

Appendix 1 – Corporate Audit Committee Annual Report

CORPORATE AUDIT COMMITTEE

ANNUAL REPORT TO COUNCIL – APRIL 2023 – MAY 2024

1. INTRODUCTION

The Corporate Audit Committee report annually to Council to provide assurance that it is carrying out its role and responsibilities as recorded in the Committee's Terms of Reference. This report covers the period April 2023 to May 2024.

2. REVIEW OF WORK CARRIED OUT UP TO AND INCLUDING MAY 2024

a. Financial Governance – Annual Accounts (Council & Pension Fund)

- i At the Committee meeting on the 1st November 2023 the Head of Financial Management gave a presentation on the draft Accounts for 2022/23 this was the first introduction to the council's Statement of Accounts to Councillors newly appointed as members of the Committee. The presentation concluded that the external audit of the accounts was still in progress and that the accounts and external audit findings would be presented to the next meeting on 22nd November.
- ii. At the meeting on the 22nd November 2023 the Grant Thornton Engagement Lead presented the Audit Findings Reports for Council and the Avon Pension Fund. Work on concluding the audit was continuing and it was stated that an unqualified opinion would be issued. It was resolved:
 - a) To note the issues contained within the Audit Findings Reports for the Council and Avon Pension Fund;
 - b) to approve the audited Statement of Accounts, including the Letters of Representation for both Bath & North East Somerset Council and the Avon Pension Fund for 2022/23, subject to, any amendments necessary upon quantification of the impacts of any issues arising from the ongoing work by the external auditors.
 - c) that the Chair of the Corporate Audit Committee and the Chief Finance Officer make arrangements to sign the Statement of Accounts for 2022/2023 as representing a "true and fair view" of the financial position as at 31st March 2023, following any amendments necessary upon quantification of the impact of any issues arising from ongoing work by the external auditors.
 - d) if there are any new and significant issues identified before the accounts are signed-off, if necessary, the Chair would email the Committee for information.

b. Financial Governance - Annual Accounts (Council Owned Companies)

- i. In line with the Committee's Terms of Reference at the 1st November 2023 meeting the final approved and signed Aequus Developments Ltd (ADL) and Aequus Construction Ltd (ACL) Accounts for 2022/23 were reviewed. The meeting was attended by the Managing Director – Aequus Group and he

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presented the accounts and answered questions raised by Committee Members. It was resolved that that the audited accounts of ADL and ACL had been reviewed in line with the Committee's Terms of Reference and the audited accounts of ADL, ACL & AGHL (Council wholly owned companies) be noted.

c. Financial Governance – Treasury Management

- i. The Treasury Management Outturn Report 2022/23 was presented to the 5th July 2023 meeting of the Committee which was before the report to Full Council on the 20th July 2023. The Committee noted:
 - a) The Treasury Management Report to 31st March 2023, prepared in accordance with the CIPFA Treasury Code of Practice.
 - b) The Treasury Management indicators to 31 March 2023.
- ii. A Treasury Management Performance Report to 30th September 2023 was presented to the meeting on the 1st November 2023. This report was presented to the Council meeting on the 30th November 2023.
- iii. Committee Members reviewed the Treasury Management Strategy Statement for 2024/25 on the 7th February 2024. This set out the treasury limits in force, treasury management indicators, current position, borrowing requirement, prospects for interest rates and the borrowing and investment strategies. It was resolved to recommend the proposed actions within the Treasury Management Strategy Statement to the 20th February Council meeting; and to note the Treasury Management Indicators (detailed in the Appendix 1 of the Statement).

d. External Audit

- i. On 22nd November 2023 the External Auditor presented their Annual Report covering two periods 2021/22 and 2022/23 (at the meeting of the Committee on 15th March 2023 the External Auditor had explained the issues being experienced by Grant Thornton and therefore the need to delay the Value for Money Report and produce a single report for a two year period). Based on the National Audit Office Code of Audit Practice a more detailed report had to be prepared on the Council's overall arrangements to secure economy, efficiency and effectiveness in its use of resources (Value For Money). Three areas (criteria) were subject to review – financial sustainability; governance; and improving economy, efficiency and effectiveness. In terms of financial stability a significant weakness in arrangements was identified in relation to the Dedicated Schools Grant and be able implement the agreed recovery plan. Two key recommendations were made:
 - 1) The Council needs to take action to address the shortfall in the DSG recovery plan.
 - 2) The Council needs to take action to address the shortfall in the DSG recovery plan.

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In addition improvement recommendations or opportunities for improvement were reported including:

- a. Monitor and report on the amount of non-recurrent savings planned and delivered each year.
 - b. Ensure it takes advantage of the Transformation Programme to consider service redesign and identify savings for 2024/25 and beyond.
 - c. Strengthen the Medium Term Financial Strategy by including more detailed sensitivity and scenario analysis of the key financial risks and key demand pressures facing the Council.
 - d. Its Corporate Risk Register is regularly reviewed by members.
 - e. That member decisions are supported by risk assessments.
 - f. It considers and records within a risk register the risks in relating to the Aequus Group.
 - g. The Aequus Group business plan is reviewed by members annually.
 - h. Performance management arrangements are improved for the Aequus Group.
 - i. It works closely with West of England Combined Authority (WECA) to support (within its remit) the implementation of the required improvements to the governance of WECA (as set out in Grant Thornton's previous governance report on the Combined Authority).
 - j. Ensure that Cabinet receives quarterly performance reports on the Council's strategic objectives, as set out in the Corporate Strategy.
 - k. Define its key partnerships and establish a register of key partnerships.
 - l. The Council should consider reviewing its process for approval of contract waivers, to ensure appropriate independence. In order to ensure transparency and financial oversight the number and extent of waivers should be reported periodically to members at a public meeting, such as Corporate Audit Committee.
- ii. At the 1st May 2024 meeting the External Auditor also presented the External Audit Plans for the Council and the Avon Pension Fund.

The National Audit Office Code of Audit Practice records the responsibilities of the auditors and expectations of the audited body. The external auditor's responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by the Public Sector Audit Appointments (body appointing the Council's External Auditors).

The Audit Plan recorded the purpose, respective responsibilities and scope of the audit work. The external auditor as group auditor is required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to provide an opinion on the group financial statements (including Aequus Developments Ltd & Aequus Construction Ltd).

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Other audit responsibilities recorded in the Plan:

- Verify consistency between financial statements and the Narrative Report and Annual Governance Statement (AGS).
- Verify AGS is in line with CIPFA requirements.
- Verify compliance with duties under legislation.
- Certification of completion of the audit.

e. Corporate Governance

- i. The Accounts and Audit Regulations require the Council to carry out an annual review of its governance arrangements, and to produce an annual statement detailing the results of that review.
- ii. The results of the governance review for 2022/23 were presented to the Committee on 1st November 2023. The Committee was advised of the inclusion of two ‘significant issues’:
 - 1) Inflationary Pressures – Staff, supplies and services costs
 - 2) Children Services – Service demand and cost increases
- iii. On 1st May 2024 the Committee received a report on the ongoing work to compile the 2023/24 Annual Governance Statement (AGS), and linked to that, a recommendation to endorse a revised Local Code of Corporate Governance for the Council. The Committee resolved to endorse the new Local Code and agreed for the Code to be included as an annex to this annual report (see Annex 1). To highlight the differences between the 2024 and 2018 versions of the Code, the 2024 version (Annex 1) records the changes made in red text. The main change is in the format of the Principles Section (Annex 1- Appendix A), which now records ‘what the Council has in place’ rather than just recording the ‘Behaviour and actions that demonstrate good governance in practice’.

When the Council’s Constitution was updated in 2021, the 2018 version of the Local Code was placed in the library of documents. The 2024 version of the Local Code will replace the 2018 version in the library.

The review of the Code carried out as part of the Annual Governance Review considered:

- a) the B&NES Council Corporate Strategy 2023-2027.
- b) the B&NES Council ‘Our Values and Behaviours Framework’ document.
- c) the B&NES Council ‘Protocol on Councillor / Officer Relations’.
- d) the B&NES Corporate Audit Committee’s Terms of Reference.
- e) Department Levelling Up, Housing & Communities Best Value guidance (draft version for consultation)

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f. Internal Audit

- i. The Internal Audit Plan 2023/24 was approved by Committee on the 15th March 2023.
- ii. The Audit and Assurance Annual Report 2022/23 detailing work of the internal audit team and performance against the 2022/23 Internal Audit Plan was presented to the 5th July 2023 meeting. The report also included the formal opinion of the Chief Audit Executive on the Council's internal control framework. It concluded that 'Reasonable Assurance' could be provided over the council's systems of internal control to manage risk, helping to ensure Council priorities can be achieved. The pandemic, the conflict in Ukraine and the related increase in cost of goods and services placed the Council under further financial pressure but the council had responded effectively and proportionately to the challenge.
- iii. At the 1st November 2023 and 7th February 2024 meetings the Audit Committee received updates on completion of the 2023/24 Internal Audit Plan. Changes to the 2023/24 plan were approved. At the February meeting members were also consulted on Internal Audit Plan for 2024/25 and specifically asked for their input on any activity areas or themes that they would like considered for inclusion in the list of audit reviews to form the core work of the internal audit function.
- iv. An audit and assurance report entitled Annual Report of the Chief Audit Executive 2023/24 was presented to the 1st May Committee meeting. The annual report incorporated:
 - a) A 'reasonable assurance' annual opinion on the overall adequacy and effectiveness of the Council's governance, risk, and control framework.
 - b) A summary of the work that supported the annual opinion.
 - c) A statement on conformance with the Public Sector Internal Audit Standards.

g. Risk Management

- i. At its meeting on the 7th February 2024, the Director of One West presented an overview of the Risk Management Strategy and Framework. It was explained that active risk management is an integral component of the council's Local Code of Corporate Governance which is designed to help achieve the council's aspirations, priorities and outcomes. The role of the Cabinet Office to provide guidance on national threats and risk and the council's membership of the Avon & Somerset Local Resilience Forum was explained. In addition local arrangements such as the work of the council officer's Risk Management Steering Group were also described. The council's corporate risk register and its maintenance was explained and discussed. It was agreed that risk management update reports would be provided to the Committee.

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- ii. On 1st May 2024 a report was presented to explain a forward plan to consider particular components of risk management. The first area to be covered was 'Fraud Risk'. The report on 'Fraud Risk' was supplemented by a presentation provided by a member of the Internal Audit Team. The presentation was entitled 'An introduction to fraud and the role of internal audit'.

3. CORPORATE AUDIT COMMITTEE WORK PLAN

A work plan is prepared and presented at each meeting, this plans out the work of the Committee and links it to its terms of reference. Committee Members have the opportunity to comment and refine the workplan at each meeting.

4. MEMBERSHIP AND SUPPORT

- i. Councillor David Biddleston has been Chair of the Committee since July 2023. The other Committee Members are:
 - Councillor Lucy Hodge
 - Councillor George Leach
 - Councillor Sam Ross (Vice Chair)
 - Councillor Malcolm Treby
 - Independent Co-opted Member – John Barker
- ii. The Committee is supported by a number of Officers notably the Service Director for One West, the Chief Financial Officer (S151), Head of Financial Management and the Head of Audit & Assurance.
- iii. The external auditors are currently represented by an Engagement Lead and Audit Managers from Grant Thornton.

5. REVIEW OF EFFECTIVENESS

Finally, the Committee reviewed its effectiveness against the CIPFA Code of Best Practice and have identified some minor improvements to its ways of working and its own Terms of Reference

**Bath & North East
Somerset Council**

Improving People's Lives

Bath & North East Somerset Council Local Code of Corporate Governance 2024



1 Delivering Good Governance

- 1.1 *Delivering Good Governance in Local Government; Framework*, published by CIPFA in association with SOLACE, sets the standard for local authority governance in the UK. The concept underpinning the framework is to support local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that:
- Resources are directed in accordance with agreed policy and according to priorities.
 - There is sound and inclusive decision making.
 - There is clear accountability for the use of those resources, in order to achieve desired outcomes for service users and communities.
- 1.2 Governance is a term used to describe the arrangements (including political, economic, social, environmental, administrative, legal, and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved.
- 1.3 Good governance enables the Council to effectively achieve its intended outcomes, whilst always acting in the public interest. Basically, doing the right things, in the right way, for the benefit of the communities it serves. **The Council's overriding purpose as described in its Corporate Strategy is 'to improve people's lives' and to work to that purpose the following values and behaviours have been adopted:**
- **Bold** – in approach. Be proactive, take action & deliver outcomes.
 - **Empowered** – staff & people. Through knowledge make decisions, are able to challenge and have authority to be enablers.
 - **Supportive** – work together to build trusting relationships to care for individuals and the environment.
 - **Transparent** – honest & accountable to act with integrity, open to criticism.
- 1.4 **The Council recognises that the delivery of its strategic policies and objective cannot be done in isolation. It needs to engage with other statutory bodies and the voluntary and community sector as well as private companies commissioned to deliver services. As such the Council has an interest in ensuring that these partners have in place good governance arrangements.**
- 1.5 The *Delivering Good Governance in Local Government; Framework*, sets out seven core principles of governance as detailed in the diagram below. Bath and North East Somerset Council is committed to these principles of good governance and confirms this through the adoption, monitoring and development of this document - the Council's Local Code of Corporate Governance.
- 1.6 Our Local Code is underpinned by the *Delivering Good Governance in Local Government; Framework* and is comprised of policies, procedures, behaviours and values by which the Council is controlled and governed. These key governance areas and how the Council provides assurance that it is complying with these are set out in more detail within its Governance Assurance Framework.

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- 1.7 The Council recognises that establishing and maintaining a culture of good governance is as important as putting in place a framework of policies and procedures. The Council expects members and officers to uphold the highest standards of conduct and behaviour and to act with openness, integrity and accountability in carrying out their duties.
- 1.8 All Members have an important role to play in representing their constituents, as well as acting together as the Council. Officers serve the Council as a corporate body rather than any political group, combination of groups, or individual member.
- 1.9 Members and Officers should work in an atmosphere of mutual trust and respect. Members determine the Council's policies and Officers are responsible for implementing decisions taken by the Council, Cabinet and / or the appropriate Committee as well as taking decisions delegated to them under the Scheme of Delegation. Legislation requires that certain functions be exercised by a 'proper officer'. The statutory officers with responsibilities and powers to protect good governance are the Head of Paid Service (Chief Executive), Chief Finance Officer (Section 151) and Monitoring Officer and their purpose of appointment is recorded in the Council's Constitution. In discharging these duties all parties should act in an open, honest and transparent manner.
- 1.10 For companies wholly owned, the Council will need to have regard to the accountability and governance framework in place ensuring robust Shareholder Agreements (Reserved Matters Schedule), appropriate Company Structures and reporting on Business Plans, performance and annual accounts.

2. Principles of Good Governance

2.1 This diagram illustrates how good governance is integral to supporting the delivery of the organisation's priorities.



2.2 The principles of good governance therefore describe the outcomes this code is attempting to deliver. The guidance prescribes these as follows –

- **Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.**
- **Ensuring openness and comprehensive stakeholder engagement.**
- **Defining outcomes in terms of sustainable, economic, social and environmental benefits.**
- **Determining the interventions necessary to optimize the achievement of the intended outcomes.**
- **Developing the entity's capacity, including the capability of its leadership and the individuals within it.**
- **Managing risks and performance through robust internal control and strong public financial management.**
- **Implementing good practices in transparency, reporting and audit, to deliver accountability.**

2.3 Further information regarding each of the above principles and the behaviours and actions that demonstrate good governance in practice are detailed at Appendix A

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3 Status

- 3.1 Regulation 6(1)(a) of the Accounts and Audit regulations 2015 (amended 2022) require an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published statement of Accounts. This is known as an Annual Governance Statement.
- 3.2 The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be prepared in accordance with proper practices in relation to accounts. Therefore a local authority in England shall provide this statement in accordance with Delivering Good Governance in Local Government Framework (2016) and this section of the Code.

4 Monitoring and review

- 4.1 The Council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date. This process of review to produce the Annual Governance Statement sets out in more detail how the Council will seek assurance on its adherence to the adopted principles of governance detailed in this code.
- 4.2 On an annual basis, the Chief Executive and Leader of the Council will therefore publish an Annual Governance Statement which will:
- assess how the Council has complied with this Code of Corporate Governance.
 - provide an opinion on the effectiveness of the Council's arrangements.
 - Provide details of how continual improvement in the systems of governance will be achieved.
- 4.3 An important component of the governance review to compile the Annual Governance Statement is the result of inspections and peer reviews / challenge. Being open to inspection is important to good governance.
- 4.4 The Corporate Audit Committee has the following corporate governance responsibility under its Terms of reference:
- To consider, prior to signature by the Leader of the Council and Chief Executive, the Annual Governance Statement (including the list of significant issues for action in the ensuing year), as prepared in accordance with the statutory requirements and guidance; and to monitor progress on the significant issues and actions identified in the Statement.
 - To monitor and promote good corporate governance within the Council and in its dealings with partner bodies and contractors, including review of the Council's Code of Corporate Governance and in any such other ways as the Committee may consider expedient (within the budget agreed by the Council).

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- To consider and make recommendations of any other matters relating to corporate governance which are properly referred to the Committee or which come to its attention e.g. the procurement of External Audit Services, monitoring the governance of Council owned companies.

5 Certification

5.1 We hereby certify our commitment to this Code of Corporate Governance and will ensure that the Council continues to review, evaluate and develop the Council’s Governance arrangements to ensure continuous improvement of the Council’s systems.

Leader of the Council

Chief Executive

Date:

Date:

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law		
Sub Principles	Behaviours and Actions that demonstrate good governance	What the Council has in place
Behaving with integrity	<ul style="list-style-type: none"> • Ensuring members and officers behave with integrity and lead a culture, where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation. • Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles) • Leading by example and using the above standard operating principles or values as a framework for decision making and other actions. • Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively. 	<ul style="list-style-type: none"> • Constitution (* Ref to Constitution Part) • Employee Code of Conduct (* Part 4.6) • General Employment Standards and Rules • Councillor Code of Conduct (* Part 4.2) • Protocol on Councillor / Officer Relations (*Part 4.1) • B&NES ‘Our Values and Behaviours Framework: Improving People’s Lives’ • B&NES Engagement Strategy • Employees Declaration of Interests • Employees Declaration of Gifts / Hospitality • Member Register of Interests (* Part 4.4) • Equality Policy Commitment (January 2019) • Anti-Fraud and Corruption Strategy 2022-2024 • Anti-Bribery & Corruption Policy 2022 • Whistleblowing Policy 2022 • Anti-Money Laundering Policy 2022 • Standards Committee • Policy Development & Scrutiny Panels • Financial Regulations • Contract Standing Orders
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> • Seeking to establish, monitor and maintain the organisation’s ethical standards and performance. • Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation. • Developing and maintaining robust policies and procedures which place 	

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	<p>emphasis on agreed ethical values.</p> <ul style="list-style-type: none"> • Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation. 	
<p>Respecting the rule of law</p>	<ul style="list-style-type: none"> • Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations. • Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. • Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders. • Dealing with breaches of legal and regulatory provisions effectively. • Ensuring corruption and misuse of power are dealt with effectively. 	
<p>Principle B – Ensuring openness and comprehensive stakeholder engagement</p>		
<p>Sub Principles</p>	<p>Behaviours and Actions that demonstrate good governance</p>	<p>What the Council has in place</p>

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<p>Openness</p>	<ul style="list-style-type: none"> • Ensuring an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness. • Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided. • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. • Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action. 	<ul style="list-style-type: none"> • Constitution • Committee Structure (** - see below) • Executive Forward Plan • Committee & Panel Minutes • Decision Making Register • Council website • Transparency and Publication Scheme • Corporate Strategy 2023/27 • B&NES ‘Our Values and Behaviours Framework: Improving People’s Lives’ • B&NES Engagement Strategy • Freedom of Information Request processes
<p>Engaging comprehensively with institutional stakeholder</p>	<ul style="list-style-type: none"> • Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably. • Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively. - Ensuring that partnerships are based on trust 	<ul style="list-style-type: none"> • Complaints Reporting (including report to Standards Committee) • Public Consultations • Parish Charter • Annual Governance Statement (component of the Council’s Statement of Accounts)
	<p>- a shared commitment to change. - a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.</p>	
<p>Engaging stakeholders effectively, including individual citizens and service users</p>	<ul style="list-style-type: none"> • Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes. • Ensuring that communication methods are effective, and that members and officers are clear about their roles regarding community engagement. • Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs. • Implementing effective feedback mechanisms in order to demonstrate how 	<ul style="list-style-type: none"> • Voicebox annual survey – sample of households <p>**Council, Cabinet (sub groups), Overview & Scrutiny, Regulatory Committees, Governance Committees including Standards Committee, Alice Park Trust, Avon Pension Fund Committee / Investment Panel, Avon Pension Fund Board, Charitable Trust Board, Corporate Audit Committee, Restructuring Implementation Committee</p>

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	<p>views have been taken into account.</p> <ul style="list-style-type: none"> • Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity. • Taking account of the impact of decisions on future generations of tax payers and service users 	
<p>Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits</p>		
<p>Sub Principles</p>	<p>Behaviours and Actions that demonstrate good governance</p>	<p>What the Council has in place</p>
<p>Defining outcomes</p>	<ul style="list-style-type: none"> • Having a clear vision, which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation’s overall strategy, planning and other decisions. • Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer. • Delivering defined outcomes on a sustainable basis within the resources 	<ul style="list-style-type: none"> • Corporate Strategy 2023/27 • Economic Strategy (Evidence Base) • Joint Health & Wellbeing Strategy • Treasury Management Strategy • Public Consultations • Medium Term Financial Plan • Annual Budget Setting • Climate Strategy and Action Plan

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	<p>that will be available.</p> <ul style="list-style-type: none"> Identifying and managing risks to the achieve outcomes. Managing service users’ expectations effectively with regard to determining priorities and making the best use of the resources available. 	<ul style="list-style-type: none"> Ecological Emergency Action Plan Committee Report Template (e.g. Climate Change section)
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision. Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation’s intended outcomes and short-term factors such as the political cycle or financial constraints. Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs. Ensuring fair access to services. 	<ul style="list-style-type: none"> Procurement & Commissioning Strategy 2021-24 Think Climate, Think Local, Think Innovation
Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes		
Sub Principles	Behaviours and Actions that demonstrate good governance	What the Council has in place
Determining interventions	<ul style="list-style-type: none"> Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided. Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts. 	<ul style="list-style-type: none"> Risk Management Strategy 2019-2024 Risk Management Toolkit including Risk Registers Public Consultations Medium Term Financial Strategy Capital Programme Capital Strategy Group Procurement Steering Group
	<ul style="list-style-type: none"> Preparing budgets in accordance with objectives, strategies and the medium-term financial plan. 	<ul style="list-style-type: none"> Complaints and Customer Feedback Policy

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	<ul style="list-style-type: none"> Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy. 	
Optimising achievement of intended outcomes	<ul style="list-style-type: none"> Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints. Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term. Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage Ensuring the achievement of ‘social value’ through service planning and commissioning 	
Principle E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it		
Sub Principles	Behaviours and Actions that demonstrate good governance	What the Council has in place
Developing the entity’s capacity	<ul style="list-style-type: none"> Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness. Improving resource use through application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved. Recognising the benefits of partnership working where added value can be achieved. Developing & maintaining an effective workforce plan to enhance the strategic allocation of resources. 	<ul style="list-style-type: none"> Constitution Council’s Integrated Performance Framework Member Induction Clear Review System – staff performance management Learning Zone (intranet training) Response to External Review e.g. External Auditors Audit Findings Report (VFM arrangements)
Developing the capability of the entity’s leadership and other individuals	<ul style="list-style-type: none"> Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body. 	<ul style="list-style-type: none"> Organisational values - bold, empowered, transparent and supportive as communicated through Council’s Corporate Strategy. Employee Induction – e.g. Code of Conduct Protocol on Councillor / Officer Relations (* Part 4.1) Decision Making (* Part 1.12) Staff Survey

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	<ul style="list-style-type: none"> • Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority. 	<ul style="list-style-type: none"> • Employee Assistance Programme
	<ul style="list-style-type: none"> • Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <ul style="list-style-type: none"> - ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged. - ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis. - ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external. - Identifying and developing talent within the Council's workforce. - Developing succession planning. • Ensuring that there are structures in place to encourage public participation. • Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections. • Holding staff to account through regular performance reviews which take account of training. • Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing. 	

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Principle F – Managing risks and performance through robust internal control and strong public financial management		
Sub Principles	Behaviours and Actions that demonstrate good governance	What the Council has in place
Managing risk	<ul style="list-style-type: none"> • Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making. • Implementing robust and integrated risk management arrangements and ensuring that they are working effectively. • Ensuring that responsibilities for managing individual risks are clearly allocated. 	<ul style="list-style-type: none"> • Constitution (*) • Risk Management Strategy • Risk Management Toolkit incl Decision Making • Corporate Risk Management Group (Officer Group) • Committee Report Template • Corporate Risk Register and Service Risk Registers • Cyber Security Group • Integrated Performance Reporting • Council Strategic Indicator Reporting • Internal Audit Service • Corporate Audit Committee • Financial Regulations • Contract Standing Orders • Comprehensive framework of Information Governance Policies: Data Protection, Acceptable Use, Information Security, Information Sharing, and Security Incident Management Policy. • Information Sharing Agreements with public sector partners • Appointed Chief Finance Officer (S151 Officer)

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<p>Managing performance</p>	<ul style="list-style-type: none"> • Monitoring service delivery effectively including planning, specification, execution and independent post implementation review. • Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook. • Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation’s performance and that of any organisation for which it is responsible (Or, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making. • Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement. • Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements). 	<ul style="list-style-type: none"> • Internal Audit Service • Corporate Audit Committee • Financial Regulations • Contract Standing Orders • Quarterly and Annual Performance Cabinet Reporting • Digital, Data & Technology Strategy
<p>Robust internal control</p>	<ul style="list-style-type: none"> • Aligning the risk management strategy and policies on internal control with achieving objectives. • Evaluating and monitoring risk management and internal control on a regular basis. • Ensuring effective counter fraud and anti-corruption arrangements are in place. • Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. • Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: <ul style="list-style-type: none"> - provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment. - that its recommendations are listened to and acted upon 	
<p>Managing data</p>	<ul style="list-style-type: none"> • Ensuring effective arrangements are in place for the safe collection, 	

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	<p>storage, use and sharing of data, including processes to safeguard personal data.</p> <ul style="list-style-type: none">• Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.• Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.	
<p>Strong public financial management</p>	<ul style="list-style-type: none">• Ensuring financial management supports both long term achievement of outcomes and short- term financial and operational performance.• Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and control.	
<p>Principle G – Implementing good practices in transparency, reporting and audit to effective</p>		

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accountability		
Sub Principles	Behaviours and Actions that demonstrate good governance	What the Council has in place
Implementing good practice in transparency	<ul style="list-style-type: none"> • Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate. • Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand. 	<ul style="list-style-type: none"> • Website • Public Consultations • Corporate Audit Committee • Chief Audit Executive Annual opinion (Internal Audit) • External Audit Annual Report • Statement of Accounts including Annual Governance Statement • Cyber Security Group • Integrated Performance Reporting • Council’s Corporate and Staff Engagement Strategies • Council Strategic Indicator Reporting • Internal Audit Service
Implementing good practices in reporting	<ul style="list-style-type: none"> • Reporting at least annually on performance, value for money and stewardship of its resources to stakeholders in a timely and understandable way. • Ensuring members and senior management own the results reported. • Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the Annual Governance Statement) • Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate. • Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations. 	
Assurance and effective accountability	<ul style="list-style-type: none"> • Ensuring that recommendations for corrective action made by external audit are acted upon. • Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon. • Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. • Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the Annual Governance Statement. • Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met. 	

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