

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>28 SEPTEMBER 2023</b>
<b>Report Title:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT 2022/23 - DRAFT</b>
<b>Report Owner / Corporate Director:</b>	<b>CHAIR OF THE GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Responsible Officer:</b>	<b>ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• The Governance and Audit Committee is required to approve an Annual Report for presentation to Council.</li> <li>• This report demonstrates how the Committee has met its terms of reference as per the Council's Constitution as set out by the Local Government Measure 2011 and the Local Government and Elections (Wales) Act 2021.</li> <li>• The Committee has achieved this by concentrating on its core responsibilities during 2022-23.</li> <li>• The outcome of the 2022-23 self-assessment process, consistent with previous years, demonstrates that the Council has sound arrangements in place in respect of its Governance and Audit Committee, noting that the level of knowledge and experience of members was good or satisfactory.</li> </ul>

## **1. Purpose of Report**

- 1.1 The purpose of the report is to present the Governance and Audit Committee's Annual Report for the Committee to determine whether it forms a balanced summary of the work undertaken by the Committee during 2022-23 and to approve its presentation to full Council.

## 2. Background

- 2.1 The Council's Governance and Audit Committee has responsibility for ensuring that there are procedures in place to guarantee the adequacy and effectiveness of financial control and corporate governance arrangements.
- 2.2 A key component of good governance for all organisations is to have in place a Governance and Audit Committee. Bridgend County Borough Council complies with this requirement; the Terms of Reference of the Committee, as included within the Council's Constitution, are set in line with the Local Government Measure 2011 and the Local Government and Elections (Wales) Act 2021. The responsibilities of the Governance and Audit Committee, as required by the above legislation, are included in **Appendix 1** of the Annual Report (**Appendix A**).
- 2.3 The Governance and Audit Committee and its Members are required to:
- Report to Council on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
  - Report to Council on an annual basis and to publish an annual report on the Committee's work, its performance in relation to its Terms of Reference and its effectiveness in meeting its purpose including a conclusion on compliance with Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement on audit committees.
- 2.4 The Local Government and Elections (Wales) Act 2021 determined that former Audit Committees would be re-named Governance and Audit Committees and from May 2022 the chair of the Governance and Audit Committee had to be a lay member and that one third of its membership had to be lay members. Bridgend's Governance and Audit Committee had its full quota of 4 lay members and 8 elected councillors during 2022/23. The Committee held 6 meetings during the municipal year.
- 2.5 The Governance and Audit Committee focused on its core responsibilities:
- Reviewing the draft financial statements;
  - Scrutinising and being satisfied with the Council's Annual Governance Statement, to demonstrate how governance supports the achievement of objectives, and monitor management action in-year to further improve arrangements;
  - Monitoring the Council's internal audit function in terms of overseeing independence, objectivity, performance and professionalism, through the regular reporting of performance and finalised audit assignments;
  - Considering the effectiveness of the authority's risk management arrangements;
  - Considering reports and recommendations of external audit in respect of the Council;
  - Supporting the ongoing development and effectiveness of Governance and Audit Committee; and
  - Ensuring compliance with legal requirements, namely the Local Government and Elections (Wales) Act 2021, in respect of overseeing the Council's performance assessment and the arrangements for handling complaints.

### **3. Current situation / proposal**

- 3.1 This report at **Appendix A**, sets out the Governance and Audit Committee's Annual Report for 2022/23, how it has complied with its terms of reference, and outlines its performance during the year, together with a self-assessment against the CIPFA publication 'Audit Committees – Practical Guidance for Local Authorities & Police 2022 Edition'.
- 3.2 The outcome of the 2022-23 self-assessment process, consistent with previous years, demonstrates that the Council has sound arrangements in place in respect of its Governance and Audit Committee, noting that the level of knowledge and experience of members was good or satisfactory.

### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

### **6. Climate Change Implications**

- 6.1 There are no safeguarding or corporate parent implications arising from this report.

### **7. Safeguarding and Corporate Parent Implications**

- 7.1 There are no safeguarding or corporate parent implications arising from this report.

### **8. Financial Implications**

- 8.1 There are no financial implications arising from this report.

### **9. Recommendations**

- 9.1 It is recommended that the Governance and Audit Committee review its draft Annual Report and approve the Governance and Audit Committee's Annual Report and its presentation to full Council.

## **Background documents**

Local Government Measure 2011

Local Government and Elections (Wales) Act 2021

CIPFA publication 'Audit Committees – Practical Guidance for Local Authorities & Police 2022 Edition'

Bridgend CBC Governance and Audit Committee agendas and minutes for 2022/23