

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
MUNICIPAL YEAR 2023/24

GOVERNANCE AND AUDIT COMMITTEE 4 September 2023	AGENDA ITEM NO. 6
REPORT OF THE SERVICE DIRECTOR FOR DEMOCRATIC SERVICES AND COMMUNICATION	AUDIT WALES – The Council’s response to the Auditor General for Wales National Reports

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1. PURPOSE OF THE REPORT

1.1 To consider the national reports of the Auditor General for Wales in respect of ‘Time for Change’ - Poverty in Wales; ‘A missed opportunity’ - Social Enterprises; and ‘Together we can’ - Community resilience and self-reliance, together with the Council’s response in respect of the recommendations contained therein.

2. RECOMMENDATIONS

It is recommended that Members:

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

2.2 Consider whether there are any matters of a performance nature that require review by the Council’s Scrutiny Committees.

3. ARRANGEMENTS FOR MONITORING AUDIT WALES PROPOSALS FOR IMPROVEMENT/RECOMMENDATIONS

3.1 The Council recognises the important role that Audit Wales plays in supporting on-going improvement to governance and service delivery and uses the oversight of the Governance and Audit Committee and Scrutiny Committees to oversee the arrangements and the monitoring of progress.

Governance and Audit Committee

- 3.2 The Terms of Reference of the Council's Governance and Audit Committee contained within the [Council's Constitution](#) includes the following responsibilities in relation to reports from the Council's External Auditor (for the purposes of this report the External Auditor being Audit Wales):

'The Committee will:

O - 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'; and

P - consider national reports, for example, from Audit Wales, of relevance to the work of the Authority'.

- 3.3 To discharge the above requirements, the Council's Governance and Audit Committee has responsibility for:
- Providing independent assurance that there are adequate controls in place to mitigate key risks; and
 - Determining whether there are any matters of a governance, internal control or risk management nature that require further action or attention.
- 3.4 As part of discharging its Terms of Reference, Governance and Audit Committee should also take account of the conclusions and findings from each Audit Wales report when forming an opinion on the adequacy of internal control/governance arrangements in place.
- 3.5 In addition to the above, where the Governance and Audit Committee considers there are performance related matters that require further review, it is able to refer these to the designated Scrutiny Committee for review.

Scrutiny Committees

- 3.6 Members will note the Council's Scrutiny function has a different, albeit, complementary role, in respect of overseeing the reports issued by Audit Wales i.e. to review and challenge the progress the Council is making toward implementing agreed actions.
- 3.7 Where a Scrutiny Committee determines there are matters of a governance, internal control or risk management nature that require further review, it is able to refer these to the Governance and Audit Committee for consideration

4 AUDITOR GENERAL FOR WALES NATIONAL STUDIES

- 4.1 The Auditor General published three interconnected national reports between November 2022 and January 2023. These three national reports were in respect of:

- Poverty in Wales – ‘Time for Change’ (attached as Appendix 1);
- Social Enterprises – ‘A missed opportunity’ (attached as Appendix 2); and
- Community resilience and self-reliance ‘Together we can’ (attached as Appendix 3).

4.2 The above-mentioned national reports contain recommendations that are specific to Local Government and more generally to Welsh Government. A summary of each report is set out in Table 1.

Table 1 – Summary of national reports

Report	Summary
Poverty in Wales ‘Time for Change’ (November 2022)	This report looks at the challenge of poverty in Wales and how government is responding. The report concluded that the scale of the challenge and weaknesses in current work make it difficult for Welsh and local government to deliver the systemic change required to tackle and alleviate poverty.
Social Enterprises ‘A missed opportunity’ (December 2022)	This report looks at how local authorities are working to grow and make the most of Social Enterprises. The report concluded that Social Enterprises need to be better utilised by local authorities to maximise their impact for the people and communities they serve.
Community resilience and self-reliance ‘Together we can’ (January 2023)	This report looks at how local authorities are creating the conditions needed to help communities thrive as independently as possible and highlights the important role communities can play in a more active role and become less dependent on public services but sustaining this requires local authorities to change how they work.

4.3 The recommendations emerging from each of these national reports have been considered by officers in the context of Rhondda Cynon Taf and have been set out in the following appendices:

- Appendix 1a – Poverty in Wales ‘Time for Change’
- Appendix 2a – Social Enterprises ‘A missed opportunity’
- Appendix 3a - Community resilience and self-reliance ‘Together we can’

4.4 For Members’ information, the [March 2023](#) full Council meeting resolved to adopt a Notice of Motion (NOM) to develop a Child Poverty Strategy. In line with this, the agreed way forward, as set out in the NOM, has been

incorporated into the Council's response to the Audit Wales 'Poverty in Wales 'Time for Change' report (Appendix 1a).

- 4.5 Members are requested to review the reports set out in Appendices 1 - 3 and the associated Council responses in Appendices 1a - 3a, and consider (in addition to their own lines of enquiry):
- Whether there are any matters of a governance, internal control or risk management nature that require further action or attention; and
 - Whether there are any matters of a performance nature that require review by the Council's scrutiny committees.

5. **EQUALITY AND DIVERSITY IMPLICATIONS/SOCIO-ECONOMIC DUTY**

- 5.1 This report provides an update on the work being taken by the Council to implement and progress recommendations reported by Audit Wales; therefore, an Equality and Socio-Economic Impact Assessment is not required.

6. **WELSH LANGUAGE IMPLICATIONS**

- 6.1 There are no Welsh language implications as a result of the recommendations set out in this report.

7. **CONSULTATION/INVOLVEMENT**

- 7.1 There is no direct requirement for Consultation/Involvement in this report. However, more widely, Involvement is a key pillar to enable the Council to deliver the Sustainable Development Principle.

8. **FINANCIAL IMPLICATION(S)**

- 8.1 There are no financial implications aligned to this report.

9. **LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 9.1 There are no legal implications aligned to this report.

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

- 10.1 The Council's priorities are its Well-being Objectives as required by the Well-being of Future Generations Act. The Council uses relevant data, information and best practice, including Audit Wales recommendations, to strengthen its

corporate planning and delivery arrangements and also support the development of the new Corporate Plan in advance of its launch in 2024.

11. **CONCLUSION**

- 11.1 Audit Wales reports play an important role in supporting on-going improvement to the Council's governance and service delivery arrangements. As part of this process, the Council utilises its Governance and Audit Committee and Scrutiny Committees, in line with their Terms of Reference, to oversee the arrangements and the monitoring of progress.

LOCAL GOVERNMENT ACT, 1972
as amended by
THE ACCESS TO INFORMATION ACT, 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
LIST OF BACKGROUND PAPERS
GOVERNANCE AND AUDIT COMMITTEE
4th September 2023

**AUDIT WALES – The Council’s response to the Auditor General for Wales
National Reports**

REPORT OF: Service Director for Democratic Services and Communication

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