



CYNGOR BWRDEISTREF SIROL
RHONDDA CYNON TAF
COUNTY BOROUGH COUNCIL

GWŶS I GYFARFOD O'R CYNGOR

C.Hanagan
Cyfarwyddwr Gwasanaeth y Gwasanaethau Democraidd a Chyfathrebu
Cyngor Bwrdeistref Sirol Rhondda Cynon Taf
Y Pafiliynau
Parc Hen Lofa'r Cambrian
Cwm Clydach, CF40 2XX

Dolen gyswllt: Jessica Daniel - Uned Busnes y Cyngor - Gwasanaethau
Llywodraethol (07385401877)

DYMA WŶS I CHI i gyfarfod rhithwir o **Pwyllgor LLYWODRAETHU AC ARCHWILIO** ar **Dydd LLUN, 13EG MEDI, 2021** am **5.00 PM**.

Caiff Aelodau nad ydyn nhw'n aelodau o'r pwyllgor ac aelodau o'r cyhoedd gyfrannu yn y cyfarfod ar faterion y cyfarfod er bydd y cais yn ôl doethineb y Cadeirydd. Gofynnwn i chi roi gwybod i Wasanaethau Democraidd erbyn Dydd Iau, 9 Medi 2021 trwy ddefnyddio'r manylion cyswllt uchod, gan gynnwys rhoi gwybod a fyddwch chi'n siarad Cymraeg neu Saesneg.

AGENDA

Tudalennau

1. DATGAN BUDDIANT

Derbyn datganiadau o fuddiannau personol gan Gyngorwyr, yn unol â gofynion Cod Ymddygiad y Cyngor.

Nodwch:

1. Mae gofyn i Aelodau ddatgan rhif a phwnc yr agendwm mae eu buddiant yn ymwneud ag ef a mynegi natur y buddiant personol hwnnw; a
2. Lle bo Aelodau'n ymneilltuo o'r cyfarfod o ganlyniad i ddatgelu buddiant sy'n rhagfarnu, rhaid iddyn nhw roi gwybod i'r Cadeirydd pan fyddan nhw'n gadael.

2. COFNODION

Derbyn cofnodion o gyfarfod blaenorol y Pwyllgor Archwilio a gafodd ei gynnal ar 12 Gorffennaf 2021.

3 - 10

3. ARCHWILIO CYMRU - DIWEDDARIAD AR LAFAR AR GYNNYDD YR ARCHWILIAD O'R DATGANIAD O GYFRIFON (DRAFFT) AR GYFER 2020/21

4. CYNNYDD YN ERBYN Y CYNLLUN ARCHWILIO MEWNOL YN SEILIEDIG AR RISG 2021/22

11 - 20

5. DYSGU A DATBLYGU - PWYLLGOR LLYWODRAETHU AC ARCHWILIO

Derbyn cyflwyniad gan Rôl a Swyddogaethau'r Pwyllgor Archwilio

6. CYNLLUN GWAITH (DRAFFT) Y PWYLLGOR ARCHWILIO 2021/22

21 - 34

7. MATERION BRYD

Trafod unrhyw faterion sydd, yn ôl doethineb y Cadeirydd, yn faterion bryd yng ngoleuni amgylchiadau arbennig

Cyfarwyddwr Gwasanaeth y Gwasanaethau Democraidd a Chyfathrebu Cylchreliad:-

Y Cyngorwyr Bwrdeistref Sirol:

Y Cyngorydd G Caple, Y Cyngorydd J Cullwick, Y Cyngorydd M Adams, Y Cyngorydd K Jones, Y Cyngorydd M Norris, Y Cyngorydd Owen-Jones, Y Cyngorydd S Rees, Y Cyngorydd S Powell, Y Cyngorydd E Webster, Y Cyngorydd R Williams, Y Cyngorydd M Griffiths, Y Cyngorydd J Edwards ac Y Cyngorydd S Trask

Aelod Lleyg – Mr C Jones

RHONDDA CYNON TAF COUNCIL GOVERNANCE AND AUDIT COMMITTEE

Minutes of the virtual meeting of the Governance and Audit Committee held on Monday, 12 July 2021 at 5.00 pm.

County Borough Councillors:

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

Lay Member: Mr C Jones

Officers in attendance

Mr A Wilkins, Director of Legal Services
Mr C Hanagan, Service Director of Democratic Services & Communication
Mr P Griffiths, Service Director – Finance & Improvement Services
Mr I Traylor, Service Director – Pensions, Procurement & Transactional Services
Mr M Thomas-Head of Regional; Internal Audit Service
Ms L Cumpston, Group Audit Manager
Ms S Davies, Head of Finance – Education and Financial Reporting

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 Declaration of Interest

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

3 APPOINTMENT OF CHAIR

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 is a member of the executive group'.

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 APPOINTMENT OF VICE-CHAIR

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 Minutes

It was **RESOLVED** to approve the minutes of the 26th April 2021 as an accurate reflection of the meeting.

6 Matters Arising

Minute No. 47 – The Service Director Finance & Improvement Services updated Members of the timeline for the revised Whistleblowing Policy to be sent to all staff and Members via a payslip insert, this to be timetabled following the implementation of a significant project that is current progressing in respect of a new HR / Payroll system. The Service Director added that in the interim an email will be sent to all managers advising them of the revised policy and requesting that this is cascading to team members.

7 Overview of Accounting Policies

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, namely Overview of Accounting Policies and Draft Statements of Account 2020/21 respectively, were taken together and questions received at the end of the presentation.

Members were advised that the purpose of the presentation was 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; Timescales, Accounting Policies; Critical Judgements in applying Accounting Policies; Assumptions about the future and other sources of estimation uncertainty; and Impact of Covid-19.

The Head of Finance discussed the timescales and identified the 2 key dates in the process for the 2020/21 financial year: the date of certification of the unaudited Statement of Accounts by 31st May following financial year-end and date of approval and publication of the audited Statement of Accounts by 31st July following financial year-end. The Head of Finance drew Members attention to the impact of Covid-19 on the timescales for certification and publication for the 2020/21 Statements of Account, with timescales being re-set to 2nd July 2021 and autumn 2021 respectively to enable staff to focus and prioritise on supporting key frontline services and assess the ongoing financial implications of Covid-19 on the Council. The Head of Finance added that in line with the Accounts and Audit Regulations, where the unaudited accounts are not certified by the laid down date of 31st May following financial year end, there is a requirement to publish a statement setting out the reasons for non-compliance – confirmation was provided by the Head of Finance that this requirement has been complied with.

Details were provided on the Accounting Policy disclosures for each Statement of Accounts explaining reasons for differences. Details were also provided regarding “Critical Judgements” and “Assumptions about the Future and other major sources of Estimation Uncertainty”.

The Chair thanked the Head of Finance for the presentation and requested the Officer to present Agenda Item 6, Draft Statements of Account 2020/21, to the Committee before inviting Member questions.

8 Draft Statements of Account 2020/21

The Head of Finance: Education and Financial Reporting provided the Governance and 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 also outlined that the purpose of the report was for the Committee to consider the impact, if any, upon the Statements of Account and Annual Return of issues and audit reports brought before Committee during the year. Members were informed that the report also provides an update on the continued impact of Covid-19 on proposed plans for the earlier production and audit of the Statements of Account and Annual Return in accordance with the requirements of the Account and Audit (Wales) (Amendment) Regulations 2018.

The Head of Finance drew Members attention to Sections 3 and 4 of the report that set out the timescales for the certification and audit / publication of Statement of Accounts, as relayed to Members at Item 5 of the agenda. The Head of Finance also 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 the Chartered Institute of Public Finance and Accountancy toolkit, the toolkit being included as Appendix 5 of the report.

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

Audit Wales firstly thanked the Head of Finance and the wider team for their co-operation over the last 18 months and the timeline they have been able to produce the accounts within. Audit Wales advised that the audit of the Central South Consortium Joint Education Service Joint Committee Statement of Accounts is nearing completion with no significant areas to bring to the attention of the Governance and Audit Committee and noting that the audited accounts will be reported to the Central South Consortium Joint Committee when finalised. Audit Wales went on to confirm that initial work on the audit of the Council’s Statement of Accounts has commenced with no significant matters to be brought to the attention of the Governance and Audit Committees to date and that a further update will be provided to the Committee post-summer.

The Chair thanked both officers and commended the detail of work that had gone into the reports in the context of 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 Council Annual Governance Statement 2020/21

The Service Director – Finance and Improvement Services provided the Governance and 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 advised that the CIPFA Bulletin 06 – 'Application of the Good Governance Framework 2020/21' has also been taken account of, with the Bulletin setting out the requirement for the review of governance arrangements to consider the continuing impact of the Covid-19 pandemic and the CIPFA Financial Management Code 2019.

The Service Director continued by advising Members that the drafting of the Annual Governance Statement has included virtual and remote engagement with a wide range of Council Services and officers to review the governance arrangements in place. Members were referred to Section 5.3 of the covering report which provided the overall conclusion from the review 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 highlighted the requirement for greater emphasis to be reflected in the Annual Governance Statement on the role the Council's scrutiny function has played in shaping and informing key decisions through the pre-scrutiny process, review and challenge and also hearing evidence and making recommendations to Cabinet, for example, service improvement opportunities following the flooding caused by Storm Dennis. 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 within the Annual Governance Statement. The Service Director added that updates will be actioned and a revised Annual Governance Statement incorporated within the Council's Statement of Accounts.

One Member requested clarity on the reference to zero tolerance in respect of fraud, bribery and corruption. The Service Director fed back that the reference to zero tolerance was to reflect that the Council will not tolerate any fraud, bribery and corruption and takes proactive steps to ensure the Council has robust arrangements in place to thwart such threats such as risk assessments, internal controls, preventative and awareness raising work across services and underpinned by a clear policy. The Service Director added that fraud, bribery and corruption is an on-going risk and the Council has a fit for purpose approach in place to help safeguard the Council's resources.

Another Member queried the reference to the learning and development of Governance and Audit Committee Members in respect of being provided with an overview of the Council's Financial Procedure Rules. The Service Director confirmed to Members that the Financial Procedure Rules will be an additional session that will be presented to Committee during 2021/22 and will provide an overview of the rules with the aim of aiding Members' understanding of this area.

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 Head of Internal Audit Annual Report 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 attention to 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 **Audit Committee Annual Report 2020/21**

The Service Director, Finance and Improvement Services presented 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 indicated that the report is set in the context of the Covid-19 pandemic and highlighted the importance of an agreed workplan during the year to enable the Committee to focus on its core responsibilities.

The Service Director, Finance and Improvement Services also highlighted the work delivered by the 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 had 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 around the timeline for receiving feedback from the

Children and Young People Scrutiny Committee in respect of Governor vacancies and 6th form attendance. Members were advised that the Children and Young People Scrutiny Committee are giving full consideration to the matter and feedback will be provided to the Governance and Audit Committee on completion of the Scrutiny Committee's considerations.

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 Internal Audit Annual Plan 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 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 TO CONSIDER PASSING THE FOLLOWING UNDER-MENTIONED RESOLUTION:

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 Anti-Fraud Annual Report 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 progressed 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

**Mr. C Jones
Chairman.**

Tudalen wag

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2021/22

<p>GOVERNANCE AND AUDIT COMMITTEE</p> <p>13th September 2021</p>	<p>AGENDA ITEM NO. 4</p>
<p>REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES</p>	<p>PROGRESS AGAINST THE RISK BASED PLAN 2021/22</p>

Author: Mark Thomas (Head of Regional Internal Audit Service) & Lisa Cumpston (Group Audit Manager)

1. PURPOSE OF THE REPORT

- 1.1 This report provides Members of the Governance and Audit Committee with a position statement on progress being made against the audit work included and approved within the Internal Audit Risk Based Plan 2021/22.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the content of the report and the progress made against the Internal Audit Risk Based Plan 2021/22.
- 2.2 Consider what comments, requests or recommendations, if any, they wish to make.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To help ensure that Governance and Audit Committee monitors the performance of the Council's Internal Audit Service, in accordance with its Terms of Reference.

4. BACKGROUND

- 4.1 In accordance with the Public Sector Internal Audit Standards, the Head of Audit is responsible for developing a risk-based annual audit plan which takes into account the Council's risk management

framework. Within the Standards there is also a requirement for the Head of Audit to review and adjust the plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, controls and resources. The Head of Audit must also ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.

- 4.2 The Internal Audit Risk Based Plan for 2021/22 was submitted to Audit Committee for consideration and approval on 12th July 2021. The Plan outlined the audit assignments to be carried out which will provide adequate coverage to provide an overall opinion at the end of 2021/22.
- 4.3 Progress made against the 2021/22 plan is attached as **Appendix A** and a summary of the individual audit assignments as at 20th August 2021 is as follows:

Status	No. Of Audits
Final Report Issued	2
Draft Report Issued	4
Fieldwork in Progress	11
Audit Fieldwork being Scoped	5
Planned	52

- 4.4 **Appendix A** details the status of each planned review, the audit opinion (where the audit has reached final report stage) and the number of any high, medium or low priority recommendations made to improve the control environment. To date 6 items of work have been completed resulting in an opinion being provided, 2 of which have had the final reports issued with 4 reports at draft stage. A further 11 assignments are currently on-going, with 5 being scoped for fieldwork to commence. The results of these Audits will be reported to future Governance and Audit Committee meetings.
- 4.5 Based on the assessment of the strengths and weaknesses of the areas examined through testing of the effectiveness of the internal control environment, the following audit opinions have been given to the 2 audits completed audit assignments to date:

Audit Opinion	No. Of Audits
Substantial Assurance	2
Reasonable Assurance	0
Limited Assurance	0
No Assurance	0

4.6 For reference, the updated audit assurance/opinion categories are :

AUDIT ASSURANCE CATEGORY CODE	
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

4.7 **Appendix A** illustrates that a total of 2 recommendations have been made to improve the control environment across the 2021/22 audit plan areas reviewed to date. The implementation of these recommendations is monitored to ensure that improvements are being made.

4.8 Again for reference, Internal Audit recommendations are categorised/prioritised as follows :

RECOMMENDATION CATEGORISATION	
Risk may be viewed as the chance, or probability, of one or more of the organisation's objectives not being met. It refers both to unwanted outcomes which might arise, and to the potential failure to realise desired results. The criticality of each recommendation is as follows:	
High Priority	Action that is considered imperative to ensure that the organisation is not exposed to high risks.

Medium Priority	Action that is considered necessary to avoid exposure to significant risks.
Low Priority	Action that is considered desirable and should result in enhanced control.

5. EQUALITY AND DIVERSITY IMPLICATIONS

5.1 There are no equality and diversity implications as a result of the recommendations set out in the report.

6. CONSULTATION

6.1 There are no consultation implications as a result of the recommendations set out in the report.

7. FINANCIAL IMPLICATION(S)

7.1 There are no financial implications as a result of the recommendations set out in the report.

8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

8.1 The provision of regular information in respect of the Council's Internal Audit Service supports the Council in demonstrating compliance with the Accounts and Audit (Wales) (Amendment) Regulations 2018.

8.2 Regulation 7 (Internal Audit) of Part 3 of the 2018 Regulations directs that: *"A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control."*

9. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

THE COUNCIL'S CORPORATE PLAN PRIORITIES

9.1 The work of Internal Audit aims to support the delivery of the priorities contained within the Council's Corporate Plan 2020-2024 'Making a Difference', in particular 'Living Within Our Means' through ensuring that appropriate internal controls are in place to effectively manage resources.

WELL-BEING OF FUTURE GENERATIONS ACT

9.2 The Sustainable Development Principles, in particular Prevention, can be applied to the systematic reviews undertaken in order to provide assurance that risks to the achievement of objectives are being managed.

10. CONCLUSION

10.1 Monitoring the performance of Internal Audit is a key responsibility for Governance and Audit Committee. This report provides Governance and Audit Committee with detailed information with which the performance of the Service can be reviewed and scrutinised.

Other Information:-

Relevant Scrutiny Committee

Not applicable.

Contact Officers – Mark Thomas & Lisa Cumpston

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

13th September 2021

PROGRESS AGAINST THE RISK BASED INTERNAL AUDIT PLAN 2021/22

REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES

Author:

Mark Thomas (Head of Regional Internal Audit Service) & Lisa
Cumpston (Group Audit Manager)

Item: 4

Background Papers

None.

Officer to contact: Mark Thomas / Lisa Cumpston

Appendix 1 - 2021/22 Progress Against Plan (including Audit Opinion & Recommendations)

Audit Assignment	Audit Status	Audit Opinion				Recommendations		
		Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance	High	Med	Low
Chief Executive								
Contract Variations/Payments in Advance	Planned							
Procurement Arrangements	In Progress							
Administration of Trust Funds	Planned							
Operation of the Primary School Sickness Scheme	In Progress							
Grants to Businesses	Planned							
Self Isolation Payments – Administration of the WG Scheme (Covid Related Risks)	Planned							
Fairer Charging for Adult Non-Residential Care Services – Follow Up	Planned							
Budgetary Control – School Deficit Recovery Protocols	In Progress							
Payroll – Implementation of the new Payroll system	Planned							
Administration of the Furlough Scheme (Covid Related Risks)	Planned							
Income Management Arrangements (Covid Related Risks)	In Progress							
Cyber Security Arrangements	Planned							
Distribution of Devices to Digitally Excluded Learners (Covid Related Risks)	In Progress							
Corporate Landlord Compliance	In Progress							
Asset Management	Planned							
Prosperity, Development & Frontline Services								
Emergency Planning	Scoping							
Community Recycling Centres	Planned							
Capital Projects	Planned							
Regeneration & Planning	Planned							
Building Control	Planned							
Community & Children's Services								
WCCIS	In Progress							
Deputyship	Planned							
Rota Management Review	In Progress							
Adaption & Community Equipment	Scoping							
Carers Assessments	Planned							
The Review Team	Planned							
Section 17 Payments (Prevention Payments)	In Progress							
Adoption Support & Foster Carer Payments	In Progress							
Contract Management Placements	Planned							

Audit Assignment	Audit Status	Audit Opinion				Recommendations		
		Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance	High	Med	Low
Chief Executive								
Llwydcoed Crematorium	Planned							
Registration Services	Final Issued	√				0	0	0
Safeguarding Arrangements – Capita One	In Progress							
Governor Support – Provision of Governing Body Information	Planned							
Exclusion & Attendance	Planned							
Step 4 Provisions	Planned							
Ty Gwyn Pupil Referral Unit	Draft Issued							
Park Lane Special School	Draft Issued							
Special School Self Assessment Programme & Annual Report	Planned							
Alaw Primary School	Final Issued	√				0	1	1
Cefn Primary School	Planned							
Craig yr Hesg Primary School	Planned							
Cilfynydd Primary School	Draft Issued							
Coedpenmaen Primary School	Draft Issued							
Cwmbach Church in Wales Primary School	Planned							
Cymmer Primary School	Planned							
Dolau Primary School	Planned							
Ffynon Taf Primary School	Planned							
Llantrisant Primary School	Planned							
Maesybryn Primary School	Planned							
Penderyn Community Primary School	Planned							
Penywaun Primary School	Planned							
Primary School Self Assessment Programme & Annual Report	Planned							
Hawthorn High School – Follow Up Review	Planned							
Bryncelynnog Comprehensive School	Planned							
Ferndale Community School	Planned							
Ysgol Gyfun Rhydywaun	Planned							
Secondary/All Through School Self-Assessment Programme & Annual Report	Planned							
RCT – Regional Consortia School Improvement Grant (RCSIG)	Planned							

Audit Assignment	Audit Status	Audit Opinion				Recommendations		
		Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance	High	Med	Low
Chief Executive								
RCT – Education Improvement Grant (EIG)	Planned							
RCT – Pupil Development Grant (PDG)	Scoping							
RCT – Post 16 Grant Certifications (DCELLS)	Planned							
Whole Authority Arrangements								
Information Management	Planned							
PPE Stock Control Arrangements	Scoping							
Anti-Fraud, Bribery & Corruption	Planned							
Scheme of Delegation	Planned							
Performance Management Arrangements	Planned							
Corporate Safeguarding (Covid Related Risks)	Planned							
CSC – Regional Consortia School Improvement Grant (RCSIG)	Planned							
CSC – Pupil Development Grant (PDG)	Scoping							
CSC – General Ledger	Planned							
Amgen								
AMGEN – Payroll	Planned							
AMGEN – Debtors	Planned							
AMGEN – Creditors	Planned							
AMGEN – General Ledger	Planned							
Total		2	0	0	0	0	1	1

Summary of Audit Assignments	No of Audit Assignments
Status	
Final Report Issued	2
Draft Report Issued	4
Audit Fieldwork in Progress	11
Audit Fieldwork being Scoped	5
Planned	52
Total	74

<p>GOVERNANCE AND AUDIT COMMITTEE</p> <p>13th September 2021</p>	<p>AGENDA ITEM NO. 6</p>
<p>REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES</p>	<p>GOVERNANCE AND AUDIT COMMITTEE</p> <p>DRAFT WORK PLAN 2021/22</p>

Authors: Paul Griffiths (Service Director – Finance and Improvement Services) & Mark Thomas (Head of the Regional Internal Audit Service)

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to set out a draft work plan for the 2021/22 Municipal Year to enable the Committee to effectively fulfil its Terms of Reference and meet the requirements of the Chartered institute of Public Finance and Accountancy (CIPFA) publication ‘Audit Committees – Practical Guidance Note for Local Authorities & Police, 2018 Edition’.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Consider the report and determine whether there are other areas / themes to incorporate within the work plan to aid the effective discharge of the Governance and Audit Committee’s responsibilities.
- 2.2 Approve a work plan for delivery during the 2021/22 Municipal Year.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure the Governance and Audit Committee has a balanced work plan alongside appropriate information and support to help enable the effective discharge of its responsibilities.

4. BACKGROUND INFORMATION

- 4.1 In line with its Terms of Reference, the CIPFA publication ‘Audit Committees – Practical Guidance Note for Local Authorities & Police,

2018 Edition' and new responsibilities arising from the Local Government and Elections (Wales) Act 2021, the Governance and Audit Committee is a key component of the Council's corporate governance arrangements:

- It provides independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- It provides independent assurance to the Members of Rhondda Cynon Taf County Borough Council of the adequacy of the governance, risk management and control frameworks and oversees the financial reporting and annual governance processes.
- It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
- As a key element of the arrangements for corporate governance, designed to ensure openness, integrity and accountability, the Committee will assist the Authority in discharging its responsibility for ensuring financial probity, without taking any action which might prejudice it.
- The Governance and Audit Committee should play a key role in supporting the discharge of those responsibilities by providing a high-level focus on audit, assurance and reporting.
- Overseeing new responsibilities, as set out in the Local Government and Elections (Wales) Act 2021, in respect of Self-Assessment, independent Panel Performance Assessment and arrangements around the Council's ability to deal with complaints.

4.2 To ensure the work of the Council's Governance and Audit Committee is in line with the above requirements, an annual work plan is compiled and published to set out the information to be reported to the Committee during the year.

5. DRAFT WORK PLAN 2021/22

5.1 The draft Governance and Audit Committee Work Plan for 2021/22 is included at **Appendix 1** and sets out the Governance and Audit Committee's Terms of Reference together with a timetable for bringing reports and information updates before Committee for review and challenge.

- 5.2 The work plan will be kept under on-going review during the year and where further areas are identified (for example, referrals from Scrutiny Committees), these will be reported to Governance and Audit Committee for consideration and, if deemed appropriate, incorporation into the work plan.
- 5.3 At the 2nd November 2020 Audit Committee meeting, Members approved an action plan to support the on-going development and effectiveness of the Committee's work. The draft work plan for 2021/22 incorporates the proposed learning and development areas and timetable to support Members that was agreed.

6. EQUALITY AND DIVERSITY IMPLICATIONS

There are no equality and diversity implications as a result of the recommendations set out in the report.

7. CONSULTATION

There are no consultation implications as a result of the recommendations set out in the report.

8. FINANCIAL IMPLICATION(S)

There are no financial implications as a result of the recommendations set out in the report.

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 The Local Government (Wales) Measure 2011, Chapter 2 section 81 states:

'Local authorities to appoint audit committees

1. *A local authority must appoint a committee (an "audit committee") to:*
 - a. *review and scrutinise the authority's financial affairs,*
 - b. *make reports and recommendations in relation to the authority's financial affairs,*
 - c. *review and assess the risk management, internal control and corporate governance arrangements of the authority,*
 - d. *make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements,*
 - e. *oversee the authority's internal and external audit arrangements, and*

- f. *review the financial statements prepared by the authority.*
2. *A local authority may confer on its audit committee such other functions as the authority considers suitable to be exercised by such a committee.*
3. *It is for an audit committee to determine how to exercise its functions.*

9.2 The draft work plan for 2021/22 will support the Council's Governance and Audit Committee to meet the above legal requirements.

10. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

THE COUNCIL'S CORPORATE PLAN PRIORITIES

10.1 The work of the Council's Governance and Audit Committee aims to support the delivery of the priorities contained within the Council's Corporate Plan 2020-2024 'Making a Difference', in particular 'Living Within Our Means' through ensuring that appropriate governance arrangements are in place to effectively manage resources.

WELL-BEING OF FUTURE GENERATIONS ACT

10.2 The Sustainable Development Principles, in particular Prevention, can be applied to the systematic reviews undertaken in order to provide assurance that risks to the achievement of objectives are being managed.

11. CONCLUSION

11.1 The draft work plan set out at **Appendix 1** of this report provides a plan for the 2021/22 Municipal Year to allow the Committee to manage and discharge its role in accordance with its Terms of Reference, the requirements of the CIPFA publication 'Audit Committees – Practical Guidance Note for Local Authorities & Police, 2018 Edition' and the Local Government and Elections (Wales) Act 2021.

Other Information:-

Relevant Scrutiny Committee
Not applicable.

Contact Officers – Paul Griffiths / Mark Thomas

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

13th September 2021

GOVERNANCE AND AUDIT COMMITTEE DRAFT WORK PLAN 2021/22

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

Authors: Paul Griffiths (Service Director – Finance and Improvement Services) & Mark Thomas (Head of the Regional Internal Audit Service)

Item: 6

Background Papers

None.

Officers to contact: Paul Griffiths / Mark Thomas.

Appendix 1 – Governance and Audit Committee’s workplan linked to its Terms of Reference.

Statement of Purpose

The Governance and Audit Committee is a key component of Rhondda Cynon Taf County Borough Council’s corporate governance. It provides independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Governance and Audit Committee is to provide independent assurance to the Members of Rhondda Cynon Taf County Borough Council of the adequacy of the risk management framework and the internal control environment. It provides independent review of Rhondda Cynon Taf County Borough Council’s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Terms of Reference

As a key element of the arrangements for corporate governance, designed to ensure openness, integrity and accountability, the Committee will assist the Authority in discharging its responsibility for ensuring financial probity, without taking any action which might prejudice it. The Committee will:-

		12/07/2021	13/09/2021	18/10/2021	06/12/2021	07/02/2022	21/03/2022
A	At the first meeting of the Governance and Audit Committee following the Council’s Annual General Meeting the Governance and Audit Committee shall appoint the Chair of the Governance and Audit Committee (who cannot be a member who belongs to a group with Members in the Executive but can be a	X					

		12/07/2021	13/09/2021	18/10/2021	06/12/2021	07/02/2022	21/03/2022
	lay member) and appoint the Vice-Chair of the Governance and Audit Committee.						
B	To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.	X Draft Annual Governance Statement (AGS) 2020/21			X Receive an update in respect of progress made to implement the proposals for improvement contained within the 2020/21 AGS		
C	Review, scrutinise and issue reports and recommendations on the appropriateness of the Authority's risk management, internal control and corporate governance arrangements, and providing the opportunity for direct discussion with the auditor(s) on these.*	X Governance and Audit Committee Learning & Development – Financial Management & Accounting	X Governance and Audit Committee Learning & Development – Governance and Audit Committee Role and Functions	X Strategic Risk Register Update	X Governance and Audit Committee Learning & Development – External Audit and Internal Audit	X Strategic Risk Register Update	X Governance and Audit Committee Learning & Development – Counter Fraud

		12/07/2021	13/09/2021	18/10/2021	06/12/2021	07/02/2022	21/03/2022
D	To review the assessment of fraud risks and potential harm to the Council from fraud and corruption and to monitor the counter-fraud strategy, actions and resources.	X Anti-Fraud, Bribery & Corruption - Annual Report 2020/21			X Receive an overview of the National Fraud Initiative, along with an update on the work delivered by the Corporate Fraud Team.		X Whistleblowing Annual Report 2021/22
E	To review the governance and assurance arrangements for significant partnerships or collaborations.						
F	To receive reports in relation to proposed changes to the Authority's Contract Procedure Rules and Financial Procedure Rules and where deemed appropriate, recommend their approval to Council.			X Procedure Rules Update – an overview of the Council's Financial Procedure Rules			
G	To approve the Internal Audit Charter.						X Internal Audit Charter 2022/23
H	Review, approve and ensure the co-ordination of the risk based Annual Internal Audit Plan for the coming financial year.	X Draft Internal Audit Plan 2021/22					
I	To make appropriate enquiries of both management and the	X Internal Audit End of Year					

		12/07/2021	13/09/2021	18/10/2021	06/12/2021	07/02/2022	21/03/2022
	Head of Regional Internal Audit Service to determine if there are any inappropriate scope or resource limitations and to consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Regional Internal Audit Service. To approve and periodically review safeguards to limit such impairments.	Performance Report (incorporated into HIA Annual Report) 2020/21					
J	To receive reports on the performance of the Internal Audit Service throughout the year particularly in relation to matters of financial probity and corporate governance.	X HIA Annual Report 2020/21	X Progress Against the Internal Audit Risk Based Plan 2021/22		X Progress Against the Internal Audit Risk Based Plan 2021/22		X Progress Against the Internal Audit Risk Based Plan 2021/22
K	To contribute to the Quality Assurance Improvement Programme and in particular, to the external quality assessment of Internal Audit that takes place at least once every five years.	As and when required					
L	To provide free and unfettered access to	As and when required					

		12/07/2021	13/09/2021	18/10/2021	06/12/2021	07/02/2022	21/03/2022
	the Governance and Audit Committee Chair for the Head of Regional Internal Audit Service, including the opportunity for a private meeting with the Committee.						
M	To receive and consider the Head of Regional Internal Audit Service's Annual Report and opinion on the level of assurance it can give over the Authority's governance arrangements and associated internal control environment.	X HIA Annual Report 2020/21					
N	Act as a point of arbitration, where senior officers of the Authority are unable to agree significant audit report recommendations.	As and when required					
O	To receive and consider reports of the External Auditor in relation to matters of financial probity and corporate governance and providing the opportunity for direct discussion with the auditor(s) on these.		X Audit Wales verbal update on the progress of the audit of the Statement of Accounts for 2020/21				X Audit Wales Audit Plan for 2022/23
P	Consider national reports, for example,	As and when required					

		12/07/2021	13/09/2021	18/10/2021	06/12/2021	07/02/2022	21/03/2022
	from the Wales Audit Office, of relevance to the work of the Authority.						
Q	Review, scrutinise and issue reports and recommendations in relation to the Authority's financial affairs, and providing the opportunity for direct discussion with the auditor(s) on these.	To receive an overview of the governance arrangements in respect of a core financial system – timing to be aligned to the reporting of core financial system Internal Audit Reports					
R	Review and comment on the Authority's certified draft financial statements before their approval by Council.	X Draft Statement of Accounts 2020/21					
S	Oversee the Authority's audit arrangements (both internal and external).	X Governance and Audit Committee Annual Report, incorporating a self assessment against the CIPFA 2018 Practical Guidance Note	X Governance and Audit Committee Draft Work Plan 2021/22		X Receive an update in respect of the work of Regional Internal Audit Service		
T	Promote and review any measures designed to raise the profile of probity within the Authority.	As and when required					
U	Agree, where Committee Members deem it appropriate, that a matter arising from a written report to a Committee which requires further clarification may be either dealt with by a request for a written commentary from the appropriate designated officer, or by that designated officer or their senior representative, attending to answer questions in person on that specific matter. Alternatively, the Governance and Audit Committee can refer the matter to						

		12/07/2021	13/09/2021	18/10/2021	06/12/2021	07/02/2022	21/03/2022
	the relevant Scrutiny Committee.						
V	The committee may require members and officers of the Authority to attend before it to answer questions. Such members and officers have a duty to comply but are not obliged to answer any questions that may be refused in court proceedings in England and Wales. The Committee may invite other persons to attend the meeting.						
W (i)	To consider the Council's draft Annual Performance Self-Assessment report and if deemed necessary may make recommendations for changes to the Council.	The 1 st Annual Performance Self-Assessment Report following the introduction of the Local Government and Elections (Wales) Act 2021 will relate to the 2021/22 financial year. This will be reported to the Governance and Audit Committee in the 2022/23 financial year.					
W (ii)	To receive the Council's finalised Annual Self-Assessment report in respect of a financial year as soon as reasonably practicable after the end of the financial year.						
W (iii)	At least once during the period between the two consecutive ordinary elections of councillors to the Council, consider the independent Panel Performance Assessment report into which the Council is meeting its performance requirements.	Further to the timescales for the independent Panel Performance Assessment being confirmed, an update will be provided to the Governance and Audit Committee in order for this area to be incorporated into the workplan.					
W (iv)	To receive and review the Council's draft response to the report						

		12/07/2021	13/09/2021	18/10/2021	06/12/2021	07/02/2022	21/03/2022
	of the independent Panel Performance Assessment and if deemed necessary may make recommendations for changes to the statements made in the draft response to the Council.						
X (i)	To review and assess the Council's ability to deal with complaints effectively.					Governance and Audit Committee Learning & Development – an overview of the Council's arrangements for dealing with complaints effectively	
X (ii)	To make reports and recommendations in relation to the Council's ability to deal with complaints effectively.						

* - in line with the Learning and Development Plan reported to and agreed by Audit Committee (22nd March 2021), further learning and development areas will be scheduled for 2022/23 i.e. currently Risk Management and Values of Good Governance.