

Committee: **Audit Committee**  
Date of meeting: **29<sup>th</sup> September 2020**

Report Subject: **Response to Audit Wales Enquiry to those Charged with Governance and Management**

Portfolio Holder: **Cllr. Nigel Daniels, Leader / Executive Member Corporate Services**

Report Submitted by: **Rhian Hayden, Chief Officer Resources  
Louise Rosser, Audit and Risk Manager**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	13.08.20		29.09.20					

1. **Purpose of the Report**
  - 1.1 The purpose of this report is to inform the Committee of the management response to the Audit Wales enquiries (see Appendix A) and for the Committee to consider its own response to the enquiries as those charged with governance.
2. **Scope and Background**
  - 2.1 A letter of enquiry is received on an annual basis from Audit Wales which seeks the Councils documented consideration and understanding of the management and governance arrangements in place for the Authority with regard to the prevention and detection of fraud.
  - 2.2 The report informs Members of the Management response to Audit Wales and seeks commentary from the Committee in respect of some of the queries raised in the correspondence.
3. **Options for Recommendation**
  - 3.1 The letter of enquiry was presented to Corporate Leadership Team on 13.08.20 who confirmed their agreement with the management response provided by the Chief Officer - Resources.
  - 3.2 The Audit Committee is asked to consider this report and:
    - Endorse the management response
    - Provide appropriate responses from the Committee (as those charged with governance) to the queries as required.

3.3 Options for consideration are:

Option 1

The Committee endorse the attached Management response to the Audit Wales query and consider whether the draft response of the Committee accurately reflects their views.

Option 2

The Committee endorses the attached Management response and propose amendments / additions to the attached response on their behalf for submission to Audit Wales.

Option 3

The Committee choose not to provide a response to the Audit Wales.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 This report supports the Corporate Plan Priority of Efficient Council through demonstrating that adequate measures are in place for the prevention and detection of fraud thereby protecting the Authority's assets.

5. **Implications Against Each Option**

5.1 There are no direct financial implications resulting from this report.

5.2 Options 1 and 2 would satisfy the requirements of the external regulator. Option 3 would result in non-compliance with the requirements of the external regulator and could result in additional work on their part relating to fraud and governance. This could be reflected in the opinions provided by the regulator and could also result in the need for additional coverage from the external regulator in respect of fraud.

5.3 There are no direct staffing implications arising from this report.

6. **Supporting Evidence**

6.1 The letter and accompanying questionnaire are attached at Appendix A. The document has been partially completed by the Chief Officer Resources to reflect the current mechanisms in operation within the Authority. The views of the Committee are also sought and specific questions for the Committee have been asked. To assist in the Committee's consideration some narrative has been included as a potential response for the Committee.

6.2 An effective Audit Committee will support the stewardship of public money providing assurance to the communities of Blaenau Gwent on the robustness of the Authority's internal controls.

6.3 The production of the response to the Audit Wales query to those charged with governance has a neutral impact against people or groups from the nine protected characteristics.

## 7. **Monitoring Arrangements**

7.1 Instances of fraud or misappropriation will continue to be reported to the Audit Committee throughout the financial year as part of the audit progress report.

### **Background Documents /Electronic Links**

- Appendix A – Audit enquiries to those charged with governance and management