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Cyngor Bwrdeistref Sirol
MERTHYR TUDFUL
MERTHYR TYDFIL
County Borough Council

FULL COUNCIL REPORT

Date Written	8 th May 2019
Report Author	Ellis Cooper / Steve Jones
Service Area	Finance
Exempt/Non Exempt	Non Exempt
Committee Date	22 nd May 2019

To: Mayor, Ladies and Gentlemen

Annual Audit Letter 2017/18

1.0 SUMMARY OF THE REPORT

- 1.1 Under the Public Audit (Wales) Act 2004 the Auditor General for Wales has issued Merthyr Tydfil County Borough Council with its Annual Audit Letter for 2017/18.
- 1.2 The Annual Audit Letter was presented to the Audit Committee of 29th April 2019.
- 1.3 The Annual Audit Letter outlines the significant financial challenges faced by the Council over the period of the Medium Term Financial Plan and the collective responsibility of officers and members to address the projected budget deficits.

2.0 RECOMMENDATIONS that

- 2.1 The Annual Audit Letter 2017/18 be noted.
- 2.2 The collective responsibility of all officers and elected members in addressing the financial challenges be accepted.

- 2.3 The scheduling of 'Member Workshops' to address the projected budget deficits be supported.

3.0 INTRODUCTION AND BACKGROUND

- 3.1 Under the Public Audit (Wales) Act 2004 the Auditor General for Wales on 7th April 2019 issued Merthyr Tydfil County Borough Council with its Annual Audit Letter for 2017/18.
- 3.2 The Annual Audit Letter summarises key messages arising from the Auditor General for Wales' statutory responsibilities in respect of:
- Financial reporting and use of resources
 - Arrangements for securing economy, efficiency and effectiveness
 - Financial challenges
 - Certification of grant claims and returns
- 3.3 The Annual Audit Letter is appended to this report and was presented by the Wales Audit Office to the Audit Committee of 29th April 2019.

4.0 KEY MESSAGE

- 4.1 The Annual Audit Letter reflects on the financial challenges faced by the Council during 2018/19 and the challenges continued to be faced over the period of the Medium Term Financial Plan 2019/20 to 2022/23.
- 4.2 The key message stated in the Annual Audit Letter in recognising the Council's projected budget deficits over the medium term is as follows:

“The challenge facing the Council is significant. It will require the collective input of the Council's Corporate Management Team, Cabinet and elected members to seek to manage the position. The Council should also assess the need to consult widely with its residents as to priorities for future service provision.”

5.0 FINANCIAL IMPLICATION(S)

- 5.1 Although there are no direct financial implications with this report the Council's challenging financial position is starkly outlined within the Annual Audit Letter.

6.0 INTEGRATED IMPACT ASSESSMENT

	Positive Impacts	Negative Impacts	Not Applicable
1. Merthyr Tydfil Well-being Objectives	4 of 4	0 of 4	0 of 4
2. Sustainable Development Principles - How have you considered the five ways of working: <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement 	5 of 5	0 of 5	0 of 5
3. Protected Characteristics <i>(including Welsh Language)</i>	0 of 10	0 of 10	10 of 10
4. Biodiversity	0 of 1	0 of 1	1 of 1
<p><u>Summary:</u></p> <p>The main positive impact is the independent confirmation that current and future financial challenges will not be met without a collective response from senior management and all elected members.</p> <p>The main negative impacts are the significant budget deficits projected over the period of the Medium Term Financial Plan.</p>			

ELLIS COOPER
DEPUTY CHIEF EXECUTIVE

COUNCILLOR ANDREW BARRY
CABINET MEMBER FOR
GOVERNANCE AND CORPORATE
SERVICES

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Medium Term Financial Plan 2019/20 to 2022/23	Council 20 th March 2019	Council agenda and minutes
Does the report contain any issue that may impact the Council's Constitution?		No

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.