

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2020/21

<p>AUDIT COMMITTEE 1st February 2021</p>	<p>AGENDA ITEM NO. 7</p>
<p>JOINT REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES AND SERVICE DIRECTOR DEMOCRATIC SERVICES AND COMMUNICATION</p>	<p>AUDIT COMMITTEE DEVELOPMENT & SUPPORT</p>

Author: Paul Griffiths (Service Director – Finance and Improvement Services) and Mark Thomas (Head of Regional Audit Service)

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to set out the questionnaire feedback provided by Audit Committee Members to inform the development of a learning and development plan for the Committee.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Review the questionnaire feedback and consider whether alternative or further areas should be taken into account.
- 2.2 Approve learning and development areas and instruct officers to draft a learning and development plan for consideration by Audit Committee at its next meeting

3. REASONS FOR RECOMMENDATIONS

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

4. BACKGROUND INFORMATION

- 4.1 At the [2nd November 2020](#) Audit Committee, Members approved an action plan to support the on-going development and effectiveness of the Committee.
- 4.2 As part of this update the agreed plan set out a series of actions that, amongst other things, focussed on learning and development and included:
- Develop and complete a training needs analysis with Audit Committee members; and
 - Use the results of the training needs analysis to inform the development of a programme of learning and development for Audit Committee.
- 4.3 Following the November 2020 meeting, officers engaged with the Chair and Vice-Chair of Audit Committee to develop a training needs analysis questionnaire that took account of both the CIPFA publication 'Audit Committees – Practical Guidance Note for Local Authorities & Police, 2018 Edition' and the Committee's Terms of Reference. Section 5 of the report sets out the feedback provided by Audit Committee members.

5. TRAINING NEEDS ANALYSIS FEEDBACK AND PROPOSED NEXT STEPS

- 5.1 An on-line training needs analysis questionnaire was made available to Audit Committee members between 23rd December 2020 and 15th January 2021, and it is pleasing to note the open and positive engagement of Members in providing feedback.
- 5.2 Appendix 1 sets out a detailed overview of the feedback received from 12 Members, with a summary analysis noted below.

Feedback on areas of knowledge and experience

- 5.3 Audit Committee Members were requested to consider eight areas of knowledge / experience and, for each, were asked to indicate whether their level of knowledge / experience was either 'reasonable', 'limited' or 'no'.
- 5.4 The feedback results included:
- Overall, 72% of responses from Members indicated that the level of knowledge and experience was reasonable;

- The areas where no / limited knowledge were indicated as highest were 'External Audit' (42%) and 'Internal Audit' (33%);
- There were five areas where 25% of Members indicated their level of knowledge / experience was limited (i.e. 'Audit Committee Role and Functions', 'Financial Management and Accounting', 'Risk Management', 'Counter Fraud' and 'Values of Good Governance');
- All areas had at least one Member indicate that their level of knowledge / experience was no or limited; and
- 'Organisational knowledge' was the area where most Members fed back they had reasonable knowledge / experience (92%).

Existing knowledge of Members that will add value to the work of Audit Committee

5.5 Members were also requested to provide feedback on where they considered their knowledge will add value to the work of Audit Committee. A summary of the feedback is set out in Table 1.

Table 1 – Existing knowledge of Members that will add value to the work of Audit Committee

Knowledge Area	Where Members knowledge will add value to the work of Audit Committee			
	Yes		No	
	Number of Responses	%	Number of Responses	%
Accountancy	3	25%	9	75%
Internal Audit	4	33%	8	67%
Risk Management	5	42%	7	58%
Governance & Legal	4	33%	8	67%
Service and organisational knowledge relevant to the functions of the organisation.	7	58%	5	42%
Programme and project management	7	58%	5	42%
IT systems and IT Governance	5	42%	7	58%
Other Knowledge Area (please specify)	ISO 9001 (quality management) including the applicable appendices and statues			

- 5.6 The feedback results set out at paragraphs 5.3 to 5.5 indicate that Audit Committee Members have a sound base of knowledge and experience, with 72% of responses overall indicating a reasonable level of knowledge and experience, and a range of knowledge that can add value to the work of Audit Committee (Table 1). Within this overall position, the feedback indicates that there is limited knowledge and experience, at varying levels, across a number of areas.

Proposed Next Steps

- 5.7 The feedback provided by Members can now be used to inform the compilation of a programme of learning and development for Audit Committee. It is proposed the following areas form the basis of the plan, noting that it should be a LIVE document and be subject to review by the Committee on an on-going basis:

- Audit Committee Role and Functions;
- Internal Audit;
- External Audit;
- Financial Management and Accounting;
- Risk Management;
- Counter Fraud; and
- Values of Good Governance.

- 5.8 Subject to Audit Committee's consideration of the proposed next steps, Officers will draft a learning and development plan for reporting to the next meeting for review and, if deemed appropriate, sign off.

6. 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. CONSULTATION

- 7.1 Audit Committee is the key consultee in informing and directing the way forward for this area, as set out in the main body of the report.

8. FINANCIAL IMPLICATIONS

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

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 The creation of a learning and development plan to support the ongoing development and effectiveness of Audit Committee supports the principles within The Local Government (Wales) Measure 2011 (Chapter 2 /Section 81) and the CIPFA publications - 'Audit Committees – Practical Guidance for Local Authorities & Police Edition'.

10. 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. CONCLUSION

- 11.1 The Council's Audit Committee agreed an action plan to support its on-going effectiveness at the November 2020 meeting.
- 11.2 As part of this plan, a series of actions were agreed to support the learning and development of Audit Committee members and a training needs analysis has been completed to inform this work.
- 11.3 Subject to Audit Committee's consideration of the training needs analysis results, Officers will draft a learning and development plan for Audit Committee's review at its next meeting.

Other Information:-

Relevant Scrutiny Committee

Not applicable.

Contact Officers – Paul Griffiths / Mark Thomas

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

1st February 2021

AUDIT COMMITTEE DEVELOPMENT AND SUPPORT

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

Authors: Paul Griffiths (Service Director – Finance & Improvement Services)
& Mark Thomas (Head of Regional Audit Service)

Item: 7

Background Papers

None.

Officers to contact: Paul Griffiths / Mark Thomas

AUDIT COMMITTEE - SUPPORT AND DEVELOPMENT - TRAINING NEEDS ANALYSIS QUESTIONNAIRE FEEDBACK RESULTS

Questionnaire Statement	I have no knowledge or experience of this		I have limited knowledge and experience of this		I have reasonable knowledge and experience of this		Specific Feedback (where provided)
	Number of Responses	%	Number of Responses	%	Number of Responses	%	
Organisational Knowledge - Knowledge of the governance structure of the authority (including the Annual Governance Statement), decision-making processes, the Council's objectives and its major functions and how the Council works.	0	0%	1	8%	11	92%	A recognition that learning will be on-going in this area
Audit Committee Role and Functions - An understanding of the Audit Committee's role and place within the governance structures, its terms of reference and accountability arrangements.	0	0%	3	25%	9	75%	
Internal Audit - An understanding of the purpose of the Council's Internal Audit Service and its responsibilities to the Audit Committee.	0	0%	4	33%	8	67%	How are the areas to audit determined and prioritised for inclusion within the Internal Audit Annual Plan / an understanding of how Internal Auditors undertake their work on audit assignments
Financial Management and Accounting - Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them, and the role the Audit Committee plays in reviewing the Council's draft financial statements.	0	0%	3	25%	9	75%	Information on technical accounting and financial issues
External Audit - Knowledge of the role and functions of the external auditor and the responsibility it has to the Council's Audit Committee.	0	0%	5	42%	7	58%	
Risk Management - Understanding of the risk management arrangements in place within the Council and the role of Audit Committee in overseeing these arrangements.	1	8%	3	25%	8	67%	The role of the Council's Emergency Plan in managing risk and changes in legislation
Counter Fraud - An understanding of the main areas of fraud and corruption risk to which the Council is exposed, knowledge of the Council's arrangements for tackling fraud and awareness of good fraud risk management practice.	1	8%	3	25%	8	67%	How the Council keeps abreast of a changing landscape in this area and an overview of Fraud Management
Values of Good Governance - Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff (including knowledge of the 7 principles of public life) and knowledge of whistle-blowing arrangements within the Council.	0	0%	3	25%	9	75%	
TOTALS	2		25		69		
	2%		26%		72%		