

Hambleton District Council

Report To: Audit, Governance and Standards Committee

Date: 19 July 2022

From: Chief Executive

Subject: **Annual Report to Cabinet on Audit, Governance and Standards Committee Activities 2021/22**

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 2022. Under the Committee's Terms of Reference, it is proposed that the report will be presented at Cabinet in September 2022. 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.

Dr Justin Ives
Chief Executive

Background papers: Audit, Governance and Standards Committee reports for 2021/22

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Audit, Governance and Standards Committee

Work Undertaken During 2021/22

1. External Audit – Ernst & Young LLP

Ernst & Young, as the Council's external auditor from April 2021 to March 2022, presented reports that covered:-

- Statutory Auditor's report on the 2019/20 Audit – the Annual Results Report was presented in March 2022 and received by the Committee. There were some recommendations and appropriate Management Responses were agreed. These accounts have still not been officially signed off.

2. Internal Audit – Veritau North Yorkshire Ltd

- Presented the 2020/21 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 2022/23 were presented.

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

- Counter Fraud Annual Report 2020/21 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 were presented to Committee in March 2022 alongside the Audit Results report.
- 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. This statement was updated and revised in line with the finalisation of the audit presented in March 2022 and approved.

- CIPFA Financial Management Code – was undertaken and report presented to Committee. It demonstrated a culture for strong, sustainable financial management giving assurance that the authority is managing resources effectively. Members received the report and endorsed the position.
- Review of Annual Treasury Management Strategy 2022/23 and Review of Capital Strategy 2022/23 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. 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 review of the Policy on the Regulation of Investigatory Powers Act was approved.

7. Constitution and other work

The Committee received reports covering:-

- Politically Restricted Posts
- Annual Report Code of Conduct complaints was presented to committee
- Annual report to Cabinet on Committee's activities for 2021/22
- Annual review of the Committee's Terms of Reference
- Report programme 2022/23

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.