

## **CYD-BWYLLGOR ERW 8 GORFFENNAF 2021**

### **ADRODDIAD ARCHWILIO MEWNOL CONSORTIWM ERW 2020-21**

#### **Y PWRPAS:**

Darparu canfyddiadau'r adolygiad Archwilio Mewnol o Gonsortiw ERW 2020-21 ar gyfer y Cyd-bwyllgor.

#### **ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:**

Nodi Adroddiad Archwilio Mewnol 2020-21.

#### **Y RHESYMAU:**

Rhoi sicrwydd i'r Cyd-bwyllgor ynghylch y trefniadau sydd ar waith ar gyfer Consortiw ERW o ran effeithiolrwydd llywodraethu, rheolaeth fewnol, rheoli risgiau a rheolaeth ariannol, ac amlygu'r meysydd i'w gwella.

<b>Awdur yr Adroddiad:</b>  Jo Hendy	<b>Swydd:</b>  Pennaeth Archwilio Mewnol	<b>Rhif Ffon:</b> 01437 776213  <b>E: bost:</b> <a href="mailto:joanne.hendy@pembrokeshire.gov.uk">joanne.hendy@pembrokeshire.gov.uk</a>
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**EXECUTIVE SUMMARY**  
**ERW JOINT COMMITTEE**  
**8 JULY 2021**

**ERW CONSORTIUM INTERNAL AUDIT REPORT 2020-21**

**BRIEF SUMMARY OF PURPOSE OF REPORT**

To give assurance to the Joint Committee on the effectiveness of governance, internal control, risk management and financial management arrangements in place for the ERW Consortium.

The Internal Audit review for 2020-21 resulted in a limited assurance opinion. The following provides a key summary of weaknesses identified:

- There has been limited progress in implementing recommendations from the previous Internal Audit review and the Significant Governance Issues and Priorities for Improvement that were contained within the 2019-20 Annual Governance Statement. There is a lack of oversight by the Joint Committee to ensure previously identified matters arising are addressed and resolved.
- Commissioning arrangements have been entered into with Neath Port Talbot County Borough Council and Ceredigion County Council, enabling the authorities to continue to receive elements of service provision through to 31 August 2021. The detail of the service provision had not been finalised at the time of the audit review, resulting in the provision not being costed.
- Decisions required to move forward with the cessation of ERW in its current format have not been undertaken within the required timeframes with key milestones being missed, resulting in a risk that statutory processes will not be completed before 31 August 2021 and placing a greater financial burden upon the new arrangement from 1 September 2021.
- There is a risk that as liability estimations have not included all relevant costs, and modelled against different scenarios, current and former partners may not be aware of the full financial implications of any decisions relating to the cessation of ERW in its current format.

The factual accuracy of the draft Internal Audit Report has been agreed. Management responses have been received, with the report being finalised on 8 June 2021.

**DETAILED REPORT ATTACHED?**

**YES**

## IMPLICATIONS

Policy, Crime & Disorder and Equalities <b>NONE</b>	Legal <b>YES</b>	Finance <b>YES</b>	Risk Management Issues <b>YES</b>	Staffing Implications <b>NONE</b>
<b>1. Legal</b> The report details the risks arising from the pace of decision making relating to the cessation of ERW in its current format, and impact of statutory processes not being completed within required timeframes.				
<b>2. Finance</b> The report highlights that to provide current and former partners with an indication of the financial costs they would be liable for on the cessation of ERW in its current format, liabilities must be calculated in full and modelled against potential scenarios. The report also highlights that the commissioning arrangements with Neath Port Talbot County Borough Council and Ceredigion County Council have not been costed, as the detail of the provision had not been agreed in totality.				
<b>3. Risk Management</b> The report highlights the risks surrounding the cessation of ERW in its current format, and the impact of these upon the new arrangement.				

## CONSULTATIONS

N/A

**Section 100D Local Government Act, 1972 – Access to Information**  
**List of Background Papers used in the preparation of this report:**  
**THERE ARE NONE**