

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

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

1. PURPOSE OF THE REPORT

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

2. RECOMMENDATIONS

It is recommended that Members:

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

3. REASONS FOR RECOMMENDATIONS

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

4. BACKGROUND INFORMATION

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

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

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

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

5. DRAFT WORK PLAN 2021/22

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

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

6. **EQUALITY AND DIVERSITY IMPLICATIONS**

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

7. **CONSULTATION**

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

8. **FINANCIAL IMPLICATION(S)**

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

9. **LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

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

'Local authorities to appoint audit committees

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

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

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

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

THE COUNCIL'S CORPORATE PLAN PRIORITIES

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

WELL-BEING OF FUTURE GENERATIONS ACT

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

11. CONCLUSION

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

Other Information:-

Relevant Scrutiny Committee
Not applicable.

Contact Officers – Paul Griffiths / Mark Thomas

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

13th September 2021

GOVERNANCE AND AUDIT COMMITTEE DRAFT WORK PLAN 2021/22

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Item: 6

Background Papers

None.

Officers to contact: Paul Griffiths / Mark Thomas.

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

Statement of Purpose

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

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

Terms of Reference

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

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

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

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

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

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

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

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

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

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