



RHONDDA CYNON TAF COUNCIL

Minutes of the virtual meeting of the Governance and Audit Committee held on Tuesday, 27 February 2024 at 5.00pm.

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

Chair present:

Mr C Jones (Chair)

County Borough Councillors – The following Committee Members were present:

Councillor M Maohoub Councillor S Rees
Councillor B Stephens Councillor L A Tomkinson
Councillor A J Ellis Mr M Jehu
Mr J Roszkowski

Officers in attendance

Mr A Wilkins, Director of Legal Services and Democratic Services
Mr C Hanagan, Service Director of Democratic Services & Communication
Mr P Griffiths, Service Director – Finance & Improvement Services
Mr A Wathan, Head of Regional Audit Service
Ms L Cumpston, Group Audit Manager
Mr I Phillips - Audit Wales
A Clemens - Audit Wales

Apologies for absence

Councillor G Hopkins

52 Welcome and Apology

The Chair welcomed attendees to the meeting and an apology for absence was received from County Borough Councillor G. Hopkins.

The Chair took the opportunity to inform the Committee that he had recently visited the Council's new Headquarters in Pontypridd and that he looked forward to holding a hybrid meeting there in the future.

53 Declaration of Interest

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

54 Minutes

It was **RESOLVED** to approve the minutes of the meeting of the Governance and Audit Committee held on 24th January 2024 as an accurate record subject

to the following:

- An apology for absence was received from Mr M. Jehu.

55 Matters Arising

Minute 50 - The Council's Finalised Annual Self-Assessment 2022/23 incorporating the Council's Corporate Performance Report - Verbal Update: It was noted that a link to the final report, which was reported to the full Council meeting on 17th January 2024, had been circulated to Members via email on 5th February 2024.

56 Audit Wales Work Programme and Timetable (Quarterly update to 31 December 2023) - Rhondda Cynon Taf County Borough Council

Audit Wales provided the Committee with the quarterly work programme update to 31st December 2023.

The report before Members covered the position for the financial audit work, performance audit work, Local Government national studies planned / in progress, Estyn and Care Inspectorate Wales work, Audit Wales national reports and other outputs published since December 2022 (and also work in progress / planned work) and Good Practice Exchange events and resources.

The Chair thanked Audit Wales for the information report and the Governance and Audit Committee **RESOLVED:**

1. To note the update.

57 Learning and Development - External Audit

With the aid of a PowerPoint presentation, the Audit Wales officer provided introductory information in respect of the Auditor General for Wales and Audit Wales.

The presentation set out the legislative basis for the work of Audit Wales and provided an overview of the local financial and performance audit work.

Members were provided with information in respect of the key annual reports and assurance arrangements along with the recent work undertaken in Rhondda Cynon Taf.

Audit Wales advised that the role of a Governance and Audit Committee was to assure itself that there are arrangements in place within the Council to monitor and evaluate progress against agreed recommendations reported by Audit Wales and to hold the Executive and Council officers to account to ensure that recommendations are implemented.

One Member sought clarity on the concept of materiality. It was explained by Audit Wales that materiality was effectively a threshold that Audit Wales take into account when auditing financial statements to provide perspective and determine whether the financial statements provide a fair position. It was also explained that from an audit perspective, it is not possible to audit to the penny

and the materiality concept recognises this.

One Member took the opportunity to thank Audit Wales for the informative update and sought clarity on the process and the action that would be taken if the auditors were to find that there had been a mismanagement of taxpayers' money. Audit Wales spoke of its higher profile 'public interest' reporting process, which would draw attention to a particular matter in a clear way. Furthermore, it was explained that if a matter was particularly serious in nature, Audit Wales can make statutory recommendations, which would require a Local Authority to convene a full Council meeting within a month of receiving the recommendations to ensure formal consideration is given to the issue.

The Chair thanked Audit Wales for the detailed presentation and the Governance and Audit Committee **RESOLVED:**

1. To note the update.

58 Strategic Risk Register Update

The Service Director of Finance and Improvement Services provided the Governance and Audit Committee with the latest Strategic Risk Register for the 2023/24 financial year in line with its role to review and scrutinise the Council's risk management arrangements.

The Service Director reminded Members that in line with the Committee's Terms of Reference, the [12th October 2023](#) Governance and Audit Committee received a 'Risk Management Strategy and Strategic Risk Register Update' that covered the role of the Committee in respect of risk management and the arrangements in place to enable the Committee to discharge its responsibilities in this regard; an updated Risk Management Strategy; and updated Strategic Risk Register as at 30th June 2023. The Service Director added that as part of the update, the Committee's role in reviewing and scrutinising the Council's risk management arrangements included keeping up-to-date with its risk profile and also the effectiveness of risk management actions via review of the Strategic Risk Register.

Members' attention was drawn to the Council's latest Strategic Risk Register, which was attached as Appendix 1 to the report. The Service Director provided an overview of the Strategic Risk Register noting that it contained 17 strategic risks, 11 of which were categorised as high risk and 6 medium risk, and all of which had been allocated a Risk Lead Officer to manage and co-ordinate the risk mitigation actions and controls. The Service Director went on to indicate that all Risk Lead Officers were either a member of the Council's Senior Leadership Team or a Chief Officer of the Council; the Strategic Risk Register is reported to the Senior Leadership Team for regular review and challenge; and the Register is incorporated into the Council's quarterly performance reports that are considered by the Council's Cabinet and, thereafter, the Overview and Scrutiny Committee.

One Member was assured by the adequacy of the risk management framework and questioned how emerging risks, which were not included on the Strategic Risk Register, are monitored. The Service Director informed Members that the Council's new Corporate Plan was in the process of being developed and, once approved, would set out the Council's priorities for the period 2024-2030 and be a key document in informing future strategic risks facing the organisation. The

Service Director added that underpinning the Corporate Plan are individual service delivery planning arrangements that identify and manage emerging risks, and depending on their significance, would be considered for inclusion within the Strategic Risk Register. The Service Director also emphasised the Council's approach of ensuring that the risks included on the Strategic Risk Register are those that would have the most significant impact on the Council. The Service Director went on to reference the work undertaken by Audit Wales, that identifies key risks and actions that need to be considered by the Council as part of its forward planning arrangements. The Member was satisfied with the Service Director's response and supported the position for everyday risks to not be included within the Strategic Risk Register.

The Governance and Audit Committee **RESOLVED:**

1. To note the Council's latest Strategic Risk Register for the 2023/24 financial year; and
2. To review the Strategic Risk Register and determine whether further updates on specific Strategic Risks are required and subsequently reported to the Committee.

59 Internal Audit Service 2024/25 - Verbal Update

The Service Director of Finance and Improvement Services referred to the 19th December 2023 Governance and Audit Committee meeting where Members were informed that further to the 18th December 2023 Cabinet decision to bring back in-house the Internal Audit Service, the Committee would be kept up-to-date with the associated transition arrangements.

The Service Director advised that a transition plan had been put in place and was being progressed with colleagues from the Regional Internal Audit Service.

Members were informed that positive progress was being made in terms of TUPE proceedings, with eligible staff due to be transferred back to Rhondda Cynon Taf Council from 17th April 2024.

In terms of the operational processes within the transition plan, specifically around the relevant internal audit information currently held within the Regional Service's systems, assurance was provided that work is progressing to transfer the information to Rhondda Cynon Taf. The Service Director also assured Members that the 2024/25 Internal Audit Plan was in the process of being drafted and would be reported to the Governance and Audit Committee early in the next financial year.

The Chair thanked the Service Director for the update and it was **RESOLVED:**

1. To note the update.

This meeting closed at 5.52 pm

**Mr C Jones
Chair.**