



Report of the Head of Democratic Services

Audit Committee – 19 January 2021

Election of the Audit Committee Representative on the Governance Group

Purpose:	This report seeks to appoint a Member representative of the Audit Committee on the Governance Group.
Policy Framework:	None.
Consultation:	Legal, Finance, Access to Services.
Recommendation:	It is recommended that a Member representative of the Audit Committee is appointed onto the Governance Group.
Report Author:	Jeremy Parkhouse
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Background

- 1.1 At the Audit Committee meeting held on 16 September 2019, Tracey Meredith, Chief Legal Officer highlighted the requirement for a Member of the Audit Committee to be a member of the Governance Group.
- 1.2 The Committee agreed to proceed and Councillor L V Walton was appointed as the Audit Committee representative on the Governance Group for 1 year only. The Minute approving the appointment is attached at Appendix 1. Appendix 2 provides the terms of reference of the Annual Governance Group.

2. Appointment of Audit Committee Representative for 2021-22

- 2.1 At the Audit Committee meeting held on 8 December 2020, the election of a Member as the Audit Committee representative on the Governance Group was discussed.

- 2.2. The Committee sought clarification as to whether the appointment was intended to be made annually on a rotational basis or was open to all Audit Committee members on an annual basis. Appendix 1 clarifies the position that there is no requirement to rotate the Member appointment and all Members are eligible for appointment.
- 2.3 The Committee is therefore requested to appoint a representative on the Governance Group.

3. Equality and Engagement Implications

- 3.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 3.2 There are no equality and engagement implications associated with this report.

4. Financial Implications

- 4.1 There are no financial implications associated with this report.

5. Legal Implications

- 5.1 There are no legal implications associated with this report

Background Papers: None.

Appendices: Appendix 1 – Audit Committee Minute No.33 – Annual Governance Statement – 16 September 2019.
Appendix 2 – Governance Group Terms of Reference

Minutes of the Audit Committee Meeting – 16 September 2019

33 Annual Governance Statement.

Tracey Meredith, Chief Legal Officer provided a 'for information' report which updated the Audit Committee on the final version of the Annual Governance Statement included within the Statement of Accounts.

She added that following discussion between the Chair of Audit and the Chief Legal Officer, Audit Committee comments around governance had been incorporated into the finalised Annual Governance Statement attached at Appendix A. The Annual Governance Statement was presented to full Council as part of the Statement of Accounts on 29 August 2019.

She highlighted the requirement for a Member of the Audit Committee to be a member of the Annual Governance Group and outlined that the terms of reference had been drafted and were awaiting approval from the Deputy Chief Executive. She added that the draft terms of reference included oversight of the Senior Management Assurance Statements and assisting in consideration of the significant governance issues going forward. Jason Garcia, Wales Audit Office commented that the role would give independent assurance to the Committee.

Resolved that Councillor LV Walton be elected as the representative of the Audit Committee on the Annual Governance Group for 1 year only.

Governance Group – Terms of Reference

With a view to improving both the Annual Governance Statement and monitoring governance arrangements within the City and County of Swansea, a Governance Group was formed in 2017. The Group initially comprised the S 151 officer, the Monitoring Officer, Richard Rowlands (Corporate Performance) and Simon Cockings (Internal Audit). Simon Cockings latterly dropped out of the group in light of his role as Chief Auditor.

Good progress has been made in re-drafting the Annual Governance Statement including a new format which highlights evidence around the CIPFA Framework. There has also been a focus on highlighting and assessing the level of assurance which can be given as to good governance following advice from the Audit Committee last year.

One of the main pieces of work during the year has been a total overhaul of Management Assurance with new Senior Management Assurance Statements being drafted and used on a twice yearly basis with responsibility for assurance lying with each Director following assessment/discussion with Heads of Service.

As part of their review of the Annual Governance Statement and following discussions with the Monitoring Officer it has been agreed that a member of the Audit Committee should also be part of the Governance Group. This is welcomed by the Monitoring Officer as an additional layer of good governance and assurance.

The Deputy Chief Executive is the lead on governance and assurance and will chair the new governance group. In addition the new group will comprise Richard Rowlands (who is now responsible for production of the Annual Governance Statement), the s 151 officer and the Monitoring Officer, together with a representative from the Audit Committee. The Chief Internal Auditor will be a co-opted for his experience and expertise but not to participate as a direct member of this group only in an advisory capacity. In the event that the Group wish to co-opt additional members that will be done by unanimous agreement.

The remit and terms of reference of the Governance Group will include:

- Enhancing the Annual Governance Statement
- Oversight of the Senior Management Assurance Statements process
- Testing the robustness and detail of the Senior Management Assurance Statements
- Challenging CMT assertions as to governance and assurance levels
- Ensuring that significant governance issues are both identified appropriately and addressed
- Preparation of the Annual Governance Statement and collation of all appropriate evidence

Role of the Audit Member:

The Audit Member will be a full member of the Governance Group contributing to the remit and terms of reference as identified above. The member will have access to all documentation that is provided to the Governance Group including the Senior Management Assurance Statements. Such documentation to be provided on a confidential basis where appropriate. The Member will be invited to all meetings of the Group and is expected to contribute to discussions to ensure that the Annual Governance Statement reflects the governance position within the City and County of Swansea.

The Audit Member will report back to Audit Committee in order to provide the Committee with assurance on the work of the Governance Group as outlined within these terms of reference. However, the ultimate responsibility for the Annual Governance Statement rests with CMT.