carry out our work. We look forward to continuing to work positively with you going forward.

Yours sincerely,

Non Jenkins
Audit Manager