

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**  
**MUNICIPAL YEAR 2021/22**

<p><b>GOVERNANCE AND AUDIT COMMITTEE</b></p> <p><b>6<sup>th</sup> December 2021</b></p>	<p><b>AGENDA ITEM NO. 6</b></p>
<p><b>REPORT OF THE SERVICE DIRECTOR FOR DEMOCRATIC SERVICES AND COMMUNICATION</b></p>	<p><b>COUNCIL PROGRESS UPDATE: AUDIT WALES – ANNUAL AUDIT SUMMARY 2020</b></p>

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**1. PURPOSE OF THE REPORT**

To provide a progress update on the implementation of proposals for improvement reported in the Audit Wales ‘Annual Audit Summary 2020’.

**2. RECOMMENDATIONS**

It is recommended that Members:

2.1 Consider whether there are any matters of a governance, internal control or risk management nature that require further action or attention by the Governance and Audit Committee.

2.2 Consider whether there are any matters of a performance nature that require review by the Council’s scrutiny committees.

**3. ARRANGEMENTS FOR MONITORING AUDIT WALES PROPOSALS FOR IMPROVEMENT/RECOMMENDATIONS**

3.1 The Council recognises the important role that Audit Wales plays in supporting on-going improvement to governance and service delivery, with the Governance and Audit Committee having responsibility to provide independent assurance around the adequacy of the arrangements in place and Scrutiny Committees having responsibility to monitor the progress Council Services are making to implement agreed proposals for improvement reported by Audit Wales.

## **Governance and Audit Committee**

- 3.2 The Terms of Reference of the Council's Governance and Audit Committee include the following responsibilities in relation to reports from the Council's External Auditor (for the purposes of this report the External Auditor being Audit Wales):
- Point 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';* and
  - Point P - *'Consider national reports, for example, from Audit Wales, of relevance to the work of the Authority'.*
- 3.3 To discharge the above requirements, the Council's Governance and Audit Committee has responsibility for:
- Providing independent assurance around the arrangements in place to monitor / evaluate progress against proposals for improvement reported by Audit Wales; and
  - Determining whether there are any matters of a governance, internal control or risk management nature that require further action or attention.
- 3.4 As part of discharging its Terms of Reference, the Governance and Audit Committee should also take account of the conclusions and findings from each Audit Wales report when forming an opinion on the adequacy of internal control/governance arrangements in place.
- 3.5 In addition to the above, where the Governance and Audit Committee considers there are performance related matters that require further review, it is able to refer these to the designated Scrutiny Committee for review

## **Scrutiny Committees**

- 3.6 Members will note the Council's Scrutiny function has a different, albeit, complementary role, in respect of overseeing the reports issued by Audit Wales i.e. to review and challenge the progress the Council is making toward implementing agreed proposals for improvement.
- 3.7 Where a Scrutiny Committee determines there are matters of a governance, internal control or risk management nature that require further review, it is able to refer these to the Governance and Audit Committee for consideration

#### **4. AUDIT WALES – ANNUAL AUDIT SUMMARY 2020**

- 4.1 At the meeting of [Council held on 10 March 2021](#), Members received the Audit Wales Annual Audit Summary 2020 (AAS), with the AAS containing proposals for improvement/recommendations from published reports that were specific to Rhondda Cynon Taf Council and also national reports that relate to local authorities more generally, other public bodies and also Welsh Government.
- 4.2 Audit Wales proposals for improvement are incorporated into the Council's service delivery planning and monitoring arrangements, and the first progress update was reported to the Governance and Audit Committee on [26th April 2021](#) and to the Overview and Scrutiny Committee on [12th May 2021](#). The second progress update, as at November 2021, is included as Appendix 1 and the Governance and Audit Committee is requested to (in addition to Members own lines of enquiry):
- Consider whether there are any matters of a governance, internal control or risk management nature that require further action or attention; and
  - Consider whether there are any matters of a performance nature that require review by the Council's scrutiny committees

#### **5. EQUALITY AND DIVERSITY IMPLICATIONS AND SOCIO-ECONOMIC DUTY**

- 5.1 There are no equality and diversity or socio-economic duty 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 Regular reporting of external audit reports to the Governance and Audit Committee ensures compliance with the CIPFA / SOLACE 'Delivering Good Governance in Local Government: Framework 2016' and the Committee's Terms of Reference.

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

- 9.1 The Governance and Audit Committee's role in overseeing the Council's arrangements to monitor / evaluate progress against proposals for

improvement reported by Audit Wales aims to support the delivery of all priorities contained within the Council's Corporate Plan 2020 – 2024 "*Making a Difference*" and in doing so aligns with the Sustainable Development principles as set out within the Well-being of Future Generations Act.

## **10. CONCLUSIONS**

- 10.1 Audit Wales reports play an important role in supporting on-going improvement to the Council's governance and service delivery arrangements. As part of this process, the Council utilises its Governance and Audit Committee and Scrutiny Committees, in line with their Terms of Reference, to oversee the arrangements in place and monitor the progress made by Council Services to implement proposals for improvement reported by Audit Wales.

**LOCAL GOVERNMENT ACT, 1972**  
**as amended by**  
**THE ACCESS TO INFORMATION ACT, 1985**  
**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**  
**LIST OF BACKGROUND PAPERS**  
**AUDIT COMMITTEE**  
**6<sup>th</sup> December 2021**

**REPORT OF: Service Director for Democratic Services and Communication**

Author: Christian Hanagan

Item 6: **COUNCIL PROGRESS UPDATE: AUDIT WALES – ANNUAL AUDIT SUMMARY 2020**

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