



## **RHONDDA CYNON TAF COUNCIL**

Minutes of the virtual meeting of the Governance and Audit Committee held on Tuesday, 4 July 2023 at 5.00 pm.

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

### **County Borough Councillors – The following Committee Members were present:**

Mr C Jones	Councillor G Hopkins
Councillor M Maohoub	Councillor S Rees
Councillor B Stephens	Councillor L A Tomkinson
Councillor A J Ellis	Mr M Jehu

### **Officers in attendance**

Mr A Wilkins, Director of Legal Services and Democratic Services  
Mr P Griffiths, Service Director – Finance & Improvement Services  
Mr A Wathan - The Head of the Regional Internal Audit Service  
Ms L Cumpston, Group Audit Manager

### **Apologies for absence**

Mr J Roszkowski

#### **1 Welcome and Apology**

The Director of Legal and Democratic Services welcomed attendees to the meeting of the Governance and Audit Committee and an apology was received from Lay Member – Mr J Roszkowski.

#### **2 Declaration of Interest**

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

#### **3 Minutes**

It was **RESOLVED** to approve the minutes of the 15<sup>th</sup> March 2023 as an accurate reflection of the meeting.

#### **4 Matters Arising**

Minute No. 39 (Whistleblowing Annual Report 2022/23 including updated Whistleblowing Policy): The Director of Legal and Democratic Services confirmed that the proposed changes to Appendix A in relation to the 'workers do's and don'ts', had been actioned following agreement by the Committee and

advised that the amended document had been published on the Council's intranet and would be included within the Council's Constitution.

## **5 Appointment of Chair**

The Director of Legal and Democratic Services sought nominations for the position of Chair of the Governance and Audit Committee.

It was **RESOLVED** that Mr C Jones be re-elected as Chairman of the Governance and Audit Committee for the Municipal Year 2023/24.

## **6 Appointment of Vice-Chair**

The Chair sought nominations for the position of Vice-Chair for the Governance and Audit Committee for the Municipal Year 2023/24. It was **RESOLVED** to re-elect County Borough Councillor M Maohoub as Vice-Chair.

## **7 Announcement of the Chair**

The Chair took the opportunity to welcome new Committee Member, County Borough Councillor A. Ellis and the newly appointed Head of Regional Audit Service to their first meeting of the Governance and Audit Committee.

The Chair welcomed County Borough Councillor S. J. Davies who was present at the meeting to observe the proceedings.

## **8 Council Progress Update - Implementation of Recommendations reported by Audit Wales**

The Service Director - Finance and Improvement Services provided Members with a progress update on the implementation of recommendations reported in the Audit Wales 'Annual Audit Summary 2021' and the three stand-alone reports:

- Rhondda Cynon Taf Council - Springing Forward – Strategic Asset Management (issued June 2022);
- Rhondda Cynon Taf Council - Springing Forward – Workforce (issued July 2022); and
- National Report – Direct Payments for Adult Social Care (published April 2022).

The Service Director referred Members to Section 3 of the report and outlined the arrangements for monitoring Audit Wales recommendations. It was explained that the Governance and Audit Committee have responsibility to provide independent assurance around the adequacy of the arrangements in place and Scrutiny Committees having responsibility to monitor the progress Council Services are making to implement agreed recommendations reported by Audit Wales. Members were reminded that the Governance and Audit Committee can refer performance related matters to the relevant Scrutiny Committee and that Scrutiny Committees can refer matters to the Governance

and Audit Committee, in relation to internal control, risk management and governance.

The Service Director assured the Governance and Audit Committee that where recommendations are agreed with Audit Wales, implementation and monitoring arrangements are in place with the relevant service areas and in-year and year-end progress updates are reported to the Governance and Audit Committee.

The Governance and Audit Committee **RESOLVED:**

1. To consider whether there are any matters of a governance, internal control or risk management nature that require further action or attention by the Governance and Audit Committee; and
2. To consider whether there are any matters of a performance nature that require review by the Council's Scrutiny Committees.

## **9 Head of Internal Audit Annual Report 2022/23**

The Head of the Regional Internal Audit Service provided the Committee with his Annual Opinion on the Council's control environment in relation to governance, risk management and internal control. Furthermore, the officer provided the Governance and Audit Committee with information in relation to the work and performance of Internal Audit for the Financial Year 2022/23.

In accordance with the Public Sector Internal Audit Standards, the Head of Internal Audit is required to develop a risk-based annual audit plan which considers the Council's risk management framework. Within the Standards there is also a requirement for the Head of Audit to review and adjust the plan, as necessary, in response to the changes in the Council's business, risks, operations, programmes, systems, controls and resources. The Head of Internal Audit must ensure that Internal Audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.

The Head of the Regional Internal Audit Service informed Members of the approved draft Internal Audit plan for 2022/23 which was presented to the Governance and Audit Committee on the 18<sup>th</sup> July 2022. The approved plan was flexible to respond to changing circumstances and events that may occur during the year.

The Head of the Regional Internal Audit Service directed Members to Appendix A of the report which summarised the reviews undertaken during 2022/23, the recommendations made, and any control issues identified. It was noted that a total of 47 reviews were completed where an audit opinion was provided, and a total of 143 recommendations made.

The Head of the Regional Internal Audit Service directed Members to Annex 2 of the report that set out the final position against the 2022/23 Risk Based Plan and illustrated that 59 (61%) of the planned audit reviews had been undertaken during 2022/23; 29 audits were not started and had been included in the planning process for 2023/24; and that a further 2 audit reviews were ongoing and had been carried forward into the 2023/24 audit plan.

The Head of the Regional Internal Audit Service concluded by informing Members that based on the results of the internal audit reviews completed during 2022/23, the recommendations made and consideration of other sources

of assurance, the opinion drawn of the effectiveness of the Council's framework of governance, risk management and internal control for 2022/23 was of **'Reasonable Assurance'**.

The Chair thanked the Head of the Regional Internal Audit Service for the detailed report and was encouraged by its content.

One Member noted that two audit reviews identified control issues which meant that a Limited Assurance audit opinion was provided. In respect of the Ysgol Gyfun Rhydywaun review, the Member raised concerns about the failure to take on board the implementation of two Council corporate systems, one of which was in relation to safeguarding. The Member questioned the process of informing Merthyr Tydfil County Borough Council of the school's shortcomings in terms of the safeguarding process and whether there was a process to inform social services, Estyn or CIW, if there are any Children Looked After pupils at the school. The Head of the Regional Internal Audit Service firstly took the opportunity to assure the Member that the school had confirmed that both the recommendations to improve the overall control environment had been fully implemented and that the reviews would be followed up later in the year. The Audit Manager advised that the school did have safeguarding measures in place, but that it was not the process endorsed by RCT Council.

In terms of the process of notifying the other Local Authority and the finalisation of the report, the Head of Regional Internal Audit Service advised that the information would be reported back to the next meeting of the Governance and Audit Committee but added that both the Headteacher and Director of Education of this Council receive copies.

In reference to the audit review of Highways – Transfer of Waste, where it was identified that there was an overall lack of control at both Council Depots, absence of key information relating to the type, frequency and volume of waste being transferred and lack of compliance with the Council's Contract Procedure Rules, one Member queried which depot and what type of waste was being referred to. The Head of Regional Internal Audit Service explained that the review was in relation to the controls of the process, as opposed to the waste itself.

One Member highlighted the term 'areas for improvement' and queried whether the areas in question are in relation to performance in a wider perspective, with no impact on the audit; and how the Committee can be assured of future improvement. The Head of the Regional Internal Audit Service confirmed that the areas for improvement were in relation to the overall performance of the team and the individual audits. It was explained that in order to monitor the improvement, appropriate resources would need to be in place to achieve approximately 80% of the Audit Plan; and that there is a third party internal audit provider for additional support, should the service be unsuccessful in its recruitment process. Furthermore, the Head of Regional Internal Audit Service spoke of the approximate 50% return rate of questionnaires and advised that service managers would be encouraged to respond following the final report.

One Member commented that he felt assured by the effectiveness of the Internal Audit Service and that plans were in place for areas which may have fallen short in terms of the control process.

The Governance and Audit Committee **RESOLVED:**

1. To give consideration to the Annual Internal Audit Report for the Financial Year 2022/23 including the Head of Internal Audit's Annual Opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control.

## **10 Council Annual Governance Statement 2022/23 and updated Local Code of Corporate Governance**

The Service Director - Finance and Improvement Services provided Members with the Council's draft Annual Governance Statement for the 2022/23 financial year and updated Local Code of Corporate Governance.

The Service Director drew Members' attention to Appendix 1 of the report and explained that the Draft Annual Governance Statement for 2022/23 had been produced in accordance with the requirements contained within the 'Delivering Good Governance in Local Government: Framework (2016)' and the CIPFA Financial Management Code 2019.

The review process also identified updates for inclusion within the Local Code of Corporate Governance to reflect the current arrangements in place within the Council, with an updated Code set out at Appendix 2 of the report for Members' consideration.

One Member commented on the complexity of the report and stated that officers had taken a pragmatic approach to managing its content. The Member commented that he felt assured that the Local Authority was taking its responsibilities seriously.

The Chair thanked the Service Director for the update and was pleased to note that the Council's Procedure Rules would be updated.

The Governance and Audit Committee **RESOLVED:**

1. To critically review the Annual Governance Statement, suggest any material amendments and recommend its certification by the Leader of the Council and the Chief Executive for inclusion within the Council's 2022/23 certified draft Statement of Accounts;
2. That in the event that reports from relevant External Inspectors be provided to the Council before the Statement of Accounts are approved, to authorise the Deputy Chief Executive and Group Director - Finance, Digital and Frontline Services to include reference within the Annual Governance Statement; and
3. To review and approve the updated Local Code of Corporate Governance and for its publication on the Council's website.

## **11 Internal Audit Plan 2023/24**

The Audit Manager provided the Governance and Audit Committee with the draft Annual Internal Audit Strategy and Risk Based Internal Audit Plan for 2023/24.

In line with the Public Sector Internal Audit Standards (PSIAS) the Head of Internal Audit must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisations goals.

The Audit Manager advised Members that to develop the risk-based plan, the Head of Internal Audit consulted with senior management in order to obtain an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes. The Head of Internal Audit must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems and controls.

It was noted that in order to produce the Internal Audit Plan the following information is taken into account:

- Corporate Risk Register/Strategic Risk Register;
- Corporate Plan;
- Key Financial Systems;
- Grant Claims that require Internal Audit certification;
- Follow-up reviews;
- Audit reviews that are carried forward from the previous audit plan;
- Feedback from questionnaires issued to Service Directors; and
- Results of discussions with the Senior Leadership Team, including the Chief Executive, Section 151 Officer and other senior officers as necessary.

In reference to remote working, one Member questioned if there was a process in place to seek the views of service users on remotely run services. The Member spoke of the use of ex-employees and whether they felt that they were receiving adequate support from services, following their employment. The Audit Manager advised that there is an audit scheduled within the plan, which would review the customer care and Customer Relationship Management system of the Local Authority, which is the first point of contact for members of the public. The Service Director - Finance and Improvement Services added that there is an on-going programme of service user engagement undertaken across services to understand the needs of service users, and the Council recognises that on-line platforms do not meet the needs of all service users and takes this into account in the delivery of services.

The Governance and Audit Committee **RESOLVED:**

1. To approve the draft Annual Internal Audit Strategy and Risk Based Internal Audit Plan for 2023/24.

## **12 Governance and Audit Committee Draft Work Programme 2023/24**

The Service Director - Finance and Improvement Services set out a draft work plan for the 2023/24 Municipal Year to enable the Committee to effectively fulfil its Terms of Reference.

The Service Director drew Members' attention to the draft Governance and Audit Committee Work Plan for 2023/24, which was attached at Appendix 1 of the report. The Work Plan set out the Committee's Terms of Reference together with a timetable for bringing reports and information updates before Committee for review and challenge.

It was noted that the work plan would be subject to on-going review during the year and where further areas are identified, these will be reported to Governance and Audit Committee for consideration and, if deemed appropriate, incorporated into the work plan.

The Service Director highlighted to Members that a training session for the Governance and Audit Committee has been scheduled to take place in October, which would be in addition to the regular Committee meetings. The session would relate to scrutinising the arrangements the Council has in place to effectively manage complaints. The Service Director advised that at October's Committee meeting, the intention was for Members to consider a report in respect of the Council's complaints procedures, and as such the areas of focus identified at the training session would be fresh in Members' minds.

The Governance and Audit Committee **RESOLVED:**

1. To 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; and
2. To approve a work plan for delivery during the 2023/24 Municipal Year.

**This meeting closed at 6.00 pm**

**Mr C Jones - Chair.**