



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2020/21**

<p><b>AUDIT COMMITTEE</b></p> <p><b>22<sup>nd</sup> March 2021</b></p>	<p><b>AGENDA ITEM NO. 7</b></p>
<p><b>JOINT REPORT OF THE DIRECTOR OF FINANCE &amp; DIGITAL SERVICES AND SERVICE DIRECTOR DEMOCRATIC SERVICES AND COMMUNICATION</b></p>	<p><b>AUDIT COMMITTEE DEVELOPMENT &amp; SUPPORT</b></p>

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

**1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to provide Audit Committee with an update of progress on its 'Support and Development' action plan and also propose a programme of learning and development for the Committee.

**2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Consider the 'Support and Development' Action Plan progress update and agree to receive mid-year and year-end updates during 2021/22.
- 2.2 Review and, if deemed appropriate, approve the draft Learning and Development Plan for Audit Committee.

**3. REASON FOR RECOMMENDATIONS**

- 3.1 To support the on-going development and effectiveness of Audit Committee in line with its Terms of Reference.

#### **4. SUPPORT AND DEVELOPMENT ACTION PLAN**

- 4.1 At the [2nd November 2020](#) Audit Committee meeting, Members approved an action plan to support the on-going development and effectiveness of the Committee's work.
- 4.2 Since this time, officers have engaged with the Chair and Vice Chair of Audit Committee to plan and progress the delivery of agreed actions and report specific updates to Members.
- 4.3 A progress update is included at Appendix 1, bringing together an overall position statement, and sets out that the delivery of actions have, to date, been progressed in line with the timescales agreed by Audit Committee.
- 4.4 Members will be aware that the development of the action plan was on the basis of it being a 'live' document to enable further areas of development and Audit Wales feedback to be considered and taken into account by Audit Committee on an on-going basis, as well as the implications of the Local Government and Elections (Wales) Bill.
- 4.5 Subject to Audit Committee's review of the action plan progress update, it is proposed that officers continue to work with the Chair and Vice Chair to identify further proposed areas for development and report updates to Audit Committee for consideration / approval at mid-year and year-end intervals during 2021/22. Should new areas be identified that are deemed a priority, these will be reported to Audit Committee outside of the mid-year and year-end update processes to ensure the Committee continue to receive information on a timely basis.

#### **5. LEARNING AND DEVELOPMENT**

- 5.1 Audit Committee's Support and Development action plan, as noted in Section 4, included a series of actions to enable a 'needs based' programme of learning and development to be put in place for the Committee.
- 5.2 In progressing the above, Audit Committee members have proactively engaged in providing feedback through an on-line training needs analysis questionnaire, with the results and proposed areas for learning and development being reported to and agreed by Audit Committee at its meeting on [1st February 2021](#).

- 5.3 At the 1<sup>st</sup> February 2021 meeting, Members also agreed for officers to compile a Learning and Development Plan for reporting back to the March 2021 Audit Committee. In line with this, a proposed Learning and Development Plan is set out at Appendix 2 with the scheduling of updates informed by questionnaire feedback and the Committee's Work Programme, and also recognising the need for flexibility to accommodate changing needs and priorities should they arise.
- 5.4 In terms of the approach, it is proposed that:
- The programme will be coordinated by Council officers;
  - A learning and development item will be reported to Audit Committee on a quarterly basis (i.e. every other Committee meeting) and other Members invited as appropriate; and
  - The updates provide an overview of the area, ensure opportunity for questions and answers and also opportunity for Members to request further information and / or more specific updates.
- 5.5 Subject to Audit Committee's consideration of the draft Learning and Development Plan, officers will put in place the necessary arrangements for delivery from quarter 1 of the 2021/22 financial year.
- 5.6 In addition to the above, Members will note that arrangements are being established to support Members (existing and new) of the Audit Committee in the future (post the Council's AGM in May 2021) which will consider skill sets and learning and development to ensure the Committee continues to effectively discharge its responsibilities.
- 5.7 As part of these arrangements, Members will also note the development of a Members Portal, an area to assist Members in undertaking their role, providing relevant and timely information in one succinct place for Members to access. The portal will also act as an area to help support and strengthen Members learning opportunities through e-learning modules and it is suggested that topics identified within Audit Committee's Learning and Development Plan be made available through this portal for Members review.

## **6. EQUALITY AND DIVERSITY IMPLICATIONS**

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

## **7. CONSULTATION**

- 7.1 Audit Committee is the key consultee in informing and directing the way forward for this area, as set out in the main body of the report.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 There are no financial implications as a result of the recommendations set out in the report, with the programme of learning and development being deliverable within existing resources.

## **9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 9.1 The creation of a learning and development plan to support the ongoing development and effectiveness of Audit Committee supports the principles within The Local Government (Wales) Measure 2011 (Chapter 2 /Section 81) and the CIPFA publications - 'Audit Committees – Practical Guidance for Local Authorities & Police Edition'.

## **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 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 Council's Audit Committee agreed an action plan to support its ongoing effectiveness at the November 2020 meeting and progress to date has been in line with the timescales agreed by Audit Committee.
- 11.2 As part of this plan, a series of actions were agreed to support the ongoing learning and development of Audit Committee and a draft

Learning and Development Plan has been compiled for Audit Committee's consideration.

- 11.3 Subject to Audit Committee's consideration of the draft Learning and Development Plan, officers will put in place the necessary arrangements for delivery from quarter 1 of the 2021/22 financial year.

**Other Information:-**

***Relevant Scrutiny Committee***

**Not applicable.**

***Contact Officers*** – Paul Griffiths / Mark Thomas

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**22<sup>nd</sup> March 2021**

**AUDIT COMMITTEE DEVELOPMENT AND SUPPORT**

**JOINT REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES  
AND THE SERVICE DIRECTOR DEMOCRATIC SERVICES AND  
COMMUNICATION**

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

**Item: 7**

**Background Papers**

None.

Officers to contact: Paul Griffiths / Mark Thomas



**APPENDIX 1**

**ACTION PLAN PROGRESS UPDATE (MARCH 2021) - AUDIT COMMITTEE SUPPORT AND DEVELOPMENT**

AREA FOR DEVELOPMENT / IMPROVEMENT	ACTIONS	DELIVERY DATE	RESPONSIBILITY	PROGRESS UPDATE
<b>Learning and Development</b>				
Although briefings are provided to Audit Committee to support the delivery of its Terms of Reference, no training needs analysis of Committee Members has been undertaken and used to inform an on-going programme of learning and development	Develop and agree with Audit Committee a training needs analysis (informed by the core knowledge and skills framework included within the CIPFA Guide)	December 2020	Audit Committee Support Officers <sup>1</sup>	Completed
	Complete a training needs analysis exercise with Audit Committee members	February 2021	Audit Committee Support Officers <sup>1</sup>	Completed
	Using the results of the training needs analysis exercise, report a programme of learning and development to Audit Committee for consideration / approval (and subject to approval, commence the delivery of the programme of work)	March 2021	Audit Committee Support Officers <sup>1</sup>	Update to be reported to the March 2021 Audit Committee

<sup>1</sup> Support Officers – includes ‘Service Director of Democratic Services and Communication’, ‘Service Director – Finance and Improvement Services’, ‘Head of the Regional Internal Audit Service’ and ‘Group Audit Manager – Regional Internal Audit Service’

AREA FOR DEVELOPMENT / IMPROVEMENT	ACTIONS	DELIVERY DATE	RESPONSIBILITY	PROGRESS UPDATE
<b>Risk Management</b>				
An overview of the Council's arrangements to manage corporate risks was presented to Audit Committee in December 2019, the outcome of which was the need to strengthen Audit Committee's visibility of the Council's risk profile	Report overviews of Council Strategic Risks to Audit Committee (one overview presented every other meeting)	December 2020 March 2021	Support Officers	On-going  Strategic Risk Updates reported to Audit Committee (February 2021 Audit Committee – Risk 23 (21 <sup>st</sup> Century Schools) and March 2021 Audit Committee – Risk 18 (Living Within Our Means – Workforce)).  Further updates to be scheduled during 2021/22.



AREA FOR DEVELOPMENT / IMPROVEMENT	ACTIONS	DELIVERY DATE	RESPONSIBILITY	PROGRESS UPDATE
<b>Provision of information reported to Audit Committee</b>				
<p>The delivery of Internal Audit through the regional service from April 2019 will provide the opportunity to consider good practices across the four local authorities to ensure, amongst other things, that the information reported to Audit Committee enables it to continue to deliver its Terms of Reference.</p>	<p>Provide a range of options to Audit Committee on the type and level of information it can receive to ensure it is focussed on the key strategic areas, as set out in the Terms of Reference.</p>	<p>March 2021</p>	<p>Support Officers</p>	<p>On-going</p> <p>In line with the approach to support the development of Audit Committee to assist its focus on strategic matters, experience of practice in other Councils and the required focus to be afforded to the Local Government &amp; Elections(Wales) Act), it is proposed that Audit Committee will receive regular updates on progress on delivering the Internal Audit Plan including individual audit opinions and the number of recommendations made.</p> <p>The Committee would then be able to request to receive specific detailed internal audit reports at the next meeting, and, if required, feedback from relevant service management on progress on implementing the recommendations. This will help support the Committee to focus on significant matters whilst still having visibility on the work of Internal Audit and any issues arising from it.</p>

**APPENDIX 2**

**AUDIT COMMITTEE - PROPOSED LEARNING AND DEVELOPMENT PLAN**

<b>Date</b>	<b>Learning and Development Area</b>	<b>Proposed focus of the Learning and Development Session</b>
June 2021	Financial Management and Accounting	Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them, and the role the Audit Committee plays in reviewing the Council's draft financial statements.
September 2021	External Audit and Internal Audit	<p>External Audit - Knowledge of the role and functions of the external auditor and the responsibility it has to the Council's Audit Committee and supporting the Council's wider governance arrangements.</p> <p>Internal Audit - An understanding of the purpose of the Council's Internal Audit Service and its responsibilities to the Audit Committee and supporting the Council's wider governance arrangements.</p>
December 2021	Audit Committee Role and Functions	An understanding of the Audit Committee's role and place within the governance structures, its terms of reference and accountability arrangements.
March 2022	Counter Fraud	An understanding of the main areas of fraud and corruption risk to which the Council is exposed, knowledge of the Council's arrangements for tackling fraud and awareness of good fraud risk management practice.
June 2022	Risk Management	Understanding of the risk management arrangements in place within the Council and the role of Audit Committee in overseeing these arrangements.
September 2022	Values of Good Governance	Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff (including knowledge of the 7 principles of public life) and knowledge of whistle-blowing arrangements within the Council.