

Audit and Corporate Overview Scrutiny Committee

Background

This is the first year that the Committee has existed as a combination of the former Audit Committee and Budget Scrutiny Committee. For this reason it was felt that the new committee should use the guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA) '*Audit Committees: Practical Guidance for Local Authorities and Police, 2018 Edition*' to undertake a self-assessment against the good practice framework in the publication.

This self-assessment provided a high-level review that incorporated the key principles set out in CIPFA's Position Statement. Where an audit committee has a high degree of performance against the good practice principles, then it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are considered essential factors in developing an effective audit committee.

From the self-assessment an action plan was produced covering the 8 issues that were identified. The majority of the issues identified could be addressed by:

1. The production of an annual report to Council, detailing the work of the Committee and its achievements from the year.
2. The identification of any potential skill gaps the Committee may have, that could be addressed by training.

The production of this annual report will resolve 6 of the identified issues. The production of the action plan resulting from the self-assessment means a further issue is resolved as long as the action plan is reviewed by the Committee for progress throughout the year. For the final issue, Members have recently been asked to complete a skills gap questionnaire that will be analysed and fed back to the Committee for action during 2022/23. External training opportunities are also being flagged and brought to their attention.

The Role and Purpose of Audit and Corporate Overview Scrutiny Committee

Audit Committees are seen as a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management. The purpose of an audit committee is to provide those charged with governance, independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. By overseeing both internal and external audit, it makes an important contribution to ensuring that effective assurance arrangements are in place.

At Bolsover, this committee is also responsible for receiving and scrutinising the Executive's Budget proposals in accordance with the Budget and Policy

Framework Procedure Rules in the Council's Constitution. More details of the responsibilities of the Committee are set out in the Council's Constitution (Part 3).

Audit and Corporate Overview Committee Business

During 2021/22, Members received a range of reports to Committee. Some have been routine reports for monitoring, others have been linked to development of new policies and others have been to provide information and guidance to help Members of the Committee carry out their role effectively.

During the year the Committee received the following reports:

- Procurement Strategy 2020-2025
- Treasury Management Strategy 2022/23
- Capital Strategy 2022/23
- Corporate Investment Strategy 2022/23
- Corporate Ambitions Performance – quarterly monitoring reports
- Budget Monitoring Reports – quarterly (1, 2, 3 + outturn)
- Corporate Debt Monitoring Performance – annual report 2020/21
- Strategic Risk Register and Partnership Arrangements report
- Report of the Internal Auditor, Summary of progress on the Internal Audit plan– quarterly reports
- Implementation of Internal Audit recommendations – ½ yearly report
- Internal Audit Consortium – annual report 2020/21
- Report to those charged with Governance (audit completion report)
- Results of the external review of Internal Audit
- Assessment of Going Concern Status
- Review of the Internal Audit Charter
- Report of the External Auditor – Auditor's Annual Report 2020/21
- Report of the External Auditor – External Audit progress report
- Revised Budgets 2021/22
- Setting of Council Tax 2022/23
- Proposed Budget, Medium Term Financial Plan (MTFP) 2021/22 – 2024/25
- External review of Internal Audit – action plan progress
- Report of the Internal Auditor, Internal Audit plan approved for 2021/22
- BDC Statement of Accounts 2020/21
- Annual Governance Statement and Local Code of Corporate Governance 2020/21
- Accounting Policies 2021/22
- Report of the Internal Auditor, Internal Audit plan approved for 2022/23
- Audit and Corporate Overview Scrutiny Committee – Self-assessment for effectiveness and resulting action plan
- CIPFA Fraud and Corruption Tracker Survey 2021
- Treasury management briefing by BDC's advisors, Arlingclose

The Committee's Main Achievements/Outcomes

The Committee aims to add value to the organisation through its activity and in particular has:

- Reviewed non-financial performance against the Council's Ambition targets on a quarterly basis and invited officers to attend the Committee meetings to help Members understand where performance was not on target.
- Scrutinised the Medium Term Financial Plan prior to recommending to Executive the budget proposals in accordance with the Budget and Policy Framework Procedure Rules.
- Scrutinised the statement of accounts prior to approval thereby ensuring that they are an accurate reflection of the Council's finances.
- Reviewed the Code of Corporate Governance and approved the Annual Governance Statement to ensure it is a true and fair view of the Council's governance and risk management arrangements.
- Reviewed the strategic risk register to ensure that risks are being appropriately mitigated thus providing additional assurance that risk is being managed appropriately.

Conclusion and Feedback

In conclusion, it is considered that the Committee has made a positive contribution to the Council's overall governance and control arrangements, including risk management. The Committee will carry out a self-assessment on an annual basis to consider its performance against the good practice framework.