

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date **16 March 2015**

Report of: **Director of Finance and Resources**

Subject: **ANNUAL AUDIT AND GOVERNANCE COMMITTEE REPORT AND
WORK PROGRAMME**

SUMMARY

This report summarises the work carried out by the Audit and Governance Committee during 2014/15 and proposes the programme of work for 2015/16.

RECOMMENDATION

- (a) The Council is recommended to note the report;
- (b) That the Committee work programme for 2015/16, as shown in [Appendix A](#), be approved.

INTRODUCTION

1. This annual report summarises how this Committee has performed during 2014/15 in relation to its purpose and functions set out in the constitution.

COMMITTEE ORGANISATION 2014/15

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 five 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 2014/15

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:
 - the nature of the variances noted in the audit report covering car parking income reconciliations;
 - the overall progress being made in implementing audit recommendations.
5. There were nine additional pieces of work carried out by the Committee in addition to the original work programme set in March 2014 which are listed below:

September 2014	Update to Standing Orders Following the Openness of Local Government Bodies Regulations 2014 External Audit Annual Fee Letter 2014/15
November 2014	Audit Recommendation Implementation
February 2015	Proposed Changes to the Scheme of Delegation to Officers in Respect of the Planning Committee and the Planning Committee Deputation Scheme Review of the Constitution
March 2015	Office of Surveillance Commissioners Inspection Report Treasury Management Strategy and Prudential Indicators 2015/16 External Audit Fee Variation 2013/14

6. There were two 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 has been deferred to next year so that the impact of transferring housing benefit investigations to the Department of Works and Pensions can be assessed.
Review of Contract Procedure Rules	September 2014	The work challenging the Council's policies for procurement and contracts is still in progress and no changes are yet being proposed.

TRAINING EVENTS

7. There have been no training events in the year. However, members have requested that a session on the Annual Governance Statement is delivered in 2015/16.

WORK PROGRAMME FOR 2015/16

8. The proposed work plan for the Committee for 2015/16 is attached as [Appendix A](#).

RISK ASSESSMENT

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

CONCLUSION

10. 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 2015/16

Background Papers: None

Reference Papers: Minutes of and reports to Audit and Governance Committee for the Municipal Year 2014/15

Enquiries:

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

APPENDIX A

PROPOSED WORK PROGRAMME FOR 2015/16

Committee Function and Report Subject		Frequency	Last Reviewed	June 2015	September 2015	November 2015	March 2016
COMMITTEE WORKING ARRANGEMENTS							
Review of Work Programme and training plan		Quarterly	2014-15	YES	YES	YES	YES and Annual Report
Review of the Functions of the Committee		3 yearly	2013-14				
Review of the Constitution		As needed	2013-14				
ETHICAL FRAMEWORK AND STANDARDS							
Standards of Conduct	Review of Code of Conduct for Members	As needed	2013-14				
	Review of member / officer protocol	As needed	2008-09				
	Overview of Complaints against the Council	Annual	2014-15		YES		
Member Training and Development	Review of Members Training and Development and Determination of Programme	Annual	2014-15	YES			
GOVERNANCE FRAMEWORK							
Framework	Local Code of Corporate Governance	As needed	2012-13				
	Annual Governance Statement	Annual	2014-15		YES		
Key Policy	Review of Financial Regulations	3 yearly	2014-15	YES			
	Review of Contract Procedure Rules	3 yearly	2013-14	YES			
	Treasury Management Policy and Strategy	Annual	2014-15			YES-implementation	YES- Policy and indicators
Risk Management	Policy and Strategy	As needed	2012-13				
	Risk Management Progress Reports	6 monthly	2014-15		YES		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	2014-15	YES		YES	

Committee Function and Report Subject	Frequency	Last Reviewed	June 2015	September 2015	November 2015	March 2016
INTERNAL AUDIT ASSURANCE						
Internal Audit Strategy	3 yearly	2014-15				
Internal Audit Annual Plan	Annual	2014-15				YES
Quarterly Audit Reports	Quarterly	2014-15	YES	YES	YES	YES
Head of Audit's Annual Opinion	Annual	2014-15	YES			
EXTERNAL ASSURANCE						
Annual Plan and Fee	Annual	2014-15	YES			
Annual Audit Letter	Annual	2014-15			YES	
Annual Certification Report	Annual	2014-15				YES
Specific reports from inspection agencies	As needed	2014-15 (RIPA)				
STATEMENT OF ACCOUNTS						
Statement of Accounts	Annual	2014-15		YES		
External Audit Annual Governance Report	Annual	2014-15		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			8	7	6	6