



RHONDDA CYNON TAF COUNCIL PWYLLGOR LLYWODRAETHU AC ARCHWILIO

Minutes of the meeting of the Pwyllgor Llywodraethu ac Archwilio held on Dydd Llun, 12 Gorffennaf 2021 at 5.00 pm at the Rhithwir.

County Borough Councillors:

Y Cynghorydd G Davies Y Cynghorydd G Caple
Y Cynghorydd J Cullwick Y Cynghorydd M Adams
Y Cynghorydd M Norris Y Cynghorydd Owen-Jones
Y Cynghorydd S Rees Y Cynghorydd E Webster
Y Cynghorydd M Griffiths Y Cynghorydd R Williams
Y Cynghorydd J Edwards Y Cynghorydd S Trask
Mr C Jones

Lay Member: Mr C Jones

Officers in attendance

Mr A Wilkins, Cyfarwyddwr y Gwasanaethau Cyfreithiol
Mr C Hanagan, Cyfarwyddwr Gwasanaeth y Gwasanaethau Democraidd a Chyfathrebu
Mr P Griffiths, Cyfarwyddwr Gwasanaeth – Gwasanaethau Cyllid a Gwella
Mr I Traylor, Cyfarwyddwr Gwasanaeth – Gwasanaethau Pensiynau, Caffael a Thrafodion
Ms L Cumpston, Rheolwr Archwilio Grŵp
Ms S Davies, Pennaeth Cyllid

1 Welcomes and Apologies

The Director, Legal Services welcomed attendees to the meeting and an apology for absence was received from County Borough Councillor S.Powell.

2 DATGAN BUDDIANT

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

3 PENODI CADEIRYDD

The Director, Legal Services reminded Members of the requirements of paragraph 9.4 of the Local Government (Wales) Measure 2011 in relation to the appointment of the Chair of the Governance and Audit Committee. It was explained that the Committee Members themselves decide upon the Chair and it can be a Councillor or a Lay Member, but cannot be a Councillor who belongs to a group with Members in the Executive.

With this in mind, the Director, Legal Services sought nominations for the position and it was **RESOLVED** that Lay Member Mr C Jones be elected as Chairman of the Governance and Audit Committee for the Municipal Year 2021/22.

4 PENODI IS-GADEIRYDD

The Chair sought nominations for the position of Vice-Chair to the Governance and Audit Committee for the Municipal Year 2021/22. It was **RESOLVED** that County Borough Councillor G Davies be elected as Vice-Chair of the Governance and Audit Committee for the Municipal Year 2021/22.

5 Cofnodion

It was **RESOLVED** to approve the minutes of the **XXXX** as an accurate reflection of the meeting.

6 Materion yn codi

Minute No. 47 – The Service Director Finance & Improvement Services updated Members of the timeline for the revised Policy to be sent to all staff and Members via a payslip insert. The Committee were advised that due to a move to a new system there had been a delay in the insert being produced however the Committee were informed that prior to this an email will be sent to all managers advising of the revised Policy.

7 Trosolwg o Bolisïau Cyfrifyddu

With the aid of a Power Point presentation, the Head of Finance: Education and Financial Reporting provided Members with an overview of accounting policies. With the permission of the Chair and agreement of Committee Members items 5 and 6 on the agenda were linked together and questions taken at the end.

Members were advised that the purpose of the presentation is to provide an overview of accounting policies and critical judgements applied when statements of accounts are prepared and to aid Committee Members role in the approval process.

The Head of Finance took Members through the content of the presentation covering Governance Framework which defines how and when we produce the accounts, timescales including the impact of Covid-19, accounting policies, critical judgements and future uncertainties.

The Head of Finance discussed the timescales and identified the 2 key dates in the process each financial year, the date of certification and date of approval and publication. Members were shown a draft timescale plan drawn up to ensure the key dates were met. The Head of Finance drew Members attention to the impact of Covid-19 on the planned timescales for both 2019/20 and 2020/21 with the target date being re-set to enable staff to focus and prioritise on supporting key frontline services and assess the ongoing financial implications of Covid-19 on the Council. Members were also informed that a statement has been published on the Council website explaining why the target date was not met.

The Head of Finance continued with the presentation providing narrative on accounting policies, critical judgements and the impact of Covid-19. Due to the links between the topic and the following item 'Draft Statements of Accounts 2020-21' the Chair thanked the Head of Finance for the presentation and agreed for the report to be presented to Committee Members and questions would follow combining the both items.

8 Datganiad o Gyfrifon 2020/21 (Drafft)

The Head of Finance: Education and Financial Reporting provided the Audit Committee with the opportunity to consider the certified draft Statements of Account for the 2020/21 financial year in respect of the Council, Rhondda Cynon Taf Pension Fund, Central South Consortium Joint Education Service Joint Committee, and the Annual Return for Llwydcoed Crematorium Joint Committee.

The Head of Finance outlined the purpose of the report for Committee to consider the impact, if any, upon the statement of accounts and annual return of issues and audit reports brought before Committee during course of year. Members were also informed of the secondary purpose which is to update Committee on the continued impact of Covid-19 on proposed plans for the earlier production of statement of accounts.

The Head of Finance drew Members attention to sections 3 and 4 which outlined the timeline shown earlier during the presentation. Members were again pointed to the data showing that for financial year 2018/19 accounts were certified by 31st May, achieving the target deadline 2 months earlier than required. Members were again advised that Covid-19 has impacted on the timeline for target dates in 2019/20 and 2020/21 and reminded that the notice has been published on website stating why the target date has not been met.

The Head of Finance drew Members attention to paragraph 5.1 of the report in respect of the role of Audit Committees in the approval process of a Council's Statement of Accounts, in line with the Local Government Measure 2011, and also to the Chartered Institute of Public Finance and Accountancy toolkit as set out in Appendix 5 of the report.

With the agreement of the Chair and Members, the Head of Finance invited the officer from Audit Wales to provide an update on the progress of the audit to date.

Audit Wales firstly thanked the Head of Finance and the wider team for co-operation over the last 18 months and the timeline they have been able to produce the accounts. He advised they are close to finalising the audit on CSC and so far there were no issues to report.

The Chair thanked both officers and commended the detail of work that had gone into the reports acknowledging the additional challenges presented by the Covid-19 pandemic.

The Audit Committee **RESOLVED:**

1. To consider the Council's certified draft Statement of Accounts for the financial year 2020/21 (Appendix 1)
2. To consider the Rhondda Cynon Taf Pension Fund certified draft Statement of Accounts for the financial year 2020/21 (Appendix 2)
3. To consider the Central South Consortium Joint Education Service Joint Committee certified draft Statement of Accounts for the financial year 2020/21 (Appendix 3)
4. To consider the Llwydcoed Crematorium Joint Committee certified draft Annual Return for the financial year 2020/21 (Appendix 4)
5. To consider the impact, if any, upon the Statements of Account and Annual Return of issues and audit reports brought before the Committee during the year; and

6. To note the impact of COVID 19 on progress of the proposed plans for earlier production and audit of the Statements of Account and Annual Return in accordance with the requirements of the Accounts and Audit (Wales) (Amendment) Regulations 2018.

9 Datganiad Llywodraethu Blynyddol y Cyngor 2020/21

The Service Director – Finance and Improvement Services provided the Audit Committee with the Council's draft Annual Governance Statement for the 2020/21 financial year, which had been compiled in accordance with the requirements contained within the 'Delivering Good Governance in Local Government: Framework (2016)'. Members were also advised that regard had also been given to the CIPFA Bulletin 06 – 'Application of the Good Governance Framework 2020/21' in respect of conducting the review of the Council's governance arrangements for the 2020/21 financial year providing guidance on the impact of the continuing Covid-19 pandemic on governance in local government bodies.

The Service Director continued by advising Members that the drafting of the statement has included virtual and remote engagement with a wide range of Council Services and officers to understand and examine the governance arrangements in place. Members were referred to section 5.3 in the covering report which provides an overall conclusion for the previous financial year. The Service Director highlighted to Members from the report that it is concluded that the Council's governance arrangements provided the basis to effectively manage service delivery, Corporate Plan priority areas and resources during an unprecedented period as a result of the Covid-19 pandemic.

Members were referred to Appendix 1 of the report, where the draft 2020/21 Annual Governance Statement was set out.

One Member would like to see a greater emphasis on the role of scrutiny referenced in the reports to highlight the importance of the scrutiny process in the Governance arrangements. The Service Director – Finance and Improvement Services acknowledged the comments made and welcomed the opportunity to further strengthen the references to the work of Scrutiny Committees throughout the report advising Members that they will look to incorporate relevant information to reflect the comments made in an updated Governance Statement that will form part of the Council's Statement of Accounts.

One Member queried the wording in the report regarding zero tolerance in respect of fraud, bribery and corruption requesting clarity on whether the policies and procedures are there but nothing has been noted in terms of bribery / fraud or whether there were cases picked up. The Service Director confirmed to Members that in the context of the report the purpose was to reinforce the strength of the arrangements the Council has in place to thwart any potential fraudulent activity that could threaten the Council's activity.

Another Member queried the reference to the learning and development of Governance and Audit Committee Members and queried the timeline for this as set out in Appendix 1. The Service Director confirmed to Members that the Financial Procedure Rules will be an additional session that will be brought before Members at a future Committee to give Committee an overview of the rules and what they entail to ensure that Members will have an understanding

and visibility of the rules to ensure they have the appropriate tools when undertaking their role in an effective way.

The Audit Committee **RESOLVED**:

1. To critically review the Annual Governance Statement (Appendix 1), suggest any material amendments and recommend its certification by the Leader of the Council and the Chief Executive for inclusion within the Council's 2020/21 draft certified Statement of Accounts.
2. In the event that reports from relevant External Inspectors be provided to the Council before the Statement of Accounts are approved, authorise the Director of Finance and Digital Services to include reference within the Annual Governance Statement.

10 Adroddiad Blynyddol y Pennaeth Archwilio Mewnol 2020/21

The Head of the Regional Internal Audit Service provided the Governance and Audit Committee with his Annual Opinion, to inform the Governance and Audit Committee of the work and performance of Internal Audit for the financial year 2020/21.

The Head of the Regional Internal Audit Service drew Members reminded Members of the Interim Risk Based Plan for 2020/21 that was previously presented to Audit Committee and approved on 20th July 2020. Members were reminded that at the time it was reported that due to the ongoing Covid-19 pandemic the plan would need to be more flexible than usual to allow the service to respond to changing circumstances and events that may occur throughout the year and that there would be a lower level of coverage than in previous years and different emphasis due to the impact of the pandemic.

The Head of the Regional Internal Audit Service also highlighted to Members the major impact the Covid-19 pandemic had on how the Council has had to operate and the governance arrangements and processes that were put in place to ensure it could continue to support residents and businesses during this difficult and challenging year. Members were also informed that Covid-19 also changed how audit work was carried out in 2020/21 and that all staff have worked from home for the year. Audits have been conducted remotely using various digital solutions adding that it has been a steep learning curve both for audit staff and auditees but all have adjusted well to the new ways of working.

The Head of the Regional Internal Audit Service informed the Audit Committee that the adequacy and effectiveness of the Council's framework of governance, risk management and internal control for 2020/21 is 'Effective with a small number of areas identified for improvement'. Members were advised that no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment and any areas for improvement that have been identified are service specific.

The Head of the Regional Internal Audit Service continued by speaking of the client satisfaction questionnaires, which had a positive return rate and confirmed satisfaction with the audit approach.

Members spoke positively of the report, commending the staff particularly given the context and challenges faced during the ongoing Covid-19 pandemic. One

Member requested clarification regarding the home working arrangements mentioned in the report and how these were being managed as part of the audit verification process. The Head of the Regional Internal Audit Service informed Members that the majority of evidence required is kept electronically and therefore able to be accessed remotely. In instances where information is unable to be collated electronically visits have been conducted within Covid guidelines. Members were informed this process has worked well and will likely continue for the foreseeable future.

The Audit Committee **RESOLVED:**

1. To give due consideration to the Annual Internal Audit Report for the Financial Year 2020/21 including the Head of Audit's Annual Opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control.

(**Note:** At this point in proceedings, County Borough Councillors S. Rees and E. Webster left the meeting.)

11 **Adroddiad Blynyddol y Pwyllgor Archwilio 2020/21**

The Service Director, Finance and Improvement Services provided the Audit Committee Annual Report 2020/21 together with a self-assessment against the Chartered Institute of Public Finance and Accountancy (CIPFA) publication 'Audit Committees - Practical Guidance for Local Authorities & Police 2018 Edition'.

The Service Director, Finance and Improvement Services highlighted to Members that the report is largely set in the context of the Covid-19 pandemic and the importance of agreeing a workplan providing a robust and proportionate oversight of the Council's governance, internal control and risk managements translating this into an approach where Governance and Audit Committee focussed on its core responsibilities.

The Service Director, Finance and Improvement Services also highlighted to Members from the report the work delivered by Audit Committee during 2020/21 and the outcome of the self-assessment against the CIPFA publication 'Audit Committees - Practical Guidance for Local Authorities & Police 2018 Edition'.

The Service Director concluded by stating that the Annual Report demonstrated the Council's Audit Committee has made good progress to implement the proposals for improvement reported in 2019/20 and has also identified a small number of new proposals for improvement to further reinforce the existing arrangements in place.

One Member sought clarity surrounding the timeline for receiving feedback from Children and Young People Scrutiny Committee in respect of Governor's vacancies and 6th form attendance highlighting the importance of the matter. Members were advised that to ensure full consideration could be given to the matter, the feedback would be received once fully compiled by Children and Young People Scrutiny.

The Audit Committee **RESOLVED:**

1. To review the Annual Report and self-assessment and

- a) Determine whether the Annual Report forms a balanced summary of the work undertaken by Audit Committee during 2020/21 and;
 - b) Endorse the proposals for improvement to further support Audit Committee in the effective discharge of its Terms of Reference
2. To approve the Audit Committee Annual Report 2020/21 and its presentation to full Council.

12 Adroddiad Archwilio Mewnol Blynyddol 2021/22

The Group Audit Manager provided members of the Governance and Audit Committee with the Annual Internal Audit Strategy and Risk Based Plan for 2021/22.

Members were referred to Appendix 1 of the report, where the Annual Internal Audit Strategy was outlined and Appendix 2 of the report where the Risk Based Internal Audit Plan for 2021/22 was outlined.

Members welcomed the report thanking the Group Audit Manager for compiling a robust and ambitious plan. The Governance and Audit Committee

RESOLVED:

1. To review and approve the Annual Internal Audit Strategy and Risk Based Internal Audit Plan for 2021/22

13 TRAFOD CADARNHAU'R CYNNIG ISOD YN BENDERFYNIAD:-

It was **RESOLVED:** "That the press and public be excluded from the meeting under Section 100A(4) of the Local Government Act (as amended) for the following items of business on the grounds that it involves the likely disclosure of the exempt information as defined in paragraph 14 of Part 4 of the Schedule 12A of the Act".

14 Adroddiad Gwrth-dwyll Blynyddol 2020/21

The Service Director – Pensions, Procurement & Transactional Services outlined the progress made against the Anti-Fraud, Bribery & Corruption work programme for 2020/21 and provided a proposed work programme for 2021/22.

Following discussion, it was **RESOLVED:**

1. To acknowledge and review the outcomes of the anti-fraud work progress during 2020/21; and
2. To consider the proposed work to be undertaken in 2021/22 and provide direction and guidance where necessary within the Terms of Reference of the Committee.

This meeting closed at 6.55 pm

**Councillor G Davies
Chairman.**