



**CYNGOR BWRDEISTREF SIROL**  
**RHONDDA CYNON TAF**  
**COUNTY BOROUGH COUNCIL**

**COMMITTEE SUMMONS**

C Hanagan  
Service Director of Democratic Services & Communication  
Rhondda Cynon Taf County Borough Council  
The Pavilions  
Cambrian Park  
Clydach Vale, CF40 2XX

Meeting Contact: Hannah Williams - Council Business Unit, Democratic Services  
(07385401954)

**YOU ARE SUMMONED** to a hybrid meeting of **GOVERNANCE AND AUDIT COMMITTEE** to be held on **TUESDAY, 4TH JULY, 2023** at **5.00 PM**.

Non Committee Members and Members of the public may request the facility to address the Committee at their meetings on the business listed although facilitation of this request is at the discretion of the Chair. It is kindly asked that such notification is made to Democratic Services by Friday, 30 June 2023 on the contact details listed above, including stipulating whether the address will be in Welsh or English.

**AGENDA**

**Page  
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**1. DECLARATION OF INTEREST**

To receive disclosures of personal interest from Members in accordance with the Code of Conduct

Note:

1. Members are requested to identify the item number and subject matter that their interest relates to and signify the nature of the personal interest: and
2. Where Members withdraw from a meeting as a consequence of the disclosure of a prejudicial interest they must notify the Chairman when they leave.

**2. MINUTES**

To receive the minutes of the previous meeting of the Governance and Audit Committee held on 15<sup>th</sup> March 2023.

|     |  |                  |
|-----|--|------------------|
| 3.  | <b>APPOINTMENT OF CHAIR</b>  |                  |
| 4.  | <b>APPOINTMENT OF VICE-CHAIR</b>   |                  |
| 5.  | <b>COUNCIL PROGRESS UPDATE - IMPLEMENTATION OF RECOMMENDATIONS REPORTED BY AUDIT WALES</b>   | <b>11 - 36</b>   |
| 6.  | <b>HEAD OF INTERNAL AUDIT ANNUAL REPORT 2022/23</b>  | <b>37 - 70</b>   |
| 7.  | <b>COUNCIL ANNUAL GOVERNANCE STATEMENT 2022/23 AND UPDATED LOCAL CODE OF CORPORATE GOVERNANCE</b>  | <b>71 - 140</b>  |
| 8.  | <b>INTERNAL AUDIT PLAN 2023/24</b>   | <b>141 - 160</b> |
| 9.  | <b>GOVERNANCE AND AUDIT COMMITTEE DRAFT WORK PROGRAMME 2023/24</b>   | <b>161 - 174</b> |
| 10. | <b>URGENT BUSINESS</b>   |                  |
|     | To consider any items, which the Chairman, by reason of special circumstances, is of the opinion should be considered at the meeting as a matter of urgency. |                  |

**Service Director of Democratic Services & Communication**

**Circulation:-**

County Borough Councillors:

Councillor G Hopkins, Councillor M Maohoub, Councillor S Rees,  
Councillor B Stephens, Councillor L A Tomkinson and Councillor A J Ellis

Lay Members:

Mr C Jones  
Mr M Jehu  
Mr J Roszkowski

Mae'r ddogfen hon ar gael yn Gymraeg / This document is also available in Welsh



## RHONDDA CYNON TAF COUNCIL GOVERNANCE AND AUDIT COMMITTEE

Minutes of the Virtual meeting of the Governance and Audit Committee held on Wednesday, 15 March 2023 at 5.00 pm.

This meeting was recorded, details of which can be accessed [here](#)

### County Borough Councillors – The following Councillors were present:

Mr C Jones (Chair)

Councillor M Maohoub    Councillor S Rees  
Councillor B Stephens    Councillor L A Tomkinson  
Mr M Jehu    Roszkowski

### Officers in attendance

Mr A Wilkins, Director of Legal Services and Democratic Services  
Mr P Griffiths, Service Director – Finance & Improvement Services  
Mr M Thomas, Head of Regional Audit Service  
Ms L Cumpston, Group Audit Manager  
Mr I Traylor, Service Director – Pensions, Procurement & Transactional Services  
Mr T Jones, Service Director – ICT & Digital Services  
Mr P Cushion, Head of Employee Relations  
Ms J Thomas, Complaints & QA Manager, Social Services

### Apologies for absence

Councillor G Hopkins    Councillor P Evans

### 35 Declaration of Interest

In accordance with the Council's Code of Conduct, the Service Director of Finance and Improvement Services declared the following personal interest in Items 5 and 10 of the agenda: 'I am a Director on the board of Amgen Cymru. The company is referenced within the two agenda items'.

### 36 Minutes

It was **RESOLVED** to approve the minutes of the 14<sup>th</sup> February 2023 as an accurate reflection of the meeting.

### 37 Audit Wales - Annual Audit Summary 2022

Audit Wales provided Members with the Annual Audit Summary for Rhondda Cynon Taf Council, which detailed the work completed since the last Annual Audit Summary, which was issued in February 2022. The report set out the Auditor General's duties and information on both the financial and performance

audit work during the 2021/22 financial year.

From a performance audit perspective, Audit Wales provided Members with an overview of the focus of work and findings during 2021/22. Members were also informed of the planned work for 2022/23, which included work across all 22 Local Authorities in respect of Capital Programme Management and thematic reviews on digital and unscheduled care.

Audit Wales advised that, for 2021/22, the Council's financial statements were of good quality with a small number of changes to the accounts, which had no impact on the overall level of useable reserves. Members were informed that, in January 2023, full Council considered the Audit of Accounts report which set out the detailed findings from the audit and following on from the meeting, the Auditor General issued an unqualified opinion on the accounts and there were no concerns to report.

Audit Wales went on to provide an update on the 2022/23 audit timescales and explained that the delivery of the external audit of the Council's statement of accounts was by the end of November 2023. It was explained that the 2021/22 audit deadline was extended due to United Kingdom wide technical issues and this has meant that 2022/23 audit work had begun later than anticipated. In addition, the introduction of a revised auditing standard (ISA315), which had been amended to drive better quality in financial audit, would also contribute to the 2022/23 delivery timescale. The officer added that the recruitment of qualified staff remained challenging, this not being specific to Audit Wales, and the officer took the opportunity to thank Council officers for engaging constructively around the timetable.

The Service Director of Finance and Improvement then provided Members with a brief overview of the arrangements in place within the Council to monitor recommendations made by Audit Wales and the reporting of progress updates to the Governance and Audit Committee.

The Chair thanked Audit Wales for the Annual Audit Summary and the Governance and Audit Committee **RESOLVED:**

1. To note the update.

### **38 Introductory overview - Arrangements for the management of customer complaints**

The Service Director for Digital and ICT Services and the Customer Feedback, Engagement and Complaints Manager provided the Governance and Audit Committee with a presentation which detailed the arrangements for the management of customer complaints. The presentation sought to assure the Committee of the arrangements in place and to inform and assist Members in relation to their duties.

The Manager provided Members with detailed information in respect of the statutory duties of Local Authorities, regulatory bodies and further detail of the work of the complaints team, including performance data.

One Member thanked the officers for the presentation and welcomed the opportunity for further future training. As a Member of the Corporate Parenting Board, the Councillor was pleased to note the number of compliments in terms

of social services and that none of the complaints to the Ombudsman had escalated to investigation, which provided the Member with confidence in the process. In respect of the social services section and the 42% meeting statutory timescales, the Member questioned the reason behind this. The Complaints Manager advised that Children's Services complaints were particularly complex and that the reason for the 42% was a combination of factors. The officer advised that the factors included resource requirements, linked to the complexity of complaints within Children's Services, and also that timescales were impacted by the legal requirement for social services complaints, which states that a meeting or telephone contact must be made with the complainant within the first ten working days of the complaint coming through, and a five working day allowance for the manager to draft a response. The officer assured Members that, internally, the complaints are judged by their outcomes, and whether they progress further to either Stage 2 or the Ombudsman. The officer also advised Members that complainants are informed at the start of the process of the potential need for extended timescales to investigate information, to ensure they are kept fully informed and manage expectations.

A Member noted that the complaints detailed before the Committee were only in relation to the administration of the Local Authority and not inclusive of those in respect of Elected Members from a code of conduct perspective. The Member questioned whether this should be highlighted to prevent confusion. The Director of Legal and Democratic Services advised that within the Annual Report presented to Scrutiny and the Cabinet, it stipulates that complaints related to Elected Members are excluded and similarly, with the report presented to the Council's Standards Committee, it stipulates that the content is entirely related to Elected Members.

The Chair thanked the officers for the presentation and the Governance and Audit Committee **RESOLVED:**

1. To note the update.

### **39 Whistleblowing Annual Report 2022/23 (including updated Whistleblowing Policy)**

The Head of Employee Relations presented to Members an updated Whistleblowing Policy & Procedure and Whistleblowing Annual Report 2022/23 in accordance with the Prescribed Persons (Reports on Disclosures of Information) Regulation 2017 (the '2017 Regulation').

Members were informed that the Council's Whistleblowing Policy & Procedure had been reviewed and updated, taking into account the feedback provided by Audit Wales, to ensure it continues to be fit for purpose.

The Head of Employee Relations went on to update Members that the Whistleblowing Annual Report 2022/23 had been prepared in accordance with the responsibilities placed upon the Council by the 2017 Regulation and the Annual Report sought to provide an overview of the arrangements in place for 2022/23 and concluded that *'the Council's whistleblowing arrangements are appropriate'*.

Referring to Appendix A of the report which detailed 'workers do's and don'ts', one Member commented that the wording of the bullet points could be made clearer and with regard to point 2 specifically, reference to delays causing reputational damage to the Local Authority would be appropriate to include. The

Head of Employee Relations confirmed that this section of the report would be reworded as per the Member's suggestions.

In respect of the table outlining the Whistleblowing Activity during 2022/23, one Member sought assurance that the whistleblower's details are kept anonymous and whether officers monitor trends and multiple submissions in relation to an individual. The Head of Employee Relations provided assurance on maintaining the anonymity of whistleblowers and that monitoring arrangements are in place.

The Chair thanked the officer for the report and the Governance and Audit Committee **RESOLVED:**

1. To review and approve the proposed update to the Council's Whistleblowing Policy & Procedure, subject to updating Appendix A, and instruct the Director of Human Resources to publish and raise awareness of the updated document;
2. To review and approve the Whistleblowing Annual Report 2022/23 in line with the requirements placed upon the Council by the 2017 Regulation; and
3. To consider whether any other changes or improvements to the current whistleblowing arrangements are required.

#### **40 Internal Audit Recommendations**

The Audit Manager presented a report to provide Members of the Governance and Audit Committee with a position statement on internal audit recommendations made, implemented and outstanding. It was noted that recommendations are made at the conclusion of each audit review to identify improvements to be made to mitigate risk and strengthen controls. These recommendations are included in the final audit reports and recipients are asked to provide a management response to indicate whether they agree with the recommendation, how they plan to implement them and target dates. Recommendations are categorised as either high, medium or low priority to assist Managers in focussing their attention.

Members were directed to Table 1 of the report that highlighted the different priority ratings which are used and the recommendation categorisation. Once the target date for implementation has been reached the relevant Officers are contacted and asked to provide feedback on the status of each agreed recommendation. The implementation of these recommendations is monitored using internal audit software to ensure that improvements are being made.

The first recommendation monitoring report was brought to the Committee on 7<sup>th</sup> December 2022 and provided details of the recommendations made by Internal Audit since the implementation of the internal audit software on 1<sup>st</sup> April 2021. It was agreed at this meeting that going forward only outstanding recommendations from previous years be included together with the recommendations made in the current year.

The Audit Manager noted that a total of 70 recommendations were made to improve the control environment of the areas reviewed during 2022/23 and to date, 43 had been fully implemented. There were 2 recommendations made during 2022/23 which were not accepted by the service area. Both recommendations were in respect of a primary school and were in relation to the

School Private Fund and school dinner money arrears.

Referring to the recommendation made in respect of the School Private Fund, one Member acknowledged that the process moves along and questioned whether there was opportunity to revisit the recommendation. The Audit Manager advised that colleagues from Education Finance would be better placed to answer the question, as Internal Audit's role is to monitor compliance against the Council's procedures, rather the write them. The Service Director of Finance and Improvement Services added that finalised audit reports are considered by Senior Management to ensure that the operational arrangements remain fit for purpose and also that appropriate controls are in place. If there is a need for process changes to be made, Management are able to take account of these as part of on-going service delivery considerations.

The Chair thanked the officer for the report and the Governance and Audit Committee **RESOLVED** to:

1. Consider the information provided in respect of the status of internal audit recommendations made; and
2. Review the information contained within the report and provide feedback on the content and format of the information provided.

#### **41 Governance and Audit Committee Annual Report 2022/23**

The Service Director of Finance and Improvement Services presented the Governance and Audit Committee Annual Report 2022/23 together with a self-assessment against the Chartered Institute of Public Finance and Accountancy publication 'Audit Committees – Practical Guidance for Local Authorities and Police 2028 Edition'.

The Service Director provided an overview of the work delivered by the Governance and Audit Committee in 2022/23, in line with the agreed work programme, and concluded that based on the work undertaken, the Governance and Audit Committee has delivered the work plan and its responsibilities in line with the Terms of Reference.

The Service Director went on to provide an overview of the self-assessment against the Chartered Institute of Public Finance and Accountancy publication 'Audit Committees – Practical Guidance for Local Authorities and Police 2028 Edition', and informed Members that good progress had been made to implement proposals for improvement reported in 2021/22. The Service Director added that the 2022/23 self-assessment process has identified 3 areas for improvement to further support and reinforce existing arrangements, these being, to set out the overall partnership landscape the Council operates within and the strategic approach to enable the Committee to determine whether it requires further information and / or assurance in this area; to create an online library of learning and development information; and to capture feedback from the Committee on areas for improvement and engage with other local authorities / bodies to identify good practice / approaches to evaluate the impact of the Governance and Audit Committee's work.

The Head of the Regional Audit Service took the opportunity to provide assurance, from an internal audit perspective, that the Committee operates in line with its responsibilities.

The Chair was pleased to note that the outcome of the self-assessment process had demonstrated that the Council has sound arrangements in place in respect of its Governance and Audit Committee, subject to the three recommendations detailed, and was in support of further engagement with other bodies to share good practice.

One Member thanked the Service Director for the comprehensive report and commented that it included meaningful information, which provided assurance that the Committee were delivering its responsibilities.

Another Member supported the comments made and agreed that further work with other outside bodies would be of benefit. The Member referred to the information in the Audit Wales report in respect of Direct Payments and found it useful to compare Rhondda Cynon Taf figures with neighbouring Local Authorities.

The Chair thanked the Service Director for the report and the Governance and Audit Committee **RESOLVED:**

1. To review the Annual Report and self-assessment and determine whether the Annual Report forms a balanced summary of the work undertaken by the Governance and Audit Committee during 2022/23;
2. To endorse the proposals for improvement to further support the Governance and Audit Committee in the effective discharge of its Terms of Reference and their incorporation into an action plan to enable on-going monitoring; and

To approve the Governance and Audit Committee Annual Report 2022/23 and its presentation to full Council.

## **42 Internal Audit Charter 2023/24**

The Head of the Regional Internal Audit Service presented the Regional Internal Audit Service Charter for 2023/24 report to Members. The Internal Audit Charter is a formal document that defines the purpose, authority and responsibility of the Internal Audit activities. The Internal Audit Charter establishes Internal Audit's position within the organisation; it authorises access to records, personnel, and physical properties relevant to the performance of engagements and defines the scope of internal activities.

The Head of the Regional Internal Audit Service advised that the Internal Audit Charter defines the responsibilities of the Regional Internal Audit Shared Service across Bridgend, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan Councils. It was confirmed that the Charter was fully reviewed and amended for 2020/21 in order to have a consistent Charter for the four Councils and to ensure it is consistent with the objectives of the Regional Shared Service.

Members were informed that the Head of the Regional Internal Audit Service was responsible for reviewing the Charter and presenting it to each Council's Governance and Audit Committee annually for review and approval in line with the Public Sector Internal Audit Standards which are applicable to all UK Public Bodies (PSIAS).

It was advised that the Charter is split into four sections:



- Purpose, Authority and Responsibility;
- Independence and Objectivity;
- Proficiency and Due Professional Care; and
- Quality Assurance and Improvement Programme.

The Head of the Regional Internal Audit Service advised that when reviewing the Charter for 2023/24, the following changes had been included:

- Section 2.17 of the Charter had been updated to state that “in addition to the Code of Ethics staff must comply with the Seven Principles of Public Life and the Vale of Glamorgan Council’s Code of Corporate Governance which are referred to in Annex 3 – Additional Requirements.”; and
- Paragraph 4.11 of the Charter relating to External Assessment had been updated to reflect that a comprehensive and detailed self-assessment had been carried out during 2022 and shared with the external assessors in November 2022. The external assessment of RIAS was currently in progress and due to be completed early in the 2023/24 financial year.

The Governance and Audit Committee **RESOLVED**:

1. To consider and approve the Regional Internal Audit Service Charter for 2023/24

#### **43 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 1972 (as amended) for the following item 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.

#### **44 Anti-fraud Annual Report 2022/23**

The Service Director of Pensions, Procurement and Transactional Services outlined the progress made against the Anti-Fraud, Bribery & Corruption work programme for 2022/23 and set out the proposed work programme for 2023/24.

Following discussion, the Governance and Audit Committee **RESOLVED**:

1. To note and review the outcomes of the anti-fraud work progress during 2022/23; and
2. To consider the proposed work to be undertaken in 2023/24 and provide direction and guidance where necessary within the Terms of Reference of the Committee.

#### **45 Urgent Business**

The Chair, Members of the Committee and officers took the opportunity to extend their best wishes to the Head of the Regional Audit Service on his forthcoming retirement.

The Chair spoke highly of the officer's work and thanked him for his longstanding service.

Mae'r ddogfen hon ar gael yn Gymraeg / This document is also available in Welsh

**This meeting closed at 6.52 pm**

**Mr C Jones  
Chair.**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**  
**MUNICIPAL YEAR 2023/24**

|   |  |
|---|--|
| <b>GOVERNANCE AND AUDIT<br/>COMMITTEE</b><br><br>4 <sup>th</sup> July 2023              | <b>AGENDA ITEM 5</b>   |
| <b>REPORT OF THE SERVICE<br/>DIRECTOR FOR DEMOCRATIC<br/>SERVICES AND COMMUNICATION</b> | <b>COUNCIL PROGRESS UPDATE -<br/>IMPLEMENTATION OF<br/>RECOMMENDATIONS REPORTED<br/>BY AUDIT WALES</b> |

## **1 PURPOSE OF THE REPORT**

1.1 To provide a progress update on the implementation of recommendations reported in the Audit Wales 'Annual Audit Summary 2021' and the three stand-alone reports:

- Rhondda Cynon Taf Council - Springing Forward – Strategic Asset Management (issued June 2022);
- Rhondda Cynon Taf Council - Springing Forward – Workforce (issued July 2022); and
- National Report – Direct Payments for Adult Social Care (published April 2022).

## **2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Consider whether there are any matters of a governance, internal control or risk management nature that require further action or attention by the Governance and Audit Committee.
- 2.2 Consider whether there are any matters of a performance nature that require review by the Council's Scrutiny Committees.

## **3. ARRANGEMENTS FOR MONITORING AUDIT WALES RECOMMENDATIONS**

- 3.1 The Council recognises the important role that Audit Wales plays in supporting on-going improvement to governance and service delivery, with the Governance and Audit Committee having responsibility to provide independent assurance around

the adequacy of the arrangements in place and Scrutiny Committees having responsibility to monitor the progress Council Services are making to implement agreed recommendations reported by Audit Wales.

### **Governance and Audit Committee**

- 3.2 The Terms of Reference of the Council's Governance and Audit Committee include the following responsibilities in relation to reports from the Council's External Auditor (for the purposes of this report the External Auditor being Audit Wales):
- Point 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'; and
  - Point P - 'Consider national reports, for example, from Audit Wales, of relevance to the work of the Authority'.
- 3.3 To discharge the above requirements, the Council's Governance and Audit Committee has responsibility for:
- Providing independent assurance around the arrangements in place to monitor / evaluate progress against recommendations reported by Audit Wales; and
  - Determining whether there are any matters of a governance, internal control or risk management nature that require further action or attention.
- 3.4 As part of discharging its Terms of Reference, the Governance and Audit Committee should also take account of the conclusions and findings from each Audit Wales report when forming an opinion on the adequacy of internal control/governance arrangements in place.
- 3.5 In addition to the above, where the Governance and Audit Committee considers there are performance related matters that require further review, it is able to refer these to the designated Scrutiny Committee for review Scrutiny Committees
- 3.6 Members will note the Council's Scrutiny function has a different, albeit, complementary role, in respect of overseeing the reports issued by Audit Wales i.e. to review and challenge the progress the Council is making toward implementing agreed recommendations.
- 3.7 Where a Scrutiny Committee determines there are matters of a governance, internal control or risk management nature that require further review, it is also able to refer these to the Governance and Audit Committee for consideration

## **4. AUDIT WALES REPORTS**

- 4.1 For the purposes of this report, progress updates on the following Audit Wales reports are provided:

- The [Annual Audit Summary 2021](#) (AAS) that was reported by Audit Wales to the [19 January 2022](#) full Council meeting and contained recommendations from published reports that were specific to Rhondda Cynon Taf Council and also national reports that relate to local authorities more generally, other public bodies and also Welsh Government;
  - Rhondda Cynon Taf Council report: 'Springing Forward – Strategic Asset Management' (issued June 2022);
  - Rhondda Cynon Taf report - 'Springing Forward – Workforce' (issued July 2022); and
  - A national report: 'Direct Payments for Adult Social Care' (published April 2022).
- 4.2 Since this time, Audit Wales recommendations have been incorporated into the Council's service delivery planning and monitoring arrangements, and the following updates have been reported to Committees:
- AAS 2021 - progress updates reported to the Governance and Audit Committee on [23rd March 2022](#) and [7th December 2022](#).; and
  - Rhondda Cynon Taf Council Springing Forward Reports (Strategic Asset Management and Workforce) and the Direct Payments for Adult Social Care national report:
    - The reports presented by Audit Wales to the Governance and Audit Committee on [7th September 2022](#);
    - Progress updates reported to the [10th October 2022](#) Overview and Scrutiny Committee and to the 7<sup>th</sup> December 2022 Governance and Audit Committee.
- 4.3 As part of on-going monitoring arrangements, Council Officers have prepared a further progress update on the above reports, and are set out at Appendix 1. The Governance and Audit Committee is requested to review the progress updates and alongside Members own lines of enquiry:
- Consider whether there are any matters of a governance, internal control or risk management nature that require further action or attention; and
  - Consider whether there are any matters of a performance nature that require review by the Council's Scrutiny Committees.
- 4.4 Subject to Member's consideration of the updates, on-going monitoring will be undertaken as part of operational Service Delivery Planning arrangements, noting that should the Committee request further specific information in the future on these areas, this will be incorporated into the Committee's workplan.

## **5. EQUALITY AND DIVERSITY IMPLICATIONS AND SOCIO-ECONOMIC DUTY**

- 5.1 There are no equality and diversity or socio-economic duty 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 Regular reporting of external audit reports to the Governance and Audit Committee ensures compliance with the CIPFA/SOLACE 'Delivering Good Governance in Local Government: Framework 2016' and the Committee's Terms of Reference, and is in line with the Local Government and Elections (Wales) Act 2021.

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

- 9.1 The Governance and Audit Committee's role in overseeing the Council's arrangements to monitor/evaluate progress against recommendations reported by Audit Wales aims to support the delivery of all priorities contained within the Council's Corporate Plan 2020 – 2024 'Making a Difference' and in doing so aligns with the Sustainable Development principles as set out within the Well-being of Future Generations Act.

## **10. CONCLUSIONS**

- 10.1 Audit Wales reports play an important role in supporting on-going improvement to the Council's governance and service delivery arrangements. As part of this process, the Council utilises its Governance and Audit Committee and Scrutiny Committees, in line with their Terms of Reference, to oversee the arrangements in place and monitor the progress made by Council Services to implement recommendations reported by Audit Wales.

**LOCAL GOVERNMENT ACT, 1972**  
**as amended by**  
**THE ACCESS TO INFORMATION ACT, 1985**  
**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**  
**LIST OF BACKGROUND PAPERS**  
**GOVERNANCE AND AUDIT COMMITTEE**  
**4<sup>TH</sup> JULY 2023**

**REPORT OF: Service Director for Democratic Services and Communication**

**Author:** Christian Hanagan

Item 5: **COUNCIL PROGRESS UPDATE - IMPLEMENTATION OF  
RECOMMENDATIONS REPORTED BY AUDIT WALES**

Contact Officer: Christian Hanagan – 01443 424005

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**Audit Wales [Annual Audit Summary 2021](#)  
Regulators Local and National Reports  
Recommendations/Proposals for Improvement  
Report presented to Council on [19 January 2022](#),  
Governance & Audit Committee [23 March](#), [7 September](#) and [7 December](#) 2022**

**Audit Wales Update – March 2023**

**Local Reports**

**Audit Wales**

**[Financial Sustainability Assessment](#)** ‘*The Council continues to be well placed to manage its financial sustainability*’

**Published:** November 2021

| <b>Proposals for Improvement</b>  | <b>Governance &amp; Audit Committee March 22</b>  | <b>NOVEMBER 2022 UPDATE as reported to 7 December</b>   | <b>Position at March 2023</b>   |
|---|---|---|---|
| <p><b>Planning assumptions</b><br/>The Council needs to be assured that it has contingency plans in place to be able to manage less positive scenarios than it planned for in its medium-term financial planning.</p> | <p>The Council’s latest Medium Term Financial Plan (2021/22 – 2024/25) sets out a range of forecasted budget positions over a 3-year period based on assumed differing levels of Welsh Government funding. In line with the Council’s approach to refreshing its Medium Term Financial Plan, discussions are on-going with Welsh Government to inform these arrangements (including taking account of the indicative Wales-level core revenue funding allocations for 2023/24 and 2024/25 as set out in the 2022/23 final local government settlement) and to ensure the Council’s financial planning processes continue to be based on a sound set of assumptions.</p> <p>In parallel, work is on-going across the Council to identify budget saving and efficiency opportunities and review all base budget requirements over the medium term, with the range of forecasted budget positions over the</p> | <p>The Council has reviewed and updated its MTFP, covering the period 2022/23 to 2025/26 (link to the latest document <a href="#">MTFP (2022/23 to 2025/26)</a>, taking into account refreshed expenditure and funding level forecasts. With specific regard to funding level forecasts, a range of funding levels have been modelled including the indicative settlement levels for 2023/24 and 2024/25 announced by Welsh Government as part of the final Local Government Settlement for 2022/23. The updated MTFP has been reported to Cabinet (26/9/22), Council (28/9/22), School Budget Forum (24/11/22), a high level overview provided to the Overview and Scrutiny Committee (29/11/22) and key messages on the financial outlook have been relayed by the Chief Executive to Manager Briefing Sessions</p> | <p>The Council’s MTFP 2022/23 to 2025/26 set out a number of modelling scenarios (budget gaps) that covered Welsh Government funding settlements ranging from 0% to +5%, this work being informed by close working between Council and Welsh Government Officers to ensure the most up-to-date information was available to inform medium term financial planning.</p> <p>The actual budget gap faced by the Council for 2023/24 was within the range modelled within its MTFP and enabled early planning to be undertaken in the 2022 calendar year to formulate a robust and balanced budget for 2023/24.</p> |

| Proposals for Improvement  | Governance & Audit Committee March 22  | NOVEMBER 2022 UPDATE as reported to 7 December   | Position at March 2023   |
|--|--|--|--|
|  | 3-year period informing this work.   | – these updates ensure that officers and elected Members are fully aware of the financial challenges facing the Council and has informed the delivery of an on-going programme of work to review all service areas to identify budget reductions options for consideration as part of setting balanced and deliverable budgets over the medium term. | The Council will continue this approach as part of refreshing its medium-term financial plan in 2023 to support early preparations for 2024/25 budget setting. |
| <p><b>Medium Term Financial Planning</b></p> <p>Discussions are ongoing about the Council's estate, workforce and digital capabilities and these need to be formalised in the Council's financial planning arrangements.</p> | <p>The Council's Medium Term Financial Plan (2021/22 – 2024/25) sets out key areas that form part of an on-going programme of work to assess further budget saving opportunities whilst ensuring service resilience is maintained. This includes review of (amongst other things):</p> <ul style="list-style-type: none"> <li>• The Council's Estate - currently being progressed as part of a Built Asset Review;</li> <li>• Workforce – on-going workforce planning arrangements that are informing service reconfigurations / restructures; and</li> <li>• Digital – an updated Digital Strategy 2022 – 26 has been finalised following a pre-scrutiny process and reported to the 21<sup>st</sup> March 2022 Cabinet for consideration / approval).</li> </ul> <p>Service and Finance Officers are working closely together on the financial impacts and opportunities from the above, and updates will be included within the Council's refreshed Medium Term Financial Plan in 2022.</p> | <p>The Council's updated MTFP Plan (2022/23 to 2025/26) sets out in more detail the work being undertaken in key areas that will underpin future budget strategies and how they align with medium term financial planning arrangements (i.e. Section 12 of the MTFP document 'Financial Planning and Balancing the Budget').</p>                     | <p>As per November 2022 update.</p>  |

**Audit Wales Local Reports presented to Governance and Audit Committee in September 2022**

| Report   | Recommendations   | NOVEMBER 2022 UPDATE   | Position at March 2023  |
|--|---|--|---|
| <p><a href="#">Springing Forward – Strategic Asset Management</a><br/>Issued June 2022</p>                           | <p>The Council needs to ensure the Sustainable Development principle is driving and shaping its approach to all its assets. For example:</p> <ul style="list-style-type: none"> <li>the Council should develop a longer-term approach to its assets; and</li> <li>the Council will need to fully integrate its workforce and digital strategies with its longer-term plans for its assets.</li> </ul> | <p>Report and Action Plan considered by <a href="#">Overview and Scrutiny Committee on 10 October 2022</a></p> | <p>Following the update to the Overview and Scrutiny Committee on 10<sup>th</sup> October 2022, the Council has agreed an integrated Office Accommodation Strategy and Workspace Plan (together with a Council operating model and working arrangements policy) – this sets out a long term approach to its assets, developed around key sustainable development principles and identifies the outcomes to be achieved, and was agreed by the Council’s Cabinet on <a href="#">15th May 2023</a>.</p> <p>This will be an on-going programme of work and will be further supported by the Council’s updated Corporate Asset Management Plan 2023 – 28 – this to be drafted and reported later in 2023.</p> |
| <p><a href="#">Springing Forward – Workforce – Rhondda Cynon Taf County Borough Council</a><br/>Issued July 2022</p> | <p>Extend existing workforce management data to include comparative benchmarking with other organisations to inform planning and strengthen the assessment of workforce initiatives</p>   | <p>Report and Action Plan considered by <a href="#">Overview and Scrutiny Committee on 10 October 2022</a></p> | <p>Further to the 10<sup>th</sup> October 2022 update, the Council’s Cabinet agreed an updated Human Resources Strategy 2023 – 28 and Council Workforce Plan 2023 – 28 on <a href="#">23rd January 2023</a> that will provide, amongst other things, on-going focus on management information to support workforce initiatives.</p>   |

**Audit Wales National Report originally presented to Governance and Audit Committee 7 September 2022**

| Report   | Recommendations   | NOVEMBER 2022 UPDATE  | Position at end March 2023  |
|--|---|---|---|
| <p><a href="#"><u>Direct Payments for Adult Social Care published April 2022</u></a></p> | <p><b>Summary extract of recommendations - Local Authorities:</b></p> <ol style="list-style-type: none"> <li>1. Review public information in discussion with service users and carers to ensure it is clear, concise and fully explains what they need to know about Direct Payments.</li> <li>2. Undertake additional promotional work to encourage take up of Direct Payments.</li> <li>3. Ensure advocacy services are considered at the first point of contact to provide independent advice on Direct Payments to service users and carers.</li> <li>4. Ensure information about Direct Payments is available at the front door to social care and are included in the initial discussion on the available care options for service users and carers.</li> <li>5. Provide training to social workers on Direct Payments to ensure they fully understand their potential and feel confident promoting it to service users and carers.</li> <li>6. Work together to develop a joint Recruitment and Retention Plan for Personal Assistants.</li> </ol> <p><b>Local Authorities and the Welsh Government:</b></p> <ol style="list-style-type: none"> <li>7. Clarify policy expectations in plain accessible language and set out: <ul style="list-style-type: none"> <li>• what Direct Payments can pay for;</li> <li>• how application and assessment processes, timescales and review processes work;</li> <li>• how monitoring individual payments and the paperwork required to verify payments will work;</li> <li>• how unused monies are to be treated and whether they can be banked; and</li> <li>• how to administer and manage pooled budgets.</li> </ul> </li> </ol> <p>Public information should be reviewed regularly</p> | <p>Report and Action Plan considered by <a href="#"><u>Community Services Scrutiny Committee</u></a> on 24 October 2022</p> | <p>As per the 'November 2022 update' to the Community Services Scrutiny Committee on 24<sup>th</sup> October 2022.</p> <p>The Council will continue its focus to provide opportunities and support for service users to consider Direct Payments as part of giving people more choice, greater flexibility and more control over the support they receive. This area is part of the Adult Services Service Delivery Plan for 2023/24.</p> |

| Report | Recommendations   | NOVEMBER 2022 UPDATE | Position at end March 2023 |
|--------|---|----------------------|----------------------------|
|        | <p>(at least every two years) to ensure they are working effectively and remain relevant.</p> <p><b>Welsh Government:</b></p> <p>8. Ensure that people who receive both NHS continuing healthcare and Direct Payments have greater voice, choice and control in decision making.</p> <p><b>Local Authorities and the Welsh Government:</b></p> <p>9. Work together to establish a system to fully evaluate Direct Payments that captures all elements of the process – information, promotion, assessing, managing and evaluating impact on wellbeing and independence.</p> <p>10. Annually publish performance information for all elements of Direct Payments to enable a whole system view of delivery and impact to support improvement</p> |                      |                            |

Published: November 2021 on CIW Website

| Proposals for Improvement   | Council response   | November 2022 UPDATE  | Position at March 2023  |
|---|--|---|---|
| <p>In March 2020, CIW suspended its routine programme in response to the COVID-19 pandemic to enable local authorities and providers to focus fully on responding to the challenging circumstances and focussed on two questions</p> <p>How well is the local authority discharging its statutory functions to keep people who need care and support and carers who need support, safe and promote their well being during the pandemic?</p> <p>What is the local authority doing to prevent the need for children to come into care; and are children returning home to their families quickly enough where safe to do so?</p> | <p>The findings from the Assurance check were considered by</p> <ul style="list-style-type: none"> <li>• Health and Wellbeing Scrutiny Committee on <a href="#">19 July 2021</a></li> <li>• Children and Young People Scrutiny Committee <a href="#">on 21 July 2021</a></li> </ul> <p>and identified many strengths and noting that the following areas for improvement are reflected and are being progressed in Service Delivery Plans for 2021/22 and 2022/23.</p> <ul style="list-style-type: none"> <li>• Recruitment &amp; retention of a stable workforce</li> <li>• Closely monitor the reduction of waiting lists</li> <li>• Placement sufficiency in Children’s Services</li> </ul> | <p><b>Children’s Services - Recruitment &amp; retention of a stable workforce</b><br/>                 Since the time of the assurance visit, a Workforce Strategy has been agreed and is being implemented by the Workforce Steering Group. This is being brought to Community Services Scrutiny Committee in November.</p> <p><b>Closely monitor the reduction of waiting lists</b><br/>                 Risk Management plan in place in Children’s Services Enquiry and Assessment Teams with frequent meetings.</p> <p><b>Placement sufficiency in Children’s Services</b></p> | <p><b>Children’s Services - Recruitment &amp; retention of a stable workforce</b> - considerable work has been carried out under the workforce strategy albeit vacancy rates for qualified social worker in Intensive Intervention remains high. The Community Services Scrutiny Committee received an update report on <a href="#">28th November 2022</a>.</p> <p>The Workforce Steering Group receives progress reports and updates on how risks are being managed. There is a clear focus on a ‘grow our own’ scheme, noting that this takes time to take effect, and retaining and recruiting experienced practitioners continues to be a priority. This area is included within the Council’s Strategic Risk Register and the priorities are subject to on-going review and challenge.</p> <p><b>Closely monitor the reduction of waiting lists</b> – this area is subject to continuous performance monitoring and reductions have been emerging at the front door and for Disabled Children’s Team cases.</p> <p><b>Placement sufficiency in Children’s Services</b> – the overall</p> |

| Proposals for Improvement | Council response | November 2022 UPDATE  | Position at March 2023   |
|---------------------------|------------------|---|--|
|                           |                  | <p>Foster Wales plans are being implemented. Residential Transformation Strategy is scheduled for pre –Scrutiny by the Community Services Scrutiny Committee in November 2022.</p> <p><b>Recruitment &amp; Retention – Adults Services</b></p> <p>We have:</p> <ul style="list-style-type: none"> <li>• established a Social Care Workforce Steering Group comprising of the Group Director Community and Children’s Services, Directors of Adult and Children’s Services, Director of Human Resources and Human Resource operational leads to oversee development of a Workforce Strategy.</li> <li>• committed additional staff resource to Human Resources to develop and implement an overarching Workforce Strategy and action plan to meet the needs of social work and Social Care.</li> <li>• introduced a new pay and career structure for Social Workers in Summer 2021. The progression</li> </ul> | <p>need for placements has reduced in line with the Children Looked After Strategy. As part of the national Foster Wales strategy, RCT’s offer to foster carers is developing with further work required to meet targets set.</p> <p>Cabinet has approved the Residential Transformation Strategy and the Operating Without Registration position has been incorporated within the Strategic Risk Register.</p> <p><b>Recruitment &amp; Retention – Adults Services</b></p> <p>The Social Care Workforce Steering Group is progressing its work, including:</p> <ul style="list-style-type: none"> <li>•Additional interim capacity created within Human Resources and a strategic Organisational Change &amp; Transformation Officer appointed to support this work.</li> <li>•The introduction of an exit interview process and commenced a new entrant interviews/survey and “lost” candidate surveys to understand recruitment attrition.</li> <li>•Using social media to support recruitment and targeted campaigns e.g. recruitment in Support at Home. Early indications are that numbers of</li> </ul> |

| Proposals for Improvement | Council response | November 2022 UPDATE  | Position at March 2023   |
|---------------------------|------------------|---|--|
|                           |                  | <p>from social worker to experienced social worker is now embedded with staff making the appropriate career promotion after 3 years in practice.</p> <ul style="list-style-type: none"> <li>• introduced allowances for our social workers undertaking Practice Educator roles. As a result, we have increased our hosting of social work students, allowing us to maintain the placements we can provide for the social work degree program.</li> <li>• improved pay and terms and conditions for other Council staff, including front line social care staff, as follows: <ul style="list-style-type: none"> <li>○ <a href="#">Report to Council</a> on 06/07/22</li> <li>○ <a href="#">Report to Council</a> on 28/09/22</li> </ul> </li> <li>• changed our Occupational Therapy (OT) service model to reflect a growing problem in recruiting qualified OT staff, changing the skill mix and tasks appropriately to new OT Assistants and introducing a market supplement for OTs which assisted in filling vacancies.</li> <li>• increased funding available to start remodelling of our Adult Care &amp; Support Teams to better meet increased need and demand.</li> <li>• settled staff into the Council's hybrid working model, supported by the agile working framework, and flexitime has resumed from suspension through the pandemic which has had a positive response.</li> </ul> | <p>applications have increased as a result.</p> <ul style="list-style-type: none"> <li>• Human Resources are assisting the Commissioning Team to help identify different approaches and share good practice.</li> <li>• 7 home grown students are being supported on the social work course; 1 student on the Rehabilitation for Visually Impaired course; and the plan to support a home-grown student onto the Occupational Therapy course from September 2023.</li> <li>• 11 apprentices will be hosted in total across Adult Services this year.</li> <li>• Between November 2022 and April 2023, 48 new home care starters were recruited, this being double compared to the same period in the previous year.</li> </ul> |



| Proposals for Improvement | Council response | November 2022 UPDATE   | Position at March 2023 |
|---------------------------|------------------|--|------------------------|
|                           |                  | <ul style="list-style-type: none"> <li>• continued to invest in our long established 'Growing our Own' scheme by funding and supporting staff to access the Social Work degree course with a guaranteed Social Worker role on completion of registration.</li> <li>• started working with Cardiff University and the University of South Wales to establish a new Social Work Bursary Scheme, so that we will offer reimbursement of course fees to a number of students who are also residents of RCT. This will be in return for a commitment by the student to join the Council as a Social Worker on qualifying.</li> <li>• taken advantage of the Council's Apprentice programme by employing a number of apprentices across care roles, an evaluation is due to take place shortly.</li> <li>• started utilising the 'We Care' jobs platform provided by Social Care Wales to advertise all relevant care posts.</li> <li>• continued to take part, along with other Agencies from the Care sector in the Council's Virtual and more recently, reintroduced face to face Careers Fair. Human Resources staff attend and provide hands on/real time support to those who wish to make job applications. The application form has been streamlined to a minimal</li> </ul> |                        |

| Proposals for Improvement | Council response | November 2022 UPDATE  | Position at March 2023  |
|---------------------------|------------------|---|---|
|                           |                  | <p>level to assist applicants further.</p> <ul style="list-style-type: none"> <li>• agreed to improve our Exit Interview process from which reasons for leaving will be better understood and will give management the ability to make changes where appropriate.</li> </ul> <p><b><u>Waiting Lists in Adult Services</u></b></p> <p>Some people continue to wait longer than we would like for us to assess and review them. Despite additional resources and prioritisation to reduce waiting lists, we continue to operate waiting lists in Care &amp; Support; ACE and Sensory Services, which have been exacerbated by increases in demand, many with higher levels of frailty and complex needs, and some staff vacancies and absences. All cases are prioritised based on assessed need and risk. Plans are in place to reduce waiting lists in 2022/23.</p> | <p><b><u>Waiting Lists in Adult Services</u></b></p> <p>There has been significant management focus on the waiting list this year with positive results</p> <ul style="list-style-type: none"> <li>• Our waiting list performance for Care and Support teams has been improving with 186 on the waiting list in March 2023 compared to 339 in April 2022.</li> <li>• Our waiting list performance for Adaptations Community Equipment (ACE) has improved with 156 (plus 55 parking bays) on the waiting list in March 2023 compared to 671 (plus 64 parking bays) in April 2022.</li> </ul> <p>Notwithstanding these positive results, plans are in place to further improve waiting lists in 2023/24 and all cases continue to be prioritised based on assessed need and risk.</p> |

Published: 24 March 2021 on CIW Website

| Key Findings   | Council response  | November 2022 UPDATE  | Position at March 2023  |
|--|---|---|---|
| <ul style="list-style-type: none"> <li>• Since many applications for DoLS were from care homes or older adult wards, the majority of applications continued to be for older adults, with more than 85% of applications for people over the age of 65.</li> <li>• More DoLS authorisations were made for males up to the age of 64, but after the age of 85, a significantly higher number of authorisations were in relation to females.</li> <li>• There has continued to be a year on year increase in the number of applications received by supervisory bodies, with a 28% increase received by health boards in 2019-20.</li> <li>• Nearly half of all applications were withdrawn due to the individual either moving to a different care setting, being discharged from hospital or dying before the application is reviewed.</li> <li>• Across Wales, fewer than half of applications were completed within the statutory timeframes.</li> <li>• Of those applications refused by supervisory bodies,</li> </ul> | <p>This is a national annual monitoring report of CIW and HIW on the implementation of Deprivation of Liberty Safeguards (DoLS) in Wales, on behalf of Welsh Ministers. The report refers to activity between April 2019 and March 2020.</p> <p>DoLS will be replaced in April 2022 with the <a href="#">Liberty Protection Safeguards (LPS)</a> which were introduced by the <a href="#">Mental Capacity (Amendment) Act</a>.</p> <p>We will implement these changes in line with the new Codes of Practice and Regulations when they are published and our arrangements will be reflected in our Service Delivery Plan for 2022/23.</p> | <p><b><u>Children’s Services</u></b><br/>           Internal policies have been updated, and training is being sought. At present we still await the Code of Practice which is on hold pending the publication of the new draft Mental Capacity Act 2019 Code of Practice and the draft Regulations for Wales. These were published in March 2022 for a 16 week consultation, the outcome of this consultation is not expected until late 2022.</p> <p><b><u>Adult Services</u></b><br/>           Implementation of the Liberty Protection Safeguards to replace the existing Deprivation of Liberty Safeguards planned for April 2022 has been delayed and no new date as yet been set. As a result, planning and preparation was put on hold pending the publication of the new draft Mental Capacity Act 2019 Code of Practice and the draft Regulations for Wales. These were published in March 2022 for a 16 week consultation, the outcome of this consultation is not expected until late 2022. We have established a regional working group to respond to the consultation.</p> | <p>The expected revised Mental capacity Act Code of Practice and the secondary legislation for the Liberty Protection Safeguards (LPS) have still not been published and UK Government finally announced on 5<sup>th</sup> April 2023 that the LPS would not be implemented within the ‘lifetime of this Parliament’. Welsh Government, which does not have devolved powers in this matter, has expressed its disappointment.</p> <p>In the meantime, the Deprivation of Liberty Safeguards (DoLS) remain the statutory regime whereby deprivations of liberty for people living in care homes and hospitals, who lack mental capacity to consent to their care arrangements, who experience continuous supervision and are not free to leave, can be authorised by Local Authorities and Hospitals. Deprivations of liberty of supported living settings and other non-registered care homes and for 16 and 17 year olds can only be authorised on application to the Court of Protection.</p> |

| Key Findings   | Council response | November 2022 UPDATE   | Position at March 2023   |
|--|------------------|--|--|
| <p>approximately half were because the mental capacity condition was not met.</p> <ul style="list-style-type: none"> <li>Over half of applications had not been assessed within 28 days, suggesting supervisory bodies were unable to assure themselves that people's human rights were not being breached by being deprived of their liberty unlawfully.</li> <li>Whilst most people were represented by family and friends, the number of people referred to Independent Mental Capacity Advocates (IMCAs) increased compared to 2018-19.</li> <li>The proportion of authorisations referred to Court of Protection also increased compared to 2018-19.</li> </ul> |                  | <p>In the meantime, we have directed our efforts at increasing the confidence of social care staff in the application of the Mental Capacity Act 2019 by commissioning additional training and clearing the backlog of Deprivation of Liberty Safeguards (DoLS) applications which has accumulated over time. The DoLS waiting list currently at 386 as at end of Qtr 2 but is reducing as we continue to commission external capacity, using Welsh Government Grant, to complete assessments on the Council's behalf to supplement the work of in-house team. This work will be completed in 2022/23.</p> | <p>Welsh Government has maintained its level of funding for DoLS for 2023-24. This funding continues to be used to increase the Council's capacity to undertake DoLS assessments. The Commissioned Provider's contract has been extended for a further 6 months, based on the confirmed funding, this being in addition to our in-house DoLS Team.</p> <p>The maximum duration of a DoLS Authorisation is one year and new assessments have to be undertaken in order to give a further authorisation.</p> |

**Care Inspectorate Wales National Overview**

**Report of Assurance Checks Published:**

November 2021 on CIW Website

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| <b>Key Findings</b>   | <b>Council response</b>  | <b>November 2022 UPDATE</b>                    | <b>Position at March 2023</b>                |
|---|--|--|--|
| <ol style="list-style-type: none"> <li>1. Unprecedented increase in demand for social care</li> <li>2. Partnership working</li> <li>3. Recruitment and Retention</li> <li>4. Fragility within Domiciliary Support Services</li> <li>5. Placement insufficiency within the childcare sector</li> <li>6. Advocacy</li> <li>7. Support for Carers</li> <li>8. Grant funding</li> </ol> | <p>This report provides a National Overview of the themes and challenges that CIW has identified during their Assurance Checks of the 22 Local Authorities between September 2020 and July 2021. We note the national challenges identified and will take account of them as part of our ongoing service improvements. However, of more direct relevance is the progress and areas for improvement that have been identified in our local (RCT) Assurance Check 2021 which has been reported to both Children’s and Health and Wellbeing Scrutiny Committees referenced above and are being progressed in our Service Delivery Plans for both 2021/22 and 2022/23.</p> | <p>As set out in the ‘Council’s Response’.</p> | <p>As set out in the ‘Council Response’.</p> |

**‘Let me Flourish’ National review of early help, care and support and transition for disabled children in Wales**

**Published:** November 2021

| <b>Key Findings</b>  | <b>Council response</b>   | <b>November 2022 UPDATE</b>   | <b>Position at March 2023</b>   |
|--|---|---|---|
| <ol style="list-style-type: none"> <li>1. a rights-based approach when working with disabled children and their families must be promoted and taken</li> <li>2. carers’ rights and entitlements must be actively promoted</li> <li>3. effective arrangements must be in place for communication with disabled</li> </ol> | <p>The service has taken account of the actions set out in the national report. However, of more relevance is local inspection undertaken as part of the national review. This local inspection took place in December 2019 and considered Disabled Children’s Service and Focused Activity in the 16+ Service.</p> | <p>All aspects of the focused activity action plan have been implemented and are being monitored by internal Quality Assurance processes.</p> | <p>The Disabled Children’s Team action plan has been completed and are subject to continuous monitoring by internal Quality Assurance processes</p> |

| Key Findings   | Council response  | November 2022 UPDATE | Position at March 2023 |
|--|---|----------------------|------------------------|
| <p>children. The child's preferred method of communication should be used, their voice should be consistently sought, heard and captured</p> <p>4. eligibility criteria for access to statutory services must be fully aligned with the 2014 Act</p> <p>5. practitioners working with disabled children must be sufficiently skilled and trained in relation to the tasks they perform/are expected to perform when working with children and their families</p> <p>6. opportunities for consultation with disabled children and their parent/carers should be developed and maximised</p> <p>7. review and take the necessary action to ensure sufficient and accessible information, and timely advice and assistance is available for disabled children and their families</p> <p>8. ensure the 'Active Offer' of a service delivered in the Welsh language is consistently promoted and provided</p> <p>9. ensure the 'Active Offer' of independent formal advocacy is consistently promoted and provided</p> <p>10. review and ensure effective</p> | <p>An update on the progress of Rhondda Cynon Taf Council's response to the recommendations within the local Inspection of the <a href="#">Disabled Children's Service and Focused Activity in the 16+ Service</a> which took place in December 2019, as part of the national review programme, was presented to <a href="#">C&amp;YP Scrutiny Committee</a> in September 2021.</p> |                      |                        |

| Key Findings   | Council response | November 2022 UPDATE | Position at March 2023 |
|--|------------------|----------------------|------------------------|
| <p>quality assurance systems and information recording systems are in place to assess and evaluate the quality and impact of work with disabled children and their families, and for the purpose of service planning, delivery and adherence to statutory requirements</p> <p>11. safeguarding thresholds and processes must be well understood by practitioners and partners and as rigorously applied in relation to disabled children as they are for non-disabled children</p> <p>12. sufficiency of suitable local placements, and play, social, recreational, training and employment opportunities for disabled children must be maximised to meet the needs of disabled children and young people</p> <p>13. transition planning must be undertaken in a timely manner and include disabled children, their families and relevant professionals/agencies</p> <p>14. ensure adherence to the Children and Young People's Continuing Care Guidance – January 2020</p> <p>15. opportunities for greater collaboration and joint commissioning with regional</p> |                  |                      |                        |

| Key Findings   | Council response | November 2022 UPDATE | Position at March 2023 |
|--|------------------|----------------------|------------------------|
| <p>partners must be maximised</p> <p>16. ensure required action is taken to comply with the requirements of the Statutory Code of Practice on the Delivery of Autism Services</p> <p>17. ensure suitable arrangements are in place for the forthcoming implementation of and compliance with the Liberty Protection Safeguards (LPS)</p> |                  |                      |                        |



## Audit Wales - Local Government Studies

### At your Discretion - Local Government Discretionary Services

Published: April 2021

| Key Facts Arising   | Council response  | November 2022 UPDATE                           | Position at March 2023                      |
|---|---|--|---|
| <ul style="list-style-type: none"> <li>• Defining whether a service is discretionary or statutory can be complicated and does not reflect the important work of councils</li> <li>• Despite providing essential services that people depend on, councils have had to make difficult choices on what to protect in responding to over a decade of austerity Service review processes help councils make tough choices but do not always draw on all key data               <ul style="list-style-type: none"> <li>○ Citizens are willing to get involved in helping shape and run services, but councils are neither effectively nor consistently involving them in decisions</li> </ul> </li> <li>• Councils are not confident that they can continue to deliver all their services in the face of rising and complex demand</li> <li>• COVID-19 offers an opportunity to reevaluate and reset the role and value of local government               <ul style="list-style-type: none"> <li>○ COVID-19 has demonstrated the</li> </ul> </li> </ul> | <p>The Council has well embedded Service Self- Evaluation and Service Delivery Planning arrangements that ensure its statutory responsibilities are met and also recognise the key role discretionary (and preventative) services play in contributing to statutory duties and, importantly, how they support communities and provide better outcomes for residents across the County Borough.</p> <p>These arrangements will continue to be central in informing opportunities to shape future service delivery, in consultation with citizens, to ensure the Council continues to provide good quality and affordable services in line with the needs of communities across Rhondda Cynon Taf</p> | <p>As set out in the 'Council's Response'.</p> | <p>As set out in the 'Council Response'</p> |

| Key Facts Arising  | Council response | November 2022 UPDATE | Position at March 2023 |
|--|------------------|----------------------|------------------------|
| <p>importance of councils as key leaders in our communities who provide essential services and a safety net for people across Wales</p> <ul style="list-style-type: none"> <li>○ Councils need to build on their response to COVID-19 and take the opportunity to transform the way they provide services and interact with communities</li> </ul> |                  |                      |                        |

[Regenerating town centres in Wales](#)

Published September 2021

| Mix of Welsh Government and Local Authority Actions  | Council's Response  | NOVEMBER 2022                           | Position at March 2023                |
|--|---|---|---------------------------------------|
| <p><b>R1</b> Non-domestic rates have not been reviewed in recent years, and the levels charged do not reflect the current rents being achieved in many town centres.<br/> <b>We recommend that the Welsh Government</b> review Nondomestic Rates to ensure the system better reflects town centre conditions when the payments holiday ends in March 2022.</p> | <b>Agree with recommendation</b>  | As set out in the 'Council's Response'. | As set out in the 'Council Response'. |
| <p><b>R2</b> Many town-centre businesses are impacted adversely by charging for car parking, access to public transport and poor transport infrastructure.<br/> <b>We recommend that the Welsh Government</b> work with local authorities to review transport challenges facing town centres and agree how best to address these.</p>                          | <b>Agree with recommendation.</b> Transport and access issues and opportunities are key to bringing forward town centre investments and regeneration plans and strategies such as those for Pontypridd, Porth and Mountain Ash. | As set out in the 'Council's Response'. | As set out in the 'Council Response'. |

| Mix of Welsh Government and Local Authority Actions  | Council's Response   | NOVEMBER 2022                                  | Position at March 2023                       |
|--|--|--|--|
| <p><b>R3</b> The Welsh Government has directly provided and levered in just under £900 million through 13 funding schemes to help regenerate town centres. However, some aspects of the Welsh Government's management of the funding are considered problematic. To ensure local authorities are able to maximise the impact of funding and tackle the more difficult and longstanding problems that would help transform their town centres, <b>we recommend that the Welsh Government:</b></p> <ul style="list-style-type: none"> <li>• consolidate funding to reduce bureaucracy by streamlining processes and grant conditions and keeping requests for information and supporting materials to a minimum;</li> <li>• move away from annual bidding cycles to multi-year allocations; and</li> <li>• rebalance investment from capital to revenue to help local authorities address staff capacity and skills shortages.</li> </ul>  | <p><b>Agree with the recommendations.</b> We will continue to work closely with WG colleagues to develop improved approaches to delivering funding for town centre regeneration in the most effective way. RCT is leading on the management and delivery of several regional and national WG funded initiatives which puts us in a strong position to understand where improvements can be made and to suggest how best these can be implemented.</p>  | <p>As set out in the 'Council's Response'.</p> | <p>As set out in the 'Council Response'</p>  |
| <p><b>R4</b> The Welsh Government has provided all 22 local authorities with training on how best to use existing enforcement, financial assistance and debt recovery powers, but they are not being consistently nor effectively utilised to support regeneration. <b>We recommend that local authorities</b> take appropriate action, using these existing powers and resources available to achieve the best possible outcome for town centres by:</p> <ul style="list-style-type: none"> <li>• using alternative methods of enforcement before using Compulsory Purchase Orders as a last resort;</li> <li>• integrating enforcement strategies with wider departmental strategies across housing, environmental health, planning and regeneration teams to make more effective use of existing skills and resources; and</li> <li>• ensuring there is capacity and the right expertise to use the full range of powers, working in collaboration with other councils to achieve good outcomes.</li> </ul> | <p><b>Agree with the recommendations.</b> Staff and relevant Cabinet Members have benefitted from training funded by WG and provided by an independent expert. We have also prepared an Empty Property Action Plan which identifies priority targets for enforcement, and which includes input from all relevant Services. A good example is at Guto Square, Mountain Ash where concerted action and enforcement has led to a successful Compulsory Purchase Order resulting in the redevelopment of derelict land at the centre of the town for a new public space with multiple uses</p> | <p>As set out in the 'Council's Response'.</p> | <p>As set out in the 'Council Response'.</p> |

| Mix of Welsh Government and Local Authority Actions  | Council's Response  | NOVEMBER 2022                                  | Position at March 2023   |
|--|---|--|--|
| <p><b>R6</b> Town centres are changing, and local authorities need to be receptive to these changes and plan to manage these shifts. <b>We recommend that local authorities</b> use our regeneration tool to self-assess their current approaches to identify where they need to improve their work on town-centre regeneration (the tool is <a href="#">here</a>)</p> | <p><b>Agree with the recommendation.</b> We continually review our approach to regenerating Town Centres to meet our Corporate priorities as part of our annual Performance evaluation and Service Self Evaluation processes. We have used the Audit Wales Self Evaluation Tool as part of our consideration to our approach to town centre regeneration and are generally satisfied we meet the themes Intention, Involvement, Informed and Intervention.</p> <p>However, we are not complacent and will continue to adapt and improve our approach as circumstances, issues and opportunities change. For example, we intend to continue to develop appropriate strategies, placemaking plans and frameworks to cover all of our key towns, pilot new ways to improve how we monitor town centre usage through footfall related technology and ensure that we make better use of the suite of enforcement measures that are available to bring forward redevelopment. An example of this is the draft Pontypridd Placemaking plan which was considered by <a href="#">Cabinet on 28<sup>th</sup> February 2022.</a></p> | <p>As set out in the 'Council's Response'.</p> | <p>We continue to make positive progress in our approach to town centre regeneration, for example, the development of an Aberdare Town Centre Strategy is now in the early stages, with early engagement underway, as reported to the Climate Change, Prosperity and Frontline Services Scrutiny Committee on <a href="#">15<sup>th</sup> February 2023</a> and scheduled for consideration by Cabinet in June 2023.</p> |

|   |  |
|---|--|
| <p><b>GOVERNANCE AND<br/>AUDIT COMMITTEE</b></p> <p><b>4<sup>th</sup> July 2023</b></p> | <p><b>AGENDA ITEM NO. 6</b></p>                        |
| <p><b>REPORT OF THE HEAD OF THE<br/>REGIONAL INTERNAL AUDIT<br/>SERVICE</b></p>         | <p><b>INTERNAL AUDIT ANNUAL<br/>REPORT 2022/23</b></p> |

Author: Andrew Wathan (Head of the Regional Internal Audit Service)  
& Lisa Cumpston (Audit Manager)

#### **1. PURPOSE OF THE REPORT**

1.1 This report provides the Head of Internal Audit's Annual Opinion on the Council's control environment in relation to governance, risk management and internal control. It also informs the Governance and Audit Committee of the work and performance of Internal Audit for the Financial Year 2022/23. This information is provided to comply with the Public Sector Internal Audit Standards.

#### **2. RECOMMENDATIONS**

2.1 It is recommended that Members of the Governance and Audit Committee give consideration to the Annual Internal Audit Report for the Financial Year 2022/23 including the Head of Internal Audit's Annual Opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control.

#### **3. REASONS FOR RECOMMENDATIONS**

3.1 Governance and Audit Committee receives the annual opinion from the Head of Internal Audit in respect of the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control and to monitor the performance of the Council's Internal Audit Service in accordance with its Terms of Reference.

#### **4. BACKGROUND**

4.1 The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an Annual Report to support the Annual Governance Statement. The report should:

- Include an opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control;

- Present a summary of the audit work undertaken;
- Draw attention to any issues that may impact on the level of assurance provided;
- Provide a summary of the performance for the service; and
- Comment on conformance with the Public Sector Internal Audit Standards.

- 4.2 In accordance with the Public Sector Internal Audit Standards, the Head of Internal Audit is responsible for developing a risk-based annual audit plan which considers 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, programmes, systems, controls and resources. The Head of Internal Audit must also ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.
- 4.3 The Internal Audit Plan for 2022/23 was submitted to Governance and Audit Committee for consideration and approved on 18<sup>th</sup> July 2022. The approved plan was flexible to be able to respond to changing circumstances and events that may arise during the year. The assurance gained from the audit work undertaken during the year assists the Head of Audit in providing an overall annual opinion.
- 4.4 The Internal Audit Annual Report is at **Appendix A** which summarises the reviews undertaken during 2022/23, the recommendations made and any control issues identified. A total of 47 reviews were completed with an audit opinion and a total of 143 recommendations made. A breakdown is included at **Annex 1** of this Appendix. The annual report also discusses the performance of the internal audit service during the year and highlights individual staff development and training that has taken place.
- 4.5 Progress against the 2022/23 Risk Based Plan is attached at **Annex 2**. This details the status of each planned review. It should be noted that some reviews listed have no audit opinion, for example Annual Governance Statement (AGS), Audit Planning and Recommendation Monitoring. This is because the audit work carried out in respect of these items was planned but the nature of the work does not lead to testing and the formation of an audit opinion.
- 4.6 Annex 2 illustrates that 59 (61%) of the planned audit reviews have been undertaken during 2022/23. 29 audits were not started and have been included in the planning process for 2023/24, a further 2 audit reviews are ongoing and have been carried forward into the 2023/24 audit plan. Where planned work has not been undertaken, assurance has been gained where possible from other sources such as previous work and coverage in other audits. Some planned reviews were not undertaken during the year due to requests from services that were under intense pressure, these will be considered in the 2023/24 planning process.
- 4.7 Based on the testing of the effectiveness of the internal control environment an audit opinion of *Substantial Assurance* has been given to 23 reviews (49%) and an opinion of *Reasonable* to 22 reviews (47%), and 2 reviews (4%) have been given an audit opinion of *Limited Assurance*. No audit assignments have been given a *No Assurance* audit opinion on the current systems of internal control during 2022/23. Recommendations have been made for improvements and a follow up audit will be undertaken where either a *Limited* or *No Assurance* audit opinion has been given to ensure controls have been improved to mitigate the risks identified.

- 4.8 Taking into account the results of the internal audit reviews completed during 2022/23, the recommendations made and considering other sources of assurance the Head of Internal Audit's Annual Opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control for 2022/23 is of:

***'Reasonable Assurance'***

No significant cross-cutting issues have been identified that would impact on the Council's overall control environment and the weaknesses identified are service specific.

- 4.9 In providing this annual audit opinion, it should be noted that assurance can never be absolute. The most that internal audit can provide is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The matters raised in this report are only those which came to our attention during our internal audit work in the financial year 2022/23 and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

**5. EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY**

- 5.1 There are no equality and diversity or socio-economic 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, but effective audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

**8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 8.1 The provision of an adequate and effective Internal Audit function is a legal requirement under the Accounts and Audit (Wales) Regulations 2018 as amended from time to time.
- 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 & FIVE WAYS OF WORKING**

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 & FIVE WAYS OF WORKING

- 9.2 The wellbeing goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of wellbeing goals/objectives as a result of this report.

**10. CONCLUSION**

- 10.1 Taking into account the results of the internal audit reviews completed during 2022/23, the recommendations made and considering other sources of assurance the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control for 2022/23 is of ‘**Reasonable Assurance**’.

\*\*\*\*\*



**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**

**4<sup>th</sup> July 2023**

**ANNUAL REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE**

Author: Andrew Wathan (Head of the Regional Internal Audit Service)  
& Lisa Cumpston (Audit Manager)

**Item 6**

**Background Papers**

None.

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Andrew Wathan (Head of the Regional Internal Audit Service)  
Lisa Cumpston (Audit Manager)

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**RHONDDA CYNON TAF**

# **ANNUAL INTERNAL AUDIT REPORT**

**2022-2023**

**Andrew Wathan, CPFA**

**Head of Regional Internal Audit Service  
June 2023**



## Annual Internal Audit Report 2022/23

**Section 1 – Introduction**

- 1.1 The Public Sector Internal Audit Standards (PSIAS) requires the Head of Internal Audit to deliver an annual internal audit opinion and report which can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
- 1.2 The 2022/23 Internal Audit Plan outlined the assignments to be carried out to enable the Head of Internal Audit to form an annual opinion of the Council's overall control environment including, governance, risk management and internal control. The plan had regard to the continuing impact caused by the pandemic and the changes that have been made to the way the Council is operating.
- 1.3 Other factors taken into account included potential availability of audit and service staff and challenges arising from the remote ways of working. The plan was also flexible to respond to changing circumstances and events that may have occurred such as pressures on services, the ability to access staff and evidence or requests to respond to new issues that may emerge.
- 1.4 The Internal Audit Service is delivered through the expanded shared service that came into existence on 1st April 2019. The service is hosted by the Vale of Glamorgan Council and provides internal audit services to the Vale, Bridgend, Merthyr Tydfil & Rhondda Cynon Taf Councils. The arrangement is underpinned by a detailed legal agreement between the four Councils which sets out a range of obligations (the core service is the same for each Council but there are differences in what is provided outside of the core service).
- 1.5 The service reports to the four Governance & Audit Committees and is overseen at a strategic level by the Board which consists of the Chief Finance Officers of the four Councils.
- 1.6 During the year Auditors have had the flexibility to work from home or the office and have undertaken site visits as appropriate for each audit.

## Annual Internal Audit Report 2022/23

## Section 2 – Summary of Reviews Undertaken 2022/23

- 2.1 On completion of the audit review an audit opinion is formed providing assurance for management and those charged with governance on how well the internal controls and governance arrangements of the system, establishment or area of review are operating.
- 2.2 Based upon the findings and recommendations made, an overall conclusion as to the level of assurance that can be provided is given as follows:

| Table 1 - Audit Assurance Category Code |  |
|---|--|
| <b>Substantial</b>                      | 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.  |
| <b>Reasonable</b>                       | 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.                     |
| <b>Limited</b>                          | 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.                       |
| <b>No Assurance</b>                     | 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. |

**Table 2 – Audit Opinion Given to Completed Audit Reviews 2022/23**

| Opinion      | Follow Ups | Financial Systems | Other Audit Reviews | Schools   | Grant Verification | Total     | %        |
|--------------|------------|-------------------|---------------------|-----------|--------------------|-----------|----------|
| Substantial  |            | 2                 | 11                  | 5         | 5                  | 23        | 49%      |
| Reasonable   | 3          | 1                 | 13                  | 5         |                    | 22        | 47%      |
| Limited      |            |                   | 1                   | 1         |                    | 2         | 4%       |
| No Assurance |            |                   |                     |           |                    | 0         | 0%       |
| <b>Total</b> | <b>3</b>   | <b>3</b>          | <b>25</b>           | <b>11</b> | <b>5</b>           | <b>47</b> | <b>%</b> |

- 2.3 Table 2 illustrates that a total of 47 reviews have been given an audit opinion. A list of these audits is at **Annex 1**.

## Annual Internal Audit Report 2022/23

- 2.4 A summary of the key issues identified in respect of the 2 audit reviews given a limited assurance audit opinion is shown in Section 3 below.
- 2.5 The final position against the 2022/23 approved audit plan is attached at **Annex 2**. This details the status of each planned review, the audit opinion and the number of any high, medium or low recommendations made to improve the control environment. It should be noted 12 audit reviews listed have no audit opinion, for example advice and guidance, external audit liaison, fraud and irregularity work, audit planning and recommendation monitoring. This is because the audit work carried out in respect of these items was planned but the nature of the work does not lead to testing and the formation of an audit opinion.
- 2.6 **Annex 2** illustrates the status of the 97 audit assignments included in the audit plan, 85 of which were opinion related. A summary of the status of the planned audits is illustrated in Table 3 below.

**Table 3 – Status of Planned Audits 2022/23**

| Status of Audits Assignments                   | Number    | %           |
|--|-----------|-------------|
| Complete with audit opinion                    | 47        | 49%         |
| Complete with no audit opinion                 | 12        | 12%         |
| Audit ongoing and carried forward into 2023-24 | 2         | 2%          |
| Audit not started and included 2023-24         | 29        | 30%         |
| Not undertaken or carried forward into 2023-24 | 5         | 5%          |
| Audit cancelled during 2022-23                 | 2         | 2%          |
| <b>Total</b>                                   | <b>97</b> | <b>100%</b> |

- 2.7 Five planned audits did not start and will not be included within the 2023/24 audit plan as circumstances have changed and the risks no longer exist. Where planned work has not been undertaken, assurance has been gained where possible from other sources such as previous work and coverage in other audits, for example safeguarding, off site visits and sickness absence procedures is covered in school audits. In addition, some planned reviews were not undertaken during the year due to requests from services that were under intense pressure to deliver their service; these will be undertaken in the 2023/24 plan.
- 2.8 61% of the 2022/23 plan has been achieved. Therefore the level of Internal Audit coverage was sufficient for the Head of Audit to be able to give an opinion.

## Annual Internal Audit Report 2022/23

**Section 3 – Limited Reports - Control Issues**

3.1 Table 2 illustrates that two audit reviews identified control issues which meant that a *Limited Assurance* audit opinion was provided. These are detailed below:

**Ysgol Gyfun Rhydywaun**

3.2 Internal Audit undertook a routine audit review in accordance with the Internal Audit Risk Based Plan for 2022/23. The audit report contained 19 recommendations to improve the internal control environment, 3 of which were a high priority. An audit opinion of *Limited Assurance* was given on the basis that:

- The school had not fully embraced the implementation of two Council corporate systems; My Concern, which is used to record instances of child protection/safeguarding concerns and iTrent, which is the Council's newly purchased and integrated HR and Payroll platform.

**Highways – Transfer of Waste**

3.3 Internal Audit undertook a review at the request of Management, in accordance with the Internal Audit Plan for 2022/23. The audit review identified an overall lack of control at both Council Depots, absence of key information relating to the type, frequency and volume of waste being transferred and lack of compliance with the Council's Contract Procedure Rules. An audit opinion of *Limited Assurance* was provided on the basis of these findings.

3.4 In accordance with routine internal audit procedures any audits concluded with a *No Assurance* or *Limited Assurance* opinion will be subject to a follow up review. The two audits referred to above have been included in the Internal Audit Plan for 2023/24, and all recommendations made have been agreed by Management.

3.5 Follow up audits are undertaken on previous *Limited Assurance* reports to ensure that improvements have been made to mitigate the risks previously identified. During 2022/23 three follow up audit reviews were undertaken as follows:

- Ty Gwyn Pupil Referral Unit;
- Park Lane Special School;
- Hawthorn High School

It is pleasing to note all three audit reviews demonstrated improvements and therefore a ***Reasonable Assurance*** audit opinion was provided.

## Annual Internal Audit Report 2022/23

## Section 4 – Recommendations – 2022/23

- 4.1 Recommendations are made at the conclusion of an audit review if it is felt that improvements should be made to mitigate risk. Recommendations are included in a management action plan and following each audit report recipients are asked to complete the action plan showing whether they agree with the recommendations made and how they plan to implement them. The classification of each recommendation made assists management in focusing their attention on priority actions, these ratings being High, Medium and Low.

| 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: |  |
| <b>High Priority</b>   | Action that is considered imperative to ensure that the organisation is not exposed to high risks. |
| <b>Medium Priority</b>   | Action that is considered necessary to avoid exposure to significant risks.                        |
| <b>Low Priority</b>  | Action that is considered desirable and should result in enhanced control.                         |

- 4.2 Management are asked to provide feedback on the status of each recommendation once the target date for implementation has expired. The implementation of these recommendations is monitored using MK Insight internal audit software to ensure improvements are being made.

Table 4 – Analysis of Recommendations Made During 2022/23

| Recommendations | Follow Ups | Financial Systems | Other Audit Reviews | Schools   | Grant Verification | Total      | %           |
|-----------------|------------|-------------------|---------------------|-----------|--------------------|------------|-------------|
| High            | 1          |                   | 6                   | 5         |                    | 12         | 8%          |
| Medium          | 14         | 2                 | 21                  | 48        | 1                  | 86         | 60%         |
| Low             | 4          | 1                 | 8                   | 32        |                    | 45         | 32%         |
| <b>Total</b>    | <b>19</b>  | <b>3</b>          | <b>35</b>           | <b>85</b> | <b>1</b>           | <b>143</b> | <b>100%</b> |

- 4.3 Table 4 illustrates that a total of 143 recommendations have been made to improve the control environment of the areas reviewed during 2022/23. Where the audit review is complete Management has given written assurance that these



## Annual Internal Audit Report 2022/23

recommendations will be implemented or have accepted the identified risk if the recommendation has not been accepted.

- 4.4 **Annex 3** provides a summary of the status of the internal audit recommendations made on 2022/23 audits which are complete. The monitoring of recommendations is undertaken regularly by Auditors and any undue delays or issues are highlighted to Senior Management and ultimately the Governance and Audit Committee. It is reassuring to note that there are no overdue recommendations relating to audit assignments completed in 2021/22, or audit reviews completed with a future target date indicating that the required improvements to the internal control environment have been made in a timely manner.

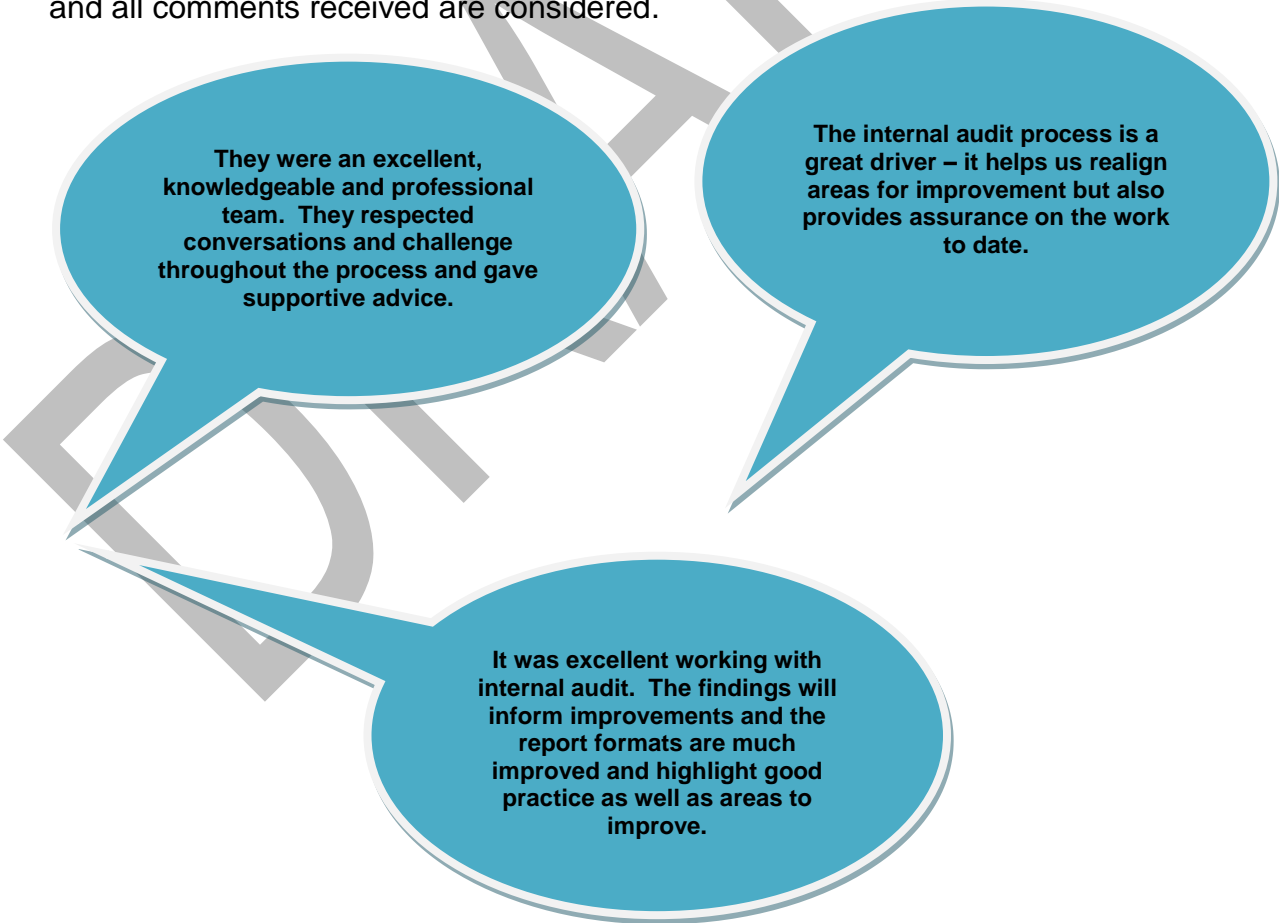
### Section 5 – Counter Fraud Work

- 5.1 While the Council has its own Counter Fraud Team, Internal Audit are also asked to carry out specific pieces of audit/investigation work on occasions. During 2022/23 a report of missing money from a Community & Children's Services Business Support Petty Cash account was referred to Internal Audit for review. Internal Audit undertook an investigatory review and identified fundamental gaps and weaknesses in the internal control environment; as a result, this area has been included in the Internal Audit Plan for 2023/24 for a follow up review.

## Annual Internal Audit Report 2022/23

**Section 6 – Key Performance Measures – Client Satisfaction Questionnaires**

- 6.1 The Internal Audit Service uses MK Insight (Internal Audit software) to enable clients to feedback with comments on the work undertaken by internal auditors. The client satisfaction questionnaires provide managers with the opportunity to feedback on the performance, professionalism and conduct of the auditor as well as the audit process in general. The questions are contained in **Annex 4**.
- 6.2 The return rate was 51%, an area that needs to be improved. A review of the process undertaken where surveys have not been returned will take place as well as a review of the questionnaires themselves to make sure they are easy to complete and submit.
- 6.3 The returned surveys however have confirmed satisfaction with the audit approach, the service provided and the conduct of the auditors. It is pleasing to note that the average rate of satisfaction is 95%. In addition to the above questions, the client also has an opportunity to make comments. Set out below are examples of comments received during the period. Most of the feedback received was positive and all comments received are considered.



**They were an excellent, knowledgeable and professional team. They respected conversations and challenge throughout the process and gave supportive advice.**

**The internal audit process is a great driver – it helps us realign areas for improvement but also provides assurance on the work to date.**

**It was excellent working with internal audit. The findings will inform improvements and the report formats are much improved and highlight good practice as well as areas to improve.**

## Annual Internal Audit Report 2022/23

**Section 7 – Key Performance Measures – Staff Training**

- 7.1 Investment in the development of staff continues as it is recognised that with the increasing challenges and complexity facing local government and other public sector services, the need for well trained, motivated, and versatile audit staff has never been higher.
- 7.2 In terms of professional training, two Graduate Auditors were recruited by the Regional Internal Audit Service during the year and both have started studying for the Chartered Institute of Public Finance & Accountancy (CIPFA) qualification. In the wider RIAS another member of staff is working towards the Chartered Institute of Internal Auditors, Certified Internal Auditor qualification.
- 7.3 Staff are encouraged to complete on-line courses to develop their skills and networking opportunities. Listed below illustrate the range of training courses that staff have completed during 2022/23: -
- Safeguarding Children and Adults – Raising Awareness
  - Oracle Fusion iExpenses
  - Communication
  - Data Protection
  - Influencing, Assertiveness and Negotiation
  - Building better habits
  - Dealing with conflict
  - Violence against Women, Domestic Abuse and Sexual Violence
  - Armed Forces Covenant
  - Fire Safety
  - Asbestos Awareness
  - Assertiveness
  - Delivery Effective Feedback
  - Stress Awareness for Managers
- 7.4 In addition staff have attended some face to face events including:-
- Finance for the Future Conference – Audit Wales
  - Introduction to Internal Audit
  - Welcome to the Vale Induction
  - Wales Fraud Forum – Protecting Your Business Against Cyber Crime

## Annual Internal Audit Report 2022/23

**Section 8 – Key Performance Measures – Benchmarking**

- 8.1 The Internal Audit Service participates annually in the Welsh Chief Auditors Group (WCAG) benchmarking exercise. The results for 2022/23 and 2021/22 exercises have not yet been collated or distributed by WCAG. The key performance measures for the Service are illustrated in Table 5. It should be noted that 16 of the 22 Councils returned their performance figures for 2020/21 representing a return rate of 73%.

**Table 5 – Performance Data**

| Performance Indicator                                   | RIAS Performance RCTCBC 2022/23 | RIAS Performance RCTCBC 2021/22 | WCAG Average Performance 2020/21 |
|---|---------------------------------|---------------------------------|----------------------------------|
| % of Planned Audits Completed                           | 61%                             | 60%                             | 67%                              |
| % of clients responses at least satisfied               | 95%                             | 100%                            | 100%                             |
| % of recommendations accepted versus made               | 98%                             | 100%                            | 100%                             |
| No. of days between draft and final report being issued | 45 days                         | n/a                             | n/a                              |

- 8.2 Table 5 illustrates that 95% of clients who responded to the questionnaire were at least satisfied with the work undertaken by internal audit. This figure is slightly lower than the figure reported during the previous year.
- 8.3 The number of days between the draft and final audit report being issued is included in Table 5. This represents the average number of days that is taken for the management action plan to be completed by service managers and returned to Internal Audit so the audit report can be finalised and issued.
- 8.4 Overall for 2022/23, 61% of the audit plan was completed, a total of 97 assignments were planned during the year of which 59 were completed.
- 8.5 The PI's illustrate that the performance by Internal Audit staff within Rhondda Cynon Taf is consistent with the previous year, despite the challenges following Covid and of remote working. This performance is slightly lower than the WCAG average performance figure reported for 2020/21, largely due to long term sickness and is an area that needs to be improved going forward.

## Annual Internal Audit Report 2022/23

**Section 9 – Public Sector Internal Audit Standards**

- 9.1 The Public Sector Internal Audit Standards encompass the following mandatory elements:
- Definition of Internal Auditing;
  - Code of Ethics
  - International Standards for the Professional Practice of Internal Auditing.
- 9.2 The Standards aim to promote further improvement in the professionalism, quality and effectiveness of Internal Audit Services across the public sector. The Standards require that each public sector Internal Audit Service has in place robust arrangements for quality assurance and requires that Internal Audit be the subject of an external assessment at least once every 5 years.
- 9.3 The Internal Audit Service undertook a self-assessment against the standards during 2022/23 and a few areas of improvement were identified. This self-assessment and the supporting documentation were provided to the external assessors to inform an external assessment undertaken in accordance with the Standards. The previous external assessment was undertaken in 2017.
- 9.4 From initial discussions with the external assessor, there were no areas of non-compliance that would affect the overall scope or operation of the Internal Audit activity and the assessment noted that there were no significant deviations from the Standards. The result of the external assessment will be presented to Governance & Audit Committee in 2023.

**Section 10 – Regional Internal Audit Service Progress**

- 10.1 The expanded shared service came into existence on 1<sup>st</sup> April 2019, it is hosted by the Vale of Glamorgan Council and provides internal audit services to the Vale, Bridgend, Merthyr Tydfil & Rhondda Cynon Taf Councils.
- 10.2 The vision for the service is to be the provider of Internal Audit Services of choice to the public sector in South Wales and be a centre of excellence for public sector internal auditing and to be a service that is regarded as:
- ✓ Professional
  - ✓ Approachable
  - ✓ Flexible
  - ✓ Independent but internal to the organisation – a critical friend

## Annual Internal Audit Report 2022/23

- 10.3 During 2022/23, the recruitment process continued with the successful recruitment of 2 Graduate Auditors, 3 Auditors and 1 ICT Auditor to fill vacant posts. This is a positive development, particularly when many services are struggling to recruit staff. The Graduate Auditors will be supported to become professionally qualified which will assist in succession planning.
- 10.4 Audit work has been conducted using various digital solutions and audit staff and auditees all have adjusted well to this way of working. It is likely that the audit service will largely continue to be delivered remotely with an element of office based and face to face working as required.
- 10.5 The audit software solution was successfully implemented and continues to be used. Ongoing development will continue to ensure maximum use of the improved functionality and reporting tools.
- 10.6 The longer-term success of the Regional Internal Audit Service includes plans to develop a commercial approach and analysing the potential public sector market. Limited progress has been made on this aspect as the foundations referred to above need to be embedded before progressing this.

## Annual Internal Audit Report 2022/23

**Section 11 - Opinion Statement 2022/23**

This statement of opinion is underpinned by:

**Internal Control Framework**

The control environment comprises the Council's policies, procedures and operational systems and processes in place to:

- Establish and monitor the achievement of the Council's objectives;
- Facilitate policy and decision making;
- Ensure the economical, effective and efficient use of resources;
- Ensure compliance with established policies, procedures, laws and regulations;
- Safeguard the council's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.

During the year, core financial and administrative systems were reviewed by Internal Audit either through specific reviews (e.g. Sundry Debtors, Council Tax, Non Domestic Rates) or generally in the reviews undertaken in respect of directorate systems and processes.

In providing my annual audit opinion, it should be noted that assurance can never be absolute. The most that internal audit can provide is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The matters raised in this report are only those which came to our attention during our internal audit work in the financial year 2022/23 and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In arriving at my opinion, the following matters have been taken into account:

- The results of all internal audits undertaken during the year ended 31<sup>st</sup> March 2023;
- The results of follow-up reviews of action taken to address audit recommendations;
- Whether or not any significant recommendations have not been accepted by management and the consequent risks;
- The effects of any material changes in the Council's objectives and activities; and
- Other sources of assurance.

## Annual Internal Audit Report 2022/23

**Risk Management**

Effective Risk Management forms a key aspect of assurance and governance. The Corporate Risk Management Strategy is aligned with Service Delivery Plans, the Strategic Risk Register and the Council's performance management framework.

Key risks are distilled in the Strategic Risk Register which is regularly reviewed and challenged by senior management, Cabinet and the Overview and Scrutiny Committee and an update was reported to Governance and Audit Committee. During 2022/23 a Corporate Risk Management audit was undertaken and a reasonable opinion provided. Risk management is also considered as part of every audit.

It is not possible to eliminate all risk of failure to meet the targets in the Council's policies, aims and objectives and cannot therefore provide absolute assurance of effectiveness, but one of **reasonable assurance** is given.

**Governance Arrangements**

Good Governance will facilitate effective management that can deliver long term success and performance of an organisation.

The Council has responsibility for conducting on an annual basis the review of the effectiveness of its governance framework. The assessment process and the results of the assessment are published within the Annual Governance Statement. Internal Audit feeds into this process.

While no single audit was conducted specifically on governance, governance arrangements are considered as part of every audit and tested during all school audit reviews. Assurance can also be drawn from the responses received in relation to the School Annual Self-Assessment Process and Returns from Headteachers and Chairs of Governors.

An overall opinion of **reasonable assurance** is given.

**Internal Control**

I have based my opinion on internal control using the work undertaken by internal audit during the year.

A total of 47 reviews culminating in an overall opinion have been completed, 45 (96%) of which have been closed with either a substantial or reasonable assurance opinion level. 2 reviews (4%) were given a limited opinion, and these have been summarised in Section 3 above.

Therefore, an opinion of **reasonable assurance** can be given on internal control.



## Annual Internal Audit Report 2022/23

**Head of Internal Audit Opinion Statement 2022/23**

From the work undertaken during the financial year 2022/23 and taking into account other sources of assurance, the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2022/23 is:

**“Reasonable Assurance”**

The opinion states that, based on the work completed by the Regional Internal Audit Shared Service for the financial year, no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific.

Many Council staff are continuing to work remotely, and systems & processes have had to be adjusted to cater for the new ways of working. Similarly, Internal Audit has worked remotely, conducting audits and obtaining evidence digitally. Each audit has considered the potential impact of remote working to ensure adequate controls and governance arrangements remained in place.

The recommendations made to improve governance, risk management and control have been accepted and are at various stages of implementation.

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## Audits Completed with an Opinion &amp; Recommendations 2022/23

| Audit Assignment   | Audit Opinion         |                      |                   |              | Recommendations |     |     |
|--|-----------------------|----------------------|-------------------|--------------|-----------------|-----|-----|
|  | Substantial Assurance | Reasonable Assurance | Limited Assurance | No Assurance | High            | Med | Low |
| Purchase Cards - Review of Cash Withdrawals                                |                       | √                    |                   |              | 1               | 4   | 0   |
| Cost of Living Payments - Administration of the Welsh Government Scheme    | √                     |                      |                   |              | 0               | 0   | 0   |
| Administration of Trust Funds  | √                     |                      |                   |              | 0               | 0   | 0   |
| Cyber Security Arrangements  | √                     |                      |                   |              | 0               | 1   | 0   |
| Sundry Debtors   |                       | √                    |                   |              | 0               | 2   | 1   |
| Council Tax  | √                     |                      |                   |              | 0               | 0   | 0   |
| Non Domestic Rates (NDR)   | √                     |                      |                   |              | 0               | 0   | 0   |
| Climate Change Strategy  | √                     |                      |                   |              | 0               | 0   | 1   |
| Highways - Transfer of Waste   |                       |                      | √                 |              | 4               | 0   | 0   |
| Parking Enforcement  | √                     |                      |                   |              | 0               | 0   | 0   |
| Carers Assessments   |                       | √                    |                   |              | 0               | 4   | 0   |
| Contract Management Placements   | √                     |                      |                   |              | 0               | 0   | 1   |
| Llwydcoed Crematorium  |                       | √                    |                   |              | 0               | 3   | 0   |
| Temporary Housing Solutions  |                       | √                    |                   |              | 0               | 2   | 0   |
| Attendance   |                       | √                    |                   |              | 1               | 4   | 0   |
| Ty Gwyn Pupil Referral Unit - Follow Up                                    |                       | √                    |                   |              | 0               | 4   | 2   |
| Park Lane Special School - Follow Up                                       |                       | √                    |                   |              | 1               | 4   | 2   |
| Ysgol Ty Coch  |                       | √                    |                   |              | 1               | 7   | 2   |
| Special School Self Assessment Programme & Annual Report                   |                       | √                    |                   |              | 0               | 0   | 0   |
| Ffynon Taf Primary School  | √                     |                      |                   |              | 0               | 1   | 0   |
| Cymmer Primary School  | √                     |                      |                   |              | 0               | 1   | 3   |
| Maesybryn Primary School   | √                     |                      |                   |              | 0               | 2   | 0   |
| Penywaun Community Primary   |                       | √                    |                   |              | 1               | 5   | 3   |
| St Margaret's RC Primary   |                       | √                    |                   |              | 0               | 5   | 5   |
| YGG Evan James   | √                     |                      |                   |              | 0               | 0   | 2   |
| YGG Pontsionnorton   |                       | √                    |                   |              | 0               | 7   | 5   |
| Blaengwawr Community Primary   | √                     |                      |                   |              | 0               | 1   | 3   |
| Primary School Self Assessment Programme & Annual Report                   |                       | √                    |                   |              | 0               | 0   | 0   |
| Hawthorn High School - Follow Up   |                       | √                    |                   |              | 0               | 6   | 0   |
| Ferndale Community School  |                       | √                    |                   |              | 0               | 8   | 4   |
| Ysgol Gyfun Rhydywaun  |                       |                      | √                 |              | 3               | 9   | 7   |
| Comprehensive/All Through School Self Assessment Programme & Annual Report |                       | √                    |                   |              | 0               | 0   | 0   |
| RCT - Regional Consortia School Improvement Grant (RCSIG)                  | √                     |                      |                   |              | 0               | 1   | 0   |
| Performance Management Arrangements  |                       | √                    |                   |              | 0               | 0   | 1   |
| Fuel Usage, Control & Monitoring   |                       | √                    |                   |              | 0               | 1   | 0   |
| Corporate Risks  |                       | √                    |                   |              | 0               | 1   | 3   |
| Corporate Safeguarding Arrangements  |                       | √                    |                   |              | 0               | 1   | 2   |
| CSC - Regional Consortia School Improvement Grant (RSIG)                   | √                     |                      |                   |              | 0               | 0   | 0   |
| CSC - RSIG - Consolidated Statement  | √                     |                      |                   |              | 0               | 0   | 0   |
| CSC - Pupil Development Grant (PDG)  | √                     |                      |                   |              | 0               | 0   | 0   |

| Audit Assignment                          | Audit Opinion         |                      |                   |              | Recommendations |           |           |
|---|-----------------------|----------------------|-------------------|--------------|-----------------|-----------|-----------|
|   | Substantial Assurance | Reasonable Assurance | Limited Assurance | No Assurance | High            | Med       | Low       |
| CSC - PDG - Consolidated Statement        | √                     |                      |                   |              | 0               | 0         | 0         |
| CSC - General Ledger                      | √                     |                      |                   |              | 0               | 0         | 0         |
| SEWCJC Small Bodies Return Assurance Work |                       | √                    |                   |              | 0               | 0         | 0         |
| Amgen - Payroll                           | √                     |                      |                   |              | 0               | 0         | 0         |
| Amgen - Debtors                           | √                     |                      |                   |              | 0               | 0         | 0         |
| Amgen - Creditors                         | √                     |                      |                   |              | 0               | 0         | 0         |
| Amgen - General Ledger                    | √                     |                      |                   |              | 0               | 0         | 0         |
|   |                       |                      |                   |              |                 |           |           |
| <b>Overall Totals</b>                     | <b>23</b>             | <b>22</b>            | <b>2</b>          | <b>0</b>     | <b>12</b>       | <b>84</b> | <b>47</b> |

**Annex 2 - Progress Against the Internal Audit Plan 2022.23**

| Ref | Directorate     | Area  | Audit Scope / Risk   | Priority | Status      | Audit Opinion / Assurance |            |         |    | Recommendations |        |     |
|-----|-----------------|---|--|----------|-------------|---------------------------|------------|---------|----|-----------------|--------|-----|
|     |                 |   |  |          |             | Substantial               | Reasonable | Limited | No | High            | Medium | Low |
| 1   | Chief Executive | Contract Variations/Payments in Advance                                 | To undertake a review of contract variations and payments in advance made by the Council linked to the pandemic. Review the arrangements in place for authorisation, monitoring and budgetary control and provide assurance of a managed approach  | High     | C/F 2023/24 |                           |            |         |    |                 |        |     |
| 2   | Chief Executive | Purchase Cards - Review of Cash Withdrawals                             | To undertake a review of cash withdrawals made using the Purchasing Card across the Council and establish whether the process for identifying needs, setting spending limits, authorisation of spend and monitoring of expenditure is adequate   | High     | Complete    |                           | √          |         |    | 1               | 4      | 0   |
| 3   | Chief Executive | Attendance & Sickness Recording   | To review the accuracy, timeliness of recording and reporting of sickness absence information, and to ensure that processes are compliant with Council Policy and are being consistently followed  | High     | C/F 2023/24 |                           |            |         |    |                 |        |     |
| 4   | Chief Executive | Cost of Living Payments - Administration of the Welsh Government Scheme | To give assurance that a robust administrative control process has been developed, adequate segregation exists and provide assurance through sample testing of the internal control in place prior to payments being processed   | High     | Complete    | √                         |            |         |    | 0               | 0      | 0   |
| 5   | Chief Executive | Administration of Trust Funds   | To undertake a review of the Trust Funds administered by the Council and annual certification / sign off process   | Low      | Complete    | √                         |            |         |    | 0               | 0      | 0   |
| 6   | Chief Executive | Cyber Security Arrangements   | To give assurance that a Cyber Security Strategy has been developed, changes in threats are regularly reviewed and monitored, Cyber Security reporting and governance arrangements are in place and that awareness is disseminated effectively within the Council  | High     | Complete    | √                         |            |         |    | 0               | 1      | 0   |
| 7   | Chief Executive | Payroll - Review of the Midlands System                                 | To provide assurance that the new controls and reporting arrangements in place for the recently implemented Midlands Payroll system are robust.  | High     | C/F 2023/24 |                           |            |         |    |                 |        |     |
| 8   | Chief Executive | Sundry Debtors  | To review the processes and procedures in place in respect of the identification and pursuit of outstanding debts to the Council, and identify the measures in place to support and manage bad debt provision where families are experiencing financial difficulty   | High     | Complete    |                           | √          |         |    | 0               | 2      | 1   |
| 9   | Chief Executive | Review of Grant Schemes Administered on behalf of Welsh Government      | To review the arrangements for administering grant payments made on behalf of Welsh Government for a sample of grant schemes and provide assurance that these have been effectively administered   | High     | C/F 2023/24 |                           |            |         |    |                 |        |     |
| 10  | Chief Executive | Housing Benefits  | To undertake a review of Housing Benefits system and provide assurance to Management of the controls in place  | High     | C/F 2023/24 |                           |            |         |    |                 |        |     |
| 11  | Chief Executive | Bank Reconciliation   | To undertake a review of the Bank Reconciliation system and provide assurance to Management of the controls in place   | High     | C/F 2023/24 |                           |            |         |    |                 |        |     |
| 12  | Chief Executive | Council Tax   | To undertake a review of the Council Tax system and provide assurance to Management of the controls in place   | High     | Complete    | √                         |            |         |    | 0               | 0      | 0   |
| 13  | Chief Executive | Non Domestic Rates (NDR)  | To undertake a review of the NDR system and provide assurance to Management of the controls in place   | High     | Complete    | √                         |            |         |    | 0               | 0      | 0   |
| 14  | Chief Executive | Treasury Management   | To undertake a review of the Treasury Management system and provide assurance to Management of the controls in place, with particular reference to the new treasury codes and strategy requirements  | High     | C/F 2023/24 |                           |            |         |    |                 |        |     |
| 15  | Chief Executive | Asset Management & Corporate Asset Management Plan                      | To review the current plan and provide assurance on the proposed changes to deliver on the Council's objectives  | High     | C/F 2023/24 |                           |            |         |    |                 |        |     |
| 16  | Chief Executive | Climate Change Strategy   | To review and provide assurance on the Council's plans to deliver the Carbon Net Zero programme by 2030, and review the arrangements in place to minimise the use of energy and monitor energy efficiency across the Council. Additionally provide assurance on whether actions included in a sample of service delivery plans align to the strategy | High     | Complete    | √                         |            |         |    | 0               | 0      | 1   |
| 17  | Chief Executive | Scheme of Delegation  | To verify whether there is an up to date Scheme of Delegation in place and review the Council's compliance with the Scheme of Delegation. To provide assurance that an up to date record is maintained of officers and decisions made, and that for a sample of decisions these are compliant with the Scheme  | High     | C/F 2023/24 |                           |            |         |    |                 |        |     |

|    |                                 |   |   |        |             |  |   |   |   |  |  |  |  |   |   |   |  |  |
|----|---------------------------------|---|---|--------|-------------|--|---|---|---|--|--|--|--|---|---|---|--|--|
| 18 | Prosperity & Development        | Capital Projects  | To provide assurance for a sample of Capital Projects that appropriate arrangements to procure and manage projects are in place and that any slippage is appropriately accounted for, monitored and reported  | High   | C/F 2023/24 |  |   |   |   |  |  |  |  |   |   |   |  |  |
| 19 | Prosperity & Development        | School Transport  | To review the arrangements in place for awarding contracts and monitoring costs, and provide assurance of the arrangements in place for the provision of School Transport   | High   | C/F 2023/24 |  |   |   |   |  |  |  |  |   |   |   |  |  |
| 20 | Prosperity & Development        | Recycling & Waste   | To review the processes in place within RCT for the provision of recycling bags and recycling bins, and undertake a comparable exercise with other Welsh Councils for information purposes. To ensure there are robust procedures in place for any charges relating to the purchase of bags and to undertake a review of the collection and banking of income | Medium | C/F 2023/24 |  |   |   |   |  |  |  |  |   |   |   |  |  |
| 21 | Prosperity & Development        | Highways - Transfer of Waste                                    | To review the process for the receipt of waste, management of waste and contractual arrangements for the transfer of waste at Council depots  | High   | Complete    |  |   |   | √ |  |  |  |  | 4 | 0 | 0 |  |  |
| 22 | Prosperity & Development        | Parking Enforcement   | To undertake a review of the administrative back office functions for providing parking within the Council, and on behalf of other Council's and provide assurance to Management that the internal controls and processes in place are effective  | Medium | Complete    |  | √ |   |   |  |  |  |  | 0 | 0 | 0 |  |  |
| 23 | Community & Children's Services | Carers Assessments  | To review the support available to carers to enable them to fulfil their caring duties and review the provisions in place to support those who have a caring role and the assessment / payments available   | Medium | Complete    |  |   | √ |   |  |  |  |  | 0 | 4 | 0 |  |  |
| 24 | Community & Children's Services | Deputyship & Appointeeships                                     | To provide assurance that the systems and controls surrounding the management of Deputyship accounts are robust and that they are operated in line with regulations/guidance/policy in order to protect the individual and Council  | High   | C/F 2023/24 |  |   |   |   |  |  |  |  |   |   |   |  |  |
| 25 | Community & Children's Services | Respite Services  | To undertake a review of Respite Services and provide assurance that the internal controls and financial procedures in place are effective  | High   | C/F 2023/24 |  |   |   |   |  |  |  |  |   |   |   |  |  |
| 26 | Community & Children's Services | Adaption & Community Equipment (ACE)                            | To review the processes in place and provide assurance on the internal controls and arrangements for the management of caseloads, assessment process and prioritisation of referrals  | Medium | C/F 2023/24 |  |   |   |   |  |  |  |  |   |   |   |  |  |
| 27 | Community & Children's Services | Adult Care & Support Services                                   | To review the arrangements for waiting lists, referrals, long term planning and reporting arrangements in respect of Adult Care and Support Services  | High   | C/F 2023/24 |  |   |   |   |  |  |  |  |   |   |   |  |  |
| 28 | Community & Children's Services | Contract Management Placements                                  | To undertake a review of the controls and process in place in respect of Contract Management Placements and provide assurance to Management that these are effective and subject to regular review  | High   | Complete    |  | √ |   |   |  |  |  |  | 0 | 0 | 1 |  |  |
| 29 | Community & Children's Services | Adoption Support & Foster Carer Payments Follow Up              | To undertake a follow up review and provide assurance that all recommendations contained within the previous audit report have been fully implemented   | High   | C/F 2023/24 |  |   |   |   |  |  |  |  |   |   |   |  |  |
| 30 | Community & Children's Services | Referrals to Children's Social Care                             | To review the process in place for referrals to children's social care and provide assurance that arrangements are in place for management of the prioritisation of referrals, assessment of need, waiting lists and escalation/reporting arrangements  | High   | C/F 2023/24 |  |   |   |   |  |  |  |  |   |   |   |  |  |
| 31 | Community & Children's Services | Llwydcoed Crematorium   | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place. This annual review also informs the Annual Governance Statement and certification of the Small Bodies Return  | Low    | Complete    |  |   | √ |   |  |  |  |  | 0 | 3 | 0 |  |  |
| 32 | Community & Children's Services | Temporary Housing Solutions                                     | To determine compliance with the Statutory Duty and provide assurance on the procedures in place to identify, allocate and prioritise cases linked to the availability of housing solutions   | High   | Complete    |  |   | √ |   |  |  |  |  | 0 | 2 | 0 |  |  |
| 33 | Education & Inclusion Services  | Education Safeguarding Arrangements - Capita One                | To undertake a follow up audit and provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place following the previously issued consultancy audit report   | High   | C/F 2023/24 |  |   |   |   |  |  |  |  |   |   |   |  |  |
| 34 | Education & Inclusion Services  | Evolve - Compliance with Procedures for Recording School Visits | To provide assurance that consistent and accurate procedures are being followed within schools and these are compliant with requirements for recording off site visits in schools   | High   | C/F 2023/24 |  |   |   |   |  |  |  |  |   |   |   |  |  |
| 35 | Education & Inclusion Services  | Sickness Absence Protocols & Recording in Schools               | To assess compliance with the new system requirements and provide assurance that absences are being recorded accurately, timely and in accordance with Council Policy   | High   | C/F 2023/24 |  |   |   |   |  |  |  |  |   |   |   |  |  |
| 36 | Education & Inclusion Services  | Attendance  | To review the processes in place for recording, reporting and monitoring sixth form attendance  | High   | Complete    |  |   | √ |   |  |  |  |  | 1 | 4 | 0 |  |  |

|    |                                |  |   |        |             |   |   |  |  |  |   |   |   |
|----|--------------------------------|--|---|--------|-------------|---|---|--|--|--|---|---|---|
| 37 | Education & Inclusion Services | School Admissions  | To provide assurance there are effective arrangements in place to manage school admissions and there is a clear and transparent trail in the decision making process                                    | High   | C/F 2023/24 |   |   |  |  |  |   |   |   |
| 38 | Education & Inclusion Services | Step 4 Provisions  | To review the bidding and awarding process in place for obtaining alternative curriculum funding and review the termly monitoring arrangements in place   | Medium | C/F 2023/24 |   |   |  |  |  |   |   |   |
| 39 | Education & Inclusion Services | Additional Learning Needs - Implementation of the Reduced Timetable Policy | To provide assurance that effective arrangements are in place to monitor and evaluate additional learning needs services, with specific reference to the implementation of the Reduced Timetable Policy | High   | C/F 2023/24 |   |   |  |  |  |   |   |   |
| 40 | Education & Inclusion Services | Ty Gwyn Pupil Referral Unit - Follow Up                                    | To undertake a follow up review and ensure that all recommendations contained within the previous audit report have been fully implemented  | High   | Complete    |   | √ |  |  |  | 0 | 4 | 2 |
| 41 | Education & Inclusion Services | Park Lane Special School - Follow Up                                       | To undertake a follow up review and ensure that all recommendations contained within the previous audit report have been fully implemented  | Medium | Complete    |   | √ |  |  |  | 1 | 4 | 2 |
| 42 | Education & Inclusion Services | Ysgol Ty Coch  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | Complete    |   | √ |  |  |  | 1 | 7 | 2 |
| 43 | Education & Inclusion Services | Special School Self Assessment Programme & Annual Report                   | To collate information and prepare the annual information report relating to the self assessment process  | Medium | Complete    |   | √ |  |  |  | 0 | 0 | 0 |
| 44 | Education & Inclusion Services | Ffynon Taf Primary School  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | Complete    | √ |   |  |  |  | 0 | 1 | 0 |
| 45 | Education & Inclusion Services | Cymmer Primary School  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | Complete    | √ |   |  |  |  | 0 | 1 | 3 |
| 46 | Education & Inclusion Services | Maesybryn Primary School   | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | Complete    | √ |   |  |  |  | 0 | 2 | 0 |
| 47 | Education & Inclusion Services | Penywaun Community Primary   | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | Complete    |   | √ |  |  |  | 1 | 5 | 3 |
| 48 | Education & Inclusion Services | St Margaret's RC Primary   | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | Complete    |   | √ |  |  |  | 0 | 5 | 5 |
| 49 | Education & Inclusion Services | YGG Evan James   | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | Complete    | √ |   |  |  |  | 0 | 0 | 2 |
| 50 | Education & Inclusion Services | YGG Lllyn y Forwyn   | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | C/F 2023/24 |   |   |  |  |  |   |   |   |
| 51 | Education & Inclusion Services | YGG Pontsionnorton   | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | Complete    |   | √ |  |  |  | 0 | 7 | 5 |
| 52 | Education & Inclusion Services | YGG Ynyswen  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | C/F 2023/24 |   |   |  |  |  |   |   |   |
| 53 | Education & Inclusion Services | Abercynon Community Primary  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | C/F 2023/24 |   |   |  |  |  |   |   |   |
| 54 | Education & Inclusion Services | Aberdare Park Primary  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | C/F 2023/24 |   |   |  |  |  |   |   |   |
| 55 | Education & Inclusion Services | Abernant Primary School  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | C/F 2023/24 |   |   |  |  |  |   |   |   |
| 56 | Education & Inclusion Services | Blaengwawr Community Primary   | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | Complete    | √ |   |  |  |  | 0 | 1 | 3 |

|    |   |  |   |        |             |   |   |   |  |  |   |   |   |
|----|---|--|---|--------|-------------|---|---|---|--|--|---|---|---|
| 57 | Education & Inclusion Services                          | Coed Y Lan Primary School  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium | C/F 2023/24 |   |   |   |  |  |   |   |   |
| 58 | Education & Inclusion Services                          | Primary School Self Assessment Programme & Annual Report                   | To collate information and prepare the annual information report relating to the self assessment process  | Medium | Complete    |   | √ |   |  |  | 0 | 0 | 0 |
| 59 | Education & Inclusion Services                          | Hawthorn High School - Follow Up   | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | High   | Complete    |   | √ |   |  |  | 0 | 6 | 0 |
| 60 | Education & Inclusion Services                          | Ferndale Community School  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | High   | Complete    |   | √ |   |  |  | 0 | 8 | 4 |
| 61 | Education & Inclusion Services                          | Ysgol Gyfun Rhydywaun  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | High   | Complete    |   |   | √ |  |  | 3 | 9 | 7 |
| 62 | Education & Inclusion Services                          | Comprehensive/All Through School Self Assessment Programme & Annual Report | To collate information and prepare the annual information report relating to the self assessment process  | Medium | Complete    |   | √ |   |  |  | 0 | 0 | 0 |
| 63 | Education & Inclusion Services                          | RCT - Regional Consortia School Improvement Grant (RCSIG)                  | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with   | High   | Complete    | √ |   |   |  |  | 0 | 1 | 0 |
| 64 | Education & Inclusion Services                          | RCT - Local Authority Education Grant (LAEG)                               | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with   | High   | Cancelled   |   |   |   |  |  |   |   |   |
| 65 | Education & Inclusion Services                          | RCT - Pupil Development Grant (PDG)  | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with   | High   | Cancelled   |   |   |   |  |  |   |   |   |
| 66 | Cross Cutting / Whole Authority Arrangements            | Performance Management Arrangements  | To review the delivery planning process in place for informing future planning and provide assurance on the adequacy of delivery plans, quarterly planning and reporting arrangements   | High   | Complete    |   | √ |   |  |  | 0 | 0 | 1 |
| 67 | Cross Cutting / Whole Authority Arrangements            | Anti Fraud, Bribery & Corruption   | To undertake proactive work at the request of Management in respect of anti fraud, bribery & corruption   | High   | C/F 2023/24 |   |   |   |  |  |   |   |   |
| 68 | Cross Cutting / Whole Authority Arrangements            | Fuel Usage, Control & Monitoring   | To review the internal controls in place for the receipt, secure storage, usage and reconciliation of fuel at Council Depots and provide assurance that robust measures are in place  | High   | Complete    |   | √ |   |  |  | 0 | 1 | 0 |
| 69 | Cross Cutting / Whole Authority Arrangements            | Corporate Risks  | To select a sample of strategic risks and provide assurance on how these are being managed and undertake a follow up review to ensure that all recommendations contained in the previous Risk Management audit report have been fully implemented   | High   | Complete    |   | √ |   |  |  | 0 | 1 | 3 |
| 70 | Cross Cutting / Whole Authority Arrangements            | Corporate Safeguarding Arrangements  | To undertake an assessment of the Council's overall operating model for safeguarding and evaluate the Council's safeguarding performance.   | High   | Complete    |   | √ |   |  |  | 0 | 1 | 2 |
| 71 | Cross Cutting / Whole Authority Arrangements            | Disclosure and Barring Service (DBS) Checks                                | To provide assurance that DBS checks are undertaken for all posts where there is a statutory requirement, ensure consistency across the Council for undertaking DBS checks where there is no statutory obligation and review the policies and procedures for safer recruitment for compliance with legislation, new starters and process for renewals | High   | C/F 2023/24 |   |   |   |  |  |   |   |   |
| 72 | Cross Cutting / Whole Authority Arrangements            | Corporate Dashboard  | To provide assurance that the integrity of source data used to inform the Corporate Dashboard can be relied on for information and reporting, and the quality assurance arrangements for ensuring the accuracy of data on or at data source   | Medium | C/F 2023/24 |   |   |   |  |  |   |   |   |
| 73 | Cross Cutting / Whole Authority Arrangements            | Corporate Complaints   | To provide assurance on the process for collecting information and accuracy of data reported to Governance and Audit Committee in respect of Corporate Complaints   | Medium | C/F 2023/24 |   |   |   |  |  |   |   |   |
| 74 | Cross Cutting / Whole Authority Arrangements            | Test, Trace, Protect (TTP)   | To review the arrangements in place for the transition of staff and equipment and provide assurance that this has been done effectively and that appropriate handover procedures have been followed and all equipment / assets are accounted for  | High   | C/F 2023/24 |   |   |   |  |  |   |   |   |
| 75 | Central South Consortium Joint Education Services (CSC) | CSC - Regional Consortia School Improvement Grant (RSIG)                   | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.  | High   | Complete    | √ |   |   |  |  | 0 | 0 | 0 |
| 76 | Central South Consortium Joint Education Services (CSC) | CSC - RSIG - Consolidated Statement  | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.  | High   | Complete    | √ |   |   |  |  | 0 | 0 | 0 |



|   |   |   |  |        |             |   |   |  |  |  |           |           |          |          |           |           |           |
|---|---|---|--|--------|-------------|---|---|--|--|--|-----------|-----------|----------|----------|-----------|-----------|-----------|
| 77  | Central South Consortium Joint Education Services (CSC) | CSC - Pupil Development Grant (PDG)                       | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.   | High   | Complete    | √ |   |  |  |  | 0         | 0         | 0        |          |           |           |           |
| 78  | Central South Consortium Joint Education Services (CSC) | CSC - PDG - Consolidated Statement                        | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.   | High   | Complete    | √ |   |  |  |  | 0         | 0         | 0        |          |           |           |           |
| 79  | Central South Consortium Joint Education Services (CSC) | CSC - General Ledger                                      | To review and conclude on the adequacy and effectiveness of the controls in operation in respect of the CSC General Ledger function  | Medium | Complete    | √ |   |  |  |  | 0         | 0         | 0        |          |           |           |           |
| 80  | South East Wales Corporate Joint Committee (SEWCJC)     | Small Bodies Return Assurance Work                        | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place. This review also informs the certification of the Small Bodies Return  | High   | Complete    |   | √ |  |  |  | 0         | 0         | 0        |          |           |           |           |
| 81  | Amgen   | Amgen - Payroll   | To review and conclude on the adequacy and effectiveness of the controls in operation in respect of the Amgen Payroll function   | Medium | Complete    | √ |   |  |  |  | 0         | 0         | 0        |          |           |           |           |
| 82  | Amgen   | Amgen - Debtors   | To review and conclude on the adequacy and effectiveness of the controls in operation in respect of the Amgen Debtors function   | Medium | Complete    | √ |   |  |  |  | 0         | 0         | 0        |          |           |           |           |
| 83  | Amgen   | Amgen - Creditors   | To review and conclude on the adequacy and effectiveness of the controls in operation in respect of the Amgen Creditors function   | Medium | Complete    | √ |   |  |  |  | 0         | 0         | 0        |          |           |           |           |
| 84  | Amgen   | Amgen - General Ledger                                    | To review and conclude on the adequacy and effectiveness of the controls in operation in respect of the Amgen General Ledger function  | Medium | Complete    | √ |   |  |  |  | 0         | 0         | 0        |          |           |           |           |
| 85  | Amgen   | Review of Arms Length Companies & Governance Arrangements | To provide assurance that any changes made by the Amgen Board to operational procedures following a review of the recommendations contained within the Silent valley Waste Report, are effective and compliant   | High   | C/F 2023/24 |   |   |  |  |  |           |           |          |          |           |           |           |
| 86  | Internal Audit Reporting                                | Annual Governance Statement                               | The completion of the Council's Annual Governance Statement and submission to Governance and Audit Committee   | High   | Complete    |   |   |  |  |  |           |           |          |          |           |           |           |
| 87  | Internal Audit Reporting                                | Annual Opinion Report (HIA)                               | Preparation for the production of the 2021/22 Annual Opinion Report  | High   | Complete    |   |   |  |  |  |           |           |          |          |           |           |           |
| 88  | Internal Audit Reporting                                | Audit Charter & Manual                                    | To review and update the documents as required   | High   | Complete    |   |   |  |  |  |           |           |          |          |           |           |           |
| 89  | Internal Audit Reporting                                | Governance & Audit Committee                              | To prepare and present internal audit reports to Governance and Audit Committee  | High   | Complete    |   |   |  |  |  |           |           |          |          |           |           |           |
| 90  | Internal Audit Reporting                                | Audit Planning  | To prepare and present the annual risk based plan for 2022/23  | High   | Complete    |   |   |  |  |  |           |           |          |          |           |           |           |
| 91  | Internal Audit Reporting                                | Closure of Reports from 21/22                             | To finalise all draft reports and work in progress at the end of 2021/22   | High   | Complete    |   |   |  |  |  |           |           |          |          |           |           |           |
| 92  | Internal Audit Reporting                                | Recommendation Monitoring                                 | Monitoring the implementation of internal audit recommendations in consultation with the service areas where recommendations have been made. During the year, Internal Audit will review the process to ensure recommendations are followed up and reported upon to Governance and Audit Committee in a timely, efficient and effective manner | High   | Complete    |   |   |  |  |  |           |           |          |          |           |           |           |
| 93  | Internal Audit Reporting                                | Audit Wales Liaison                                       | To ensure that a 'managed' approach is followed in relation to the provision of internal audit and external audit services   | High   | Complete    |   |   |  |  |  |           |           |          |          |           |           |           |
| 94  | Internal Audit Reporting                                | Fraud and Error Contingency                               | To undertake reactive work where suspected irregularity has been detected  | High   | Complete    |   |   |  |  |  |           |           |          |          |           |           |           |
| 95  | Internal Audit Reporting                                | Advice & Guidance   | To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers of the Council, including school based staff   | High   | Complete    |   |   |  |  |  |           |           |          |          |           |           |           |
| 96  | Internal Audit Reporting                                | Public Sector Internal Audit Service (PSIAS) Compliance   | To review compliance with the Public Sector Internal Audit Standards   | High   | Complete    |   |   |  |  |  |           |           |          |          |           |           |           |
| 97  | Internal Audit Reporting                                | Emerging Risks / Special Investigations                   | To enable audit services to flexibly respond to provide assurance as required  | High   | Complete    |   |   |  |  |  |           |           |          |          |           |           |           |
| <b>OVERALL TOTALS WHERE AN AUDIT OPINION HAS BEEN PROVIDED = 47</b> |   |   |  |        |             |   |   |  |  |  | <b>23</b> | <b>22</b> | <b>2</b> | <b>0</b> | <b>12</b> | <b>84</b> | <b>47</b> |

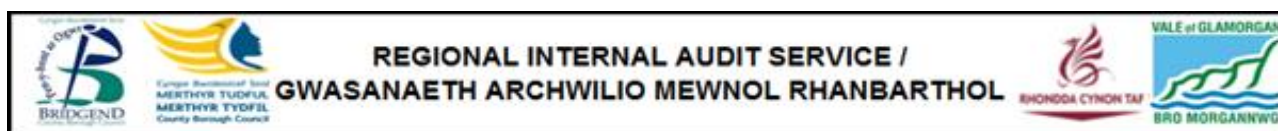
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**Annex 3 - Internal Audit Recommendations RCTCBC**

| Audit Name                    | Audit Opinion | Final Report Date | Number Made |          |          |          | Not Agreed | Implemented Total | Outstanding |          |          |          | Future Target Date Total |
|-------------------------------|---------------|-------------------|-------------|----------|----------|----------|------------|-------------------|-------------|----------|----------|----------|--------------------------|
|                               |               |                   | High        | Medium   | Low      | Total    |            |                   | High        | Medium   | Low      | Total    |                          |
| <u>2021/22</u>                |               |                   |             |          |          |          |            |                   |             |          |          |          |                          |
| <b>Overall Totals 2021/22</b> |               |                   | <b>0</b>    | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>   | <b>0</b>          | <b>0</b>    | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>                 |

| Audit Name   | Audit Opinion | Final Report Date | Number Made |        |     |       | Not Agreed | Implemented Total | Outstanding |        |     |       | Future Target Date Total |
|--|---------------|-------------------|-------------|--------|-----|-------|------------|-------------------|-------------|--------|-----|-------|--------------------------|
|  |               |                   | High        | Medium | Low | Total |            |                   | High        | Medium | Low | Total |                          |
| <u>2022/23</u>   |               |                   |             |        |     |       |            |                   |             |        |     |       |                          |
| Administration of Trust Funds                                  | SUBSTANTIAL   | 19/01/2023        | 0           | 0      | 0   | 0     | 0          | 0                 | 0           | 0      | 0   | 0     | 0                        |
| Attendance (Post 16)   | REASONABLE    | 12/06/2023        | 1           | 4      | 0   | 5     | 0          | 0                 | 0           | 0      | 0   | 0     | 5                        |
| Blaengwawr Community Primary                                   | SUBSTANTIAL   | 12/10/2022        | 0           | 1      | 3   | 4     | 0          | 4                 | 0           | 0      | 0   | 0     | 0                        |
| Carers Assessments   | REASONABLE    | 04/04/2023        | 0           | 4      | 0   | 4     | 1          | 2                 | 0           | 0      | 0   | 0     | 1                        |
| Climate Change Strategy  | SUBSTANTIAL   | 06/01/2023        | 0           | 0      | 1   | 1     | 0          | 0                 | 0           | 0      | 0   | 0     | 1                        |
| Contract Management Placements                                 | SUBSTANTIAL   | 14/06/2023        | 0           | 0      | 1   | 1     | 0          | 0                 | 0           | 0      | 0   | 0     | 1                        |
| Corporate Risks  | REASONABLE    | 12/05/2023        | 0           | 1      | 3   | 4     | 0          | 0                 | 0           | 0      | 0   | 0     | 4                        |
| Corporate Safeguarding Arrangements                            | REASONABLE    | 23/08/2022        | 0           | 1      | 2   | 3     | 0          | 0                 | 0           | 0      | 0   | 0     | 3                        |
| Cyber Security Arrangements                                    | SUBSTANTIAL   | 13/12/2022        | 0           | 1      | 0   | 1     | 0          | 0                 | 0           | 0      | 0   | 0     | 1                        |
| Cymmer Primary School  | SUBSTANTIAL   | 28/09/2022        | 0           | 1      | 3   | 4     | 0          | 4                 | 0           | 0      | 0   | 0     | 0                        |
| Ferndale Community School                                      | REASONABLE    | 16/02/2023        | 0           | 8      | 4   | 12    | 0          | 8                 | 0           | 1      | 0   | 1     | 3                        |
| Ffynnon Taf Primary School                                     | SUBSTANTIAL   | 18/10/2022        | 0           | 1      | 0   | 1     | 0          | 1                 | 0           | 0      | 0   | 0     | 0                        |
| Fuel Usage, Control & Monitoring                               | REASONABLE    | 10/11/2022        | 0           | 1      | 0   | 1     | 0          | 1                 | 0           | 0      | 0   | 0     | 0                        |
| Hawthorn High School - Follow Up                               | REASONABLE    | 09/03/2023        | 0           | 6      | 0   | 6     | 0          | 5                 | 0           | 1      | 0   | 1     | 0                        |
| Highways Transfer of Waste                                     | LIMITED       | 10/11/2022        | 4           | 0      | 0   | 4     | 0          | 4                 | 0           | 0      | 0   | 0     | 0                        |
| Llwydcoed Crematorium  | REASONABLE    | 25/04/2023        | 0           | 3      | 0   | 3     | 0          | 3                 | 0           | 0      | 0   | 0     | 0                        |
| Maesybryn Primary School                                       | SUBSTANTIAL   | 07/09/2022        | 0           | 2      | 0   | 2     | 0          | 1                 | 0           | 0      | 0   | 0     | 1                        |
| Park Lane Special School - Follow Up                           | REASONABLE    | 14/09/2022        | 1           | 4      | 2   | 7     | 0          | 6                 | 0           | 0      | 0   | 0     | 1                        |
| Penywaun Primary School  | REASONABLE    | 17/02/2023        | 1           | 5      | 3   | 9     | 0          | 5                 | 0           | 0      | 0   | 0     | 4                        |
| Purchase Cards - Review of Cash Withdrawals                    | REASONABLE    | 16/05/2023        | 1           | 4      | 0   | 5     | 0          | 5                 | 0           | 0      | 0   | 0     | 0                        |
| RCT - Regional Consortia School Improvement Grant (RCSIG)      | SUBSTANTIAL   | 22/11/2022        | 0           | 1      | 0   | 1     | 0          | 1                 | 0           | 0      | 0   | 0     | 0                        |
| South East Wales Corporate Joint Committee Small Bodies Return | SUBSTANTIAL   | 15/06/2022        | 0           | 0      | 0   | 0     | 0          | 0                 | 0           | 0      | 0   | 0     | 0                        |
| Cost of Living Payments - Administration of the WG Scheme      | SUBSTANTIAL   | 16/09/2022        | 0           | 0      | 0   | 0     | 0          | 0                 | 0           | 0      | 0   | 0     | 0                        |
| CSC - Regional Consortia School Improvement Grant (RCSIG)      | SUBSTANTIAL   | 28/09/2022        | 0           | 0      | 0   | 0     | 0          | 0                 | 0           | 0      | 0   | 0     | 0                        |
| CSC - Pupil Development Grant (PDG)                            | SUBSTANTIAL   | 28/09/2022        | 0           | 0      | 0   | 0     | 0          | 0                 | 0           | 0      | 0   | 0     | 0                        |
| CSC - Pupil Development Grant Consolidated Statement (PDG)     | SUBSTANTIAL   | 12/10/2022        | 0           | 0      | 0   | 0     | 0          | 0                 | 0           | 0      | 0   | 0     | 0                        |
| CSC - Consolidated Statement (RCSIG)                           | SUBSTANTIAL   | 12/10/2022        | 0           | 0      | 0   | 0     | 0          | 0                 | 0           | 0      | 0   | 0     | 0                        |
| CSC - General Ledger   | SUBSTANTIAL   | 11/05/2023        | 0           | 0      | 0   | 0     | 0          | 0                 | 0           | 0      | 0   | 0     | 0                        |
| St Margaret's RC Primary                                       | REASONABLE    | 30/03/2023        | 0           | 5      | 5   | 10    | 0          | 3                 | 0           | 3      | 3   | 6     | 1                        |
| Sundry Debtors   | REASONABLE    | 08/06/2023        | 0           | 2      | 1   | 3     | 0          | 0                 | 0           | 0      | 0   | 0     | 3                        |
| Non Domestic Rates   | SUBSTANTIAL   | 16/05/2023        | 0           | 0      | 0   | 0     | 0          | 0                 | 0           | 0      | 0   | 0     | 0                        |
| Council Tax  | SUBSTANTIAL   | 07/06/2023        | 0           | 0      | 0   | 0     | 0          | 0                 | 0           | 0      | 0   | 0     | 0                        |
| Temporary Housing Solutions                                    | REASONABLE    | 11/05/2023        | 0           | 2      | 0   | 2     | 0          | 0                 | 0           | 2      | 0   | 2     | 0                        |
| Ty Gwyn Pupil Referral Unit                                    | REASONABLE    | 18/05/2023        | 0           | 4      | 2   | 6     | 0          | 2                 | 0           | 0      | 0   | 0     | 4                        |
| YGG Evan James   | SUBSTANTIAL   | 22/09/2022        | 0           | 0      | 2   | 2     | 0          | 2                 | 0           | 0      | 0   | 0     | 0                        |

|   |             |            |           |           |           |            |          |           |          |          |          |           |           |
|---|-------------|------------|-----------|-----------|-----------|------------|----------|-----------|----------|----------|----------|-----------|-----------|
| YGG Pontsionnorton  | REASONABLE  | 17/02/2023 | 0         | 7         | 5         | 12         | 2        | 9         | 0        | 0        | 0        | 0         | 1         |
| Ysgol Gyfun Rhydywaun   | LIMITED     | 14/06/2023 | 3         | 9         | 7         | 19         | 0        | 15        | 0        | 0        | 0        | 0         | 4         |
| Primary School Annual Self Assessment Report                  | REASONABLE  | 25/05/2023 | 0         | 0         | 0         | 0          | 0        | 0         | 0        | 0        | 0        | 0         | 0         |
| Special School & PRU Annual Self Assessment Report            | REASONABLE  | 25/05/2023 | 0         | 0         | 0         | 0          | 0        | 0         | 0        | 0        | 0        | 0         | 0         |
| Secondary & All Through Schools Annual Self Assessment Report | REASONABLE  | 25/05/2023 | 0         | 0         | 0         | 0          | 0        | 0         | 0        | 0        | 0        | 0         | 0         |
| Parking Enforcement   | SUBSTANTIAL | 14/11/2022 | 0         | 0         | 0         | 0          | 0        | 0         | 0        | 0        | 0        | 0         | 0         |
| Ysgol Ty Coch   | REASONABLE  | 15/09/2022 | 1         | 7         | 2         | 10         | 0        | 8         | 0        | 1        | 0        | 1         | 1         |
| Amgen Debtors   | SUBSTANTIAL | 19/05/2023 | 0         | 0         | 0         | 0          | 0        | 0         | 0        | 0        | 0        | 0         | 0         |
| Amgen Creditors   | SUBSTANTIAL | 19/05/2023 | 0         | 0         | 0         | 0          | 0        | 0         | 0        | 0        | 0        | 0         | 0         |
| Amgen General Ledger  | SUBSTANTIAL | 19/05/2023 | 0         | 0         | 0         | 0          | 0        | 0         | 0        | 0        | 0        | 0         | 0         |
| Amgen Payroll   | SUBSTANTIAL | 23/05/2023 | 0         | 0         | 0         | 0          | 0        | 0         | 0        | 0        | 0        | 0         | 0         |
| Performance Monitoring Arrangements                           | REASONABLE  | 27/04/2023 | 0         | 0         | 1         | 1          | 0        | 0         | 0        | 0        | 0        | 0         | 1         |
| <b>Overall Totals 2022/23</b>                                 |             |            | <b>12</b> | <b>84</b> | <b>47</b> | <b>143</b> | <b>3</b> | <b>89</b> | <b>0</b> | <b>8</b> | <b>3</b> | <b>11</b> | <b>40</b> |



### **REGIONAL INTERNAL AUDIT SERVICE – CLIENT SATISFACTION QUESTIONNAIRE**

| No                            | Question  |
|-------------------------------|---|
| <b>Audit Planning</b>         |   |
| 1                             | Were you satisfied with the notice given prior to the commencement of the Audit?  |
| 2                             | Were you adequately consulted with in respect of the nature, scope and objectives of the Audit?   |
| <b>Audit Fieldwork</b>        |   |
| 3                             | Was the audit fieldwork undertaken in a timely manner, with minimum disruption to service delivery?   |
| 4                             | Was a summary of the audit findings adequately explained to you following completion of the audit fieldwork and prior to the issue of the draft report? |
| <b>Audit Report</b>           |   |
| 5                             | Did you find the recommendations within the report fair and accurate?   |
| 6                             | Were you adequately consulted and given sufficient opportunity to comment on the Draft Report?  |
| 7                             | Do you feel the recommendations within your report will be of value to you as a Manager?  |
| 8                             | Were you happy that the format of the Report was clear, concise and easy to read?   |
| 9                             | How do you rate the timeliness of the issue of the Final Report?  |
| <b>Conduct of the Auditor</b> |   |
| 10                            | Were the auditor(s) generally helpful throughout the audit and offer appropriate assistance and/or advice (if applicable)?                              |
| 11                            | How do you assess the Auditor(s) in terms of professionalism, helpfulness and politeness?   |
| <b>Overall</b>                |   |
| 12                            | How would you rate the usefulness of the audit?   |

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## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2023/24

### DRAFT REPORT

|  |   |
|--|---|
| <p><b>GOVERNANCE AND AUDIT COMMITTEE</b></p> <p><b>4<sup>th</sup> JULY 2023</b></p>                            | <p><b>AGENDA ITEM NO. 7</b></p>   |
| <p><b>REPORT OF THE DEPUTY CHIEF EXECUTIVE AND GROUP DIRECTOR: FINANCE, DIGITAL AND FRONTLINE SERVICES</b></p> | <p><b>DRAFT ANNUAL GOVERNANCE STATEMENT 2022/23 AND UPDATED LOCAL CODE OF CORPORATE GOVERNANCE – RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL</b></p> |

Author: Paul Griffiths (Service Director – Finance & Improvement Services)

#### **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to provide Members with the Council’s draft Annual Governance Statement for the 2022/23 financial year and updated Local Code of Corporate Governance.

#### **2. RECOMMENDATIONS**

In order for the Governance and Audit Committee to discharge the duties as outlined in Section B<sup>1</sup> of its Terms of Reference, it is recommended that Members:

- 2.1 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 2022/23 certified draft Statement of Accounts.
- 2.2 In the event that reports from relevant External Inspectors be provided to the Council before the Statement of Accounts are approved, authorise the Deputy

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<sup>1</sup> Governance and Audit Committee Terms of Reference (Section 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.*

Chief Executive and Group Director - Finance, Digital and Frontline Services to include reference within the Annual Governance Statement.

- 2.3 Review and, if appropriate, approve the updated Local Code of Corporate Governance (**Appendix 2**) and for its publication on the Council's website.

### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure the Council's Annual Governance Statement is reviewed and approved for inclusion within the draft statement of accounts and that the Local Code of Corporate Governance continues to reflect the governance arrangements in place within the Council.

### **4. BACKGROUND**

- 4.1 Section 3.7 of the 'CIPFA / LASAAC<sup>2</sup> Code of Practice on Local Authority Accounting in the United Kingdom' states:

*'The Accounts and Audit (Wales) Regulations 2018 (regulation 5) requires 'an authority to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review within any published Statement of Accounts'.*

*The preparation and publication of an Annual Governance Statement in accordance with 'Delivering Good Governance in Local Government: Framework (2016)' would fulfil the statutory requirements across the United Kingdom for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review in its Statement of Accounts'.*

#### **Delivering Good Governance in Local Government: Framework 2016**

- 4.2 The main principle underpinning the Framework is that local government is continuing to develop and shape its own approach to governance, taking account of the environment in which it operates. It intends to assist authorities in reviewing their own arrangements and to do this has defined Core Principles, Supporting Principles and Sub-Principles that should underpin governance arrangements.
- 4.3 The framework recommends that Annual Government Statements do not need to describe in detail the authority's governance arrangements but should provide a review of their effectiveness in supporting planned outcomes. As such the framework positions the attainment of sustainable economic, societal and environmental outcomes as a key focus of governance processes and structures.

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<sup>2</sup> CIPFA / LASAAC – the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC)



- 4.4 In addition to the above, CIPFA has published Bulletin 06 – ‘Application of the Good Governance Framework 2020/21’, providing guidance on the CIPFA Financial Management Code 2019, which should form part of local authorities’ review of governance arrangements for the 2021/22 financial year onwards.
- 4.5 The Annual Government Statement should be signed by the leading Member and Chief Executive on behalf of the Authority, be approved at a meeting of the Authority and be included within the Statement of Accounts and Annual Report (either in full or summary form) of the Authority.

## **5. DRAFT ANNUAL GOVERNANCE STATEMENT 2022/23**

- 5.1 The Council’s draft Annual Governance Statement 2022/23 is set out at Appendix 1 and has been compiled in accordance with ‘Delivering Good Governance in Local Government: Framework (2016)’ and the CIPFA Bulletin 06.
- 5.2 The compilation of the draft Annual Governance Statement has entailed reviewing the activities in place around the Council’s main governance arrangements as set out in the Local Code of Corporate Governance and associated key processes, engagement with senior officers across services in respect of these arrangements and taking account of the findings from a range of existing reports including external regulator reports. A summary of findings and proposals for improvement, as set out within the Executive Summary of the Annual Governance Statement (Section 5), is replicated in Table 1.

Table 1 – Executive Summary of Annual Governance Statement Findings and Proposals for Improvement

| Core / Supporting Principle   | Overall Assessment Conclusion  | Proposals for Improvement Set Out In The AGS   |
|---|--|--|
| A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law | The Council has sound arrangements in operation, in line with its Constitution and other agreed arrangements, to promote and demonstrate high standards of behaviour of its elected Members and Officers, and to take action where instances of non-compliance are identified.   | No   |
| B - Ensuring openness and comprehensive stakeholder engagement  | <p>The Council has clear channels to enable engagement with and from stakeholders, with arrangements being in line with the law and demonstrate a commitment to openness in the delivery of its activities.</p> <p>Further work is required to develop and finalise a Participation Strategy setting out how local people are encouraged to participate in decision-making by the Council.</p>   | The Council should complete its work to finalise and agree its Participation Strategy and then take the necessary steps for this to be implemented.  |
| C - Defining outcomes in terms of sustainable economic, social and environmental benefits.                    | <p>The Council has a robust Performance Management Framework in place that uses evidenced based assessments to determine outcomes, in line with Corporate Plan priorities and are aligned to the Cwm-Taf Well-Being Plan. In-year monitoring arrangements provide holistic overviews of the Council's performance.</p> <p>Further work is required to more clearly demonstrate impact within Self-assessment and performance reporting arrangements.</p> | The Council's latest Self-Assessment identified the need for continued improvement in arrangements to demonstrate the impact of its work and delivery of intended outcomes, noting the requirement for the Council to re-set its arrangements following the unprecedented impact of the Covid-19 pandemic. There is a need for the Council to build on the work to date to more clearly demonstrate impact and outcomes within its Self-Assessment and Performance Reporting arrangements and also incorporate service user information (this being an emerging finding from the Audit Wales review work undertaken in 2022/23). |
| D - Determining the interventions necessary to optimise the achievement of the intended outcomes              | Appropriate decision-making arrangements were in place during the year to review and determine interventions needed to deliver Corporate and Service priorities. These were integrated with budget setting and medium-term financial planning arrangements and progress was subject to public scrutiny via the Council's overview and scrutiny arrangements.   | No   |

| Core / Supporting Principle  | Overall Assessment Conclusion   | Proposals for Improvement Set Out In The AGS   |
|--|---|--|
| <p><b>E - Developing the entity's capacity, including the capability of its leadership and the individuals within it</b></p> | <p>The Council has well-embedded self-assessment arrangements that assess the organisation's capacity and capability to deliver council services, this being informed by a workforce strategy and underpinned by an established framework of decision-making in the form of Schemes of Delegation.</p> <p>Further work is required to review and update the Council's Contract and Financial Procedure Rules.</p>   | <p>The Contract and Financial Procedure Rule documents were not reviewed during 2022/23 to consider any updates required and ensure they continue to be fit for purpose. Both documents therefore require review during 2023/24 and proposed updates signed-off, incorporated into the Council's Constitution and staff made aware of updates.</p>   |
| <p><b>F - Managing risks and performance through robust internal control and strong public financial management</b></p>      | <p>The Council is financial stable, supported by robust financial planning and management arrangements that underpin service delivery. A focus on strong internal controls and the management of risks, independently checked by Internal Audit and overseen by the Governance and Audit Committee, are key components of the overall arrangements.</p> <p>Further work is required to:</p> <ul style="list-style-type: none"> <li>• Further strengthen risk management arrangements, as set out in the 2022/23 Internal Audit Report 'Corporate Risk Management'; and</li> <li>• Fully cost the Council's carbon reduction action plan and ensure alignment to the Medium Term Financial Plan, as recommended by Audit Wales in its Assurance and Risk Assessment Review.</li> </ul> | <ul style="list-style-type: none"> <li>• Internal Audit undertook an audit assignment on the Council's Corporate Risk Management arrangements in 2022/23, concluding reasonable assurance overall, and set out recommendations to further strengthen arrangements: updating the Risk Management Strategy to include officer roles and responsibilities; Strategic risks descriptions within the Strategic Risk Register are reviewed to ensure the impact on the Council is clear; and the need to progress the compilation and roll-out of a Risk Management e-learning training module for Council officers.</li> <li>• The Audit Wales Assurance and Risk Assessment Review recommended in respect of Carbon Reduction Plans – <i>'In order to meet its net zero ambition the Council needs to fully cost its action plan and ensure it is aligned with its Medium Term Financial Plan'</i>.</li> </ul> |
| <p><b>G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b></p>      | <p>The Council has open and transparent decision-making processes, with arrangements in place to hold decision-makers to account for service delivery and performance and the stewardship of public funds.</p>  | <p>No</p>  |

- 5.3 The overall conclusions from the 2022/23 review process, as set out in section 6.12 of the Annual Governance Statement' are *'Based on the review of effectiveness against the Local Code of Corporate Governance, the Council's governance arrangements provided the basis to effectively plan, allocate and manage resources to support the delivery of Corporate Plan priorities and wider service delivery, and was underpinned by sound decision making arrangements. A small number of proposals for improvement have been made to further strengthen existing processes'*.
- 5.4 As part of the review process, the Local Code of Corporate Governance was also reviewed and has been updated to reflect the current arrangements in place within the Council; the updated Code, with proposed updates 'tracked' for ease of reference, is set out at Appendix 2.
- 5.5 Between the date of this Governance and Audit Committee meeting and the date the 2022/23 Statement of Accounts are approved, should any (relevant) reports be provided to the Council from its External Regulators, Members are requested to provide the Deputy Chief Executive and Group Director – Finance, Digital and Frontline Services with authority to include reference to such reports within the Annual Governance Statement. In the event that any reports identify significant governance issues then these will be considered at a Special Meeting of the Governance and Audit Committee where the implications on the overall conclusion can be debated.

## **6. EQUALITY AND DIVERSITY AND SOCIO-ECONOMIC DUTY IMPLICATIONS**

- 6.1. There are no equality and diversity implications or socio-economic duty implications as a result of the recommendations set out in the report.

## **7. CONSULTATION**

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

## **8. FINANCIAL IMPLICATION(S)**

- 8.1 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 Accounts and Audit (Wales) Regulations 2018 (regulation 5) requires an Authority to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review (i.e.

an Annual Governance Statement) within any published Statement of Accounts.

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

**THE COUNCIL'S CORPORATE PLAN PRIORITIES**

- 10.1 Delivery of all of the Council's priorities is underpinned by strong and robust governance arrangements.

**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. CONCLUSIONS**

- 11.1 It is a legal requirement for the Council to conduct a review of its system of internal control at least once a year and report the outcome of that review in the form of an Annual Governance Statement. Once approved, the Annual Governance Statement is included within the Council's Statement of Accounts.
- 11.2 The Draft Annual Governance Statement for 2022/23 has been produced in accordance with the requirements contained within the 'Delivering Good Governance in Local Government: Framework (2016)' and the CIPFA Financial Management Code 2019, and is set out in Appendix 1 for consideration by the Governance and Audit Committee and the overall conclusion from the review process included at paragraph 5.3 of this report.
- 11.3 The review process also identified updates for inclusion within the Local Code of Corporate Governance to reflect the current arrangements in place within the Council, with an updated Code set out at Appendix 2.

**Other Information:-**

***Relevant Scrutiny Committee***  
**Not applicable.**

***Contact Officer*** – Paul Griffiths

**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**

4<sup>th</sup> JULY 2023

**DRAFT ANNUAL GOVERNANCE STATEMENT 2022/23 AND UPDATED LOCAL  
CODE OF CORPORATE GOVERNANCE – RHONDDA CYNON TAF COUNTY  
BOROUGH COUNCIL**

**REPORT OF THE DEPUTY CHIEF EXECUTIVE AND GROUP DIRECTOR:  
FINANCE, DIGITAL AND FRONTLINE SERVICES**

Author: Paul Griffiths (Service Director – Finance & Improvement Services)

**Item:**

**7 - DRAFT ANNUAL GOVERNANCE STATEMENT 2022/23 AND UPDATED  
LOCAL CODE OF CORPORATE GOVERNANCE – RHONDDA CYNON TAF  
COUNTY BOROUGH COUNCIL**

**Background Papers**

None.

Officer to contact: Paul Griffiths

**RHONDDA CYNON TAF COUNTY  
BOROUGH COUNCIL**

**DRAFT ANNUAL GOVERNANCE  
STATEMENT 2022/23**

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## 1. INTRODUCTION

- 1.1 The Council's [Corporate Plan 2020 - 2024](#) 'Making a Difference' sets the overall direction for the Authority over a period of 4 years describing the vision, purpose and priorities to be delivered.
- 1.2 The Council's agreed vision, purpose and priorities are:
- Vision – ***To be the best place in Wales to live, work and play, where people and businesses are independent, healthy and prosperous.***
  - Purpose - ***To provide strong community leadership and create the environment for people and businesses to be independent, healthy and prosperous.***
  - Priorities:
    - Ensuring ***People***: are independent, healthy and successful:
    - Creating ***Places***: where people are proud to live, work and play: and
    - Enabling ***Prosperity***: creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper.
- 1.3 Underpinning the above priorities are the cross-cutting themes of '***Live within our means***' and '***Efficient and effective Council***' – both of which focus on robust financial planning and management arrangements to ensure the Council maintains its financial stability, is financially resilient and makes the best use of scarce resources.
- 1.4 This Annual Governance Statement sets out for the community, service users, tax-payers and other stakeholders the Council's governance arrangements together with a review of their effectiveness in managing risks of failure in delivering Corporate Plan priorities.

## **2. SCOPE OF RESPONSIBILITY**

- 2.1 Rhondda Cynon Taf County Borough Council (RCT) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 2.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes the arrangements for the management of risk.
- 2.3 The Council, in compiling the Annual Governance Statement, has adopted the latest *Delivering Good Governance in Local Government: Framework (2016)* developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (Solace). In doing so, the Annual Governance Statement meets the Council's legal duty as set out in the Accounts and Audit (Wales) Regulations 2014, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018.
- 2.4 The 2022/23 Annual Governance Statement also takes account of the CIPFA Financial Management Code 2019, as set out in the 'CIPFA Bulletin 06 – Application of the Good Governance Framework 2020/21' (see paragraphs 6.8.2 to 6.8.6). For information, the bulletin also covers the impact of the Covid-19 pandemic on local government bodies and the need for this to be reflected within Annual Governance Statements; in the case of Rhondda Cynon Taf, no designated section relating to the impact of Covid-19 has been incorporated into the 2022/23 Annual Governance Statement on the basis of specific arrangements introduced during the pandemic now being built into operational arrangements.
- 2.5 The Council's Annual Governance Statement aims to provide an accurate representation of the governance arrangements in place for financial year ending 31<sup>st</sup> March 2023.

### **3. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 3.1 The governance framework comprises the systems, processes and cultural values by which the Council is directed and controlled, and the activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 3.2 For RCT governance is about ensuring that the Council does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 3.3 The system of internal control is a significant part of that framework and is designed to manage the risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 3.4 The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's priorities, to evaluate the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically.
- 3.5 The governance framework outlined below has been in place at RCT for the year ended 31<sup>st</sup> March 2023 (and up to the date of approval of the 2022/23 Statement of Accounts).

### **4. THE GOVERNANCE FRAMEWORK AND REVIEW ARRANGEMENTS**

- 4.1 The Council has put in place a Local Code of Corporate Governance, in line with the seven principles set out in *The Delivering Good Governance in Local Government Framework (2016)*, to support its arrangements for ensuring sound governance.
- 4.2 The Council has responsibility for conducting, at least annually, an assessment of its governance framework including the system of internal control. Section 5 sets out an Executive Summary of the findings and proposals for improvement arising from the 2022/23 assessment and Section 6 provides more detailed information, called Review of Effectiveness, for the 2022/23 financial year against the Local Code of Corporate Governance.
- 4.3 The review process has also considered the Local Code of Corporate Governance and where required, revisions have been proposed to ensure it continues to be fit for purpose. The proposed revisions will be reported for consideration alongside the 2022/23 Annual Governance Statement.

## 5. **EXECUTIVE SUMMARY**

- 5.1 RCT is responsible for putting in place proper arrangements for the governance of its affairs and to review these arrangements at least annually. The Council discharges this responsibility by having in place a Local Code of Corporate Governance and undertakes an annual assessment against this Code in the form of an Annual Governance Statement. Both the Code and Annual Governance Statement have been compiled in line with Delivering Good Governance in Local Government: Framework (2016) developed by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 5.2. The Review of Effectiveness of the Council's governance arrangements are set out in detail in Section 6 and have been summarised in Table 1 across the 7 principles set out in the 2016 Framework.

Table 1 - Summary of the Review of Effectiveness

| <b>Core Principles</b>  | <b>Overall Assessment Conclusion</b>  | <b>Proposals for Improvement Set Out In The Annual Governance Statement (AGS)</b>   |
|---|---|---|
| A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law | The Council has sound arrangements in operation, in line with its Constitution and other agreed arrangements, to promote and demonstrate high standards of behaviour of its elected Members and Officers, and to take action where instances of non-compliance are identified.  | No  |
| B - Ensuring openness and comprehensive stakeholder engagement  | The Council has clear channels to enable engagement with and from stakeholders, with arrangements being in line with the law and demonstrate a commitment to openness in the delivery of its activities.<br><br>Further work is required to develop and finalise a Participation Strategy setting out how local people are encouraged to participate in decision-making by the Council. | The Council should complete its work to finalise and agree its Participation Strategy and then take the necessary steps for this to be implemented. |

| Supporting Principles  | Overall Assessment Conclusion   | Proposals for Improvement Set Out In The AGS  |
|--|---|---|
| C - Defining outcomes in terms of sustainable economic, social and environmental benefits.                     | <p>The Council has a robust Performance Management Framework in place that uses evidenced based assessment to determine outcomes, in line with Corporate Plan priorities and are aligned to the Cwm-Taf Well-Being Plan. In-year monitoring arrangements provide holistic overviews of the Council's performance.</p> <p>Further work is required to more clearly demonstrate impact within Self-assessment and performance reporting arrangements.</p> | <p>The Council's latest Self-Assessment identified the need for continued improvement in arrangements to demonstrate the impact of its work and delivery of intended outcomes, noting the requirement for the Council to re-set its arrangements following the unprecedented impact of the Covid-19 pandemic. There is a need for the Council to build on the work to date to more clearly demonstrate impact and outcomes within its Self-Assessment and Performance Reporting arrangements and also incorporate service user information (this being an emerging finding from the Audit Wales review work undertaken in 2022/23).</p> |
| D - Determining the interventions necessary to optimise the achievement of the intended outcomes               | <p>Appropriate decision-making arrangements were in place during the year to review and determine interventions needed to deliver Corporate and Service priorities. These were integrated with budget setting and medium-term financial planning arrangements and progress was subject to public scrutiny via the Council's overview and scrutiny arrangements.</p>   | <p>No</p>   |
| E - Developing the entity's capacity, including the capability of its leadership and the individuals within it | <p>The Council has well-embedded self-assessment arrangements that assess the organisation's capacity and capability to deliver council services, this being informed by a workforce strategy and underpinned by an established framework of decision-making in the form of Schemes of Delegation.</p> <p>Further work is required to review and update the Council's Contract and Financial Procedure Rules.</p>                                       | <p>The Contract and Financial Procedure Rule documents were not reviewed during 2022/23 to consider any updates required and ensure they continue to be fit for purpose. Both documents therefore require review during 2023/24 and proposed updates signed-off, incorporated into the Council's Constitution and staff made aware of updates.</p>  |

| Supporting Principles  | Overall Assessment Conclusion   | Proposals for Improvement Set Out In The AGS   |
|--|---|--|
| <p>F - Managing risks and performance through robust internal control and strong public financial management</p> | <p>The Council is financial stable, supported by robust financial planning and management arrangements that underpin service delivery. A focus on strong internal controls and the management of risks, independently checked by Internal Audit and overseen by the Governance and Audit Committee, are key components of the overall arrangements.</p> <p>Further work is required to:</p> <ul style="list-style-type: none"> <li>• Further strengthen risk management arrangements, as set out in the 2022/23 Internal Audit Report ‘Corporate Risk Management’; and</li> <li>• Fully cost the Council’s carbon reduction action plan and ensure alignment to the Medium Term Financial Plan, as recommended by Audit Wales in its Assurance and Risk Assessment Review.</li> </ul> | <ul style="list-style-type: none"> <li>• Internal Audit undertook an audit assignment on the Council’s Corporate Risk Management arrangements in 2022/23, concluding reasonable assurance overall, and set out recommendations to further strengthen arrangements: updating the Risk Management Strategy to include officer roles and responsibilities; Strategic risks descriptions within the Strategic Risk Register are reviewed to ensure the impact on the Council is clear; and the need to progress the compilation and roll-out of a Risk Management e-learning training module for Council officers.</li> <li>• The Audit Wales Assurance and Risk Assessment Review recommended in respect of Carbon Reduction Plans – <i>‘In order to meet its net zero ambition the Council needs to fully cost its action plan and ensure it is aligned with its Medium Term Financial Plan’</i>.</li> </ul> |
| <p>G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p> | <p>The Council has open and transparent decision-making processes, with arrangements in place to hold decision-makers to account for service delivery and performance and the stewardship of public funds.</p>  | <p>No</p>  |

## 6. **REVIEW OF EFFECTIVENESS**

- 6.1 The Review of Effectiveness has entailed reviewing the activities in place around the Council's main governance arrangements, as set out in the Local Code of Corporate Governance and associated key processes, engagement with senior officers across services in respect of these arrangements and taking account of the findings from a range of existing reports including external regulator reports.
- 6.2 Each section of the Council's Local Code of Corporate Governance has been set out in Section 6 below, alongside other key governance arrangements, and a review of their effectiveness undertaken and proposals for improvement made, where deemed appropriate.

### 6.3 **Core Principle A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law**

- 6.3.1 The Council is accountable not only for how much it spends, but also for how it uses the resources under its stewardship. This includes accountability for performance, both positive and negative, and for the outcomes achieved. In addition, the Council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, it can demonstrate the appropriateness of decisions and actions, and have arrangements in place to encourage and ensure compliance with ethical values and to respect the rule of law.

| <b>Local Code of Corporate Governance Requirements</b>   | <b>Sub-Principle</b>    | <b>Review of Effectiveness During 2022/23</b>  |
|--|-------------------------|--|
| <a href="#">Elected Councillor and Officer Codes of Conduct</a> - setting out the standards of behaviour to be followed based on the principles of integrity, honesty, impartiality and objectivity. | Behaving with integrity | <ul style="list-style-type: none"> <li>• The Council's Constitution sets out the standards of behaviour expected of elected Councillors and Officers through Codes of Conduct and Rules of Procedure.</li> <li>• Committee meetings were held in line with the Council's Code of Conduct.</li> <li>• From a Council Officer perspective, local induction arrangements were in place that set out, amongst other things, expected standards of behaviour. Alongside this, an officer guide was in place and corporate Manager Briefings delivered.</li> </ul> |

| Local Code of Corporate Governance Requirements   | Sub-Principle  | Review of Effectiveness During 2022/23   |
|---|--|--|
| <p><a href="#">Rules of Procedure</a> – covering Council, Open Government, Access to Information, Budget and Policy Framework, Executive, Overview and Scrutiny, Officer Employment and Contract and Financial Procedure Rules.</p> | <p>Demonstrating strong commitment to ethical values</p> | <ul style="list-style-type: none"> <li>• The Council's Constitution sets out the Rules of Procedure to be followed by elected Councillors and Officers when conducting the Council's business. The arrangements, as set out in the Rules of Procedure, were compiled with during the year and publicly demonstrate an accountable and open approach in the delivery of Council services.</li> </ul>  |
| <p><a href="#">Standards Committee</a> - the role of which includes, amongst other things, promoting and maintaining high standards of conduct by elected Councillors.</p>  | <p>Demonstrating strong commitment to ethical values</p> | <ul style="list-style-type: none"> <li>• A Standards Committee was in place, supported by a <a href="#">Work Programme</a>, and promoted high standards of conduct in accordance with the Committee's Terms of Reference.</li> <li>• As part of the Committee's Work Programme, information on the outcome of investigations undertaken by the Public Services Ombudsman for Wales (PSOW) relating to RCT Elected Members and Community/Town Councillors within RCT (for whom the Monitoring Officer has responsibility) were reported. In summary, between 1<sup>st</sup> March 2022 and 31<sup>st</sup> March 2023 there were 7 complaints made to the PSOW against Members; none of these complaints reached the investigation stage and information was published as part of the <a href="#">18th November 2022</a> and <a href="#">25th April 2023</a> Standards Committee meetings to ensure openness and transparency.</li> </ul> |
| <p>Gifts and hospitality Policy.</p>  | <p>Demonstrating strong commitment to ethical values</p> | <ul style="list-style-type: none"> <li>• The Council has a Gifts and Hospitality Policy and arrangements were in place, via registers, to record gifts and hospitality in line with the Policy</li> </ul>  |



| Local Code of Corporate Governance Requirements   | Sub-Principle  | Review of Effectiveness During 2022/23  |
|---|--|---|
| <p><a href="#">Comments, Compliments and Complaints</a> setting out how the Council handles and responds to feedback (complaints, compliments, and comments).</p> | <p>Demonstrating strong commitment to ethical values</p> | <ul style="list-style-type: none"> <li>• Arrangements were in place for Comments, Compliments and Complaints to be publicly reported and scrutinised by elected Members:               <ul style="list-style-type: none"> <li>○ Social Services Representations and Complaints Procedures Annual Report 2021/22 to the <a href="#">17th October 2022</a> Cabinet meeting:                   <ul style="list-style-type: none"> <li>▪ Overall, the report concluded that Social Services continue to provide a robust and effective complaints procedure with the information from complaints providing valuable lessons learnt when planning and improving services to meet the needs of our customers; and</li> <li>▪ Out of 110 complaints received, 46 (or 42%) were responded to within statutory timeframes at stage 1, this being adversely impacted by the pandemic and the need to prioritise resources to frontline service delivery. Of the complaints received, 9 progressed to stage 2, 8 were referred to the Ombudsman and of these, there were no ombudsman investigations.</li> </ul> </li> <li>○ Non-social services related – an update was presented to the 15<sup>th</sup> March 2023 Governance and Audit Committee that set out 540 complaints were received during 2021/22, representing 0.1% of all customer contacts with the Council. Of the complaints received, 77.46% were responded to within 20 working days as part of stage 1 (with 75% being considered an indicator of good performance overall) and 47 complaints were referred to the PSOW, making up 0.06% of interventions from all local authorities in Wales. There were no Ombudsman investigations undertaken.</li> <li>○ The PSOW Annual Report and Letter for 2021/22 was reported to the Council’s Cabinet (<a href="#">17th October 2022</a>) and Standards Committee (<a href="#">18th November 2022</a>) . This report enabled Cabinet to further review and assess how the Council is managing, and learning from, the feedback it receives. The report highlighted that, ‘<i>During 2021/22 51 complaints were received by the PSOW relating to this Authority (for periods 2020-2021– 40 and 2019/20 – 39). This is a 28% increase on 2020-21 levels compared against an all-Wales average of 48% increase. The total number of complaints equates to 0.21 complaints per 1000 residents. Notably this represents the third lowest total in Wales out of the 22 local authorities. 0.36 complaints per 1000 residents was the average across the 22 LA’s</i>’.</li> </ul> </li> </ul> |

| Local Code of Corporate Governance Requirements   | Sub-Principle                     | Review of Effectiveness During 2022/23   |
|---|-----------------------------------|--|
| <p><a href="#">Whistle-blowing Policy</a> – promoting the highest possible standards of service and setting out how workers can bring information about a wrongdoing to the attention of the Council.</p> | <p>Respecting the rule of law</p> | <ul style="list-style-type: none"> <li>• The <a href="#">15th March 2023</a> Governance and Audit Committee considered:               <ul style="list-style-type: none"> <li>○ The Whistleblowing Annual Report 2022/23, that set out the arrangement and work undertaken during the year and concluded that the ‘<i>Council’s whistleblowing arrangements are appropriate</i>’.</li> <li>○ The Council’s updated its Whistle-blowing Policy and Procedure, that took into account updates following internal review and also Audit Wales’ feedback as part of the external auditor’s 2022/23 Assurance and Risk Assessment work. The updated Policy and Procedure was agreed by the Governance and Audit Committee subject to the incorporation of additional narrative in respect of advice to employees.</li> </ul> </li> </ul> |
| <p>Anti-fraud, Bribery &amp; Corruption Strategy.</p>   | <p>Respecting the rule of law</p> | <ul style="list-style-type: none"> <li>• Anti-fraud, Bribery and Corruption Strategy updates were reported to the Governance and Audit Committee during the year: a mid-year update on <a href="#">7th December 2022</a> and on the <a href="#">15th March 2023</a> the Anti-fraud Annual Report for 2022/23 together with a proposed work programme for 2023/24.</li> <li>• The overall conclusion set out in the March 2023 report, based on the work undertaken during the year, was that the Council continues to operate within an effective anti-fraud culture across the organisation, with resilient preventative measures capable of identifying and addressing new threats. The 2022/23 Annual Report and 2023/24 Work Programme were endorsed by the Governance and Audit Committee.</li> </ul>                         |

## 6.4 Core Principle B - Ensuring openness and comprehensive stakeholder engagement

6.4.1 Local government is run for the public good and the Council is committed to ensuring openness in the delivery of its activities. Clear, trusted channels of communication and consultation should be used to engage effectively with stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

| Local Code of Corporate Governance Requirements   | Sub-Principle   | Review of Effectiveness During 2022/23  |
|---|-----------------|---|
| <p>A <a href="#">Publication Scheme</a> that aims to advise citizens how to request public information the Authority holds.</p> | <p>Openness</p> | <ul style="list-style-type: none"> <li>The Council's website provided information on its <a href="#">Publication Scheme</a> setting out the information published by the Council and how to access it, and also on the <a href="#">Freedom of Information Act 2000</a> that advised residents how to request public information that the Council may hold.</li> </ul> <p><u>Freedom of Information</u></p> <ul style="list-style-type: none"> <li>The Council received 868 Freedom of Information (FOI) / Environmental Information Regulations (EIR) requests during the year, this being slightly less than the previous year (919). Updates were reported to the Council's Information Management Board on a quarterly basis to enable the Board to maintain an overview of the Council's compliance with the relevant legislation.</li> <li>The Council received 8 complaints which had been referred to it by the Information Commissioner's Office (ICO). 4 related to the timeliness of requests being responded to by the Council (all of which were subsequently responded to), 2 where the ICO agreed that the Council did not hold the information, 1 where the withheld information could now be released due to the passage of time and 1 investigation still ongoing into what information is held by the Council.</li> </ul> <p><u>Public Services Ombudsman for Wales (PSOW)</u></p> <ul style="list-style-type: none"> <li>The Ombudsman received 59 complaints relating to the Council in 2022/23 (48 in 2021/22): 48 cases where there was no investigation deemed required following review by the PSOW; 3 agreed early resolution; 7 cases referred back to be dealt with as part of the Council's complaint procedures; and 1 case on-going.</li> </ul> |

| Local Code of Corporate Governance Requirements   | Sub-Principle | Review of Effectiveness During 2022/23  |
|---|---------------|---|
| Clear and open <a href="#">Corporate &amp; Service Specific Privacy Notices</a> .                   | Openness      | <p>During 2022/23 the Council demonstrated compliance with the key requirements of the UK General Data Protection Regulation and Data Protection Act 2018 by:</p> <ul style="list-style-type: none"> <li>• Having measures in place that supported compliance with legislation, including: <ul style="list-style-type: none"> <li>○ Designated roles in place such as a Data Protection Officer (DPO) and Senior Information Risk Owner (SIRO) whose roles are to provide specialist advice, information and guidance to the organisation on data protection and information risk matters; and</li> <li>○ Policy framework, Data Protection / Risk Registers alongside operational processes and procedures.</li> </ul> </li> <li>• Having an Information Management Board in place (chaired by the SIRO) that provided assurance that information risk was being properly assessed, controlled and mitigated and that key data protection legislative requirements were met.</li> <li>• Having a Cyber Security Board in place involving the Chief Executive, Deputy Chief Executive/SIRO and Service Director of ICT &amp; Digital Services that provided assurance relating to cyber security arrangements.</li> <li>• Assurance was demonstrated to both Boards through a range of mechanisms including quarterly highlight reports, review of the Corporate risk register and rating, oversight of progress against the Information Management priorities/plan and monitoring and oversight of cyber security actions.</li> <li>• Based on the governance and assurance arrangements outlined above, controls are considered to be robust and supported continuity of service delivery.</li> </ul> |
| Forward plans for Committee meetings together with the matters to be considered, where appropriate. | Openness      | <ul style="list-style-type: none"> <li>• The Council published on its website <a href="#">forward plans of committee meetings</a> together with the matters to be considered to, amongst other things, assist members of the public to engage in the democratic processes of the Council.</li> </ul>  |

| Local Code of Corporate Governance Requirements | Sub-Principle  | Review of Effectiveness During 2022/23  |
|---|--|---|
| Stakeholder engagement                          | Engaging comprehensively with institutional stakeholders | <ul style="list-style-type: none"> <li>• The Council worked with public, private and voluntary organisations during the year with the overriding objective to help improve the lives of residents within the County Borough, and a number of these are set out on the <a href="#">Council's website</a>.</li> <li>• More specifically, the Council is a statutory partner within the Cwm Taf Public Services Board and actively engages within the Board to put in place arrangements to provide information and data that support the identification and delivery of regional priorities, outcomes and allocation of resources. The Cwm Taf Public Services Board completed a joint Well-being Assessment with the Bridgend Public Services Board for the Cwm Taf Morgannwg area as part of a wider transition to a Cwm Taf Morgannwg Public Services Board that will deliver the new <u>Cwm Taf Morgannwg Well-being Plan</u>. These arrangements now directly correlate to <u>Cwm Taf Morgannwg Regional Partnership Board</u>, with the Board managing, amongst other things, the allocation of the Welsh Government funded <u>Regional Investment Fund</u> in order to help meet the health, social care and wellbeing needs of residents and a focus on its governance and engagement arrangements.</li> <li>• The Council also engages with partner organisations on specific areas where there are shared goals, such as, with the Health Service on developing an integrated health and social care locality model and supporting older people to stay in their homes longer, prevent unnecessary stays in hospital and to help get people home from hospital more quickly when they are well enough; using RCT Neighbourhood Network Groups developed to support the Community Hub model that works with local community groups to meet identified needs; an integrated Substance Misuse Service and Community Safety Partnership; and with Water Safety Partnership and Public Health Wales concerning insufficient water supplies due to drought conditions which are deemed to become more prevalent as a result of climate change.</li> </ul> |

| Local Code of Corporate Governance Requirements | Sub-Principle  | Review of Effectiveness During 2022/23  |
|---|--|---|
| Stakeholder engagement - continued              | Engaging comprehensively with institutional stakeholders                           | <ul style="list-style-type: none"> <li>• The Audit Wales report 'Transformational Leadership Programme Board – Baseline Governance Review – Cwm Taf Morgannwg Regional Partnership Board' was reported to the Council's Governance and Audit Committee on <a href="#">7th December 2022</a> and concluded overall that '<i>...Transformational Leadership Programme Board is well placed to develop stronger regional working building on the productive relationships over the past 18 months. However, it needs to ensure its planning is more integrated and long term, strengthen aspects of its governance arrangements and be more ambitious in using its combined core resources to have greater impact on the Cwm Taf Morgannwg region</i>'. A series of recommendations were included in the report that have been agreed by Management across partners along with implementation timescales.</li> </ul>   |
| Stakeholder engagement                          | Engaging Stakeholders Effectively, Including Individual Citizens And Service Users | <ul style="list-style-type: none"> <li>• The Council has conducted a range of engagement activities with stakeholders via its dedicated Lets Talk RCT engagement website and also face-to-face engagement. During 2022/23 this included: <ul style="list-style-type: none"> <li>○ Lets Talk Budget – that helped inform the 2023/24 Revenue Budget Strategy in terms of the Strategy's key building blocks, for example, council tax levels, the need for an on-going focus on delivering more efficient services and supporting the Council's approach to the management of its Reserves.</li> <li>○ Lets Talk Climate Change, Electric Vehicles Charging Points and Wildflowers – continuous engagement to inform the Council's programme of work to tackle climate change.</li> <li>○ A consultation that provided evidence to inform the preparation of the Council's Local Development Plan.</li> <li>○ Lets Talk Pontypridd - consultation to help develop the placemaking plan for Pontypridd, together with specific feedback on anti-social behaviour, public conveniences and cleanliness.</li> <li>○ 'My Day, My Way' involvement and engagement to inform the on-going transformation of day services so that people with a learning disability have access to meaningful activity and opportunities in their own communities, including employment to achieve their personal goals.</li> </ul> </li> </ul> |

| Local Code of Corporate Governance Requirements | Sub-Principle  | Review of Effectiveness During 2022/23  |
|---|--|---|
| Stakeholder engagement – continued              | Engaging Stakeholders Effectively, Including Individual Citizens And Service Users | <ul style="list-style-type: none"> <li data-bbox="810 293 2179 475">• Audit Wales reported its Assurance and Risk Assessment Review 2021/22 to the Governance and Audit Committee on <a href="#">7th December 2022</a> that set out, amongst other things: <i>‘Implications of the Local Government and elections (Wales) Act 2021 – The Council is making good progress developing its arrangements to meet the requirements of the Local Government and Elections (Wales) Act 2021, but has not yet agreed its approach for engaging with the public’.</i></li> </ul> <p data-bbox="810 531 1178 563"><u>Proposal for Improvement</u></p> <p data-bbox="810 600 2179 667">The Council should complete its work to finalise and agree its Participation Strategy and then take the necessary steps for this to be implemented.</p> |

**6.5 Supporting Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits.**

6.5.1 The long-term nature and impact of the Council's work requires it to define and plan outcomes and that these should be sustainable. Decisions should further the Council's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands, determining priorities and finite resources.

| Local Code of Corporate Governance Requirements                                  | Sub-Principles    | Review of Effectiveness During 2022/23   |
|--|-------------------|--|
| The Council's Performance Management Framework – defining outcomes based on need | Defining Outcomes | <ul style="list-style-type: none"> <li>• The Council had a Performance Management Framework (PMF) in place with evidenced based assessments informing priorities and outcomes. The assessments were in the form of Public Services Board Well-being Assessment 2022 for the area and Council specific arrangements in terms of its <a href="#">Self-Assessment</a> and individual Service Self-Assessments.</li> <li>• This has also enabled the Council to align its Corporate Plan priorities to the Cwm Taf Well-Being Plan and support compliance with its statutory reporting duties under the Well-being of Future Generations Act 2015.</li> </ul>  |
| Corporate Plan 2020 – 2024 'Making a difference'                                 | Defining Outcomes | <ul style="list-style-type: none"> <li>• The Council's <a href="#">Corporate Plan 2020 – 2024 'Making a Difference'</a> sets out its Vision, Purpose and Priorities over the 4-year period together with the outcomes it aims to achieve and the key actions it will take to get there. The Council's Corporate Plan priorities are:               <ul style="list-style-type: none"> <li>○ Ensuring People: are independent, healthy and successful:</li> <li>○ Creating Places: where people are proud to live, work and play: and</li> <li>○ Enabling Prosperity: creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper.</li> </ul> </li> <li>• The Council's key documents, including the Revenue Budget Strategy, 3-year Capital Programme, Medium-Term Financial Plan and Performance Reports are aligned to its Corporate Plan, to support the delivery and monitoring of priorities and outcomes in line with available resources.</li> </ul> |



| Local Code of Corporate Governance Requirements                | Sub-Principles  | Review of Effectiveness During 2022/23  |
|--|---|---|
| Quarterly Performance Report (including Risk Register updates) | 'Defining Outcomes' and 'Sustainable economic, social and environmental benefits' | <ul style="list-style-type: none"> <li>• The Council's quarterly Performance Reports include progress updates on the delivery of Corporate Plan priorities and also the re-introduction of performance measures, following a pause during the period of Covid-19. The updates were publicly reported to the Cabinet and the designated Scrutiny Committee on a quarterly basis during 2022/23 (<a href="#">Quarters 1, 2 and 3</a>, with the Quarter 4 (Year-end) Performance Report scheduled to be reported to the July meetings of the Council's Cabinet and Overview and Scrutiny Committee).</li> <li>• The quarterly Performance Reports provided an holistic overview of the Council's performance through setting out updates on: the Revenue Budget, Capital Programme and Treasury Management performance; Workforce (sickness absence and turnover) information; Corporate Plan progress updates for the 3 priorities of People, Places and Prosperity, and supported by detailed action plan updates for each priority; additional investment allocated to Corporate Plan priorities; Strategic Risk Register risks that could adversely impact the delivery of Corporate Plan priorities alongside mitigating actions; and actions being taken to enhance the Council's response to extreme weather events and delivery of its Climate Change strategy.</li> <li>• The arrangements were in line with the PMF, provided opportunity for stakeholders to hold the Council to account for its financial and operation performance and clearly set out progress against Corporate Plan priorities.</li> </ul> <p><u>Proposal for Improvement</u></p> <ul style="list-style-type: none"> <li>• The Council's latest Self-Assessment identified the need for continued improvement in arrangements to demonstrate the impact of its work and delivery of intended outcomes, noting the requirement for the Council to re-set its arrangements following the unprecedented impact of the Covid-19 pandemic. There is a need for the Council to build on the work to date to more clearly demonstrate impact and outcomes within its Self-Assessment and Performance Reporting arrangements and also incorporate service user information (this being an emerging finding from the Audit Wales review work undertaken in 2022/23).</li> </ul> |

**6.6 Supporting Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes**

6.6.1 The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Robust decision making is required to enable priorities and intended outcomes to be delivered in an efficient and effective way, and decisions reviewed on an on-going basis to ensure the achievement of outcomes is optimised.

| Local Code of Corporate Governance Requirements               | Sub-Principle             | Review of Effectiveness During 2022/23   |
|---|---------------------------|--|
| Evidence based decision-making arrangements (New for 2022/23) | Determining interventions | <ul style="list-style-type: none"> <li>• Decision-making arrangements were in line with the Council’s Constitution, supported by evidence based and published reports that were informed by stakeholder feedback and set out information in respect of legal, equality and diversity and financial implications, and the extent of alignment with the Well-Being of Future Generations Act. Decision making was also informed by other committees, such as the Climate Change Cabinet Sub-committee and a number of decisions subject to a pre-scrutiny process (see Section 6.6.1 – Scrutiny Committees)</li> <li>• Agreed decision were incorporated within the Council’s Revenue Budget Strategy / 3-Year Capital Programme and informed Medium Term Financial Planning.</li> </ul>   |
| Monitoring and oversight of priorities (New for 2022/23)      | Planning interventions    | <ul style="list-style-type: none"> <li>• Arrangements were in place during the year to plan and monitor interventions via local Service Delivery Planning that are used to update quarterly Performance Reports and specific update reports to Cabinet and / or the designated scrutiny committee, for example:               <ul style="list-style-type: none"> <li>○ <b>Corporate Plan Priority - People</b> <ul style="list-style-type: none"> <li>▪ <a href="#">Youth Engagement and Participation Service - Overview of additional funding 2020 - 2022</a></li> <li>▪ <a href="#">Family Engagement Officers Review</a></li> </ul> </li> <li>○ <b>Corporate Plan Priority - Places</b> <ul style="list-style-type: none"> <li>▪ <a href="#">Ultra Low Emissions Vehicles (ULEV) Transition Plan</a></li> <li>▪ <a href="#">Report of the Council's Recycling Performance 2021/22</a></li> </ul> </li> <li>○ <b>Corporate Plan Priority - Prosperity</b> <ul style="list-style-type: none"> <li>▪ <a href="#">Review of Learning Support Class provision within Rhondda Cynon Taf</a></li> <li>▪ <a href="#">New Empty Homes Strategy for 2022 - 2025</a></li> </ul> </li> </ul> </li> </ul> |

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| Local Code of Corporate Governance Requirements                 | Sub-Principle                               | Review of Effectiveness During 2022/23  |
|---|---|---|
| Annual Revenue Budget Strategy and three-year Capital Programme | Optimising achievement of intended outcomes | <ul style="list-style-type: none"> <li>• Full Council approved the 2022/23 Revenue Budget Strategy and 3-year Capital Programme (2022/23 to 2024/25) on <a href="#">9th March 2022</a>.</li> </ul> <p><u>Revenue Budget Strategy 2022/23</u></p> <ul style="list-style-type: none"> <li>• The formulation of the 2022/23 Revenue Budget Strategy was informed by the Council’s Service Delivery Planning process and engagement with local residents / stakeholders. Feedback from engagement included, amongst other things, 91.2% of respondents supported prioritisation of resources to schools and social services with the Council allocating 68% (£26M) of overall additional resources available to these areas (39% for social services and 29% for schools).</li> <li>• The 2022/23 Revenue Budget totalled £566.792Million, the broad objectives of which have been delivered during the year: supported the delivery of Corporate Plan priorities; retain the support of Audit Wales for the approach the Council has adopted to securing strong financial management (see Supporting Principle F); continue the delivery of our key services and protect as many local jobs as possible; and taking a responsible approach to the level of Council Tax – supported by the Council having the lowest average Band D council tax increase for 4 years (2018/19 to 2021/22) and fifth lowest for 2022/23.</li> </ul> <p><u>Capital Programme (2022/23 to 2024/25)</u></p> <ul style="list-style-type: none"> <li>• The Capital Programme totalled £148.770Million and set out the capital investment priorities that will have a long-term impact on the area in terms of regeneration, infra-structure and the Council’s built assets in optimising their use and benefit to local communities. This included significant on-going investment: in schools, that is improving the quality of learning environment, facilities available and building energy performance; in highways, that is supporting a trend of improvement in the condition of roads, as demonstrated by reported performance indicators; and in carbon reduction projects that is supporting reductions in energy consumption and CO2 emissions.</li> </ul> |

| Local Code of Corporate Governance Requirements | Sub-Principle                               | Review of Effectiveness During 2022/23  |
|---|---|---|
| Medium Term Financial Plan                      | Optimising achievement of intended outcomes | <ul style="list-style-type: none"> <li>• The Council has well embedded Medium Term Financial Planning (MTFP) arrangements that inform budget setting, with the approach balancing the Council priorities and strategies with affordability, to support service planning and delivery over the medium term. The MTFP was published and the Council adopted an inclusive approach to enable elected Members to review and scrutinise the position i.e. updates reported to Cabinet, full Council, Overview and Scrutiny Committee and School Budget Forum.</li> <li>• The latest MTFP (<a href="#">July 2022</a>) set out a range of modelled ‘budget gaps’, these being between £30M and £36M for the 2023/24 financial year and provided an accurate and timely forecast of the scale of the budget challenge to inform budget setting arrangements for this period (the actual budget gap being £36M).</li> <li>• The Council prioritised the allocation of resources in line with its Corporate Plan: 85% of the Council’s revenue budget was allocated to Corporate Plan priority areas (with the remaining 15% being in respect of Regulatory Public Services, Other Services to the public, Authority Wide costs and Core Support) (See also section ‘Supporting Principle F’); and 98% of capital resources were allocated to Corporate Plan priority areas.</li> </ul> |

| Local Code of Corporate Governance Requirements | Sub-Principle                               | Review of Effectiveness During 2022/23  |
|---|---|---|
| Scrutiny Committees                             | Optimising achievement of intended outcomes | <ul style="list-style-type: none"> <li>• The Council revised its Scrutiny Structure in a report to Council in <a href="#">May 2022</a> to ensure its scrutiny arrangements were well-placed to respond to the new requirements of the Local Government &amp; Elections (Wales) Act 2021 and increase the impact of scrutiny and reduce duplication of reporting.</li> <li>• An Overview and Scrutiny Annual Report 2022/23 was reported to and agreed at the Council's Annual General Meeting on 10<sup>th</sup> May 2023 and set out the work and impact delivered by each of the 4 scrutiny committees as well as areas for development in 2023/24. Areas scrutinised in 2022/23 included: the Council's financial and Corporate Plan performance on a quarterly basis; targeted pre-scrutiny on 'Residential Care for Older People', 'the 2023/24 Budget', 'The RCT Tree, Woodland and Hedgerow Strategy' and the 'Children's Services Residential Transformation Strategy'; contributing to consultations such as the 'Review of Parliamentary Constituencies in Wales – Boundary Commission for Wales' Initial Proposals' and the 'National Transport Delivery Plan 2022-2027'; and service specific updates such as 'Electrical Vehicle Charging Implementation Plan and associated Action Plan', 'Support to refugees, Ukraine nationals and asylum seekers in RCT', 'Update on the implementation of the Additional Learning Needs &amp; Education Tribunal Act 2018 in Rhondda Cynon Taf County Borough Council' and 'the roll-out of, Universal Primary Free School Meals'. The above areas align with the Council' Corporate Plan priorities.</li> <li>• The work of scrutiny committees was underpinned by a programme of training that included Chairing skills, questioning techniques and bespoke training specific to each Committee, and a scrutiny research facility was made available within the Council Business Unit to support Members' scrutiny responsibilities and their roles as Elected Members; such research strengthens Scrutiny Committee work programmes to ensure outcome-based topics are identified.</li> <li>• A Cwm Taf Public Services Board Joint Overview and Scrutiny Committee was in place, coordinated by the Council, to scrutinise the work of the Public Services Board and undertook pre-scrutiny of the new Cwm Taf Morgannwg Well-Being Plan 2023 – 2028.</li> </ul> |

**6.7 Supporting Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it**

6.7.1 The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and support the achievement of intended outcomes. It must ensure it has both the capacity to deliver its priorities and for the organisation as a whole. Because both individuals and the environment in which the Council operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of staff members. Leadership in the Council is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

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| Local Code of Corporate Governance Requirements | Sub-Principle                    | Review of Effectiveness During 2022/23  |
|---|----------------------------------|---|
| Corporate and Service Self Evaluation process.  | Developing the entity's capacity | <ul style="list-style-type: none"> <li>• The Council's <a href="#">Self-Assessment</a> and Service Self-Evaluation arrangements review: service delivery, planning and outcomes; the management and use of resources, workforce and assets; how services work with partners; and key cross cutting themes of decarbonisation, biodiversity, Welsh language and equality and inclusion.</li> <li>• The above arrangements inform service delivery planning and the allocation of resources to ensure the Council has the necessary capacity to deliver its services and priorities. This is supported through the assessment processes evidencing:               <ul style="list-style-type: none"> <li>○ A consistent track record of sound service delivery, underpinned by robust financial management and workforce planning arrangements;</li> <li>○ The development of new strategies and evolving existing strategies, based on lessons learned and in some cases regulation, to support current and future service delivery in line with the changing needs of communities, for example, <a href="#">Residential Care Homes for Older People</a>, <a href="#">Looked After Children: Residential Care Transformation Strategy 2022-2027</a>, <a href="#">Digital Strategy 2022-2026</a> and <a href="#">The Council's Tackling Climate Change Strategy 2022-2025</a>.</li> </ul> </li> </ul> |

| Local Code of Corporate Governance Requirements           | Sub-Principle                    | Review of Effectiveness During 2022/23   |
|---|----------------------------------|--|
| Corporate and Service Self Evaluation process - continued | Developing the entity's capacity | <ul style="list-style-type: none"> <li>○ External Regulator feedback on the Council's services, the most recent being the Estyn Report on the Council's Education Services, published <a href="#">31st March 2023</a>, and setting out a very positive position overall.</li> <li>● The Council's assessment arrangements have also recognised the significant challenges facing it in terms of forecasted funding levels; increasing demand for services and complexity of support linked to vulnerability and levels of poverty; and recruitment and retention challenges across a number of service areas. The continuation of robust assessment, planning and monitoring / measurement arrangements will help ensure the Council continues to be well positioned to meet these challenges.</li> </ul>  |
| Workforce Plan 2017-22.                                   | Developing the entity's capacity | <ul style="list-style-type: none"> <li>● The Council's Workforce Plan 2017-22 set priorities that align to the Council's Corporate Plan in terms of developing a flexible and agile workforce that shares organisational knowledge; recruiting and retaining the best talent to create a diverse workforce; leadership and management development; enabling a high performing, engaged and committed workforce; and supporting health and wellbeing to maximise attendance.</li> <li>● Workforce planning has been identified as a risk within the Council's Strategic Risk Register and updates were reported on a quarterly basis during the year as part of performance reporting arrangements.</li> <li>● Officers across services work closely with Human Resources and Finance officers to review and reconfigure staffing structures on an on-going basis to ensure provision aligns with need and support more efficient service delivery arrangements. In parallel, there was on-going investment in apprentices and graduates in line with service workforce requirements.</li> <li>● Work was completed during the year to compile a new <a href="#">Human Resources Strategy and Council Workforce Plan 2023-28</a> to take forward priority workforce actions, this being approved by Cabinet on 23<sup>rd</sup> January 2023. As part of the updated strategy workforce planning training is to be provided for senior managers during the first half of 2023/24.</li> </ul> |

| Local Code of Corporate Governance Requirements                       | Sub-Principle  | Review of Effectiveness During 2022/23   |
|---|--|--|
| Programme of elected Councillor and Officer training and development. | Developing the capability of the entity's leadership and other individuals | <p><u>Elected Councillors</u></p> <ul style="list-style-type: none"> <li>• Following the 2022 Local Government Elections, a full programme of training opportunities was provided to newly elected and returning Members, and Members were surveyed on the Induction Programme to ascertain the relevance/length/content of the sessions and where, if any, improvements could be made for future induction training programmes. Overall, 87% of Members said they were satisfied with the delivery, timings and content of the training.</li> <li>• The Head of Democratic Services, supported by the Council Business Unit, has taken forward the Member Personal Development Review process with Elected Members and for the first time, includes co-opted Members. A detailed Training programme identifying training requested and how this is to be accommodated (i.e. through 1:1 training or all Member briefing sessions) is currently being developed following the information received during the meetings and will be presented to a future meeting of the Democratic Services Committee for monitoring. A report highlighting the training undertaken to date was presented to the Democratic Services Committee at its meeting in <a href="#">27th April 2023</a>.</li> <li>• Other on-going developments include: the Members Portal, including utilising 'Member Portal Champions' to assist in the developments of the system; a <a href="#">Member Research Draft Protocol</a> to assist Members with research requests has been developed and endorsed by the Democratic Services Committee, assisting Members in their role going forward; and Council Business Unit have assisted in the trialling and development of a climate change eLearning module and are taking part in a ARFer project to encourage the use of Welsh within the workplace.</li> </ul> <p><u>Officers</u></p> <ul style="list-style-type: none"> <li>• During 2022/23 staff development has been supported virtually and face to face through induction sessions, Leadership and Middle Management Development Programmes, Manager Briefings, 'Joint Cabinet and Senior Officer meetings' and a range of operational training such as health and safety, information management and dignity at work. There was also specific focus on health and wellbeing and the management of sickness absence.</li> </ul> |



| Local Code of Corporate Governance Requirements | Sub-Principle  | Review of Effectiveness During 2022/23  |
|---|--|---|
| Schemes of Delegation                           | Developing the capability of the entity's leadership and other individuals | <ul style="list-style-type: none"> <li>Part 3 of the Council's Constitution 'Responsibility for Functions' set out General Scheme of Delegation of Executive and Non-Executive Functions to Officers and these were kept under on-going review during the year.</li> </ul>  |
| Procedure Rules                                 | Developing the capability of the entity's leadership and other individuals | <ul style="list-style-type: none"> <li>The Council's Constitution set out Contract and Financial Procedure Rules that provided the framework for Officers and, where required, elected Members, to operate within during the year. Internal Audit also took account of the requirements within these Procedure Rules when checking internal control compliance as part of audit assignments undertaken and reported updates to Management on exceptions (see also Supporting Principle F – Internal Audit Function).</li> </ul> <p><u>Proposal for Improvement</u></p> <p>The Contract and Financial Procedure Rule documents were not reviewed during 2022/23 to consider any updates required and ensure they continue to be fit for purpose. Both documents therefore require review during 2023/24 and proposed updates signed-off, incorporated into the Council's Constitution and staff made aware of updates.</p> |

**6.8 Supporting Principle F - Managing risks and performance through robust internal control and strong public financial management**

6.8.1 It is a fundamental requirement for the Council’s governance structures to support robust financial and performance management arrangements, thereby enabling efficient and effective service planning and delivery and the achievement of intended outcomes. Risk management and robust internal control are integral parts of these arrangements. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will drive financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from the Council’s leaders and senior managers.

| Local Code of Corporate Governance Requirements | Sub-Principle | Review of Effectiveness During 2022/23  |
|---|---------------|---|
| Risk Management Strategy                        | Managing risk | <ul style="list-style-type: none"> <li>• The Council reviewed and updated its Strategic Risk Register in 2022/23 and included 3 new risks in respect of accommodation needs for the most vulnerable people, dis-engaged learners within schools and fulfilling counter terrorism duties.</li> <li>• Strategic Risk Register updates were publicly reported on a quarterly basis during the year, as part of the Council’s Performance Report, and on the <a href="#">14th February 2023</a> the Council’s Governance and Audit Committee were provided with an overview of its role in respect of risk management along with the latest version of the Strategic Risk Register. This update supported the feedback provided by Committee Members, that is, for risk management to be part its learning and development arrangements and ensures the Committee is kept abreast of and can challenge the Council’s risk profile.</li> </ul> |

| Local Code of Corporate Governance Requirements                  | Sub-Principle           | Review of Effectiveness During 2022/23   |
|--|-------------------------|--|
| Risk Management Strategy – continued                             | Managing risk           | <p><u>Proposal for Improvement</u></p> <ul style="list-style-type: none"> <li>Internal Audit undertook an audit assignment on the Council’s Corporate Risk Management arrangements in 2022/23, concluding reasonable assurance overall, and set out recommendations to further strengthen arrangements: updating the Risk Management Strategy to include officer roles and responsibilities; Strategic risks descriptions within the Strategic Risk Register are reviewed to ensure the impact on the Council is clear; and the need to progress the compilation and roll-out of a Risk Management e-learning training module for Council officers.</li> </ul> |
| Service Delivery Planning.                                       | Managing performance    | <ul style="list-style-type: none"> <li>As set out in sections ‘Supporting Principles C and D’.</li> </ul>  |
| Quarterly Performance Report (including Risk Register up dates). | Managing performance    | <ul style="list-style-type: none"> <li>As set out in section ‘Supporting Principle C’.</li> </ul>  |
| Corporate Performance Report (i.e. year-end annual report).      | Managing performance    | <ul style="list-style-type: none"> <li>As set out in sections ‘Supporting Principles C and D’.</li> </ul>  |
| Governance and Audit Committee                                   | Robust internal control | <p><u>Governance and Audit Committee</u></p> <ul style="list-style-type: none"> <li>The Council’s Governance and Audit Committee considered and approved an Annual Report for 2022/23 on <a href="#">15th March 2023</a> that provided an overview of its work during the year and a self-assessment of its arrangements against the CIPFA 2018 Practical Guidance Note. The conclusions from the Annual Report were:</li> </ul>   |

| Local Code of Corporate Governance Requirements | Sub-Principle           | Review of Effectiveness During 2022/23   |
|---|-------------------------|--|
| Governance and Audit Committee – continued      | Robust internal control | <ul style="list-style-type: none"> <li>○ The Governance and Audit Committee has reviewed and challenged a range of topic areas, including the work of Internal and External Audit, the Committee’s responsibilities as set out in the Local Government and Elections (Wales) Act 2021 and its new responsibility as agreed at the Council’s 2022 AGM in respect of reviewing and scrutinising the Council’s Treasury Management arrangements.</li> <li>○ From the review of the coverage of the Governance and Audit Committee’s work and oversight during the year, the Committee has delivered its Workplan and responsibilities in line with its Terms of Reference, and has been supported via a range of specific learning and development sessions.</li> <li>○ The outcome of the self-assessment, consistent with previous years, demonstrates that the Council has sound arrangements in place in respect of its Governance and Audit Committee, noting that a small number of new proposals for improvement were identified to further strengthen existing arrangements.</li> </ul>   |
| Internal Audit function                         | Robust internal control | <p><u>Internal Audit</u></p> <ul style="list-style-type: none"> <li>● A review of information presented by the Regional Internal Audit Shared Service (RIAS) to the Governance and Audit Committee concluded that it was in line with the approved work programme and played a key part in enabling the Committee to fulfil its Terms of Reference. The information reported to the Committee by Internal Audit included: <ul style="list-style-type: none"> <li>○ The Internal Audit Charter 2022/23 that provided the Committee with information to assess the independence of the internal audit function.</li> <li>○ An Internal Audit Annual Plan 2022/23 and progress updates.</li> <li>○ Details of all audit assignments finalised during the year to enable the Committee to consider and gain assurance on the standard of internal control across the Council.</li> <li>○ Information on the overall assessment of Internal Audit’s work for 2022/23 is set out at paragraphs 6.11.4 to 6.11.7.</li> </ul> </li> <li>● In compliance with the Public Sector Internal Audit Standards, an external assessment should be carried out every five years by a qualified, independent assessor or assessment team from outside of the RIAS Councils. The self-assessment was carried out in 2022 and shared with assessors in November 2022. The external assessment of the RIAS is currently in progress and is due to be completed during 2023/24.</li> </ul> |

| Local Code of Corporate Governance Requirements                                    | Sub-Principle | Review of Effectiveness During 2022/23  |
|--|---------------|---|
| Information Management Plan (including General Data Protection Regulation - GDPR). | Managing Data | <ul style="list-style-type: none"> <li>• The Council has an approved Digital Strategy 2022-26 that sets the direction to obtain maximum value from data and seeking to ensure decision making is fully informed by data driven approaches whilst providing appropriate protection around its integrity and confidentiality.</li> <li>• Audit Wales reported its Assurance and Risk Assessment Review 2021/22 to the Governance and Audit Committee on <a href="#">7th December 2022</a> that set out, amongst other things: <i>'Digital Strategy - The Council has invested in its digital team and processes and has built on its previous digital strategy and the progress made during the pandemic to develop its new strategy and was developing its arrangements to support implementation'</i>.</li> <li>• The Council had arrangements in place for technical and cyber assurance through secured accreditation to Cyber Essentials and work in progress for reaccreditation to the Public Service Network. During re-accreditation controls remain in place to mitigate against cyber risk. This provided assurance that the Council meets required standards for security.</li> <li>• The Information Commissioner's Office investigated 5 personal data breaches during 2022/23 and determined in all cases no further regulatory action was required and was satisfied with the Council's investigation of the breaches and the remedial measures identified.</li> <li>• With regard to GDPR, this is set out in 'Core Principle B'.</li> </ul> |

| Local Code of Corporate Governance Requirements   | Sub-Principle                      | Review of Effectiveness During 2022/23  |
|---|------------------------------------|---|
| Budget and Policy Framework Procedure Rules and Contract and Financial Procedure Rules. | Strong public financial management | <ul style="list-style-type: none"> <li>• The Council complied with the approved Budget and Policy Framework Procedure Rules for the 2022/23 budget setting process and was set out in the report to Cabinet on <a href="#">27th January 2022</a>.</li> <li>• The Council's Finance Service and Procurement Service provided support and advice to services on the Procedure Rules and the Internal Audit Service tested compliance with the Council's Procedure Rules as part of delivering the 2022/23 Internal Audit Plan (see paragraphs 6.11.4 to 6.11.7 for the overall outcome from the work of Internal audit during 2022/23).</li> </ul> <p><u>Proposal for Improvement</u></p> <ul style="list-style-type: none"> <li>• The Contract and Financial Procedure Rule documents were not reviewed during 2022/23 to consider any updates required and ensure they continue to be fit for purpose. Both documents therefore require review during 2023/24 and proposed updates signed-off, incorporated into the Council's Constitution and staff made aware of updates.</li> </ul> |
| Medium Term Financial Plan  | Strong public financial management | <ul style="list-style-type: none"> <li>• The Council updated its MTFP and was reported to Cabinet and full Council in September 2022 and overviews to the Overview and Scrutiny Committee and School Budget Forum in November 2022, providing opportunity for scrutiny and stakeholder understanding of the Council's forecasted financial position, risks and opportunities.</li> <li>• The Council's MTFP updates have consistently supported: <ul style="list-style-type: none"> <li>○ The identification of future forecasted budget gaps (taking account of estimated expenditure requirements and funding levels) that have accurately informed savings requirements and ensured the programme of improvement and investment was affordable (see also Supporting Principle D).</li> </ul> </li> </ul>   |

| Local Code of Corporate Governance Requirements | Sub-Principle                      | Review of Effectiveness During 2022/23   |
|---|------------------------------------|--|
| Medium Term Financial Plan – continued          | Strong public financial management | <ul style="list-style-type: none"> <li>○ An on-going assessment and public reporting and scrutiny of reserve levels. This approach has also enabled additional one-off investment in Corporate Plan priority areas; for 2022/23 this totalled £9.825Million and were agreed by full Council on <a href="#">28th September 2022</a> (£2.725M) and <a href="#">8th March 2023</a> (£7.1M). The additional one-off investment, along with other allocated resources, contributed to capital expenditure investment of £135Million for 2022/23 (annual capital programme investment of over £100Million delivered for each of the past 6 financial years).</li> <li>○ The setting and delivery of balanced revenue budgets.</li> </ul> <p>The consistent delivery of the above outcomes provides assurance on the robustness of the arrangements in place and a demonstrable commitment to prioritise resources to Corporate Plan areas.</p> <ul style="list-style-type: none"> <li>● Audit Wales reported its Assurance and Risk Assessment Review 2021/22 to the Governance and Audit Committee on <a href="#">7th December 2022</a> that set out, amongst other things: <ul style="list-style-type: none"> <li>○ The Council’s Financial Position – <i>‘The Council is now facing significant financial pressures, but remains well placed to respond to these’</i>.</li> <li>○ Carbon Reduction Plans – <i>‘The Council is taking forward its plans to meet the challenge of achieving net zero carbon emissions by 2020, but recognises that further work is needed to identify resources to deliver its plans over the longer term’</i>.</li> </ul> </li> </ul> <p><u>Proposal for Improvement</u></p> <ul style="list-style-type: none"> <li>● The Audit Wales Assurance and Risk Assessment Review recommended in respect of Carbon Reduction Plans – <i>‘In order to meet its net zero ambition the Council needs to fully cost its action plan and ensure it is aligned with its Medium Term Financial Plan’</i>.</li> </ul> |

### Compliance with the CIPFA Financial Management Code of Practice

- 6.8.2 The CIPFA Financial Management Code (the Code) was launched in November 2019 and is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.
- 6.8.3 The Code sets the standards of financial management for local authorities and is based on a series of principles supported by specific standards and statements of practice which are considered necessary to provide the strong foundation to:
- Financially manage the short, medium- and long-term finances of a local authority;
  - Manage financial resilience to meet foreseen demands on services; and
  - Financially manage unexpected shocks in their financial circumstances.
- 6.8.4 Each local authority must demonstrate that the requirements of the Code are being satisfied, with compliance being a collective responsibility of elected members, the Chief Finance Officer and their professional colleagues in the leadership team. However, the Code is not expected to be considered in isolation and accompanying tools will form part of the collective suite of evidence to demonstrate sound decision making and a holistic view is taken. In addition, whilst the Code is designed to be flexible to the nature, needs and circumstances of individual authorities, it is up to each authority to determine the extent to which it complies with the Code and to identify what action it may wish to take to better meet the standards that the Code sets out.
- 6.8.5 Full compliance was expected for the 2021/22 financial year and in its Guidance Bulletin 06 (*Application of the Good Governance Framework 2020/21*), CIPFA has stated that Annual Governance Statements should include the conclusions of the evaluation of compliance with the Code (incorporating any actions needed to ensure compliance with the Code) and, accordingly, this is set out in paragraph 6.8.6.
- 6.8.6 The Council has undertaken an assessment of its current arrangements against the Standards set out in the Code. The assessment process has demonstrated compliance with all of the standards through a disciplined, robust and accountable approach to financial management and medium-term financial planning, with the Senior Leadership Team demonstrating collective responsibility for the delivery of these arrangements. There are no specific areas for improvement, save for those included within this Annual Governance Statement (see section 5, Executive Summary, for an overview of the proposals for improvement), and noting the importance of maintaining robust arrangements to support the continued effective and efficient use and management of resources through a very challenging financial outlook that lies ahead.



**6.9 Supporting Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

6.9.1 Accountability within RCT is about ensuring that those making decisions and delivering services are answerable for them, with external and internal audit being integral parts of the arrangements.

| Local Code of Corporate Governance Requirements  | Sub-principle                              | Review of Effectiveness During 2022/23   |
|--|--|--|
| Reporting protocols and calendars (including forward looking work programmes, for example, for Cabinet and Scrutiny Committees). | Implementing good practice in transparency | <ul style="list-style-type: none"> <li>As set out in section 'Core Principle B'.</li> </ul>  |
| Production of Annual Reports on key areas of business e.g. Corporate Parenting, Annual Equality Report.                          | Implementing good practice in transparency | <ul style="list-style-type: none"> <li>Annual Reports were prepared and publicly reported to support accountability and open and transparent performance arrangements, for example<sup>1</sup>, Corporate Parenting Board Annual Report 2021/22 (<a href="#">Corporate Parenting Board 18th October 2022</a>), Annual Equality Report 2021/22 (<a href="#">Overview and Scrutiny Committee 21st March 2023</a>), Vale, Valleys and Cardiff Regional Adoption Collaborative Annual Report 2021/22 () and Young Carers Annual Report 2022/23 (<a href="#">Corporate Parenting Board 30th March 2023</a>).</li> </ul> |

<sup>1</sup> Annual Reports – annual reports referenced in other sections of the Annual Governance Statement, for example, the Governance and Audit Committee Annual Report, have not been noted for the purposes of this section of the document.

| Local Code of Corporate Governance Requirements | Sub-principle                            | Review of Effectiveness During 2022/23  |
|---|--|---|
| Statement of Accounts.                          | Implementing good practices in reporting | <ul style="list-style-type: none"> <li>• The external audit of the Council’s Statement of Accounts have consistently, year-on-year, received an unqualified ‘true and fair’ audit opinion (i.e. clean bill of health); the latest unqualified audit opinion, relating to the 2021/22 financial year, was reported to full Council on <a href="#">18th January 2023</a>.</li> <li>• During 2022/23, prior to the Council’s 2021/22 audited statement of accounts being approved by full Council, key arrangements included: <ul style="list-style-type: none"> <li>○ Reporting the Council’s certified draft statement of accounts to the <a href="#">7th September 2022</a> Governance and Audit Committee meeting (alongside Rhondda Cynon Taf Pension Fund, Central South Consortium Joint Education Service Joint Committee and the Annual Return for Llwydcoed Crematorium Joint Committee) to provide the Committee with opportunity to comment and consider the certified draft accounts in line with the statutory guidance as per the Local Government Measure 2011.</li> <li>○ At the 7<sup>th</sup> September 2022 Governance and Audit Committee meeting, the external auditor, Audit Wales, provided a verbal update on the progress of the audit of the draft 2022/23 Statements of Account, feeding back that the external auditor was pleased with the quality of the Statement of Accounts produced by the Council and that no significant matters have been identified through the audit process, to date, to bring to the attention of the Committee.</li> </ul> </li> <li>• With regard to the statement of accounts process for the 2022/23 financial year: <ul style="list-style-type: none"> <li>○ The Council published a notice to confirm that its draft 2022/23 Statement of Accounts had not been certified by the statutory date of 31<sup>st</sup> May, this being in line with Welsh Government’s extended deadline for the preparation and certification processes and in compliance with the Accounts and Audit (Wales) Regulations.</li> <li>○ Governance arrangements are in place for the draft accounts to be reported to the Governance and Audit Committee and for Audit Wales to provide an update on the progress of the external audit, prior to the final audited accounts being reported to full Council.</li> </ul> </li> </ul> |

| Local Code of Corporate Governance Requirements | Sub-principle                            | Review of Effectiveness During 2022/23   |
|---|--|--|
| Pension Fund Committee.                         | Implementing good practices in reporting | <ul style="list-style-type: none"> <li>• The Pension Fund Statement of Accounts 2021/22 were reported to and approved by full Council on <a href="#">23rd November 2022</a> and the outcome of the external audit, undertaken by Audit Wales, was an unqualified audit opinion (i.e. a clean audit opinion). An update was reported to the Pension Fund Committee on <a href="#">13th December 2022</a>.</li> <li>• A Work Programme for the 2022/23 financial year was presented to and agreed at the <a href="#">12th July 2022</a> Pension Fund Committee and a review of reports presented during the year demonstrated delivery of the work programme.</li> </ul> |
| Annual Governance Statement.                    | Assurance and effective accountability   | <ul style="list-style-type: none"> <li>• A progress update on the 2021/22 Annual Governance Statement recommendations was reported to the <a href="#">7th December 2022</a> Governance and Audit Committee meeting. A year-end position statement is set out at <b>Appendix A</b> and demonstrates that all recommendations, and associated arrangements, have been implemented.</li> </ul>  |
| Internal Audit external assessment and Charter. | Assurance and effective accountability   | <ul style="list-style-type: none"> <li>• As set out in ‘Supporting Principle F’, the Governance and Audit Committee reviewed and challenged a range of topic areas during the year, and delivered its workplan and responsibilities in line with its Terms of Reference. The outcome of the self-assessment demonstrates sound arrangements in place in respect of the Council’s Governance and Audit Committee, noting a small number of proposals to strengthen existing arrangements.</li> </ul>  |

## 6.10 Other Key Governance Arrangements

### Amgen Cymru Limited

- 6.10.1 RCT holds 100% of the voting rights of Amgen Cymru Ltd., who in turn hold 100% of the voting rights of Amgen Rhondda. The Council also holds 100% of the allotted preference shares in Amgen Rhondda Ltd. The principal activities of Amgen Cymru is to provide waste management services and waste disposal facilities. Amgen Rhondda is responsible for the stewardship of the Nant y Gwyddon landfill site.
- 6.10.2 The directors of the companies, including a non-executive director, are responsible for ensuring there are sound governance arrangements including a robust system of internal control.
- 6.10.3 The Council removed the “arm’s length” status of the companies during 2009/10, therefore many of the aspects of the Council’s governance arrangements such as policies, processes and controls apply to the companies.
- 6.10.4 During 2022/23 there have been no significant governance issues that have been identified by the Amgen Company directors, internal auditors or external auditors.

### Pension Fund

- 6.10.5 RCT is the Administering Authority for the Rhondda Cynon Taf Pension Fund. Whilst the governance arrangements detailed in this statement apply equally to the Council’s responsibilities to the Pension Fund there are further specific requirements for Pension Funds which are detailed in a number of key documents:
- Governance Statement of Compliance which indicates the Fund’s position against the Government’s best practice standards;
  - Governance Policy Statement which provides an overview of the management structure, decision making and employer engagement;
  - Communication Policy Statement which details the communication and information services to participating employers and scheme members;
  - Pension Fund Administration Strategy which seeks to improve efficiency in the delivery of agreed standards of quality and to ensure compliance with statutory requirements;
  - Investment Strategy Statement which details how Fund investments are managed, including the Fund’s policy on how social, environmental and corporate governance considerations are taken into account; and
  - Funding Strategy Statement which provides a summary of how we will fund our pension liabilities.
  - Pension Fund Risk Register, which identifies, prioritises and monitors risks associated with the Fund, against suitable mitigation controls.

- 6.10.6 All of these documents can be found at the following link:  
[www.rctpensions.org.uk](http://www.rctpensions.org.uk)
- 6.10.7 The Public Service Pensions Act 2013 introduced a number of changes to public service pension schemes, including some significant changes for the governance of such schemes. In accordance with the Act, the Council established a Local Pension Board to assist Rhondda Cynon Taf County Borough Council in its role of Administering Authority ('Scheme Manager') in:
- Securing compliance with the Principal Regulations and any other legislation relating to the governance and administration of the LGPS;
  - Securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and
  - Ensuring the effective and efficient governance and administration of the LGPS by the Scheme Manager.
- 6.10.8 The Pension Board is made up of two employer representatives and two member representatives.
- 6.10.9 In 2016/17 the Council established a formal Pension Fund Committee (subject to the provisions of Section 101 of the Local Government Act 1972) to oversee its responsibilities with regard to the administration of the RCT Pension Fund. The Pension Fund Committee consists of 5 elected members and is politically balanced.
- 6.10.10 The Committee is responsible for the strategic management of the RCT Pension Fund with all operational matters continuing to be delegated to the Council's Chief Finance Officer (as the Section 151 Officer or in his absence the Deputy Section 151 Officer) who are supported by an Investment and Administration Advisory Panel with appropriate officer, independent advisor and professional support.
- 6.10.11 The Pension Fund Committee met 4 times during the 2022/23 financial year.
- 6.10.12 In 2017, a Joint Governance Committee (JGC) was established in accordance with an inter-authority agreement, responsible for oversight of the Wales Pension Partnership (WPP) investment pooling collaboration of the eight LGPS funds in Wales. The eight Welsh Pension Fund Committee Chairs or their nominated deputy (elected member) attend the JGC and are supported by an officer working group. In January 2018, the WPP appointed an 'Operator' to establish and run a collective investment vehicle for the sole use of the Local Government Pension Scheme (LGPS) funds in Wales.

A summary of the pooling objectives of the WPP are:

- Generate consistent net of fee excess returns;
- Diversify manager risk;
- Reduce average manager fees;
- Achieve tax efficiency by reclaiming withholding tax on dividends (for non-UK equity sub-funds);

- Meet the Government deadlines by establishing one sub fund submission to the FCA; and
- Equitably share the costs of transitioning into sub-funds.

## 6.11 Other Key Sources of Assurance

6.11.1 The following other key sources of assurance were in place during the 2022/23 financial year.

### Chief finance Officer (Section 151 Officer)

6.11.2 The Chief Finance Officer position within the Council during 2022/23 complied with the principles outlined in the CIPFA document ‘*The Role of Chief Finance Officer*’ because the Chief Finance Officer:

- *Was a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation’s strategic objectives sustainably and in the public interest;*
- *Was actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation’s financial strategy; and*
- *Led the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.*

*To deliver these responsibilities the Chief Financial Officer:*

- *Led and directed a finance function that was resourced to be fit for purpose; and*
- *Is professionally qualified and suitably experienced.*

### Monitoring Officer

6.11.3 The Monitoring Officer is required to report to the Council in any case where it appears that any proposal, decision or omission by the authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989. During the period of the Annual Governance Statement, the Monitoring Officer did not make any such reports.

### Head of the Regional Internal Audit Service

6.11.4 The Head of Internal Audit has produced a Head of Internal Audit Report for 2022/23. Subject to the Governance and Audit Committee consideration at its meeting in July 2023, the Head of Internal Audit Report states:

- *from the work undertaken during the financial year 2022/23 and taking into account other sources of assurance, the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2022/23 is: "Reasonable Assurance".*
  - *based on the work completed by the Regional Internal Audit Shared Service for the financial year no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific.*
- 6.11.5 The Head of Internal Audit's Annual Report 2022/23 confirmed overall conformance to the Public Sector Internal Audit Standards. Many Council staff continued to work remotely, and systems and processes have had to be adjusted to cater for the new ways of working. Similarly, Internal Audit has worked remotely, conducting audits and obtaining evidence digitally. Each audit has considered the potential impact of remote working to ensure adequate controls and governance arrangements remained in place.
- 6.11.6 Remote working and long term sickness did have an impact on the delivery of the Internal Audit Plan for 2022/23 and notwithstanding this, the level of Internal Audit coverage was still sufficient for the Head of Audit to be able to give an opinion. In respect of audit coverage, the Internal Audit plan continued to have regard to the continuing impact caused by the pandemic and the changes that have been made to the way the Council is operating. Some planned reviews were not undertaken during the year, some due to requests from services that were under intense pressure. These will be considered in the 2023/24 plan.
- 6.11.7 During the year the service has had the flexibility to work from home or the office and have undertaken site visits as appropriate for each audit. The Audit team will continue to work remotely to a large extent, and each audit will continue to consider the impact of remote working to ensure adequate controls and governance arrangements are in place.

#### External Audit

- 6.11.8 Audit Wales provided updates to full Council and the Governance and Audit Committee to enable elected Members to review and scrutinise its work and also seek assurance from Council Officers that agreed recommendations reported by Audit Wales were being implemented by Council services. Updates included:
- Full Council - overall, compliance with statutory requirements met and no significant issues to report
    - [23rd November 2022](#) - 'Audit of Accounts Report – Rhondda Cynon Taf Pension Fund'; and

- [18th January 2023](#) - 'Audit of Accounts Report – Rhondda Cynon Taf County Borough Council'.
- Governance and Audit Committee – regular Audit Wales updates were reported to the Committee and, from a Council perspective, an Officer report was presented setting out progress made to implement recommendations made by Audit Wales in respect of the Council's arrangements. This included:
  - [18th July 2022](#) - 'Audit Wales – 2022 Audit Plan Rhondda Cynon Taf County Borough Council' and 'Audit Wales – 2022 Audit Plan Rhondda Cynon Taf Pension Fund';
  - [7th September 2022](#) – 'Audit Wales Work Programme and Timetable'; Audit Wales Reports (Rhondda Cynon Taf Council specific reports: 'Springing Forward – Strategic Asset Management' and 'Springing Forward – Workforce' and all Wales report 'Direct Payments for Adult Social Care'); and Audit Wales – verbal update on the progress of the audit of the draft Statement of Accounts 2021/22;
  - [7th December 2022](#)
    - Audit Wales Assurance and Risk Assessment Summary Report; Audit Wales – Transformational Leadership Programme Board – Baseline Governance Review – Cwm Taf Morgannwg Regional Partnership Board; and Council Progress Update – Implementation of recommendations reported by Audit Wales.
    - Council Progress Update (Officer Report) – Implementation of recommendations reported by Audit Wales.
  - [15th March 2023](#) – Audit Wales – Annual Audit Summary 2022.

6.11.9 The Review of Effectiveness and proposals for improvement have been reviewed and challenged by the Council's Senior Leadership Team and the Governance and Audit Committee.



## **6.12 Overall Conclusion**

- 6.12.1 Based on the review of effectiveness against the Local Code of Corporate Governance, the Council's governance arrangements provided the basis to effectively plan, allocate and manage resources to support the delivery of Corporate Plan priorities and wider service delivery, and was underpinned by sound decision making arrangements. A small number of proposals for improvement have been made to further strengthen existing processes.
- 6.12.2 This position, together with a track record of implementing proposals for improvement made within previous Annual Governance Statements, provides assurance that appropriate arrangements are in place to address the proposals for improvement set out in Section 7.

7. **PROPOSALS FOR IMPROVEMENT 2022/23**

7.1 Further to completing the assessment of the Council’s governance arrangements, Table 2 summarises the proposals for improvement.

Table 2 – Proposals for Improvement

| <b>Core / Supporting Principle</b>  | <b>Local Code of Corporate Governance Requirement</b>          | <b>Issue Identified</b>  | <b>Recommendation</b>   | <b>Timescale for Implementation</b> | <b>Responsible Officer(s)</b>                            |
|---|--|--|---|-------------------------------------|--|
| B - Ensuring openness and comprehensive stakeholder engagement                            | Stakeholder Engagement   | Further work is required to develop and finalise a Participation Strategy setting out how local people are encouraged to participate in decision-making by the Council.  | The Council should complete its work to finalise and agree its Participation Strategy and then take the necessary steps for this to be implemented.   | October 2023                        | Service Director – Democratic Services and Communication |
| C - Defining outcomes in terms of sustainable economic, social and environmental benefits | Quarterly Performance Report (including Risk Register updates) | The Council’s latest Self-Assessment identified the need for continued improvement in arrangements to demonstrate the impact of its work and delivery of intended outcomes, noting the requirement for the Council to re-set its arrangements following the unprecedented impact of the Covid-19 pandemic. | There is a need for the Council to build on the work to date to more clearly demonstrate impact and outcomes within its Self-Assessment and Performance Reporting arrangements and also incorporate service user information (this being an emerging finding from the Audit Wales review work undertaken in 2022/23). | From September 2023                 | Senior Leadership Team                                   |

| Core / Supporting Principle  | Local Code of Corporate Governance Requirement                             | Issue Identified  | Recommendation  | Timescale for Implementation | Responsible Officer(s)  |
|--|--|---|---|------------------------------|---|
| E - Developing the entity's capacity, including the capability of its leadership and the individuals within it | Developing the capability of the entity's leadership and other individuals | The Contract and Financial Procedure Rule documents were not reviewed during 2022/23 to consider any updates required and ensure they continue to be fit for purpose.   | Both documents should be review during 2023/24 and proposed updates signed-off, incorporated into the Council's Constitution and staff made aware of updates. | January 2024                 | Service Director – Finance and Improvement Services (FPRs) and Head of Procurement (CPRs) |
| F - Managing risks and performance through robust internal control and strong public financial management      | Risk Management Strategy   | <ul style="list-style-type: none"> <li>Internal Audit undertook an audit assignment on the Council's Corporate Risk Management arrangements in 2022/23, concluding reasonable assurance overall, and set out recommendations to further strengthen arrangements: updating the Risk Management Strategy to include officer roles and responsibilities; Strategic risks descriptions within the Strategic Risk Register are reviewed to ensure the impact on the Council is clear; and the need to progress the compilation and roll-out of a Risk Management e-learning training module for Council officers.</li> </ul> | Further strengthen risk management arrangements, as set out in the 2022/23 Internal Audit Report 'Corporate Risk Management.                                  | September 2023               | Service Director – Finance and Improvement Services                                       |

| Core / Supporting Principle   | Local Code of Corporate Governance Requirement | Issue Identified  | Recommendation   | Timescale for Implementation | Responsible Officer(s)  |
|---|--|---|--|------------------------------|---|
| F - Managing risks and performance through robust internal control and strong public financial management – continued | Medium Term Financial Plan                     | <ul style="list-style-type: none"> <li>The Audit Wales Assurance and Risk Assessment Review recommended in respect of Carbon Reduction Plans – <i>'In order to meet its net zero ambition the Council needs to fully cost its action plan and ensure it is aligned with its Medium Term Financial Plan'</i>.</li> </ul> | Fully cost the Council's carbon reduction action plan and ensure alignment to the Medium Term Financial Plan, as recommended by Audit Wales in its Assurance and Risk Assessment Review. | October 2023                 | Deputy Chief Executive and Group Director – Finance, Digital and Frontline Services and Director of Corporate Estates |

7.2 The Council's Senior Leadership Team has accepted the proposals for improvement and is committed to their implementation during 2022/23. The Senior Leadership Team has also confirmed that an update on progress will be reported to the Council's Governance and Audit Committee during the year to enable elected Members to review and scrutinise the extent of progress being made.

Leader: \_\_\_\_\_

Chief Executive: \_\_\_\_\_

## ANNUAL GOVERNANCE STATEMENT 2021/22 – YEAR-END POSITION STATEMENT

| Core / Supporting Principle (Paragraph)  | Local Code of Corporate Governance Requirement | Issue Identified  | Recommendation   | Timescale for Implementation | Responsible Officer(s)                              | Year-end Position Statement 2022/23   |
|--|--|---|--|------------------------------|---|---|
| <b>Supporting Principles:</b><br><br><b>C: Defining outcomes in terms of sustainable economic, social and environmental benefits; and</b><br><br><b>D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b><br><br><b>Paragraph 5.12.1</b> | Corporate Plan and Service Delivery Plans      | The collection and reporting of performance indicator information was necessarily paused during the pandemic due to the need to temporarily suspend some frontline service areas and / or change delivery arrangements. | For the 2022/23 financial year, the reporting of key performance indicator information should be reinstated to enable a full as picture as possible to be reported of performance. | September 2022               | Service Director – Finance and Improvement Services | Revised Timescale – November 2022<br><br>Completed (key performance indicator information included and published within the Council's Quarter 2 Performance Report. Quarterly updates to be reported during 2022/23 to Cabinet and the Overview and Scrutiny Committee) |
|  | Risk Management Strategy                       | The Council's Strategic Risk Register requires review to take account of revisions incorporated within the updated Risk Management Strategy.  | The Strategic Risk Register should be reviewed and where appropriate, updated, taking into account the revisions incorporated within the updated Risk Management Strategy.         | September 2022               | Head of Procurement                                 | Completed<br><br>Risk Register updated and included within the Council's Quarter 1 Performance Report. Quarterly updates to be reported during 2022/23 to Cabinet and the Overview and Scrutiny Committee.  |

| Core / Supporting Principle (Paragraph)   | Local Code of Corporate Governance Requirement         | Issue Identified  | Recommendation  | Timescale for Implementation                         | Responsible Officer(s)  | Year-end Position Statement 2022/23   |
|---|--|---|---|--|---|---|
| <p><b>Supporting Principle:</b></p> <p><b>F: Managing risks and performance through robust internal control and strong public financial management</b></p> <p><b>Paragraph 5.14.1</b></p> | <p>Audit Committee and an Internal Audit function.</p> | <p>The Governance and Audit Committee's Learning and Development Plan was put in place in March 2021.</p> <p>No on-line library of learning and development information in respect of role / responsibilities of Governance and Audit Committee is available for elected Members.</p> | <p>Using lessons learned from 2021/22, undertake a training needs analysis of Committee Members to inform a refreshed learning and development plan for 2022/23.</p> <p>Develop a library of on-line learning and development information for Committee Members as part of learning and development support arrangements.</p> | <p>From September 2022</p> <p>From November 2022</p> | <p>Service Director – of Democratic Services and Communication</p> <p>Service Director – of Democratic Services and Communication</p> | <p>Completed (Update to be reported to the 7/12/22 Governance and Audit Committee)</p> <p>This is an on-going programme of work</p> |

| <b>Core / Supporting Principle (Paragraph)</b>   | <b>Local Code of Corporate Governance Requirement</b>  | <b>Issue Identified</b>   | <b>Recommendation</b>  | <b>Timescale for Implementation</b> | <b>Responsible Officer(s)</b>                       | <b>Year-end Position Statement 2022/23</b>   |
|--|--|---|--|-------------------------------------|---|--|
| <b>Supporting Principle:</b><br><b>F: Managing risks and performance through robust internal control and strong public financial management</b><br><b>Paragraph 5.14.6</b> | Compliance with the CIPFA Financial Management Code of Practice<br><br>Standard D - The authority applies the CIPFA/SOLACE <i>Delivering Good Governance in Local Government</i> (2016). | The structure of the 2021/22 Annual Governance Statement has been revised to more clearly align with the Council's Local Code of Corporate Governance – this process has identified areas where the Local Code can be further strengthened e.g. reflecting the Council's stakeholder engagement arrangements. | The Council's Local Code of Corporate Governance should be reviewed and updated, and thereafter reported to the Governance and Audit Committee for consideration / approval. | January 2023                        | Service Director – Finance and Improvement Services | Completed (as part of compiling the 2022/23 Annual Governance Statement).<br><br>Updated Local Code of Corporate Governance reported to the 4 <sup>th</sup> July 2023 Governance and Audit Committee |

| Core / Supporting Principle (Paragraph)   | Local Code of Corporate Governance Requirement  | Issue Identified   | Recommendation  | Timescale for Implementation | Responsible Officer(s)                                     | Year-end Position Statement 2022/23  |
|---|---|--|---|------------------------------|--|--|
| <p><b>Supporting Principle:</b></p> <p><b>F: Managing risks and performance through robust internal control and strong public financial management</b></p> <p><b>Paragraph 5.14.6</b></p> | <p>Compliance with the CIPFA Financial Management Code of Practice</p> <p>Standard E - The financial management style of the authority supports financial sustainability.</p> | <p>To ensure appropriate arrangements continue to be in place for elected Members and Budget Holders (Council Officers) to effectively fulfil the finance roles, a refreshed programme of training should be put in place.</p> | <p>Refresh training material and deliver a programme of Officer and elected Member financial awareness training (that includes an 'Introduction to Local Government Finance', 'Understanding the Council's Budgets' and 'Treasury Management').</p> | <p>From September 2022</p>   | <p>Service Director – Finance and Improvement Services</p> | <p>Completed and noting that this will be an on-going programme of work</p> <p>(e.g. 'Treasury Management' training session delivered (7/9/22) and 'Introduction to Local Government Finance' session delivered (3/10/22))</p> |



| Core / Supporting Principle (Paragraph)  | Local Code of Corporate Governance Requirement   | Issue Identified  | Recommendation  | Timescale for Implementation | Responsible Officer(s)                          | Year-end Position Statement 2022/23   |
|--|--|---|---|------------------------------|---|---|
| <p><b>Principle:</b></p> <p><b>F: Managing risks and performance through robust internal control and strong public financial management</b></p> <p><b>Paragraph 5.14.6</b></p> | <p>Compliance with the CIPFA Financial Management Code of Practice</p> <p>Standard G - The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</p> | <p>The Council's Medium Term Financial Plan covers, on a high level basis, the key areas it will focus on as part of 'balancing the budget' in future budget strategies, for example, workforce, digitisation and Built Asset Review.</p> | <p>The information included within the Medium Term Financial Plan (MTFP) should be developed further to set out in more detail the Council's work in the key areas that will underpin future budget strategies and how they align with its medium term financial planning arrangements (this area was also reported as a recommendation by Audit Wales in its report 'Financial Sustainability Assessment – Rhondda Cynon Taf County Borough Council').</p> | <p>September 2022</p>        | <p>Director of Finance and Digital Services</p> | <p>Completed</p> <p>The Council's MTFP was updated in line with the recommendation and reported to Cabinet (26/9/22) and full Council (28/9/22)</p> |

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RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

**UPDATED DRAFT** LOCAL CODE OF CORPORATE  
GOVERNANCE

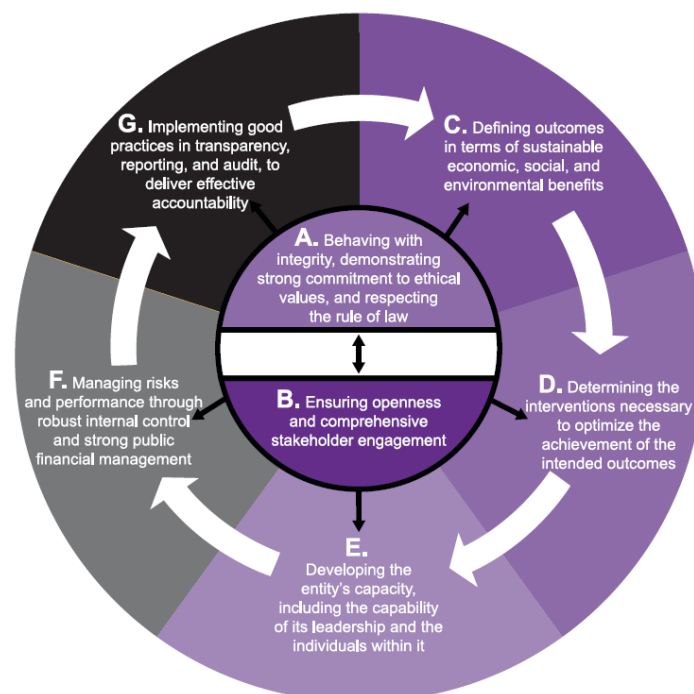
June 2023

## 1. Introduction

- 1.1 Rhondda Cynon Taf County Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes the arrangements for the management of risk.
- 1.3 The Council, in compiling its Local Code of Corporate Governance, has adopted the principles contained within the *Delivering Good Governance in Local Government: framework (2016)* developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE).

## 2. The Governance Framework

- 2.1 The diagram below, taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework'), illustrates the various principles of good governance in the public sector and how they relate to each other.



- 2.2 The Framework comprises two Core Principles (A & B) and five Supporting Principles (C to G).

- 2.3 The core principles permeate the implementation of the supporting principles with the need for the whole Council to be committed to improving governance on a continual basis through a process of evaluation and review.
- 2.4 The governance framework in place within Rhondda Cynon Taf County Borough Council comprises the systems, processes and cultural values by which the Council is directed and controlled, and the activities through which it accounts to, engages with and leads the community. This framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

### **3. Defining Governance**

- 3.1 The International Framework defines governance as follows:

*Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.*

- 3.2 The International Framework also states that:

*To deliver good governance in the public sector, both governing bodies<sup>1</sup> and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.*

*Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.*

- 3.3 The Council's commitment to good governance is centred on the requirement to meet statutory obligations and deliver its Corporate Plan Priorities, and is based on the seven principles of *Delivering Good Governance in Local Government: framework (2016)*.

**For Rhondda Cynon Taf County Borough Council, governance is about ensuring that the Council does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.**

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<sup>1</sup> In local government, the governing body is the Full Council.

#### 4. The Governance Framework in place within Rhondda Cynon Taf County Borough Council

- 4.1 The Council has in place a range of policies, procedures, systems and processes that form its overall governance arrangements. These arrangements are in line with the *Delivering Good Governance in Local Government: framework (2016)*, many of which are set out within its [Constitution](#). The following summary provides an overview of the Council's Governance Framework:

##### **Core Principle A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.**

~~The Council is accountable not only for how much it spends, but also for how it uses the resources under its stewardship. This includes accountability for performance, both positive and negative, and for the outcomes achieved. In addition, the Council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, it can demonstrate the appropriateness of decisions and actions, and have arrangements in place to encourage and ensure compliance with ethical values and to respect the rule of law.~~

~~Good governance flows from a shared ethos and culture, as well as from systems and structures. As a public body, Rhondda Cynon Taf County Borough Council expects all representatives (i.e. Members and Officers) to conduct their duties with the highest levels of honesty and integrity.~~

The Council has a series of codes, protocols and policies in place, and support and training is provided in these areas to help ensure elected Members and Officers understand what is required.

##### **Examples of key systems, processes and documents in place within the Council**

- Elected Councillor and Officer Codes of Conduct - setting out the standards of behaviour to be followed based on the principles of integrity, honesty, impartiality and objectivity.
- Rules of Procedure – covering Council, Open Government, Access to Information, Budget and Policy Framework, Executive, Overview and Scrutiny, Officer Employment and Contract and Financial Procedure Rules. The rules set out arrangements to be followed by elected Councillors and Officers when conducting the Council's business with the aim of publicly demonstrating accountability and openness.

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• <u>Standards Committee</u> - the role of which includes, amongst other things, promoting and maintaining high standards of conduct by elected Councillors.</li> <li>• <u>Whistle-blowing Policy</u> – promoting the highest possible standards of service and setting out how workers can bring information about a wrongdoing to the attention of the Council.</li> <li>• Anti-fraud, Bribery &amp; Corruption Strategy.</li> <li>• Gifts and hospitality Policy.</li> <li>• <u>Comments, Compliments and Complaints</u> – setting out how the Council handles and responds to feedback (complaints, compliments and comments).</li> <li>• Officer Guide.</li> </ul> |
| <p><b>Core Principle B - Ensuring openness and comprehensive stakeholder engagement.</b></p> <p><u>Local government is run for the public good and the Council is committed to ensuring openness in the delivery of its activities. Clear, trusted channels of communication and consultation should be used to engage effectively with stakeholders, such as individual citizens and service users, as well as institutional stakeholders.</u></p> <p><del>The Council is committed to being open and engaging effectively with stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.</del></p> |  |
| <p><b>Examples of key systems, processes and documents in place within the Council</b></p>   | <ul style="list-style-type: none"> <li>• A <u>Publication Scheme</u> that aims to advise citizens how to request public information the Authority holds.</li> <li>• Clear and open <u>Corporate &amp; Service Specific Privacy Notices</u>.</li> <li>• <u>Forward plans</u> for Committee meetings together with the matters to be considered, where appropriate.</li> <li>• <u>Stakeholder engagement</u>.</li> </ul>   |

### Supporting Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits.

The long-term nature and impact of the Council's work requires it to define and plan outcomes and that these should be sustainable. Decisions should further the Council's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands, determining priorities and finite resources.

#### Examples of key systems, processes and documents in place within the Council

- The Council's Performance Management Framework – defining outcomes based on need.
- Corporate Plan and Service Delivery Plans.
- Quarterly Performance Report (including Risk Register up dates).
- ~~Risk Management Strategy.~~
- ~~Annual Revenue Budget Strategy and three year Capital Programme.~~
- ~~Medium Term Financial Plan.~~
- ~~Scrutiny Committees.~~

### Supporting Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.

The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Robust decision making is required to enable priorities and intended outcomes to be delivered in an efficient and effective way, and decisions reviewed on an on-going basis to ensure the achievement of outcomes is optimised.

#### Examples of key systems, processes and documents in place within the Council

- Evidence based decision-making arrangements.
- Monitoring and oversight of priorities.
- Annual Revenue Budget Strategy and three-year Capital Programme.
- Medium Term Financial Plan.
- Scrutiny Committees.



### **Supporting Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.**

The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and support the achievement of intended outcomes. It must ensure it has both the capacity to deliver its priorities and for the organisation as a whole. Because both individuals and the environment in which the Council operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of staff members. Leadership in the Council is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

#### **Examples of key systems, processes and documents in place within the Council**

- Corporate and Service Self Evaluation process.
- Corporate Plan.
- Programme of elected Councillor and Officer training and development.
- Workforce Plan 2017-22.
- Schemes of Delegation.
- Procedure Rules.

### **Supporting Principle F - Managing risks and performance through robust internal control and strong public financial management.**

It is a fundamental requirement for the Council's governance structures to support robust financial and performance management arrangements, thereby enabling efficient and effective service planning and delivery and the achievement of intended outcomes. Risk management and robust internal control are integral parts of these arrangements. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will drive financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from the Council's leaders and senior managers.

**Examples of key systems, processes and documents in place within the Council**

- ~~Corporate and Service Self Evaluation process.~~
- Risk Management Strategy.
- Service Delivery Planning.
- Quarterly Performance Report (including Risk Register up dates).
- Corporate Performance Report (i.e. year-end annual report).
- Governance and Audit Committee.
- ~~and an~~ Internal Audit function.
- Information Management Plan (including General Data Protection Regulation).
- Budget and Policy Framework Procedure Rules and Contract and Financial Procedure Rules.
- Medium Term Financial Plan.
- Compliance with the CIPFA Financial Management Code of Practice.

**Supporting Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.**

Accountability within RCT is about ensuring that those making decisions and delivering services are answerable for them, with external and internal audit being integral parts of the arrangements.

**Examples of key systems, processes and documents in place within the Council**

- Reporting protocols and calendars (including forward looking work programmes, for example, for Cabinet and Scrutiny Committees).
- Statement of Accounts.
- Annual Governance Statement.
- Production of Annual Reports on key areas of business e.g. Corporate Parenting, Annual Equality Report.
- Internal Audit external assessment and Charter.
- Pension Fund Committee.

**5. REVIEW OF EFFECTIVENESS**

- 5.1 The Council is required to conduct an assessment of its governance framework including the system of internal control. The review of effectiveness at Rhondda Cynon Taf is led by the Deputy Chief Executive and Group Director - Director of Finance, ~~and~~ Digital and Frontline Services.
  
- 5.2 The exercise involves a continued review of the activities in place around the Council's main governance arrangements, discussing and challenging the governance arrangements with senior officers across services and taking account of the findings from the Council's self-corporate assessment findings and any external inspections that take place. The outcome of the review of effectiveness is reported in the Annual Governance Statement, prepared each year.
  
- 5.3 The draft Annual Governance Statement is reviewed and challenged by the Council's Senior Leadership Team and then presented to the Council's Governance and Audit Committee for review, challenge and approval. A copy of the Council's Annual Governance Statement is available on the Council website.

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| <p><b>GOVERNANCE AND<br/>AUDIT COMMITTEE</b></p> <p>4<sup>th</sup> July 2023</p>   | <p><b>AGENDA ITEM NO. 8</b></p>   |
| <p><b>REPORT OF THE HEAD OF THE<br/>REGIONAL INTERNAL AUDIT SERVICE<br/>in consultation with DEPUTY CHIEF<br/>EXECUTIVE AND GROUP DIRECTOR –<br/>FINANCE, DIGITAL &amp; FRONTLINE<br/>SERVICES</b></p> | <p><b>ANNUAL INTERNAL AUDIT<br/>STRATEGY AND RISK BASED<br/>INTERNAL AUDIT PLAN 2023/24</b></p> |

Author: Andrew Wathan (Head of the Regional Internal Audit Service)  
& Lisa Cumpston (Audit Manager)

**1. PURPOSE OF THE REPORT**

1.1 To provide members of the Governance and Audit Committee with the draft Annual Internal Audit Strategy and Risk Based Internal Audit Plan for 2023/24.

**2. RECOMMENDATIONS**

2.1 It is recommended that Members approve the draft Annual Internal Audit Strategy (**Appendix A**) and Risk Based Internal Audit Plan for 2023/24 (**Appendix B**).

**3. REASONS FOR RECOMMENDATIONS**

3.1 To keep the Governance and Audit Committee informed and to approve the proposed draft Annual Internal Audit Strategy and Risk Based Internal Audit Plan 2023/24 in compliance with the Public Sector Internal Audit Standards (PSIAS) and the Committee’s Terms of Reference.

**4. BACKGROUND**

4.1 The United Kingdom Public Sector Internal Audit Standards (Performance Standard ‘2010 Planning’) provides the framework within which an internal audit plan should be compiled.

4.2 In line with the Public Sector Internal Audit Standards (PSIAS) the Head of Internal Audit must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals.

- 4.3 To develop the risk-based plan, the Head of Internal Audit consults with senior management to obtain an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes. The Head of Internal Audit must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems and controls.
- 4.4 In order to produce the Internal Audit plan the following information is taken into account:
- Corporate Risk Register/Strategic Risk Register;
  - Corporate Plan;
  - Key Financial Systems;
  - Grant Claims that require Internal Audit certification;
  - Follow-up reviews;
  - Audit reviews that are carried forward from the previous audit plan;
  - Feedback from questionnaires issued to Service Directors; and
  - Results of discussions with the Senior Leadership Team, including the Chief Executive, Section 151 Officer and other senior officers as necessary.
- 4.5 The Public Sector Internal Audit Standards require a risk-based audit plan to be produced to cover the Council's overall control environment including risk, governance and internal controls as far as practicable.
- 4.6 Considering the sources of information noted above supports Internal Audit to achieve the following:
- Comply with the PSIAS in compiling the draft Annual Internal Audit Plan;
  - Enable the Governance & Audit Committee to monitor the adequacy of the risk management framework and the associated control environment of the Council for 2023/24 based on the audit reviews set out in the draft Annual Risk Based Internal Audit Plan; and
  - Enables the Head of Internal Audit to form an opinion on the risk, governance and internal controls of the organisation.
- 4.7 Changes to the way the Council is operating since Covid-19, including any new risks as a result of remote and hybrid working have been considered and included within the draft Audit Plan for 2023/24.

## **Current situation/proposal**

- 4.8 Attached at **Appendix A** is the draft Internal Audit Strategy document for 2023/24. It demonstrates how the Internal Audit Service will be delivered and developed in accordance with our Terms of Reference. The Strategy will be reviewed and updated annually in consultation with stakeholders namely the Governance and Audit Committee, Senior Leadership Team, External Auditors and Senior Management.
- 4.9 The 2023/24 draft Risk Based Internal Annual Plan of work has been formulated in compliance with the PSIAS. The draft detailed plan is attached at **Appendix B**.
- 4.10 The proposed Annual Plan is flexible to allow for changing circumstances and events that may occur, such as requests to respond to new issues that may arise.
- 4.11 Internal Audit work will be undertaken using a hybrid approach of on-site visits and meetings as required for each audit, and also remotely using video conferencing (e.g. Microsoft Teams) and digital solutions as a basis for meetings and sharing documents and data, as required by each audit.
- 4.12 The proposed plan at **Appendix B** will provide sufficient coverage to be able to provide an opinion at the end of 2023/24.
- 4.13 The Governance and Audit Committee will receive updates on how the plan is being delivered and any changes that may be required.

## **5. EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY**

- 5.1 There are no equality and diversity or socio-economic 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, but effective audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

**8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 8.1 The provision of an adequate and effective Internal Audit function is a legal requirement under the Accounts and Audit (Wales) Regulations 2018 as amended from time to time.
- 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 & FIVE WAYS OF WORKING**

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 & FIVE WAYS OF WORKING

- 9.2 The wellbeing goals identified in the Act were considered in the preparation of this report. 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. It is considered that there will be no significant or unacceptable impacts upon the achievement of wellbeing goals/objectives as a result of this report.

**10. CONCLUSION**

- 10.1 The draft Annual Internal Audit Strategy and Risk Based Internal Audit Plan for 2023/24 has been compiled in accordance with the Public Sector Internal Audit Standards and the Council’s Internal Audit Charter taking into account any new risks and challenges arising as a result of remote and hybrid working.
- 10.2 The Council’s Governance and Audit Committee, in line with its Terms of Reference, is requested to consider and approve the Internal Audit Strategy and Risk Based Internal Audit Plan for 2023/24.

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**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**

**4<sup>th</sup> July 2023**

**ANNUAL INTERNAL AUDIT STRATEGY AND RISK BASED INTERNAL AUDIT PLAN  
2023/24**

**REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE in  
consultation with the DEPUTY CHIEF EXECUTIVE AND DIRECTOR OF FINANCE,  
DIGITAL & FRONTLINE SERVICES**

Author: Andrew Wathan (Head of the Regional Internal Audit Service)  
& Lisa Cumpston (Audit Manager)

**Item 8**

**Background Papers**

None.

Officers to contact:

Andrew Wathan (Head of the Regional Internal Audit Service)  
Lisa Cumpston (Audit Manager)

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**RHONDDA CYNON TAF**

**STRATEGY  
&  
ANNUAL RISK BASED  
INTERNAL AUDIT PLAN**

**2023/2024**



## 1. Introduction

- 1.1 Internal Audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. This opinion forms part of the framework of assurances that the Council receives and should be used to help inform the Annual Governance Statement. The purpose of this document is to provide a detailed Internal Audit Risk Based Plan for 2023/2024.
- 1.2 The audit plan ensures that the risks facing the Council are adequately addressed and internal audit resources are effectively utilised. The standards for “proper practice” in relation to internal audit are laid down in the Public Sector Internal Audit Standards (PSIAS).
- 1.3 The Internal Audit Service is delivered through the expanded shared service that came into existence on 1st April 2019. The service is hosted by the Vale of Glamorgan Council and provides internal audit services to the Vale, Bridgend, Merthyr Tydfil & Rhondda Cynon Taf Councils. The arrangement is underpinned by a detailed legal agreement between the four Councils which sets out a range of obligations (the core service is the same for each Council but there are differences in what is provided outside of the core service). The service reports to the four Governance & Audit Committees and is overseen at a strategic level by the Board which consists of the Chief Finance Officers of the four Councils.

## 2. Definition of Internal Audit

- 2.1 The Public Sector Internal Audit Standards (PSIAS) defines Internal Audit as follows:

*“Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.*

## 3. Requirement for Internal Audit

- 3.1 Internal Audit is a mandatory statutory service. Part 3 of The Accounts and Audit (Wales) Regulations 2018 concerns financial management and internal control. Regulation 5 (responsibility for internal control and financial management) of Part 3 directs that:

*‘The relevant body must ensure that there is a sound system of internal control which facilitates the effective exercise of that body’s functions and which includes:*

- (a) Arrangements for the management of risk, and*
- (b) Adequate and effective financial management.’*

3.2 Regulation 7 (Internal Audit) of Part 3 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.’*

3.3 PSIAS state:

*“The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals. The risk based plan must take into account the requirement to produce an annual internal audit opinion”*

3.4 The overall opinion issued each year by the Head of Internal Audit on the adequacy and effectiveness of the control environment is used as a key source of assurance to support the Annual Governance Statement.

#### **4. Section 151 Officer Responsibility**

4.1 Internal Audit also has an important role to support the Council’s Section 151 Officer in discharging their statutory responsibilities, which include:-

- S151 Local Government Act 1972 – to ensure the proper administration of financial affairs.
- S114 Local Government Act 1988 – to ensure the Council’s expenditure is lawful.

#### **5. Development of the Internal Audit Plan**

5.1 The annual internal audit plan has been prepared after considering the risk registers and the views of Corporate Directors and Senior Management as to where audit resource and assurance is most needed. In line with the PSIAS, this plan should enable Internal Audit to maximise the value and assurance it provides to the Council, whilst ensuring it fulfils its statutory obligation to review and report on the Council’s internal control environment, governance and risk management arrangements.

#### **6. Risk Based Approach**

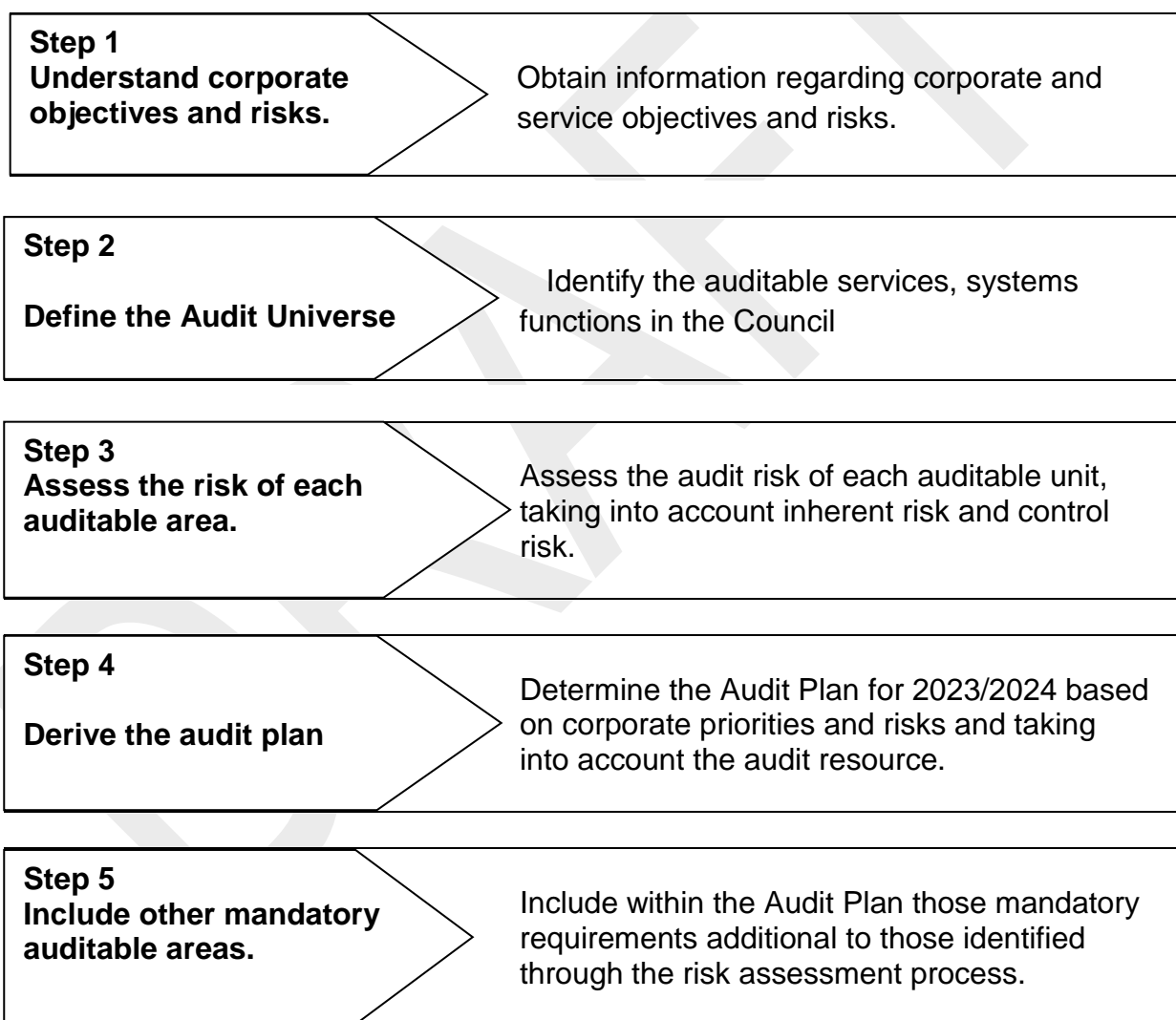
6.1 The internal audit function will be delivered in accordance with the Internal Audit Charter 2023/2024, as agreed by the Governance & Audit Committee. The Charter defines the role, scope, independence, authority and responsibility of the internal audit service and audits will be delivered in accordance with the Charter.

6.2 Risk based work is critical to the Council, as it seeks to improve the risk awareness of staff and improve overall control. The internal audit work programme is designed to provide assurance that identified significant risks are being managed effectively. As part of this process Internal Audit will also examine the risk management and governance arrangements.

6.3 By adopting a risk based audit approach there is a clear linkage between the significant risks identified in the Council’s Corporate Risk Register and the work undertaken by Internal Audit in providing assurance against these. As a result, the starting point for the audit plan approach is an understanding of the Council’s objectives and risks.

**7. Methodology**

7.1 A summary of our approach to the development of the Audit Plan for 2023/2024 is set out below. The Plan is driven by the Council’s organisational objectives and priorities as set out in the Corporate Plan and the risks that may prevent the Council from meeting these objectives.



**8. The Risk Assessment Process**

8.1 The information which has been used to prepare the risk assessment and proposed internal audit plan has been collected and collated from several different sources.

The starting point for a risk-based audit approach is an understanding of the Council's priorities and risks. This has been achieved by reviewing the Corporate Plan, the Directorate's Service Plans, the Corporate Risk Register/Strategic Risk Register and meeting with Corporate Directors asking where they perceive to be the main risks within their individual areas and where they would require internal audit to provide assurance that such risks are being effectively mitigated and managed. This information is used to inform and design the audit plan.

- 8.2 The plan is based on an underlying risk assessment. The inherent risks existing within each area are then identified for audit as part of the audit planning process. The audits which make up the plan have been assessed on a priority basis. Internal Audit will endeavour to complete all reviews classified as "high" risk by the end of the year, "medium" risk reviews are the next level down, but still require a scheduled review. Although "low" risk reviews still carry a degree of risk, these have not been included on the plan but continue to be risk assessed annually to take account of any changes in their status. The priority and timing of audits may change during the year subject to discussions with senior management and resource availability.

### 9. The Annual Internal Audit Plan

- 9.1 In accordance with the PSIAS, the Head of Audit is responsible for developing a risk-based annual audit plan which considers 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.
- 9.2 An annual plan is derived following the audit risk assessment. The Internal Audit Service will ensure that effort is focused on high-risk areas while, at the same time, not ignoring the potential for problems that may materialise in other areas.
- 9.3 Whilst the Internal Audit Service will adopt a risk-based approach to determine relative risk, there will remain areas where a purely cyclical approach may still be required e.g. programme of school audits, financial systems and grant verifications. Within a Council context it is also important to ensure audit coverage across the service portfolio to provide assurances to senior management on the proper use of the public pound, minimising fraud and error.
- 9.4 Consideration is also given to planned external audit work to minimise duplication and to maximise audit coverage.
- 9.5 Attached at **Appendix B** is the detailed schedule of audits planned to be completed during 2023/2024 for each of the Council's Directorates including Cross Cutting audits.
- 9.6 The Head of Internal Audit will monitor progress against the audit plan. Where there is a need for material changes to the plan; a revised plan will be re-submitted to the Governance & Audit Committee for endorsement. The Governance & Audit

Committee will also be advised of performance against the audit plan and be kept informed of the results undertaken.

- 9.7 Systems & processes have been adjusted to cater for the new ways of working. Similarly, the Internal Audit team will continue to work remotely to a large extent, conducting audits and obtaining evidence digitally but will also include in person visits and meetings as required for each audit. Each audit will continue to consider the potential impact of remote working to ensure adequate controls and governance arrangements remained in place.

## **10. Resource Requirement**

- 10.1 Resource requirements are reviewed each year as part of the audit planning process and are discussed and agreed with the Regional Internal Audit Service (RIAS) Board.

## **11. Contingencies**

- 11.1 The internal audit plan needs to be flexible enough to enable the RIAS to be able respond, as required, to situations arising during the period covered by the plan. A contingency reserve element has been built in to assist in dealing with any such matters arising.

## **12. Audit Approach**

- 12.1 The primary purpose of an audit review is to provide an independent and objective opinion to the Council on the framework of internal control, risk management and governance in operation and to stimulate improvement.

- 12.2 The approach will be :

- Fieldwork will take place following agreement of the audit objectives with relevant evidence obtained.
- A draft report will be prepared and provided to Management for review and comment with an opportunity given for discussion or clarification.
- The final report will incorporate Management comments together with a Management Action Plan for the implementation of recommendations.
- The Governance and Audit Committee will be advised of the outcome of the audit and may receive a copy of the final report.
- Any serious issues arising during the course of the audit review will be promptly reported to the Head of Internal Audit to determine the impact on the scope of the review. Serious issues will also be promptly brought to



Management’s attention to enable appropriate remedial action to be taken prior to being formally published in the audit report.

- The audit report will provide an overall assurance opinion, based on the auditor’s professional judgement of the effectiveness of the framework of internal control, risk management and governance.

12.3 The audit assurance categories are :

| AUDIT ASSURANCE CATEGORY CODE |  |
|-------------------------------|--|
| <b>Substantial</b>            | 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.  |
| <b>Reasonable</b>             | 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.                     |
| <b>Limited</b>                | 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.                       |
| <b>No Assurance</b>           | 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. |

12.4 A Management Action Plan will form an integral part of the report and will be used to record:

- Those risks considered to be inadequately controlled;
- A prioritisation of audit recommendations and the actions management propose to bring the risks within acceptable parameters, the officer(s) responsible for those actions and the dates for completion.

12.5 Audit recommendations will be 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: |  |
| <b>High Priority</b>   | Action that is considered imperative to ensure that the organisation is not exposed to high risks. |
| <b>Medium Priority</b>   | Action that is considered necessary to avoid exposure to significant risks.                        |
| <b>Low Priority</b>  | Action that is considered desirable and should result in enhanced control.                         |

12.6 The implementation of the agreed recommendations will be monitored. Management will be contacted and asked to provide feedback on the status of each agreed recommendation once the target date for implementation has been reached.

12.7 Any audits concluded with a *No Assurance* or *Limited Assurance* opinion will be subject to a follow up audit.

### 13. Follow Up Reviews

13.1 Where significant gaps in the control environment have been identified and where either *Limited* or *No Assurance* opinion has been given; then these audits will be subject to a follow up. The timing of the follow up is very much dependent on available resources, but Internal Audit's aim will always be to complete the follow up within three to six months of completion of the audit (depending on the assurance level).

### 14. Reports to the Governance & Audit Committee

14.1 A status report on internal audit work will be presented to the Governance & Audit Committee on a quarterly basis (approximately). The purpose of these reports is to provide an update on the progress made against the delivery of the Internal Audit Plan. The report will provide details of audits completed to date, the assurance opinions given and the number and type of recommendations made.

### 15. Annual Assurance Report.

15.1 A formal annual report to the Governance & Audit Committee presenting the Head of Internal Audit's opinion on the overall adequacy and effectiveness of the framework of governance, risk management and internal control, will be published to enable it to be considered when preparing the Council's Annual Governance Statement. The format of the Head of Internal Audit's report will follow that set out in the Public Sector Internal Audit Standards (PSIAS) and will include:

- An opinion on the overall adequacy and effectiveness of the Council's framework of internal control, risk management and governance,

- Disclose any qualifications to that opinion, together with the reasons for qualification;
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
- Any issues considered by the Head of Audit to be particularly relevant to the Annual Governance Statement;
- A comparison of work undertaken with that planned, with a summary of internal audit performance for the year; and comment on compliance with the Public Sector Internal Audit Standards and Internal Audit's Quality Assurance and Improvement Programme.

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**APPENDIX B - RCTCBC INTERNAL AUDIT RISK BASED DRAFT PLAN 23-24**

| Ref | Directorate                           | Area   | Audit Scope / Risk  | Priority | COMMENTS         |
|-----|---------------------------------------|--|---|----------|------------------|
| 1   | Chief Executive                       | Purchase Card Expenditure                          | To undertake a review of the Council's Purchase Card expenditure paying particular attention to areas of high total spend, significant numbers of transactions and provide assurance to Management of the controls in place.  | High     |                  |
| 2   | Chief Executive                       | Attendance & Sickness Recording                    | To review the accuracy, timeliness of recording and reporting of sickness absence information, and ensure that processes are compliant with Council Policy and are being consistently followed. This review will also examine the arrangements in place across the Council for training and awareness raising of new HR Policies and the mechanisms in place for signposting staff and managers to Council guidance | High     | C/F 2022-23      |
| 3   | Chief Executive                       | Asset Management & Corporate Asset Management Plan | To review the new draft Corporate Asset Management Plan and provide Management assurance prior to its presentation to the Senior Leadership Team and approval at Scrutiny Committee   | High     | C/F 2022-23      |
| 4   | Chief Executive                       | Review of Fees                                     | To undertake a review of internal fees and provide assurance on the methodology and integrity of the data used  | Medium   |                  |
| 5   | Chief Executive                       | Energy Efficiency Monitoring & Reporting           | To undertake a review of how the Council aims to reduce its consumption of energy and provide assurance on the arrangements in place. This review will also examine the use of energy usage data across the Council and how this information impacts and informs strategic decisions  | High     |                  |
| 6   | Chief Executive                       | Capital Projects                                   | To provide assurance for a sample of Capital Projects that appropriate arrangements to procure and manage projects are in place and that the programme remains on track and that any slippage is appropriately accounted for, monitored and reported.   | High     | C/F 2022-23      |
| 7   | Chief Executive                       | Planning   | To provide assurance that there are efficient processes in place for the management of planning applications and caseloads, customer contact, engagement and business support functions   | Medium   |                  |
| 8   | Chief Executive                       | Scheme of Delegation                               | To verify whether there is an up to date Scheme of Delegation in place and review the Council's compliance with the Scheme of Delegation. To provide assurance that an up to date record is maintained of officers and decisions made, and that for a sample of decisions these are compliant with the Scheme   | High     | C/F 2022-23      |
| 9   | Chief Executive                       | iTrent   | To provide assurance that the new controls and reporting arrangements in place for the recently implemented iTrent Payroll system are robust.   | High     | C/F 2022-23      |
| 10  | Finance, Digital & Frontline Services | Creditors  | To review the arrangements for administering grant payments made on behalf of Welsh Government for a sample of grant schemes and provide assurance that these have been effectively administered  | High     |                  |
| 11  | Finance, Digital & Frontline Services | Bank Reconciliation                                | To undertake a review of the Bank Reconciliation system and provide assurance to Management of the controls in place  | High     | C/F 2022-23      |
| 12  | Finance, Digital & Frontline Services | Treasury Management                                | To undertake a review of the Treasury Management system and provide assurance to Management of the controls in place, with particular reference to the new treasury codes and strategy requirements   | High     | C/F 2022-23      |
| 13  | Finance, Digital & Frontline Services | Housing Benefits                                   | To undertake a review of the Housing Benefit system and provide assurance to Management of the controls in place  | High     | C/F 2022-23      |
| 14  | Finance, Digital & Frontline Services | Pensions   | To undertake a review of the Pensions system and provide assurance to Management of the controls in place   | High     |                  |
| 15  | Finance, Digital & Frontline Services | Customer Care/CRM System                           | To undertake a review of the Council's customer care / CRM system and review the arrangements for the management of information, system input and process for updating ongoing and closed cases   | High     |                  |
| 16  | Finance, Digital & Frontline Services | ICT Audit  | In consultation with IT system reviews will be undertaken across Directorates to ensure robust controls are in place and operating effectively to minimise the threat of cyber crime  | High     |                  |
| 17  | Finance, Digital & Frontline Services | School Transport                                   | To review the arrangements in place for awarding contracts and monitoring costs, and provide assurance of the arrangements in place for the provision of School Transport   | High     | C/F 2022-23      |
| 18  | Finance, Digital & Frontline Services | Highways - Transfer of Waste                       | To undertake a review of the adequacy and effectiveness of the internal control, governance and risk management arrangements in place following the previously issued audit report  | High     | Follow Up Review |
| 19  | Finance, Digital & Frontline Services | Fleet Management / Use of Council Vehicles         | To undertake a review of the fleet management arrangements in place across the Council and arrangements for home to work mileage in Council vehicles including operational arrangements, HMRC Regulations and insurance, Policies & Procedures and analysis of mileage/usage  | High     |                  |
| 20  | Finance, Digital & Frontline Services | Recycling & Waste                                  | To review the procedures in place for the distribution of recycling bags and resilience of the Council's distribution points. This review will include the arrangements in place for reporting and dealing with missed collections and waste collection data analysis and reporting   | Medium   | C/F 2022-23      |
| 21  | Finance, Digital & Frontline Services | Community Recycling Centres                        | To undertake a review of the adequacy and effectiveness of the internal control, governance and risk management arrangements in place following the previously issued audit report  | High     |                  |
| 22  | Community & Children's Services       | Respite Services                                   | To undertake a review of Respite Services and provide assurance that the internal controls and financial procedures in place are effective  | High     | C/F 2022-23      |
| 23  | Community & Children's Services       | Adaption & Community Equipment (ACE)               | To review the processes in place and provide assurance on the internal controls and arrangements for the management of caseloads, assessment process and prioritisation of referrals  | Medium   | C/F 2022-23      |
| 24  | Community & Children's Services       | Adult Care & Support Services                      | To review the arrangements for waiting lists, referrals, duty, long term planning and reporting arrangements in respect of Adult Care and Support Services and assess the impact of the service remodelling   | High     | C/F 2022-23      |
| 25  | Community & Children's Services       | Adoption Support & Foster Carer Payments Follow Up | To undertake a follow up review and provide assurance that all recommendations contained within the previous audit report have been fully implemented   | High     | C/F 2022-23      |
| 26  | Community & Children's Services       | Single Point of Access                             | To undertake a review of the process in place from First Response to Single Point of Access and assess the operational arrangements in place. Also provide assurance that information and advice is readily available through the Council's website and signposting   | Medium   |                  |

| Ref | Directorate                                  | Area   | Audit Scope / Risk  | Priority | COMMENTS         |
|-----|--|--|---|----------|------------------|
| 27  | Community & Children's Services              | Vision Products  | To select a sample of contracts and provide assurance that the tendering and bidding process is efficient, competitive and in accordance with the Council's Financial Procedures  | Medium   |                  |
| 28  | Community & Children's Services              | Referrals to Children's Social Care  | To review the process in place for referrals to children's social care and the arrangements in place for management of the prioritisation of referrals, assessment of need, waiting lists and escalation/reporting arrangements   | High     | C/F 2022-23      |
| 29  | Community & Children's Services              | Llwydcoed Crematorium  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place. This annual review also informs the Annual Governance Statement and certification of the Small Bodies Return  | Medium   |                  |
| 30  | Education & Inclusion Services               | Education Safeguarding Arrangements  | To undertake a review of the adequacy and effectiveness of the internal control, governance and risk management arrangements in place following the previously issued audit report  | High     | C/F 2022-23      |
| 31  | Education & Inclusion Services               | Evolve - Compliance with Procedures for Recording School Visits                  | To provide assurance that consistent and accurate procedures are being followed within schools and these are compliant with requirements for recording off site visits in schools   | High     | C/F 2022-23      |
| 32  | Education & Inclusion Services               | Sickness Absence Protocols & Recording in Schools                                | To assess compliance with the new system requirements and provide assurance that absences are being recorded accurately, timely and in accordance with Council Policy   | High     | C/F 2022-23      |
| 33  | Education & Inclusion Services               | Step 4 Provisions  | To review the bidding and awarding process in place for obtaining alternative curriculum funding and review the quality assurance process in place  | Medium   | C/F 2022-23      |
| 34  | Education & Inclusion Services               | Additional Learning Needs (ALN) - Implementation of the Reduced Timetable Policy | To provide assurance that effective arrangements are in place to monitor and evaluate additional learning needs services, with specific reference to the implementation of the Reduced Timetable Policy   | High     | C/F 2022-23      |
| 35  | Education & Inclusion Services               | Attendance & Exclusion   | To select a sample of schools and provide assurance that the Council's Policy in respect of attendance and exclusions is being followed   | High     |                  |
| 36  | Education & Inclusion Services               | School Mini Bus Operation, Compliance & Monitoring                               | To provide assurance that mini bus documentation is being completed in line with the mini bus policy / statutory requirements, procedures are in place to ensure all drivers have the appropriate licences, insurance and usage of each vehicle routinely monitored   | High     |                  |
| 37  | Education & Inclusion Services               | Maesgwyn Special School  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium   |                  |
| 38  | Education & Inclusion Services               | Special School Self Assessment Programme & Annual Report                         | To collate information and prepare the annual information report relating to the self assessment process  | Medium   |                  |
| 39  | Education & Inclusion Services               | Abercynon Community Primary  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium   | C/F 2022-23      |
| 40  | Education & Inclusion Services               | Aberdare Park Primary  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium   | C/F 2022-23      |
| 41  | Education & Inclusion Services               | Abernant Primary School  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium   | C/F 2022-23      |
| 42  | Education & Inclusion Services               | Coed y Lan Primary School  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium   | C/F 2022-23      |
| 43  | Education & Inclusion Services               | YGG Llyn y Forwyn  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium   | C/F 2022-23      |
| 44  | Education & Inclusion Services               | YGG Ynyswen  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium   | C/F 2022-23      |
| 45  | Education & Inclusion Services               | Pontrhonda Primary School  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium   |                  |
| 46  | Education & Inclusion Services               | Hafod Primary School   | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | Medium   |                  |
| 47  | Education & Inclusion Services               | Primary School Self Assessment Programme & Annual Report                         | To collate information and prepare the annual information report relating to the self assessment process  | Medium   |                  |
| 48  | Education & Inclusion Services               | Pontypridd High School   | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | High     |                  |
| 49  | Education & Inclusion Services               | St John Baptist Church in Wales High School                                      | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | High     |                  |
| 50  | Education & Inclusion Services               | Ysgol Gyfun Cwm Rhondda  | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place at the school  | High     |                  |
| 51  | Education & Inclusion Services               | Ysgol Gyfun Rhydywaun - Follow Up  | To undertake a follow up review and provide assurance that all recommendations contained within the previous audit report have been fully implemented   | High     | Follow Up Review |
| 52  | Education & Inclusion Services               | Comprehensive/All Through School Self Assessment Programme & Annual Report       | To collate information and prepare the annual information report relating to the self assessment process  | Medium   |                  |
| 53  | Education & Inclusion Services               | RCT - Regional Consortia School Improvement Grant (RCSIG)                        | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with   | High     |                  |
| 54  | Cross Cutting / Whole Authority Arrangements | Anti Fraud, Bribery & Corruption   | To undertake proactive work at the request of Management in respect of anti fraud, bribery & corruption   | High     | C/F 2022-23      |
| 55  | Cross Cutting / Whole Authority Arrangements | Corporate Dashboard  | To provide assurance that the integrity of source data used to inform the Corporate Dashboard and PIs can be relied on for information and reporting, and the quality assurance arrangements for ensuring the accuracy of data on or at data source   | Medium   | C/F 2022-23      |
| 56  | Cross Cutting / Whole Authority Arrangements | Corporate Complaints   | To provide assurance on the process for collecting information and accuracy of data reported to Governance and Audit Committee in respect of Corporate Complaints   | Medium   | C/F 2022-23      |
| 57  | Cross Cutting / Whole Authority Arrangements | Disclosure & Barring Service (DBS) Checks  | To provide assurance that DBS checks are undertaken for all posts where there is a statutory requirement, ensure consistency across the Council for undertaking DBS checks where there is no statutory obligation and review the policies and procedures for safer recruitment for compliance with legislation, new starters and process for renewals | High     | C/F 2022-23      |
| 58  | Cross Cutting / Whole Authority Arrangements | Performance Indicators   | To select a sample of Performance Indicators and provide assurance on the accuracy and integrity of supporting information for each definition, which is used for reporting and feeds the Corporate Dashboard   | High     |                  |
| 59  | Cross Cutting / Whole Authority Arrangements | Review of Petty Cash Accounts & Cash Held at Council Buildings                   | To review the arrangements in place for the administration of Petty Cash accounts across the Council and arrangements in place for holding cash   | High     |                  |

| Ref | Directorate   | Area  | Audit Scope / Risk   | Priority | COMMENTS    |
|-----|---|---|--|----------|-------------|
| 60  | Cross Cutting / Whole Authority Arrangements            | Corporate Risks   | To select a sample of strategic risks and provide assurance on how these are being managed. This sample to include 'Workforce Strategy' and the risks, resources, planning, monitoring and reporting arrangements in place   | High     |             |
| 61  | Central South Consortium Joint Education Services (CSC) | CSC - Regional Consortia School Improvement Grant (RSIG)  | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with  | High     |             |
| 62  | Central South Consortium Joint Education Services (CSC) | CSC - RSIG - Consolidated Statement                       | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with  | High     |             |
| 63  | Central South Consortium Joint Education Services (CSC) | CSC - Pupil Development Grant (PDG)                       | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with  | High     |             |
| 64  | Central South Consortium Joint Education Services (CSC) | CSC - PDG - Consolidated Statement                        | Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with  | High     |             |
| 65  | Central South Consortium Joint Education Services (CSC) | CSC - Review of Governance Arrangements                   | To review and conclude on the adequacy and effectiveness of the governance arrangements in place in respect of the CSC Function  | High     |             |
| 66  | South East Wales Corporate Joint Committee (SEWCJC)     | Small Bodies Return Assurance Work                        | To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in place. This review also informs the certification of the Small Bodies Return  | High     |             |
| 67  | Amgen   | Amgen - Payroll   | To review and conclude on the adequacy and effectiveness of the controls in operation in respect of the Amgen Payroll function   | Medium   |             |
| 68  | Amgen   | Amgen - Debtors   | To review and conclude on the adequacy and effectiveness of the controls in operation in respect of the Amgen Debtors function   | Medium   |             |
| 69  | Amgen   | Amgen - Creditors   | To review and conclude on the adequacy and effectiveness of the controls in operation in respect of the Amgen Creditors function   | Medium   |             |
| 70  | Amgen   | Amgen - General Ledger                                    | To review and conclude on the adequacy and effectiveness of the controls in operation in respect of the Amgen General Ledger function  | Medium   |             |
| 71  | Amgen   | Review of Arms Length Companies & Governance Arrangements | To provide assurance that any changes made by the Amgen Board to operational procedures following a review of the recommendations contained within the Silent valley Waste Report, are effective and compliant   | High     | C/F 2022-23 |
| 72  | Internal Audit Reporting                                | Annual Governance Statement                               | The completion of the Council's Annual Governance Statement and submission to Governance and Audit Committee   | N/A      |             |
| 73  | Internal Audit Reporting                                | Annual Opinion Report (HIA)                               | Preparation for the production of the 2022/23 Annual Opinion Report  | N/A      |             |
| 74  | Internal Audit Reporting                                | Audit Charter & Manual                                    | To review and update the documents as required   | N/A      |             |
| 75  | Internal Audit Reporting                                | Governance & Audit Committee                              | To prepare and present internal audit reports to Governance and Audit Committee  | N/A      |             |
| 76  | Internal Audit Reporting                                | Audit Planning  | To prepare and present the annual risk based plan for 2023/24  | N/A      |             |
| 77  | Internal Audit Reporting                                | Closure of Reports from 22/23                             | To finalise all draft reports and work in progress at the end of 2022/23   | N/A      |             |
| 78  | Internal Audit Reporting                                | Data Analytics  | Data Analytics is proving to be a useful internal audit tool as Councils become more reliant on electronic data, and data analytics enables a vast amount of data to be analysed when selecting testing samples  | N/A      |             |
| 79  | Internal Audit Reporting                                | Recommendation Monitoring                                 | Monitoring the implementation of internal audit recommendations in consultation with the service areas where recommendations have been made. During the year, Internal Audit will review the process to ensure recommendations are followed up and reported upon to Governance and Audit Committee in a timely, efficient and effective manner | N/A      |             |
| 80  | Internal Audit Reporting                                | Audit Wales Liaison                                       | To ensure that a 'managed' approach is followed in relation to the provision of internal audit and external audit services   | N/A      |             |
| 81  | Internal Audit Reporting                                | Fraud and Error Contingency                               | To undertake reactive work where suspected irregularity has been detected  | N/A      |             |
| 82  | Internal Audit Reporting                                | Advice & Guidance   | To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers of the Council, including school based staff   | N/A      |             |
| 83  | Internal Audit Reporting                                | Public Sector Internal Audit Standards (PSIAS) Compliance | To review compliance with the Public Sector Internal Audit Standards   | N/A      |             |
| 84  | Internal Audit Reporting                                | Emerging Risks / Special Investigations                   | To enable audit services to flexibly respond to provide assurance as required  | N/A      |             |

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| <p><b>GOVERNANCE AND AUDIT COMMITTEE</b></p> <p><b>4<sup>th</sup> July 2023</b></p>   | <p><b>AGENDA ITEM NO. 9</b></p>  |
| <p><b>JOINT REPORT OF THE DEPUTY CHIEF EXECUTIVE AND GROUP DIRECTOR – FINANCE, DIGITAL AND FRONTLINE SERVICES AND THE SERVICE DIRECTOR OF DEMOCRATIC SERVICES AND COMMUNICATION</b></p> | <p><b>GOVERNANCE AND AUDIT COMMITTEE - DRAFT WORK PLAN 2023/24</b></p> |

Author: Paul Griffiths (Service Director – Finance and Improvement Services)

**1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to set out a draft work plan for the 2023/24 Municipal Year to enable the Committee to effectively fulfil its Terms of Reference.

**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 2023/24 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 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 on 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 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 2023/24**

5.1 The draft Governance and Audit Committee Work Plan for 2023/24 is included at **Appendix 1** and sets out its 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.

## **6. EQUALITY AND DIVERSITY AND SOCIO-ECONOMIC DUTY IMPLICATIONS**

- 6.1 There are no equality and diversity or socio-economic duty implications as a result of the recommendations set out in the report.

## **7. CONSULTATION**

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

## **8. FINANCIAL IMPLICATION(S)**

- 8.1 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 2023/24 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 2023/24 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 requirements of the Local Government and Elections (Wales) Act 2021.

**Other Information:-**

***Relevant Scrutiny Committee***  
**Not applicable.**

***Contact Officer*** – Paul Griffiths

**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**

**4<sup>TH</sup> JULY 2023**

**GOVERNANCE AND AUDIT COMMITTEE DRAFT WORK PLAN 2023/24**

**JOINT REPORT OF THE DEPUTY CHIEF EXECUTIVE AND GROUP  
DIRECTOR – FINANCE, DIGITAL AND FRONTLINE SERVICES AND THE  
SERVICE DIRECTOR OF DEMOCRATIC SERVICES AND  
COMMUNICATION**

Author: Paul Griffiths (Service Director – Finance and Improvement Services)

Item: 9

**Background Papers**

None.

Officer to contact: Paul Griffiths

**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:-

|   |   | 4/07/2023 | 04/09/2023 | 11/10/2023 | 19/12/2023 | 23/1/2024 | 27/02/2024 | 16/04/2024 |
|---|---|-----------|------------|------------|------------|-----------|------------|------------|
| 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 must be a lay member) and appoint the Vice Chair of the Governance and Audit Committee. | X         |            |            |            |           |            |            |

|   |   | 4/07/2023   | 04/09/2023 | 11/10/2023   | 19/12/2023   | 23/1/2024                           | 27/02/2024   | 16/04/2024   |
|---|---|---|------------|--|--|-------------------------------------|--|--|
| 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<br>Draft Annual Governance Statement (AGS) 2022/23 and updated Local Code of Corporate Governance       |            |  | X<br>Receive an update in respect of progress made to implement the proposals for improvement contained within the 2022/23 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<br>Council Progress Update on the implementation of Audit Wales recommendations reported to the Council |            | X<br>Strategic Risk Register Update<br><br>X<br>Governance and Audit Committee Learning & Development – as per Learning and Development Plan | X<br>Council Progress Update on the implementation of Audit Wales recommendations reported to the Council                      | X<br>Strategic Risk Register Update | X<br>Strategic Risk Register Update<br><br>X<br>Governance and Audit Committee Learning & Development – as per Learning and Development Plan |  |
| 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<br>Receive an update on the work delivered by the Corporate Fraud Team.  |                                     |  | X<br>Whistleblowing Annual Report 2023/24<br><br>X<br>Anti-Fraud, Bribery & Corruption - Annual Report 2023/24 |

|   |   | 4/07/2023  | 04/09/2023 | 11/10/2023 | 19/12/2023 | 23/1/2024  | 27/02/2024 | 16/04/2024                          |
|---|---|--|------------|------------|------------|--|------------|-------------------------------------|
| E | To review the governance and assurance arrangements for significant partnerships or collaborations.   | Partnership arrangements to be considered as part of the Draft Annual Performance Self-Assessment Report (as per W(i)) |            |            |            |  |            |                                     |
| 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<br>Procedure Rules Update – an overview of the Council's Contract and Financial Procedure Rules (in line with the Learning and Development Plan) |            |                                     |
| G | To approve the Internal Audit Charter.  |  |            |            |            |  |            | X<br>Internal Audit Charter 2024/25 |
| H | Review, approve and ensure the co-ordination of the risk based Annual Internal Audit Plan for the coming financial year.  | X<br>Draft Strategy and Annual Risk Based Internal Audit Plan 2023/24  |            |            |            |  |            |                                     |
| I | To make appropriate enquiries of both management and the Head of Regional Internal Audit Service to determine if there are any inappropriate scope or resource limitations and to               | X<br>Annual Internal Audit Report 2022/23  |            |            |            |  |            |                                     |



|   |   | 4/07/2023   | 04/09/2023 | 11/10/2023   | 19/12/2023 | 23/1/2024  | 27/02/2024 | 16/04/2024   |
|---|---|---|------------|--|------------|--|------------|--|
|   | 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. |   |            |  |            |  |            |  |
| 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<br>Annual Internal Audit Report 2022/23                                   |            | X<br>Progress Against the Internal Audit Risk Based Plan 2023/24<br><br>X<br>Internal Audit Recommendations Update |            | X<br>Progress Against the Internal Audit Risk Based Plan 2023/24<br><br>X<br>Internal Audit Recommendations Update |            | X<br>Progress Against the Internal Audit Risk Based Plan 2023/24<br><br>X<br>Internal Audit Recommendations Update |
| 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.   | X<br>External Quality Assessment of Internal Audit – timing to be confirmed |            |  |            |  |            |  |
| L | To provide free and unfettered access to the Governance and Audit Committee Chair for the Head of Regional Internal Audit Service, including the opportunity for a private meeting with the Committee.  | As and when required  |            |  |            |  |            |  |

|   |   | 4/07/2023   | 04/09/2023   | 11/10/2023 | 19/12/2023   | 23/1/2024 | 27/02/2024 | 16/04/2024 |
|---|---|---|--|------------|--|-----------|------------|------------|
| 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<br>Annual Internal Audit Report 2022/23                       |  |            |  |           |            |            |
| 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.                  | Updates to be provided in line with the Audit Wales Annual Plan |  |            |  |           |            |            |
| P | Consider national reports, for example, from the Wales Audit Office, of relevance to the work of the Authority.   | As and when published   |  |            |  |           |            |            |
| 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.                                    |   | X<br>Governance and Audit Committee Learning & Development – Treasury Management<br><br>X<br>Treasury Management Annual Report |            | X<br>2023/24 Mid-year Treasury Management Stewardship Report |           |            |            |

|   |  | 4/07/2023            | 04/09/2023   | 11/10/2023 | 19/12/2023 | 23/1/2024 | 27/02/2024 | 16/04/2024  |
|---|--|----------------------|--|------------|------------|-----------|------------|---|
|   |  |                      | 2022/23  |            |            |           |            |   |
| R | Review and comment on the Authority's certified draft financial statements before their approval by Council.   |                      | X<br>Governance and Audit Committee Learning & Development – Overview of Accounting Policies<br><br>X<br>Draft Statements of Account 2022/23 |            |            |           |            |   |
| S | Oversee the Authority's audit arrangements (both internal and external).   |                      |  |            |            |           |            | X<br>Governance and Audit Committee Annual Report, incorporating a self assessment against the CIPFA 2018 Practical Guidance Note |
| 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 | As and when required |  |            |            |           |            |   |

|        |   | 4/07/2023            | 04/09/2023 | 11/10/2023 | 19/12/2023                                      | 23/1/2024                               | 27/02/2024 | 16/04/2024 |
|--------|---|----------------------|------------|------------|---|---|------------|------------|
|        | 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 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. | As and when required |            |            |   |   |            |            |
| 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.  |                      |            |            | Draft Annual Performance Self-Assessment Report |   |            |            |
| 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.  |                      |            |            |   | Finalised Annual Self-Assessment Report |            |            |
| W(iii) | At least once during the period between the two   |                      |            |            |   |   |            |            |

|        |  | 4/07/2023   | 04/09/2023 | 11/10/2023   | 19/12/2023 | 23/1/2024 | 27/02/2024 | 16/04/2024 |
|--------|--|---|------------|--|------------|-----------|------------|------------|
|        | 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 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. | 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. |            |  |            |           |            |            |
| X (i)  | To review and assess the Council's ability to deal with complaints effectively.*   |   |            | Comments, Compliments and Complaints – update report |            |           |            |            |
| X (ii) | To make reports and recommendations in relation to the Council's ability to deal with complaints effectively.*   |   |            |  |            |           |            |            |

\* - Designated training session to be delivered during the autumn, in addition to the above Committee meetings, in respect of scrutinising the arrangements the Council has in place to manage complaints.

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