



Report to Council

Date:	27 April 2022
Title:	Annual Report of the Audit and Governance Committee
Relevant councillor(s):	Cllr Richard Newcombe
Author and/or contact officer:	Maggie Gibb, Head of Business Assurance (& Chief Auditor)
Ward(s) affected:	N/A
Recommendations:	Council is asked to note the content of this report
Reason for decision:	N/A

1. Executive summary

- 1.1 This annual report has been prepared to inform Buckinghamshire Council of the work carried out by the Council's Audit and Governance Committee during the 2021/22 financial year. The content and presentation of this report meets the requirements of the CIPFA Audit Committees Guidance 2018 to report to full Council on a regular basis on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

2. Content of report

- 2.1 The Audit Committee is a key part in the Council's governance framework to provide an independent oversight on the effectiveness of the Council's governance, risk, financial management, and internal control arrangements.
- 2.2 The Audit and Governance Committee has met six times during the year:

1. 22 June 2021
2. 28 July 2021
3. 29 September 2021

3. 30 November 2021

4. 25 January 2022

5. 22 March 2022

- 2.3 At each meeting we have reviewed our Forward Work Programme ensuring the work mirrors the level of risks and priorities of the Council. Any actions raised during previous Committee meetings are reviewed for completeness.
- 2.4 Throughout the year, the Committee has continued to receive valued professional reports, support and advice from Corporate Finance, Treasury Management, Risk Management, Procurement, Internal Audit and from our External Auditors.
- 2.5 The Audit and Governance Committee is responsible for approving and monitoring the Council's Whistleblowing Policy, Anti-Fraud and Corruption Policy and Money Laundering Policy.
- 2.6 One of the committee's key responsibilities is to approve the Council's Financial Statements and Annual Governance Statement.
- 2.7 These items were originally due to be presented to the Audit and Governance Committee in November 2021, however due to a combination of factors including staffing issues and being the first year of a unitary authority resulting in additional work around verifying opening balances, they have been delayed. The Financial Statements and Annual Governance Statement will be presented to the committee for approval in May 2022.
- 2.8 Only 9% of authorities across the country completed their accounts by the due date.
- 2.9 There have been increased requirements put on external auditors by the Financial Reporting Council in recent years following some failures within both the public and private sector which has compounded the delay.
- 2.10 The Committee approved the terms of reference for Internal Audit (Internal Audit Charter), the Business Assurance Strategy including the Annual Internal Audit Plan, and the Counter Fraud Plan.
- 2.11 Priorities have been reviewed regularly, and the plan has remained fluid to allow for assurance activity to take place in the highest risk areas. The Audit Manager has continued leading on the assurance arrangements over the Covid-19 grants received by Buckinghamshire Council, and the Investigations Team have assisted with the controls over the payments of business grants.
- 2.12 The Audit and Governance Committee has received updates on the work of the Counter Fraud/Investigations team, including details of successful outcomes, prosecutions and recoveries.



- 2.13 The Risk Management Group is a sub-group of the Audit and Governance Committee and has met seven times during the financial year. The group review the strategic and key directorate risks facing the authority and the internal controls and governance in place to manage those risks to demonstrate how risk management is embedded within Services.
- 2.14 The Audit and Governance Committee is responsible for approving the Risk Management Strategy, and the Risk Management Group monitors the effective implementation of the strategy.
- 2.15 During 2021/22 the Audit and Governance Committee considered a motion relating the Climate Change risk management which had been referred by Full Council. It was agreed by the committee that the Council has already acknowledged the importance of climate change and that the Strategic Risk Register already reflects the risks to the Council's responsibilities associated with climate change. The risk register will continue to be regularly updated by directorates and the Corporate Management Team as the risks change and evolve, and as controls and countermeasures can be improved.
- 2.16 The Audit and Governance Committee undertook the scrutiny role for the development of future Treasury Management strategy prior to its presentation to Council for approval. It also received mid-term and annual reports on the extent of compliance with the approved Treasury Management strategy and an analysis of the performance against the targets set. During the year it recommended the Treasury Management strategy and performance monitoring reports for Council approval.
- 2.17 The Audit and Governance Committee has continued to review the Council's Constitution.
- 2.18 At the meeting of the Audit and Governance Committee on 22 March 2022, a report was presented following CIPFA's External Quality Assessment of Conformance with the Public Sector Internal Audit Standards. The report concluded that the Council's Internal Audit function fully conformed with the standards, and the CIPFA representative stated the following at the meeting:
"In my opinion you have a very good Internal Audit service that has done extremely well in getting itself set up, putting in place appropriate policies and procedures for a new Unitary authority, and at the same time having to support the Council through the issues of the pandemic. I have to say that for a newly formed Internal Audit service, it is one of the best I have seen in a long, long time".

- 2.19 The Chairman of the Audit and Governance Committee would like to thank members and officers who have supported the work of this Committee by presenting, discussing, challenging, and debating solutions to the governance, risk, financial, and control environment of the Council.

3. Other options considered

- 3.1 N/A.

4. Legal and financial implications

- 4.1 There is regular review of financial risks through the Risk Management Group and the Audit and Governance Committee also considered the value for money conclusions of the external auditors.

5. Corporate implications

- 5.1 None

6. Local councillors & community boards consultation & views

- 6.1 N/A

7. Communication, engagement & further consultation

- 7.1 N/A

8. Next steps and review

- 8.1 N/A

9. Background papers

- 9.1 [Audit and Governance Committee agendas.](#)

10. Your questions and views (for key decisions)

- 10.1 If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone 01296 382343 or email democracy@buckinghamshire.gov.uk.