

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date **12 March 2018**

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 2017/18 and proposes the programme of work for 2018/19.

RECOMMENDATION

It is recommended that the Committee: -

- (a) notes the contents of the report; and
- (b) submit the work programme for 2018/19, as shown in [Appendix A](#), to Council for endorsement.

INTRODUCTION

1. This annual report summarises how this Committee has performed during 2017/18 in relation to its purpose and functions set out in the constitution.

COMMITTEE ORGANISATION 2017/18

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 or Scrutiny Board responsibilities during the year. The committee was supported in its work by the Director of Finance and Resources.

COMMITTEE ACTIVITY IN 2017/18

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 updates to be provided at future committees in respect of:
 - Framework agreements (planned for March 2018)
 - Roll out of the new approach to Risk Management (completed September 2017)
 - Action plan following the contract completion audit (still to come)
5. All reports in the original work programme were presented to the Committee, although it is noted that the work on the Council's Contract Procedure Rules and Financial Regulation 15 is still progressing.
6. There were four additional pieces of work carried out by the Committee in addition to the original work programme set in March 2017 which are listed below:

July 2017	Updates to Financial Regulation 19 – Write-offs
November 2017	Vanguard review of the Council's procurement process Updates on legal issues – General Data Protection Regulation
March 2018	Constitution updates

TRAINING EVENTS

7. Members of the Committee received a briefing on current Procurement arrangements and how these are being challenged, during their meeting in November 2017. At the same meeting, they also received a briefing on the changes coming in with the General Data Protection Regulation in May 2018.
8. A specific briefing session has also been provided to a member of the Committee joining during the year.

WORK PROGRAMME 2018/19

9. The proposed work plan for the Committee for 2018/19 is attached as [Appendix A](#).

RISK ASSESSMENT

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

CONCLUSION

11. The work programme in place is appropriate to meet the responsibilities of the Committee.

Appendices: [Appendix A](#) – Proposed Work Programme for 2018/19

Background Papers: None

Reference Papers: Minutes of and reports to Audit and Governance Committee for the Municipal Year 2017/18

Enquiries:

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

APPENDIX A

WORK PROGRAMME FOR 2018/19

Committee Function and Report Subject		Frequency	Last Covered	July 2018	September 2018	November 2018	March 2019
COMMITTEE WORKING ARRANGEMENTS							
Review of Work Programme and training plan		Quarterly	2017-18	YES	YES	YES	YES and Annual Report
Review of the Functions of the Committee		3 yearly	2016-17				
Review of the Constitution		As needed	2017-18				
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	2017-18		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	2016-17				
	Annual Governance Statement	Annual	2017-18	YES			
Key Policy	Review of Financial Regulations	3 yearly	2017-18		YES		
	Review of Contract Procedure Rules	3 yearly	2017-18		YES		
	Treasury Management Policy and Strategy	Annual	2017-18			YES	YES- Policy and indicators
Risk Management	Policy	As needed	2016-17				
	Risk Management Monitoring Reports	6 monthly	2017-18		YES	YES	
	Business Continuity	3 yearly	2014-15			YES	
	Specific Risk Management topics	As needed	None				
Counter Fraud	Counter Fraud Policy and Strategy	3 yearly	2016-17				
	Anti-Bribery Policy	As needed	2011-12				
	Sanctions and Redress Policy	As needed	2016-17				
	Counter Fraud Progress	Annually	2016-17	YES			
INTERNAL AUDIT ASSURANCE							

Committee Function and Report Subject	Frequency	Last Covered	July 2018	September 2018	November 2018	March 2019
Internal Audit Strategy	3 yearly	2014-15				YES
Internal Audit Annual Plan	Annual	2017-18				YES
Quarterly Audit Reports	Quarterly	2017-18	YES	YES	YES	YES
Head of Audit's Annual Opinion	Annual	2017-18	YES			
EXTERNAL ASSURANCE						
Update on Arrangements for Appointment of External Auditors	As needed	2017-18				
Annual Plan and Fee	Annual	2017-18				YES
Annual Audit Letter	Annual	2017-18			YES	
Annual Certification Report	Annual	2017-18				YES
Specific reports from inspection agencies	As needed	2014-15 (RIPA)	YES			
STATEMENT OF ACCOUNTS						
Statement of Accounts	Annual	2017-18	YES			
External Audit – Audit Results Report	Annual	2017-18	YES			
OTHER						
Updates on legal issues	As needed	2017-18				
Issues referred from the Chief Executive Officer, Directors and Other Council Bodies	As needed	None				
Number of Items			8	6	6	7