



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2019/20

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| AUDIT COMMITTEE 3RD FEBRUARY 2020 | AGENDA ITEM NO. 5 |
| JOINT REPORT OF THE SERVICE DIRECTOR FOR DEMOCRATIC SERVICES AND COMMUNICATION AND THE DIRECTOR OF FINANCE AND DIGITAL SERVICES | WALES AUDIT OFFICE PROJECT BRIEF: RHONDDA CYNON TAF COUNCIL AUDIT COMMITTEE SUPPORT AND DEVELOPMENT |

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to provide Members with the Wales Audit Office Project Brief, which has been produced to support and develop the Audit Committee, as part of the Council's wider governance arrangements.

2. RECOMMENDATION

It is recommended that the Audit Committee:

- 2.1 Acknowledge the content of the Wales Audit Office Project Brief for Rhondda Cynon Taf County Borough Council's Audit Committee, which is attached as Appendix 1 to the report.

3. REASONS FOR RECOMMENDATION

- 3.1 To inform Members of the work, which will be undertaken by the Wales Audit Office, to support and develop the Audit Committee in continuing to effectively discharge its role.

4. BACKGROUND

- 4.1 Good governance within Rhondda Cynon Taf is ultimately the responsibility of Full Council. Full Council is supported in this role by those with leadership roles and statutory responsibilities along with the accountability arrangements in place in the form of its structure of Committees.

- 4.2 At the Audit Committee meeting on 5th November 2019, Wales Audit Office provided Members with an overview of the role of the Auditor General for Wales and the Wales Audit Office. The presentation covered External Audit's assessment functions, the responsibilities in relation to the Well-being of Future Generations (Wales) Act 2015, the 2019 Work Programme and examples of recent reports for Members to access.
- 4.3 The above update also included an overview of the Wales Audit Office Audit Performance Plan for Rhondda Cynon Taf County Borough Council in 2019-20 and in particular the project for the Wales Audit Office to work alongside Audit Committee members and relevant officers to support and further develop the Committee, as part of the Council's wider governance arrangements.
- 4.4 Audit Committee Members spoke positively of this project and acknowledged the improvements made to the Council's Scrutiny Committees, following a number of reviews undertaken by the Wales Audit Office, which have helped to further strengthen the Council's governance arrangements. For Audit Committee's information, the progress made by the Council in addressing the Wales Audit Office Report 'Fit for the Future' was reported to the Overview and Scrutiny Committee on [1st May 2019](#).

5. WALES AUDIT OFFICE PROJECT BRIEF: RHONDDA CYNON TAF COUNCIL AUDIT COMMITTEE SUPPORT AND DEVELOPMENT

- 5.1 As detailed in Appendix 1, the Wales Audit Office will seek to develop and scope activities with the Council that align with Audit Committee's forward plan and work programme.
- 5.2 The project will run over a 12 month period, whereby the Wales Audit Office will evaluate the effectiveness of the work undertaken by officers and Members and provide feedback.
- 5.3 The project will consider:
- The Council's training and development for members, aligning with annual appraisals and personal development priorities;
 - Changes in membership of Audit Committee, including new Chair and appointment of a new lay member to the Committee;
 - The impact of new local government legislation (as and when enacted) on the role of the audit committee, its responsibilities and its function; and
 - The Regional Internal Audit Service and the relationship with audit committee and council officers.

- 5.4 This project will also run in parallel with the work being progressed by the Council to take forward the recommendations set out in the Audit Committee Annual Report reported to Audit Committee on [25th March 2019](#). This work has included updating the Audit Committee's Terms of Reference and also undertaking preparatory work to enable the Committee to assess its skills and knowledge (with an update on the latter being scheduled to be reported to the next Audit Committee meeting).

6. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 6.1 The Wales Audit Office project is being undertaken to help discharge the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 18 of the Local Government (Wales) Measure 2009, and it may also inform a study for improving value for money under section 41 of the 2004 Act, and/or an examination undertaken by the Auditor General under section 15 of the Well-being of Future Generations Act (Wales) 2015.

7. EQUALITY AND DIVERSITY IMPLICATIONS

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

8. CONSULTATION / INVOLVEMENT

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

9. FINANCIAL IMPLICATION(S)

- 9.1 There are no financial implications associated with this report.

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

- 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 – The Way Ahead, in particular 'Living Within Our Means' through ensuring that appropriate governance arrangements are in place to effectively manage resources.

11. CONCLUSION

- 11.1 Members will be aware of the positive changes made to the Council's Scrutiny function, following a number of reviews undertaken by the Wales Audit Office.
- 11.2 Members are asked to acknowledge the Wales Audit Office Project Brief, which has been produced to support and develop the Audit Committee, as part of the Council's wider governance arrangements.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

3RD FEBRUARY 2020

**WALES AUDIT OFFICE PROJECT BRIEF: RHONDDA CYNON TAF COUNCIL
AUDIT COMMITTEE SUPPORT AND DEVELOPMENT**

**JOINT REPORT OF THE SERVICE DIRECTOR FOR DEMOCRATIC SERVICES
AND COMMUNICATION AND THE DIRECTOR OF FINANCE AND DIGITAL
SERVICES**



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Project Brief – Audit Committee Support and Development – Rhondda Cynon Taf County Borough Council

Audit year: 2019-20

Date issued: January 2020

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Project brief

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Background

- 1 Arising from our audit and risk assessment work undertaken in 2018-19 at Rhondda Cynon Taf County Borough Council, it was identified in the Audit Plan 2019-20 that we would undertake work to support and develop the Audit Committee, as part of the Council's wider governance arrangements.
- 2 This project brief sets out why we are undertaking the review and outlines its focus, methodology, outputs and timing.

Legislative basis for the review

- 3 This project is being undertaken to help discharge the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 18 of the Local Government (Wales) Measure 2009, and it may also inform a study for improving value for money under section 41 of the 2004 Act, and/or an examination undertaken by the Auditor General under section 15 of the Well-being of Future Generations Act (Wales) 2015.

Purpose of the review

- 4 The Wales Audit Office will provide a contribution to Audit Committee's development, as part of the Council's wider governance arrangements, and see our role working alongside the Council's own development programme for Audit Committee. The work will provide assurance, support and insight.

Exhibit 1 Wales Audit Office role in supporting Audit Committee development



Focus of the review

- 5 We will develop and scope activities with the Council that align with its Audit Committee's forward plan and work programme. In doing so, we will use the Committee's self-assessment as a base-line and take due consideration of the evolving changes that will impact Audit Committee over the next 12 months. The project will consider:
- the Council's training and development for members, aligning with annual appraisals and personal development priorities;
 - changes in membership of Audit Committee, including new Chair and appointment of a new lay member to the Committee;
 - impact of new local government legislation on the role of the audit committee, its responsibilities and its function; and
 - regional Internal Audit Service (RIAS) and relationship with audit committee and council officers.
- 6 In undertaking this project, we will also draw on the findings of our other ongoing and recent work.

Output

- 7 We will work alongside the Council, providing feedback in real time and report an evaluation of the effectiveness of the work undertaken by officers and members over a 12 month period.

Timetable

Exhibit 2: timetable

The table below sets out a proposed timetable for the review at Rhondda Cynon Taf Council.

| Proposed timetable | |
|---|----------------------------------|
| Set up meeting | October 2019 |
| Project brief issued | January 2020 |
| Fieldwork Meeting observations Interviews | February 2020 – TBA with Council |
| Evaluation Report issued | TBA with Council – Sept 2020 |

Fieldwork schedule

Workshops/Focus groups

Exhibit 3: workshops

The table below sets out the initial list of workshops we would like to run with officers and councillors as part of this review.

| Workshops |
|---|
| Baselining and Mapping the position with officers and members |
| Observation and feedback at a sample of Audit Committee meetings |
| Governance: Getting the basics right and delivering Audit Committee Effectiveness |
| The Influential Audit Committee |

Document request

Prior to on-site fieldwork and observations we will undertake a review of the documents identified below. However, we would be grateful if you could supply us with any additional documents which you feel may be relevant to our work in this area. The list is not exhaustive and requests for additional documents may be made during the course of the review. Where documents in the list below are publicly available on the Council's website we would be grateful if you could please direct us to where we can find them.

Exhibit 4: the table below sets out the documents we would like to request initially as part of this review

| Document title |
|--|
| <ul style="list-style-type: none">Audit Committee Annual Report, incorporating a Self-Assessment against the CIPFA 2018 guidance – Audit Committee March 2019 - Received |

Wales Audit Office contacts

Exhibit 5: Wales Audit Office contacts

The table below sets out the Wales Audit Office team that will be working on this review at Rhondda Cynon Taf County Borough Council.

| Name | Contact details |
|----------------------------|-----------------|
| Performance Audit Director | Huw Rees |
| Performance Audit Manager | Colin Davies |
| Performance Audit Lead | Justine Morgan |
| Performance Auditor | Chris Bolton |

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