



## **RHONDDA CYNON TAF COUNCIL**

Minutes of the meeting of the Governance and Audit Committee held on Monday, 4 September 2023 at 5.00 pm.

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

### **Chair present:**

Mr C Jones

### **County Borough Councillors present:**

Councillor M Maohoub    Councillor S Rees  
Councillor B Stephens    Councillor L A Tomkinson  
Councillor A J Ellis

### **Officers in attendance:**

Mr A Wilkins, Director of Legal Services and Democratic Services  
Mr P Griffiths, Service Director – Finance & Improvement Services  
Mr A Wathan, Head of Internal Audit Service  
Ms L Cumpston, Group Audit Manager  
Ms S Davies, Service Director for Financial Services

### **Apologies for absence:**

Councillor G Hopkins    Mr M Jehu  
Mr J Roszkowski

### **13 Welcome and Apologies**

The Chair welcomed attendees to the meeting and apologies for absence were received from Lay Members, M Jehu and J Roszkowski.

### **14 Declaration of Interest**

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

### **15 Minutes**

It was **RESOLVED** to approve the minutes of the 4<sup>th</sup> July 2023 as an accurate reflection of the meeting.

### **16 Matters Arising**

Minute No. 9 (Head of Internal Audit Annual Report 2022/23): In respect of a query raised around the process of notifying the other Local Authority and the finalisation of the report, the Audit Manager clarified that Merthyr Tydfil Council were not responsible for managing the safeguarding arrangements in respect of RCT and that the responsibility lays with each individual Local Authority. Following the last meeting of the Governance and Audit Committee, a response to the issue raised had been circulated to Members.

## **17 Treasury Management Annual Report 2022/2023**

The Service Director for Financial Services provided the Governance and Audit Committee with the opportunity to scrutinise the Annual Treasury Management Review presented to Council on 12th July 2023.

The Service Director drew Members' attention to Appendix 1 of the report, which detailed the activities undertaken by the Treasury Management function during 2022/23. It was explained that the Council had complied with all relevant Codes of Practice, regulations and guidance and that it continues to adopt a low-risk strategy in terms of investing and borrowing.

One Member referred to the possibility of interest rates rising in November 2023 and sought assurance that the Council were in a sound financial position to deal with such potential increase. The Service Director advised that the Council's current intention was to continue to use internal borrowing, which meant using any surplus cash the Local Authority may have, instead of external borrowing. The Service Director assured Members that should the Local Authority seek to borrow externally, its current strategy would be to borrow on a short-term basis to minimise the risk of additional costs, and if the Council were to borrow long-term, it would wait until the rates reduced.

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

1. To scrutinise and comment on the information provided; and
2. To consider whether they wish to receive further detail on any matters contained in the report.

## **18 Draft Statement of Accounts 2022/23 (Including an Overview of Accounting Policies)**

The Service Director for Financial Services provided the Governance and Audit Committee with the opportunity to consider the certified draft Statements of Account for the 2022/23 financial year in respect of the Council, Rhondda Cynon Taf Pension Fund, Central South Consortium Joint Education Service Joint Committee and the Annual Return for Llwydcoed Crematorium Joint Committee.

As part of the update, with the aid of a PowerPoint presentation, the Service Director provided the Governance and Audit Committee with an overview of the following:

- Governance Framework.
- What is an Accounting Policy?
- Accounting Policies Disclosed.
- Critical Judgements in applying Accounting Policies.
- Assumptions about the future and other sources of estimation

- uncertainty.
- Timescales for the Production and Publication of the Statement of Accounts.

The Vice-Chair sought assurance that Audit Wales would certify the accounts in line with the timescales outlined within section 3 of the report, to which the Service Director confirmed that this is the current planned timescale.

In respect of the short-term creditors detailed on page 62 of the Draft Statement of Accounts, one Member questioned why the amount to other Local Authorities had increased from £17.822M on 31<sup>st</sup> March 2022 to £48.195M by 31<sup>st</sup> March 2023. The Service Director advised that the amount shown was what the Council were due to pay to other Local Authorities and that a detailed breakdown of the figure would be provided following the meeting.

The Chair thanked the Service Director for the detailed update and felt that the glossary of terms outlined within the Draft Statements of Account had been particularly useful.

The Governance and Audit Committee **RESOLVED** to:

1. Consider the Council's certified draft Statement of Accounts for the financial year 2022/23;
2. Consider the Rhondda Cynon Taf Pension Fund certified draft Statement of Accounts for the financial year 2022/23;
3. Consider the Central South Consortium Joint Education Service Joint Committee certified draft Statement of Accounts for the financial year 2022/23;
4. Consider the Llwydcoed Crematorium Joint Committee certified draft Annual Return for the financial year 2022/23;
5. Consider the impact, if any, upon the Statements of Account and Annual Return of issues and audit reports brought before the Committee during the year; and
6. Note the plans for production and audit of Statements of Account and Annual Return for financial years 2022/23, 2023/24 and 2024/25, in line with Audit Wales and Welsh Government notifications.

## **19 External Peer Assessment of the Regional Internal Audit Service**

The Head of the Internal Audit Service provided Members of the Governance and Audit Committee with the Public Sector Internal Audit Standards External Peer Assessment of the Regional Internal Audit Service.

The Head of the Internal Audit Service provided Members with information in respect of the process of the External Peer Assessment, which had been undertaken in accordance with the Public Sector Internal Audit Standards and the Council's Internal Audit Charter by the Acting Chief Internal Auditor of Newport City Council Internal Audit Team, professionally qualified with extensive local government internal audit management experience.

The Head of the Internal Audit Service was pleased to inform Members that, in summary, it was found that the Regional Internal Audit Service was currently conforming to all 305 of the requirements, with no partial conformance or non-conformance areas. Members were also informed

that the following areas had been identified for consideration which would further enhance conformance with the PSIAS, although these were not a significant concern:

- 1000 Purpose, Authority and Responsibility (41) – To make reference to the Counter Fraud Strategy in the Internal Audit Charter; and
- 1230 Continuing Professional Development (96) – All Internal Audit staff to maintain a record of their training activities.

Members took the opportunity to praise the results of the External Peer Assessment of the Regional Internal Audit Service and it was **RESOLVED:**

1. To give consideration to the Public Sector Internal Audit Standards External Assessment of the Regional Internal Audit Service and acknowledge and endorse that it is fully conforming to those Standards.

## **20 Audit Wales National Reports**

The Service Director - Finance and Improvement Services provided the Governance and Audit Committee with the national reports of the Auditor General for Wales in respect of 'Time for Change' - Poverty in Wales; 'A missed opportunity' – Social Enterprises; and 'Together we can' - Community resilience and self-reliance, together with the Council's response in respect of the recommendations contained therein.

The Service Director advised the Committee that the above-mentioned national reports contained recommendations that were specific to Local Government and more generally to Welsh Government. The Service Director added that in terms of the Council's responses to local government related recommendations, these have been agreed and noted within the report appendices and set out how services will progress the recommendations.

The Service Director reminded Members that in March 2023, the Council resolved to adopt a Notice of Motion (NOM) to develop a Child Poverty Strategy and as such, the agreed way forward, as set out in the NOM, had been incorporated into the Council's response to the Audit Wales 'Poverty in Wales 'Time for Change' report.

The Governance and Audit Committee **RESOLVED:**

1. To consider whether there are any matters of a governance, internal control or risk management nature that require further action or attention by Governance and Audit Committee; and
2. To consider whether there are any matters of a performance nature that require review by the Council's Scrutiny Committees.

**This meeting closed at 5.35 pm**

**Mr C Jones  
Chair.**