



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

Minutes of the virtual meeting of the Governance and Audit Committee held on Wednesday, 7 December 2022 at 5.00 pm.

This meeting was recorded, details of which can be accessed [here](#)

**County Borough Councillors – The following Councillors were present:**

Mr C Jones (Chair)

|                          |                       |
|--------------------------|-----------------------|
| Councillor G Hopkins     | Councillor M Maohoub  |
| Councillor S Rees        | Councillor B Stephens |
| Councillor L A Tomkinson | Councillor P Evans    |
| Mr M Jehu                | Mr J Roszkowski       |

**Officers in attendance**

Mr P Mee, Chief Executive  
Mr A Wilkins, Director of Legal and Democratic Services  
Mr P Griffiths, Service Director – Finance & Improvement Services  
Ms L Cumpston, Group Audit Manager  
Mr I Traylor, Service Director – Pensions, Procurement & Transactional Services  
Audit Wales

**13 Welcome and Apologies**

The Chair welcomed Members to the virtual Governance and Audit Committee; County Borough Councillor M Maohoub extended his welcome to new Member, County Borough Councillor P Evans.

**14 Declaration of Interest**

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

**15 Minutes**

It was **RESOLVED** to approve the minutes of the 7<sup>th</sup> September 2022 as an accurate reflection of the meeting.

**16 Audit Wales Assurance and Risk Assessment Summary Report**

The Audit Manager, Audit Wales presented a report to Members; The document was prepared as part of work performed in accordance with Section 17 of the

Public Audit (Wales) Act 2004 and Section 15 of the Well-being of Future Generations (Wales) Act 2015. It was noted that the project was undertaken to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources. The Report summarised the findings where Audit Wales have undertaken more detailed assurance and risk assessment work that covered:

1. Financial Position
2. Implication of Local Government and Elections (Wales) Act 2021
3. Self-Assessment arrangements
4. Carbon Reduction plan

The Audit Manager advised Members that in terms of the Council's financial position, the Council is well-placed to respond to significant financial pressures it faces and that no major concerns were found in respect of the Council's management of reserves.

It was noted that in terms of savings delivery, the Council's approach to date has continued to be effective and the Council's Medium Term Financial Plan highlighted that this approach will be increasingly challenging without impacting on frontline services. In relation to performance against budget, it was noted that the Council has a good track record of delivering its services within the budget.

The Audit Manager continued by covering the Implications of the Local Government and Elections (Wales) Act 2021, noting that the Council is making good progress in developing its arrangements to meet the requirements of the Act, but has not yet agreed its approach for engaging with the public via a public participation strategy.

Context was provided for Members in that in July 2022, the Auditor General published Public Sector readiness for the Net Zero Carbon by 2030, which looked at decarbonisation action in 48 public bodies, including all Local Councils. The Audit Manager noted that the Council is progressing its carbon reduction plan; however further work is needed to identify resources to deliver its plans over the long term.

Lastly, the Audit Manager commented on the Council's Digital Strategy and Members were advised that the Council agreed its new digital strategy in March 2022. Overall, it was noted that the Council has invested in its digital team and processes and has built on its previous digital strategy and the progress made during the pandemic to develop its new strategy and was developing arrangements to support its implementation.

Service Director, Finance and Improvement Services noted the recommendation made by Audit Wales in respect of meeting its net zero ambition and the need to fully cost its action plan and ensure alignment with the Medium-Term Financial Plan. The Service Director advised Members that the Council's updated Medium-Term Financial Plan, reported in September 2022, sets out Climate Change as a key component of the Council's financial planning arrangements and an on-going programme of work is in place to plan for and resource the work in this area.

The Governance and Audit Committee **RESOLVED** to:

- Note the content in the report.

**17      AUDIT WALES - TRANSFORMATIONAL LEADERSHIP PROGRAMME BOARD - BASELINE GOVERNANCE REVIEW - CWM TAF MORGANNWG REGIONAL PARTNERSHIP BOARD**

The Audit Manager, Audit Wales presented the report to Members and noted that the review aimed to gain assurance that the health board and the three Councils are working together effectively through aegis of the TLPB to support regional integrated working across Cwm Taf Morgannwg region.

The Audit Manager informed Members that the report focuses on the 3 key areas: Strategic planning; Governance arrangements; and Resources, that found overall that the Transformational Leadership Programme Board is well-placed to develop stronger regional working building on the productive relationships over the past 18 months, However, it needs to ensure its planning is more integrated and longer term, strengthen aspects of its governance arrangements and be more ambitious in using its combined core resources to have a greater impact on the Cwm Taf Morgannwg region.

Members were directed to Appendix 1 of the report which presents the findings in more detail based on the 3 key areas.

The Chief Executive provided an overview of the management responses to the Audit Wales recommendations, noting that all had been agreed. The Chief Executive fed back to Members that relation to the planning process, the Regional Partnership Board (RPB) has a development session planned for the 8<sup>th</sup> December 2022 that will, amongst other things, focus on strengthening its purpose and resetting the integration agenda. The Chief Executive indicated that in respect of governance, the arrangements beneath the RPB will be reviewed to further strengthen this area.

Members were also informed that since the publication of the Audit Wales report, a paper in respect of a new integrated community services model has been agreed, noting that this will be subject to on-going review including use of resources and funding.

A Member commented on the challenges faced within the Board in relation to composition, governance and the financial eco system, and noted that a key element of on-going success will be stability of its structure.

The Governance and Audit Committee **RESOLVED** to:

- Note the content in the report.

**18      Council Progress Update - Implementation of recommendations reported by Audit Wales**

The Service Director, Finance and Improvement Services presented the report to provide Members with a progress update on the implementation of proposals for improvement reported in the Audit Wales 'Annual Audit Summary 2021' and the three stand-alone reports subsequently reported to Governance and Audit Committee on the 7<sup>th</sup> September.

The Service Director provided an overview of the report and noted the

Governance and Audit Committee's role in considering Audit Wales reports, as set out at Section 3, and Members were directed to section 4.2 of the report that highlighted the progress updates that have been reported in 2022 to date to the Governance and Audit Committee and also the Overview And scrutiny Committee, namely:

- Audit Wales Annual Audit Summary 2021 (AAS) - progress update reported to the Governance and Audit Committee on 23 March 2022; and
- Audit Wales Springing Forward Reports (Strategic Asset Management and Workforce Planning) – the reports presented by Audit Wales to the Governance and Audit Committee on 7th September 2022 and a progress update reported to the 10th October 2022 Overview and Scrutiny Committee.

Members were directed to Appendix 1 of the report, that provided further progress updates on the AAS and Springing Forward reports, and were requested to review the updates and to consider, along with their own lines of enquiry, whether there were any matters of a governance, internal control or risk management nature that required further action or attention and also whether there were any matters of a performance nature that required review by the Council's Scrutiny Committees.

With regard to the Direct Payments for Adult Social Care report, a Member recognised the challenges faced to increase service user take-up of direct payments and requested information on how the Council's position compared across Wales. The Service Director, Finance and Improvement Services fed back that further enquiries will be made around comparative information and will be fed back to Committee Members. The Service Director added that the report was also presented to the Community Services Committee in October 2022, and for Rhondda Cynon Taf, the direct payment option for Adult Services is a key part of the overall support arrangements, with service users being advised of the benefits of receiving direct payments, with support also in place from Dewis Cymru to assist service users who wish to take-up the Direct Payment option.

A Member also commented on the work being taken to progress the recommendations within the Care Inspectorate Report, noting the positive progress in respect of a workforce steering group being set up and that the Council is committed to the apprenticeship scheme. The Committee requested further information on the benefit that this scheme provides.

The Service Director, Finance and Improvement Services informed Members that workforce development, that includes the apprenticeship scheme, is a medium to long term programme of work that provides learning and development pathways to support new starters develop their careers within the Council and improve staff retention.

Following discussion, the Governance and Audit Committee **RESOLVED** to:

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

require review by the Council's Scrutiny Committees.

**19 2021/22 Annual Governance Statement Recommendations - Progress Update**

The Service Director, Finance and Improvement Services presented the report that provided the Governance and Audit Committee with an update on the status of the recommendations included within the 2021/22 Annual Governance Statement (AGS).

The Service Director fed back that the Council's 2021/22 AGS was reported to and approved by the Governance and Audit Committee at its meeting held on the 18<sup>th</sup> July 2022, with the AGS being a key component of the Council's overall governance arrangements with agreed recommendations being built into service delivery planning and monitoring arrangements.

Members were directed to Appendix 1 that set out progress updates for the 7 recommendations included in the 2021/22 AGS. The Service Director noted that 4 of the recommendations have been completed; 2 were on-going by the nature, that is, in respect of supporting ongoing development of an online library of learning and development material and the delivery of a programme of learning and development to Members; and 1 is on target to be delivered by the delivery date of January 2023 in respect of reviewing and updating the Council's Local Code of Corporate Governance.

The Service Director fed back that overall good progress can be demonstrated, with no recommendations which are overdue or not on target to be delivered.

The Governance and Audit Committee **RESOLVED** to:

- Seek clarity and explanation where there were areas of concern.
- Confirm satisfaction with the progress made to date.

**20 Draft Annual Self-Assessment (incorporating the Council's Corporate Performance Report)**

The Performance Manager presented the report, the purpose of which was for the Governance and Audit Committee to review the Council's draft Self-Assessment for 2021/22 in advance of consideration at a meeting of the Council in January 2023, in accordance with the requirements of the Local Government and Elections (Wales) Act 2021. The Performance Manager informed Members that further to approval of the Self-Assessment, the document must be subsequently published within 4 weeks.

The Performance Manager provided an overview of the report and noted that the Council has a strong record of self-awareness / self-reflection within a culture of continuous improvement and meeting statutory requirements.

The Performance Manager advised Members of the areas of improvement that were identified from the Self-Assessment, namely:

1. Financial Planning and Resilience;
2. Workforce Planning;
3. Cost of Living;
4. Making RCT Resilient to the challenges of Climate Change;

5. Narrowing the Attainment gap for pupils living in poverty;
6. School Attendance;
7. Modernising and integrating health and social care services and transforming the Council's residential services for children;
8. Continuing to regenerate the town centres and supporting local businesses; and
9. Supporting those in housing need.

The Performance Manager went on to inform Members that the Self-Assessment seeks to challenge the status quo and to deliver an open and honest assessment of the Council's functions and governance. The Performance Manager advised Members that this culture of constructive challenge and support, continual organisation self-awareness and the pursuit of excellence across the Council aims to ensure services are delivered efficiently and effectively.

To conclude, the Performance Manager fed back that the Self-Assessment demonstrates the Council meets the performance requirements of the Local Government and Elections (Wales) Act 2021.

A Member requested further information on the key challenges facing the Council.

The Chief Executive commended the Self-Assessment and indicated that it represented an excellent summary of the Council's position, supported by robust performance management arrangements and good governance throughout the course of the year. The Chief Executive referred Members to the 9 areas for improvement, these providing an overview of the key challenges facing the Council, and noted that actions to address these areas are built into service planning and delivery arrangements.

Mr M Jehu requested reassurance from the Chief Executive that the 9 priority areas are not dealt with in isolation but as a collective with partner organisations.

The Chief Executive emphasised the importance of working collaboratively to tackle these areas and advised that with regard to the Council's strategic partnership landscape, there are developments being progressed, for example, bringing Public Services Boards together across the region into a single arrangement to support more effective and efficient arrangements; the Regional Partnership Board that is taking forward the integration of Health and Social Care agenda; and on-going work with the Health Board, noting the very challenging operating environment and current pressures currently being experienced. The Chief Executive added that there is a clear commitment from partners across agencies to work together and deliver the required improvements.

Following discussion, the Governance and Audit Committee **RESOLVED** to:

- Note the significant amount of detail contained within the Self-Assessment and the mature and robust governance and performance processes in place which enabled its production.
- Declared themselves satisfied with the Chief Executive's responses to questions in respect of organisational capacity to deliver the bigger challenges within the nine themes emerging from the Self-Assessment

and also the value of collaboration with partners to seek and deliver improvements in these areas of work.

- Make no recommendations for change prior to consideration by full Council.
- Noted that the Self-Assessment would be published within four weeks of a version being approved by full Council.

## 21 Progress against the Internal Audit Risk Based Plan 2022/23

The Audit Manager presented the report to provide the Governance and Audit Committee with a position statement on progress made against the audit work included and approved within the Internal Audit Risk Based Plan 2022/23. The Audit Manager noted that the Internal Audit Risk Based Plan for 2022/23 was submitted to the Governance and Audit Committee for consideration and approved on the 18<sup>th</sup> July 2022. The Plan outlined the audit assignments to be carried out in order to provide adequate coverage to enable an overall opinion at the end of 2022/23.

The Audit Manager directed Members to Appendix A of the report, this detailing the status of each planned review, the audit opinion (where the audit is complete or has reached final report stage) and the number of recommendations made to improve the internal control, governance and risk management environment.

As of 23rd November 2022, 21 audit assignments have been completed, including 17 audits where a final report and audit opinion have been issued. The remaining 4 completed assignments relate to work where no audit opinion is provided, for example Annual Governance Statement (AGS), Annual Opinion Report (Head of Internal Audit) and Internal Audit Planning 2022/23. This is because the audit work carried out in respect of these items was planned but the nature of the work does not lead to testing and the formation of an audit opinion. A further 4 draft reports have been issued and 2 audit assignments are awaiting management review. There are 4 audit assignments currently in progress and a further 10 assignments are at the scoping stage.

Based on the assessment of the strengths and weaknesses of the areas examined through testing of the effectiveness of the internal control, governance and risk management arrangements, the following audit opinions have been given to the 17 audit assignments completed to final report stage to date:

| Audit Opinion         | No. Of Audits |
|-----------------------|---------------|
| Substantial Assurance | 12            |
| Reasonable Assurance  | 5             |
| Limited Assurance     | 0             |
| No Assurance          | 0             |

The Audit Manager confirmed that there have been no audit assignments completed across the 2022/23 planned areas to date where an audit opinion of limited assurance or no assurance has been placed on the current systems of internal control, governance and risk management.

Members were advised that Appendix A also illustrates that 2 planned audit assignments across the 2022/23 plan have been cancelled as follows: -

- Local Authority Education Grant (LAEG)
- RCT Pupil Development Grant (PDG)

These audits have been undertaken annually in recent years; however no issues have been identified as part of the Internal Audit process for the past 2 years. Therefore, it has been determined that there is no requirement for these 2 areas to be subject to an audit, either from an Internal Audit or Management perspective as no significant changes/issues or risks were identified. Both audits will continue to be included on the schedule for discussion in the audit planning process going forward in case circumstances change and material risks are identified.

Lastly, the Audit Manager advised Members that a further 1 audit assignment relating to an audit included within the 2021/22 plan of work has been finalised during 2022/23 as follows:

### **Welsh Community Care Information System (WCCIS)**

This audit assignment was finalised on 18th August 2022 and an audit opinion of reasonable assurance was provided, with 2 medium priority recommendations made. The scope of this audit was to provide assurance on the process in place for identifying data omissions/errors, and where patterns of data inaccuracies are identified determine whether guidance and training is given to prevent any instances of reoccurrence. This audit also examined the processes in place for collating the information required for Welsh Government statutory returns and ensuring the veracity of information for submission.

Lay Member Mr Roszkowski requested for future reports provided to include a traffic light system to highlight the progress of all planned audit assignments, for instance: Green, in progress and where we want to be; Amber, behind in progress; and Red, not completed. This will allow the Committee to identify areas to focus on.

The Audit Manager advised that the system can be inserted in future reports in respect of progress of work once its finalised. To add, the Head of Regional Internal Audit Service advised Members that a colour coding system could be applied to specific audits which are encountering delays and some form of colour coding could be incorporated when the next report was produced.

A Member requested further information on the progress of WCCIS. The Audit Manager advised Members the audit report covered a limited scope rather than a whole overview of WCCIS. To add, the Chief Executive advised Members of discussions with providers of WCCIS and it was noted that performance and stability of the system has improved. The Chief Executive informed Members that a national review of WCCIS was underway and will be reported back in due course.

Lay Member Mr Jehu requested further detail on the order of priority of the 97 recommendations made within the report. The Audit Manager advised Members that in respect on the order of information, this is extracted from the internal audit software system. The order in which the data is presented is a hierarchy of how its organised within the system and not in priority format.



To add, the Head of Regional Internal Audit Service advised Members of the process undertaken in respect of the development of the Internal Audit Annual Plan, noting that the process includes discussions with senior officers at each Authority around areas of risk and comments made by Governance and Audit Committee, this informing an assessment of risk in terms of the highest priorities. The report aimed to highlight to Members the Council's control environment in relation to governance, risk management and internal control and to inform the Governance and Audit Committee of the work and performance of Internal Audit for the financial year 2022/23.

The Head of Regional Internal Audit Service advised Members that in future the reports will include further information on audits that were delayed.

The Service Director, Finance and Improvement Services also noted that Members can request further reports to provide additional clarification on progress of recommendations.

Following discussions, the Governance and Audit Committee RESOLVED to:

- Note the content of the report and the progress made against the Internal Audit Risk Based Plan 2022/23.

## **22 Internal Audit Recommendations**

The Audit Manager presented a report to provide Members of the Governance and Audit Committee with a position statement on internal audit recommendations made, implemented and outstanding. It was noted the recommendations are made at the conclusion of each audit review to identify improvements to be made to mitigate risk and strengthen controls. These recommendations are then included in the final audit reports and recipients are asked to provide a management response to indicate whether they agree with the recommendation, how they plan to implement them and target dates. Those priorities are organised as high, medium or low priority.

Members were directed to Table 1 of the report that highlighted the different priority ratings which are used and the recommendation categorisation. Once the target date for implementation has been reached the relevant Officers are contacted and asked to provide feedback on the status of each agreed recommendation. The implementation of these recommendations is monitored using MK Insight internal audit software to ensure that improvements are being made.

As this was the first recommendation monitoring report brought to the Committee, the report at Appendix A provides Members with a summary of the status, at as 18th November 2022, of all recommendations made by Internal Audit since the implementation of the MK Insight internal audit software on 1st April 2021. Moving forward it is suggested that only outstanding recommendations from previous years be included together with the recommendations made in the current year.

The Audit Manager noted that a total of 142 recommendations were made to improve the control environment of the areas reviewed during 2021/22 and to date 35 have been made in 2022/23. There was 1 recommendation made during 2021/22 which was not accepted by the service area as Management considered that they complied with the recommendation around staff signing their timesheets in most instances but there were occasions when it was not

possible to comply due to staff being absent; therefore, Management did not consider it was appropriate to remind staff of this requirement.

The Audit Manager advised Members that as of 18th November 2022, 127 recommendations made in 2021/22 have been implemented, while 14 have target dates in the future. There were no overdue recommendations to report to date in respect of 2021/22.

Of the 35 recommendations made to date in 2022/23, Appendix A illustrates that 24 have been implemented, and 11 have a future target date. All have been accepted by Management. The information contained in Appendix A has been compiled from the internal audit software system. Views from the Committee are sought in respect of the content and details provided. Similar reports have been presented to the other 3 Governance and Audit Committees that comprise the Regional Service footprint and once feedback from all is obtained a standard report will be commissioned.

The Governance and Audit Committee **RESOLVED** to:

- Consider the information provided in respect of the status of internal audit recommendations made.
- Review the information contained within the report and provide feedback on the content and format of the information provided.

## **23 Governance and Audit Committee - Learning and Development Update**

With the aid of a PowerPoint presentation, the Service Director, Finance and Improvement Services provide Members with an update on the work which has been undertaken to date to support the learning and development of the Committee. The presentation aimed to inform Members of the results of the training needs analysis exercise survey undertaken.

The presentation covered the following areas:

- Context;
- Training Needs Analysis;
- Committee Member Feedback; and
- Proposed Learning and Development Plan Areas.

Following the presentation, the Governance and Audit Committee **RESOLVED** to:

Note the content of the presentation.

## **24 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 12 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.

**25 Progress update against the Anti-fraud, Bribery and Corruption Work Programme for 2022/23**

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 2022/23. Following discussions, it was **RESOLVED** to:

Note and review the outcome of the anti-fraud work progress during 2022/23.

**This meeting closed at 7.00 pm**

**Mr C Jones  
Chair.**