



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2018/19

AUDIT COMMITTEE 17 th December 2018	AGENDA ITEM NO. 6
REPORT OF THE GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES	2017/18 ANNUAL GOVERNANCE STATEMENT RECOMMENDATIONS – AN UPDATE

Author: Paul Griffiths (Service Director, Performance & Improvement)

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide Audit Committee with an update on the status of the recommendations that were made within the 2017/18 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 being made to implement the recommendations.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To help ensure that 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 [Annual Governance Statement](#) (AGS) relating to the 2017/18 financial year was reported to and approved by Audit Committee at its meeting held on 30th April 2018. The document described the governance

arrangements in place, challenged 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 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:-

(E) 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 Terms of Reference (Item E) and Workplan for Audit Committee, this report provides an update on the status of each recommendation. Appendix A provides details of each recommendation made along with a summary of the action being taken to progress their implementation.

5. EQUALITY AND DIVERSITY IMPLICATIONS

- 5.1 There are no equality and diversity 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. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 8.1 The provision of information in respect of the status of the recommendations contained with the Annual Governance Statement 2017/18 demonstrates good governance, in accordance with the CIPFA / SOLACE 'Delivering Good Governance in Local Government: Framework 2016'

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

THE COUNCIL'S CORPORATE PLAN PRIORITIES

- 9.1 Monitoring the status of the recommendations within the AGS aims to support the delivery of the priorities contained within the Council's Corporate Plan – *The Way Ahead*, 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

- 9.2 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.

10. CONCLUSION

- 10.1 A summary of action taken to implement the recommendations contained within the 2017/18 AGS is provided at Appendix A.
- 10.2 The provision of the information contained within this report will assist Members when forming an opinion on the Council's overall governance arrangements for 2018/19.

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

AUDIT COMMITTEE

17th December 2018

**2017/18 ANNUAL GOVERNANCE STATEMENT RECOMMENDATIONS – AN
UPDATE**

REPORT OF THE GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

Author: Paul Griffiths (Service Director, Performance & Improvement)

Item: 6

Background Papers

None.

Officer to contact: Paul Griffiths

APPENDIX A – ANNUAL GOVERNANCE STATEMENT 2017/18 PROGRESS UPDATE

Core Principle / Area	Issue Identified	Recommendation	Responsible Officer & Timescale	Update
<p>The Governance Framework</p>	<p>The Council's governance arrangements comprise a number of codes and documents and are not brought together to form a local code of governance as set out in the national framework.</p>	<p>In line with the national framework, the Council should document and publish its arrangements within a local code of governance, following review and approval by elected Councillors.</p>	<p>Service Director – Performance and Improvement</p> <p>Qtr 2 2018/19</p>	<p>Revised target date – quarter 4 2018/19.</p> <p>Work in respect of developing the Local Code has progressed but it has not yet been finalised.</p> <p>Alongside the development of the Local Code, preparatory work has been completed to create a standalone 'Governance' section on the Council's website. The aim of this will be to make more accessible the information available around the Council's governance arrangements.</p> <p>A copy of the intended (website) page is provided at Appendix B.</p>
<p>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>	<p>A number of actions were taken to raise awareness of policies and strategies within the Council; however, no information is collected around the extent of understanding.</p>	<p>Policies and Strategies - undertake engagement within the Council to assess the level of awareness and understanding of the Whistle-blowing Policy, Anti-fraud, Bribery and Corruption Strategy, Gifts and Hospitality Policy and induction arrangements.</p>	<p>Head of Organisational Development</p> <p>Qtr 3 2018/19</p>	<p>The consultation exercise has been completed with staff (ended Friday 7th December).</p> <p>The results will be analysed and a report prepared for the Senior Leadership Team (SLT). Further to SLT's review, an update will be reported to Audit Committee.</p>


Core Principle / Area	Issue Identified	Recommendation	Responsible Officer & Timescale	Update
	Complaints and Comments - no regular analysis is produced and provided to Services to support performance management arrangements, for example, the number and type of complaints, and recurring themes.	Comments, compliments and complaints (non-social services) – introduce arrangements to enable regular complaint analysis to be provided to Services.	Head Of Legal - Corporate And Democratic Services Qtr 2 2018/19	Revised Target Date – January 2019. Work has focused on centralising resources into one team during the year to date – this process has now been concluded and will enable regular ‘comment / compliment / complaints’ analysis to be provided to Services.
Defining outcomes in terms of sustainable economic, social, and environmental benefits	Draft Corporate Plan priority action plans were not subject to pre-scrutiny in 2017/18.	Draft Corporate Plan priority action plans for 2018/19 should be subject to pre-scrutiny to assess, amongst other things, the basis of performance indicator targets and whether the actions included will help to deliver defined outcomes.	Service Director – Performance & Improvement and Performance Manager Qtr 1 2018/19	Complete.
Developing the entity’s capacity, including the capability of its leadership and individuals within it	Although evaluation forms are in place to gauge the value of training and development activities, feedback is limited.	In view of the limited level of training feedback provided, engage with attendees to identify alternative methods of obtaining feedback to ensure that training resources provide maximum benefit.	Head of Organisational Development Qtr 1 2018/19 onwards	Post-training feedback requests are being sent electronically to attendees of training events – this will be an on-going process.
Managing risks and performance through robust internal control and strong public financial management	The Council’s risk management processes were reviewed in 2017/18 and improvements introduced to further strengthen arrangements. However, the Risk Management Strategy document was not reviewed /	Review the Council’s Risk Management Strategy document to assess whether it remains fit for purpose. Where revisions are deemed required, these should be reported to elected Councillors for review and sign off before being re-published.	Head of Internal Audit and Procurement Development Programmes Qtr 3 2018/19	On target. The Council’s Risk Management Strategy has been reviewed and will be reported to the 17 th December 2018 Audit Committee.

Core Principle / Area	Issue Identified	Recommendation	Responsible Officer & Timescale	Update
	up dated.			
	The Council's Financial Procedure Rules document has not been reviewed for 2 years.	Review, and where required, up date the Council's Financial Procedure Rules and report revisions to elected Councillors for consideration / approval.	Service Director – Performance & Improvement Qtr 2 2018/19	Revised Target Date – quarter 4 2018/19. An initial review of the Council's Financial Procedure Rule document confirmed that the fundamental principles within it remain sound. Work to date this year has therefore been re-prioritised on other Annual Governance Statement areas e.g. development of a webpage.
Implementing good practices in transparency, reporting and audit to deliver effective accountability	The Annual Governance Statement is not a stand alone document on the Council's website.	To increase the prominence / awareness of the Annual Governance Statement, this should be a stand alone document on the Council's website.	Head of Internal Audit and Procurement Development Programmes Qtr 2 2018/19	Work has been completed to create a dedicated 'Governance' page on the Council's website – this is currently 'draft' and is included at Appendix B. Further to the web-page going LIVE, the 2017/18 Annual Governance Statement will be part of the suite of information included. Note: a copy of the Council's Annual Governance Statement 2017/18 is publicly available on the Council's website – link - https://www.rctcbc.gov.uk/EN/Council/CouncillorsCommitteesandMeetings/Meetings/Council/2018/09/19/Reports/AgendaItem8StatementofAccounts.pdf .



Core Principle / Area	Issue Identified	Recommendation	Responsible Officer & Timescale	Update
				It is anticipated the web-page will be LIVE in quarter 4 of 2018/19.
<u>PROPOSALS FOR IMPROVEMENT TO BE CARRIED FORWARD FROM 2016/17</u>				
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Complaints and Comments - no update is produced on a periodic basis to summarise the non-social services related complaints and concerns received and action taken.	In line with the timescale set in the 2016/17 Annual Governance Statement, this action is scheduled for completion by 30 th June 2018.	Head Of Legal - Corporate And Democratic Services	See Complaints and Comments update above.
Managing risks and performance through robust internal control and strong public financial management	Audit Committee – no self assessment has been undertaken against the standards set out in the CIPFA document ‘Audit Committees: Practical Guidance for Local Authorities and Police - 2013 Edition’. This has been delayed due to awaiting receipt of up dated guidance.	The Council’s Audit Committee, in consultation with the Head of Internal Audit, should undertake a self assessment against the Standards as set out in the CIPFA document ‘Audit Committees: Practical Guidance for Local Authorities and Police. 2013 Edition’.	Head of Internal Audit and Procurement Development Programmes Revised Timescale: Qtr 4 2018/19	The revised Guidance was presented to Audit Committee at its meeting held on 17th September 2018 . The report also incorporated the draft workplan for Audit Committee Members, where it was noted that a self-assessment against the checklist contained within the revised Guidance would be prepared and presented to Audit Committee at its meeting scheduled for 25 th March 2019.

APPENDIX B – DRAFT GOVERNANCE SECTION OF THE COUNCIL’S WEBSITE



Search this site...

Save time. Do it online. [Pay It](#) [Report It](#) [Apply for It](#) [Book It](#)

[Home](#) > [Council](#) > [Governance](#) > [Governance Arrangement](#)

Governance

Constitution

The Constitution of Rhondda Cynon Taf County Borough Council sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.

Annual Governance Statement

The Accounts and Audit (Wales) Regulations 2018 (regulation 5) requires 'an authority to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review within any published Statement of Accounts.

Risk Management

Risk management is an integral part of management practice. Managing the risks that may impact on the Council's ability to deliver services as intended and in doing so help improve the quality of life for local people is at the forefront of the Council's forward planning arrangements.

Whistleblowing

Whilst all staff are required to follow relevant Policies and Procedures put in place by the Council, unfortunately there may be occasions where some individuals decide to contravene these arrangements.

Anti Fraud, Bribery and Corruption

Rhondda Cynon Taf County Borough Council is resolute in its determination to maintain its reputation as a Council that will not tolerate fraud, bribery, corruption or abuse of position for personal gain, wherever it may be found in any area of Council activity.

Audit Committee

The Terms of Reference for the Council's Audit Committee is set out in Part 3 (section 4) of the Council's Constitution.

Corporate Feedback Scheme

Customer feedback is encouraged to inform service improvement, raise the profile and reputation of the Council, and develop more responsive ways of working that puts the customer at the heart of everything we do.

Our External Regulators

To ensure that residents get the best possible services and value for money from the Council, there are a number of independent regulatory bodies that audit, inspect, review and report on the Council and its services. These bodies are independent of the Council and are sometimes referred to as the 'regulators'.

Working with others

We work with many other organisations in the public, private and voluntary sectors, as well as with our residents and communities to improve the lives of people who live, work and visit RCT.

Local Code of Corporate Governance

The Council has adopted a Local code of Corporate Governance which conforms to the CIPFA/SOLACE framework and guidance.