

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
MUNICIPAL YEAR

GOVERNANCE AND AUDIT COMMITTEE 23 rd March 2022	AGENDA ITEM NO. 7
REPORT OF THE SERVICE DIRECTOR FOR DEMOCRATIC SERVICES AND COMMUNICATION	COUNCIL PROGRESS UPDATE: AUDIT WALES – ANNUAL AUDIT SUMMARIES 2020 and 2021

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1. PURPOSE OF THE REPORT

1.1 To provide a:

- Progress update on the implementation of proposals for improvement reported in the Audit Wales ‘Annual Audit Summary 2020’; and
- To consider the Audit Wales ‘Annual Audit Summary 2021’ presented to [Council on 19 January 2022](#) and the progress made to date by the Council in implementing these proposals for improvement.

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 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 and uses the

oversight of the Governance and Audit Committee and Scrutiny Committees to oversee the arrangements and the monitoring of progress.

Governance and Audit Committee

- 3.2 The Terms of Reference of the Council's Governance and Audit Committee contained within the [Council's Constitution](#) includes 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):

'The Committee will:

O - 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

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 that there are adequate controls in place to mitigate key risks; 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, 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 actions.
- 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 that contained 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 setting out progress to November 2021 was reported to the Governance and Audit Committee on 6 December 2021. The final update from the 2020 report is included as Appendix 1 and evidences good progress with recommendations either completed or, due to their nature, require work to be on-going, for example, developing a Sport and Physical Activity Strategy 2022 – 26 and the Council's work around 'Keeping women and girls safe in RCT' and homelessness. For Members information, where work is on-going, this will be incorporated into 2022/23 Service Delivery Plans and monitored as part of the Council's operational performance management arrangements.
- 4.3 Members are requested to review the year-end position statement at Appendix 1 and (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. AUDIT WALES – ANNUAL AUDIT SUMMARY 2021

- 5.1 At the meeting of full Council held on [19 January 2022](#), Members received the Audit Wales [Annual Audit Summary 2021](#). In line with the position noted at paragraph 4.1, the Annual Audit Summary 2021 contained proposals for improvement/recommendations from published reports that were specific to Rhondda Cynon Taf as well as national reports that relate to local authorities more generally, other public bodies and also Welsh Government. Table 1 provides a list of the published reports covered by the Annual Audit Summary 2021 together with electronic links to each of these reports.

Table 1 – Published reports covered by the Annual Audit Summary 2021

Type of Report	Report Title	Proposals for Improvement/ Recommendations reported
Audit Wales National Covid Related	Financial Sustainability of Local Government as a Result of the COVID-19 Pandemic October 2020	The report sets a high-level baseline position, including the reserves position of local councils before the pandemic. It also sets out the initial financial implications of the pandemic for local councils and the scale of the anticipated challenge going forward, as well as some reflections on the preparedness of local government in Wales for such an unprecedented event.
	Procurement and supply of PPE during the COVID-19 pandemic December 2020	Observations of the Auditor General to the Chairs of the Welsh Government Committees in advance of main report
	Test, Trace, Protect in Wales: An Overview of Progress to Date March 2021	This report sets out the main findings of how public services are responding to the delivery of TTP services in Wales
	Procuring and supplying PPE for the Covid-19 Pandemic April 2021	This report focuses on the national efforts to supply health and social care in Wales.
	COVID-19 Impact, Recovery and Future Challenges - September 2021	This report highlights some key themes and findings from Audit Wales' work, commentary on funding pressures and reflections on how councils' future financial sustainability could be strengthened.
Audit Wales - RCT Specific Reports	Financial Sustainability Assessment November 2021	Yes (findings align with the Council's Medium Term Financial Planning arrangements)
Reviews by other Inspectorates		
Care Inspectorate Wales (CIW)	Assurance Check 2021 conducted from 24 to 28 May 2021 in lieu of Local Authority Performance Review	Yes (findings being used to inform service planning and delivery)

Type of Report	Report Title	Proposals for Improvement/ Recommendations reported
Estyn	<p>Estyn carried out monitoring visits to schools and Pupil Referral Units that were in a statutory category of follow-up. It also reviewed the progress of schools requiring Estyn review. The reports for schools judged to have made sufficient progress in addressing the recommendations from their Section 28 inspection are on Estyn's website.</p> <p>This means that Estyn has removed these schools from the list of schools requiring 'follow up' activity and no longer considers the providers require additional support from Estyn.</p>	No
National Report/ Studies for local consideration	<p>Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2019-20 Joint Care Inspectorate Wales / Healthcare Inspectorate Wales March 2021</p> <p>National Overview Report of Assurance Checks Care Inspectorate Wales November 2021</p> <p>National review of early help, care and support and transition for disabled children in Wales Let me Flourish' Care Inspectorate Wales</p>	Recommendations reported have been considered by Council Services, agree in principle and where relevant to Rhondda Cynon Taf will be taken account of as part of service planning and delivery

Type of Report	Report Title	Proposals for Improvement/ Recommendations reported
	November 2021	
	Local Government Discretionary Services ‘At your Discretion’ Audit Wales April 2021	
	Regenerating Town Centres Audit Wales September 2021	

5.2 An update on the progress made by Council services, to date, to implement the proposals for improvement/recommendations made by Audit Wales, where applicable to Rhondda Cynon Taf, is set out in Appendix 2. For Members information, further progress updates will be reported to the Governance and Audit Committee during 2022/23 in line with its agreed work programme.

5.3 In line with the Governance and Audit Committee’s Terms of Reference, the 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.

6. **CONCLUSIONS**

6.1 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 and the monitoring of progress.

LOCAL GOVERNMENT ACT, 1972
as amended by
THE ACCESS TO INFORMATION ACT, 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
LIST OF BACKGROUND PAPERS
GOVERNANCE AND AUDIT COMMITTEE
23 March 2022

REPORT OF: Service Director for Democratic Services and Communication

Author: Christian Hanagan

Item 4	COUNCIL PROGRESS UPDATE: AUDIT WALES – ANNUAL AUDIT SUMMARY 2020 Council 10 March 2021
Item 5	COUNCIL PROGRESS UPDATE: AUDIT WALES – ANNUAL AUDIT SUMMARY 2021: Council 19 January 2022

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