

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2017/18

COMMITTEE:

AUDIT COMMITTEE

27th November 2017

Item No. 4

**2016/17 Annual Governance
Statement Recommendations –
An Update**

REPORT OF:-

GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

**Author: Paul Griffiths (Service Director, Performance & Improvement)
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1. PURPOSE OF THE REPORT

The purpose of this report is to provide Audit Committee with an update on the status of the recommendations that were made within the 2016/17 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. BACKGROUND

- 3.1 The Council's [Annual Governance Statement](#) (AGS) relating to the 2016/17 financial year was reported to and approved by Audit Committee at its meeting held on 5th June 2017. The document described the governance arrangements in place, challenged their effectiveness and where necessary provided recommendations for improvement. A total of 7 recommendations were made.
- 3.2 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:

(D) 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."

3.3 In accordance with the Terms of Reference (Item D) and Workplan for Audit Committee, this report provides an update on the status of each recommendation. Appendix A provides details of the 7 recommendations made along with a summary of the action being taken to progress their implementation.

4. SUMMARY

4.1 A summary of action taken to implement the 7 recommendations contained within the 2016/17 AGS is provided at Appendix A.

4.2 The provision of the information contained within this report will assist Members when forming an opinion on the Council's overall governance arrangements for 2017/18.

LOCAL GOVERNMENT ACT, 1972

as amended by

THE ACCESS TO INFORMATION ACT, 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

LIST OF BACKGROUND PAPERS

AUDIT COMMITTEE

27th November 2017

Report of the Group Director, Corporate & Frontline Services

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

Item

4. Annual Governance Statement Recommendations – An Update

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Appendix A – Annual Governance Statement 2017/18 progress update.

Core Principle	Issue Identified	Recommendation	Responsible Officer & Timescale for Implementation	Progress Update
<p>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>	<p>The 'Anti-Fraud, Bribery and Corruption Policy and Procedure' was last up dated in 2013.</p>	<p>The Council's Anti-Fraud, Bribery and Corruption Policy and Procedure should be reviewed and up dated where relevant and reported to the appropriate Committee for scrutiny and sign-off. Thereafter, the up dated document should be used to inform awareness raising throughout the Council.</p>	<p>Service Director – Operational Finance Qtr 3 2017/18</p>	<p>The current document has been updated and is due to be reported to Audit Committee at its meeting scheduled for 27th November 2017.</p>
	<p>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.</p>	<p>A periodic up date, for example annually, of all non-social services complaints and comments received by the Council should be produced, along with action taken / lessons learned, and reported to an appropriate Committee for review and where relevant further action.</p>	<p>Head Of Legal - Corporate And Democratic Services Qtr 1 2018/19</p>	<p>The Council is currently reviewing roles and responsibilities for managing the Council's Corporate Feedback Scheme policy. It is considered the proposals being looked at will aid and strengthen compliance with this recommendation.</p>
<p>Defining outcomes in terms of sustainable economic, social, and environmental benefits</p>	<p>The MTFP does not allocate the Council's Capital Programme over Corporate Plan priority areas</p>	<p>As part of updating the MTFP in 2017/18, the Council's Capital Programme resources should be allocated / categorised over Corporate Plan priorities to demonstrate or otherwise the prioritisation of resources.</p>	<p>Service Director – Performance & Improvement Qtr 2 2017/18</p>	<p>The Council refreshed its Medium Term Financial Plan and reported it to the Cabinet meeting on 18th July 2017. This up date allocated the Council's Capital Programme over Corporate Plan priority</p>

Core Principle	Issue Identified	Recommendation	Responsible Officer & Timescale for Implementation	Progress Update
<p>Developing the capability of the entity's leadership and other individuals</p>	<p>Councillor / employee development / training – where operational training is delivered, its impact / benefit is not always captured.</p>	<p>Where Councillor and employee development / training activity takes place, information should be collected on an on-going basis to help demonstrate the longer term effectiveness of the training and also help inform future needs.</p>	<p>Head of Organisational Development Qtr 3 2017/18</p>	<p>areas (i.e. Annex 4). Questionnaire has been designed and is ready for implementation for all courses from quarter 4 onwards and to be evaluated 6 months post completion.</p>
<p>Managing risks and performance through robust internal control and strong public financial management Managing risks and performance through robust internal control and strong public financial management</p>	<p>Risk Management – the Council's Risk Management Strategy has not been reviewed / up dated since 2014.</p>	<p>The Council's Risk Management Strategy should be reviewed, and where relevant updated, and reported to an appropriate Committee for review and sign off.</p>	<p>Head of Internal Audit Qtr 3 2017/18</p>	<p>The Council's risk management arrangements were reviewed in consultation with the Group Director, Corporate & Frontline Services and the Chief Executive during the first quarter of 2017/18.</p> <p>Following review, the format of the Strategic Risk register was changed in order to provide more specific information to stakeholders in respect of controls and actions in place to manage the individual risks.</p> <p>The revised format was presented to Members as</p>

Core Principle	Issue Identified	Recommendation	Responsible Officer & Timescale for Implementation	Progress Update
				<p>part of the quarter 1 Performance Report – link.</p> <p>Audit Committee will receive an overview of the Council's risk management arrangements, incorporating the strategic risk register, at their meeting scheduled for 8th January 2018.</p>
	<p>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'.</p>	<p>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'.</p>	<p>Head of Internal Audit</p> <p>Qtr 4 2017/18</p>	<p>This item has been included within the workplan for Audit Committee.</p> <p>The review is due to be started in consultation with the Chairperson during quarter 3. Once it is complete, it is planned that the outcome will be reported to Audit Committee during quarter 4.</p>
	<p>Information Management – no update is reported setting out the Council's work and performance in this area.</p>	<p>The Council should report on a periodic basis, for example, annually, its work and performance around Information Management and provide opportunity for review</p>	<p>Head of I.T</p> <p>Qtr 4 2017/18</p>	<p>The Overview and Scrutiny Committee received a report on the Council's Information Management & Governance arrangements</p>

Core Principle	Issue Identified	Recommendation	Responsible Officer & Timescale for Implementation	Progress Update
		and scrutiny.		on 14 th November 2017. Link . A further up date is scheduled in quarter 4.