



Report of: Councillor Ian Stokes
Chairman of Governance and Audit Committee

Report to:	Council
Date:	24 May 2018
Subject:	Governance and Audit Committee Annual Report for year ending 31 March 2018 (GAC010)

Decision Proposal:	Council Decision
Relevant Cabinet Member:	Councillor Adam Stokes Cabinet Member for Finance
Report author:	Tracey Elliott – Governance & Risk Officer 01476 406038 – t.elliott@southkesteven.gov.uk 3 May 2018
Reviewed by:	Richard Wyles – Assistant Director Finance 01476 406210 – r.wyles@southkesteven.gov.uk 9 May 2018
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Approved for publication	Councillor Adam Stokes 14 May 2018

SUMMARY

The purpose of this report is to advise Council of the key outcomes arising from the work of the Governance and Audit Committee for 2017-18 and to approve the indicative annual work plan of the Committee for 2018-19.

The Committee's work is key to delivering good governance throughout the authority. It provides independent assurance and challenge on the effectiveness of the Council's overall arrangements for corporate governance and internal control, including risk management. It is good practice to publicise the work of the Committee in order to

ensure a greater understanding of governance and audit issues. It is also important for the Committee to demonstrate the impact of its work to Members, partners, stakeholders and the wider community.

RECOMMENDATION

Council is asked to approve the Annual Report of the Governance and Audit Committee for 2017-18 and approve the indicative work plan and timetable for 2018-19 which reflect the terms of reference of the Committee

1. BACKGROUND TO REPORT

- 1.1 The following is a summary of the key outcomes arising from the work of the Committee that have helped to improve and strengthen the Council's overarching control environment and governance arrangements.
- 1.2 The Committee met five times during 2017-18. The work programme takes account of the nature of the items included and the frequency with which Members require to be kept informed. Some of the items are a statutory requirement (Statement of Accounts, Annual Governance Statement, Annual Audit Letter) whereas others are included because they meet professional guidance and recommended best practice (reports covering internal audit, risk management and counter fraud). In addition, some items are ad-hoc and cover such matters as the accounting policies and corporate protocols, including partnerships and health and safety.

Governance:

- Reviewed and approved the Annual Governance Statement for 2016/17 on behalf of Council

Internal Audit:

- Considered and reviewed the internal audit strategy, progress reports, tracking reports and the annual report and audit opinion
- Reviewed the status of all outstanding internal audit management actions to ensure they were implemented within the agreed timeframe

External Audit and Inspection:

- Considered and reviewed external audit (KPMG) annual fee letter, progress reports and audit opinion
- Considered the Annual Report on Grants and Returns. This included the outcome of the audit of the Housing Benefit Subsidy which was a qualified return and the Pooling of Housing Capital Receipts Return which was unqualified

Financial Reporting:

- Considered the provisional and final General Fund and Housing Revenue Account Revenue and Capital Outturn 2016/17
- Approved the draft (pre-audit) and revised (post audit) Statement of Accounts for 2016/17 and the external auditor's Annual Governance Report

2016/17 detailing adjustments to the Financial Statements and the Value for Money Conclusion

Treasury Management:

- The Governance and Audit Committee is responsible for monitoring treasury management performance. Specifically this covered the review of the Treasury Management Annual Report for 2016/17. In addition, the Committee received a mid-year review report on assurance relating to treasury management activity

Risk Management:

- Bi-annually reviewed the Corporate Risk Register
- Approved the Risk Management and Business Continuity Annual Report

Other Reports and Feedback:

- Reviewed the Counter Fraud Annual Report
- Reviewed the Local Government Ombudsman's Annual Report
- Reviewed the Health and Safety Annual Report
- Approved the Prevention of Right To Buy Fraud – Procedural Information

1.3 2018-19 Indicative Annual Work Plan and Timetable

In line with best practice, an indicative annual work plan and timetable has been developed and this is attached as Appendix A. The existence of an annual work plan and timetable will assist Members in planning the work of the Committee and ensure that they are better informed and therefore engaged in the wide spectrum of audit, governance and financial issues. It will also ensure that the focus of the Committee's work is correctly balanced in terms of the degree of emphasis and the timing and frequency of reviews.

1.4 Looking forward, it is important to ensure that all Members are apprised of the work of the Committee and are actively engaged in helping to improve and strengthen the Council's governance arrangements in all areas of their work for the local community. It is also important to recognise that the Council's developing governance agenda is not the sole responsibility of the Governance and Audit Committee. The proposed dates of the meetings are included within the draft municipal calendar which is featured elsewhere on the Council agenda.

1.5 To assist in heightening awareness and promoting engagement, every effort will be made to ensure that reports continue to be written in a format that is understandable to all Members of the Council.

2. OTHER OPTIONS CONSIDERED

2.1 None

3. RESOURCE IMPLICATIONS

3.1 None

4. RISK AND MITIGATION

4.1 None

5. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY, SAFEGUARDING etc.)

5.1 None

6. CRIME AND DISORDER IMPLICATIONS

6.1 None

7. COMMENTS OF FINANCIAL SERVICES

7.1 There are no specific financial comments.

8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

8.1 Each year it is important that all Members are informed of the work of the Governance and Audit Committee and given the opportunity to comment on the work plan and timetable for the ensuing year.

9. COMMENTS OF OTHER RELEVANT SERVICES

9.1 None

10. APPENDICES

10.1 Appendix A – 2018-19 Indicative Annual Work Plan and Timetable