

Annual Report of Corporate Governance and Audit Committee

Date: 24th June 2024

Report of: Chief Officer – Financial Services

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- This report sets out the draft annual report of The Corporate Governance and Audit Committee for the 2023/24 municipal year.
- In accordance with best practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA), the report demonstrates how the committee has discharged its responsibilities.

Recommendations

The Corporate Governance and Audit Committee are requested to

- a) Note the assurance set out in this report that the Committee complies with CIPFA's Position Statement: Audit Committees in Local Authorities and Police;
- b) Approve the draft annual report at Appendix A to this report and authorise the chair of the committee to sign and present to council on their behalf;
- c) Propose that Linda Wild be reappointed by full council, for a second four-year term as co-opted independent member of Corporate Governance and Audit Committee; and
- d) Request officers to provide a further assessment of the role of independent co-optees on Local Government Audit Committees and to develop proposals in respect of the recruitment of a second independent member of the committee.

What is this report about?

- 1 This report sets out the draft annual report of the Corporate Governance and Audit Committee for the 2023/24 municipal year.

What impact will this proposal have?

- 2 The Annual Report of Corporate Governance and Audit Committee reflects the work undertaken by the committee in the 2023/24 municipal year.
- 3 The report notes the assurances received to support the committee in carrying out the functions delegated to it in respect of the Annual Governance Statement and Statement of Accounts.
- 4 The report further notes those areas in which the work of the committee has, through robust challenge and critical consideration, added value to the Council's arrangements for governance, audit and risk.
- 5 In accordance with best practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA), the report demonstrates how the committee has discharged its responsibilities.
- 6 In 2022 CIPFA issued updated guidance supported by the Department for Levelling Up, Housing and Communities and the Home Office. The new position statement (attached at Appendix B to this report) sets out the purpose, model, core functions and membership of the audit committee.
- 7 CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

Independent Members

- 8 Members will note that Linda Wild was appointed as a co-opted independent member by full council on 24th February 2021. Her first four-year term of office comes to an end in February 2025. The committee are asked to consider the renomination of Linda Wild for a second term as Independent Member.
- 9 In addition, members will note that CIPFA now recommends that each authority's audit committee should include at least two co-opted independent members to provide appropriate technical expertise. Considering this amended position from CIPFA, members may wish to request officers to provide a further assessment of the role of independent co-optees on Local Government Audit Committees in order that committee can look again in detail at the question of appointment of a further independent member with the benefit of further background information.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 10 The report demonstrates how the committee supports the council's governance arrangements, and in doing so supports the council in achieving its Best City Ambition and the three pillars of Inclusive Growth, Health and Wellbeing and Zero Carbon.
- 11 The work undertaken by the committee provides assurance that arrangements for internal control support the delivery of the council's strategic objectives.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 12 The chair of the Corporate Governance and Audit Committee sitting in the 2023-24 municipal year has confirmed the report as an accurate record of the committee's activities.
- 13 Linda Wild is content to sit for a second term as co-opted independent member of the Corporate Governance and Audit Committee if invited to do so.

What are the resource implications?

- 14 The committee's work contributes directly by providing assurance that arrangements in respect of resources, procurement and value for money are fit for purpose, embedded, and routinely applied.
- 15 The report provides information to Council to the work undertaken to ensure the sustainable use of the Council's resources to deliver the strategic ambitions of the Council.

What are the key risks and how are they being managed?

- 16 The work undertaken by the committee provides assurance that there are arrangements in place for the management of risks which are appropriate, proportionate, monitored, and effective.

What are the legal implications?

- 17 S151 Local Government Act 1972 requires local authorities to "make arrangements for the proper administration of its financial affairs". The Accounts and Audit (England) Regulations 2015 provide that the local authority is responsible for ensuring "a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operations management of the authority is effective and includes effective arrangements for the management of risk".

Options, timescales and measuring success

What other options were considered?

- 18 None

How will success be measured?

- 19 The Annual Report of Corporate Governance and Audit Committee will be received by Full Council.

What is the timetable and who will be responsible for implementation?

- 20 The Annual Report of Corporate Governance and Audit Committee reflects work undertaken in the 2023-24 municipal year.

Appendices

- Annual Report of Corporate Governance and Audit Committee

Background papers

- None