

**RHONDDA CYNON TAF COUNTY  
BOROUGH COUNCIL**

**DRAFT ANNUAL GOVERNANCE  
STATEMENT 2022/23**

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## 1. INTRODUCTION

- 1.1 The Council's [Corporate Plan 2020 - 2024](#) 'Making a Difference' sets the overall direction for the Authority over a period of 4 years describing the vision, purpose and priorities to be delivered.
- 1.2 The Council's agreed vision, purpose and priorities are:
- Vision – ***To be the best place in Wales to live, work and play, where people and businesses are independent, healthy and prosperous.***
  - Purpose - ***To provide strong community leadership and create the environment for people and businesses to be independent, healthy and prosperous.***
  - Priorities:
    - Ensuring ***People***: are independent, healthy and successful:
    - Creating ***Places***: where people are proud to live, work and play: and
    - Enabling ***Prosperity***: creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper.
- 1.3 Underpinning the above priorities are the cross-cutting themes of '***Live within our means***' and '***Efficient and effective Council***' – both of which focus on robust financial planning and management arrangements to ensure the Council maintains its financial stability, is financially resilient and makes the best use of scarce resources.
- 1.4 This Annual Governance Statement sets out for the community, service users, tax-payers and other stakeholders the Council's governance arrangements together with a review of their effectiveness in managing risks of failure in delivering Corporate Plan priorities.

## **2. SCOPE OF RESPONSIBILITY**

- 2.1 Rhondda Cynon Taf County Borough Council (RCT) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 2.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes the arrangements for the management of risk.
- 2.3 The Council, in compiling the Annual Governance Statement, has adopted the latest *Delivering Good Governance in Local Government: Framework (2016)* developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (Solace). In doing so, the Annual Governance Statement meets the Council's legal duty as set out in the Accounts and Audit (Wales) Regulations 2014, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018.
- 2.4 The 2022/23 Annual Governance Statement also takes account of the CIPFA Financial Management Code 2019, as set out in the 'CIPFA Bulletin 06 – Application of the Good Governance Framework 2020/21' (see paragraphs 6.8.2 to 6.8.6). For information, the bulletin also covers the impact of the Covid-19 pandemic on local government bodies and the need for this to be reflected within Annual Governance Statements; in the case of Rhondda Cynon Taf, no designated section relating to the impact of Covid-19 has been incorporated into the 2022/23 Annual Governance Statement on the basis of specific arrangements introduced during the pandemic now being built into operational arrangements.
- 2.5 The Council's Annual Governance Statement aims to provide an accurate representation of the governance arrangements in place for financial year ending 31<sup>st</sup> March 2023.

### **3. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 3.1 The governance framework comprises the systems, processes and cultural values by which the Council is directed and controlled, and the activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 3.2 For RCT governance is about ensuring that the Council does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 3.3 The system of internal control is a significant part of that framework and is designed to manage the risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 3.4 The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's priorities, to evaluate the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically.
- 3.5 The governance framework outlined below has been in place at RCT for the year ended 31<sup>st</sup> March 2023 (and up to the date of approval of the 2022/23 Statement of Accounts).

### **4. THE GOVERNANCE FRAMEWORK AND REVIEW ARRANGEMENTS**

- 4.1 The Council has put in place a Local Code of Corporate Governance, in line with the seven principles set out in *The Delivering Good Governance in Local Government Framework (2016)*, to support its arrangements for ensuring sound governance.
- 4.2 The Council has responsibility for conducting, at least annually, an assessment of its governance framework including the system of internal control. Section 5 sets out an Executive Summary of the findings and proposals for improvement arising from the 2022/23 assessment and Section 6 provides more detailed information, called Review of Effectiveness, for the 2022/23 financial year against the Local Code of Corporate Governance.
- 4.3 The review process has also considered the Local Code of Corporate Governance and where required, revisions have been proposed to ensure it continues to be fit for purpose. The proposed revisions will be reported for consideration alongside the 2022/23 Annual Governance Statement.

5. **EXECUTIVE SUMMARY**

- 5.1 RCT is responsible for putting in place proper arrangements for the governance of its affairs and to review these arrangements at least annually. The Council discharges this responsibility by having in place a Local Code of Corporate Governance and undertakes an annual assessment against this Code in the form of an Annual Governance Statement. Both the Code and Annual Governance Statement have been compiled in line with Delivering Good Governance in Local Government: Framework (2016) developed by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 5.2. The Review of Effectiveness of the Council’s governance arrangements are set out in detail in Section 6 and have been summarised in Table 1 across the 7 principles set out in the 2016 Framework.

Table 1 - Summary of the Review of Effectiveness

<b>Core Principles</b>	<b>Overall Assessment Conclusion</b>	<b>Proposals for Improvement Set Out In The Annual Governance Statement (AGS)</b>
A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	The Council has sound arrangements in operation, in line with its Constitution and other agreed arrangements, to promote and demonstrate high standards of behaviour of its elected Members and Officers, and to take action where instances of non-compliance are identified.	No
B - Ensuring openness and comprehensive stakeholder engagement	The Council has clear channels to enable engagement with and from stakeholders, with arrangements being in line with the law and demonstrate a commitment to openness in the delivery of its activities.  Further work is required to develop and finalise a Participation Strategy setting out how local people are encouraged to participate in decision-making by the Council.	The Council should complete its work to finalise and agree its Participation Strategy and then take the necessary steps for this to be implemented.

<b>Supporting Principles</b>	<b>Overall Assessment Conclusion</b>	<b>Proposals for Improvement Set Out In The AGS</b>
C - Defining outcomes in terms of sustainable economic, social and environmental benefits.	<p>The Council has a robust Performance Management Framework in place that uses evidenced based assessment to determine outcomes, in line with Corporate Plan priorities and are aligned to the Cwm-Taf Well-Being Plan. In-year monitoring arrangements provide holistic overviews of the Council's performance.</p> <p>Further work is required to more clearly demonstrate impact within Self-assessment and performance reporting arrangements.</p>	<p>The Council's latest Self-Assessment identified the need for continued improvement in arrangements to demonstrate the impact of its work and delivery of intended outcomes, noting the requirement for the Council to re-set its arrangements following the unprecedented impact of the Covid-19 pandemic. There is a need for the Council to build on the work to date to more clearly demonstrate impact and outcomes within its Self-Assessment and Performance Reporting arrangements and also incorporate service user information (this being an emerging finding from the Audit Wales review work undertaken in 2022/23).</p>
D - Determining the interventions necessary to optimise the achievement of the intended outcomes	<p>Appropriate decision-making arrangements were in place during the year to review and determine interventions needed to deliver Corporate and Service priorities. These were integrated with budget setting and medium-term financial planning arrangements and progress was subject to public scrutiny via the Council's overview and scrutiny arrangements.</p>	<p>No</p>
E - Developing the entity's capacity, including the capability of its leadership and the individuals within it	<p>The Council has well-embedded self-assessment arrangements that assess the organisation's capacity and capability to deliver council services, this being informed by a workforce strategy and underpinned by an established framework of decision-making in the form of Schemes of Delegation.</p> <p>Further work is required to review and update the Council's Contract and Financial Procedure Rules.</p>	<p>The Contract and Financial Procedure Rule documents were not reviewed during 2022/23 to consider any updates required and ensure they continue to be fit for purpose. Both documents therefore require review during 2023/24 and proposed updates signed-off, incorporated into the Council's Constitution and staff made aware of updates.</p>

Supporting Principles	Overall Assessment Conclusion	Proposals for Improvement Set Out In The AGS
<p>F - Managing risks and performance through robust internal control and strong public financial management</p>	<p>The Council is financial stable, supported by robust financial planning and management arrangements that underpin service delivery. A focus on strong internal controls and the management of risks, independently checked by Internal Audit and overseen by the Governance and Audit Committee, are key components of the overall arrangements.</p> <p>Further work is required to:</p> <ul style="list-style-type: none"> <li>• Further strengthen risk management arrangements, as set out in the 2022/23 Internal Audit Report ‘Corporate Risk Management’; and</li> <li>• Fully cost the Council’s carbon reduction action plan and ensure alignment to the Medium Term Financial Plan, as recommended by Audit Wales in its Assurance and Risk Assessment Review.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Audit undertook an audit assignment on the Council’s Corporate Risk Management arrangements in 2022/23, concluding reasonable assurance overall, and set out recommendations to further strengthen arrangements: updating the Risk Management Strategy to include officer roles and responsibilities; Strategic risks descriptions within the Strategic Risk Register are reviewed to ensure the impact on the Council is clear; and the need to progress the compilation and roll-out of a Risk Management e-learning training module for Council officers.</li> <li>• The Audit Wales Assurance and Risk Assessment Review recommended in respect of Carbon Reduction Plans – <i>‘In order to meet its net zero ambition the Council needs to fully cost its action plan and ensure it is aligned with its Medium Term Financial Plan’</i>.</li> </ul>
<p>G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>	<p>The Council has open and transparent decision-making processes, with arrangements in place to hold decision-makers to account for service delivery and performance and the stewardship of public funds.</p>	<p style="text-align: center;">No</p>



## 6. **REVIEW OF EFFECTIVENESS**

- 6.1 The Review of Effectiveness has entailed reviewing the activities in place around the Council’s main governance arrangements, as set out in the Local Code of Corporate Governance and associated key processes, engagement with senior officers across services in respect of these arrangements and taking account of the findings from a range of existing reports including external regulator reports.
- 6.2 Each section of the Council’s Local Code of Corporate Governance has been set out in Section 6 below, alongside other key governance arrangements, and a review of their effectiveness undertaken and proposals for improvement made, where deemed appropriate.

### **6.3 Core Principle A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law**

- 6.3.1 The Council is accountable not only for how much it spends, but also for how it uses the resources under its stewardship. This includes accountability for performance, both positive and negative, and for the outcomes achieved. In addition, the Council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, it can demonstrate the appropriateness of decisions and actions, and have arrangements in place to encourage and ensure compliance with ethical values and to respect the rule of law.

<b>Local Code of Corporate Governance Requirements</b>	<b>Sub-Principle</b>	<b>Review of Effectiveness During 2022/23</b>
<a href="#">Elected Councillor and Officer Codes of Conduct</a> - setting out the standards of behaviour to be followed based on the principles of integrity, honesty, impartiality and objectivity.	Behaving with integrity	<ul style="list-style-type: none"> <li>• The Council’s Constitution sets out the standards of behaviour expected of elected Councillors and Officers through Codes of Conduct and Rules of Procedure.</li> <li>• Committee meetings were held in line with the Council’s Code of Conduct.</li> <li>• From a Council Officer perspective, local induction arrangements were in place that set out, amongst other things, expected standards of behaviour. Alongside this, an officer guide was in place and corporate Manager Briefings delivered.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
<p><a href="#">Rules of Procedure</a> – covering Council, Open Government, Access to Information, Budget and Policy Framework, Executive, Overview and Scrutiny, Officer Employment and Contract and Financial Procedure Rules.</p>	<p>Demonstrating strong commitment to ethical values</p>	<ul style="list-style-type: none"> <li>• The Council's Constitution sets out the Rules of Procedure to be followed by elected Councillors and Officers when conducting the Council's business. The arrangements, as set out in the Rules of Procedure, were compiled with during the year and publicly demonstrate an accountable and open approach in the delivery of Council services.</li> </ul>
<p><a href="#">Standards Committee</a> - the role of which includes, amongst other things, promoting and maintaining high standards of conduct by elected Councillors.</p>	<p>Demonstrating strong commitment to ethical values</p>	<ul style="list-style-type: none"> <li>• A Standards Committee was in place, supported by a <a href="#">Work Programme</a>, and promoted high standards of conduct in accordance with the Committee's Terms of Reference.</li> <li>• As part of the Committee's Work Programme, information on the outcome of investigations undertaken by the Public Services Ombudsman for Wales (PSOW) relating to RCT Elected Members and Community/Town Councillors within RCT (for whom the Monitoring Officer has responsibility) were reported. In summary, between 1<sup>st</sup> March 2022 and 31<sup>st</sup> March 2023 there were 7 complaints made to the PSOW against Members; none of these complaints reached the investigation stage and information was published as part of the <a href="#">18th November 2022</a> and <a href="#">25th April 2023</a> Standards Committee meetings to ensure openness and transparency.</li> </ul>
<p>Gifts and hospitality Policy.</p>	<p>Demonstrating strong commitment to ethical values</p>	<ul style="list-style-type: none"> <li>• The Council has a Gifts and Hospitality Policy and arrangements were in place, via registers, to record gifts and hospitality in line with the Policy</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
<p><a href="#">Comments, Compliments and Complaints</a> setting out how the Council handles and responds to feedback (complaints, compliments, and comments).</p>	<p>Demonstrating strong commitment to ethical values</p>	<ul style="list-style-type: none"> <li>• Arrangements were in place for Comments, Compliments and Complaints to be publicly reported and scrutinised by elected Members: <ul style="list-style-type: none"> <li>○ Social Services Representations and Complaints Procedures Annual Report 2021/22 to the <a href="#">17th October 2022</a> Cabinet meeting: <ul style="list-style-type: none"> <li>▪ Overall, the report concluded that Social Services continue to provide a robust and effective complaints procedure with the information from complaints providing valuable lessons learnt when planning and improving services to meet the needs of our customers; and</li> <li>▪ Out of 110 complaints received, 46 (or 42%) were responded to within statutory timeframes at stage 1, this being adversely impacted by the pandemic and the need to prioritise resources to frontline service delivery. Of the complaints received, 9 progressed to stage 2, 8 were referred to the Ombudsman and of these, there were no ombudsman investigations.</li> </ul> </li> <li>○ Non-social services related – an update was presented to the 15<sup>th</sup> March 2023 Governance and Audit Committee that set out 540 complaints were received during 2021/22, representing 0.1% of all customer contacts with the Council. Of the complaints received, 77.46% were responded to within 20 working days as part of stage 1 (with 75% being considered an indicator of good performance overall) and 47 complaints were referred to the PSOW, making up 0.06% of interventions from all local authorities in Wales. There were no Ombudsman investigations undertaken.</li> <li>○ The PSOW Annual Report and Letter for 2021/22 was reported to the Council’s Cabinet (<a href="#">17th October 2022</a>) and Standards Committee (<a href="#">18th November 2022</a>) . This report enabled Cabinet to further review and assess how the Council is managing, and learning from, the feedback it receives. The report highlighted that, ‘<i>During 2021/22 51 complaints were received by the PSOW relating to this Authority (for periods 2020-2021– 40 and 2019/20 – 39). This is a 28% increase on 2020-21 levels compared against an all-Wales average of 48% increase. The total number of complaints equates to 0.21 complaints per 1000 residents. Notably this represents the third lowest total in Wales out of the 22 local authorities. 0.36 complaints per 1000 residents was the average across the 22 LA’s</i>’.</li> </ul> </li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
<p><a href="#">Whistle-blowing Policy</a> – promoting the highest possible standards of service and setting out how workers can bring information about a wrongdoing to the attention of the Council.</p>	<p>Respecting the rule of law</p>	<ul style="list-style-type: none"> <li>• The <a href="#">15th March 2023</a> Governance and Audit Committee considered: <ul style="list-style-type: none"> <li>○ The Whistleblowing Annual Report 2022/23, that set out the arrangement and work undertaken during the year and concluded that the ‘<i>Council’s whistleblowing arrangements are appropriate</i>’.</li> <li>○ The Council’s updated its Whistle-blowing Policy and Procedure, that took into account updates following internal review and also Audit Wales’ feedback as part of the external auditor’s 2022/23 Assurance and Risk Assessment work. The updated Policy and Procedure was agreed by the Governance and Audit Committee subject to the incorporation of additional narrative in respect of advice to employees.</li> </ul> </li> </ul>
<p>Anti-fraud, Bribery &amp; Corruption Strategy.</p>	<p>Respecting the rule of law</p>	<ul style="list-style-type: none"> <li>• Anti-fraud, Bribery and Corruption Strategy updates were reported to the Governance and Audit Committee during the year: a mid-year update on <a href="#">7th December 2022</a> and on the <a href="#">15th March 2023</a> the Anti-fraud Annual Report for 2022/23 together with a proposed work programme for 2023/24.</li> <li>• The overall conclusion set out in the March 2023 report, based on the work undertaken during the year, was that the Council continues to operate within an effective anti-fraud culture across the organisation, with resilient preventative measures capable of identifying and addressing new threats. The 2022/23 Annual Report and 2023/24 Work Programme were endorsed by the Governance and Audit Committee.</li> </ul>

## 6.4 Core Principle B - Ensuring openness and comprehensive stakeholder engagement

6.4.1 Local government is run for the public good and the Council is committed to ensuring openness in the delivery of its activities. Clear, trusted channels of communication and consultation should be used to engage effectively with stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
<p>A <a href="#">Publication Scheme</a> that aims to advise citizens how to request public information the Authority holds.</p>	<p>Openness</p>	<ul style="list-style-type: none"> <li>• The Council’s website provided information on its <a href="#">Publication Scheme</a> setting out the information published by the Council and how to access it, and also on the <a href="#">Freedom of Information Act 2000</a> that advised residents how to request public information that the Council may hold.</li> </ul> <p><u>Freedom of Information</u></p> <ul style="list-style-type: none"> <li>• The Council received 868 Freedom of Information (FOI) / Environmental Information Regulations (EIR) requests during the year, this being slightly less than the previous year (919). Updates were reported to the Council’s Information Management Board on a quarterly basis to enable the Board to maintain an overview of the Council’s compliance with the relevant legislation.</li> <li>• The Council received 8 complaints which had been referred to it by the Information Commissioner’s Office (ICO). 4 related to the timeliness of requests being responded to by the Council (all of which were subsequently responded to), 2 where the ICO agreed that the Council did not hold the information, 1 where the withheld information could now be released due to the passage of time and 1 investigation still ongoing into what information is held by the Council.</li> </ul> <p><u>Public Services Ombudsman for Wales (PSOW)</u></p> <ul style="list-style-type: none"> <li>• The Ombudsman received 59 complaints relating to the Council in 2022/23 (48 in 2021/22): 48 cases where there was no investigation deemed required following review by the PSOW; 3 agreed early resolution; 7 cases referred back to be dealt with as part of the Council’s complaint procedures; and 1 case on-going.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Clear and open <a href="#">Corporate &amp; Service Specific Privacy Notices</a> .	Openness	<p>During 2022/23 the Council demonstrated compliance with the key requirements of the UK General Data Protection Regulation and Data Protection Act 2018 by:</p> <ul style="list-style-type: none"> <li>• Having measures in place that supported compliance with legislation, including: <ul style="list-style-type: none"> <li>○ Designated roles in place such as a Data Protection Officer (DPO) and Senior Information Risk Owner (SIRO) whose roles are to provide specialist advice, information and guidance to the organisation on data protection and information risk matters; and</li> <li>○ Policy framework, Data Protection / Risk Registers alongside operational processes and procedures.</li> </ul> </li> <li>• Having an Information Management Board in place (chaired by the SIRO) that provided assurance that information risk was being properly assessed, controlled and mitigated and that key data protection legislative requirements were met.</li> <li>• Having a Cyber Security Board in place involving the Chief Executive, Deputy Chief Executive/SIRO and Service Director of ICT &amp; Digital Services that provided assurance relating to cyber security arrangements.</li> <li>• Assurance was demonstrated to both Boards through a range of mechanisms including quarterly highlight reports, review of the Corporate risk register and rating, oversight of progress against the Information Management priorities/plan and monitoring and oversight of cyber security actions.</li> <li>• Based on the governance and assurance arrangements outlined above, controls are considered to be robust and supported continuity of service delivery.</li> </ul>
Forward plans for Committee meetings together with the matters to be considered, where appropriate.	Openness	<ul style="list-style-type: none"> <li>• The Council published on its website <a href="#">forward plans of committee meetings</a> together with the matters to be considered to, amongst other things, assist members of the public to engage in the democratic processes of the Council.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Stakeholder engagement	Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> <li>• The Council worked with public, private and voluntary organisations during the year with the overriding objective to help improve the lives of residents within the County Borough, and a number of these are set out on the <a href="#">Council's website</a>.</li> <li>• More specifically, the Council is a statutory partner within the Cwm Taf Public Services Board and actively engages within the Board to put in place arrangements to provide information and data that support the identification and delivery of regional priorities, outcomes and allocation of resources. The Cwm Taf Public Services Board completed a joint Well-being Assessment with the Bridgend Public Services Board for the Cwm Taf Morgannwg area as part of a wider transition to a Cwm Taf Morgannwg Public Services Board that will deliver the new <u>Cwm Taf Morgannwg Well-being Plan</u>. These arrangements now directly correlate to <u>Cwm Taf Morgannwg Regional Partnership Board</u>, with the Board managing, amongst other things, the allocation of the Welsh Government funded <u>Regional Investment Fund</u> in order to help meet the health, social care and wellbeing needs of residents and a focus on its governance and engagement arrangements.</li> <li>• The Council also engages with partner organisations on specific areas where there are shared goals, such as, with the Health Service on developing an integrated health and social care locality model and supporting older people to stay in their homes longer, prevent unnecessary stays in hospital and to help get people home from hospital more quickly when they are well enough; using RCT Neighbourhood Network Groups developed to support the Community Hub model that works with local community groups to meet identified needs; an integrated Substance Misuse Service and Community Safety Partnership; and with Water Safety Partnership and Public Health Wales concerning insufficient water supplies due to drought conditions which are deemed to become more prevalent as a result of climate change.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Stakeholder engagement - continued	Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> <li>• The Audit Wales report ‘Transformational Leadership Programme Board – Baseline Governance Review – Cwm Taf Morgannwg Regional Partnership Board’ was reported to the Council’s Governance and Audit Committee on <a href="#">7th December 2022</a> and concluded overall that ‘...<i>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 long term, strengthen aspects of its governance arrangements and be more ambitious in using its combined core resources to have greater impact on the Cwm Taf Morgannwg region</i>’. A series of recommendations were included in the report that have been agreed by Management across partners along with implementation timescales.</li> </ul>
Stakeholder engagement	Engaging Stakeholders Effectively, Including Individual Citizens And Service Users	<ul style="list-style-type: none"> <li>• The Council has conducted a range of engagement activities with stakeholders via its dedicated Lets Talk RCT engagement website and also face-to-face engagement. During 2022/23 this included: <ul style="list-style-type: none"> <li>○ Lets Talk Budget – that helped inform the 2023/24 Revenue Budget Strategy in terms of the Strategy’s key building blocks, for example, council tax levels, the need for an on-going focus on delivering more efficient services and supporting the Council’s approach to the management of its Reserves.</li> <li>○ Lets Talk Climate Change, Electric Vehicles Charging Points and Wildflowers – continuous engagement to inform the Council’s programme of work to tackle climate change.</li> <li>○ A consultation that provided evidence to inform the preparation of the Council’s Local Development Plan.</li> <li>○ Lets Talk Pontypridd - consultation to help develop the placemaking plan for Pontypridd, together with specific feedback on anti-social behaviour, public conveniences and cleanliness.</li> <li>○ ‘My Day, My Way’ involvement and engagement to inform the on-going transformation of day services so that people with a learning disability have access to meaningful activity and opportunities in their own communities, including employment to achieve their personal goals.</li> </ul> </li> </ul>



Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Stakeholder engagement – continued	Engaging Stakeholders Effectively, Including Individual Citizens And Service Users	<ul style="list-style-type: none"> <li data-bbox="808 293 2188 475">• Audit Wales reported its Assurance and Risk Assessment Review 2021/22 to the Governance and Audit Committee on <a href="#">7th December 2022</a> that set out, amongst other things: ‘<i>Implications of the Local Government and elections (Wales) Act 2021 – The Council is making good progress developing its arrangements to meet the requirements of the Local Government and Elections (Wales) Act 2021, but has not yet agreed its approach for engaging with the public</i>’.</li> </ul> <p data-bbox="808 531 1178 563"><u>Proposal for Improvement</u></p> <p data-bbox="808 600 2188 667">The Council should complete its work to finalise and agree its Participation Strategy and then take the necessary steps for this to be implemented.</p>

**6.5 Supporting Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits.**

6.5.1 The long-term nature and impact of the Council's work requires it to define and plan outcomes and that these should be sustainable. Decisions should further the Council's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands, determining priorities and finite resources.

<b>Local Code of Corporate Governance Requirements</b>	<b>Sub-Principles</b>	<b>Review of Effectiveness During 2022/23</b>
The Council's Performance Management Framework – defining outcomes based on need	Defining Outcomes	<ul style="list-style-type: none"> <li>• The Council had a Performance Management Framework (PMF) in place with evidenced based assessments informing priorities and outcomes. The assessments were in the form of Public Services Board Well-being Assessment 2022 for the area and Council specific arrangements in terms of its <a href="#">Self-Assessment</a> and individual Service Self-Assessments.</li> <li>• This has also enabled the Council to align its Corporate Plan priorities to the Cwm Taf Well-Being Plan and support compliance with its statutory reporting duties under the Well-being of Future Generations Act 2015.</li> </ul>
Corporate Plan 2020 – 2024 'Making a difference'	Defining Outcomes	<ul style="list-style-type: none"> <li>• The Council's <a href="#">Corporate Plan 2020 – 2024 'Making a Difference'</a> sets out its Vision, Purpose and Priorities over the 4-year period together with the outcomes it aims to achieve and the key actions it will take to get there. The Council's Corporate Plan priorities are:               <ul style="list-style-type: none"> <li>○ Ensuring People: are independent, healthy and successful:</li> <li>○ Creating Places: where people are proud to live, work and play: and</li> <li>○ Enabling Prosperity: creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper.</li> </ul> </li> <li>• The Council's key documents, including the Revenue Budget Strategy, 3-year Capital Programme, Medium-Term Financial Plan and Performance Reports are aligned to its Corporate Plan, to support the delivery and monitoring of priorities and outcomes in line with available resources.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principles	Review of Effectiveness During 2022/23
Quarterly Performance Report (including Risk Register updates)	'Defining Outcomes' and 'Sustainable economic, social and environmental benefits'	<ul style="list-style-type: none"> <li>• The Council's quarterly Performance Reports include progress updates on the delivery of Corporate Plan priorities and also the re-introduction of performance measures, following a pause during the period of Covid-19. The updates were publicly reported to the Cabinet and the designated Scrutiny Committee on a quarterly basis during 2022/23 (<a href="#">Quarters 1, 2 and 3</a>, with the Quarter 4 (Year-end) Performance Report scheduled to be reported to the July meetings of the Council's Cabinet and Overview and Scrutiny Committee).</li> <li>• The quarterly Performance Reports provided an holistic overview of the Council's performance through setting out updates on: the Revenue Budget, Capital Programme and Treasury Management performance; Workforce (sickness absence and turnover) information; Corporate Plan progress updates for the 3 priorities of People, Places and Prosperity, and supported by detailed action plan updates for each priority; additional investment allocated to Corporate Plan priorities; Strategic Risk Register risks that could adversely impact the delivery of Corporate Plan priorities alongside mitigating actions; and actions being taken to enhance the Council's response to extreme weather events and delivery of its Climate Change strategy.</li> <li>• The arrangements were in line with the PMF, provided opportunity for stakeholders to hold the Council to account for its financial and operation performance and clearly set out progress against Corporate Plan priorities.</li> </ul> <p><u>Proposal for Improvement</u></p> <ul style="list-style-type: none"> <li>• The Council's latest Self-Assessment identified the need for continued improvement in arrangements to demonstrate the impact of its work and delivery of intended outcomes, noting the requirement for the Council to re-set its arrangements following the unprecedented impact of the Covid-19 pandemic. There is a need for the Council to build on the work to date to more clearly demonstrate impact and outcomes within its Self-Assessment and Performance Reporting arrangements and also incorporate service user information (this being an emerging finding from the Audit Wales review work undertaken in 2022/23).</li> </ul>

**6.6 Supporting Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes**

6.6.1 The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Robust decision making is required to enable priorities and intended outcomes to be delivered in an efficient and effective way, and decisions reviewed on an on-going basis to ensure the achievement of outcomes is optimised.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Evidence based decision-making arrangements (New for 2022/23)	Determining interventions	<ul style="list-style-type: none"> <li>• Decision-making arrangements were in line with the Council’s Constitution, supported by evidence based and published reports that were informed by stakeholder feedback and set out information in respect of legal, equality and diversity and financial implications, and the extent of alignment with the Well-Being of Future Generations Act. Decision making was also informed by other committees, such as the Climate Change Cabinet Sub-committee and a number of decisions subject to a pre-scrutiny process (see Section 6.6.1 – Scrutiny Committees)</li> <li>• Agreed decision were incorporated within the Council’s Revenue Budget Strategy / 3-Year Capital Programme and informed Medium Term Financial Planning.</li> </ul>
Monitoring and oversight of priorities (New for 2022/23)	Planning interventions	<ul style="list-style-type: none"> <li>• Arrangements were in place during the year to plan and monitor interventions via local Service Delivery Planning that are used to update quarterly Performance Reports and specific update reports to Cabinet and / or the designated scrutiny committee, for example:               <ul style="list-style-type: none"> <li>○ <b>Corporate Plan Priority - People</b> <ul style="list-style-type: none"> <li>▪ <a href="#">Youth Engagement and Participation Service - Overview of additional funding 2020 - 2022</a></li> <li>▪ <a href="#">Family Engagement Officers Review</a></li> </ul> </li> <li>○ <b>Corporate Plan Priority - Places</b> <ul style="list-style-type: none"> <li>▪ <a href="#">Ultra Low Emissions Vehicles (ULEV) Transition Plan</a></li> <li>▪ <a href="#">Report of the Council's Recycling Performance 2021/22</a></li> </ul> </li> <li>○ <b>Corporate Plan Priority - Prosperity</b> <ul style="list-style-type: none"> <li>▪ <a href="#">Review of Learning Support Class provision within Rhondda Cynon Taf</a></li> <li>▪ <a href="#">New Empty Homes Strategy for 2022 - 2025</a></li> </ul> </li> </ul> </li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Annual Revenue Budget Strategy and three-year Capital Programme	Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• Full Council approved the 2022/23 Revenue Budget Strategy and 3-year Capital Programme (2022/23 to 2024/25) on <a href="#">9th March 2022</a>.</li> </ul> <p><u>Revenue Budget Strategy 2022/23</u></p> <ul style="list-style-type: none"> <li>• The formulation of the 2022/23 Revenue Budget Strategy was informed by the Council’s Service Delivery Planning process and engagement with local residents / stakeholders. Feedback from engagement included, amongst other things, 91.2% of respondents supported prioritisation of resources to schools and social services with the Council allocating 68% (£26M) of overall additional resources available to these areas (39% for social services and 29% for schools).</li> <li>• The 2022/23 Revenue Budget totalled £566.792Million, the broad objectives of which have been delivered during the year: supported the delivery of Corporate Plan priorities; retain the support of Audit Wales for the approach the Council has adopted to securing strong financial management (see Supporting Principle F); continue the delivery of our key services and protect as many local jobs as possible; and taking a responsible approach to the level of Council Tax – supported by the Council having the lowest average Band D council tax increase for 4 years (2018/19 to 2021/22) and fifth lowest for 2022/23.</li> </ul> <p><u>Capital Programme (2022/23 to 2024/25)</u></p> <ul style="list-style-type: none"> <li>• The Capital Programme totalled £148.770Million and set out the capital investment priorities that will have a long-term impact on the area in terms of regeneration, infra-structure and the Council’s built assets in optimising their use and benefit to local communities. This included significant on-going investment: in schools, that is improving the quality of learning environment, facilities available and building energy performance; in highways, that is supporting a trend of improvement in the condition of roads, as demonstrated by reported performance indicators; and in carbon reduction projects that is supporting reductions in energy consumption and CO2 emissions.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Medium Term Financial Plan	Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• The Council has well embedded Medium Term Financial Planning (MTFP) arrangements that inform budget setting, with the approach balancing the Council priorities and strategies with affordability, to support service planning and delivery over the medium term. The MTFP was published and the Council adopted an inclusive approach to enable elected Members to review and scrutinise the position i.e. updates reported to Cabinet, full Council, Overview and Scrutiny Committee and School Budget Forum.</li> <li>• The latest MTFP (<a href="#">July 2022</a>) set out a range of modelled ‘budget gaps’, these being between £30M and £36M for the 2023/24 financial year and provided an accurate and timely forecast of the scale of the budget challenge to inform budget setting arrangements for this period (the actual budget gap being £36M).</li> <li>• The Council prioritised the allocation of resources in line with its Corporate Plan: 85% of the Council’s revenue budget was allocated to Corporate Plan priority areas (with the remaining 15% being in respect of Regulatory Public Services, Other Services to the public, Authority Wide costs and Core Support) (See also section ‘Supporting Principle F’); and 98% of capital resources were allocated to Corporate Plan priority areas.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Scrutiny Committees	Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• The Council revised its Scrutiny Structure in a report to Council in <a href="#">May 2022</a> to ensure its scrutiny arrangements were well-placed to respond to the new requirements of the Local Government &amp; Elections (Wales) Act 2021 and increase the impact of scrutiny and reduce duplication of reporting.</li> <li>• An Overview and Scrutiny Annual Report 2022/23 was reported to and agreed at the Council's Annual General Meeting on 10<sup>th</sup> May 2023 and set out the work and impact delivered by each of the 4 scrutiny committees as well as areas for development in 2023/24. Areas scrutinised in 2022/23 included: the Council's financial and Corporate Plan performance on a quarterly basis; targeted pre-scrutiny on 'Residential Care for Older People', 'the 2023/24 Budget', 'The RCT Tree, Woodland and Hedgerow Strategy' and the 'Children's Services Residential Transformation Strategy'; contributing to consultations such as the 'Review of Parliamentary Constituencies in Wales – Boundary Commission for Wales' Initial Proposals' and the 'National Transport Delivery Plan 2022-2027'; and service specific updates such as 'Electrical Vehicle Charging Implementation Plan and associated Action Plan', 'Support to refugees, Ukraine nationals and asylum seekers in RCT', 'Update on the implementation of the Additional Learning Needs &amp; Education Tribunal Act 2018 in Rhondda Cynon Taf County Borough Council' and 'the roll-out of, Universal Primary Free School Meals'. The above areas align with the Council' Corporate Plan priorities.</li> <li>• The work of scrutiny committees was underpinned by a programme of training that included Chairing skills, questioning techniques and bespoke training specific to each Committee, and a scrutiny research facility was made available within the Council Business Unit to support Members' scrutiny responsibilities and their roles as Elected Members; such research strengthens Scrutiny Committee work programmes to ensure outcome-based topics are identified.</li> <li>• A Cwm Taf Public Services Board Joint Overview and Scrutiny Committee was in place, coordinated by the Council, to scrutinise the work of the Public Services Board and undertook pre-scrutiny of the new Cwm Taf Morgannwg Well-Being Plan 2023 – 2028.</li> </ul>

**6.7 Supporting Principle E - Developing the entity’s capacity, including the capability of its leadership and the individuals within it**

6.7.1 The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and support the achievement of intended outcomes. It must ensure it has both the capacity to deliver its priorities and for the organisation as a whole. Because both individuals and the environment in which the Council operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of staff members. Leadership in the Council is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Corporate and Service Self Evaluation process.	Developing the entity’s capacity	<ul style="list-style-type: none"> <li>• The Council’s <a href="#">Self-Assessment</a> and Service Self-Evaluation arrangements review: service delivery, planning and outcomes; the management and use of resources, workforce and assets; how services work with partners; and key cross cutting themes of decarbonisation, biodiversity, Welsh language and equality and inclusion.</li> <li>• The above arrangements inform service delivery planning and the allocation of resources to ensure the Council has the necessary capacity to deliver its services and priorities. This is supported through the assessment processes evidencing:               <ul style="list-style-type: none"> <li>○ A consistent track record of sound service delivery, underpinned by robust financial management and workforce planning arrangements;</li> <li>○ The development of new strategies and evolving existing strategies, based on lessons learned and in some cases regulation, to support current and future service delivery in line with the changing needs of communities, for example, <a href="#">Residential Care Homes for Older People</a>, <a href="#">Looked After Children: Residential Care Transformation Strategy 2022-2027</a>, <a href="#">Digital Strategy 2022-2026</a> and <a href="#">The Council's Tackling Climate Change Strategy 2022-2025</a>.</li> </ul> </li> </ul>



Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Corporate and Service Self Evaluation process - continued	Developing the entity's capacity	<ul style="list-style-type: none"> <li>○ External Regulator feedback on the Council's services, the most recent being the Estyn Report on the Council's Education Services, published <a href="#">31st March 2023</a>, and setting out a very positive position overall.</li> <li>● The Council's assessment arrangements have also recognised the significant challenges facing it in terms of forecasted funding levels; increasing demand for services and complexity of support linked to vulnerability and levels of poverty; and recruitment and retention challenges across a number of service areas. The continuation of robust assessment, planning and monitoring / measurement arrangements will help ensure the Council continues to be well positioned to meet these challenges.</li> </ul>
Workforce Plan 2017-22.	Developing the entity's capacity	<ul style="list-style-type: none"> <li>● The Council's Workforce Plan 2017-22 set priorities that align to the Council's Corporate Plan in terms of developing a flexible and agile workforce that shares organisational knowledge; recruiting and retaining the best talent to create a diverse workforce; leadership and management development; enabling a high performing, engaged and committed workforce; and supporting health and wellbeing to maximise attendance.</li> <li>● Workforce planning has been identified as a risk within the Council's Strategic Risk Register and updates were reported on a quarterly basis during the year as part of performance reporting arrangements.</li> <li>● Officers across services work closely with Human Resources and Finance officers to review and reconfigure staffing structures on an on-going basis to ensure provision aligns with need and support more efficient service delivery arrangements. In parallel, there was on-going investment in apprentices and graduates in line with service workforce requirements.</li> <li>● Work was completed during the year to compile a new <a href="#">Human Resources Strategy and Council Workforce Plan 2023-28</a> to take forward priority workforce actions, this being approved by Cabinet on 23<sup>rd</sup> January 2023. As part of the updated strategy workforce planning training is to be provided for senior managers during the first half of 2023/24.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Programme of elected Councillor and Officer training and development.	Developing the capability of the entity's leadership and other individuals	<p><u>Elected Councillors</u></p> <ul style="list-style-type: none"> <li>• Following the 2022 Local Government Elections, a full programme of training opportunities was provided to newly elected and returning Members, and Members were surveyed on the Induction Programme to ascertain the relevance/length/content of the sessions and where, if any, improvements could be made for future induction training programmes. Overall, 87% of Members said they were satisfied with the delivery, timings and content of the training.</li> <li>• The Head of Democratic Services, supported by the Council Business Unit, has taken forward the Member Personal Development Review process with Elected Members and for the first time, includes co-opted Members. A detailed Training programme identifying training requested and how this is to be accommodated (i.e. through 1:1 training or all Member briefing sessions) is currently being developed following the information received during the meetings and will be presented to a future meeting of the Democratic Services Committee for monitoring. A report highlighting the training undertaken to date was presented to the Democratic Services Committee at its meeting in <a href="#">27th April 2023</a>.</li> <li>• Other on-going developments include: the Members Portal, including utilising 'Member Portal Champions' to assist in the developments of the system; a <a href="#">Member Research Draft Protocol</a> to assist Members with research requests has been developed and endorsed by the Democratic Services Committee, assisting Members in their role going forward; and Council Business Unit have assisted in the trialling and development of a climate change eLearning module and are taking part in a ARFer project to encourage the use of Welsh within the workplace.</li> </ul> <p><u>Officers</u></p> <ul style="list-style-type: none"> <li>• During 2022/23 staff development has been supported virtually and face to face through induction sessions, Leadership and Middle Management Development Programmes, Manager Briefings, 'Joint Cabinet and Senior Officer meetings' and a range of operational training such as health and safety, information management and dignity at work. There was also specific focus on health and wellbeing and the management of sickness absence.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Schemes of Delegation	Developing the capability of the entity's leadership and other individuals	<ul style="list-style-type: none"> <li>Part 3 of the Council's Constitution 'Responsibility for Functions' set out General Scheme of Delegation of Executive and Non-Executive Functions to Officers and these were kept under on-going review during the year.</li> </ul>
Procedure Rules	Developing the capability of the entity's leadership and other individuals	<ul style="list-style-type: none"> <li>The Council's Constitution set out Contract and Financial Procedure Rules that provided the framework for Officers and, where required, elected Members, to operate within during the year. Internal Audit also took account of the requirements within these Procedure Rules when checking internal control compliance as part of audit assignments undertaken and reported updates to Management on exceptions (see also Supporting Principle F – Internal Audit Function).</li> </ul> <p><u>Proposal for Improvement</u></p> <p>The Contract and Financial Procedure Rule documents were not reviewed during 2022/23 to consider any updates required and ensure they continue to be fit for purpose. Both documents therefore require review during 2023/24 and proposed updates signed-off, incorporated into the Council's Constitution and staff made aware of updates.</p>

**6.8 Supporting Principle F - Managing risks and performance through robust internal control and strong public financial management**

6.8.1 It is a fundamental requirement for the Council’s governance structures to support robust financial and performance management arrangements, thereby enabling efficient and effective service planning and delivery and the achievement of intended outcomes. Risk management and robust internal control are integral parts of these arrangements. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will drive financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from the Council’s leaders and senior managers.

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Risk Management Strategy	Managing risk	<ul style="list-style-type: none"> <li>• The Council reviewed and updated its Strategic Risk Register in 2022/23 and included 3 new risks in respect of accommodation needs for the most vulnerable people, dis-engaged learners within schools and fulfilling counter terrorism duties.</li> <li>• Strategic Risk Register updates were publicly reported on a quarterly basis during the year, as part of the Council’s Performance Report, and on the <a href="#">14th February 2023</a> the Council’s Governance and Audit Committee were provided with an overview of its role in respect of risk management along with the latest version of the Strategic Risk Register. This update supported the feedback provided by Committee Members, that is, for risk management to be part its learning and development arrangements and ensures the Committee is kept abreast of and can challenge the Council’s risk profile.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Risk Management Strategy – continued	Managing risk	<p><u>Proposal for Improvement</u></p> <ul style="list-style-type: none"> <li>Internal Audit undertook an audit assignment on the Council’s Corporate Risk Management arrangements in 2022/23, concluding reasonable assurance overall, and set out recommendations to further strengthen arrangements: updating the Risk Management Strategy to include officer roles and responsibilities; Strategic risks descriptions within the Strategic Risk Register are reviewed to ensure the impact on the Council is clear; and the need to progress the compilation and roll-out of a Risk Management e-learning training module for Council officers.</li> </ul>
Service Delivery Planning.	Managing performance	<ul style="list-style-type: none"> <li>As set out in sections ‘Supporting Principles C and D’.</li> </ul>
Quarterly Performance Report (including Risk Register up dates).	Managing performance	<ul style="list-style-type: none"> <li>As set out in section ‘Supporting Principle C’.</li> </ul>
Corporate Performance Report (i.e. year-end annual report).	Managing performance	<ul style="list-style-type: none"> <li>As set out in sections ‘Supporting Principles C and D’.</li> </ul>
Governance and Audit Committee	Robust internal control	<p><u>Governance and Audit Committee</u></p> <ul style="list-style-type: none"> <li>The Council’s Governance and Audit Committee considered and approved an Annual Report for 2022/23 on <a href="#">15th March 2023</a> that provided an overview of its work during the year and a self-assessment of its arrangements against the CIPFA 2018 Practical Guidance Note. The conclusions from the Annual Report were:</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Governance and Audit Committee – continued	Robust internal control	<ul style="list-style-type: none"> <li>○ The Governance and Audit Committee has reviewed and challenged a range of topic areas, including the work of Internal and External Audit, the Committee’s responsibilities as set out in the Local Government and Elections (Wales) Act 2021 and its new responsibility as agreed at the Council’s 2022 AGM in respect of reviewing and scrutinising the Council’s Treasury Management arrangements.</li> <li>○ From the review of the coverage of the Governance and Audit Committee’s work and oversight during the year, the Committee has delivered its Workplan and responsibilities in line with its Terms of Reference, and has been supported via a range of specific learning and development sessions.</li> <li>○ The outcome of the self-assessment, consistent with previous years, demonstrates that the Council has sound arrangements in place in respect of its Governance and Audit Committee, noting that a small number of new proposals for improvement were identified to further strengthen existing arrangements.</li> </ul>
Internal Audit function	Robust internal control	<p><u>Internal Audit</u></p> <ul style="list-style-type: none"> <li>● A review of information presented by the Regional Internal Audit Shared Service (RIAS) to the Governance and Audit Committee concluded that it was in line with the approved work programme and played a key part in enabling the Committee to fulfil its Terms of Reference. The information reported to the Committee by Internal Audit included: <ul style="list-style-type: none"> <li>○ The Internal Audit Charter 2022/23 that provided the Committee with information to assess the independence of the internal audit function.</li> <li>○ An Internal Audit Annual Plan 2022/23 and progress updates.</li> <li>○ Details of all audit assignments finalised during the year to enable the Committee to consider and gain assurance on the standard of internal control across the Council.</li> <li>○ Information on the overall assessment of Internal Audit’s work for 2022/23 is set out at paragraphs 6.11.4 to 6.11.7.</li> </ul> </li> <li>● In compliance with the Public Sector Internal Audit Standards, an external assessment should be carried out every five years by a qualified, independent assessor or assessment team from outside of the RIAS Councils. The self-assessment was carried out in 2022 and shared with assessors in November 2022. The external assessment of the RIAS is currently in progress and is due to be completed during 2023/24.</li> </ul>

Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Information Management Plan (including General Data Protection Regulation - GDPR).	Managing Data	<ul style="list-style-type: none"> <li>• The Council has an approved Digital Strategy 2022-26 that sets the direction to obtain maximum value from data and seeking to ensure decision making is fully informed by data driven approaches whilst providing appropriate protection around its integrity and confidentiality.</li> <li>• Audit Wales reported its Assurance and Risk Assessment Review 2021/22 to the Governance and Audit Committee on <a href="#">7th December 2022</a> that set out, amongst other things: <i>'Digital Strategy - 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 its arrangements to support implementation'</i>.</li> <li>• The Council had arrangements in place for technical and cyber assurance through secured accreditation to Cyber Essentials and work in progress for reaccreditation to the Public Service Network. During re-accreditation controls remain in place to mitigate against cyber risk. This provided assurance that the Council meets required standards for security.</li> <li>• The Information Commissioner's Office investigated 5 personal data breaches during 2022/23 and determined in all cases no further regulatory action was required and was satisfied with the Council's investigation of the breaches and the remedial measures identified.</li> <li>• With regard to GDPR, this is set out in 'Core Principle B'.</li> </ul>

<b>Local Code of Corporate Governance Requirements</b>	<b>Sub-Principle</b>	<b>Review of Effectiveness During 2022/23</b>
Budget and Policy Framework Procedure Rules and Contract and Financial Procedure Rules.	Strong public financial management	<ul style="list-style-type: none"> <li>• The Council complied with the approved Budget and Policy Framework Procedure Rules for the 2022/23 budget setting process and was set out in the report to Cabinet on <a href="#">27th January 2022</a>.</li> <li>• The Council's Finance Service and Procurement Service provided support and advice to services on the Procedure Rules and the Internal Audit Service tested compliance with the Council's Procedure Rules as part of delivering the 2022/23 Internal Audit Plan (see paragraphs 6.11.4 to 6.11.7 for the overall outcome from the work of Internal audit during 2022/23).</li> </ul> <p><u>Proposal for Improvement</u></p> <ul style="list-style-type: none"> <li>• The Contract and Financial Procedure Rule documents were not reviewed during 2022/23 to consider any updates required and ensure they continue to be fit for purpose. Both documents therefore require review during 2023/24 and proposed updates signed-off, incorporated into the Council's Constitution and staff made aware of updates.</li> </ul>
Medium Term Financial Plan	Strong public financial management	<ul style="list-style-type: none"> <li>• The Council updated its MTFP and was reported to Cabinet and full Council in September 2022 and overviews to the Overview and Scrutiny Committee and School Budget Forum in November 2022, providing opportunity for scrutiny and stakeholder understanding of the Council's forecasted financial position, risks and opportunities.</li> <li>• The Council's MTFP updates have consistently supported: <ul style="list-style-type: none"> <li>○ The identification of future forecasted budget gaps (taking account of estimated expenditure requirements and funding levels) that have accurately informed savings requirements and ensured the programme of improvement and investment was affordable (see also Supporting Principle D).</li> </ul> </li> </ul>



Local Code of Corporate Governance Requirements	Sub-Principle	Review of Effectiveness During 2022/23
Medium Term Financial Plan – continued	Strong public financial management	<ul style="list-style-type: none"> <li>○ An on-going assessment and public reporting and scrutiny of reserve levels. This approach has also enabled additional one-off investment in Corporate Plan priority areas; for 2022/23 this totalled £9.825Million and were agreed by full Council on <a href="#">28th September 2022</a> (£2.725M) and <a href="#">8th March 2023</a> (£7.1M). The additional one-off investment, along with other allocated resources, contributed to capital expenditure investment of £135Million for 2022/23 (annual capital programme investment of over £100Million delivered for each of the past 6 financial years).</li> <li>○ The setting and delivery of balanced revenue budgets.</li> </ul> <p>The consistent delivery of the above outcomes provides assurance on the robustness of the arrangements in place and a demonstrable commitment to prioritise resources to Corporate Plan areas.</p> <ul style="list-style-type: none"> <li>● Audit Wales reported its Assurance and Risk Assessment Review 2021/22 to the Governance and Audit Committee on <a href="#">7th December 2022</a> that set out, amongst other things: <ul style="list-style-type: none"> <li>○ The Council’s Financial Position – <i>‘The Council is now facing significant financial pressures, but remains well placed to respond to these’</i>.</li> <li>○ Carbon Reduction Plans – <i>‘The Council is taking forward its plans to meet the challenge of achieving net zero carbon emissions by 2020, but recognises that further work is needed to identify resources to deliver its plans over the longer term’</i>.</li> </ul> </li> </ul> <p><u>Proposal for Improvement</u></p> <ul style="list-style-type: none"> <li>● The Audit Wales Assurance and Risk Assessment Review recommended in respect of Carbon Reduction Plans – <i>‘In order to meet its net zero ambition the Council needs to fully cost its action plan and ensure it is aligned with its Medium Term Financial Plan’</i>.</li> </ul>

### Compliance with the CIPFA Financial Management Code of Practice

- 6.8.2 The CIPFA Financial Management Code (the Code) was launched in November 2019 and is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.
- 6.8.3 The Code sets the standards of financial management for local authorities and is based on a series of principles supported by specific standards and statements of practice which are considered necessary to provide the strong foundation to:
- Financially manage the short, medium- and long-term finances of a local authority;
  - Manage financial resilience to meet foreseen demands on services; and
  - Financially manage unexpected shocks in their financial circumstances.
- 6.8.4 Each local authority must demonstrate that the requirements of the Code are being satisfied, with compliance being a collective responsibility of elected members, the Chief Finance Officer and their professional colleagues in the leadership team. However, the Code is not expected to be considered in isolation and accompanying tools will form part of the collective suite of evidence to demonstrate sound decision making and a holistic view is taken. In addition, whilst the Code is designed to be flexible to the nature, needs and circumstances of individual authorities, it is up to each authority to determine the extent to which it complies with the Code and to identify what action it may wish to take to better meet the standards that the Code sets out.
- 6.8.5 Full compliance was expected for the 2021/22 financial year and in its Guidance Bulletin 06 (*Application of the Good Governance Framework 2020/21*), CIPFA has stated that Annual Governance Statements should include the conclusions of the evaluation of compliance with the Code (incorporating any actions needed to ensure compliance with the Code) and, accordingly, this is set out in paragraph 6.8.6.
- 6.8.6 The Council has undertaken an assessment of its current arrangements against the Standards set out in the Code. The assessment process has demonstrated compliance with all of the standards through a disciplined, robust and accountable approach to financial management and medium-term financial planning, with the Senior Leadership Team demonstrating collective responsibility for the delivery of these arrangements. There are no specific areas for improvement, save for those included within this Annual Governance Statement (see section 5, Executive Summary, for an overview of the proposals for improvement), and noting the importance of maintaining robust arrangements to support the continued effective and efficient use and management of resources through a very challenging financial outlook that lies ahead.

**6.9 Supporting Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

6.9.1 Accountability within RCT is about ensuring that those making decisions and delivering services are answerable for them, with external and internal audit being integral parts of the arrangements.

<b>Local Code of Corporate Governance Requirements</b>	<b>Sub-principle</b>	<b>Review of Effectiveness During 2022/23</b>
Reporting protocols and calendars (including forward looking work programmes, for example, for Cabinet and Scrutiny Committees).	Implementing good practice in transparency	<ul style="list-style-type: none"> <li>As set out in section 'Core Principle B'.</li> </ul>
Production of Annual Reports on key areas of business e.g. Corporate Parenting, Annual Equality Report.	Implementing good practice in transparency	<ul style="list-style-type: none"> <li>Annual Reports were prepared and publicly reported to support accountability and open and transparent performance arrangements, for example<sup>1</sup>, Corporate Parenting Board Annual Report 2021/22 (<a href="#">Corporate Parenting Board 18th October 2022</a>), Annual Equality Report 2021/22 (<a href="#">Overview and Scrutiny Committee 21st March 2023</a>), Vale, Valleys and Cardiff Regional Adoption Collaborative Annual Report 2021/22 () and Young Carers Annual Report 2022/23 (<a href="#">Corporate Parenting Board 30th March 2023</a>).</li> </ul>

<sup>1</sup> Annual Reports – annual reports referenced in other sections of the Annual Governance Statement, for example, the Governance and Audit Committee Annual Report, have not been noted for the purposes of this section of the document.

Local Code of Corporate Governance Requirements	Sub-principle	Review of Effectiveness During 2022/23
Statement of Accounts.	Implementing good practices in reporting	<ul style="list-style-type: none"> <li>• The external audit of the Council's Statement of Accounts have consistently, year-on-year, received an unqualified 'true and fair' audit opinion (i.e. clean bill of health); the latest unqualified audit opinion, relating to the 2021/22 financial year, was reported to full Council on <a href="#">18th January 2023</a>.</li> <li>• During 2022/23, prior to the Council's 2021/22 audited statement of accounts being approved by full Council, key arrangements included: <ul style="list-style-type: none"> <li>○ Reporting the Council's certified draft statement of accounts to the <a href="#">7th September 2022</a> Governance and Audit Committee meeting (alongside Rhondda Cynon Taf Pension Fund, Central South Consortium Joint Education Service Joint Committee and the Annual Return for Llwydcoed Crematorium Joint Committee) to provide the Committee with opportunity to comment and consider the certified draft accounts in line with the statutory guidance as per the Local Government Measure 2011.</li> <li>○ At the 7<sup>th</sup> September 2022 Governance and Audit Committee meeting, the external auditor, Audit Wales, provided a verbal update on the progress of the audit of the draft 2022/23 Statements of Account, feeding back that the external auditor was pleased with the quality of the Statement of Accounts produced by the Council and that no significant matters have been identified through the audit process, to date, to bring to the attention of the Committee.</li> </ul> </li> <li>• With regard to the statement of accounts process for the 2022/23 financial year: <ul style="list-style-type: none"> <li>○ The Council published a notice to confirm that its draft 2022/23 Statement of Accounts had not been certified by the statutory date of 31<sup>st</sup> May, this being in line with Welsh Government's extended deadline for the preparation and certification processes and in compliance with the Accounts and Audit (Wales) Regulations.</li> <li>○ Governance arrangements are in place for the draft accounts to be reported to the Governance and Audit Committee and for Audit Wales to provide an update on the progress of the external audit, prior to the final audited accounts being reported to full Council.</li> </ul> </li> </ul>

Local Code of Corporate Governance Requirements	Sub-principle	Review of Effectiveness During 2022/23
Pension Fund Committee.	Implementing good practices in reporting	<ul style="list-style-type: none"> <li>• The Pension Fund Statement of Accounts 2021/22 were reported to and approved by full Council on <a href="#">23rd November 2022</a> and the outcome of the external audit, undertaken by Audit Wales, was an unqualified audit opinion (i.e. a clean audit opinion). An update was reported to the Pension Fund Committee on <a href="#">13th December 2022</a>.</li> <li>• A Work Programme for the 2022/23 financial year was presented to and agreed at the <a href="#">12th July 2022</a> Pension Fund Committee and a review of reports presented during the year demonstrated delivery of the work programme.</li> </ul>
Annual Governance Statement.	Assurance and effective accountability	<ul style="list-style-type: none"> <li>• A progress update on the 2021/22 Annual Governance Statement recommendations was reported to the <a href="#">7th December 2022</a> Governance and Audit Committee meeting. A year-end position statement is set out at <b>Appendix A</b> and demonstrates that all recommendations, and associated arrangements, have been implemented.</li> </ul>
Internal Audit external assessment and Charter.	Assurance and effective accountability	<ul style="list-style-type: none"> <li>• As set out in ‘Supporting Principle F’, the Governance and Audit Committee reviewed and challenged a range of topic areas during the year, and delivered its workplan and responsibilities in line with its Terms of Reference. The outcome of the self-assessment demonstrates sound arrangements in place in respect of the Council’s Governance and Audit Committee, noting a small number of proposals to strengthen existing arrangements.</li> </ul>

## 6.10 Other Key Governance Arrangements

### Amgen Cymru Limited

- 6.10.1 RCT holds 100% of the voting rights of Amgen Cymru Ltd., who in turn hold 100% of the voting rights of Amgen Rhondda. The Council also holds 100% of the allotted preference shares in Amgen Rhondda Ltd. The principal activities of Amgen Cymru is to provide waste management services and waste disposal facilities. Amgen Rhondda is responsible for the stewardship of the Nant y Gwyddon landfill site.
- 6.10.2 The directors of the companies, including a non-executive director, are responsible for ensuring there are sound governance arrangements including a robust system of internal control.
- 6.10.3 The Council removed the “arm’s length” status of the companies during 2009/10, therefore many of the aspects of the Council’s governance arrangements such as policies, processes and controls apply to the companies.
- 6.10.4 During 2022/23 there have been no significant governance issues that have been identified by the Amgen Company directors, internal auditors or external auditors.

### Pension Fund

- 6.10.5 RCT is the Administering Authority for the Rhondda Cynon Taf Pension Fund. Whilst the governance arrangements detailed in this statement apply equally to the Council’s responsibilities to the Pension Fund there are further specific requirements for Pension Funds which are detailed in a number of key documents:
- Governance Statement of Compliance which indicates the Fund’s position against the Government’s best practice standards;
  - Governance Policy Statement which provides an overview of the management structure, decision making and employer engagement;
  - Communication Policy Statement which details the communication and information services to participating employers and scheme members;
  - Pension Fund Administration Strategy which seeks to improve efficiency in the delivery of agreed standards of quality and to ensure compliance with statutory requirements;
  - Investment Strategy Statement which details how Fund investments are managed, including the Fund’s policy on how social, environmental and corporate governance considerations are taken into account; and
  - Funding Strategy Statement which provides a summary of how we will fund our pension liabilities.
  - Pension Fund Risk Register, which identifies, prioritises and monitors risks associated with the Fund, against suitable mitigation controls.

- 6.10.6 All of these documents can be found at the following link:  
[www.rctpensions.org.uk](http://www.rctpensions.org.uk)
- 6.10.7 The Public Service Pensions Act 2013 introduced a number of changes to public service pension schemes, including some significant changes for the governance of such schemes. In accordance with the Act, the Council established a Local Pension Board to assist Rhondda Cynon Taf County Borough Council in its role of Administering Authority ('Scheme Manager') in:
- Securing compliance with the Principal Regulations and any other legislation relating to the governance and administration of the LGPS;
  - Securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and
  - Ensuring the effective and efficient governance and administration of the LGPS by the Scheme Manager.
- 6.10.8 The Pension Board is made up of two employer representatives and two member representatives.
- 6.10.9 In 2016/17 the Council established a formal Pension Fund Committee (subject to the provisions of Section 101 of the Local Government Act 1972) to oversee its responsibilities with regard to the administration of the RCT Pension Fund. The Pension Fund Committee consists of 5 elected members and is politically balanced.
- 6.10.10 The Committee is responsible for the strategic management of the RCT Pension Fund with all operational matters continuing to be delegated to the Council's Chief Finance Officer (as the Section 151 Officer or in his absence the Deputy Section 151 Officer) who are supported by an Investment and Administration Advisory Panel with appropriate officer, independent advisor and professional support.
- 6.10.11 The Pension Fund Committee met 4 times during the 2022/23 financial year.
- 6.10.12 In 2017, a Joint Governance Committee (JGC) was established in accordance with an inter-authority agreement, responsible for oversight of the Wales Pension Partnership (WPP) investment pooling collaboration of the eight LGPS funds in Wales. The eight Welsh Pension Fund Committee Chairs or their nominated deputy (elected member) attend the JGC and are supported by an officer working group. In January 2018, the WPP appointed an 'Operator' to establish and run a collective investment vehicle for the sole use of the Local Government Pension Scheme (LGPS) funds in Wales.

A summary of the pooling objectives of the WPP are:

- Generate consistent net of fee excess returns;
- Diversify manager risk;
- Reduce average manager fees;
- Achieve tax efficiency by reclaiming withholding tax on dividends (for non-UK equity sub-funds);

- Meet the Government deadlines by establishing one sub fund submission to the FCA; and
- Equitably share the costs of transitioning into sub-funds.

## 6.11 Other Key Sources of Assurance

6.11.1 The following other key sources of assurance were in place during the 2022/23 financial year.

### Chief finance Officer (Section 151 Officer)

6.11.2 The Chief Finance Officer position within the Council during 2022/23 complied with the principles outlined in the CIPFA document ‘*The Role of Chief Finance Officer*’ because the Chief Finance Officer:

- *Was a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation’s strategic objectives sustainably and in the public interest;*
- *Was actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation’s financial strategy; and*
- *Led the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.*

*To deliver these responsibilities the Chief Financial Officer:*

- *Led and directed a finance function that was resourced to be fit for purpose; and*
- *Is professionally qualified and suitably experienced.*

### Monitoring Officer

6.11.3 The Monitoring Officer is required to report to the Council in any case where it appears that any proposal, decision or omission by the authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989. During the period of the Annual Governance Statement, the Monitoring Officer did not make any such reports.

### Head of the Regional Internal Audit Service

6.11.4 The Head of Internal Audit has produced a Head of Internal Audit Report for 2022/23. Subject to the Governance and Audit Committee consideration at its meeting in July 2023, the Head of Internal Audit Report states:



- *from the work undertaken during the financial year 2022/23 and taking into account other sources of assurance, the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2022/23 is: "Reasonable Assurance".*
  - *based on the work completed by the Regional Internal Audit Shared Service for the financial year no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific.*
- 6.11.5 The Head of Internal Audit's Annual Report 2022/23 confirmed overall conformance to the Public Sector Internal Audit Standards. Many Council staff continued to work remotely, and systems and processes have had to be adjusted to cater for the new ways of working. Similarly, Internal Audit has worked remotely, conducting audits and obtaining evidence digitally. Each audit has considered the potential impact of remote working to ensure adequate controls and governance arrangements remained in place.
- 6.11.6 Remote working and long term sickness did have an impact on the delivery of the Internal Audit Plan for 2022/23 and notwithstanding this, the level of Internal Audit coverage was still sufficient for the Head of Audit to be able to give an opinion. In respect of audit coverage, the Internal Audit plan continued to have regard to the continuing impact caused by the pandemic and the changes that have been made to the way the Council is operating. Some planned reviews were not undertaken during the year, some due to requests from services that were under intense pressure. These will be considered in the 2023/24 plan.
- 6.11.7 During the year the service has had the flexibility to work from home or the office and have undertaken site visits as appropriate for each audit. The Audit team will continue to work remotely to a large extent, and each audit will continue to consider the impact of remote working to ensure adequate controls and governance arrangements are in place.

#### External Audit

- 6.11.8 Audit Wales provided updates to full Council and the Governance and Audit Committee to enable elected Members to review and scrutinise its work and also seek assurance from Council Officers that agreed recommendations reported by Audit Wales were being implemented by Council services. Updates included:
- Full Council - overall, compliance with statutory requirements met and no significant issues to report
    - [23rd November 2022](#) - 'Audit of Accounts Report – Rhondda Cynon Taf Pension Fund'; and

- [18th January 2023](#) - 'Audit of Accounts Report – Rhondda Cynon Taf County Borough Council'.
- Governance and Audit Committee – regular Audit Wales updates were reported to the Committee and, from a Council perspective, an Officer report was presented setting out progress made to implement recommendations made by Audit Wales in respect of the Council's arrangements. This included:
  - [18th July 2022](#) - 'Audit Wales – 2022 Audit Plan Rhondda Cynon Taf County Borough Council' and 'Audit Wales – 2022 Audit Plan Rhondda Cynon Taf Pension Fund';
  - [7th September 2022](#) – 'Audit Wales Work Programme and Timetable'; Audit Wales Reports (Rhondda Cynon Taf Council specific reports: 'Springing Forward – Strategic Asset Management' and 'Springing Forward – Workforce' and all Wales report 'Direct Payments for Adult Social Care'); and Audit Wales – verbal update on the progress of the audit of the draft Statement of Accounts 2021/22;
  - [7th December 2022](#)
    - Audit Wales Assurance and Risk Assessment Summary Report; Audit Wales – Transformational Leadership Programme Board – Baseline Governance Review – Cwm Taf Morgannwg Regional Partnership Board; and Council Progress Update – Implementation of recommendations reported by Audit Wales.
    - Council Progress Update (Officer Report) – Implementation of recommendations reported by Audit Wales.
  - [15th March 2023](#) – Audit Wales – Annual Audit Summary 2022.

6.11.9 The Review of Effectiveness and proposals for improvement have been reviewed and challenged by the Council's Senior Leadership Team and the Governance and Audit Committee.

## **6.12 Overall Conclusion**

- 6.12.1 Based on the review of effectiveness against the Local Code of Corporate Governance, the Council's governance arrangements provided the basis to effectively plan, allocate and manage resources to support the delivery of Corporate Plan priorities and wider service delivery, and was underpinned by sound decision making arrangements. A small number of proposals for improvement have been made to further strengthen existing processes.
- 6.12.2 This position, together with a track record of implementing proposals for improvement made within previous Annual Governance Statements, provides assurance that appropriate arrangements are in place to address the proposals for improvement set out in Section 7.

## 7. PROPOSALS FOR IMPROVEMENT 2022/23

7.1 Further to completing the assessment of the Council's governance arrangements, Table 2 summarises the proposals for improvement.

Table 2 – Proposals for Improvement

<b>Core / Supporting Principle</b>	<b>Local Code of Corporate Governance Requirement</b>	<b>Issue Identified</b>	<b>Recommendation</b>	<b>Timescale for Implementation</b>	<b>Responsible Officer(s)</b>
B - Ensuring openness and comprehensive stakeholder engagement	Stakeholder Engagement	Further work is required to develop and finalise a Participation Strategy setting out how local people are encouraged to participate in decision-making by the Council.	The Council should complete its work to finalise and agree its Participation Strategy and then take the necessary steps for this to be implemented.	October 2023	Service Director – Democratic Services and Communication
C - Defining outcomes in terms of sustainable economic, social and environmental benefits	Quarterly Performance Report (including Risk Register updates)	The Council's latest Self-Assessment identified the need for continued improvement in arrangements to demonstrate the impact of its work and delivery of intended outcomes, noting the requirement for the Council to re-set its arrangements following the unprecedented impact of the Covid-19 pandemic.	There is a need for the Council to build on the work to date to more clearly demonstrate impact and outcomes within its Self-Assessment and Performance Reporting arrangements and also incorporate service user information (this being an emerging finding from the Audit Wales review work undertaken in 2022/23).	From September 2023	Senior Leadership Team

Core / Supporting Principle	Local Code of Corporate Governance Requirement	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)
E - Developing the entity's capacity, including the capability of its leadership and the individuals within it	Developing the capability of the entity's leadership and other individuals	The Contract and Financial Procedure Rule documents were not reviewed during 2022/23 to consider any updates required and ensure they continue to be fit for purpose.	Both documents should be review during 2023/24 and proposed updates signed-off, incorporated into the Council's Constitution and staff made aware of updates.	January 2024	Service Director – Finance and Improvement Services (FPRs) and Head of Procurement (CPRs)
F - Managing risks and performance through robust internal control and strong public financial management	Risk Management Strategy	<ul style="list-style-type: none"> <li>Internal Audit undertook an audit assignment on the Council's Corporate Risk Management arrangements in 2022/23, concluding reasonable assurance overall, and set out recommendations to further strengthen arrangements: updating the Risk Management Strategy to include officer roles and responsibilities; Strategic risks descriptions within the Strategic Risk Register are reviewed to ensure the impact on the Council is clear; and the need to progress the compilation and roll-out of a Risk Management e-learning training module for Council officers.</li> </ul>	Further strengthen risk management arrangements, as set out in the 2022/23 Internal Audit Report 'Corporate Risk Management.	September 2023	Service Director – Finance and Improvement Services

Core / Supporting Principle	Local Code of Corporate Governance Requirement	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)
F - Managing risks and performance through robust internal control and strong public financial management – continued	Medium Term Financial Plan	<ul style="list-style-type: none"> <li>The Audit Wales Assurance and Risk Assessment Review recommended in respect of Carbon Reduction Plans – <i>'In order to meet its net zero ambition the Council needs to fully cost its action plan and ensure it is aligned with its Medium Term Financial Plan'</i>.</li> </ul>	Fully cost the Council's carbon reduction action plan and ensure alignment to the Medium Term Financial Plan, as recommended by Audit Wales in its Assurance and Risk Assessment Review.	October 2023	Deputy Chief Executive and Group Director – Finance, Digital and Frontline Services and Director of Corporate Estates

7.2 The Council's Senior Leadership Team has accepted the proposals for improvement and is committed to their implementation during 2022/23. The Senior Leadership Team has also confirmed that an update on progress will be reported to the Council's Governance and Audit Committee during the year to enable elected Members to review and scrutinise the extent of progress being made.

Leader: \_\_\_\_\_

Chief Executive: \_\_\_\_\_

**APPENDIX A**

**ANNUAL GOVERNANCE STATEMENT 2021/22 – YEAR-END POSITION STATEMENT**

<b>Core / Supporting Principle (Paragraph)</b>	<b>Local Code of Corporate Governance Requirement</b>	<b>Issue Identified</b>	<b>Recommendation</b>	<b>Timescale for Implementation</b>	<b>Responsible Officer(s)</b>	<b>Year-end Position Statement 2022/23</b>
<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 (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)	Year-end Position Statement 2022/23
<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 Governance and Audit Committee'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 Governance and Audit Committee 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)	Year-end Position Statement 2022/23
<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>Completed (as part of compiling the 2022/23 Annual Governance Statement).</p> <p>Updated Local Code of Corporate Governance reported to the 4<sup>th</sup> July 2023 Governance and Audit Committee</p>

<b>Core / Supporting Principle (Paragraph)</b>	<b>Local Code of Corporate Governance Requirement</b>	<b>Issue Identified</b>	<b>Recommendation</b>	<b>Timescale for Implementation</b>	<b>Responsible Officer(s)</b>	<b>Year-end Position Statement 2022/23</b>
<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>Completed and noting that this will be an on-going programme of work</p> <p>(e.g. '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)	Year-end Position Statement 2022/23
<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 was updated in line with the recommendation and reported to Cabinet (26/9/22) and full Council (28/9/22)</p>

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