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| Governance Committee Annual Report 2013/2014   |  | Agenda No: 12 |
|  |  |               |
| Corporate Priority:  | Providing value for money                  |               |
| Report presented by:   | Lesley Day, Audit Insurance & Risk Manager |               |
| Report prepared by:  | Lesley Day, Audit Insurance & Risk Manager |               |
|  |  |               |
| Background Papers:   | Public Report                              |               |
| Governance Committee Reports   | Yes  |               |
| Options:   | Key Decision:                              |               |
| N/a  | No   |               |
|  |  |               |
| Executive Summary:   |  |               |
| To present to the Governance Committee a report summarising its activities during the 2013/2014 civic year with a view to the report being presented at Council. |  |               |
| The report includes details of the routine audit and accounts business that came before the Committee together with the annual cycle of governance reports.      |  |               |
|  |  |               |
| Decision:  |  |               |
| Members are recommended to:  |  |               |
| a) Consider the report and make any amendments as necessary and  |  |               |
| b) Approve the report to be presented to Council   |  |               |
|  |  |               |
| Purpose of Decision:   |  |               |
| To agree a report on the Committee's activities during 2013/2014 and to approve its presentation to Council.   |  |               |

**Any Corporate implications in relation to the following should be explained in detail**

|   |                                 |
|---|---------------------------------|
| <b>Financial:</b>                         | None                            |
| <b>Legal:</b>                             | None                            |
| <b>Equalities/Diversity</b>               | None                            |
| <b>Customer Impact:</b>                   | None                            |
| <b>Environment and Climate Change:</b>    | None                            |
| <b>Consultation/Community Engagement:</b> | None                            |
| <b>Risks:</b>                             | None                            |
|   |                                 |
| <b>Officer Contact:</b>                   | Lesley Day                      |
| <b>Designation:</b>                       | Audit, Insurance & Risk Manager |
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The following activities were considered by the Committee during 2013/2014:

### **AUDIT & GOVERNANCE**

#### **Report: Annual Governance Statement 2012/2013**

Received for approval the Annual Governance Statement for incorporation into the Statement of Accounts. Regulation 4 of the Accounts and Audit Regulations 2003 require "The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk."

#### **Report: Annual Internal Audit Report 2012/2013**

Received the Annual Report on Internal Audit Activity for 2012/2013.

#### **Reports: Internal Audit Activity (quarterly)**

Received and noted details of the audit assignments completed together with status updates in respect of Reportable Recommendations.

#### **Report: Annual Audit Letter 2012/2013**

Received the external auditor's Annual Audit Letter covering the Council's financial audit. The Committee receives the report on behalf of the Council and may make observations to Cabinet who can decide to take action to make improvements based on the external auditor's assessment.

#### **Report: Internal Audit Strategic Plan 2014/2018**

Received and approved the Internal Audit four year plan supported by Risk Assessment.

**Reports: External Audit Plan 2013/2014**  
**Audit Commission Work Programme and Scale of Fees 2012/2013**

**Report: Grant Claim Certification year end 31/03/13**

Received a report from the external auditor summarising the main issues arising from the certification of grant claims for the financial year ending 31st March 2013.

**Report: Public Sector Internal Audit Standards**

Approved the Internal Auditor Charter and adopted the Public Sector Internal Audit Standards.

**Report: Whistleblowing Policy**

Received details of the Council's Whistleblowing Policy with the opportunity to review.

**Report: Protecting the Public Purse 2013**

Acknowledged the Audit Commission's publication and received details of the counter fraud arrangements in place.

**RISK MANAGEMENT**

**Report: Strategic Risks**

Received two reports detailing reviews undertaken of the Council's Strategic Risk Register by Management Board and Cabinet together with details of how the significant business risks are being monitored and managed by Management Board in line with the Council's Risk Management Strategy.

**Report: Operation Risks**

Received details of the annual review of the Council's Operational Risks.

**MONITORING AND FINANCE**

**Report: Receipt of the Statement of Accounts for 2012/13 together with the External Auditor's Annual Governance Report**

Considered and approved the Statement of Accounts for 2012/2013 having received details of the external auditors' annual governance report.

The external auditor's report is presented to the Governance Committee in accordance with the provisions of International Standards on Auditing (UK & Ireland) 260 Communication with Those Charged with Governance, ISA 265 Communicating Deficiencies in Internal Control and Management, and the Audit Commission's Code of Audit Practice

## **Reports: Quarterly Performance Management Reports and Briefings**

Received and noted the quarterly Performance Management Reports. In addition, the Committee received briefings covering Performance and Project governance, Change Control process and Covalent reporting system

## **Reports: Financial Indicators (quarterly)**

Received and noted details of key financial indicators.

## **Report: Treasury Management Annual Report 2012/2013 and Mid-Year Report 2013/2014**

Noted and advised Cabinet to accept the reports.

## **Report: Treasury Management Strategy Statement 2014/2015**

Reviewed and provided comments on the draft Strategy prior to its submission to Cabinet.

## **STANDARDS**

Received the Monitoring Officer's Annual Standards Report.

## **COMMITTEE OPERATION**

Completed a Committee self-assessment checklist and produced an action plan as required.

## **Other reports received**

**Single Fraud Investigation Service (SFIS)** - Noted the current proposals and implications of the introduction and implications of the introduction of the SFIS.

**Fraud & Error Discussions** - External auditor's discussion with those charged with governance on fraud and error.

**Office of Surveillance Commissioners Inspection Report** – received report of inspection and noted recommendations made and the acceptance thereof.

**Training** – Training session on understanding the Council's Financial Statements was provided by LG Futures. The session was open to all members of the Council.