

Gloucester City Council

Meeting:	Audit and Governance Committee	Date:	11 March 2019
	Council		11 July 2019
Subject:	Audit and Governance Committee Annual Report 2018/19		
Report Of:	Chair – Audit and Governance Committee		
Wards Affected:	Not applicable		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Theresa Mortimer - Head of Audit Risk Assurance		
	Email:	Tel: 01452 396338	
	Theresa.Mortimer@gloucester.gov.uk		
Appendices:	A: Audit and Governance Committee Annual Report 2018/19		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 The Annual Report summarises the activities of the Audit and Governance Committee during 2018/19 and sets out its plans for the next twelve months.
- 1.2 This report provides the Council with an independent assurance that the Council has in place adequate and effective governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that can be relied upon and which contribute to the high corporate governance standards that this Council expects and maintains.

2.0 Recommendations

- 2.1 Audit and Governance Committee is asked to:
 - (a) **RESOLVE** to agree the Audit and Governance Committee Annual Report 2018/19; and
 - (b) **RECOMMEND** to Council the Annual Report is approved.
- 2.2 Council is asked to **RESOLVE** that the Audit and Governance Committee Annual Report 2018/19 be approved.

3.0 Background and Key Issues

- 3.1 Gloucester City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In discharging this overall responsibility, the Council is responsible for putting in place the proper arrangements for the governance of its affairs.

- 3.2 A sound corporate governance framework involves accountability to service users, stakeholders and the wider community, within which the Council takes decisions and leads and controls its functions to achieve stated objectives and priorities. It thereby provides an opportunity to demonstrate the positive elements of the Council's business and to promote public confidence.
- 3.3 Audit Committees are widely recognised as a core component of effective governance. Their key role is independently overseeing and assessing the internal control environment, comprising governance, risk management and control and advising the Council on the adequacy and effectiveness of these arrangements.
- 3.4 In response to the above, the Audit and Governance Committee was established in line with guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). This guidance recommends that audit committees should prepare an annual report to the full Council, which sets out the Committee's work on how they have discharged their responsibilities.
- 3.5 The Annual Report attached at **Appendix A** details the work and achievements of the Audit and Governance Committee during 2018/19 and sets out its plans for the next twelve months.

4.0 Asset Based Community Development (ABCD) Considerations

- 4.1 There are no ABCD implications as a result of the recommendation made in this report.

5.0 Alternative Options Considered

- 5.1 Consideration has been given to not producing an Annual Report, however this has been discounted because recommended practice from both the public and private sectors indicates that an audit committee should report directly to the governing body of the organisation. In the case of a local authority, this is the full Council.

6.0 Reasons for Recommendations

- 6.1 The Audit and Governance Committee's terms of reference includes the accountability arrangement '*to providing an annual report to Council that its systems of governance are operating effectively, which includes the Committees performance in relation to the terms of reference*'. The Audit and Governance Committee's Annual Report meets this requirement and assists in Audit and Governance Committee independence from the executive and scrutiny functions, and in addition provides status and clarity to the Committee's role.

7.0 Future Work and Conclusions

- 7.1 In accordance with best practice, the Audit and Governance Committee will continue to present an Annual Report to the full Council.

8.0 Financial Implications

- 8.1 There are no direct financial costs arising out of this report.

(Financial Services have been consulted in the preparation this report).

9.0 Legal Implications

9.1 Nothing specific arising from the report recommendations.

(One Legal have been consulted in the preparation this report).

10.0 Risk and Opportunity Management Implications

10.1 Audit committees are a key component of an authority's governance framework. The Audit and Governance Committee's Annual Report is part of the overall internal control arrangements and risk management process. By examining and evaluating objectively the adequacy of the control environment through the reports it receives the Committee can, in turn, provide assurances to Council on its governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that inform the Annual Governance Statement.

11.0 People Impact Assessment (PIA):

11.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

12.0 Other Corporate Implications

Community Safety

12.1 There are no 'Community Safety' implications arising out of the recommendations in this report.

Sustainability

12.2 There are no 'Sustainability' implications arising out of the recommendations in this report.

Staffing & Trade Union

12.3 There are no 'Staffing and Trade Union' implications arising out of the recommendations in this report.

Background Documents: [Audit and Governance Committee meeting minutes 2018/2019](#)

[Constitution: Audit and Governance Committee Terms of Reference](#)