

GOVERNANCE & AUDIT COMMITTEE: 11 July 2023

GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT 2022/23

REPORT OF THE AUDIT MANAGER

AGENDA ITEM: 11.1

Reason for this Report

1. The Terms of Reference of the Governance and Audit Committee requires that Members:
 - Report to Council on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
 - Report to Council on an annual basis and to publish an annual report on the Committee's work, its performance in relation to its Terms of Reference, and its effectiveness in meeting its purpose including a conclusion on compliance with the CIPFA Position Statement.
 - Raise the profile of probity generally within the Council and to report on matters of concern to the individual Cabinet Member, relevant Scrutiny Committee, Cabinet or to Council as necessary and appropriate.

Background

2. The Annual Report (attached at Appendix A) provides an account of the role, work, observations and opinion of the Governance and Audit Committee in respect of the municipal year 2022/23.
3. The report has been prepared with the Committee Chairperson and it has been aligned to the reporting requirements of the Committee's Terms of Reference.
4. The report is to be considered by the Committee prior to being reported to a meeting of Full Council in the autumn.

Issues

5. The report contains a foreword by the Committee Chairperson, followed by details of the Committee's role, with reference drawn to its Terms of Reference and relevant legislation.

6. Section 3 of the report outlines the Committee's work during 2022/23, separated into items which fall within the Committees standard work programme and wider reviews. These wider reviews included the control environment for areas of senior officer responsibility, the Committee's inaugural consideration of the Council's Performance self-assessment, and details of its review of complaints handling arrangements.
7. Section 4 of the report outlines an annual self-assessment exercise that has been completed by the Committee. This comprised a Committee self-assessment workshop that was held in January 2023, to review its performance against a best practice CIPFA framework. Following the process introduced in previous years' assessments, Governance and Audit Committee Members were asked to undertake an Individual Assessment against the CIPFA core knowledge and skills areas in advance of the collective workshop. This assessment incorporated the best practices of the CIPFA 2022 guidance for Audit Committees, including the requirements of the CIPFA Position Statement. This enabled the results to be reflected upon when considering the overall assessment.
8. Where the Committee identified areas for improvement from the self-assessment processes, these were included in an Action Plan in Annex 2, to be progressed in the year ahead. In addition, feedback information has also been received from those attending Governance and Audit Committee meetings during the year. The results have been considered by the Committee Chairperson which are summarised in Annex 3 of the report.
9. Section 5 of the report contains the key observations of the Committee, followed by the draft Committee opinion in section 6 for consideration. The draft opinion is that "based on the evidence presented to the Governance and Audit Committee during 2022/23, it is the considered view of the Governance and Audit Committee that the Council does have, for the most part, sound internal controls and governance arrangements in place. Strategic risks representing the true challenges facing the Council are captured and reviewed on a regular basis..." The draft opinion then draws upon examples of concerns in areas that are to be incorporated into its work programme for 2023/24. Once agreed by Committee, the opinion will be contained within the Council's Annual Governance Statement 2022/23, together with the opinion of the Audit Manager on the Council's control environment, and an assurance statement from the Senior Management Team.
10. The report concludes by reflecting on the work programme for 2023/24, providing details of Committee Membership and attendance during the municipal year 2022/23 and by providing key contact information.
11. Within appendices to the report are the Terms of Reference for the Committee relating to 2022/23, the Action Plan arising from the Committee's Self-Assessment, a summary of feedback from those who attended Committee Meetings during the year, and Member Profiles.

Legal Implications

12. There are no direct legal implications arising from this report.

Financial Implications

13. There are no direct financial implications arising from this report.

RECOMMENDATIONS

14. That the Committee considers and approves its draft annual report to Council on the Committee's work, its performance in relation to its Terms of Reference, and its effectiveness in meeting its purpose including a conclusion on compliance with the CIPFA Position Statement.

CHRIS PYKE
AUDIT MANAGER

The following report is attached:

Appendix A – Governance and Audit Committee Annual Report 2022/23 (draft)