

## COUNCIL

19 March 2013

### 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 2012/2013.

##### **Recommendation**

**Members are requested to note 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 therefrom.

In this current municipal year Audit & Governance Committee have met on five occasions to date and the relevant minute entries from the meetings are as follows:

##### **31 May 2012**

##### STATEMENT ON THE ROLE OF THE CHIEF FINANCE OFFICER

The Report of the Executive Director Corporate Services providing members with information on the application of the Statement on the Role of the Chief Finance Officer, the benchmarking of existing arrangements and training for Members was considered. The Committee were invited to ask as the Executive Director Corporate Services for clarification on any matters.

Resolved: That the report be endorsed.

##### INTERNAL AUDIT QUARTERLY REPORT 2011/12

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 4<sup>th</sup> quarter of 2011/12 and providing members with assurance of the ongoing effective operation of an internal audit function and enabling any particularly significant issues to be brought to the Committee's attention was considered.

Resolved: That the report be endorsed subject to the agreed Audit Plan being circulated to Members.

## FRAUD AND CORRUPTION UPDATE REPORT

The Report of the Head of Internal Audit Services seeking Member approval for the adoption of the revised Counter Fraud and Corruption Policy Statement, Strategy and Guidance Notes and Whistleblowing Policy and endorsement of the compliance with Counter Fraud best practice and to provide Members with an update of Counter fraud work completed to date.

- Resolved:                    That:
- 1     The Protecting the Public Purse for those charged with Governance and the associated recommendations from the Protecting the Public Purse and Fighting Fraud Locally reports be endorsed, and;
  - 2     The Counter Fraud and Corruption Policy Statement, Strategy & Guidance Notes be endorsed, and;
  - 3     The Whistleblowing Policy and compliance with the Code of Practice be endorsed, and;
  - 4     The Fraud Risk Register be endorsed

## AUDIT & GOVERNANCE COMMITTEE SELF ASSESSMENT 2012

The Head of Internal Audit Services gave an update on Training.

Resolved: That the information was circulated to Members.

## UPDATE FROM AUDIT COMMISSION

James Cook advised the Committee on the new Audit arrangements coming into force later in the year.

Resolved that the information be endorsed.

## **28 June 2012**

## COMMUNICATION WITH THE AUDITOR

The Audit Commission gave a presentation on their report relating to International Standards in Accounting (UK & Ireland) as they affect the Council.

## ANNUAL GOVERNANCE STATEMENT & CODE OF CORPORATE GOVERNANCE

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

- Resolved:                    That:
- 1     The proposed Annual Governance Statement be agreed

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

## DRAFT STATEMENT OF ACCOUNTS 2011/12

The Report of the Director of Finance receiving the Draft Statement of Accounts (the Statement) for the financial year ended 31<sup>st</sup> March 2012 was considered.

Resolved: That Members review the Annual Statement of Accounts 2011/12.

## PROPOSED CHANGES TO THE CONSTITUTION AND CODE OF CONDUCT

The Report of the Solicitor to the Council and Monitoring Officer seeking to consider the proposals put forward as amendments to the Constitution at Council on 17 May 2012 in terms of article 15 paragraph 15.02 and the sanctions available when a Member fails to comply with the Code of Conduct was considered.

Resolved: That:

- 1 The following amendments be made to 6.03 Specific functions:

(iv) question members of the executive and committees and chief officers about their view on issues and proposals affecting the area and receive a reply/progress statement from the responsible body or member within 3 calendar months, relating to any recommendations accepted by Full Council or Cabinet which have been referred from the scrutiny process; and

*(Moved by Councillor M Thurgood and seconded by Councillor M Gant)*

- 2 Article 10 A – Nominations Committee be changed to

10A. 01 The Council will establish a standing committee of five members to :-

Consider nominations to be made to the Council pursuant to section 249(1) of the Local Government Act 1972 for conferring the title of honorary alderman or honorary alderwomen on persons who have, in the opinion of the Council, rendered eminent services to the Council.

Consider nomination to be made to the Council pursuant to section 249(5) of the Local Government Act 1972 to admit to be honorary freeman or honorary freewomen of

the Borough of Tamworth persons who are of distinction and who have, in the opinion of the Council, rendered eminent services to the Borough.

The Committee shall be attended by the Monitoring Officer or the Deputy Monitoring Officer.

#### 10A. 02 Composition

Membership. The nominations committee will be composed of at least:

five Councillors

one person who is not a councillor or an officer of the Council;

Chairing the Committee. The Chairman and Vice-Chairman will be appointed in accordance with Council Procedure Rules;

Independent members. Independent members will be entitled to vote at meetings.

#### 10A. 03 Role and Function

The Nominations Committee will have the following roles and functions:

Consider nominations to be made to the Council pursuant to section 249(1) of the Local Government Act 1972 for conferring the title of honorary aldermen or honorary alderwomen on persons who have, in the opinion of the Council, rendered eminent services to the Council;

Consider nominations to be made to the Council pursuant to section 249(5) of the Local Government Act 1972 to admit to be honorary freemen or honorary freewomen of the Borough of Tamworth persons who are of distinction and who have, in the opinion of the Council, rendered eminent services to the Borough;

Maintain a publicly accessible application process for the two above honours;

Any approved applications are referred to Full Council for Full Council approval;

Act as a sponsor to a new application, make referral to, or support an existing application that nominates a Tamworth resident to any outside bodies' awards or recognition scheme;

Seek nominations from the Tamworth public, persons worthy of public recognition for their service or work for the Borough of Tamworth.

- 3 The following amendment be made to 11.2 Questions on notice at Ordinary Meetings of the Council:

Subject to Rule 11.4, a member of the Council may ask :  
Any member in receipt of a Special Responsibility Allowance, except the Mayor and Deputy Mayor;  
A question on any matter in relation to which the Council has powers or duties or which affects Tamworth.

- 4 The following be added:  
1.8 Decisions to be taken by the executive  
(c) The executive are to reply to recommendations accepted from Full Council or the Scrutiny Committees within a 3 month period;

## **27 September 2012**

### **ANNUAL GOVERNANCE REPORT**

The Audit Commission gave a presentation on their Annual Governance Report. This was the last report from the Audit Commission as the next report will be from Grant Thornton. The headline message is a clean audit report containing the best value for money conclusion in the last 4 years.

### **ANNUAL STATEMENT OF ACCOUNTS 2011/12**

The report of Executive Director Corporate Services seeking approval of the Statements of Accounts for the financial year ended 31 March 2012 following completion of the external audit was considered.

Resolved: That Members approved the Annual Statement of Accounts 2011/12.

### **REVIEW OF TREASURY MANAGEMENT STRATEGY 2012/13 & ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2011/12**

The report of the Director of Finance seeking to review the Treasury Management Strategy Statement, Minimum Revenue Provision Statement and Annual Investment Statement 2012/13 and Annual Report on the Treasury Management Services and Actual Prudential Indicators 2011/12 approved by Council on 28 February 2012 and 11 September 2012 respectively was considered.

Resolved: That Members considered the Treasury Management Reports, as detailed within the reports, and highlighted changes for recommendation to Cabinet.

#### INTERNAL AUDIT QUARTERLY REPORT 2012/13

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 1<sup>st</sup> quarter of 2012/13 was considered.

Resolved: That the Committee endorsed the quarterly report

#### FRAUD AND CORRUPTION UPDATE REPORT

The report of the Head of Internal Audit Services providing Members with an update of Counter Fraud work completed to date during the financial year 2012/13 was considered.

Resolved: That:

- 1 The Committee endorsed the updated Counter Fraud Work Plan, and;
- 2 The Committee endorsed the Fraud Risk Register.

#### REGULATION OF INVESTIGATORY POWERS ACT 2000

The report of the Solicitor to the Council and Monitoring Officer was considered

Resolved: That the Audit and Governance Committee endorse the quarterly RIPA monitoring report.

#### LOCAL GOVERNMENT OMBUDSMAN'S ANNUAL REVIEW AND REPORT 2011/12

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 considering the effectiveness of investigations relating to Tamworth Borough Council was considered.

Resolved: That:

- 1 The Committee endorsed the Annual Review Letter, and;

## 2 The Committee endorsed the Annual Report

### 25 October 2012

#### ANNUAL AUDIT LETTER 2011/12

The Report of the Audit Commission was considered. This was the last report from the Audit Commission and future reports will be provided by Grant Thornton.

Resolved: That the contents of the report be endorsed.

#### PROPOSED CHANGES TO FINANCIAL GUIDANCE

The Report of the Head of Internal Services seeking member endorsement of the recently reviewed 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 the changes to Financial Guidance be endorsed.

#### RISK MANAGEMENT REPORT

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:

- 1 The Risk Management Policy be approved, and;
- 2 The Corporate Risk Register be approved

#### ANNUAL GOVERNANCE STATEMENT 2011/12 - UPDATE

The Report of the Head of Internal Audit Services advising the Committee of the current position regarding 'significant governance issues' raised in the authority's Annual Governance Statement (AGS) 2011/12 and providing an opportunity for members of the Committee to raise any issues they consider appropriate was considered.

Resolved: That the structure provided be endorsed.

#### INTERNAL AUDIT QUARTERLY REPORT 2012/13

The Report of the Head of Internal Services reporting on the outcome of Internal Audit's review of the internal control, risk management and governance framework in the 2<sup>nd</sup> quarter of 2012/13 and providing members with assurance of the ongoing effective operation of an internal audit function

and enabling any particularly significant issues to be brought to the Committee's attention was considered.

Resolved: That the quarterly report be endorsed.

#### TRAINING FOR MEMBERS

The Chair asked about potential training for the Committee around the following areas:

Audit  
Financial  
Risk Management

This will be looked into.

#### **31 January 2013**

#### STANDARDS ALLEGATION COMPLAINT

The Report of the Solicitor to the Council and Monitoring Officer advising Members on the number of complaints received in relation to alleged breaches of the Code of Conduct since local arrangements were put in place to deal with Standards allegations in terms on the Localism Act 2011 in June 2012 was considered.

Resolved: That following discussion the findings of the contents of the report be received.

#### REGULATION OF INVESTIGATORY POWERS ACT 2000

The Report of the Solicitor to the Council and Monitoring Officer was considered.

Resolved: That the quarterly RIPA monitoring report be endorsed.

#### EXTERNAL AUDITOR'S REPORT ON CERTIFICATION WORK IN 2011/12

The Report of the External Auditor was considered following the amendment of the housing and council tax benefit scheme fee 2011/12 from £26,496 to £26,353 on page 7 of the report and the subsequent amendment to the total fee 2011/12 from £35,041 to £34,898 on page 8.

Resolved: That the report be received.

#### GRANT THORNTON FEE LETTER FOR THE AUDIT AND GOVERNANCE COMMITTEE

The Report of the External Auditor was considered



Resolved: That the report was received.

### **INTERNAL AUDIT QUARTERLY REPORT**

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 3<sup>rd</sup> quarter of 2012/13 and providing Members with assurance of the ongoing effective operation of the internal audit function and enabling any particularly significant issues to be brought to the Committee's attention was considered.

Resolved: That the Committee considered the quarterly report.

### **PUBLIC SECTOR INTERNAL AUDIT STANDARDS**

The Report of the Head of Internal Services informing members of the new Public Sector Internal Audit Standards that will be effective from 1 April 2013 was considered.

Resolved: That the Committee supports Internal Audit's commitment to and compliance with the Public Sector Internal Audit Standards.

### **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 Extn: 264

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