

<b>Item No.</b> 16.	<b>Classification:</b> Open	<b>Date:</b> 8 February 2021	<b>Meeting Name:</b> Audit, governance and standards committee
<b>Report title:</b>		Draft work programme for 2021-22	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Finance and Governance	

## RECOMMENDATIONS

1. That the audit, governance and standards committee consider the proposed draft work programme for 2020-21 and whether they would wish to make amendments to arrangements as set out in paragraphs 8 and 9 of this report, or in respect of any other matters.
2. That the audit, governance and standards committee, subject to any requested changes, agree the work programme for 2020-21 set out in Appendix 2.

## BACKGROUND INFORMATION

3. Since its establishment in March 2007, the committee has agreed a work programme for the forthcoming year. Amendments to the programme to take account of changing circumstances can be made throughout the year.
4. The purpose of this report is to set out possible areas of work for consideration to enable members to agree a programme for 2020-21.

## KEY ISSUES FOR CONSIDERATION

5. In considering items for inclusion, it may be helpful to do this within the framework of the committee's purpose, as set out in the constitution. This is set out in the constitution to be:
  - Independent assurance of the adequacy of the council's governance arrangements, including the risk management framework and the associated control environment
  - Independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment
  - Oversight of the financial reporting process
  - Scrutiny of the treasury management strategy and policies
  - A framework to promote and maintain high standards of conduct by councillors, co-opted members and church and parent governor representatives.
6. The committee's terms of reference, as approved by council assembly, cover functions relating to audit activity, the regulatory framework, accounts, treasury

management and the council's standards framework. They are attached at Appendix 1 as they may further help the committee to determine items to be included in its work programme.

7. Using the 2020-21 revised work programme as a starting point, a draft programme for 2021-22 has been included at Appendix 2 for the committee's consideration. Items shown in brackets are standing items which will be brought forward as they arise. The draft programme is based on meetings of the committee being held in June 2021, July 2021, September 2021, November 2021, February 2021 and June 2022.

### **Areas of governance for review**

8. During 2020-21, the committee invited chief officers to attend and discuss departmental governance. The programme was suggested on the understanding that this would be likely to take two years to see all the chief officers
9. Members are asked to consider whether they would wish to continue this approach. If they do not wish to continue this approach, they are asked to identify an alternative approach to the review of governance.
10. There remains a need to ensure flexibility in terms of emerging issues which come to light through items already on the committee's agenda. For example, a review of audit recommendations and progress on their implementation may highlight a need to request the attendance of individuals at a future meeting to help explain action taken. The draft programme therefore includes a standing item relating to review of the committee's work plan. There may also be a need to review the work programme to take account of any changes which may be agreed to the council's constitution during the year.
11. Items have been grouped in line with its functions, in order to ensure that there is appropriate coverage of the committee's key roles as defined in its terms of reference.
12. Training will continue to be provided for members on the role of the committee, and development needs will continue to be monitored to enable appropriate training to be provided as opportunities arise.
13. The committee is asked to consider whether the attached draft work programme reflects its priorities for the next year or whether there are other amendments which it would wish to see included.

### **Policy implications**

14. This report is not considered to have direct policy implications.

### **Community impact statement**

15. The decision to agree a work programme for next year is considered not to have a significant impact on any particular community or group.

### **Resource implications**

16. There are no direct resource implications in this report.

## Consultation

17. There has been no consultation on this report.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

18. None required.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None.		

## APPENDICES

No.	Title
Appendix 1	Extract from the constitution – Part 3K Audit and governance
Appendix 2	Draft work programme for 2020-21

## AUDIT TRAIL

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report Author</b>	Virginia Wynn-Jones, Principal Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	28 January 2021	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>	28 January 2021	

# APPENDIX 1

## Extract from the constitution – Part 3K Audit and governance committee

### ROLE AND FUNCTIONS

#### Introduction

The purpose of the audit, governance and standards committee is to provide:

1. Independent assurance of the adequacy of the council's governance arrangements, including its standards regime, the risk management framework and the associated control environment.
2. Independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.
3. Oversight of the financial reporting process.
4. Scrutiny of the treasury management strategy and policies.
5. A framework to promote and maintain high standards of conduct by councillors, co-opted members and church and parent governor representatives.

#### Audit activity

6. To approve the internal audit charter
7. To approve the risk based internal audit plan, including resource requirements.
8. To approve any significant proposed advisory services, additional to those included in the audit plan.
9. To receive information on the appointment, departure, resignation or change in chief audit executive.
10. To receive in-year summaries of internal audit and anti-fraud activity and the internal audit annual report and opinion and to consider the level of assurance it can give over the council's corporate governance arrangements.
11. To receive reports dealing with the management and performance of the provider of internal audit services, including the performance of the chief audit executive.
12. To receive reports from internal audit on agreed recommendations not implemented within a reasonable timescale.
13. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
14. To consider specific reports as agreed with the external auditor.
15. To comment on the scope and depth of external audit work and to ensure it gives value for money.

16. To have oversight over the appointment of the external auditor.
17. To commission work from internal and external audit.

### **Accounts**

18. To review and approve the annual statement of accounts and specifically to consider compliance with appropriate accounting policies and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
19. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

### **Treasury management**

20. To review and scrutinise the treasury management strategy and policies.

### **Governance activity**

21. To review any issue referred to it by the chief executive or a strategic director, or any council body.
22. To monitor the effective development and operation of risk management in the council.
23. To monitor the effective development and operation of corporate governance in the council and to agree actions necessary to ensure compliance with best practice.
24. To monitor council policies on 'whistle-blowing', the 'corporate anti-fraud strategy' and the council's complaints processes.
25. To receive reports from the statutory officers under the council's whistle blowing policy.
26. To provide strategic oversight on the use of the powers regulated by the Regulation of Investigatory Powers Act 2000 and to receive in-year reports on operational use.
27. To oversee the production of and agree the council's annual governance statement.
28. To review the council's compliance with its own and other published standards and controls.
29. To receive reports on retrospective contract related decisions as set out in contract standing orders.
30. To receive reports from the monitoring officer on any serious breach of the contract standing orders or procurement guidelines.

### **Standards activity**

31. To advise the council on the adoption or revision of the members' code of conduct, the member and officer protocol and the communication protocol.
32. To monitor the operation of the members' code of conduct, the member and officer protocol and the communication protocol.
33. To monitor and advise on training provided for councillors, co-opted members and church and parent governor representatives.
34. To deal with any standards related complaints referred to it and any report from the monitoring officer on any matter which is referred to him or her.
35. To receive reports from the monitoring officer on unlawful expenditure and probity issues.
36. To consider the withholding of allowances from individual members (including elected members and co-opted members) in whole or in part for non-attendance at meetings, or, for elected members only, for failure to attend required training.
37. To establish the following sub-committees:
  - to consider complaints of misconduct against elected councillors and co-opted members
  - to consider civic awards.

### **Annual report**

38. To report annually to all councillors on its work and performance during the year.

### **MATTERS RESERVED FOR DECISION**

#### **Matters reserved for decision by the main committee**

39. The matters reserved for decision to the committee are as set out in the role and functions, other than those functions delegated to the relevant sub-committee.

#### **Matters reserved for decision by the conduct sub-committee**

40. To consider complaints of misconduct against elected councillors and co-opted members.

#### **Matters reserved for decision by the civic awards sub-committee**

41. To grant civic awards.
42. To consider the process by which the decisions with respect to civic awards applications are to be taken and to make recommendations to the standards committee.
43. To appoint non-voting co-opted members of the civic awards sub-committee.

## APPENDIX 2

### Draft Work Programme for 2021-22

Items shown in brackets (✓) are standing items which will be brought forward if they arise

Item	Meeting date						Commentary
	June 2021	July 2021	September 2021	November 2021	Feb 2022	June 2022	
<b>General</b>							
Annual work programme for following year					✓		Draft work programme for the committee – Constitutional Officer
In-year review of work programme	(✓)	(✓)	(✓)	(✓)		(✓)	Standing item – to pick up emerging issues
Annual report of audit, governance and standards committee					✓		Report on committee's work and performance to be submitted to all councillors each year – Constitutional Officer
<b>Internal Audit activity</b>							
Internal audit plan and strategy for internal audit, Internal audit charter					✓		Proposed internal audit programme for future years, and to agree the internal audit charter – Strategic Director of Finance and Governance
Annual report and opinion on internal audit		✓					Including review of effectiveness of system of internal audit and Strategic Director of Finance and Governance's opinion on system of internal control and report on internal audit contractor and Strategic Director of Finance and Governance (chief audit executive) performance – Strategic Director of Finance and Governance
Annual report on anti-fraud		✓					Annual progress report on the anti fraud services and special investigations team - Fraud manager

Item	Meeting date						Commentary
	June 2021	July 2021	September 2021	November 2021	Feb 2022	June 2022	
Progress report on the work of internal audit and anti-fraud	✓		✓	✓	✓	✓	Issues raised and progress on implementation of recommendations, including approval of any significant additional advisory services – Strategic Director of Finance and Governance
<b>External Audit activity</b>							
Audit fee letters (including pension fund)	✓						Annual fee letters setting out indicative fees and planned work/outputs for the relevant year for the council and pension fund – Grant Thornton
Audit plans (including pension fund)					✓		Audit plans setting out audit work to be undertaken for audit of financial statements for the council and pension fund, including approval of any significant additional advisory services – Grant Thornton
Annual Audit letter (Grant Thornton)			✓				Annual audit letter (AAL) providing a summary of Grant Thornton's assessment of the council for the year, drawing from audit of financial statements and work undertaken to assess VfM – Grant Thornton
Audit findings reports (ISA 260) – including pension fund)			✓				Annual governance report (AGR) summarising findings from audit of financial statements and work to assess VfM arrangements – Grant Thornton
Informing the audit risk assessment for the council (including pension fund)	✓					✓	Item on oversight of management's processes in relation to risks of fraud/error, compliance with relevant laws and regulations and gong concern – Grant Thornton

Item	Meeting date						Commentary
	June 2021	July 2021	September 2021	November 2021	Feb 2022	June 2022	
Audit update report	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – update on work being planned or undertaken – Grant Thornton
<b>Governance and standards activity</b>							
Annual governance statement	✓	✓					A mandatory statement setting out the council's governance arrangements – Departmental Finance Manager (Corporate and Central Services)
Retrospective approvals to contract decisions	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – contract standing orders require retrospective contract decisions over £100k for the purpose of obtaining guidance to inform future decision making – Strategic Director of Finance and Governance
Risk management and insurance					✓		Report on key risks in February – Head of Financial and Information Governance
Progress report on implementation of external audit recommendations	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – progress made in implementing external audit recommendations (including audit findings) – Strategic Director of Finance and Governance
Outcomes of the whistleblowing policy				✓			Annual report to consider outcomes of the whistleblowing policy – Director of Law and Democracy
Review of complaints made under Code of Conduct					✓		Annual report on complaints made under Code of Conduct – Head of Corporate Team
Report on operational use of Regulation of Investigatory Powers Act 2000					✓		Annual report on use of powers under RIPA – Head of Corporate Team
Review of member and officer protocol and communications protocol				✓			Annual review of protocols, with recommendations for changes as needed – Head of Corporate Team

Item	Meeting date						Commentary
	June 2021	July 2021	September 2021	November 2021	Feb 2022	June 2022	
Establishment of sub-committees	✓						Report to establish sub-committees in line with committee's role and functions – Principal Constitutional Officer
Appointment of non-voting members of the civic awards sub-committee					✓		Report to appoint the non-voting co-opted members of the civic awards sub-committee for 2019-20 – Principal Constitutional Officer
Member induction and training				✓			Report on member induction and training
Areas of governance for review during year		(✓)	(✓)	(✓)	(✓)		To invite officers to attend meetings to discuss governance arrangements
Corporate governance framework	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – to include e.g. council policies within remit of audit, governance and standards committee; other areas as identified: pensions governance; code of governance
Budget challenge and governance	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – to monitor budget challenges as required, including processes and governance, throughout the year
<b>Accounts</b>							
Statement of accounts	✓	✓					Annual statement of accounts for consideration and approval – Strategic Director of Finance and Governance
<b>Treasury Management</b>							
Review of the policy and strategy				✓			Review of treasury management policy and strategy – Strategic Director of Finance and Governance