

Bromsgrove District Council



Audit, Standards and
Governance Committee

ANNUAL REPORT

2016 / 2017



Bromsgrove
District Council

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MEMBERSHIP



Steve Colella



Brian Cooper (until March 2017)



Rita Dent



June Griffiths (from Sept 2016)



Peter McDonald



Stephen Peters



Roger Smith (until Sept 2016)



Caroline Spencer



Phil Thomas



Michael Thompson

INTRODUCTION

This report provides an overview of the Audit, Standards and Governance Committee's activities during the municipal year 2016/17.

The ultimate responsibility for Audit rests with the Portfolio Holder with responsibility for Finance and the Section 151 Officer. The Portfolio Holder is expected to attend each meeting in line with the Constitution.

During the year the Committee has considered reports on the following subjects:

- Monitoring Officers Report – which details complaints and training which has taken place during the period between meetings.
- Dispensation Reports
- Updates from the external auditors, Grant Thornton in respect of their work.
- Updates on the work of the Internal Audit Team.
- Section 11 Plan Monitoring.
- Quarterly Financial Savings Monitoring Update Reports.
- Corporate Risk Register
- The Risk Champion's Update Report.
- Statement of Accounts.
- Treasury Management Strategy
- A Presentation from the Pensions Actuary

Further information about some of the key responsibilities of the Committee are outlined in detail within this report.

THE ROLE OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Scope and Responsibility

The Audit, Standards and Governance Committee provides independent assurance to the Council in respect of:

- The effectiveness of the Council's governance arrangements
- The Annual Governance Statement
- The Review of the Annual Statement of Accounts
- Risk Management Framework and strategies
- The effectiveness of the Council's financial and non-financial performance
- Anti-Fraud arrangements
- Whistle-blowing strategies
- Internal and external audit activity
- Democratic governance

The Committee is also responsible for the Council's Standards Regime which covers both District and Parish Councils. Areas encompassed within the Standards Regime include:

- Promoting High Standards of Conduct by Councillors and co-opted members of Council bodies.
- Assisting Councillors and co-opted members to observe the Members' Code of Conduct.
- Advising and training Members and co-opted members in respect of the Code of Conduct.
- Formulating advice to members and officers in declarations of gifts and hospitality.
- Granting dispensations to Councillors and co-opted members from requirements relating to interests as set out in the Code of Conduct.
- Considering an reports from the Monitoring Officer following investigation into a complaint about elected Members.

Meetings of the Board

The Council's constitution requires the Audit, Standards and Governance Committee to hold quarterly meetings. During the municipal year 2016/2017 meetings were held in June, September, December 2016 and March 2017. The Audit, Standards and Governance Committee work programme was reviewed at each meeting with items included as and when considered and agreed by the Committee.

STANDARDS REGIME

There are two main areas which are considered regularly in terms of the Committee's responsibility for Standards.

Monitoring Officer's Report

This covers Member Training, Member Complaints and Parish Council matters.

Dispensation Report

At the start of the year the Committee granted a number of Members' dispensations to discuss matters in which they had an interest.

Parish Council Involvement

At the start of the year there was a standing item on the agenda which enabled the Committee to consider any matters of interest raised by the co-opted Parish Council representative on the Committee, Parish Councillor Chris Scurrill.

At the June 2016 meeting of the Committee Members noted that no updates had been received from the Parish Council representative for some time. The Committee was advised that this was not unexpected as it was anticipated that the Parish Council representative would rarely have the need to provide an update to the Committee. In this context Members agreed that this should no longer be a standing item though updates from the Parish Council representative could be added any time to an agenda if required.

Investigations and enquiries

This year there have been no investigations about Members which required a Hearings Sub-Committee to be convened.

INTERNAL AUDIT REPORT

During the year the Committee has received update reports in respect of Internal Audits of the following areas:

- Section 106 Funding Agreements
- Community Services – CCTV
- Environmental Income Streams
- Worcestershire Regulatory Services
- Council Tax
- NNDR
- Benefits
- Creditors and Debtors
- Cash Ledger and Bank Reconciliation
- Housing Statutory Duties 2016/17
- Customer Services 2016/17
- Freedom of Information Requests 2016/17

In June 2016 the Committee considered the Internal Audit report for 2015/16. Members were interested to learn about the findings of the Internal Audit process and the outcomes from this during the year.

The Annual Report 2016/17 is due to be considered by the Committee at its meeting on 30th March 2017.

EXTERNAL AUDITORS

During the year the Committee received reports from the current External Auditors, Grant Thornton on the following subjects:

- Auditing Standards 2015/16
- Audit Findings Report
- Annual Audit Letter
- Certification Work Report 2016/17
- Audit Plan
- Progress Reports

The Progress Reports were considered at each meeting of the Committee and covered a range of issues including the following:

- Value for money
- Significant Risks
- The Changing Face of Corporate Reporting
- Financial Statements
- Housing Benefits
- National issues facing Local Government
- Publications from Grant Thornton on a number of subjects

At its December 2016 meeting the Committee considered a report in respect of appointing the external auditor to the Council for the 2018/19 accounts and beyond, as the current arrangements only covered up to and including 2017/18 audits. The auditors were working under a contract originally let by the Audit Commission and the contract was novated to Public Sector Audit Appointments (PSAA) following the closure of the Audit Commission.

STATEMENT OF ACCOUNTS

This year for the first time, the Audit, Standards and Governance Committee, as opposed to Cabinet considered the Statement of Accounts.

Members were pleased to learn that the Financial Statements had been audited by Grant Thornton and improvements had been made to the accounts, working papers and quality of information made available during the audit. This was a significant improvement on the closedown on 2014/15 accounts.

The external auditors had issued an unqualified judgement on the accuracy of the accounts. Grant Thornton were satisfied that, on the basis of materiality, the Council's accounts were accurate

FUTURE WORK OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

In 2017/18 it is suggested that the Committee may wish to explore the following:

- A new approach to considering the subject of benefits – this is due to the responsibility for benefits investigations being transferred to the DWP from the Council. In future Officers are suggesting that an annual round up of other data relating to benefits and revenues after the end of the financial year.
- The Statement of Accounts – for 2018/19 these will have to be determined a month earlier than at present. It is suggested that in 2017/18 the Council attempts to implement this arrangement as part of a trial run and this will mean that the Committee will need to consider the findings at an earlier stage.

DRAFT

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