

Annual Report of the Audit & Governance Committee 2023/24

1. Introduction from the Chair of the Audit & Governance Committee

I am pleased to present the Annual Report of the Audit Committee for the 2023/24 Committee year.

2023/2024 has continued to be a challenging year for all due to cost of living issues affecting our residents and the changes encountered as we progress into new more agile ways of working. The Committee plays an even more vital role in being able to gain assurance that the Council's governance, risk and internal control environment remain fit for purpose and concurrent with the challenges faced.

From the challenges faced by the Committee we have been able to gain assurance in respect of 'business as usual' and also the wider risks facing the Council. In addition, we have obtained regular reports from management to ensure that the Council's overall governance framework remained robust and fit for purpose.

As a committee we continue to review the risks both faced generally by the council but also around the Future High Street Fund and other major projects, this work will continue during 2024/25.

Cyber Security risks continue to be high on the agenda during the year with notable 'cyber attacks' being reported at other Councils, this oversight will continue into 2024/25.

The Committee regularly reviews the corporate risks facing the council and we gained assurance that any new or emerging threats or opportunities will be identified to ensure that Council meets its objectives.

As reported last year I would welcome all to attend a meeting of the Committee and see our work in operation for yourselves!

Finally, I would like to take this opportunity to thank all those members and officers who have contributed to the work of the Audit & Governance Committee over the last 12 months.

**Councillor D Maycock,
Chair of the Audit & Governance Committee 2023/24
20th March 2024**

2. Terms of Reference

The terms of reference, which the Committee operated to during 2023/24, is detailed at Part 2, Article 9 of the constitution which can be found at the following link: [CONSTITUTION CLICK HERE](#)

3. Member and Officer Attendance

The Audit & Governance Committee met 8 times during 2023/24.

Membership of the Audit & Governance Committee during 2023/24 and their attendance is detailed at below:

Audit & Governance Committee Member	Date of Committee							
	27/6/23	23/8/23	27/9/23	25/10/23	15/11/23	8/2/24	20/3/24	24/4/24
Councillor D Maycock		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	TBC
Councillor B Price	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	TBC
Councillor B Clarke	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	TBC
Councillor S Daniels	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	TBC
Councillor S Doyle	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	TBC
Councillor R Pritchard	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	TBC
Councillor P Thurgood		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	TBC

A number of Audit Committee Members also sat on various other Committees. There were no reports received during the year that necessitated members absenting themselves.

In reviewing the effectiveness of the Audit & Governance Committee, Members considered whether effectiveness could be further strengthened by appointing Independent Members to the Audit & Governance Committee. The Committee Terms of Reference currently enables up to 2 independents to be appointed. The Committee re-assessed the pros and cons of this during the year. Further work will be completed during 2024/25 to assess this further.

Senior officers from the Council also attend the Audit Committee as appropriate, including the Chief Executive, Executive Director Finance (Chief Finance Officer), Assistant Directors, Monitoring Officer and the Audit Manager. The External Auditor also attends.

4. Training & Effectiveness

Audit & Governance Committee receive appropriate and proportionate training. A general training session for all Councillors was held in September 2023 on the role of the Committee; the internal control environment, governance, risk management and

counter fraud. A 'skills audit' will be completed in June 2024 to assess training requirements for 2024/25.

5. Sources of Assurance during 2022/23

In fulfilling its terms of reference, the business conducted by the Audit Committee during 2023/24 is detailed at **Appendix A** per the following themes:

- Internal Audit
- External Audit / Inspection
- Financial Management
- Risk Management
- Corporate Governance.

The Committee gained assurance in 2023/24 from these themes as follows:

Internal Audit

In respect of the 2023/24 financial year, a positive Internal Audit Opinion was given from the Audit Manager as follows:

'On the basis of audit work completed, the Audit Manager's opinion on the council's framework of governance, risk management and internal control is reasonable in its overall design and effectiveness. Certain weaknesses and exceptions were highlighted by audit work. These matters have been discussed with management, to whom recommendations have been made. All of these have been, or are in the process of being addressed'.

'Specific issues: No specific issues have been highlighted through the work undertaken by Internal Audit during the year'.

Audit Committee received internal audit's performance reporting during the year indicating that the service was performing reasonably against its performance measures.

The Council can be assured that no issues have been identified in the 2022/23 work completed which impacts materially on the overall system of internal control.

External Audit / Inspection

The main responsibility of the External Auditor is to report on the council's accounts and whether the council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Grant Thornton reported on the 2022/23 accounts. In Grant Thornton's Annual Audit Report, they concluded that:

'In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council and its income and expenditure for the year; and
- have been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the requirements of the Local Audit and Accountability Act 2014'.

The Council's External Auditors for 2023/24 will be Azets.

Financial Management

The Committee scrutinised the 2022/23 statement of accounts and also received reports on accounting policies. The Committee also had oversight of a review of the Council's financial guidance, undertook a review of the financial resilience index and received assurance on the treasury management strategy / statement. The Committee received regular Internal Audit progress reports, including a number giving assurance on financial management and controls during the period.

Risk Management

The Committee received quarterly updates on the Council's risk management arrangements via review of the corporate risk register. This included oversight and constructive challenge on risks such as financial sustainability; modernisation and commercialisation; governance; community focus; economic growth and sustainability; information safeguarding and risks arising from the UK's exit from the European Union. Additional quarterly assurance was gained in relation to the risks to the Future High Street Fund project.

Corporate Governance

The annual governance statement (AGS) and review of effectiveness for the 2022/23 financial year, concluded that the effectiveness of the system of internal control was fit for purpose overall.

The Committee also:

- undertook a review of its own effectiveness in line with CIPFA good practice;
- received updates on the Council's use of the Regulation of Investigatory Powers Act 2000;
- received assurance via the Local Government and Social Care Ombudsman Annual Review; and
- received assurance on the Council's Modern Slavery and Human Trafficking Statement.

Regular updates on the adequacy of the council's counter fraud arrangements were also received and all policies were updated in line with required timescales.

6. Conclusion

The Committee has been able to confirm that there were no areas of significant duplication or omission in the systems of governance in the authority that had come to the Committee's attention during 2023/24 that were not being adequately resolved.

Through members receiving this report, the role and purpose of the Committee has been promoted and it has demonstrated that the Committee has continued to perform, meet its terms of reference and added value. This work will continue in 2024/25 with the Committee's refreshed work programme.

Appendix A

Summary of Audit & Governance Committee Work Plan by Assurance Theme 2023/24

Meeting Date	Report	Assurance Theme				
		Internal Audit	External Audit / Inspection	Financial Management	Risk Management	Corporate Governance
27/6/23	Risk Management Update				<input checked="" type="checkbox"/>	
	Internal Audit Annual Report and Update	<input checked="" type="checkbox"/>				
	Annual Governance Statement and Code of Corporate Governance					<input checked="" type="checkbox"/>
	Auditors Annual Report		<input checked="" type="checkbox"/>			
	Audit Plan		<input checked="" type="checkbox"/>			
	Future High Street Fund			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
23/8/23	External Audit Update		<input checked="" type="checkbox"/>			
	Internal Audit Quarterly Report	<input checked="" type="checkbox"/>				
	Independent Member Update					<input checked="" type="checkbox"/>
27/9/23	Audit Findings Letter and Management Report Letter		<input checked="" type="checkbox"/>			
	Annual Statement of Accounts and Report 22/23			<input checked="" type="checkbox"/>		
	Risk Management Update				<input checked="" type="checkbox"/>	
	RIPA 2000					<input checked="" type="checkbox"/>
	Modern Slavery Statement 22/23					<input checked="" type="checkbox"/>
	Local Government & Social Care Ombudsman Report 22/23					<input checked="" type="checkbox"/>
25/10/23	External Audit Update		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
	Internal Audit Quarterly Report	<input checked="" type="checkbox"/>				
	Review of Annual Report on Treasury Management and Actual Prudential Indicators 22/23			<input checked="" type="checkbox"/>		
	Future High Street Fund			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
15/11/23	Introduction of Azets as Council's External Auditors 23/24 and Audit Plan		<input checked="" type="checkbox"/>			
	Counter Fraud Update	<input checked="" type="checkbox"/>				
	Risk Management Update				<input checked="" type="checkbox"/>	
	Revised Councillor Code of Conduct					<input checked="" type="checkbox"/>
	Constitution & Scheme of Delegation					<input checked="" type="checkbox"/>
8/2/24	Risk Management Quarterly Update				<input checked="" type="checkbox"/>	
	FHSF Quarterly Update			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Internal Audit Quarterly Progress Report	<input checked="" type="checkbox"/>				
	Audit Committee Effectiveness					<input checked="" type="checkbox"/>

Meeting Date	Report	Assurance Theme				
		Internal Audit	External Audit / Inspection	Financial Management	Risk Management	Corporate Governance
	Constitution & Scheme of Delegation					<input checked="" type="checkbox"/>
	Internal Audit Plan Charter and Protocol 24/25	<input checked="" type="checkbox"/>				
	Final Accounts 23/24 Accounting Policies and Action Plan			<input checked="" type="checkbox"/>		
24/4/24 to be confirmed	PSIAS Quality Assurance and Improvement Programme	<input checked="" type="checkbox"/>				
	Annual Report of Chair of A&G Committee 23/24					<input checked="" type="checkbox"/>
	Review of Financial Guidance			<input checked="" type="checkbox"/>		
	Review of Treasury Management Statement			<input checked="" type="checkbox"/>		
	Re-stated Statement of Accounts 22/23			<input checked="" type="checkbox"/>		