

<p align="center">GOVERNANCE AND AUDIT COMMITTEE</p> <p align="center">4th July 2023</p>	<p align="center">AGENDA ITEM NO. 9</p>
<p>JOINT REPORT OF THE DEPUTY CHIEF EXECUTIVE AND GROUP DIRECTOR – FINANCE, DIGITAL AND FRONTLINE SERVICES AND THE SERVICE DIRECTOR OF DEMOCRATIC SERVICES AND COMMUNICATION</p>	<p align="center">GOVERNANCE AND AUDIT COMMITTEE - DRAFT WORK PLAN 2023/24</p>

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1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to set out a draft work plan for the 2023/24 Municipal Year to enable the Committee to effectively fulfil its Terms of Reference.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Consider the report and determine whether there are other areas / themes to incorporate within the work plan to aid the effective discharge of the Governance and Audit Committee’s responsibilities.
- 2.2 Approve a work plan for delivery during the 2023/24 Municipal Year.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure the Governance and Audit Committee has a balanced work plan alongside appropriate information and support to help enable the effective discharge of its responsibilities.

4. BACKGROUND INFORMATION

- 4.1 In line with its Terms of Reference, the CIPFA publication ‘Audit Committees – Practical Guidance Note for Local Authorities & Police,

2018 Edition' and responsibilities arising from the Local Government and Elections (Wales) Act 2021, the Governance and Audit Committee is a key component of the Council's corporate governance arrangements:

- It provides independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- It provides independent assurance to the Members of Rhondda Cynon Taf County Borough Council on the adequacy of the governance, risk management and control frameworks and oversees the financial reporting and annual governance processes.
- It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
- As a key element of the arrangements for corporate governance, designed to ensure openness, integrity and accountability, the Committee will assist the Authority in discharging its responsibility for ensuring financial probity, without taking any action which might prejudice it.
- The Governance and Audit Committee should play a key role in supporting the discharge of those responsibilities by providing a high-level focus on audit, assurance and reporting.
- Overseeing responsibilities, as set out in the Local Government and Elections (Wales) Act 2021, in respect of Self-Assessment, independent Panel Performance Assessment and arrangements around the Council's ability to deal with complaints.

4.2 To ensure the work of the Council's Governance and Audit Committee is in line with the above requirements, an annual work plan is compiled and published to set out the information to be reported to the Committee during the year.

5. DRAFT WORK PLAN 2023/24

5.1 The draft Governance and Audit Committee Work Plan for 2023/24 is included at **Appendix 1** and sets out its Terms of Reference together with a timetable for bringing reports and information updates before Committee for review and challenge.

5.2 The work plan will be kept under on-going review during the year and where further areas are identified (for example, referrals from Scrutiny

Committees), these will be reported to Governance and Audit Committee for consideration and, if deemed appropriate, incorporation into the work plan.

6. EQUALITY AND DIVERSITY AND SOCIO-ECONOMIC DUTY IMPLICATIONS

- 6.1 There are no equality and diversity or socio-economic duty implications as a result of the recommendations set out in the report.

7. CONSULTATION

- 7.1 There are no consultation implications as a result of the recommendations set out in the report.

8. FINANCIAL IMPLICATION(S)

- 8.1 There are no financial implications as a result of the recommendations set out in the report.

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 The Local Government (Wales) Measure 2011, Chapter 2 section 81 states:

'Local authorities to appoint audit committees

1. *A local authority must appoint a committee (an "audit committee") to:*
 - a. *review and scrutinise the authority's financial affairs,*
 - b. *make reports and recommendations in relation to the authority's financial affairs,*
 - c. *review and assess the risk management, internal control and corporate governance arrangements of the authority,*
 - d. *make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements,*
 - e. *oversee the authority's internal and external audit arrangements, and*
 - f. *review the financial statements prepared by the authority.*
2. *A local authority may confer on its audit committee such other functions as the authority considers suitable to be exercised by such a committee.*
3. *It is for an audit committee to determine how to exercise its functions.*

9.2 The draft work plan for 2023/24 will support the Council's Governance and Audit Committee to meet the above legal requirements.

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

THE COUNCIL'S CORPORATE PLAN PRIORITIES

10.1 The work of the Council's Governance and Audit Committee aims to support the delivery of the priorities contained within the Council's Corporate Plan 2020-2024 'Making a Difference', in particular 'Living Within Our Means' through ensuring that appropriate governance arrangements are in place to effectively manage resources.

WELL-BEING OF FUTURE GENERATIONS ACT

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

11. CONCLUSION

11.1 The draft work plan set out at **Appendix 1** of this report provides a plan for the 2023/24 Municipal Year to allow the Committee to manage and discharge its role in accordance with its Terms of Reference, the requirements of the CIPFA publication 'Audit Committees – Practical Guidance Note for Local Authorities & Police, 2018 Edition' and the requirements of the Local Government and Elections (Wales) Act 2021.

Other Information:-

Relevant Scrutiny Committee
Not applicable.

Contact Officer – Paul Griffiths

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

4TH JULY 2023

GOVERNANCE AND AUDIT COMMITTEE DRAFT WORK PLAN 2023/24

**JOINT REPORT OF THE DEPUTY CHIEF EXECUTIVE AND GROUP
DIRECTOR – FINANCE, DIGITAL AND FRONTLINE SERVICES AND THE
SERVICE DIRECTOR OF DEMOCRATIC SERVICES AND
COMMUNICATION**

Author: Paul Griffiths (Service Director – Finance and Improvement Services)

Item: 9

Background Papers

None.

Officer to contact: Paul Griffiths

Appendix 1 – Governance and Audit Committee’s Workplan linked to its Terms of Reference.

<p>Statement of Purpose</p> <p>The Governance and Audit Committee is a key component of Rhondda Cynon Taf County Borough Council’s corporate governance. It provides independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.</p> <p>The purpose of the Governance and Audit Committee is to provide independent assurance to the Members of Rhondda Cynon Taf County Borough Council of the adequacy of the risk management framework and the internal control environment. It provides independent review of Rhondda Cynon Taf County Borough Council’s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.</p>
<p>Terms of Reference</p> <p>As a key element of the arrangements for corporate governance, designed to ensure openness, integrity and accountability, the Committee will assist the Authority in discharging its responsibility for ensuring financial probity, without taking any action which might prejudice it. The Committee will:-</p>

		4/07/2023	04/09/2023	11/10/2023	19/12/2023	23/1/2024	27/02/2024	16/04/2024
A	At the first meeting of the Governance and Audit Committee following the Council’s Annual General Meeting the Governance and Audit Committee shall appoint the Chair of the Governance and Audit Committee (who must be a lay member) and appoint the Vice Chair of the Governance and Audit Committee.	X						

		4/07/2023	04/09/2023	11/10/2023	19/12/2023	23/1/2024	27/02/2024	16/04/2024
B	To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.	X Draft Annual Governance Statement (AGS) 2022/23 and updated Local Code of Corporate Governance			X Receive an update in respect of progress made to implement the proposals for improvement contained within the 2022/23 AGS			
C	Review, scrutinise and issue reports and recommendations on the appropriateness of the Authority's risk management, internal control and corporate governance arrangements, and providing the opportunity for direct discussion with the auditor(s) on these.	X Council Progress Update on the implementation of Audit Wales recommendations reported to the Council		X Strategic Risk Register Update X Governance and Audit Committee Learning & Development – as per Learning and Development Plan	X Council Progress Update on the implementation of Audit Wales recommendations reported to the Council	X Strategic Risk Register Update	X Strategic Risk Register Update X Governance and Audit Committee Learning & Development – as per Learning and Development Plan	
D	To review the assessment of fraud risks and potential harm to the Council from fraud and corruption and to monitor the counter-fraud strategy, actions and resources.				X Receive an update on the work delivered by the Corporate Fraud Team.			X Whistleblowing Annual Report 2023/24 X Anti-Fraud, Bribery & Corruption - Annual Report 2023/24

		4/07/2023	04/09/2023	11/10/2023	19/12/2023	23/1/2024	27/02/2024	16/04/2024
E	To review the governance and assurance arrangements for significant partnerships or collaborations.	Partnership arrangements to be considered as part of the Draft Annual Performance Self-Assessment Report (as per W(i))						
F	To receive reports in relation to proposed changes to the Authority's Contract Procedure Rules and Financial Procedure Rules and where deemed appropriate, recommend their approval to Council.					X Procedure Rules Update – an overview of the Council's Contract and Financial Procedure Rules (in line with the Learning and Development Plan)		
G	To approve the Internal Audit Charter.							X Internal Audit Charter 2024/25
H	Review, approve and ensure the co-ordination of the risk based Annual Internal Audit Plan for the coming financial year.	X Draft Strategy and Annual Risk Based Internal Audit Plan 2023/24						
I	To make appropriate enquiries of both management and the Head of Regional Internal Audit Service to determine if there are any inappropriate scope or resource limitations and to	X Annual Internal Audit Report 2022/23						

		4/07/2023	04/09/2023	11/10/2023	19/12/2023	23/1/2024	27/02/2024	16/04/2024
	consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Regional Internal Audit Service. To approve and periodically review safeguards to limit such impairments.							
J	To receive reports on the performance of the Internal Audit Service throughout the year particularly in relation to matters of financial probity and corporate governance.	X Annual Internal Audit Report 2022/23		X Progress Against the Internal Audit Risk Based Plan 2023/24 X Internal Audit Recommendations Update		X Progress Against the Internal Audit Risk Based Plan 2023/24 X Internal Audit Recommendations Update		X Progress Against the Internal Audit Risk Based Plan 2023/24 X Internal Audit Recommendations Update
K	To contribute to the Quality Assurance Improvement Programme and in particular, to the external quality assessment of Internal Audit that takes place at least once every five years.	X External Quality Assessment of Internal Audit – timing to be confirmed						
L	To provide free and unfettered access to the Governance and Audit Committee Chair for the Head of Regional Internal Audit Service, including the opportunity for a private meeting with the Committee.	As and when required						

		4/07/2023	04/09/2023	11/10/2023	19/12/2023	23/1/2024	27/02/2024	16/04/2024
M	To receive and consider the Head of Regional Internal Audit Service's Annual Report and opinion on the level of assurance it can give over the Authority's governance arrangements and associated internal control environment.	X Annual Internal Audit Report 2022/23						
N	Act as a point of arbitration, where senior officers of the Authority are unable to agree significant audit report recommendations.	As and when required						
O	To receive and consider reports of the External Auditor in relation to matters of financial probity and corporate governance and providing the opportunity for direct discussion with the auditor(s) on these.	Updates to be provided in line with the Audit Wales Annual Plan						
P	Consider national reports, for example, from the Wales Audit Office, of relevance to the work of the Authority.	As and when published						
Q	Review, scrutinise and issue reports and recommendations in relation to the Authority's financial affairs, and providing the opportunity for direct discussion with the auditor(s) on these.		X Governance and Audit Committee Learning & Development – Treasury Management X Treasury Management Annual Report		X 2023/24 Mid-year Treasury Management Stewardship Report			

		4/07/2023	04/09/2023	11/10/2023	19/12/2023	23/1/2024	27/02/2024	16/04/2024
			2022/23					
R	Review and comment on the Authority's certified draft financial statements before their approval by Council.		X Governance and Audit Committee Learning & Development – Overview of Accounting Policies X Draft Statements of Account 2022/23					
S	Oversee the Authority's audit arrangements (both internal and external).							X Governance and Audit Committee Annual Report, incorporating a self assessment against the CIPFA 2018 Practical Guidance Note
T	Promote and review any measures designed to raise the profile of probity within the Authority.	As and when required						
U	Agree, where Committee Members deem it appropriate, that a matter arising from a written report to a Committee which requires further clarification may be either dealt with by a request for a written commentary from the appropriate designated	As and when required						

		4/07/2023	04/09/2023	11/10/2023	19/12/2023	23/1/2024	27/02/2024	16/04/2024
	officer, or by that designated officer or their senior representative, attending to answer questions in person on that specific matter. Alternatively, the Governance and Audit Committee can refer the matter to the relevant Scrutiny Committee.							
V	The committee may require members and officers of the Authority to attend before it to answer questions. Such members and officers have a duty to comply but are not obliged to answer any questions that may be refused in court proceedings in England and Wales. The Committee may invite other persons to attend the meeting.	As and when required						
W (i)	To consider the Council's draft Annual Performance Self-Assessment report and if deemed necessary may make recommendations for changes to the Council.				Draft Annual Performance Self-Assessment Report			
W (ii)	To receive the Council's finalised Annual Self-Assessment report in respect of a financial year as soon as reasonably practicable after the end of the financial year.					Finalised Annual Self-Assessment Report		
W(iii)	At least once during the period between the two							

		4/07/2023	04/09/2023	11/10/2023	19/12/2023	23/1/2024	27/02/2024	16/04/2024
	consecutive ordinary elections of councillors to the Council, consider the independent Panel Performance Assessment report into which the Council is meeting its performance requirements.	Further to the timescales for the independent Panel Performance Assessment being confirmed, an update will be provided to the Governance and Audit Committee in order for this area to be incorporated into the workplan.						
W (iv)	To receive and review the Council's draft response to the report of the independent Panel Performance Assessment and if deemed necessary may make recommendations for changes to the statements made in the draft response to the Council.	Further to the timescales for the independent Panel Performance Assessment being confirmed, an update will be provided to the Governance and Audit Committee in order for this area to be incorporated into the workplan.						
X (i)	To review and assess the Council's ability to deal with complaints effectively.*			Comments, Compliments and Complaints – update report				
X (ii)	To make reports and recommendations in relation to the Council's ability to deal with complaints effectively.*							

* - Designated training session to be delivered during the autumn, in addition to the above Committee meetings, in respect of scrutinising the arrangements the Council has in place to manage complaints.