

## **COUNCIL**

<b>DATE</b>	29 July 2021
<b>REPORT OF</b>	Independent Chair of the Audit Committee
<b>SUBJECT</b>	Annual Report of the Audit and Governance Committee 2020/21
<b>STATUS</b>	Open
<b>FORWARD PLAN NO</b>	Not applicable

### **CONTRIBUTION TO OUR AIMS**

An effective Audit and Governance Committee contributes to the achievement of strategic objectives by seeking and receiving assurance on the systems of risk management, governance and internal control which underpin the delivery of these objectives.

### **EXECUTIVE SUMMARY**

The Annual Report of the Audit and Governance Committee is designed to inform the full Council of the Committee's activities during the Council year (May 2020 to May 2021), and how it has discharged its responsibilities. The Audit and Governance Committee is now asked to formally approve this report prior to it being reported to Full Council.

### **RECOMMENDATIONS**

1. That the Audit and Governance Committee approves the annual report and requests that it is presented to the Full Council
2. That the Audit Committee provides delegated authority to the Chair and the Deputy Chair to make any additions to the report resulting from the outcome of the Committee held on 22 April 2021.

### **REASONS FOR DECISION**

The production of an annual report by the audit committee is considered to be good practice by the Chartered Institute of Public Finance and Accountancy, and has been the Council's practice for some years. It is important that the wider membership of the Council is kept informed of the work to ensure sound control and governance. The report to Council is an essential part of this process.

## **1. BACKGROUND AND ISSUES**

The annual report of the Audit and Governance Committee is attached. It summarises the activities of the Committee, and demonstrates how it has discharged its duties. It also reports on the outcome of the Audit Committee's self- assessment against good practice.

The main conclusions of the report are:

- despite the challenges posed by COVID-19, the Audit Committee has effectively discharged its duties as an Audit Committee, and has played an important role in promoting good governance across the council and monitoring the effectiveness of its governance arrangements; and
- the focus of the Audit Committee complies with good practice

## **2. RISKS AND OPPORTUNITIES**

Strong and effective control environment arrangements are an essential element of a robust corporate governance framework. The Audit Committee has a leading role to play in ensuring that the Council's governance arrangements are effective and contribute to the mitigation of risks. As the Council's operating model changes (including increased partnership working) the Committee needs to ensure that its work and the control systems it oversees, remain effective. The Committee Work Programme explicitly recognises this development need.

## **3. OTHER OPTIONS CONSIDERED**

No other options applicable as the production of an annual report is considered to be good practice.

## **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

There are no specific reputational issues related to this report. The production of an annual report for consideration by Full Council is a means by which the work of the Audit and Governance Committee can be widely communicated.

## **5. FINANCIAL CONSIDERATIONS**

There are no specific financial considerations related to this report.

## **6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

There are no climate change or environmental implications arising from this report.

## **7. FINANCIAL IMPLICATIONS**

There are no financial implications arising as a direct result of this report.

## **8. LEGAL IMPLICATIONS**

There are no direct legal implications arising from the report.

## **9. HUMAN RESOURCES IMPLICATIONS**

There are no direct human resources implications arising from this report.

## **10. WARD IMPLICATIONS**

Applicable to all wards.

## **11. BACKGROUND PAPERS**

Audit Committees: Practical Guidance for Local Authorities and Police (2018)  
*(Chartered Institute of Public Finance and Accountancy)*

## **12. CONTACT OFFICER(S)**

Peter Hanmer (Head of Audit and Assurance)  
Telephone: 01472 323799

**Tim Render**  
**Chair of the Audit and Governance Committee**

# **AUDIT AND GOVERNANCE COMMITTEE**

## **ANNUAL REPORT 2020/21**

## FOREWORD BY TIM RENDER, CHAIRMAN OF THE COMMITTEE

I am pleased once again to introduce the annual report of the Council's Audit and Governance Committee. For the whole of the municipal year, the Committee has operated "virtually" due to the Covid 19 pandemic, and has had to adapt its work to the emerging situation. When I reported to you in the autumn of 2020, my hope was that in-person meetings would soon resume, but that has sadly not been the case.

The role of the committee was maintained during the year, despite the changed operational circumstances., We did however adapt the focus of our work to encompass changed operational and decision-making arrangements during the pandemic, In the last spring of last year, we commissioned a report which set out comprehensively the revised decision-making arrangements in place, and we reviewed the control framework for the recovery plan in the autumn. In similar vein, the Committee itself reviewed key assurance documents electronically before formally considering them at a later planned meeting, to ensure that any issues arising could be dealt with in a timely way.

The key "conventional" activities of the Committee during the year remained:

- a. Assessing whether the council has an adequate system of internal control to make sure it can meet its various financial and governance responsibilities, as well as deliver on its priorities.
- b. Whether those systems of control are working effectively.

As a result of this work, ***we are able to provide the Council, with assurance around the effectiveness of internal control, risk management and governance arrangements.***

We have again undertaken specific monitoring of the Council's arrangements for managing risk, taking a "deep dive" approach to key risks .Work has progressed on developing the "assurance map" – a means of capturing all the ways in which we can gain assurance for the Council (such as the results of external inspections, management reviews etc) and not just on the work of our auditors.

We again followed a work programme agreed by the Committee in advance of the municipal year, and shared widely within the Council to ensure maximum impact and minimal overlap with other work. We continued to separate the scheduling of committee and working group meetings. This allows us to review in detail key issues at an earlier stage (without having to wait for the next programmed meeting date) and given us time to carry out in-depth consideration of key and emerging issues.

I would like to take this opportunity to thank the Members of the Committee for their interest in and commitment to the Committee's work. As ever, we are dependant on the work of others, and I would like to thank the Director of Environment, Economy and Resources, the Assistant Director Law, Governance and Assets, , the Head of Audit and Assurance, Democratic Services staff and the representatives from our external auditors , for their continuing support during the last year.

Finally, we will keep under review how we undertake our responsibilities as lockdown is progressively lifted in the coming months, and how governance and decision-making arrangements move to a "new normal". The work plan that has already been considered by the Committee in draft, will take this fully into account.

**Tim Render**  
**Independent Chairman of the Audit Committee**

## **1. INTRODUCTION**

The Audit Committee was set up in 2005. Its role is defined in its terms of reference, as laid out in the Council’s constitution, as shown on Appendix 1. The areas covered within them are consistent with those identified as good practice by the Charter Institute of Public Finance and Accountancy and Finance (CIPFA) in its document *“Audit Committees: Practical Guidance for Local Authorities and Police” (2018)*. In May 2013, its role was expanded to include partnership governance and was renamed the “Audit and Governance Committee”.

This report informs the full Council of the Committee’s activities during the Council year (May 2020 to April 2021), and how it has discharged its responsibilities.

## **2. COMMITTEE INFORMATION**

### **Audit Committee Membership**

During the year, the Committee had nine members, plus Tim Render (the independent chair). The membership was as follows:

Chairman – Mr. Tim Render  
Councillor S Harness (Conservative) (Deputy Chairman)  
Councillor B Parkinson (Conservative)  
Councillor T Furneaux (Conservative)  
Councillor P Silvester (Conservative)  
Councillor H Hudson (Conservative)  
Councillor M Patrick (Labour)  
Councillor K Wheatley (Labour)  
Councillor G Rogers (Labour)  
Councillor S Beasant (Lib Dem)

### **Audit Committee Meetings and Attendance**

During 2020/21 the Committee held five meetings, all of which were held virtually due to the restrictions caused by COVID-19. Despite the complications caused by the pandemic the Committee was able to successfully discharge its functions. The schedule of Members attendances is shown below. This table excludes the Independent Chair who has attended every meeting since his appointment. Including substitutes, Members achieved an attendance rate of 91% (41 out of a possible 45) in the five meetings held up to 22 April 2021.

**Table 1: Attendance at Audit Committee Meetings**

	23 July 2020	24 September 2020	12 November 2020	21 January 2021	22 April 2021
Number attended including subs	8	8	8	9	8

In line with good practice the Section 151 officer has attended all Audit Committee meetings, as has the Monitoring Officer, the Head of Audit and Assurance, and external audit's Engagement Lead. In addition, other senior officers have attended where appropriate, or where they have been invited by the Committee, including the Chief Executive.

In addition, an audit working party was held on 26 March 2020. At the meeting Members were provided with presentations on three specific strategic risks, the role of boards and groups in providing assurance, changes to the VFM opinion, and the findings and implications of a national review of Local Authority Financial Reporting and External Audit- "the Redmond Report".

### **Training**

The Council recognises the importance of providing Committee Members with the training to allow them to effectively carry out what can be a demanding and technical role. In 2020/21 training included:

- Financial Statements (November 2020)
- Treasury Management (January 2021)

## **3. HOW THE AUDIT COMMITTEE HAS DISCHARGED ITS RESPONSIBILITIES, AND ITS ACHIEVEMENTS**

The Committee has discharged its responsibilities in 2020/21 is described below including its achievements in specific key areas:

### **Approve the Statement of accounts**

Approved the annual statements of accounts on behalf of the Council and considered the external auditor's Report. Where appropriate the Committee



sought assurance from officers and the external auditors on the content of the accounts. (November 2020)

Reviewed the proposed accounting policies for the statements of accounts 2019/20 (January 2021)

### **Annual Governance Statement**

Reviewed the draft Annual Governance Statement. It requested that improvements to Capital Programme Management be recognised in the AGS. (July 2020)

Approved the final Annual Governance Statement and recommended it be signed on the Council's behalf by the Leader and the Chief Executive (November 2020)

Approved revisions the Council's updated Code of Governance (January 2021)

### **Approve the Internal Audit Plan / Head of Internal Audit Annual Report and Opinion**

Considered the Head of Internal Audit Report and Opinion for 2019/20- this opinion and accompanying reports were an important source of assurance to the Committee in relation to its responsibilities for governance, risk management, and internal control, it also received assurance that Internal Audit's work was carried out in line with auditing standards. (July 2020)

Considered the Internal Audit Plan for 2020/21 seeking assurances on its compilation and the resources available to deliver the plan (July 2020)

Received an interim report from the Head of Internal Audit on the delivery of the annual audit plan 2020/21, including a summary of findings from audit reports, (January 2021)

Received a short briefing on the delivery of the audit plan and any issues arising from audit work (April 2021)

Considered the proposed audit plan for 2021/22 (April 2021) receiving assurance from the Head of Audit and Assurance that it had been compiled in line with auditing standards, was based on a detailed risk assessment, and sufficient resources were available to deliver the plan. Also received assurances from the Section 151 Officer about the resourcing of internal audit.

In between formal meetings the Head of Internal Audit has periodic informal meetings were appropriate with both the Chair and Deputy Chair of the Committee to allow them to discuss emerging issues.

## **Promoting an anti-fraud culture**

Received the Annual Fraud Report 2019/20. The Committee noted the report and recommended that appropriate publicity be given to it within the organisation (July 2020)

Received an interim report on anti-fraud activities taking place within the Council (November 2020)

Approved the updated Counter Fraud Strategy (January 2021)

Reviewed the Annual Fraud Report 2020/21 (April 2021)

## **External Audit**

Received the external audit strategy memorandum for the year ending 31 March 2020 (July 2020)

Received an update on the progress of the audit of the statements of accounts 2019/20, particularly any issues arising as a result of COVID-19 (September 2020)

Received the External Audit completion report in relation to the audit of the statement of accounts 2019/20 (November 2020)

Received the External Audit management letter 2019/20 (January 2021)

Received an audit progress update report, including an update on external audit's planning considerations for the audit of the 2020/21 statement of accounts (April 2021)

There is an opportunity at the end of each meeting for the Committee to have a private discussion with External and Internal Audit.

## **Risk Management**

Received the annual risk management report providing a summary of the developments relating to risk management and the Strategic Risk Register as of 9th July 2020 (July 2020)

Received and considered the strategic risk register. The committee identified a number of risks for which it received more detail at an Audit Committee Working party in March 2021, with the intention that it will similarly review other risks in more detail at Audit Working Groups during 2021/22. (January 2022)

## **Treasury Management**

Reviewed the Treasury Management Annual Report 2019/20 containing details of treasury management arrangements, activity, and performance. It sought assurances about the operation of Treasury Management processes (July 2020)

Reviewed the Treasury Mid-Year Review 2020/21 (November 2020)

Reviewed the Treasury Management Statement, the Treasury Management Practices, and the Treasury Management Arrangements recommending their approval by Full Council (January 2021).

- **Partnership Governance**

- The committee considered a report from the Director of Resources and Governance focusing on a stocktake of partnership governance. The report focused on our governance arrangements with four main partnerships, Engie, Lincs Inspire Ltd., the Shared Service with North Lincolnshire, and the Union Board. The report highlighted the cost of each partnership, their governance arrangements and some of the key issues facing the partnerships, particularly in relation to Covid 19. (September 2020)

- Received updates on the governance arrangements for following partnerships. In each case the relevant lead Director attended the meeting to provide a presentation and take questions

- The Union (November 2020)
- Lincs Inspire Limited (January 2021)
- Northern Lincolnshire Business Connect (January 2021)

- An update on the governance arrangements relating to the regeneration partnership is scheduled for early in the 2021/22 municipal year.

- **Annual work programme**

- As well as discharging its key formal responsibilities the Committee has developed an annual work programme to allow it to obtain a greater understanding of strategic interest. During 2020/21 / it received reports and sought assurance in the following areas:

- Received the Annual Value for Money report (2019/20) summarising value for money activity during 2019/20 (July 2020)
- The committee received an update on the medium-term financial planning process, considering the impact of Covid 19 and the Recovery Plan (September 2020)

- The committee considered a presentation from the Head of Audit and Assurance on the implications for internal control due to the Covid 19. Assurance was requested and received on the emergency decision process (November 2020)
- The committee received a briefing note from the Deputy Section 151 Officer in relation to COVID-19 related government grants, and in particular on the process for ensuring that the council adheres to grant requirements (January 2021)
- Considered the Annual Information Governance and Security report (2019/20) outlining key information governance activities undertaken and providing assurance on the Council's arrangements (April 2021. Received assurances that the Council remains compliant with its legal obligations and follows good practice. Members sought assurances about the impact of home working on information security.

- **Audit Committee Self-Assessment**

- The Audit Committee annually carries out a self-assessment of its performance based on a checklist developed by CIPFA in its report "Audit Committees: Practical Guidance for Local Authorities and Police" (2018). The initial assessment has carried out by the Chair and Deputy Chair of the Audit Committee and was confirmed at the Audit Committee on 22 April 2021 (Appendix 2).
- The overall provisional conclusion is that the Committee continues to operate effectively and in line with the good practice identified, but there were some areas for further development which will built into the 2020/21 work programme.

## **Appendix 1**

### **Audit and Governance Committee Terms of Reference and Powers**

1. To approve the Council's Annual Statement of Accounts, including the income and expenditure account, balance sheet and cash flow statement.
2. To consider and approve, on behalf of the council the external auditor's Annual Governance Report.
3. To approve the Internal Audit Charter, Internal Audit Plan and Performance Indicators
4. To review summary internal audit reports and any significant issues arising and recommend appropriate actions in response.
5. To consider the Head of Internal Audit's annual report and opinion and the level of assurance it can give over the Council's Corporate Governance Arrangements.
6. To consider reports dealing with the management and performance of internal audit.
7. To monitor and keep under review the Council's arrangements to secure value for money.
8. To monitor and keep under review the Council's Risk Management arrangements.
9. To monitor and keep under review the effectiveness of the Council's anti-fraud and corruption arrangements (including the consideration of an annual report summarising the Council's actions in relation to good conduct and anti-fraud and corruption).
10. To monitor and keep under review treasury management arrangements to ensure that the treasury management strategy and policies follow the CIPFA code of practice and are scrutinised in detail before being accepted by the Council.
11. To receive and approve treasury management practices and schedules.
12. To monitor and review the Council's assurance statements, including the Council's Code of Governance and the Annual Governance Statement, to ensure that they properly reflect the risk environment and any actions required to improve it, and to monitor management action in response to the action plan arising from it
13. To consider the reports of external audit and inspection agencies insofar as they affect the Council's Corporate Governance Arrangements.
14. To monitor management action in response to issues raised by external audit.
15. To comment on the scope and depth of external audit work and to ensure it gives value for money.
16. To commission work from internal and external audit.
17. To review any issue referred to it by the Chief Executive or a Director and any Council body.
18. To consider the Council's compliance with its own and other published standards and controls.
19. To refer items to the Audit Working Group for detailed consideration.
20. To produce an annual report for full council summarising its work during the year.

21. To provide at each meeting the opportunity to have a private meeting with only the external and internal auditors present.
22. To monitor and keep under review the Council's arrangements for partnership governance

## Appendix 2: Evaluating the Effectiveness of the Audit Committee

Assessment key	
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 1-5 See key above
<p>Promoting the principles of good governance and their application to decision making.</p>	<p><b>Providing robust review of the AGS and the assurances underpinning it.</b></p> <p><b>Working with key members/governors to improve their understanding of the AGS and their contribution to it.</b></p> <p><b>Supporting reviews/audits of governance arrangements.</b></p> <p><b>Participating in self-assessments of governance arrangements.</b></p> <p><b>Working with partner audit committees to review governance arrangements in partnerships.</b></p>	<p>Areas of strength:</p> <p>The Audit Committee reviews the Code of Corporate Governance, the AGS and the assurances underpinning it.</p> <p>The audit plan is explicitly linked to the code of governance includes a cyclical programme to review assurances required for the AGS</p> <p>The Audit Committee periodically reviews the AGS action plan</p> <p>Partnership governance is included in the Audit Committee’s Terms of reference, and governance arrangements relating to key partnerships are included in the work programme</p> <p>When determining the annual work programme key and emerging governance issues are considered.</p> <p>Areas for development:</p>	<p><b>4</b></p>



		Prepare a “popular” version of the annual report demonstrating the importance of good governance to the wider Council and to partners	
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Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 1-5 See key above
<p><b>Contributing to the development of an effective control environment.</b></p>	<p><b>Monitoring the implementation of recommendations from auditors.</b></p> <p><b>Encouraging ownership of the internal control framework by appropriate managers.</b></p> <p><b>Raising significant concerns over controls with appropriate senior managers.</b></p>	<p>The Audit Committee monitors and challenges senior officers on recommendations in audit reports.</p> <p>It receives reports on recommendation implementation and requires officers to come and explain to committee where there is significant delay in implementing agreed recommendations.</p> <p>It looks at audit reports of concern in detail and calls officers to explain their responses and actions to improve control where there are weaknesses.</p> <p>Being proactive in asking officers for a report of impact of COVID-19 on the control environment and the decision making process</p>	<p><b>5</b></p>

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 1-5 See key above
<p><b>Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.</b></p>	<p><b>Reviewing risk management arrangements and their effectiveness, e.g., risk management benchmarking.</b></p> <p><b>Monitoring improvements.</b></p> <p><b>Holding risk owners to account for major/strategic risks.</b></p>	<p>Review updates to the risk framework</p> <p>The strategic risk register is reviewed by the committee at two meetings per year.</p> <p>The committee holds managers to account for how they are identifying and dealing with their risks.</p> <p>Challenge managers if risk scores have not changed over time, or actions not implemented.</p> <p>Areas for development:</p> <p>Use Annual Report of committee to prepare a “popular” version setting out our requirements for effective risk management, for wide distribution to managers within the Council.</p>	<p><b>4</b></p>

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 1-5 See key above
<p><b>Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.</b></p>	<p><b>Specifying its assurance needs, identifying gaps or overlaps in assurance.</b></p> <p><b>Seeking to streamline assurance gathering and reporting.</b></p> <p><b>Reviewing the effectiveness of assurance providers, e.g., internal audit, risk management, external audit</b></p> <p>.</p>	<p>Review the effectiveness of Internal Audit via a regular progress report, and the Annual Head of Internal Audit Report</p> <p>Receive regular update reports from External Audit.</p> <p>Receive an annual report on the effectiveness of risk management arrangements.</p> <p>Code of corporate governance and the AGS is based on the three line of defence model of assurance, including the outcome of external inspections.</p> <p>Reviewed the various boards and groups which contribute to the assurance framework</p> <p>Areas for development:</p> <p>Receive a fully developed Assurance Map in relation to the Council’s overall arrangements for</p>	<p><b>4</b></p>

		internal control (work is being developed and updated)	
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Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 1-5 See key above
Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.	<p><b>Reviewing the audit charter and functional reporting arrangements.</b></p> <p><b>Assessing the effectiveness of internal audit arrangements and supporting improvements.</b></p>	<p>Review the annual charter on annual basis.</p> <p>Review the annual audit plan, where appropriate challenging the level of coverage and resource</p> <p>Reviewing the effectiveness of Internal audit and the outcome of its Quality Assurance Improvement Programme, including the outcome of the five yearly external review of internal audit (successful review carried out in March 2018)</p>	5

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
<p><b>Aiding the achievement of the authority’s goals and objectives through helping to ensure appropriate governance, risk, and control and assurance arrangements.</b></p>	<p><b>Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place.</b></p> <p><b>Reviewing the effectiveness of performance management arrangements.</b></p>	<p>The Audit Committee receives briefings from officers to talk issues such as financial resilience, performance management arrangements and governance arrangements for major projects.</p> <p>The Committee has updated its work programme to support the changing Council agenda including the Union Board an updated work programme was taken to and approved by the Committee in April 2019 and guided our work during the year</p>	<p><b>4</b></p>

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Supporting the development of robust arrangements for ensuring value for money.	<p>Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee.</p> <p>Considering how performance in value for money is evaluated as part of the AGS.</p>	<p>It receives an annual report on VFM arrangements.</p> <p>It raises questions in relation to VFM when it receives reports from officers on a range of issues.</p> <p>VFM is an element of the AGS, which is considered by the Audit Committee.</p> <p>In March 2021 the audit committee working group received an update on the new external audit requirements in relation to the VFM opinion</p> <p>In September 2020 it received a report of the governance arrangements relating to the delivery of the MTFP.</p> <p>.</p>	4



Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
<p><b>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.</b></p>	<p><b>Reviewing arrangements against the standards set out in CIPFA’s Managing the Risk of Fraud (Red Book 2).</b></p> <p><b>Reviewing fraud risks and the effectiveness of the organisation’s strategy to address those risks.</b></p> <p><b>Assessing the effectiveness of ethical governance arrangements for both staff and governors.</b></p>	<p>The Audit Committee receives the Annual fraud report which demonstrates how the Council’s arrangements comply with guidance as CIPFA’s managing the risk of fraud</p> <p>The Audit Committee receives two updates a year in relation to anti-fraud activity and widely publicises anti-fraud activity when it approves the annual fraud report, as a measure to discourage fraud.</p> <p>The Annual Report of the Standards Committee is circulated to Audit Committee members.</p> <p>Areas for development: A report on the level of assurance given by the Council’s registers of interest, gifts and hospitality will for part of the work programme for 2021/22</p>	<p><b>4</b></p>

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
<p>Promoting effective public reporting to the authority’s stakeholders and local community and measures to improve transparency and accountability.</p>	<p>Improving how the authority discharges its responsibilities for public reporting, for example, better targeting at the audience, plain English.</p> <p>Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encouraging greater transparency</p>	<p>The committee has noted improvements in the readability of reports and a reduction in jargon The Audit Committee does challenge all major partnership governance arrangements (LIL, Engie, CCG), and asks partners to come and talk about their governance and answer the committee’s questions.</p> <p>Seeks assurance from each major partnership that it meets the requirements of the partnership protocol</p> <p>In 2020/21 it received a briefing paper on the Redmond Report into the arrangements for external audit and transparency in financial reporting</p>	<p><b>4</b></p>

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
<p><b>Overall, the role of the Audit and Governance Committee is understood, and it is able to demonstrate how it adds value</b></p>	<p><b>The role and purpose of the audit committee understood and accepted across the authority.</b></p> <p><b>Meetings effective with a good level of discussion and engagement from all the members</b></p> <p><b>The committee engage with a wide range of leaders and managers, including discussion of audit findings, risks, and action plans with the responsible officers?</b></p> <p><b>The committee make recommendations for the improvement of governance, risk and control and are these acted on</b></p> <p><b>There is an appropriate mix of knowledge and skills amongst the membership.</b></p>	<p>The terms of reference of the Committee are regularly reviewed and agreed by the Full Council.</p> <p>The annual report of the committee is personally presented to full Council by the Chair, and periodic meetings take place with members of Scrutiny to ensure the respective roles of the committees are clear and complementary.</p> <p>A wide range of officers are attending the Committee by invitation, from the Chief Executive to Service Managers. The Portfolio Holder for Finance and Governance has a standing invitation to the Committee to hear at first hand audit considerations, and if appropriate to respond to them.</p> <p>The Committee membership includes those with relevant professional skills and qualifications, and members with extensive experience of governance within and outside local government.</p>	<p><b>4</b></p>

	<p><b>It has good working relations with key people and organisations, including external audit, internal audit, and the CFO.</b></p>	<p>Regular discussions are held, both at Committee and outside formal meetings, with the CFO, Head of Internal Audit, and the Partner leading External Audit.</p> <p>Areas for development (ongoing)</p> <p>Liaising with Group Leaders to ensure Committee membership remains appropriately skilled and experienced following the annual meeting of the Council.</p> <p>Identify further training opportunities for committee members to enable wider participation in discussion and questioning in more complex technical areas that fall within the committee's terms of reference. This is a continuing development action the precise nature of which depends on the membership from year to year.</p>	
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