

## **ANNUAL REPORT OF THE AUDIT & GOVERNANCE COMMITTEE**

### **1 ANNUAL STATEMENT OF ACCOUNTS 2015/16**

The Committee approved and signed the 2015/16 Annual Statement of Accounts for Gloucestershire County Council and the Pension Fund. It was noted that the Authority had a statutory duty to produce the accounts in accordance with CIPFA's Code of Practice. The report provided a summary of the work undertaken during the audit of the Council's accounts. The Committee considered and approved the Letter of Representation which confirmed that the Council had undertaken proper responsibility in relation to its financial activities. The Committee also received the Treasury Management Annual Report.

### **2 ANNUAL GOVERNANCE STATEMENT AND THE LOCAL CODE OF CORPORATE GOVERNANCE 2015/16**

The Council is required under the Accounts and Audit regulations 2015 to produce an Annual Governance Statement (AGS) which is a public statement, detailing how the Council directs and controls its resources. The AGS was signed by the Leader of the Council, Chief Executive and the Chief Financial Officer and was published alongside the Annual Statement of Accounts.

The Council had adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework '*Delivering Good Governance in Local Government*'. The Code is a public statement of the Council's commitment to these principles. The code underpins and evidences the statements made within the AGS and was reviewed and updated annually.

### **3 EXTERNAL AUDIT REPORTS**

The Committee considered external audit reports on Gloucestershire County Council and the Pensions Fund. In response to findings within the reports members asked officers to act on those recommendations and to report back to the Committee on the progress made in addressing them. Grant Thornton concluded that arrangements for achieving value for money were strong. Members of the Committee have received regular updates on Grant Thornton's programme of activity relating to the Council in addition to briefings on the external environment.

### **4 INTERNAL AUDIT ACTIVITY PROGRESS REPORTS 2015/2016**

The purpose of the reports were to inform members of the progress of the internal audit activity in relation to the 2015/2016 Internal Audit Plan, including the opinions provided on the effectiveness of risk identification processes and control mechanisms in place. Members' attention was drawn to the new fraud and irregularity annual reporting requirements under the Local Government Transparency Code. This information would continue to be reported annually to the committee.



**5 INTERNAL AUDIT CHARTER AND CODE OF ETHICS 2016 - 18**

The Committee approved the Internal Audit Charter and Code of Ethics which set out the role, purpose and authority of internal audit within the Council and the required ethical behaviours, as mandated by the Public Sector Internal Auditing Standards 2013 (amended 2015).

**6 APPOINTMENT OF EXTERNAL AUDITORS FOR THE STATEMENT OF ACCOUNTS 2018/19**

The report summarised the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional external audit arrangements at the conclusion of the 2017/18 accounts audits. The report outlined the options for the appointment of the Council's external auditors for the 2018/19 Statement of Accounts and allowed the committee to discuss and if they deemed appropriate, recommend to council the preferred appointment process.

Members felt it was necessary to retain some control and not be tied into long term service agreement, if the service was unsatisfactory. After some discussion, the committee endorsed option 3 for the appointment of external auditors and agreed to recommend to council to opt-in to the Public Sectors Audit Appointment Ltd (PSAA) as the sector led body for the appointment of the council's external auditors from 2018/19.

**7 FREEDOM OF INFORMATION ANNUAL REPORT**

The report drew attention to the significant increase in requests and the complexity. It was noted there had been a continued increase in the volume and complexity of requests the Council received, with 2195 requests received in 2015 compared with 1892 in 2014. The Chief Internal Auditor gave assurances that effective processes were in place.

**8 ANNUAL REPORT ON COMPLAINTS**

The committee received a report detailing the Council's arrangements for handling complaints including the Local Government Ombudsman (LGO)'s Annual Review. The Gloucestershire County Councils revised Complaints Policy was accepted. The committee noted that in 2015/16 the LGO received 62 complaints about the County Council.

**9 MEMBERS CODE OF CONDUCT REVIEW**

The report reminded the committee of the statutory arrangements governing the conduct of elected members. It was noted that the Council had appointed three independent persons who the Monitoring Officer could call on for assistance if necessary. It was reported there had been no reason to convene the Hearings Panel in 2015/16.



The committee discussed the subject of declaring personal and other non pecuniary interests in detail. It was deemed beneficial to remind members of their duty at full council meetings.

## **10 OTHER TOPICS**

Members of the committee welcomed the training sessions which had been offered, including the Audit Effectiveness Review, Accounts, AGS and Treasury Management Training. The committee have found the sessions to be rewarding and informative. Members were advised on the arrangements in place for the identification, monitoring and control of strategic and operational risk operating within the Council and were presented with the Annual Report on Risk Management Activity which highlighted that improved risk management arrangements had resulted in financial savings being achieved in relation to insurance premiums.

*Cllr Nigel Robbins*

*Chairman of the Audit and Governance Committee*

