



RHONDDA CYNON TAF COUNCIL AUDIT COMMITTEE

Minutes of the virtual meeting of the Audit Committee meeting held on Monday, 22 March 2021 at 5.00 pm.

County Borough Councillors - Audit Committee Members in attendance:-

Councillor G Caple	Councillor J Cullwick
Councillor M Adams	Councillor M Powell
Councillor G Davies	Councillor M Norris
Councillor D Owen-Jones	Councillor S Rees
Councillor S Powell	Councillor E Webster
Councillor R Yeo	Councillor L De Vet

Lay Member in attendance:-

Mr C Jones

Officers in attendance

Mr A Wilkins, Director of Legal Services
Mr P Griffiths, Service Director – Finance & Improvement Services
Mr M Crumbie, Head of Procurement Delivery
Mark Thomas, Head of Regional Internal Audit Service
Ms L Cumpston, Group Audit Manager
Mr C Evans, Data & Systems Manager
Ms D Hughes, Head of Organisational Development

30 Apologies

Apologies for absence were received from County Borough Councillors K Jones, J Harries and E Webster.

31 Declaration of Interest

In accordance with the Council's Code of Conduct, there were no declarations made pertaining to the agenda.

32 Minutes

It was **RESOLVED** to approve the minutes of the meeting held on the 1st February 2021 as an accurate reflection of the meeting.

33 Matters Arising

Minute No. 24 – It was confirmed that the matter of school attendance and 6th form attendance would be considered by the Children and Young People Scrutiny Committee and feedback received to a subsequent Audit Committee.

Minute No. 25 – It was confirmed that the Director of Corporate Estates is engaging with Councillor D Owen-Jones following his request that processes are in place to mitigate future defect issues arising from projects relating to the 21st

34 Strategic Risk Register Update - Workforce Planning

Through a PowerPoint presentation, the Head of Organisational Development provided an update in respect of the Council's Strategic Risk 18 – Living Within Our Means (Workforce Plan). The Head of Organisational Development set the context in that without investment in the Council's workforce, the risk is that retention and recruitment of staff will become more difficult - the Council's workforce plan mitigates these risks to recruit, develop and retain staff.

The presentation was delivered under the following key headlines: -

- Strategic Risk Register
- Workforce Plan & Risk
- Developing a Flexible and Agile Workforce that Shares Organisational Knowledge
- Recruiting and Retaining the Best Talent to Create a Diverse Workforce
- Education Team
- Gatsby Highlights
- Care2Work Programme
- Step in the Right Direction
- Leadership and Management Development
- Leadership Programmes
- Enabling a High Performing, Engaged and Committed Workforce
- Supporting Health & Well-Being to Maximise Attendance
- Pandemic Response

During the presentation Members received a detailed update on the five key priorities within the Council's workforce plan which is in place to mitigate key risks. The Head of Organisational Development advised that the local authority has a successful Graduate & Apprenticeship Programme which maintains a high retention rate into Council positions. A dedicated Education resource has also been established which provides careers advice via a number of sessions delivered to schools. Members were informed that the Council has piloted standards called the Gatsby Benchmarks, on behalf of Welsh Government, and has been recognised by the Careers Development Institute for its response to the needs of young people in schools particularly throughout the pandemic and one of the Council's Careers Advisers was awarded National Career Leader of the Year.

Members were informed of the programmes unique to Rhondda Cynon Taf Council such as Care2Work, which works with children looked after to prepare them for the jobs market and Step in the Right Direction programme which has operated since 2004. The Head of Organisational Development went on to feedback that leadership and development is also a priority for the local authority and it has a number of programmes in place such as the Leadership Series which is looking at women into leadership and how Managers support the mental health of staff, particularly during the pandemic, and where the Council can offer further support to its workforce.

The Head of Organisational Development outlined how the Council can enable a high performing and engaged workforce through a number of initiatives and staff benefits such as the Vectis Card, Green Car and Cycle to Work schemes. With regard to staff well-being, the Council has put in place a wellbeing line which

supports staff by offering a number of referrals to services such as professional counsellors, ICT support for improving homeworking and health & safety matters.

In conclusion, the Head of Organisational Development advised that the next workforce plan will be brought into place in 2022 and will reflect the learning undertaken during the period of the current plan.

The Chair thanked the officer for the detailed presentation and offered the opportunity for Members of the Committee to raise questions.

Members requested that a letter of congratulations be sent on behalf of the Committee to the recipient of the National Career Leader of the Year.

In response to a query regarding the current homeworking challenges and the future proposals for hybrid working, the Head of Organisational Development advised that the Council will be taking into account lessons learned from current arrangements and staff feedback as part of ensuring working arrangements continue to effectively support service delivery and the work-life balance of the Council's workforce.

The Service Director Finance and Improvement Services informed the Committee that further updates on the Council's strategic risks will be reported to Audit Committee, as part of its work programme, to ensure the Committee has visibility on the Council's strategic risks and is able to review and challenge the mitigating actions being taken.

Members commented positively on the depth of information contained within the presentation and noted plans to develop the next workforce plan for publication in 2022.

35 Procedure Rules Update

The Service Director Finance & Improvement Services introduced the presentation by advising Members that the overview would aid the Committee's consideration of procurement related findings contained within finalised audit assignments reported by Internal Audit.

The Head of Procurement Delivery set the context for the update and indicated that the Council's Data & Systems Manager would deliver the presentation.

The key messages were presented under the following headings: -

- What is Procurement?
- What are Contract Procedure Rules?
 - Aims
 - Legal Requirements
 - Functionality
 - Key messages
 - Threshold Values
- Contract Management System
- Info Requirements
- Governance Arrangements

The presentation provided an overview of the Council's Contract Procedure

Rules (CPRs), their requirements and functionality, key processes and procedures as well as ensuring that proper and fair procedures are followed to help deliver the Council's services. The Data & Systems Manager explained the legal requirements underpinning the CPRs which the Council is required to comply with. He also pointed out the importance of the CPRs with regard to ensuring the efficient use of public funds and that best value is achieved.

The Data & Systems Manager fed back the importance of keeping the CPRs under on-going review and also visible on the Council's intranet site to ensure the most up to date best practice is shared. The latest update to the CPRs was undertaken in 2017 to reflect the centralised procurement initiative which requires the involvement of the Procurement Service in any procurement activity exceeding the value of £15k, an approach that was endorsed by the Council's Senior Leadership Team.

The Data & Systems Manager informed the Committee that the contract management system, which is the primary place for undertaking tenders, records all contracts over £15k and enables these arrangements to be captured on a central system in a transparent manner and allows for better forward planning and visibility. A number of other key messages were relayed by the Data & Systems Manager such as the importance of Council officers who are involved in any procurement process being familiar with the Council's CPRs.

Members were informed of the Council's threshold values which require different rules of procedure to be applied at different levels of contract value/threshold and also the governance arrangements and tools available to ensure efficient management of the Council's key areas of spend.

Following the presentation, Members of the Audit Committee were provided with the opportunity to ask questions to the Officers present.

In response to a query as to whether the Council follows EU Procurement Directives, the Head of Procurement Delivery explained that in terms of the procurement rules and regulations, it is business as usual. The Public Contract Regulations 2015 continue to be followed and the UK Government is consulting on a new draft version of procedure rules and Welsh Government Ministers are considering whether to adopt them or develop their own version. The Head of Procurement Delivery informed Members that this position will be monitored closely and where regulatory changes are made, these will be reflected within the Council's CPRs.

The Lay Member asked if there would be more opportunity for local procurement now the UK has left the EU and whether there has been any shift in the competing principles of competitiveness and the desire to procure locally. The Head of Procurement Delivery stated that since April 2020 £50M has been spent with local companies within RCT and there has been £117M spent with companies based in Wales during the same period. He added that local suppliers and businesses have diversified, they support local employment and help reduce the Council's carbon footprint, and the Council's CPRs ensure that procurement processes are fair and transparent to those parties tendering for Council contracts.

In response to whether the Council uses an approved list, the Head of Procurement Delivery confirmed that the Council's central contract management system, Bravo, is key to recording the contracts and approved list of suppliers

and the category of work they undertake, the details of which are subject to necessary checks. He advised that the more companies that are registered on the database the better the competition and process becomes for bidding for tenders and contracts.

In conclusion, the Chair thanked the Officers for the detailed and informative presentation which provided an overview of the procurement process in RCT, demonstrating fair and proper procedures. It was **RESOLVED** to note the content of the presentation and the update to Committee.

36 Internal Audit Charter 2021/22

The Head of Regional Internal Audit Service presented his report which set out the Regional Internal Audit Service Charter for 2021/22. The Charter was reviewed and revised in 2020 to have a consistent charter across Bridgend, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan Councils, all four Councils involved in the Shared Service.

The Head of Regional Internal Audit Service advised that Members approved the charter last year and it has since remained relatively unchanged. He drew members' attention to the name of the Committee which will change to the Governance & Audit Committee in line with the requirements of the Local Government & Elections (Wales) Act.

Following consideration of the report it was **RESOLVED** to approve the Regional Internal Audit Service Charter for 2021/22.

37 Finalised Audit Assignments

In presenting the report of the Director of Finance & Digital Services, the Group Audit Manager outlined the summary of audit assignments completed between 19th January 2021 and 9th March 2021, namely, Benefits, Digitalisation and Creditors. The Group Audit Manager noted that for each of the audit assignments, the processes established by Rhondda Cynon Taf following the pandemic alongside the new remote working arrangements introduced, have been reviewed and recommendations have been set out within each report.

The Group Audit Manager reported that each of the audit assignments have been given an evaluation of 'effective with opportunity for improvement', with only a small number of low and medium priority findings, reflecting that services managed emerging risks and appropriate processes were in place to ensure internal control arrangements were robust.

Members were advised that a further five draft reports have been issued and a further nine areas of work are in progress which will be reported to Committee in due course. Following a query raised by the Chair, the Group Audit Manager confirmed that the brief for the audit assignment for Digitalisation related to staff rather than Elected Members.

It was **RESOLVED** to acknowledge the summary of audit assignments completed between 19th January 2021 and 9th March 2021 relating to Benefits, Digitalisation and Creditors.

38 Audit Committee Development and Support

The Service Director – Finance and Improvement Services presented the joint report of the Director of Finance & Digital Services and the Service Director, Democratic Services & Communication which served to provide Audit Committee with an update of progress on its ‘Support and Development’ action plan and also propose a programme of learning and development for the Committee.

The Service Director – Finance and Improvement Services reported that delivery of the Support and Development action plan is progressing within the agreed timescales and where further updates are proposed, for example, development work to support the Committee in implementing the requirements of the Local Government and Elections (Wales) Act, these will be reported to Committee for consideration / approval. The Service Director added that action plan progress updates will also be reported to Committee twice yearly i.e. mid-year and year-end.

The Service Director – Finance and Improvement Services also presented a draft Learning and Development Plan for the Committee’s consideration that had been informed by Member feedback during December 2020 and January 2021. The Service Director went on to suggest the following approach for the delivery of the learning and development plan:

- the Plan to be coordinated by Council officers;
- a learning and development item to be reported to Audit Committee on a quarterly basis and other Members invited as appropriate; and
- the learning and development updates provide an overview of the area, ensure opportunity for questions and answers and also opportunity for Members to request further information and / or more specific updates.

The Service Director added that arrangements are being established to support Members (existing and new) of the Audit Committee in the future which will consider skill sets and learning and development to ensure the Committee continues to effectively discharge its responsibilities

In conclusion, the Service Director highlighted the Members’ Portal which would further support Members’ learning and development.

A Member queried when the Audit Committee would assume the title of the ‘Governance & Audit Committee’. The Director of Legal Services advised that changes to the Terms of Reference for the Committee will be undertaken from the 1st April 2022 when the Committee will adopt responsibility for overseeing compliance of the Council’s complaints management processes. From the Council’s AGM the Audit Committee will reflect its new title of ‘Governance & Audit Committee’ with appropriate training to follow. The Director of Legal Services clarified that the process of dealing with maladministration of complaints will continue to sit with the Public Services Ombudsman for Wales with the Audit Committee overseeing compliance of the Council’s corporate complaints processes and monitoring how they are received and addressed.

Following consideration of the report it was **RESOLVED** to:-

2.1 Receive mid-year and year-end updates during 2021/22 regarding the ‘Support and Development’ Action Plan; and

2.2 Approve the draft Learning and Development Plan for Audit Committee.

This meeting closed at 6.40 pm

**Councillor G Davies
Chairman.**