



## **RHONDDA CYNON TAF COUNCIL GOVERNANCE AND AUDIT COMMITTEE**

Minutes of the virtual meeting of the Governance and Audit Committee meeting held on Monday, 6 December 2021 at 5.00 pm.

### **County Borough Councillors - Governance and Audit Committee Members in attendance:-**

Councillor G Davies	Councillor J Cullwick
Councillor M Adams	Councillor K Jones
Councillor M Norris	Councillor D Owen-Jones
Councillor S Rees	Councillor E Webster
Councillor R Williams	Councillor M Griffiths
Councillor J Edwards	Councillor S Trask

### **Officers in attendance**

Mark Thomas, Head of Regional Internal Audit Service  
Lisa Cumpston, Audit Manager  
Paul Griffiths, Service Director - Finance and Improvement Services  
Ian Traylor, Service Director – Pensions, Procurement & Transactional Services  
Mike Jones, Financial Audit Manager (Audit Wales)  
Sara Jayne-Byrne, Performance Audit Manager (Audit Wales)

### **29 Welcome and Apologies**

The Chair welcomed the attendees to the virtual meeting of the Governance and Audit Committee and apologies for absence were received from County Borough Councillor J Barton and Councillor S Powell.

### **30 Declaration of Interest**

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

### **31 Minutes**

It was **RESOLVED** to approve the minutes of the 9<sup>th</sup> November 2021 as an accurate reflection of the meeting.

### **32 Learning and Development: Introduction to the Auditor General for Wales and Audit Wales**

With the aid of a PowerPoint presentation, the Financial and Performance Audit Managers of the Audit General for Wales (AGW) provided Members with an overview of the role and functions of Audit Wales in ensuring Public Bodies within Wales operate effectively and efficiently under the Public Audit Wales Act (2004), Well-being of Future Generations Act Wales (2015) and Local Government and Elections Wales Act (2021).

The presentation was delivered under the following key headlines: -

- Who we are;
- Your Audit Wales Team;
- Main legislative duties and powers;
- Our work; and
- Code of Audit Practice of the Auditor General Wales.

As part of the presentation, the Performance Audit Manager took Members through the performance audit work undertaken by Audit Wales covering the Well-Being of Future Generations Act; Local Government studies; National studies; and the current work programme for Rhondda Cynon Taf Council. The Performance Audit Manager went on to inform Members of the current work being undertaken at Rhondda Cynon Taf, this being: the Cwm Taf Morgannwg Health Partnership; Digital Ambitions; Springing Forward (examining the building blocks for a sustainable future focussing on assets and workforce); self-assessment and preparedness for the changes under the Local Government and Elections Act; and Carbon reduction plans.

The Performance Audit Manager continued with the presentation by highlighting to Members the expectation of the AGW for Audit Wales reports to be actively considered by the Council, noting that the approach may differ at each Council, and that the role of the Governance and Audit Committee is to assure itself that there are arrangements in place to monitor and evaluate progress against recommendations contained in Audit Wales reports.

The Performance Audit Manager highlighted the Audit Wales Good Practice Exchange that aims to help public services across Wales improve by identifying and sharing knowledge and good practices that work, and also covered the Code of Audit Practice of the AGW that contains four principles that underpin the work of Audit Wales: public focus, independence, proportionate and accountability.

Following the presentation, Members of the Governance and Audit Committee were provided with the opportunity to ask questions.

One Member fed back that the overview provided helpful information and sought clarity on the effectiveness of liaising with other regulators such as Care Inspectorate Wales (CIW) and Estyn and whether there was a risk of duplication within work programmes. The Performance Audit Manager fed back that external regulators have separate responsibilities and duties, and that regular meetings are held between regulators that aims to, amongst other things, prevent duplication.

Clarity was also requested on the responsiveness of Audit Wales to undertake urgent one-off inspections with other inspection bodies, with the Member setting this in the context of serious case reviews and a tragic case that had occurred in England. The Performance Audit Manager fed back that Audit Wales would not have involvement in undertaking serious case reviews, this being a matter for the relevant agencies, and indicated that Audit Wales does respond and issue public interest reports where it is deemed necessary to do so. The Performance Audit Manager added that further specific feedback would be provided to the Member in respect of the national review of the tragic case referred to and what this will mean for Audit Wales.

The Chair thanked the Audit Wales officers for their informative presentation.

The Governance and Audit Committee **RESOLVED:**

- To note the content of the presentation

### **33 Learning and Development: The role of Internal Audit and the work of the Regional Internal Audit Service**

Through a PowerPoint presentation, the Head of Regional Internal Audit Service provided the Committee with an overview of the role, achievements, vision and responsibilities of Internal Audit and the work of the Regional Internal Audit Service.

He continued to outline the purpose of the work undertaken, which comprises of providing risk-based plans for all key areas and producing an annual opinion on the risk, governance and internal control based on assurance work undertaken. Similar to Audit Wales, to avoid a duplication of work, regular meetings with external colleagues and other regulators are held. As a shared service across the four Councils, the team have recently reviewed the category of opinions given and have adopted consistent categories and definitions of opinions in line with the Chartered Institute of Public Finance and Accountancy.

The Chair thanked the Head of Regional Internal Audit Service for the comprehensive and useful presentation.

Following the presentation, members of the Governance and Audit Committee were given the opportunity to ask questions. One Member queried the commercial approach and how successful the team has been in contacting other bodies to take up the service. In response, the Head of Regional Internal Audit Service stated that staff vacancies and Covid has held up the progress of the commercial approach; the Service aims to advertise the vacancies across the four Councils and recruit externally for trainee roles (i.e. Graduate Schemes). In relation to developing the commercial approach, there has been an approach made by some Community Councils, and as soon as the staffing issues have been resolved, a detailed plan will be put in place to see how best this can be taken forward.

The Governance and Audit Committee **RESOLVED:**

- To note the content of the presentation.

### **34 Progress against the Internal Audit risk-based plan 2021/22**

The Audit Manager for Merthyr Tydfil and Rhondda Cynon Taf provided Members with an overview on the progress made against the audit work included and approved within the Internal Audit Risk Based Plan 2021/22.

The aim was to provide Members with a position statement on the internal audit plan as of the 26<sup>th</sup> of November 2021. The Audit Manager directed Members to Appendix 1 of the report, highlighting the individual audit assignments issued. As part of the report, the Audit Manager focused on the audit completed on Park

Lane Special School where key issues were identified regarding the internal processes and procedures not being complied with. This resulted in 15 recommendations being reported, 4 of which were high priority and needed to be acted upon promptly and covered sickness absence not being recorded in accordance with Council policies and procedures; issues with the School Private Fund; Statutory Policies had not been reviewed in alignment with Statutory requirements; and a lack of control over the ordering processes. The Audit Manager confirmed that progress against these recommendations will be monitored in accordance with the well-established internal audit monitoring procedure in place and the school will be subject to a follow-up visit in line with the Regional Internal Audit Service's approach of undertaking follow-up audits where audit opinions conclude there to be limited or no assurance in place.

The Audit Manager also informed Members that, at the request of the Director of Education and Inclusion Services, a consultancy audit was undertaken in respect of a centralised system that is being established to monitor safeguarding training for schools and to ensure training is kept up to date for all school staff. The Audit Manager went on to highlight the recommendations made in respect of this audit and indicated that this is an area where assurances will be provided in accordance with the Audit Plan 2022/23 when the system becomes fully operational.

The Audit Manager continued by directing Members to Appendix 1 of the report, the Audit Plan that was agreed by Members in July 2021. To date, the team have provided a total of 51 recommendations, 12 of which are high priority, 25 are medium priority and 14 low priority.

One Member sought clarification on the cause for high staff turnover at Park Lane Special School, and whether it was a result of a lack of stability within the school. In response, the Audit Manager stated that it would be difficult to measure the cause of staff turnover in the special school as the internal audit work undertaken is based on a specific timeframe of transactions. The Audit Manager added that the audit was requested by the Director of Education and Inclusion Services and the acting Headteacher of the School, and that the acting Headteacher has agreed to implement all recommendations included within the internal audit report.

In response to a query regarding safeguarding at the school, the Audit Manager stated that from the findings none of the 15 recommendations made related to safeguarding.

The Chair thanked the Audit Manager of Merthyr Tydfil and Rhondda Cynon Taf Councils for the informative report.

The Governance and Audit Committee **RESOLVED:**

- To note the content of the report.

**Council progress update: Audit Wales - Annual Audit Summary 2020**

The Service Director - Finance and Improvement Services provided Members with an update on the implementation of proposals of improvements reported in the Audit Wales, Annual Audit Summary 2020 (AAS). The Service Director informed Members that the Governance and Audit Committee's Terms of Reference includes responsibility to consider reports of the External Auditor and, as part of discharging this responsibility, for the Committee to seek assurance around the arrangements in place to monitor and evaluate progress against proposals for improvement. The Service Director added that it is the Committee's role to determine whether there are any matters of a governance, internal control or risk management nature that require further action, and also referred Members to paragraphs 3.6 and 3.7 of the report that set out the role of the Council's scrutiny function in this regard.

The Service Director referred to Section 4 of the report and provided context around the AAS being reported to full Council in March 2021 and noted that it included proposals for improvement from published reports that were specific to Rhondda Cynon Taf and also national reports. The Service Director added that a progress update was reported to the April 2021 Audit Committee meeting and to the May 2021 Overview and Scrutiny Committee meeting.

The Service Director referred Members to Appendix 1 of the report, that set out an updated position statement of progress made by the Council as at November 2021 to implement proposals for improvement made by Audit Wales, and provided a brief overview of the work undertaken by the Council to progress the proposals for improvement across the local and national reports.

Members of the Governance and Audit Committee were then provided with the opportunity to ask questions.

One Member sought clarification on the reason for the reduction in registered resources from 617 to 442 on the Dewis Cymru website. In response, the Service Director – Finance and Improvement Services fed back that it is the responsibility of local groups to update their information every 6 months on the Dewis website to ensure details are kept up to date and indicated that if updates are not actioned the information is removed from the website. The Service Director added that the Council provide reminders to local groups in this regard and indicated that the Covid 19 pandemic has impacted in terms of local groups needing to prioritise their resources.

The Chair requested further clarification on the timeline of future progress updates to the Committee. In response, the Service Director advised that following agreement of the proposals for improvement, these are built into the Council's Service Delivery Planning arrangements and indicated that progress updates to the Governance and Audit Committee in 2021/22 have comprised a mid-year update and also a scheduled year-end update. The Service Director added that should actions remain 'in-progress' or 'not completed' at year-end, these will continue to be included as part of Service Delivery Planning arrangements and the Governance and Audit Committee can request specific progress updates next year, as deemed required.

The Chair thanked the Service Director for the report and responses provided to the questions posed by Members.

The Governance and Audit Committee **RESOLVED:**

- To acknowledge the update.

**36 2020/21 Annual Governance Statement Recommendations - Progress Update**

The Service Director – Finance and Improvement Services provided the Committee with an update on progress being made to implement recommendations which were included in the Council's Annual Governance Statement 2020/21.

The Service Director referred Members to Appendix 1 of the report which highlighted the position statement of progress, this being, all actions were on target or completed with the exception of the action to report an updated Risk Management Strategy to the Governance and Audit Committee for consideration.

With regard to the Risk Management Strategy action, the Service Director indicated that the review work had been completed, taking into account the findings and recommendations of the Internal Audit assignment completed for this area, and an update will be reported to the Governance and Audit Committee in quarter 4.

Following the overview, Members were given the opportunity to ask questions regarding the content of the report.

A Member requested further information regarding the Council's arrangements for compiling Annual Governance Statement updates prior to them being reported to the Committee. In response, the Service Director fed back that updates are compiled by the designated Responsible Officers and are reviewed, challenged and agreed internally prior to reporting to the Committee.

One Member noted that the recommendation in relation to the Risk Management Strategy had a revised delivery date of early 2022 and queried whether this will have any adverse impacts on the Council's Risk Management arrangements.

In response, the Service Director fed back that the updates being incorporated into a revised Risk Management Strategy aim to reflect the actual arrangements in place and are consistent with the recommendations included in the Internal Audit Report, for example, to reflect the roles of Cabinet Members, the Senior Leadership Team and other designated officers that are part of the Council's risk management arrangements. As a result, the Service Director provided assurance to the Committee that the revised timescale would not have an adverse impact on the Council's Risk Management arrangements.

The Governance and Audit Committee **RESOLVED:**

- To note the content of the report.

**37 TO CONSIDER PASSING THE FOLLOWING UNDER-MENTIONED RESOLUTION:**

It was **RESOLVED** that the press and public be excluded from the meeting under Section 100A(4) of the Local Government Act (as amended) for Item 9 of business on the grounds that it involves the likely disclosure of the exempt information as defined in paragraph 14 of Part 4 of the Schedule 12A of the Act.

**38 Progress update against the Anti-Fraud, Bribery and Corruption work programme for 2021/22**

The Service Director for Pensions, Procurement and Transactional Services outlined to Members the progress made to date against the Anti-Fraud, Bribery and Corruption work programme for 2021/22.

Following discussions, it was **RESOLVED**:

- To note and review the outcome of the anti-fraud work progress during 2021/22.

**This meeting closed at 07:15 PM**

**Mr Christopher Jones  
Chairman.**