

<b>Report to</b>	Governance and Audit Committee
<b>Date of meeting</b>	20 <sup>th</sup> September 2023
<b>Lead Member / Officer</b>	Gary Williams, Corporate Director: Governance and Business
<b>Report author</b>	Gary Williams, Corporate Director: Governance and Business
<b>Title</b>	Draft Annual Report of Governance and Audit Committee

## **1. What is the report about?**

1.1. This report is about the draft annual report of the Governance and Audit Committee to Council.

## **2. What is the reason for making this report?**

2.1. For the Committee to consider and comment upon the draft report and appendices attached as Appendix 1 in order that a final version be submitted to council in November 2023.

## **3. What are the Recommendations?**

3.1. That the Committee approves the draft report and appendices attached as Appendix 1 subject to any suggested amendments agreed by the Committee.

## **4. Report details**

4.1. The Council is statutorily required under the provisions of the Local Government Wales Measure 2011, as amended, to have a Governance and Audit Committee. The Committee is the Council's designated committee for this purpose. The statutory role of the Audit Committee is to:

- review and scrutinise the authority's financial affairs,
- make reports and recommendations in relation to the authority's financial affairs,

Mae'r ddogfen hon ar gael yn Gymraeg. This document is available in Welsh.

- review and assess the risk management, internal control and corporate governance arrangements of the authority and make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements
- oversee the authority's internal and external audit arrangements,
- review the financial statements prepared by the authority
- review and assess the authority's ability to handle complaints effectively and make reports and recommendations on that ability (since May 2022)

The Committee is also the body that is responsible for keeping the Constitution under review.

4.2. Prior to May 2022, the Committee was comprised of six elected members and a lay member. The Chair of the Committee at this time was Cllr Barry Mellor. This conformed to the requirements of the legislation in force at that time.

4.3. The Local Government and Elections (Wales) Act 2021 amended the position. The law now requires that a third of the Committee's members must be lay members. There are therefore six elected members on the Committee and three lay members. There is also a statutory requirement that the Chair of the Committee must be a lay member. The current Chair of the Committee is Mr. David Stewart.

4.4. Each meeting of the Committee is attended by the Council's s151 Officer, Monitoring Officer and Head of Internal Audit or their representatives. In addition, each meeting is attended by officers of Audit Wales.

4.5. This report covers the periods 2020/21, 2021/22 and 2022/23. This is as a result of the annual reports for 2020/21 and 2021/22 being delayed.

4.6. A brief overview of the Committee's business over those periods is contained in the appendices to this report.

4.7. The edition of this report to be presented next year (in respect of 2023-24), as well as setting out how the Committee has met its terms of reference, will also include the results of the Committee's annual self-evaluation of its effectiveness against the 'Position Statement: Audit Committees in Local Authorities and Police' and associated guidance, which was published by the Chartered Institute of Public Finance and Accountancy in 2022. This will enable the Committee to raise any concerns it may have had during the year, what it has done to escalate these and/or make recommendations as necessary.

## **5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?**

5.1. The Committee performs an important role in respect of the Corporate Plan theme of a well-run high performing Council.

## **6. What will it cost and how will it affect other services?**

6.1. There are no direct costs associated with this report.

## **7. What are the main conclusions of the Well-being Impact Assessment?**

7.1. No assessment is required for this report.

## **8. What consultations have been carried out with Scrutiny and others?**

8.1. There have been no consultations with Scrutiny or others for the purposes of this report

## **9. Chief Finance Officer Statement**

9.1. The Governance and Audit Committee plays a key role in helping to ensure Denbighshire is a well-run Council as summarised in Section 4 and detailed in the report. This report has no direct financial impact.

## **10. What risks are there and is there anything we can do to reduce them?**

10.1. The risk of not having an effective Governance and Audit Committee is that there may be a lack of oversight of the Council's corporate governance which is a key component of good performance. Weak corporate governance can contribute to failures in service delivery.

## **11. Power to make the decision**

11.1. The Council's Constitution requires an annual report to be made by the Committee.