

NON-CONFIDENTIAL



Borough of Tamworth

10 March 2015

Dear Councillor

You are hereby summoned to attend a **meeting of the Council of this Borough** to be held on **TUESDAY, 17TH MARCH, 2015** at 6.15 pm in the **COUNCIL CHAMBER - MARMION HOUSE**, for the transaction of the following business:-

AGENDA

NON CONFIDENTIAL

- 6 Audit & Governance Annual Report** (Pages 1 - 10)
(Report of the Chair of Audit & Governance Committee)

Yours faithfully

A handwritten signature in black ink, appearing to be 'A. Oost', written over a circular stamp or mark.

CHIEF EXECUTIVE

People who have a disability and who would like to attend the meeting should contact Democratic Services on 01827 709264 or e-mail committees@tamworth.gov.uk preferably 24 hours prior to the meeting. We can then endeavour to ensure that any particular requirements you may have are catered for.

Marmion House
Lichfield Street
Tamworth

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COUNCIL

17 March 2015

REPORT OF CHAIR OF AUDIT & GOVERNANCE COMMITTEE

AUDIT & GOVERNANCE ANNUAL REPORT

Purpose

To advise Members on the action taken by the Audit & Governance Committee for the municipal year 2014/2015.

Recommendation

Members are requested to endorse the findings of the contents of the report.

Executive Summary

Article 10 of the Constitution requires a report to be made to Council detailing action taken by the committee in the form of minutes and including any recommendations arising there from.

In this current municipal year Audit & Governance Committee will meet on five occasions. There is a further Audit & Governance Committee scheduled to take place on 26 March 2015. The relevant minute entries from the meetings to date are as follows:

26 June 2014

Audit and Governance Committee Update

The Report of Grant Thornton (External Auditor) was considered.

RESOLVED: That members of the Committee endorsed the Audit and Governance Committee Update for Tamworth Borough Council to year end 31 March 2014

Fee Letter 2014/2015

The Report of Grant Thornton (External Auditor) was considered.

RESOLVED: That the content of the report be endorsed. It was noted that the fee was unchanged for 2014/15.

Statement on the Roles of the Chief Finance Officer & the Head of Internal Audit Services

The Report of the Executive Director – Corporate Services seeking to provide members with information on the application of the Statement on the Role of the Chief Finance officer and the Statements of the role of the Head of Internal Audit and the benchmarking of existing arrangements was considered.

RESOLVED: That members of the Committee endorsed the Statement on the Roles of the Chief Finance Officer and the Head of Internal Audit Services report.

Draft Annual Statement of Accounts & Report 2013/14

The Report of the Director of Finance setting out the Draft Statement of Accounts (the Statement) for the financial year ended 31 March 2014 was considered.

RESOLVED: That members of the Committee received for review the Draft Annual Statement of Accounts and report 2013/14.

Annual Governance Statement and Code of Corporate Governance

The Report of the Head of Internal Audit services informing Members of the process followed in producing an Annual Governance Statement and revised Code of Corporate Governance in accordance with statutory requirements, and seeking approval of the proposed draft Annual Governance Statement and Code of Corporate Governance was considered.

RESOLVED: That

- 1 the Annual Governance Statement be endorsed by the Committee as appropriate for presentation to the external auditor, and inclusion in the Annual Statement of Accounts, and;
- 2 The Code of Corporate Governance be endorsed.

Public Sector Internal Audit Standards and Quality Assurance & Improvement Programme

The Report of the Head of Internal Audit Services seeking to report on the Internal Assessment against the Public Sector Internal Audit Standards (PSIAS) and the Quality Assurance and Improvement Programme was considered.

RESOLVED: That the Committee endorsed

- 1 the record of compliance against the Public Sector Internal Audit Standards and Quality Assurance and Improvement Programme, and;
- 2 the completion of an external assessment against the Public Sector Internal Audit Standards every five years to

Comply with the Standards.

Internal Audit Annual Report 2013/14

The Report of the Head of Internal Audit Services seeking to report on the outcome of Internal Audit's review of the internal control, risk management and governance framework in the 4th quarter of 2013/14 – providing Members with assurance of the ongoing effective operation of an internal audit function and enabling any particular significant issues to be brought to the Committee's attention was considered.

RESOLVED: That the Committee endorsed the quarterly report that stated that 'reasonable assurance' can be given.

Risk Management Update

The Report of the Head of Internal Audit Services reporting on the Risk Management performance for the 2013/14 financial year and the action plan for 2014/15 was considered.

RESOLVED:

- 1 That the Committee endorsed the Risk Management Policy;
- 2 the Risk Management Action Plan 2014/15, and;
- 3 the Corporate Risk Register.

Financial Guidance

The Report of the Head of Internal Audit services seeking Member endorsements of the recently reviews Financial Guidance which forms an important part of the Council's regulatory framework, and providing an opportunity for Members of the Committee to raise any issues they consider appropriate on the subject was considered.

RESOLVED: That members endorsed the changes to Financial Guidance.

Regulation of Investigatory Powers Act 2000

The Report of the Solicitor to the Council and Monitoring Officer informing Members of the surveillance carried out under the Regulation of Investigatory Powers Act 2000 was considered.

RESOLVED: That the quarterly RIPA monitoring report be endorsed.

Proposed Changes to Constitution and Scheme of Delegation

The Report of the Solicitor to the Council and Monitoring Officer considering the proposals put forward as amendments to the Constitution and Scheme of

Delegation at Council on 5 June 2014 in terms of Article 16 paragraph 2.16.2 was considered.

RESOLVED: That the Committee endorsed the proposals put forward as amendments to the Constitution.

Audit & Governance Committee Self Assessment 2013/14

The Audit and Governance Committee Self Assessment 2013/14 was received by the Committee.

25 September 2014

AUDIT FINDINGS REPORT 2013/14

The Report of Grant Thornton (External Auditor) was considered.

RESOLVED: The Annual Audit Letter for Tamworth Borough Council be endorsed.

ANNUAL STATEMENT OF ACCOUNTS & REPORT 2013/14

The Annual Statements of Accounts was considered

RESOLVED: That

- 1 the Annual Statement of Accounts and Report 2013/14 be approved, and;
- 2 the Committee thanked the staff for all work and Preparation involved in the Annual Statement of Accounts.

REVIEW OF THE TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STATEMENT 2014/15 AND THE ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2013/14

The Report of the Executive Director Corporate Services to avail the Audit & Governance Committee the opportunity to scrutinise and review the Treasury Management Strategy Statement, Minimum Revenue Provision Statement and Annual Investment Statement 2014/15 and the Annual Report on the Treasury Management Service and Actual Prudential Indicators 2013/14 approved by Council on 25th February 2014 and 16th September 2014 respectively was considered.

RESOLVED: That the Committee endorsed the Treasury Management Report, as detailed within the statements and agreed that There were no changes for recommendation to Cabinet.

FRAUD & CORRUPTION UPDATE REPORT 2014/15

The Report of the Head of Internal Audit Services to provide Members with an update of Counter Fraud work completed to date during the financial year 2014/15 was considered.

- RESOLVED:** That
- 1 the updated Fighting Fraud Checklist for Governance;
 - 2 the Counter Fraud Work Plan, and;
 - 3 the Fraud Risk Register all be endorsed.

INTERNAL AUDIT QUARTER 1 REPORT 2014/15

The Report of the Head of Internal Audit Services reporting on the outcome of Internal Audit's review of the internal control, risk management and governance framework in the 1st Quarter of 2014/15 and to provide members with assurance of the ongoing effective operation of an internal audit function and enable any particularly significant issues to be brought to the Committee's attention was considered.

RESOLVED: That the quarterly report be endorsed.

LOCAL GOVERNMENT OMBUDSMAN - ANNUAL REVIEW AND REPORT

The Report of the Solicitor to the Council and Monitoring Officer advising the Committee of the views of the Local Government Ombudsman in relation to complaints against the Borough Council and providing an opportunity for members of the Committee to raise any issues they consider appropriate and consider the effectiveness of investigations relating to Tamworth Borough Council was considered.

RESOLVED: That the Annual Review Letter be endorsed subject to recognition that the statistics include not only complaints investigated by Tamworth Borough Council but also enquiries made to the Ombudsman's Office as noted in their systems and that the Chief Executive write to the Ombudsman office to raise concerns on their reporting mechanisms.

REGULATION OF INVESTIGATORY POWERS ACT 2000

The Report of the Solicitor to the Council and Monitoring Officer informing Members of The Council's Code of Practice for carrying out surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) including quarterly reports to be taken to Audit & Governance Committee to demonstrate to elected members that the Council is complying with its own Code of Practice when using RIPA was considered.

- RESOLVED:**
- 1 That the Committee endorsed the Quarterly RIPA monitoring report, and;
 - 2 noted the forthcoming visit from the Officer of Surveillance Commissioner.

REVISED ARRANGEMENTS FOR DEALING WITH COMPLAINTS IN RELATION TO MEMBERS FOR AN ALLEGED BREACH OF THE CODE OF CONDUCT

The Report of the Solicitor to the Council and Monitoring Officer to inform members of The Localism Act 2011 and fundamental changes to the system of regulation of Standards of Conduct for Members. This report provides details of the revised arrangements for dealing with complaints in relation to Members for an alleged breach of the Code of Conduct and seeks the Committee's endorsement of the said arrangements was considered.

- RESOLVED:** That the revised arrangements for dealing with complaints in relation to Members for an alleged breach of the Code of Conduct to be endorsed.

The Report of Grant Thornton (External Auditor) was considered.

- RESOLVED:** The Annual Audit Letter for Tamworth Borough Council be endorsed.

30 October 2014

THE ANNUAL AUDIT LETTER

The Report of Grant Thornton (External Auditor) was considered.

- RESOLVED:**
- 1 That the Annual Audit Letter for Tamworth Borough Council be endorsed, and;
 - 2 Joan Barnett gave an update on the Housing Benefit work which, subject to review, showed controls had improved. The final grant certification report is to be brought to the January meeting.

INTERNAL AUDIT QUARTERLY REPORT 2014/15 QUARTER 2

The Report of the Head of Internal Audit Services reporting on the outcome of Internal Audit's review of the internal control, risk management and governance framework in the 2nd quarter of 2014/15 – to provide members with assurance of the ongoing effective operation of an internal audit function and enable any particularly significant issues to be brought to the Committee's attention was considered.

- RESOLVED:**
- 1 That the quarterly report be endorsed;
 - 2 a detailed update be brought to the next meeting on ICT audit recommendations and that the Director of Technology and Corporate Programmes be requested to attend, and;
 - 2 for the high priority recommendations outstanding, the appropriate Director be asked to report/explain why progress has not been made in their implementation and report back to the next Committee.

RISK MANAGEMENT QUARTERLY UPDATE

The Report of the Head of Internal Audit Services reporting on the Risk Management process and progress to date for the current financial year was considered.

RESOLVED: That the Corporate Risk Register be endorsed

REGULATION OF INVESTIGATORY POWERS ACT 2000

The Report of the Solicitor to the Council and Monitoring Officer informing Members of the surveillance carried out under the Regulation of Investigatory Powers Act 2000 was considered.

RESOLVED: That the Quarterly RIPA Monitoring Report be endorsed.

AUDIT AND GOVERNANCE COMMITTEE TIMETABLE

The Committee reviewed the draft timetable

29 January 2015

IMPLEMENTATION OF ICT AUDIT RECOMMENDATIONS

Report of the Director, Technology & Corporate Programmes to brief Members of the Audit & Governance Committee on actions taken to date and future planned activities to review and implement outstanding audit recommendations was considered.

RESOLVED: That the Committee Members endorsed the information and actions contained within this report

REGULATION OF INVESTIGATORY POWERS ACT 2000 - QUARTERLY REPORT

The Report of the Solicitor to the Council and Monitoring Officer informing Members of the surveillance carried out under the Regulation of Investigatory Powers Act 2000 was considered.

RESOLVED: That the Quarterly RIPA Monitoring Report be endorsed.

CERTIFICATION REPORT 2013-14

The Report of Grant Thornton (External Auditor) was considered.

RESOLVED: That the certification report 2013/14 was endorsed.

AUDIT COMMITTEE UPDATE - JANUARY 2015

The Report of Grant Thornton (External Auditor) was considered.

RESOLVED: That the report be endorsed.

VALUE STATEMENT

The Report of Grant Thornton (External Auditor) was considered

RESOLVED: That the report be endorsed

UPDATE REPORT ON PREVIOUSLY REPORTED HIGH PRIORITY RECOMMENDATIONS

The report of the Head of Internal Audit Services to inform the committee on the current status of the previously reported high priority recommendations not implemented at the previous implementation review was considered.

RESOLVED: That the Committee endorsed the report

RISK MANAGEMENT UPDATE 2014/15

The Report of the Head of Internal Audit Services reporting on the Risk Management process and progress to date for the current financial year was considered.

RESOLVED: That the Committee endorsed the report.

INTERNAL AUDIT QUARTERLY REPORT 2014/15 QUARTER 3

The Report of the Head of Internal Audit Services reporting on the outcome of Internal Audit's review of the internal control, risk management and governance framework in the 3rd quarter of 2014/15 – to provide members with assurance of the ongoing effective operation of an internal audit function and enable any particularly significant issues to be brought to the Committee's attention was considered.

RESOLVED: That the quarterly report be endorsed.

AUDIT AND GOVERNANCE COMMITTEE TIMETABLE

The Committee reviewed the draft timetable.

Financial Implications

There are no financial implications arising from this report.

For further information please contact Councillor M Gant, Chair of Audit & Governance Committee on extension 264.

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