

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date **14 March 2016**

Report of: **Head of Finance and Audit**

Subject: **ANNUAL AUDIT AND GOVERNANCE COMMITTEE REPORT,
WORK PROGRAMME AND TRAINING PLAN**

SUMMARY

This report summarises the work carried out by the Audit and Governance Committee during 2015/16 and proposes the programme of work for 2016/17.

RECOMMENDATION

- (a) The Council is recommended to note the report; and
- (b) That the Committee work programme for 2016/17, as shown in [Appendix A](#), be approved.

INTRODUCTION

1. This annual report summarises how this Committee has performed during 2015/16 in relation to its purpose and functions set out in the constitution.

COMMITTEE ORGANISATION 2015/16

2. The Committee continued to operate this year in accordance with best practice as detailed in the Chartered Institute of Public Finance and Accountancy (CIPFA) publication "Audit Committees – Practical Guidance for Local Authorities".
3. The Committee met four times in the year and reported directly to the Council. It was comprised of seven members who reflect the political balance of the Council. The chairman of the Committee for the year had no Executive responsibilities and was not required to deputise at the Scrutiny Board during the year. The committee was supported in its work by the Director of Finance and Resources.

COMMITTEE ACTIVITY IN 2015/16

4. The work being carried out by the Committee to fulfil its responsibilities is reported as a work programme to each Committee. The following points should be noted:
 - (a) The Committee was not requested to review any issues by the Chief Executive Officer, any director or Council body during the year.
 - (b) There were no issues arising from the review of the Statement of Accounts and subsequent external audit report that the Committee felt needed to be brought to the attention of the Council.
 - (c) The Committee requested further information twice in respect of:
 - What happens to cases sent to the Department of Works and Pensions Fraud and Error team which are assessed for compliance review rather than fraud investigation.
 - How many times a year that a household might receive a financial penalty for council tax discount and council tax support fraud.
5. There were two additional pieces of work carried out by the Committee in addition to the original work programme set in March 2015 which are listed below:

November 2015	Review of the Constitution – Standing Orders for the Appointment, Dismissal and Discipline of Employees Updates to Financial Regulations (2, 4, 10, 19)
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6. There were three reports in the original work programme which were not presented to the Committee for the reasons summarised below.

Report Title	When Due	Reason for Non Completion
Review of the Sanctions and Redress Policy	June 2014	This was deferred from last year but still needs to be completed to update the Policy for the impact of transferring housing benefit investigations to the Department of Works and

Report Title	When Due	Reason for Non Completion
		Pensions. It is now planned to produce this for the June 16 meeting.
Review of Contract Procedure Rules	September 2014	The work challenging the Council's policies for procurement and contracts, using "system thinking" principles is still in progress and no changes are yet being proposed.
Risk Management Progress Reports	September 2015	We are currently challenging our risk management framework using "system thinking" principles, such that the content and frequency of these reports is likely to change.

TRAINING EVENTS

7. There has been one training event in the year covering the Annual Governance Statement which was delivered in September. The event was well attended.
8. A further training event is planned for 2016/17 in November, which is to be delivered by the Council's new Treasury Management advisors.
9. Members of the Audit and Governance Committee also attend training as part of the general members' training and development programme, which includes coverage of the members' Code of Conduct.
10. Personal briefings by the Director of Finance and Resources and/or the Head of Finance and Audit will also be provided to any new members of the Audit and Governance Committee in 2016/17.

WORK PROGRAMME FOR 2016/17

11. The proposed work plan for the Committee for 2016/17 is attached as [Appendix A](#).

RISK ASSESSMENT

12. There are no significant risk considerations in relation to this report

CONCLUSION

13. There has been a high level of compliance with best practice in the way that the Audit and Governance Committee operates and the reports received.

Appendices

Appendix A – Proposed Work Programme for 2016/17

Background Papers: None

Reference Papers: Minutes of and reports to Audit and Governance Committee for the Municipal Year 2015/16

Enquiries:

For further information on this report please contact Elaine Hammell. (Ext. 4344)

PROPOSED WORK PROGRAMME FOR 2016/17

Committee Function and Report Subject		Frequency	Last Covered	June 2016	September 2016	November 2016	March 2017
COMMITTEE WORKING ARRANGEMENTS							
Review of Work Programme and training plan		Quarterly	2015-16	YES	YES	YES	YES and Annual Report
Review of the Functions of the Committee		3 yearly	2013-14		YES		
Review of the Constitution		As needed	2013-14				
ETHICAL FRAMEWORK AND STANDARDS							
Standards of Conduct	Review of Code of Conduct for Members	As needed	2015-16				
	Review of member / officer protocol	As needed	2008-09				
	Overview of Complaints against the Council	Annual	2015-16		YES		
Member Training and Development	Review of Members Training and Development Programme	As needed	2015-16				
GOVERNANCE FRAMEWORK							
Framework	Local Code of Corporate Governance	As needed	2012-13				
	Annual Governance Statement	Annual	2015-16		YES		
Key Policy	Review of Financial Regulations	3 yearly	2015-16				
	Review of Contract Procedure Rules	3 yearly	2013-14				YES
	Treasury Management Policy and Strategy	Annual	2015-16			YES-implementation	YES- Policy and indicators
Risk Management	Policy	As needed	2012-13			YES	
	Risk Management Progress Reports	TBC	2014-15				YES
	Business Continuity	3 yearly	2014-15				
	Specific Risk Management topics	As needed	None				
Counter Fraud	Benefits Anti-Fraud and Corruption Policy	As needed	2013-14				
	Counter Fraud Policy and Strategy	3 yearly	2013-14				
	Anti-Bribery Policy	As needed	2011-12				
	Sanctions and Redress Policy	As needed	2008-09	YES			
	Counter Fraud Progress	6 monthly	2015-16	YES		YES	
INTERNAL AUDIT ASSURANCE							

Committee Function and Report Subject	Frequency	Last Covered	June 2016	September 2016	November 2016	March 2017
Internal Audit Strategy	3 yearly	2014-15				
Internal Audit Annual Plan	Annual	2015-16				YES
Quarterly Audit Reports	Quarterly	2015-16	YES	YES	YES	YES
Head of Audit's Annual Opinion	Annual	2015-16	YES			
EXTERNAL ASSURANCE						
Annual Plan and Fee	Annual	2015-16	YES			
Annual Audit Letter	Annual	2015-16			YES	
Annual Certification Report	Annual	2015-16				YES
Specific reports from inspection agencies	As needed	2014-15 (RIPA)				
STATEMENT OF ACCOUNTS						
Statement of Accounts	Annual	2015-16		YES		
External Audit – Audit Results Report	Annual	2015-16		YES		
OTHER						
Updates on legal issues	As needed	2014-15				
Issues referred from the Chief Executive Officer, Directors and Other Council Bodies	As needed	None				
Number of Items			6	7	6	7