



RHONDDA CYNON TAF COUNCIL GOVERNANCE AND AUDIT COMMITTEE

Minutes of the meeting of the Governance and Audit Committee held on Monday, 13 September 2021 at 5.00 pm at the Virtual.

County Borough Councillors:

Councillor G Caple	Councillor J Cullwick
Councillor M Adams	Councillor K Jones
Councillor M Norris	Councillor D Owen-Jones
Councillor S Rees	Councillor S Powell
Councillor R Williams	Councillor S Trask

Lay Member: Mr C Jones

Officers in attendance

Mr A Wilkins, Director of Legal Services
Mr P Griffiths, Service Director – Finance & Improvement Services
Mr M Thomas, Head of Regional Audit Service
Ms L Cumpston, Group Audit Manager

15 Declaration of Interest

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

16 Urgent Business

The Chair informed Members of the Committee that County Borough Councillor G Davies had stepped down as Vice-Chair of the Governance and Audit Committee.

The Chair sought nominations for the position of Vice-Chair to the Governance and Audit Committee for the Municipal Year 2021/22. It was **RESOLVED** that County Borough Councillor K Jones be elected as Vice-Chair of the Governance and Audit Committee for the Municipal Year 2021/22.

17 Minutes

It was **RESOLVED** to approve the minutes of the 12th August 2021 as an accurate reflection of the meeting.

18 Matters Arising

Minute No. 9 – The Service Director Finance & Improvement Services updated Members that following the Committee's review and challenge of the draft 2020/21 Annual Governance Statement at the 12th July 2021 meeting, further emphasis of the role undertaken by the Council's scrutiny committees to support effective governance arrangements had been incorporated into the Statement.

19 Audit Wales - verbal update on the progress of the audit of the Draft Statement of Accounts for 2020/21

Mr C Rees, Audit Wales, provided the Governance and Audit Committee with an update in respect of the audit of the Council's draft Statement of Accounts for 2020/21.

Members were informed that the certified draft 2020/21 Statement of Accounts had been received at the start of July as agreed and in line with the Council's revised timescale that took account of the continuing pressures as a result of the Covid-19 pandemic.

Mr Rees informed Members that positive progress had been made in respect of the audit of the Statement of Accounts and, to date, no significant areas of concern had arisen for the Committee to be made aware of. Mr Rees added that it is anticipated that the final Audit Wales 'Audit of Accounts Report' will be presented to the September full Council meeting.

The Chair thanked Mr Rees for his attendance and update, and the Governance and Audit Committee **RESOLVED** to acknowledge the update.

20 Progress Against the Internal Audit Risk Based Plan 2021/22

The Group Audit Manager provided Members of the Governance and Audit Committee with a position statement on progress being made against the audit work included and approved within the Internal Audit Risk Based Plan 2021/22.

Members were informed of the updated audit assurance/opinion categories and the Group Audit Manager discussed the categorisation of each.

Members were referred to Appendix A of the report detailing the progress made against the 2021/22 plan. The Group Audit Manager provided a verbal summary of the individual audit assignments as at 20th August 2021 as outlined in the report.

The Chair thanked the Officer for the report and raised a question regarding reference to the 2 recommendations that have been made to improve the control environment across the 2021/22 audit plan areas reviewed to date. The Chair queried the differential timescales involved in each recommendation. The Group Audit Manager informed Members that each timescale is agreed with the individual service area and emphasised that the goal is to ensure the recommendations are implemented within a reasonable timescale.

The Vice-Chair queried the format of the report and noted the change in how information is reported to Members. The Group Audit Manager noted the report was presented in the agreed revised format to provide Members with a more strategic overview of information. Members were reminded that where further information is required this can be requested and provided.

Members **RESOLVED** to:-

- note the content of the report and the progress made against the Internal Audit Risk Based Plan 2021/22; and
- consider what comments, requests or recommendations, if any,

they wish to make.

21 Governance and Audit Committee Learning & Development

With the aid of a PowerPoint presentation, the Service Director, Finance and Improvement Services and Head of Regional Internal Audit Service provided an overview of the role and functions of the Governance and Audit Committee, this being in line with the Committee's Learning and Development Plan.

The presentation outlined the role of Governance and Audit Committees, including their purpose, statutory basis and what characteristics good Committees should have, and set out the specific responsibilities of Rhondda Cynon Taf Council's Governance and Audit Committee as included within the Terms of Reference, and covering the following areas:

- Governance, risk and control
- Internal Audit
- External Audit
- Financial Reporting
- Accountability arrangements
- Council Performance Arrangements
- Complaints Handling

Members were taken through each Terms of Reference area with specific information provided in respect of 'some key assurance requirements' and 'information reported to the Governance and Audit Committee', the latter setting out the information to be reported to the Committee to enable it to determine whether the necessary assurances are in place across the Terms of Reference.

Members were invited to ask questions following the overview of each Terms of Reference section.

For the Governance, Risk and Control section, a Member noted the future requirements for Governance and Audit Committee Membership to include an increased number of lay members and the challenge it will pose for lay members becoming part of the Committee linked to its wide remit. The Service Director, Finance and Improvement Services fed back the strong track record the Committee has in developing and supporting new and existing Members of the Committee as part of delivering its Terms of Reference and indicated that this approach will continue to be applied for newly appointed lay members. The Service Director added that the learning and development plan in place will inform this process and noted that a flexible approach will be needed to ensure new lay members are provided with appropriate, timely and on-going support.

With regard to the External Audit section of the Terms of Reference, one Member requested clarity on the role of Audit Wales in measuring the performance of the Governance and Audit Committee. Mr Rees, Audit Wales, fed back that Audit Wales officers attend each meeting to observe and report updates to the Committee and the performance of the Committee is considered as part of Audit Wales' annual risk assessment. The Head of Regional Internal Audit Service added that an annual self-assessment of the Governance and Audit Committee is undertaken and the Committee agrees an Annual Report that is presented to full Council setting out its work during the previous year.

One Member questioned whether the information that is presented to Members

relating to complaints would also include compliments received. The Service Director, Finance and Improvement Services confirmed that the updates will include both compliments and complaints with the aim of providing a full as picture as possible for Members to consider.

The Chair thanked Officers for the presentation and Governance and Audit Committee **RESOLVED** to note the content of the presentation.

22 Audit Committee Draft Work Plan 2021/22

The Service Director, Finance and Improvement Services provided the Governance and Audit Committee with the report, which 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'.

Members were referred to Appendix 1 of the report, where the draft work plan was set out for consideration. The Service Director informed Members that the work plan would be subject to ongoing review throughout the year and should further areas be identified and agreed by the Committee, they would be incorporated into the work plan.

The Governance and Audit Committee **RESOLVED**:

1. To 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; and
2. To approve the work plan for delivery during the 2021/22 Municipal Year.

This meeting closed at 6.35 pm

**Mr C Jones
Chairman.**