



AUDIT COMMITTEE 2 nd November 2020	AGENDA ITEM NO.4
JOINT REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES AND SERVICE DIRECTOR DEMOCRATIC SERVICES AND COMMUNICATION	AUDIT COMMITTEE – DEVELOPMENT AND SUPPORT

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

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to set out an action plan to support the on-going development and effectiveness of Audit Committee in line with its Terms of Reference.

2.0 RECOMMENDATIONS

It is recommended that Members:

- 2.1 Review the draft action plan (Appendix 1) and identify further updates considered necessary, where appropriate.
- 2.2 Approve an action plan, the implementation of which to be led by Audit Committee and supported by Council Officers.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 To support the on-going development and effectiveness of Audit Committee in line with its Terms of Reference.

4.0 BACKGROUND INFORMATION

- 4.1 The CIPFA publication ‘Audit Committees – Practical Guidance Note for Local Authorities & Police, 2018 Edition’ sets out that good audit committees are characterised by a membership that is, amongst other things, knowledgeable and properly trained to fulfil their role. To this end, it is important that the provision of regular briefings and / or training is in place to help Committee Members keep up to date or extend their knowledge.
- 4.2 The Council’s Audit Committee has put in place an annual work-plan that directs its work each year and since 2018/19 has included overviews / briefings on: internal and external audit; core financial systems (e.g. budgetary control and General Ledger); arrangements for managing corporate risks; and the Council’s Contract and Financial Procedures. The aim of these updates has been to support the Committee in the effective discharge of its Terms of Reference.
- 4.3 Following on from the above, the Audit Committee Annual Report for 2019/20 included a self-assessment against the CIPFA 2018 Practical Guidance. The main conclusions of the self-assessment were:
- The Committee has discharged the responsibilities placed upon it in 2019/20 in line with its Terms of Reference;
 - A number of proposals for improvement identified that will help further improve the Committee’s arrangements and effectiveness; and
 - That the proposals for improvement form the basis of an action plan that will be led by Audit Committee.
- 4.4 The self-assessment also noted the update from Audit Wales in terms of its planned work on ‘Rhondda Cynon Taf Audit Committee – Support and Development’, with the opportunity for Audit Wales to undertake this project in parallel with the Committee progressing the agreed proposals for improvement.

5.0 AUDIT COMMITTEE – DRAFT ACTION PLAN

- 5.1 In line with the findings set out in the Audit Committee Annual Report 2019/20, a draft action plan is included at Appendix 1.

- 5.2 Members are requested to review the draft plan and identify further updates considered necessary, where appropriate, to support the on-going development and effectiveness of Audit Committee in delivering its Terms of Reference.
- 5.3 Members are also requested to endorse the action plan being led by Audit Committee, with Council Officers supporting the operational delivery of the necessary actions and coordinating the reporting of progress updates to the Committee.
- 5.4 As part of delivery arrangements, it will be important for the action plan to be a 'live' document to enable further areas of development and Audit Wales feedback to be considered and taken account of by Audit Committee on an on-going basis. In addition, the potential implications of the Local Government and Elections (Wales) Bill currently being scrutinised by the Senedd will need to be considered e.g. the proposals for the Committee to be a Corporate Governance and Audit Committee with the requirement to review the Council's response to self-assessment, peer assessment and combined assessment and governance reviews and an increase in the number of Lay Members of the Committee.

6.0 EQUALITY AND DIVERSITY IMPLICATIONS

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

7.0 CONSULTATION

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

8.0 FINANCIAL IMPLICATION(S)

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

9.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 The creation of an action plan to support the on-going development and effectiveness of Audit Committee supports the principles within The Local Government (Wales) Measure 2011 (Chapter 2 / section 81) and the CIPFA publication 'Audit Committees - Practical Guidance for Local Authorities & Police 2018 Edition'.

10.0 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 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.

11.0 CONCLUSION

- 11.1 The Audit Committee Annual Report 2019/20 identified a number of proposals for improvement to support the on-going development and effectiveness of the Committee in line with its Terms of Reference.
- 11.2 A draft action plan has been compiled to support Audit Committee in this regard, with delivery arrangements being led by the Committee and supported by Council officers.

Other Information:-

Relevant Scrutiny Committee
Not applicable.

Contact Officer – Paul Griffiths

APPENDIX 1**DRAFT ACTION PLAN - AUDIT COMMITTEE SUPPORT AND DEVELOPMENT**

AREA FOR DEVELOPMENT / IMPROVEMENT	PROPOSED ACTION(S)	DELIVERY DATE	RESPONSIBILITY
Learning and Development			
Although briefings are provided to Audit Committee to support the delivery of its Terms of Reference, no training needs analysis of Committee Members has been undertaken and used to inform an on-going programme of learning and development	Develop and agree with Audit Committee a training needs analysis (informed by the core knowledge and skills framework included within the CIPFA Guide)	December 2020	Audit Committee Support Officers ¹
	Complete a training needs analysis exercise with Audit Committee members	February 2021	Audit Committee Support Officers ¹
	Using the results of the training needs analysis exercise, report a programme of learning and development to Audit Committee for consideration / approval (and subject to approval, commence the delivery of the programme of work)	March 2021	Audit Committee Support Officers ¹

¹ Support Officers – includes ‘Service Director of Democratic Services and Communication’, ‘Service Director – Finance and Improvement Services’, ‘Head of the Regional Internal Audit Service’ and ‘Group Audit Manager – Regional Internal Audit Service’

AREA FOR DEVELOPMENT / IMPROVEMENT	PROPOSED ACTION(S)	DELIVERY DATE	RESPONSIBILITY
Risk Management			
An overview of the Council's arrangements to manage corporate risks was presented to Audit Committee in December 2019, the outcome of which was the need to strengthen Audit Committee's visibility of the Council's risk profile	Report overviews of Council Strategic Risks to Audit Committee (one overview presented every other meeting)	December 2020 March 2021	Support Officers ¹
Provision of information reported to Audit Committee			
The delivery of Internal Audit through the regional service from April 2019 will provide the opportunity to consider good practices across the four local authorities to ensure, amongst other things, that the information reported to Audit Committee enables it to continue to deliver its Terms of Reference.	Provide a range of options to Audit Committee on the type and level of information it can receive to ensure it is focussed on the key strategic areas, as set out in the Terms of Reference.	March 2021	Support Officers ¹

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

2nd November 2020

AUDIT COMMITTEE DRAFT ACTION PLAN – DEVELOPMENT AND SUPPORT

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES AND SERVICE DIRECTOR OF DEMOCRATIC SERVICES AND COMMUNICATION

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

Item:4

Background Papers

None.

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