

**Audit & Governance Committee  
Annual Report 2016/17**

At the time of writing this report the Audit & Governance committee has met on five occasions so far this year, with one further meeting scheduled before the end of March. The committee are presented with regular Internal Audit and Risk Management reports, all of which demonstrate that this Council is maintaining a high standard of internal control. This is backed up by the reports of the external auditors, Grant Thornton. I've selected some highlights of the key areas of business as follows:

### **9th June 2016**

- **Review of amendments to the Constitution**

The committee reviewed the amendments tabled at Council on May 24<sup>th</sup> 2016. The members endorsed the proposals.

- **Review of the Effectiveness of the System of Internal Control**

Under the requirements of the Accounts and Audit (England) Regulations 2015 the Council must, at least once a year, conduct a review of the effectiveness of the system of internal control. It is pleasing to report that this authority has set very high standards of internal control and the committee endorsed the annual review, with no areas of concern noted.

- **Annual Governance Statement**

The Annual Governance Statement is published with the Annual Statement of Accounts and ensures that:

- There is a robust governance framework, that is regularly reviewed and
- Any shortfalls in governance are reported.

Members were satisfied with the Statement and endorsed it as appropriate for presentation to the auditors, and for inclusion in the Annual Statement of Accounts.

### **30th June 2016**

- **Draft Annual Statement of Accounts 2015/16**

Current regulations stipulate that the draft statement of accounts is presented by June 30<sup>th</sup> each year, to be audited and signed off by September 30<sup>th</sup>. The Accounts and Audit Regulations 2015 state that from 2017/18 the draft accounts will be required by May 31<sup>st</sup>; and the audited version by July 31<sup>st</sup>. This will undoubtedly put additional pressure on the authority and also the external auditors.

I'm pleased to report that our Finance team produced a first draft of the Statutory Accounts for 2015/16 on June 3<sup>rd</sup> and I believe that come 2017/18 we will be ready to meet the new deadlines. The draft version was to be audited by September 30<sup>th</sup> as per the current regulations.

## **22nd September 2016**

- **Grant Thornton – Audit Findings for Tamworth Borough Council**

This report covered the year ending March 31<sup>st</sup> 2016. The key messages arising from the audit of the Council's financial statements were that

- the draft accounts were of good quality
- the audit did not identify any material misstatements
- finance staff responded promptly to audit queries, facilitating the prompt completion of the audit.

Additionally, no control weaknesses were identified in the report. This is a further reflection of the good work undertaken throughout the year by the officers and their teams.

Working with the criteria published by the Audit Commission the auditors were also satisfied that the Council has in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

- **Annual Statement of Accounts 2015/16**

The external auditors required some minor amendments to the draft accounts, produced earlier in the year. These adjustments related to minor presentational or disclosure issues and had no impact on the reported outturn position or net balances of the General Fund, Housing Revenue Account or Collection Fund. On that basis the committee was happy to approve the Statement of Accounts.

## **27th October 2016**

- **Fraud and Corruption Update Report**

Investigations concluded that in total three frauds, totalling £882, have been identified relating to housing benefit claims. Those fraudulent claims are being recovered.

Work in the counter fraud area is ongoing, and a fraud response plan is in place for the current financial year.

## **9<sup>th</sup> February 2017**

- **Regulation of Investigatory Powers Act 2000 – Adoption of Policy**

The Protection of Freedoms Act 2012 now requires that local authority authorisations under RIPA for Directed Surveillance or Covert Human Intelligence Sources (CHIS) can only become effective on the granting of an order approving the authorisation by a Justice of the Peace. Additionally, a local authority can now only have an authorisation under RIPA for the use of Directed Surveillance where the local authority is investigating criminal offences which attract a maximum custodial sentence of six months or more, or criminal offences relating to the underage sale of alcohol or tobacco under the Licensing Act 2003 or the Children and Families Act 2014.

- No Directed Surveillance has been carried out by the Council since 2011 and it is not envisaged that there will be any appreciable change in the foreseeable future. It is seen as the last resort. By adhering to this Policy the Council will ensure that the acquisition and disclosure of data is lawful, necessary and proportionate so that the Council is not held to be in breach of Article 8 of the European Convention on Human Rights (the right to respect for private family life, home and correspondence).

Finally I would like to place on record, on behalf of the Committee, my thanks to the officers and their teams for their work in producing accounts and reports throughout the year and ensuring that this Council meets the requirements of the various pieces of legislation currently in force.