

Bridgend County Borough Council

Annual audit summary 2020

This is our audit summary for Bridgend County Borough Council. It shows the work completed since the last Annual Improvement Report, which was issued in October 2019. Our audit summary forms part of the Auditor General for Wales' duties.



More information about these duties can be found on our [website](#).

About the Council

Some of the Services the Council provides



Key facts

The Council is made up of 54 councillors who represent the following political parties:

- Labour 26;
- Independent Alliance 10;
- Conservative 8;
- Independent 4;
- Llywodraethol Independents 3;
- Plaid Cymru 2; and
- Vacancy 1.

The Council spent £289.2 million on providing services during 2019-20, the ninth highest spend of the 22 unitary councils in Wales.

As at 31 March 2020 the Council had £64.6 million of usable revenue reserves. This is equivalent to 22% of the Council's annual spend on services, the seventh highest percentage of the 22 unitary councils in Wales.

Key facts

The County Borough has six (7% out of its 88 areas) deemed the most deprived 10% of areas in Wales. This figure makes the borough the tenth highest of the 22 unitary councils in Wales.¹

The County Borough's population is projected to increase by 7.5% between 2020 and 2040, from a population of 146,417 to 157,328. This projected increase includes a 2% decrease in the number of children, a 1.2% increase in the number of the working-age population, and a 34.4% increase in the number of people aged 65 and over.²

The Auditor General's duties

We complete work each year to meet the following duties

- **Audit of Accounts**

Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.

- **Value for money**

The Council must put in place arrangements to get value for money for the resources it uses, and the Auditor General has to be satisfied that it has done this.

- **Continuous improvement**

The Council also must put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General has to assess whether the Council is likely to (or has) met these requirements.

- **Sustainable development principle**

Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

¹ An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

² Source: Stats Wales



Since the Spring of 2020, the ongoing pandemic has affected our audit work. We recognise the huge strain on public services and have reshaped our work programme, and found new ways of working to reduce its impact on public bodies' response to COVID-19, while still meeting our statutory duties.



To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.

What we found

Audit of the Council's 2019-20 Accounts

Each year we audit the Council's financial statements.

For 2019-20:

- the Auditor General gave an unqualified true and fair opinion on the Council's financial statements on 14 September 2020], a day before of the statutory deadline of 15 September;
- the Council's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Council and with our knowledge of the Council;
- the quality of the draft statements presented for audit on 30 June 2020 was very good;
- Some changes were made to the Council's financial statements due to our audit work, which on 10 September 2020 we reported to the Council's Audit Committee in our Audit of Accounts Report;
- in addition to the Auditor General's responsibilities for auditing the Council's financial statements, he also has responsibility for the certification of certain grant claims and returns. The Council has five 2019-20 claims/returns that require audit. Thus far we have certified four of the five claims/returns, all of which had unqualified audit opinions. Our audit of the final claim is ongoing. We expect to meet the claim's deadline of 31 January 2021;
- the Auditor General issued the certificate confirming that the audit of accounts for 2019-20 has been completed; and
- Key facts and figures from the 2019-20 financial statements can be accessed [here](#).

Well-being of Future Generations Examination – an examination of the Active Bridgend Plan (February 2020)

The examination that we undertook in 2019-20 considered the extent to which the Council has acted in accordance with the sustainable development principle when taking steps to deliver the Active Bridgend Plan. We concluded that the Council has positive examples of how it has applied the sustainable development principle when delivering the Active Bridgend Plan, but recognises that application of the five ways of working could be further strengthened. The report can be viewed [here](#).

Continuous Improvement

The Auditor General certified that the Council has met its legal duties for improvement planning and reporting, and believes that it is likely to meet the requirements of the Local Government (Wales) Measure 2009 during 2020-21.

Financial Sustainability (February 2020)

During 2019-20 we examined the financial sustainability of each Council in Wales. We concluded that the Council has a strong financial position, but aspects of financial planning and its Medium Term Financial Strategy would benefit from strengthening. The report can be viewed [here](#).

National Fraud Initiative

In October 2020, the Auditor General published his report on the findings of the latest National Fraud Initiative (NFI) data-matching exercise in Wales. The exercise helped public bodies in Wales, including the 22 unitary authorities, identify fraud and overpayments amounting to £8 million. The report can be accessed on our website [here](#). NFI continues to be developed and in the forthcoming NFI exercise (NFI 2020-22) local authorities will have access to matches designed to help identify potential fraudulent applications for COVID-19 business support grants.

Other Inspectorates

We also took into account the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response. CIW published their inspection report of Older Adult Services in January 2020, which identified a number of strengths and priorities for improvement. The full report can be found [here](#). CIW also issued a [Local Authority Annual Performance Review Letter](#) in August 2020.

Estyn did not undertake an inspection of Local Government Education Services in Bridgend during 2019-20.

Local Government Studies

As well as local work at each council, each year we also carry out studies across the local government sector to make recommendations for improving value for money. Since the last annual improvement report we have published the following reports:

Review of Public Services Boards (October 2019)

We inspected how Public Service Boards are operating; looking at their membership, terms of reference, frequency and focus of meetings, alignment with other partnerships, resources and scrutiny arrangements. We concluded that Public Services Boards are unlikely to realise their potential unless they are given freedom to work more flexibly and think and act differently. The full report can be viewed [here](#).

Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act (November 2019)

We examined how the new duties and responsibilities of the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act are being rolled out and delivered. We found that victims and survivors of domestic abuse and sexual violence are often let down by an inconsistent, complex and fragmented system. The full report can be viewed [here](#).

Rough Sleeping in Wales – Everyone’s Problem; No One’s Responsibility (July 2020)

We looked at how well public services are responding to the issue of rough sleeping. Overall, we found that responding to COVID-19 is an opportunity for public bodies to start addressing long standing weaknesses in partnership working which has stopped them from tackling rough sleeping in the past. The full report can be viewed [here](#).

Better Law Making (September 2020)

This report draws on five reports published between 2019 and today looking at how local authorities are responding to the challenge of implementing new legislation. Implementation is a complex task which needs to be fully thought through by the Welsh Government and the Senedd whenever they bring forward and make any new legislation. The paper highlights the difficulties faced by local authorities and their public sector partners in implementing their new responsibilities. The full report can be viewed [here](#).

Commercialisation in Local Government (October 2020)

Councils have conducted commercial activity for a long time, and many councils are exploring additional commercial opportunities to mitigate against the financial pressures they face. Our report is specifically targeted at helping elected members and senior officers to examine and judge the potential impact on their organisations when considering whether to undertake commercialisation. It will also help councils to demonstrate how well they are discharging their value for money responsibilities. The full report can be viewed [here](#).

Planned work for 2020-21

We also looked at the key challenges and opportunities facing the Council. These risks could have an effect on the council's ability to meet its legal obligations in relation to the sustainable development principle, the use of its resources and continuous improvement.

The most significant risk and issue facing councils and the wider public sector during 2020-21 is the COVID-19 pandemic. We have shaped our work to provide assurance and challenge in a way which helps to support the Council through this period. Our work for 2020-21 includes:

- Recovery planning in response to the COVID-19 pandemic;
- Covid-learning project – helping to identify and share learning from the way in which public bodies have responded to the pandemic;
- Assurance and risk assessment;
- Financial Sustainability Assessment;
- Review of the Council's arrangements to become a 'Digital Council'; and
- Transitioning to new Health and Social Care Partnership, (carried forward from 2019-20)

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.