



RHONDDA CYNON TAF COUNCIL GOVERNANCE AND AUDIT COMMITTEE

Minutes of the virtual meeting of the Governance and Audit Committee held on Wednesday, 23 March 2022 at 5.00 pm.

Chair in attendance: - Mr C Jones

County Borough Councillors:

Councillor K Jones	Councillor M Adams
Councillor J Barton	Councillor J Cullwick
Councillor D Owen-Jones	Councillor S Rees
Councillor S Trask	Councillor E Webster
Councillor R Williams	

Officers in attendance: -

Mr A Wilkins, Director of Legal Services & Monitoring Officer
Mr I Traylor, Service Director, Pensions, Procurement, & Transactional Services
Mr P Griffiths, Service Director, Finance & Improvement Services
Ms S Jayne-Byrne, Performance Audit Manager (Audit Wales)
Mr P Cushion, Head of Employee Relations
Ms L Cumpston, Audit Manager
Marc Crumbie – Head of Procurement

Lay Members: -

Mr J Roszkowski
Mr J Mehu

47 WELCOME AND APOLOGIES

The Chair welcomed the attendees to the virtual meeting of the Governance and Audit Committee with a particular welcome to the new Lay Members. Apologies of absence were received from County Borough Councillors J Edwards, M Griffiths, M Norris, and G Davies.

48 DECLARATION OF INTEREST

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

49 MINUTES

It was **RESOLVED** to approve the minutes of the 7th February 2022 as an accurate reflection of the meeting.

PROGRESS AGAINST THE INTERNAL AUDIT RISK BASED PLAN 2021/22

The Audit Manager provided a brief overview on the position statement of progress made against the audit work included and approved within the Internal Audit Risk Based Plan 2021/22.

Members were informed that of the 31 audit assignments where a report has been issued, 1 was undertaken on a consultancy basis, 27 had final reports issued and 3 reports were at draft stage. The Audit Manager went on to update Members that a further 6 assignments were awaiting management review, 5 assignments were at the fieldwork stage and 11 assignments were at the audit fieldwork scoping stage. The Audit Manager added that an updated position statement will be reported to the next Governance and Audit Committee meeting.

Members were also informed of the 3 audit assignments where the audit opinion reported was 'limited assurance' and the Audit Manager informed Members that all recommendations reported by Internal Audit had been agreed to be implemented by management and follow-up reviews will be incorporated into the 2022/23 audit plan.

Members were directed to Appendix A of the report which highlighted the details of each planned review, the audit opinion, and the number of high, medium or low priority recommendations made to improve the internal audit control, governance and risk management environment. The Audit Manager informed Members that, to date, 96 recommendations had been made and the status of these will be reviewed on an ongoing basis to ensure they are implemented.

The Chair thanked the Audit Manager for the detailed report and referred to Members for questions.

One Member raised concern surrounding the Fostering and Adoption payments and the potential for disruption particularly in light of recent foster carer recruitment issues. The Member highlighted the importance of foster carers within the community and ensuring fostering and adoption payments are made on time, and requested reassurance around there being no adverse impact on service delivery.

The Audit Manager advised that the Council's Adoption & Foster Carer Service forms part of the Valleys, Vale and Cardiff (VVC) collaborative with Rhondda Cynon Taf Council (RCT). Under these arrangements RCT has responsibility for deciding whether a child needs to be adopted, for completing the financial assessment calculation and for subsequent payments. The VVC are responsible for carrying out the child's assessment of support, matching them with a family and assessing the financial support which will be necessary. During the review it was identified that there were gaps in the policy framework for sharing information between partners, a need for information to be shared on a timely basis and a regular process for the review and re-assessment of payments made, especially where care plans are being extended or amended. The review process also ensures that payment calculations are accurate and in line with care plans and need to be undertaken independently. The Audit Manager confirmed that the audit assignment did not identify any adverse impact in respect of service delivery and fed back that management has agreed to the implementation of the recommendations contained within the Final Report, and these recommendations will be monitored to ensure they are implemented in accordance with the agreed timescales included within the Management

Implementation Plan. A follow up review will also be undertaken in 2022/23 to ensure that all recommendations have been fully implemented.

Mr M Jehu raised a query surrounding the 6 recommendations in respect of the Ty Gwyn Pupil Referral Unit and whether there were any safety concerns identified.

The Audit Manager advised that when establishment-based audit visits are undertaken, the areas examined include, for example, School Private Fund, Purchasing Card, Governance and Safeguarding. When providing assurance on the area of Safeguarding, auditors carry out a testing programme to check that all staff are appropriately trained in safeguarding, there are up to date policies in place which are known to all staff and are subject to regular review by the Governing Body, and staff have been subject to appropriate pre-employment checks before commencing in post. The assurance and audit opinion provided by Internal Audit relates to the internal control environment, the audit opinion based on an evidence-based review of appropriate documentation and supporting documents to confirm compliance with Safeguarding Policies; the Audit Manager confirmed that the audit assignment did not identify safeguarding safety concerns in this regard. The Audit Manager added that the priority rating of all findings is reported to the Governance and Audit Committee throughout the year in accordance with progress against the audit plan.

Following discussions, the Governance and Audit Committee **RESOLVED:**

- To consider the content of the report and progress made against the Internal Audit Risk Based Plan 2021/22.

51 WHISTLE BLOWING ANNUAL REPORT 2021/22

The Head of Employee Relations provided a brief overview of the Annual Whistleblowing Report 2021/22 in accordance with the Prescribed Persons Regulation 2017.

The Head of Employee Relations referred Members to Section 4.1 of the covering report, that noted the instruction from the 26th April 2021 Audit Committee for the Director of Human Resources to publish and raise awareness of the updated Whistleblowing Policy and Procedure. The Head of Employee Relations provided confirmation to the Committee that a Council wide email / notification was circulated to Council Staff and published on the Council's website, and that whistleblowing continues to form part of the Council's induction process.

The Head of Employee Relations went on to refer Members to Appendix 1, the Whistleblowing Annual Report 2021/22, which clarified the purpose of the Whistleblowing Policy and Procedure together with the processes to be followed when raising a concern. The Head of Employee Relations informed Members that the Whistleblowing Policy and Procedure will be kept under on-going review and any updates proposed will be reported to the Governance and Audit Committee for consideration and, if deemed appropriate, approval.

Members were then directed to Section 4 / Table 1 of the report that set out the disclosures raised under the Policy during 2021/22 and the actions taken, and

were informed that all occasions of whistleblowing referrals have been investigated and where appropriate necessary actions have been taken. The Head of Employee Relations fed back that based on the action taken during 2021/22, as set out in the Annual Report, the Director of Human Resources has concluded that the Council's whistleblowing arrangements were appropriate.

The Chair fed back that the awareness raising work undertaken was reassuring and the position that referrals are being made and thoroughly investigated demonstrated an awareness of the Policy and its effectiveness.

The Head of Employee Relations added that moving forward opportunities will be explored to utilise the Council's new HR / Payroll system for awareness raising of the Policy to continue to support the Council's proactive work in this area.

A Member raised a query in respect of the whistleblowing activity on community recycling centres and whether there has been further progress since January. The Head of Employee Relations advised that investigations have now been completed and some members of staff have either resigned or have left the Council.

Following discussions, the Governance and Audit Committee **RESOLVED:**

- To approve the Whistleblowing Annual report 2021/22 in line with requirements placed upon the Council by the 2017 regulations.

52 GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT 2021/22

The Service Director – Finance and Improvement Services presented the Governance and Audit Committee Annual Report 2021/22 together with a self-assessment against the Chartered Institute of Public Finance and Accountancy publication 'Audit Committees – Practical Guidance for Local Authorities and Police 2028 Edition'.

The Service Director provided an overview of the work delivered by the Governance and Audit Committee in 2021/22, in line with its agreed work programme, and concluded that based on the work undertaken, the Governance and Audit Committee has delivered its Terms of Reference.

The Service Director – Finance and Improvement Services went on to provide an overview of the self-assessment against the Chartered Institute of Public Finance and Accountancy publication 'Audit Committees – Practical Guidance for Local Authorities and Police 2028 Edition', at section 3 of the report, and informed Members that good progress had been made to implement proposals for improvement reported in 2020/21. The Service Director added that the 2021/22 self-assessment process has identified 2 areas for improvement to further support and reinforce existing arrangements, these being to refresh the training needs assessment to inform a new learning and development plan for the Committee for 2022/23 and develop a library of on-line learning material, with these areas to be progressed in 2022/23 subject to agreement of the Committee.

The Governance and Audit Committee **RESOLVED:**

- To review the Annual Report and Self-assessment, and determined the Annual report forms a balanced summary of the work undertaken by the Governance and Audit Committee during 2021/22.
- To approve the Governance and Audit Committee Annual Report 2021/22 and its presentation to full Council.

53 RISK MANAGEMENT STRATEGY UPDATE

The Head of Procurement provided Members with an update on the draft Risk Management Strategy and informed the Committee that the Strategy has been in place since 2014, with the aim of setting out the overall purpose and framework for risk management within the organisation, and contains two levels of risk:

- Strategic Risks – those that the Council faces when delivering its Corporate Plan Priorities; and
- Operational Risks – those associated with the delivery of service objectives and included within Service Delivery Plans.

The Head of Procurement went on to inform Members that the Council's 2020/21 Annual Governance Statement contained a recommendation for the Risk Management Strategy to be reviewed and updated, taking into account the findings and recommendations reported within the Internal Audit Report 'Risk Management', and provided confirmation to the Committee that this recommendation has been completed as set out in Section 4 of the covering report. The Head of Procurement added that the updated draft Risk Management Strategy is set out for the Committee's consideration at Appendix A.

The Chair was pleased with the comprehensive report and with specific regard to the updates incorporated within the draft Strategy, commented that setting out the Council's risk appetite will help to further reinforce risk management arrangements.

The Governance and Audit Committee **RESOLVED:**

- To review and provide feedback on the updated draft Risk Management Strategy
- To endorse an updated draft Risk Management Strategy and its reporting to Cabinet for consideration and if deemed appropriate, for approval.

54 COUNCIL PROGRESS UPDATE: AUDIT WALES ANNUAL AUDIT SUMMARY 2020 AND ANNUAL AUDIT SUMMARY 2021

The Service Director – Finance and Improvement Services presented the report which provided Members with progress updates on the implementation of proposals for improvement that have been reported within the Audit Wales 2020 and 2021 Annual Audit Summaries. Members were advised that the 2021 Annual Audit Summary was presented by Audit Wales to full Council in January 2022.

With regard to the 2020 Annual Audit Summary, the Service Director fed back

that three progress updates have been reported to the Governance and Audit Committee during 2021/22, these being in April 2021, December 2021 and to this meeting. The Service Director referred to the latest progress update, as set out at Appendix 1, and fed back that good progress can be evidenced with recommendations either completed, or due to their nature, require work to be on-going, for example, the Council's work to tackle homelessness. The Service Director added that where work is on-going, these will be incorporated into 2022/23 Service Delivery Plans and monitored as part of the Council's operational performance management arrangements.

The Service Director went on to provide an overview of progress made to date to implement recommendations / proposals for improvement included within the Audit Wales Annual Audit Summary 2021, a summary included at Table 1 of the covering report and a detailed update at Appendix 2. The Service Director informed the Committee that the Annual Audit Summary 2021 contained recommendations / proposals for improvement from published reports that were specific to Rhondda Cynon Taf Council as well as national reports that relate to local authorities more generally, other public bodies and also Welsh Government. The Service Director added that further progress updates would be reported to the Governance and Audit Committee during 2022/23 in line with its agreed work programme.

The Governance and Audit Committee **RESOLVED:**

- That there were no matters of a governance, internal control or risk management nature that required action on attention by the Governance and Audit Committee.
- That there were no matters of a performance nature that required review by the Councils Scrutiny team

55 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 the following items 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".

56 ANTI-FRAUD ANNUAL REPORT 2021/22

The Service Director – Pensions, Procurement & Transactional Services set out the updated draft Anti-Fraud, Bribery and Corruption Strategy, outlined the progress made to date against the Anti-Fraud, Bribery & Corruption work programme for 2021/22 and provided a proposed work programme for 2022/23. Members were also updated on the national picture, as provided through the public sector anti-fraud network, of increased fraudulent activity during the Covid-19 lockdown and the proactive steps taken by the Council to mitigate risk of fraud and corruption in this regard. The Service Director went on to inform Members that during 2021/22 the Council has taken necessary preventative steps to raise awareness around vigilance and appropriate sharing of intelligence across the anti-fraud network.

Following discussion, it was **RESOLVED:**

- To review and consider the updated Council Anti-Fraud, Bribery & Corruption Strategy.
- To review the outcomes on the anti-fraud work progress during 2021/22.
- Consider the proposed work to be undertaken in 2022/23 and provide guidance where necessary within the Terms of Reference of the Committee.

This meeting closed at 5.55 pm

**Mr Christopher Jones
Chairman.**