



## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2022/23

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| <b>GOVERNANCE AND AUDIT COMMITTEE</b><br><br><b>7<sup>TH</sup> DECEMBER 2022</b> | <b>AGENDA ITEM NO. 6</b>   |
| <b>REPORT OF THE DIRECTOR OF FINANCE &amp; DIGITAL SERVICES</b>                  | <b>2021/22 ANNUAL GOVERNANCE STATEMENT RECOMMENDATIONS – PROGRESS UPDATE</b> |

Author: Paul Griffiths (Service Director, Finance & Improvement Services)

### **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of the report is to provide the Governance and Audit Committee with an update on the status of the recommendations included within the 2021/22 Annual Governance Statement.

### **2. RECOMMENDATIONS**

It is recommended that Members review the information contained within the report and:

- 2.1 Seek clarity and explanation where there are areas of concern.
- 2.2 Form an opinion in respect of whether they are satisfied with the progress made to date to implement the recommendations.

### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure the Governance and Audit Committee discharges its responsibilities in respect of reviewing and forming an opinion on the overall control environment in place across the Council.

### **4. BACKGROUND**

- 4.1 The Council's 2021/22 Annual Governance Statement (AGS) was reported to and approved by the Governance and Audit Committee at its meeting on [18th July 2022](#). The document described the governance arrangements in place, reviewed their effectiveness and where necessary provided recommendations for improvement.

- 4.2 In relation to monitoring the Council's overall governance arrangements, the Terms of Reference for the Governance and Audit Committee states:

*As a key element of new arrangements for corporate governance, designed to ensure openness, integrity and accountability, the Committee will assist the Authority in discharging its responsibility for ensuring financial probity, without taking any action which might prejudice it. The Committee will (amongst other things):-*

*Governance, risk and control*

*C. Review, scrutinise and issue reports and recommendations on the appropriateness of the Authority's risk management, internal control and corporate governance arrangements, and providing the opportunity for direct discussion with the auditor(s) on these.*

- 4.3 In accordance with the above Terms of Reference extract (Item C) and workplan for the Governance and Audit Committee, this report provides an update on the status of each recommendation made within the AGS. Appendix 1 provides details of each recommendation along with a summary of action taken to date to progress their implementation.

- 4.4 As part of reviewing the status of each recommendation, Members should seek assurance, in addition to their own lines of enquiry, around the adequacy of the arrangements and extent of progress to implement the recommendations.

**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 The Council's AGS has been compiled in accordance with the CIPFA / SOLACE 'Delivering Good Governance in Local Government: Framework 2016'.

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

**THE COUNCIL'S CORPORATE PLAN PRIORITIES**

- 9.1 Monitoring the status of the recommendations within the AGS aims to support the delivery of the priorities contained within the Council's Corporate Plan 2020 – 2024 “*Making a Difference*”, in particular ‘Living Within Our Means’ through ensuring that appropriate internal controls are in place to effectively manage resources and demonstrate openness and accountability.

**WELL-BEING OF FUTURE GENERATIONS ACT**

- 9.2 The Sustainable Development Principles, in particular Prevention, can be applied to the systematic reviews undertaken in order to provide assurance that risks to the achievement of objectives are being managed.

**10. CONCLUSION**

- 10.1 A summary of action taken to date to implement the recommendations contained within the 2021/22 AGS is provided at Appendix 1.
- 10.2 The information aims to assist Members when forming an opinion at financial year-end on the Council's overall governance arrangements for 2022/23.

**Other Information:-**

***Relevant Scrutiny Committee***  
**Not applicable.**

***Contact Officer*** – Paul Griffiths



**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**GOVERNANCE AND AUDIT COMMITTEE**

**7<sup>TH</sup> DECEMBER 2022**

**2021/22 ANNUAL GOVERNANCE STATEMENT RECOMMENDATIONS –  
PROGRESS UPDATE**

**REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES**

Author: Paul Griffiths (Service Director, Finance & Improvement Services)

**Item: 6**

**Background Papers**

None.

Officer to contact: Paul Griffiths

**APPENDIX 1**

**ANNUAL GOVERNANCE STATEMENT 2021/22 PROGRESS UPDATE**

| Core / Supporting Principle (Paragraph)   | Local Code of Corporate Governance Requirement   | Issue Identified   | Recommendation  | Timescale for Implementation | Responsible Officer(s)                                     | Progress Update – December 2022  |
|---|--|--|---|------------------------------|--|--|
| <p><b>Supporting Principles:</b></p> <p><b>C: Defining outcomes in terms of sustainable economic, social and environmental benefits; and</b></p> <p><b>D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p> <p><b>Paragraph 5.12.1</b></p> | <p>Corporate Plan and Service Delivery Plans</p> | <p>The collection and reporting of performance indicator information was necessarily paused during the pandemic due to the need to temporarily suspend some frontline service areas and / or change delivery arrangements.</p> | <p>For the 2022/23 financial year, the reporting of key performance indicator information should be reinstated to enable a full as picture as possible to be reported of performance.</p> | <p>September 2022</p>        | <p>Service Director – Finance and Improvement Services</p> | <p>Revised Timescale – November 2022</p> <p>Completed<br/>(key performance indicator information included and published within the Council’s Quarter 2 Performance Report. Quarterly updates to be reported during 2022/23 to Cabinet and the Overview and Scrutiny Committee)</p> |
|   | <p>Risk Management Strategy</p>                  | <p>The Council’s Strategic Risk Register requires review to take account of revisions incorporated within the updated Risk Management Strategy.</p>  | <p>The Strategic Risk Register should be reviewed and where appropriate, updated, taking into account the revisions incorporated within the updated Risk Management Strategy.</p>         | <p>September 2022</p>        | <p>Head of Procurement</p>                                 | <p>Completed</p> <p>Risk Register updated and included within the Council’s Quarter 1 Performance Report. Quarterly updates to be reported during 2022/23 to Cabinet and the Overview and Scrutiny Committee.</p>  |

| Core / Supporting Principle (Paragraph)   | Local Code of Corporate Governance Requirement         | Issue Identified  | Recommendation  | Timescale for Implementation                         | Responsible Officer(s)  | Progress Update – December 2022   |
|---|--|---|---|--|---|---|
| <p><b>Supporting Principle:</b></p> <p><b>F: Managing risks and performance through robust internal control and strong public financial management</b></p> <p><b>Paragraph 5.14.1</b></p> | <p>Audit Committee and an Internal Audit function.</p> | <p>The GAC's Learning and Development Plan was put in place in March 2021.</p> <p>No on-line library of learning and development information in respect of role / responsibilities of GAC is available for elected Members.</p> | <p>Using lessons learned from 2021/22, undertake a training needs analysis of Committee Members to inform a refreshed learning and development plan for 2022/23.</p> <p>Develop a library of on-line learning and development information for Committee Members as part of learning and development support arrangements.</p> | <p>From September 2022</p> <p>From November 2022</p> | <p>Service Director – of Democratic Services and Communication</p> <p>Service Director – of Democratic Services and Communication</p> | <p>Completed (Update to be reported to the 7/12/22 Governance and Audit Committee)</p> <p>This is an on-going programme of work</p> |

| Core / Supporting Principle (Paragraph)   | Local Code of Corporate Governance Requirement  | Issue Identified   | Recommendation  | Timescale for Implementation | Responsible Officer(s)                                     | Progress Update – December 2022 |
|---|---|--|---|------------------------------|--|---------------------------------|
| <p><b>Supporting Principle:</b></p> <p><b>F: Managing risks and performance through robust internal control and strong public financial management</b></p> <p><b>Paragraph 5.14.6</b></p> | <p>Compliance with the CIPFA Financial Management Code of Practice</p> <p>Standard D - The authority applies the CIPFA/SOLACE <i>Delivering Good Governance in Local Government</i> (2016).</p> | <p>The structure of the 2021/22 Annual Governance Statement has been revised to more clearly align with the Council's Local Code of Corporate Governance – this process has identified areas where the Local Code can be further strengthened e.g. reflecting the Council's stakeholder engagement arrangements.</p> | <p>The Council's Local Code of Corporate Governance should be reviewed and updated, and thereafter reported to the Governance and Audit Committee for consideration / approval.</p> | <p>January 2023</p>          | <p>Service Director – Finance and Improvement Services</p> | <p>On Target</p>                |

| Core / Supporting Principle (Paragraph)   | Local Code of Corporate Governance Requirement  | Issue Identified   | Recommendation  | Timescale for Implementation | Responsible Officer(s)                                     | Progress Update – December 2022  |
|---|---|--|---|------------------------------|--|--|
| <p><b>Supporting Principle:</b></p> <p><b>F: Managing risks and performance through robust internal control and strong public financial management</b></p> <p><b>Paragraph 5.14.6</b></p> | <p>Compliance with the CIPFA Financial Management Code of Practice</p> <p>Standard E - The financial management style of the authority supports financial sustainability.</p> | <p>To ensure appropriate arrangements continue to be in place for elected Members and Budget Holders (Council Officers) to effectively fulfil the finance roles, a refreshed programme of training should be put in place.</p> | <p>Refresh training material and deliver a programme of Officer and elected Member financial awareness training (that includes an 'Introduction to Local Government Finance', 'Understanding the Council's Budgets' and 'Treasury Management').</p> | <p>From September 2022</p>   | <p>Service Director – Finance and Improvement Services</p> | <p>This is an on-going programme of work</p> <p>('Treasury Management' training session delivered (7/9/22) and 'Introduction to Local Government Finance' session delivered (3/10/22))</p> |



| Core / Supporting Principle (Paragraph)  | Local Code of Corporate Governance Requirement   | Issue Identified  | Recommendation  | Timescale for Implementation | Responsible Officer(s)                          | Progress Update – December 2022  |
|--|--|---|---|------------------------------|---|--|
| <p><b>Principle:</b></p> <p><b>F: Managing risks and performance through robust internal control and strong public financial management</b></p> <p><b>Paragraph 5.14.6</b></p> | <p>Compliance with the CIPFA Financial Management Code of Practice</p> <p>Standard G - The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</p> | <p>The Council's Medium Term Financial Plan covers, on a high level basis, the key areas it will focus on as part of 'balancing the budget' in future budget strategies, for example, workforce, digitisation and Built Asset Review.</p> | <p>The information included within the Medium Term Financial Plan (MTFP) should be developed further to set out in more detail the Council's work in the key areas that will underpin future budget strategies and how they align with its medium term financial planning arrangements (this area was also reported as a recommendation by Audit Wales in its report 'Financial Sustainability Assessment – Rhondda Cynon Taf County Borough Council').</p> | <p>September 2022</p>        | <p>Director of Finance and Digital Services</p> | <p>Completed</p> <p>The Council's MTFP has been updated in line with the recommendation and reported to Cabinet (26/9/22) and full Council (28/9/22)</p> |

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