



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2020/21

AUDIT COMMITTEE 1st February 2021	AGENDA ITEM NO. 6
REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES	2019/20 ANNUAL GOVERNANCE STATEMENT RECOMMENDATIONS – PROGRESS UPDATE

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

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide Audit Committee with an update on the status of the recommendations that were made within the 2019/20 Annual Governance Statement.

2. RECOMMENDATIONS

It is recommended that Members review the information contained within the report and:

- 2.1 Seek clarity and explanation where there are areas of concern.
- 2.2 Form an opinion in respect of whether they are satisfied with the progress being made to implement the recommendations.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To help ensure that Audit Committee discharges its responsibilities in respect of reviewing and forming an opinion on the overall control environment in place across the Council.

4. BACKGROUND

- 4.1 The Council's Annual Governance Statement (AGS) relating to the 2019/20 financial year was reported to and approved by Audit Committee at its meeting held on [20th July 2020](#). The document described the governance arrangements

in place, reviewed their effectiveness and where necessary provided recommendations for improvement.

- 4.2 In relation to monitoring the Council's overall governance arrangements, the Terms of Reference for Audit Committee states:

As a key element of new 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 (amongst other things):-

Governance, risk and control

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.

- 4.3 In accordance with the Terms of Reference (Item C) and Workplan for Audit Committee, this report provides an update on the status of each recommendation. Appendix A provides details of each recommendation made along with a summary of the action being taken to progress their implementation.
- 4.4 As part of the review of the status of each recommendation, the Committee should seek assurance, in addition to its other lines of enquiry, around the adequacy of progress made to implement the recommendations to support robust governance arrangements.

5. EQUALITY AND DIVERSITY IMPLICATIONS

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

6. CONSULTATION

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

7. FINANCIAL IMPLICATION(S)

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

8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 8.1 The Council's AGS has been compiled in accordance with the CIPFA / SOLACE 'Delivering Good Governance in Local Government: Framework 2016'.

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

THE COUNCIL'S CORPORATE PLAN PRIORITIES

- 9.1 Monitoring the status of the recommendations within the AGS 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 and demonstrate openness and accountability.

WELL-BEING OF FUTURE GENERATIONS ACT

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

10. CONCLUSION

- 10.1 A summary of action taken to implement the recommendations contained within the 2019/20 AGS is provided at Appendix A.
- 10.2 The provision of the information contained within this report will assist Members when forming an opinion on the Council's overall governance arrangements for 2020/21.

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

AUDIT COMMITTEE

1st February 2021

**2019/20 ANNUAL GOVERNANCE STATEMENT RECOMMENDATIONS –
PROGRESS UPDATE**

REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES

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

Item: 6

Background Papers

None.

Officer to contact: Paul Griffiths

APPENDIX A – ANNUAL GOVERNANCE STATEMENT 2019/20 PROGRESS UPDATE

Core Principle / Area	Issue Identified	Recommendation	Responsible Officer & Timescale	Progress Update
<p>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.</p>	<p><u>Whistle-Blowing</u></p> <p>Although the Council's Whistle-blowing policy is kept under on-going review at an operational level, the Policy was last reported to Audit Committee for consideration in October 2016.</p>	<p>The Council's Whistle-Blowing Policy should be subject to a full review, taking into account intelligence gathered since the last update, and reported to Audit Committee for review, challenge and sign-off.</p>	<p>Director of Human Resources</p> <p>(Original December 2020 / Revised April 2021)</p>	<p>A review of the Whistle-Blowing Policy document has commenced; however, due to the need to re-prioritise resources to support Track Trace Protect arrangements, the timescale for completion of the review has been revised from December 2020 to April 2021.</p> <p>In terms of reporting arrangements, the updated Whistle-Blowing Policy will be reported to Audit Committee alongside the Whistle-Blowing Annual Report for 2020/21, and will enable the Committee to consider both documents together.</p>



Core Principle / Area	Issue Identified	Recommendation	Responsible Officer & Timescale	Progress Update
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<p>Managing risks and performance through robust internal control and strong public financial management.</p>	<p><u>Audit Committee</u> Risk Management – strengthen Committee’s visibility of the Council’s risk profile and provide Audit Committee Members with the appropriate support to further development their skills in this area.</p> <p>Learning and Development – although individual elected Member training and development arrangements are in place, no skills assessment has been undertaken for Audit Committee members (informed by the CIPFA publication ‘Audit Committees – Practical Guidance for Local Authorities & Police 2018 Edition’).</p>	<ul style="list-style-type: none"> • Strategic Risk Register updates to be incorporated into the Audit Committee work programme. • Complete a skills assessment for members of Audit Committee the results from which will inform a refreshed programme of learning and development for the Committee (and should then be incorporated into an action plan for Audit Committee to support its on-going development and link to the Audit Wales project ‘Rhondda Cynon Taf Audit Committee – Support and Development’). 	<p>Service Director – Finance and Improvement Services (October 2020)</p> <p>Service Director – Democratic Services and Communication and Service Director – Finance and Improvement Services (from October 2020)</p>	<p>Strategic Risk Register updates have been scheduled within the Audit Committee Work Programme for 2020/21 (as agreed at the 5th October 2020 Audit Committee meeting i.e. alternate meetings starting from December 2020). Due to the December 2020 Audit Committee being cancelled, the next update is scheduled to be reported to the 1st February 2021 Audit Committee meeting.</p> <p>For information, Strategic Risks continue to be managed in line with agreed arrangements and updates included within the Council’s quarterly Performance Reports (reported to Cabinet and the Finance and Performance Scrutiny Committee).</p> <p>A questionnaire has been compiled by officers and circulated and completed by Audit Committee Members. The questionnaire results will be reported to the 1st February 2021 Audit Committee for review and to inform the development of a programme of on-going learning and development for the Committee.</p>
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Core Principle / Area	Issue Identified	Recommendation	Responsible Officer &	Progress Update
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			Timescale	
<p>Managing risks and performance through robust internal control and strong public financial management.</p>	<p><u>Operational Risk Management</u></p> <p>Although operational risk management is undertaken at a service level (via local Service Delivery Planning and monitoring arrangements) assurance is required to determine whether the arrangements are operating as intended.</p>	<p>Undertake a review of operational risk managements.</p>	<p>Service Director – Finance and Improvement Services (March 2021)</p>	<p>For 2020/21 to date, operational risk management arrangements have been primarily focussed on ensuring key frontline service delivery has been maintained to communities across the County Borough during the pandemic. These arrangements have: informed the reporting of Covid-19 updates to Cabinet and Council that demonstrate clear and positive progress made across the board; formed a key part of specific project management arrangements (e.g. the on-going coordination and management of the Track, Trace and Protect project); and supported the Council in continuing to meet its statutory requirements (for example, the compilation and external audit of the Council's 2019/20 Statement of Accounts).</p> <p>In addition, the 2020/21 Internal Audit Plan includes a Risk Management audit assignment that is scheduled to be undertaken in quarter 4 of the current year and thereafter the findings / conclusion reported to Audit Committee.</p>
