

Action Plan – Review of Effectiveness of the Governance and Ethics Committee

<u>No</u>	<u>Recommendation</u>	<u>FAGG Suggested Approach</u>	<u>Officer responsible</u>	<u>Progress update for G&E (April 2021)</u>
1	Review and consider adoption of the suggested Terms of Reference, including clear reporting lines and an explanation of the accountability of the Committee. Terms of Reference should be shared with new members upon appointment.	<p>MF will review the current ToR of the Committee compared to the best practice example (Appendix C of the original report). Revised ToR then to be included on the Forward Plan for Committee approval.</p> <p>FAGG recommends that the scope of the Committee’s work should encompass other areas suggested in the CIPFA guidance – Partnership governance oversight and Treasury Management. If these changes are agreed by G&E, there would need to be a discussion between the Chair of the Committee and the Chief Executive.</p> <p>MF will ensure any new members of the Committee appointed in future years will be provided with a copy of the ToR at time of appointment.</p> <p>The Revised Terms of Reference (once adopted) will be included on the first agenda of the new Municipal Year to ensure that they continue to be fit for purpose.</p>	MF	<p>Revised ToR presented to Committee in November 2020.</p> <p>Implemented</p>

APPENDIX A

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2	<p>Undertake an evaluation of the skills and competencies of all members of the Committee using the suggested framework from the guidance (which is provided at Appendix C of the guidance document).</p> <p>Consider the most effective size for the Committee, if knowledge and interest are in short supply then a larger committee may not be effective. Consider co-opting an independent member with relevant skills / experience.</p>	<p>Knowledge and Skills Framework Questionnaire has been compiled, to be issued annually to each G&E member, to identify any training needs. (implemented)</p> <p>FAGG agreed to put forward a recommendation that there should be an independent member on the committee. The Democratic and Electoral Services Manager has asked South East Employers if they could issue a mini survey to local authorities they support asking if they have appointed independent person(s) to the audit committee and if so do they get paid, how much do they get paid, do they have a job description that they use to recruit the person (could this be shared) and how do they go about recruiting them. (Work in progress)</p>	Member Services Officer	<p>JG has compiled a questionnaire using the CIPFA knowledge and skills framework document.</p> <p>Job Description/ advert compiled for an independent person – timeframe for completion – summer 2021</p>
3	Use the outcomes of the evaluation of skills to inform a mandatory programme of training and development of members, commencing with general induction training for all members on the content of the guidance and	There is already training established for members appointed to the G&E covering corporate induction and standards Committee training. Also sessions have been undertaken covering Internal Audit, Financial statements and Risk Management. The review identified that more	JG drafted a more comprehensive training programme	Draft Training Schedule Prepared Implemented

APPENDIX A

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	<p>the key roles and responsibilities of members, and then developing into regular training to assist members in understanding their role and developing skills over time.</p> <p>This may include coverage of: sources of assurance, and assurance processes; external audit cycle and threats to an effective external audit / understanding the nature and risk of the key judgements made by external auditors; risk management processes and risk appetite.</p>	<p>detailed training on these more specialist areas is required to give members the knowledge and understanding of the processes to more effectively challenge and question the information presented, and decide if they require more information.</p> <p>JG has set up an outline training programme covering more detailed/focussed training for Internal Audit, which has been shared with other managers so they can add more comprehensive training covering the Council's Financial Statements/External Audit and Risk Management.</p> <p>This schedule of training will be further refined if required once the skills assessment has been undertaken and this identifies other training requirements.</p> <p>Opportunities for external training also to be considered e.g. CIPFA provide Audit Committee member training.</p>	<p>covering Internal Audit.</p>	
4	<p>Consider supporting awareness sessions to reflect the role and responsibilities of the Committee as suggested by the guidance, and ensuring that all Council members, even those who do not serve on the Committee,</p>	<p>Discussion held around the possibility of opening up the overview training provided to new G&E members so that all members have the opportunity to attend.</p> <p>Discussion around member communication/training generally, and the option to issue something for all</p>	MF	<p>Partially Implemented – to be in place by summer 2021</p>

APPENDIX A

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	fully understand its role, purpose and importance.	<p>members about the various committees and an overview of their roles, which will raise the profile of the committee – to be discussed/agreed by the Member Development Group.</p> <p>MF comment - This is already done as part of the induction training for new members.....we can ensure that it is on the induction training again post the next election.</p>		
5	Undertake annual and ongoing self-review by the Committee of its own effectiveness, using a tool such as the recent questionnaire completed by Internal Audit as part of this review. Report the results to the Committee and develop appropriate actions to address areas for development.	<p>a) A Committee Annual self-assessment is incorporated into the Forward Plan;</p> <p>b) The report prepared for recommendation 6 below, together with new member surveys are used as a basis of assessing performance over the previous year.</p>	Once a decision has been made who will have ownership of this MF/JH	Summer 2021 - Will be incorporated as part of preparing annual reports for 2020/21
6	Produce an annual report summarising the work undertaken by the Committee and reflecting on its own performance and development activities. Consider making the report available to the public.	<p>There is a report that goes to Full Council covering some of the work undertaken by the Committee - this is incorporated into the Monitoring Officer's Annual report so only looks at the standards element.</p> <p>Current MHCLG review into local authority financial reporting and external audit may result in requirements</p>	MF/JH	Summer 2021 - Will be incorporated as part of preparing annual reports for 2020/21

APPENDIX A

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		<p>for external audit results to be reported to Full Council, not just the Governance and Ethics committee. Therefore FAGG suggests a brief report (1 page) of work undertaken by the Governance and Ethics Committee is prepared and the external auditor's audit letter attached, and presented to Full Council.</p> <p>Forward Plan is only drawn up from scheduled officer reports, there isn't a pro-active work programme developed.</p> <p>MF comment - I am happy to support this work and prepare the report but I believe that as with other areas of the Council the Forward Planning should be done in consultation with the Chairman, Vice Chairman and JH.</p> <p>Need a decision from committee as to whether the annual report on performance is to be published.</p>		
7	<p>Review specific areas highlighted by the internal audit response to the questionnaire (appendix A of original report):</p> <p>(i) Consider the means by which feedback is obtained from senior officers in respect of Internal Audit, to support the IA QAIP. This may be done by conducting/sponsoring an annual</p>	<p>JG compiled the following suggestions:-</p> <p>(i) A satisfaction survey is sent out after each audit is completed. This has been the process for many years, and there has been a low response rate from corporate service for a long time, there is a higher proportion from schools. Audit Manager believes the main reason for the surveys not being returned</p>	<p>(i) JG (ii) CB (iii) JG</p>	<p>Part (i) Implemented</p> <p>Part (ii) – to be actioned by summer 2021</p> <p>Part (iii) Work in progress –</p>

APPENDIX A

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	<p>survey of Heads of Service; also by engaging with more senior officers and holding senior officers to account more robustly over their internal control arrangements and timely progress against recommendations, as this would promote discussion and awareness of the internal audit process and relevance;</p> <p>(ii) Consider how the Committee will assess and challenge the effectiveness of the Council's risk management framework and arrangements. This may be done by reviewing changes in the risk profile (top risks) since the previous meeting, challenging timeliness in setting and completing risk mitigation actions, and also in challenging risk appetite by engaging with relevant senior officers.</p> <p>(iii) Consider how the Committee will assess and challenge anti-fraud arrangements (possibly as part of the review of risk management), and how they wish to be advised of actual, suspected or alleged fraudulent activity. This may be done by receiving and reviewing formal progress reports from</p>	<p>is because the same Heads of Service have been in post for quite a few years, and there are usually at least a couple of audits per service each year, so most HoS will have submitted responses previously.</p> <p>Suggest only annual surveys are sent out to corporate services, but individual ones retained for schools. Internal Audit to report on responses received annually as part of the Annual Assurance Report.</p> <p>(ii) CB to discuss with G&E members whether they would like more information as part of his risk management update reports.</p> <p>(iii) Risk Management arrangements covering fraud will be reviewed as part of the Risk Management audit which is currently underway. Depending on the findings/recommendations in this area there may need to be changes in how fraud risk is identified/recorded in order to provide the committee with assurance on how this area is managed.</p> <p>The Audit Manager will provide half-yearly updates on the progress made against the Counter Fraud Work Plan.</p>		<p>Audit of Risk Management undertaken, currently in consultation. Completion estimated to be summer 2021</p>

APPENDIX A

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	the Internal Audit Manager in respect of the counter fraud plan, including investigation work.			