

COUNCIL

18 March 2014

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 2013/2014.

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:

19 June 2013

PROPOSED CHANGES TO THE CONSTITUTION AND SCHEME OF DELEGATION

The report of the Solicitor to the Council and Monitoring Officer seeking Members comments on the proposed changes to the Constitution and Scheme of Delegation was considered.

RESOLVED: That the report be passed to Council for approval with the following additional recommendations:

Audit and Governance Committee proposals with regard to the Constitution review, 2013.

1. Article 10
Under role and functions insert at paragraph (b) line 3 between the words "freewoman" and "of" - "or honorary freedom"
2. Articles 11 and 12

The Committee considered the insertion of Article 11 Area Committees and Forums and Article 12 Joint Arrangements to be worthwhile insertions.

3. Part 4 Rules of Procedure

(i) Paragraph 4.2.18 add at the end of this paragraph the following:-
“The Leader and Leader of the Opposition in exceptional circumstances will inform the Council of any changes in the membership of Committees”

(ii) Paragraph 4.2.22 be deleted and re-inserted as follows:-
“to include on the agenda any outstanding matters referred by Overview and Scrutiny and any referrals from committees or sub committees until the matters are completed or resolved”

(iii) Paragraph 4.5.3 at the beginning of this paragraph and Paragraph 2.4.3 of Schedule 1 insert the following:-
“the Leader of the party”

(iv) in the section QUESTIONS BY THE PUBLIC headed written answers and at Paragraph 13.9 (e) of Schedule 4 add after “as soon as practicable after the meeting” the following:-
“but in any event before the next meeting”

4. Schedule 4

(i) Paragraph 10.5 at the end add the following:-
“such matters to remain on the agenda until they are completed or resolved”

(ii) Paragraph 13.1 delete the word “other” so that it coincides with Paragraph 10 of the same Schedule.

5. Job Descriptions for Members Roles

In all of the job descriptions with exception of that of Councillors replaced the heading “Skills required” with “Skills desired”.

27 June 2013

RESPONSES FROM FRAUD QUESTIONNAIRE

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

RESOLVED: That the content of the report be endorsed.

INTERIM VFM REPORT (USING AUDIT COMMISSION VFM TOOLS)

A presentation was given by Grant Thornton (External Auditor) on the Value for Money Report.

INTERIM AUDIT WORK UPDATE

Grant Thornton (External Auditor) gave a verbal update on Interim Audit Work.

RESOLVED: That the content of the update be noted.

FEE LETTER

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

RESOLVED: That the content of the report be endorsed.

ANNUAL GOVERNANCE STATEMENT & 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 to approve the proposed draft Annual Governance Statement and Code of Corporate Governance was considered.

RESOLVED: That:

- 1 The 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 Code of Corporate Governance be agreed.

STATEMENT ON THE ROLE OF THE CHIEF FINANCE OFFICER AND THE HEAD OF INTERNAL AUDIT

The Report of the Head of Internal Audit Services providing members with information on the application of the Statement on the Role of the Chief Finance Officer and the Statement of the Role of the Head of Internal Audit and the benchmarking of existing arrangements was considered.

RESOLVED: That the Report be endorsed.

DRAFT ANNUAL STATEMENT OF ACCOUNTS & REPORT 2012/13

The Report of the Director of Finance containing the Draft Annual Statement of Accounts (the statement) for the financial year ended 31 March 2013 was considered.

RESOLVED: That the Annual Statement of Accounts be reviewed.

INTERNAL AUDIT ANNUAL OPINION AND 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 4th 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 annual opinion and quarterly report and raised issues it deemed appropriate.

REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

The Report of the Head of Internal Audit Services providing members with the findings of the review of the effectiveness of Internal Audit was considered.

RESOLVED: That:

- 1 The report be endorsed, and;
- 2 The Internal Audit staff be thanked for their work.

FRAUD QUARTERLY UPDATE

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 2013/14 was considered.

RESOLVED: That:

- 1 The Counter Fraud Work Plan be endorsed, and;
- 2 The Fraud Risk Register be endorsed.

AUDIT AND GOVERNANCE COMMITTEE SELF ASSESSMENT 2012/13

The Audit and Governance Committee Self Assessment 2012/13 was noted by the Committee.

26 September 2013

ANNUAL STATEMENT OF ACCOUNTS & REPORT 2012/13

The Annual Statement of Accounts and Report 2012/13 was considered.

RESOLVED: That the Annual Statement of Accounts 2012/13 be approved.

THE AUDIT FINDINGS FOR TAMWORTH BOROUGH COUNCIL

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

RESOLVED: That the Audit Findings for the year ended 31 March 2013 be endorsed

GRANT CLAIM REPORT

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

RESOLVED: That:

- 1 The Grant Claim Form be endorsed subject to any qualifications that may be imposed due to small processing errors, and;
- 2 Officers be thanked for their hard work and endeavours in housing and council tax benefit services.

FINANCIAL RESILIENCE REPORT

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

RESOLVED: That the Financial Resilience Report be endorsed and a further report will be brought to the next Committee responding to Key Indicators of the Management Report.

INTERNAL AUDIT PERFORMANCE MEASURES REPORT

The Report of the Head of Internal Audit Services reporting on the outcome of Internal Audit's customer survey and define a basket of performance indicators for Internal Audit was considered.

RESOLVED: That Members endorse:

- 1 The results of the Internal Audit customer satisfaction survey, and;
- 2 A small basket of performance indicators for Internal Audit.

INTERNAL AUDIT QUARTERLY REPORT 2013/14 QUARTER 1

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 2013/14 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 Committee endorse the Internal Audit Quarterly Report and agreed the Internal Audit Performance Reports and Implemented and Agreed Management Actions.

RISK MANAGEMENT REPORT

The Report of 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.

LOCAL GOVERNMENT OMBUDSMAN - ANNUAL REVIEW & 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.

31 October 2013

ANNUAL AUDIT LETTER 2012-2013

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

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

REVIEW OF THE COUNCIL'S ARRANGEMENTS FOR SECURING FINANCIAL RESILIENCE 2012/13 - MANAGEMENT RESPONSE & RISK ASSESSMENT

The Report of the Executive Director Corporate Services informing Members of Management's responses and timeframes to address the recommendations contained within the Review of the Council's Arrangements for Securing Financial Resilience report presented by Grant Thornton to the meeting on 26 September 2013 was considered.

RESOLVED: That the management responses and timeframes to address the recommendations contained within the Review of the Council's Arrangements for Securing Financial Resilience report be endorsed.

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 2013/14 was considered.

RESOLVED: That:

- 1 The updated counter Fraud Work Plan be endorsed;
- 2 The Fraud Risk Register be endorsed;
- 3 The Counter Fraud and Corruption Policy Statement, Strategy Guidance Notes, be endorsed, and;
- 4 The Whistleblowing Policy, subject to the policy being incorporated into all contracts with external suppliers, be endorsed.

INTERNAL AUDIT QUARTERLY REPORT 2013/14 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 2013/14 – 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.

ANNUAL GOVERNANCE STATEMENT 2012/13 - UPDATE

The Report of the Head of Internal Audit Services seeking to advise the Committee of the current position regarding "significant and other governance issues" raised in the Authority's Annual Governance Statement 2012/13 and providing an opportunity for members to raise any issues they consider appropriate was considered.

RESOLVED: That the update on the "significant and other governance issues" raised from the 2012/13 Annual Governance Statement be endorsed.

ONE STAFFORDSHIRE DATA SHARING PROTOCOL

The Report of the Director Technology and Corporate Programmes seeking to advise Audit and Governance Committee on the reasoning and benefits behind the One Staffordshire Data Sharing Protocol, with a subsequent recommendation of endorsement for Tamworth Borough Council to become a signed up party was considered.

RESOLVED: That the sign up to the One Staffordshire Data Sharing Protocol by the Council be endorsed.

REVIEW OF ANTI-MONEY LAUNDERING POLICY

The Report of the Solicitor to the Council and Monitoring Officer providing the Committee with a review of the Council's key Anti-Money Laundering Policy was considered.

RESOLVED: That the revised Anti-Money Laundering Policy be endorsed and referred to Council for adoption in the Council's Policy Framework.

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.

30 January 2014

THE ROLE OF THE AUDIT COMMITTEE

James Cook of Grant Thornton presented a number of slides on the Role of the Audit Committee for Members.

CERTIFICATION REPORT FOR 2012/13

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

- RESOLVED: That:
- 1 The Certification Report for 2012/13, as it identified no key issues and as Council has good arrangements in place for completion and submission of its claims and returns it be endorsed, and;
 - 2 Thanks to officer efforts is made accordingly.

AUDIT PROGRESS REPORT

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

RESOLVED: That the Audit Progress Report on the external auditor's responsibilities be endorsed.

FINANCIAL GUIDANCE

The Report of the Head of Internal Audit Services seeking Member endorsement of the recently reviewed Financial Guidance which forms an important part of the Council's regulatory framework, and to provide 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.

INTERNAL AUDIT QUARTERLY REPORT 2013/14 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 2013/14 and providing 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 Internal Audit Quarterly Report 2013/14 Quarter 3 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.

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