



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2023/24

<p>GOVERNANCE AND AUDIT COMMITTEE</p> <p>19TH DECEMBER 2023</p>	<p>2022/23 ANNUAL GOVERNANCE STATEMENT RECOMMENDATIONS – PROGRESS UPDATE</p>
<p>REPORT OF THE DEPUTY CHIEF EXECUTIVE AND GROUP DIRECTOR – FINANCE, DIGITAL AND FRONTLINE SERVICES</p>	

Author: Paul Griffiths (Service Director, Finance & Improvement Services)

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to provide the Governance and Audit Committee with an update on the status of the recommendations included within the 2022/23 Annual Governance Statement.

2. RECOMMENDATIONS

It is recommended that Members review the information contained within the report and:

- 2.1 Seek clarity and explanation where there are areas of concern.
- 2.2 Form an opinion in respect of whether they are satisfied with the progress made to date to implement the recommendations.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure the Governance and Audit Committee discharges its responsibilities in respect of reviewing and forming an opinion on the overall control environment in place across the Council.

4. BACKGROUND

4.1 The Council's 2022/23 Annual Governance Statement (AGS) was reported to and approved by the Governance and Audit Committee at its meeting on [4th July 2023](#). The document described the governance arrangements in place, reviewed their effectiveness and where necessary provided recommendations for improvement.

4.2 In relation to monitoring the Council's overall governance arrangements, the Terms of Reference for the Governance and Audit Committee states:

As a key element of new 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 (amongst other things):-

Governance, risk and control

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.

4.3 In accordance with the above Terms of Reference extract (Item C) and workplan for the Governance and Audit Committee, this report provides an update on the status of each recommendation made within the AGS. Appendix 1 provides details of each recommendation along with a summary of action taken to date to progress their implementation.

4.4 As part of reviewing the status of each recommendation, Members should seek assurance, in addition to their own lines of enquiry, around the adequacy of the arrangements and extent of progress to implement the recommendations.

5. EQUALITY AND DIVERSITY IMPLICATIONS AND SOCIO-ECONOMIC DUTY

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

6. CONSULTATION

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

7. FINANCIAL IMPLICATION(S)

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

8. WELSH LANGUAGE IMPLICATIONS

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

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 The Council's AGS has been compiled in accordance with the CIPFA / SOLACE 'Delivering Good Governance in Local Government: Framework 2016'.

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

THE COUNCIL'S CORPORATE PLAN PRIORITIES

- 10.1 Monitoring the status of the recommendations within the AGS 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 internal controls are in place to effectively manage resources and demonstrate openness and accountability.

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 A summary of action taken to date to implement the recommendations contained within the 2022/23 AGS is provided at Appendix 1.
- 11.2 The information aims to assist Members when forming an opinion at financial year-end on the Council's overall governance arrangements for 2023/24.

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

19TH DECEMBER 2023

**2022/23 ANNUAL GOVERNANCE STATEMENT RECOMMENDATIONS –
PROGRESS UPDATE**

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

Author: Paul Griffiths (Service Director, Finance & Improvement Services)

Background Papers

None.

Officer to contact: Paul Griffiths

APPENDIX 1

ANNUAL GOVERNANCE STATEMENT 2022/23 PROGRESS UPDATE

Core / Supporting Principle	Local Code of Corporate Governance Requirement	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)	Progress Update – December 2023
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	Public Participation Strategy agreed by full Council 25th October 2023 , with monitoring and reviewing to be taken forward by the Democratic Services Committee.
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	Due to the nature of the recommendation, this is an on-going area of work. The Council is continuing to develop the collection and reporting of information, via its performance reporting and self-assessment arrangements, that will help to further demonstrate the impact of its work, for example, the inclusion of evaluative reviews of key activities within the 2023/24 Corporate Plan priority action plans.

Core / Supporting Principle	Local Code of Corporate Governance Requirement	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)	Progress Update – December 2023
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)	On target
F - Managing risks and performance through robust internal control and strong public financial management	Risk Management Strategy	<ul style="list-style-type: none"> 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. 	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	<p>The Council's Risk Management Strategy has been updated and reported to and endorsed by the Governance and Audit Committee on 12th October 2023. The updated Strategy is being reported to Cabinet on 18th December 2023 for consideration and sign-off.</p> <p>All Strategic Risk Lead Officers were supported as part of reviewing and updating the Council's Strategic Risk Register for 2023/24. Following sign-off by the Senior Leadership Team and incorporation into the Council's quarterly performance reporting arrangements, an e-learning module has been compiled and preparations are being finalised to make available to Risk Lead Officers.</p>

Core / Supporting Principle	Local Code of Corporate Governance Requirement	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)	Progress Update – December 2023
F - Managing risks and performance through robust internal control and strong public financial management	Medium Term Financial Plan	<ul style="list-style-type: none"> 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>. 	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	<p>Work commenced in quarter 2 to fully cost the Council's carbon reduction plan. Due to the complexity of the exercise, an external party with detailed expertise in this field has been engaged to support the delivery of the overall programme of work.</p> <p>In parallel, the current programme of activities and projects to support the delivery of the Council's carbon reduction plan are being progressed as part of service delivery planning arrangements and, where required, incorporated into the Council's medium term financial plan.</p> <p>In terms of monitoring progress, updates are built into the Council's quarterly Performance Reports (that are reported to Cabinet and the Overview and Scrutiny Committee) and also presented to the Climate Change Cabinet Sub-Committee.</p> <p>Revised completion date – March 2024.</p>
