

HAMBLETON DISTRICT COUNCIL

Report To: Audit, Governance and Standards Committee
24 July 2018

From: Director of Finance (S151 Officer)

Subject: **ANNUAL REPORT TO CABINET ON AUDIT, GOVERNANCE AND STANDARDS
COMMITTEE ACTIVITIES 2017/18**

All Wards

1.0 PURPOSE AND BACKGROUND:

1.1 The purpose of this report is to consider a draft report which analyses the work undertaken by the Audit, Governance and Standards Committee for the year to 31 March 2018. Under the Committee's Terms of Reference, it is proposed that the report will be presented at Cabinet in September 2018. The draft report is attached as Annex 'A'.

2.0 RISK ASSESSMENT:

2.1 There are no risks associated with the recommendations of this report.

3.0 RECOMMENDATION:

3.1 It is recommended that:-

- (1) the Committee agree the content of the report; and
- (2) the report is submitted to Cabinet.

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DIRECTOR OF FINANCE (S151 OFFICER)

Background papers: Audit, Governance and Standards Committee reports for 2017/18

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AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

WORK UNDERTAKEN DURING 2017/18

1. External Audit – Ernst & Young LLP

Ernst & Young, as the Council's external auditor from April 2017 to March 2018, presented reports that covered:-

- 2 Audit Planning Report – this sets out the proposed plan for audit and inspection work;
- Statutory Auditor's report on the 2016/17 Audit and Inspection Letter – this summarises the conclusions and significant issues arising from the audit and inspection work of the Council's Financial Report, including the Statement of Accounts 2016/17 and Annual Governance Statement; the Annual 2016/17 Accounts were approved;
- Annual Audit Letter 2016/17 - an unqualified opinion on the Council's financial statements for the year ended 31 March 2017 was given and an unmodified conclusion on the Council's arrangements for securing value for money for the year ended 31 March 2017.
- Quarterly update reports on their activities with the Council.
- Statutory Auditor's Annual Grant Claims and Returns 2016/17 was noted

It is pleasing to note that these reports did not identify any significant problems and were received and accepted by the Committee.

2. Internal Audit – Veritau North Yorkshire Ltd

- Presented the 2016/17 Internal Audit Annual Report, where a substantial assurance opinion of the organisation was given. The Report was accepted;
- Presented the 2016/17 Annual Governance Statement which provided public assurance that the Council has a sound system of internal control, designed to help manage and control risks that impede the achievement of its objectives. This was approved;
- Gave a comparison of the actual performance against target throughout the year in the quarterly internal audit reviews. The Committee was satisfied with the performance;
- Provided an update on the annual review of the Audit Vision and Charter.
- Reported on the internal audit planning process 2016/17 as specifically requested by Members to gain a greater understanding of the process.
- Presented the Internal Audit, Counter Fraud and Information Governance Plan 2018/19, which was accepted by the Committee

3. Accounts and Governance – Hambleton District Council Officers

These reports cover the presentation of:

- The Statement of Accounts 2016/17– these present the statutory financial accounts in the form prescribed by the Code of Practice on Local Authority Accounting in the UK – A Statement of Recommended Practice. The Committee scrutinised the detail of the accounts and after a robust challenge approved them;
- The Annual Governance Statement (AGS) for 2016/17– this a statement required by statute which follows the guidelines issued by the Chartered Institute of Public Finance (CIPFA). It describes the internal control environment and the steps the Council has taken to ensure:-
 - its business is undertaken in accordance with the law;
 - it maintains proper safeguards that provide good governance;
 - public money is safeguarded, and;
 - its resources are used economically, efficiently and effectively.

The Committee agreed with the conclusion of the review and approved the content of the AGS.

- The Review of the Annual Treasury Management Strategy 2018/19 and Practices were reviewed and accepted by the Committee.

4. Risk Management – Hambleton District Council Officers

The Committee received a report on the Annual Review of Risk Management Strategy; this was a review of the Risk Management Process and Policy Statement. In addition it incorporated the suggestions from the Corporate Peer review from June 2017 and the consequent improvements to the Council's risk management process. The report also noted the Council's current strategic and project risks.

5. Counter Fraud and Anti-Corruption - Hambleton District Council Officers

- Annual Report on Counter Fraud and Anti-Corruption 2016/17 was reported and accepted.
- The Counter Fraud Strategy and also the Counter Fraud and Corruption Policy along with associated Prosecution Policy were adopted

6. Constitution and other work

The Committee received reports covering:-

- Amendments to the Councils Constitution – a report requesting to change the Local Code of Conduct for Members and Officers Dealing with Planning Matters, contained within Part 5, Codes and Protocols.
- Politically Restricted Posts – review of the list of politically restricted posts because of re-organisation and changes in job titles within the Council.

- Activity under the Regulation of Investigatory Powers Act reported on a quarterly basis where all were nil and were accepted. Also the current Policy on the Regulation of Investigatory Powers Act was approved.
- Annual review of the Audit, Governance and Standards Committee's terms of reference was noted in accordance with CIPFA Audit Committees – Practical Guidance for Local Authorities.
- Annual report to Cabinet on Committee's activities for 2016/17.
- The Brownfield Land Register which was to be consulted on and published by 31 December 2017. In addition the change to the Constitution to amend the Council's Responsibility for Council Functions and the Scheme of Delegation in response to the regulations requiring local authorities to prepare and maintain registers brownfield land suitable for residential development customer feedback and complaints procedure is fit for purpose.
- Brexit – Update on the Implications for Local Authorities
- 2018/19 Reporting Programme which identified those reports to be received on a structured basis.

7. Standards

The Committee has responsibility for the Standards regime. The Standards Hearings Panel has considered ten complaints under the Council's Complaints Procedure; six of the complaints were in relation to Town/Parish Councillors and four of the complaints were in relation to District Councillors.