

## Slough Borough Council

<b>Report To:</b>	Council
<b>Date:</b>	25 <sup>th</sup> July 2024
<b>Subject:</b>	Audit and Corporate Governance Committee - Annual Report
<b>Chief Officer:</b>	Annabel Scholes – Interim Executive Director of Finance and Commercial (S151)
<b>Contact Officer:</b>	Sarah Wilson, Assistant Director of Legal and Governance
<b>Ward(s):</b>	All
<b>Exempt:</b>	NO
<b>Appendices:</b>	Appendix 'A' – Annual Report of the Audit and Corporate Governance Committee

### 1. Summary and Recommendations

- 1.1 This report sets out details of the 2023/24 annual report for the Audit and Corporate Governance Committee

#### **Recommendation:**

- 1.2 That Council note details of the 2023/24 annual report of the Audit and Corporate Governance Committee.

#### **Reasons**

- 1.3 The committee is a critical function in a local authority, helping the Council to achieve its objectives by evaluating the effectiveness of governance, risk management and internal control arrangements and promoting good corporate governance. Reviewing what has gone well and what areas there are for focus in the new municipal year are an important part of the committee's role.
- 1.4 To inform this annual report, committee members took part in a self- assessment using the CIPFA evaluation toolkit. This has been used to inform the training and work programme.

#### **Commissioner Review**

The Audit and Corporate Governance Committee ('Committee') works to help ensure that corporate governance, internal controls, risk management and audit systems which underpin the work of the Council are sound, reliable, robust and secure. It is the primary means by which Full Council and the public obtains independent assurance that the control systems are in place and effective.

This annual report gives an overview of the range of work undertaken by the Committee, to enable it to fulfil its terms of reference for the municipal year ended. The report captures key messages in relation to the Committee's progress to date and challenges. The report concludes that "the Committee is still not operating at a standard whereby it can effectively contribute to good governance, effective internal controls and strong public financial management within the Council."

There are several areas where the Council's system of checks and balances are not as robust as required and resources are insufficient. Whilst the Committee's forward work programme should include monitoring of the actions to address these matters and ensure satisfactory progress is being made, management also plays a crucial role in improving reporting, resourcing and providing practical support and training to help the committee stay focused and effective.

The Council should seek assurances that appropriate and prompt action to enable the Committee to work effectively is being prioritised.

## **2. Annual Report**

- 2.1 On an annual basis, the Audit and Corporate Governance Committee should report on their activities during the municipal year including consideration of the areas that they will focus on in the next year too.
- 2.2 In recent years the committee has not produced an annual report and it is unclear to what extent in previous years a detailed self assessment was undertaken to inform the Annual Report. The Committee's Terms of Reference state that to ensure accountability the Committee should publish an annual report on its work.
- 2.3 CIPFA has produced guidance and an evaluation framework to assess the impact and effectiveness of an audit committee. This guidance states that the effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the Council's business. Since the Committee is primarily an advisory body, it can be more difficult to identify how it has made a difference. Evidence of effectiveness will usually be characterised as "influence", "persuasion" or "support". The framework includes ten key principles to inform the evaluation and suggests questions in relation to how proactive the Committee is in seeking assurance and responding to aspects of governance, risk, control and audit that need change or improvement. In addition the Committee should consider to what extent its recommendations are being taken seriously by those responsible for taking action.
- 2.4 Committee members reviewed the draft annual report, which includes a draft work programme and training schedule at its meeting held on 10<sup>th</sup> July 2024 and agreed to recommend it to Full Council for noting. It is accepted that the work programme and training plan are draft plans and are likely to evolve and adapt over the year.

## **3. Implications of the Recommendation**

### **3.1 Financial implications**

- 3.1.1 There are no direct financial implications to this draft annual report.

## 3.2 **Legal implications**

3.2.1 The work and effectiveness of the Audit and Corporate Governance Committee is critical to the Council's improvement journey and to it meeting its best value duty. As stated in its Terms of Reference, the Committee is a key component of the Council's corporate governance. It should provide an independent and high-level focus on the audit assurance and reporting arrangements that underpin good governance and financial standards.

## 3.3 **Risk management implications**

3.3.1 Having in place an annual review process of the work of the committee ensures there is an opportunity to consider any improvement and learning opportunities for the future. This guards against the potential failure to operate an inadequate governance and control framework.

## 3.4 **Environmental implications**

3.4.1 There are no direct environmental implications in this report.

## 3.5 ***Equality implications***

3.5.1 *Section 149 of the Equality Act 2010 requires public bodies to have due regard to the need to:*

- eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and people who do not share it.

## **Background Papers**

None