

Hambleton District Council

Report To: Audit, Governance and Standards Committee

Date: 20 July 2021

From: Director of Finance and Commercial (s151 Officer)

Subject: **Annual Report to Cabinet on Audit, Governance and Standards Committee Activities 2020/21**

Portfolio Holder: Governance
Councillor Mrs I Sanderson

Wards Affected: 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 2021. Under the Committee's Terms of Reference, it is proposed that the report will be presented at Cabinet in September 2021. The draft report is attached as Annex 'A'.
- 1.2 The Covid-19 pandemic has resulted in 2020/21 being an unprecedented year resulting in the Audit Governance and Standards Committee meeting virtually for the first time in October 2020, where the further two scheduled meetings also occurred virtually.

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 and Commercial (s151 officer)

Background papers: Audit, Governance and Standards Committee reports for 2020/21

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Audit, Governance and Standards Committee

Work Undertaken During 2020/21

1. External Audit – Ernst & Young LLP

Ernst & Young, as the Council's external auditor from April 2020 to March 2021, presented reports that covered:-

- Statutory Auditor's report on the 2019/20 Audit – the Annual Results Report was presented in October 2020 but has as yet not been finalised, the Accounts have not yet been signed off as the Audit has not concluded. The accounts are scheduled to be provided to the Committee in September 2021.
- Annual Audit Letter 2019/20 – will be issued following the finalisation of the audit scheduled to be provided to the Committee in September 2021.
- Auditor's Annual Grant Claims and Returns 2019/20 – the external auditor confirmed during 2020/21 that this is no longer a statutory requirement and therefore will no longer be presented to Committee.
- The Audit Planning Report 2020/21 - which sets out the proposed plan for audit and inspection work is delayed due to the delay in the finalisation of 2019/20 Accounts. This is scheduled to be provided to the Committee in September 2021.

2. Internal Audit – Veritau North Yorkshire Ltd

- Presented the 2019/20 Internal Audit Annual Report, where a substantial assurance opinion of the organisation was given. The Report was accepted;
- Internal Audit Progress Reports - a comparison of the actual performance against target throughout the year in the quarterly reviews. The committee was satisfied with the performance and the internal audit review programme was completed in the year;
- The Veritau Internal Audit, Counter Fraud and Information Governance Plans 2021/22 were presented.

3. Counter Fraud and Anti-Corruption – Veritau North Yorkshire Ltd

- Counter Fraud Annual Report 2019/20 was reported and accepted.
- The Counter Fraud Framework Update was reported

- Counter Fraud Progress Reports – an update was provided to Committee on a quarterly basis.

4. Accounts and Governance – Hambleton District Council Officers

These reports cover the presentation of:

- The Statement of Accounts 2019/20– these statutory financial accounts are scheduled to be provided to the Committee in September 2021.
- The Annual Governance Statement (AGS) for 2019/20– 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. It should be noted that this statement maybe updated and revised in line with the finalisation of the audit scheduled for September 0221.

- CIPFA Financial Management Code – two reports were presented regarding achieving the culture for strong, sustainable financial management giving assurance that the authority is managing resources effectively
- Review of Annual Treasury Management Strategy 2021/22 and Review of Capital Strategy 2021/22 in accordance with CIPFA best practice.

5. Risk Management – Hambleton District Council Officers

The Committee received an Annual Review of the Council’s risk management process. The Project Risks are aligned with the Key Corporate Projects as identified in the Council Plan for 2019-23, the Service Risks with a net risk threshold of 12 and Corporate Risks had also been reviewed with all three areas of risk being updated in the risk register.

6. Regulation of Investigatory Powers Act – Hambleton District Council Officers

- Review of activity was reported on a bi-annual basis where all were nil and accepted.
- The Inspection by the Investigatory Powers Commissioner’s Office occurred during 2020/21, which was noted.

- The review of the Policy on the Regulation of Investigatory Powers Act was approved.

7. Constitution and other work

The Committee received reports covering:-

- Amendments to the constitution
- Politically Restricted Posts – review of the list of politically restricted posts due to changes in within the Council.
- Annual Report Code of Conduct complaints was presented to committee
- Annual report to Cabinet on Committee's activities for 2019/20
- Annual review of the Committee's Terms of Reference
- Report programme 2020/21 and Report Programme 2021/22 - both reports were received in 2020/21 due to the Cobi-19 pandemic preventing the 31 March 2020 meeting taking place.

8. Standards

The Committee has responsibility for the Standards regime. The Standards Hearings Panel has not considered any complaints under the District Council's Code of Conduct Allegations Procedure.