

Audit & Governance Committee Supplementary Agenda



5. **Audit & Governance Committee Action Log** (Pages 3 - 6)
To note the Audit & Governance Committee Action Log.

6. **Audit & Governance Committee 2024/25 Work Programme and Assurance Mapping Document** (Pages 7 - 16)
To review the Audit & Governance Committee Work Programme 2024- 25 alongside the Committee Assurance Mapping Document.

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Audit and Governance Committee Action Log

Date of meeting	Action	Minute ref.	Deadline	Progress
19 January 2023	Benchmarking data on Whistleblowing incidences at other Councils to be included in future reporting.	29/22	June 2024 meeting	Feb 2024: Agreed to provide comparison data in future reporting. Agreed to include alternative routes of escalation (e.g. the Guardians Programme) in next whistleblowing report. July 2024: Still outstanding
02 February 2023	Previously shared dashboard style reporting illustrating the movement of risks to be brought to Committee.	34/22	June 2024 meeting	July 2024: This is the risk summary report being presented to the 18 July Committee.
02 March 2023	Prioritisation of recommendations to be included in future opening the books reporting and action tracker.	40/22	June 2024 meeting	Prioritisation to be undertaken and included in the next Revenue & Capital Monitoring Improvements report. July 2024: Action complete, included in the report.
02 March 2023	Committee to receive quarterly MTFS tracker to monitor budget variances.	41/22	Ongoing	Link to future Financial Performance Reports to be included in the Committee Action Log. July 2024: https://www.croydon.gov.uk/sites/default/files/2024-04/2023-24-period-10-financial-performance-report.pdf
02 March 2023	Development of process to involve the Cabinet Member for Finance in resolving recurrent internal audit actions whilst ensuring visibility to the Committee.	42/22	Ongoing	Amending audit protocol to include escalation to KK for lack of responses to reports and to later be expanded to include follow ups. Once in place further escalations are being considered.

				July 2024: Ongoing
20 April 2023	Risk Management Reporting to include risk movement and time spent as red. Ensure future control dates are not in the past.	53/22	June 2024 meeting	<p>This is the risk summary report being presented to the 18 July Committee for the first time.</p> <p>July 2024: Future control dates not in the past. This is much improved, and details of all risks and all controls are being presented to the 18 July Committee for the first time.</p>
20 July 2023	Future Energy Recharges reporting to include monetary values.	7/22	September 2024 meeting	
19 October 2023	Anti-Fraud Update: The Committee requested updates on Anti-Fraud engagement with Registered Social Landlords.	30/22	April 2024 meeting	<p>July 2024: On the 27/06/2024, CFSS delivered a fraud awareness training session to Croydon Churches Housing Association, which was tailored to the RSL sector and touched on policy considerations to prevent and detect fraud, as well as what options they had for carrying out basic investigations into tenure breaches and when these would be considered possible fraud and then what information we need and expect to receive as the Local Authority for a good quality referral, and how to refer matters to us and/or get pre-referral advice. They were very positive about having received the session.</p> <p>Another session of this nature is booked in with Hexagon Housing association, on the 7th of August 2024, with CFSS.</p>
1 February 2024	AGS 2022/23 Update: The committee requested the future Internal Audit test date to be included in the tracker for those actions marked complete.	48/24	September 2024 meeting	

1 February 2024	<p>AGS 2022/23 Procurement and Contract Management:</p> <p>The improvement plans would be shared once finalised.</p>	48/24	June/July 2024	<p>April 2024: The draft improvement plans for both Procurement and Contract management were issued at the end of March 2024. Once these have been through formal consultation and agreement with CMT, the Mayor, Cllr Cummings and the Improvement Panel, then we will release the documents to scrutiny for information. The above is likely to take 2- 3 months to complete.</p> <p>July 2024: The improvement plan was completed in June 2024 and was approved for implementation. To start staff consultation at the end of June, which is ongoing.</p>
11 April 2024	<p>Committee Annual Report 2023/24 to include self-assessment of effectiveness. This would require input from the Committee. Development work throughout the year including the risk work with wider members and the committee's assurance mapping workshop would be captured. The Independent Chair and Head of Internal Audit agreed to discuss next steps regarding the Committee Annual Report during their one-to-one meeting.</p>	70/24	May 2024 (due at June 2024 meeting – now July 2024)	<p>July 2024: Draft Committee Annual Report on July meeting agenda.</p>
11 April 2024	<p>External Auditor Report 22/23 Recommendations: Committee self-assessment using CIPFA checklist to be circulated to all committee members for review.</p>	71/24	May 2024	<p>July 2024: this was circulated to Members in May, awaiting responses from several Members.</p>
11 April 2024	<p>Anti-Fraud EOY Report: Agreed to provide comparison data on progress, outcomes and performance in the 24/25 end of year report. The Committee requested</p>	72/24	April 2025 meeting	<p>July 2024: Still on track.</p>

	narrative on VFM and cost benefit analysis regarding anti-fraud activities.			
11 April 2024	Risk Management Report: It was suggested the Committee could invite risk champions to a future committee meeting.	73/24	Tbc by Committee	July 2024: Suggested for the September 2024 meeting, by agreement with the Chair.
11 April 2024	Oracle Business Case Update: Teams would provide a demo workshop of some improvements to the Committee in Autumn 2024.	74/24	October 2024 meeting	

Audit and Governance Committee

(Membership 9: one independent, suitably qualified Chair who may not be a Member or officer of the Council and one independent, suitably qualified co-optee)

Purpose

The Audit and Governance Committee provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. The Committee's purpose is to:

1. provide independent assurance to the Council of the adequacy of the risk management framework and the internal control environment;
2. oversee internal and external audit, helping to ensure that efficient and effective assurance arrangements are in place;
3. provide independent review of the Council's governance, risk management and control frameworks
4. oversee the financial reporting and annual governance processes and
5. provide independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment.

Governance, risk and control

1. To monitor the effective development and operation of the Council's risk management arrangements, the control environment and associated anti-fraud, whistleblowing and anti-corruption, strategies, actions and resources. To consider a quarterly report on whistleblowing activity in the Council..

Sources of Assurance:

Risk:- Regular risk updates. *The Committee should be able to sense check these updates using deep dives, the Annual Governance Statement, Internal Audit reports and their own knowledge of the Council and economy.*

Anti-Fraud: Regular anti-fraud updates and approval of the annual anti-fraud proactive plan.

Whistleblowing: The quarterly report on whistleblowing.

2. To monitor progress in addressing risk-related issues reported to the committee. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

Sources of Assurance:

Risk:- Regular risk updates. *The Committee should be able to compare successive reports and the actual and proposed controls to monitor progress.*

Internal Control effectiveness: Regular Internal Audit updates. *The results of audit work will provide the Committee assurance over this, as Internal Audits seeks assurance over the design and effectiveness of controls, as well as compliance.*

3. To consider the Council's framework of assurance, including the Statement on Internal Control, and ensure that it adequately addresses the risks and priorities of the Council. To review the Council's corporate governance arrangements against the good governance framework and consider the local code of governance. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances.

Sources of Assurance:

Framework of Assurance: Provided as part of the preparatory documents for the Annual Governance Statement process. *These documents include the governance framework, Code of Governance and Director Assurance Statements.*

Statement of Internal Control: Annual Governance Statement review. *The AGS superseded the SIC. The Committee will compare the AGS against the annual HoIA (Head of Internal Audit) report and knowledge which they have gleaned from risk and anti-fraud updates.*

4. To review the governance and assurance arrangements for significant partnerships or collaborations. To ensure appropriate arrangements are in place in relation to any subsidiary bodies controlled by the Council.

Sources of Assurance:

Significant partnerships/collaborations/subsidiary *The Committee can gain assurance from a variety of sources, including risk register reviews, deep dives, Internal Audit work, External Audit reports and the Annual Governance Statement, but there is no one document/report to the Committee on this.*

Plus Scrutiny Committee minutes.

5. To consider the effectiveness of the Council's policies, standards and processes for transparency, ensuring that they meet Government requirements and take into account best practice.

Sources of Assurance:

Council policies, standards and processes for transparency: I am not aware of any *specific document/report to the Committee on this, although some audits will include this as a focus. There is also the Committee's work with Scrutiny.*

Plus Scrutiny Committee minutes

Internal audit

6. To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

Sources of Assurance:

Value for Money: Both Internal and External Audit reports. *The Committee will gain assurance from audit reports, where vfm issues are not reported, as well as the external auditors vfm opinion.*

Additional reports on culture and achieving best value

7. To approve the internal audit charter.

Sources of Assurance:

Internal Audit charter: This is presented to the Committee Annually, usually in March every year.

8. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To periodically review safeguards to limit such impairments.

Sources of Assurance:

Appointment of external providers: This is not due, but will be reported when due.

Independence: Internal Audit strategy, Internal Audit Charter and the Head of Internal Audit Annual report. *The Committee will agree the Strategy and Charter looking forwards and gain assurance looking backwards from the annual Head of Internal Audit report, which is required to report any conflicts etc.*

9. To review (but not direct) internal audit's risk-based strategy, plan and resource requirements, the approach to using other sources of assurance and any work required to place reliance on those other sources. To approve significant interim changes to the risk-based internal audit plan and resource requirements.

Sources of Assurance:

Audit Plan: This is presented to the Committee Annually, usually in March every year. *The Committee will be able to assess the coverage of the annual plan, the accompanying resource requirements and the approach to using other sources of assurance. Any significant changes (which would include a significant reduction in days or other significant changes rather than the addition, deferment or omission of some audits) to the plan should be brought to the Committee, and the Annual Head of Internal Audit report will report on changes to the plan that may have occurred.*

10. To review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary. To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

Sources of Assurance:

Internal Audit reports : Quarterly Internal Audit updates and the Annual Head of Internal Audit report. *Based on these reports, the Committee should ask management for assurance that key risks / issues are being dealt with. This should partly be reflected in the progress of action plans being cleared and partly with risks and accompanying actions on the risk register. The Council's Annual Governance Statement will also help inform action/s being taken.*

11. To receive the annual report of the Head of Internal Audit and make recommendations as appropriate to management, Cabinet and/or Full Council. To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services and make recommendations as appropriate to management, Cabinet and/or Full Council.

Sources of Assurance:

Internal Audit reports : Quarterly Internal Audit updates and the Annual Head of Internal Audit report.

12. To advise and recommend on effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.

Sources of Assurance:

Relationships between Internal, External Audit and other bodies: No specific papers.

The Committee should consider and, where appropriate, seek these assurances verbally when presentations are made by these respective parties.

13. To contribute to the Quality Assurance Improvement Programme and in particular to the external quality assessment of internal audit.

Sources of Assurance:

External quality Assessment: Presentation of the completed EQA.

This is a process that should occur every 5 years. The Committee (and in particular the Chair) will be asked to contribute towards this.

14. To provide free and unfettered access to the Committee Chair for the head of internal audit, including the opportunity for a private meeting with the Committee.

Sources of Assurance:

Unfettered access: Bi-weekly meetings with the Chair and the Head of Internal Audit.

External audit

15. To consider the external auditor's annual assessment of its independence and review any issues raised by Public Sector Audit Appointments Ltd.

Sources of Assurance:

External Audit independence: External Audit Fee updates, interim and year end reports. Ad hoc reports by PSAA, if any.

16. To make recommendations to Council relating to the appointment of the external auditor.

Sources of Assurance:

External Audit appointment: Report recommending use of PSAA for External Audit appointment, which is every 5 years.

17. To consider the reports of external audit and inspection agencies and make recommendations as appropriate to management, Cabinet and/or Full Council. To review the external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.

Sources of Assurance:

External Audit Reports: External Audit interim, year end and other ad hoc (such as RIPI) reports

Other inspection reports: Ombudsmen reports.

I am not aware of any automatic sharing of Ofsted and other inspection agency reports.

To comment on the scope and depth of external audit work and ensure it gives value for money.

Sources of Assurance:

Depth External Audit Work: External Audit interim and year end reports.

The Committee should (in particular) review the external Auditors' best value opinion and the work to achieve this. The audit of the accounts is strongly governed by statute and external audit is subject to inspections on the quality of this work. The best value opinion is more subjective.

The Committee should seek to also gain assurance via the Council's S151 Officer and its Finance function.

Financial reporting

18. To review the annual statement of accounts and specifically to consider whether appropriate accounting policies and the CIPFA Financial Management Code have been followed, and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

Sources of Assurance:

Annual Accounts: External Audit interim, year end and ad hoc reports, the Draft Annual Accounts.

The Committee should seek to also gain assurance via the Council's S151 Officer and its Finance function.

Accountability and escalation

19. To report to the full Council on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
20. To make an annual report to the full Council on the Committee's performance in relation to its terms of reference and the effectiveness of the Committee in meeting its purpose.

ToR paragraph no.	Source of assurance	Frequency
1.	Risk:- Regular risk updates. <i>The Committee should be able to sense check these updates using deep dives, the Annual Governance Statement, Internal Audit reports and their own knowledge of the Council and economy.</i>	Quarterly
	Anti-Fraud: Regular anti-fraud updates and approval of the annual anti-fraud proactive plan.	Quarterly
	Whistleblowing: The quarterly report on whistleblowing.	Quarterly
2	Risk:- Regular risk updates. <i>The Committee should be able to compare successive reports and the actual and proposed controls to monitor progress.</i>	Quarterly
	Internal Control effectiveness: Regular Internal Audit updates. <i>The results of audit work will provide the Committee assurance over this, as Internal Audits seeks assurance over the design and effectiveness of controls, as well as compliance.</i>	Quarterly
3	Framework of Assurance: Provided as part of the preparatory documents for the Annual Governance Statement process. <i>These documents include the governance framework, Code of Governance and Director Assurance Statements.</i>	Annually
	Statement of Internal Control: Annual Governance Statement review. <i>The AGS superseded the SIC. The Committee will compare the AGS against the annual HoIA (Head of Internal Audit) report and knowledge which they have gleaned from risk and anti-fraud updates.</i>	Annually
4	Significant partnerships/collaborations/subsidiary <i>The Committee can gain assurance from a variety of sources, including risk register reviews, deep dives, Internal Audit work, External Audit reports and the Annual Governance Statement, but there is no one document/report to the Committee on this. Plus Scrutiny Committee minutes.</i>	Ad hoc
5	Council policies, standards and processes for transparency: <i>I am not aware of any specific document/report to the Committee on this, although some audits will include this as a focus. There is also the Committee's work with Scrutiny. Plus Scrutiny Committee minutes</i>	N/a

6	Value for Money: Both Internal and External Audit reports. <i>The Committee will gain assurance from audit reports, where vfm issues are not reported, as well as the external auditors vfm opinion. Additional reports on culture and achieving best value</i>	Internal Audit Reports – ad hoc External Audit Reports - Annually
7	Internal Audit charter: This is presented to the Committee Annually, usually in March every year.	Annually
8	Appointment of external providers: This is not due, but will be reported when due.	Every 5 years
	Independence: Internal Audit strategy, Internal Audit Charter and the Head of Internal Audit Annual report. <i>The Committee will agree the Strategy and Charter looking forwards and gain assurance looking backwards from the annual Head of Internal Audit report, which is required to report any conflicts etc.</i>	Annually
9	Audit Plan: This is presented to the Committee Annually, usually in March every year. <i>The Committee will be able to assess the coverage of the annual plan, the accompanying resource requirements and the approach to using other sources of assurance. Any significant changes (which would include a significant reduction in days or other significant changes rather than the addition, deferment or omission of some audits) to the plan should be brought to the Committee, and the Annual Head of Internal Audit report will report on changes to the plan that may have occurred.</i>	Annually
10	Internal Audit update reports : Quarterly Internal Audit updates and the Annual Head of Internal Audit report. <i>Based on these reports, the Committee should ask management for assurance that key risks / issues are being dealt with. This should partly be reflected in the progress of action plans being cleared and partly with risks and accompanying actions on the risk register. The Council's Annual Governance Statement will also help inform action/s being taken.</i>	Quarterly
11	Internal Audit reports : Quarterly Internal Audit updates and the Annual Head of Internal Audit report.	Quarterly
12	Relationships between Internal, External Audit and other bodies: No specific papers. <i>The Committee should consider and, where appropriate, seek these assurances verbally when presentations are made by these respective parties.</i>	N/a
13	External quality Assessment: Presentation of the completed EQA. <i>This is a process that should occur every 5 years. The Committee (and in particular the Chair) will be asked to contribute towards this.</i>	Every 5 years

14	Unfettered access: Bi-weekly meetings with the Chair and the Head of Internal Audit.	Bi-weekly
15	External Audit independence: External Audit Fee updates, interim and year end reports. Ad hoc reports by PSAA, if any.	Each is once a year.
16	External Audit appointment: Report recommending use of PSAA for External Audit appointment, which is every 5 years.	Every 5 years
17	External Audit Reports: External Audit interim, year end and other ad hoc (such as RIPI) reports	Annually
	Other inspection reports: Ombudsmen reports. <i>I am not aware of any automatic sharing of Ofsted and other inspection agency reports.</i>	Ad hoc
	Depth External Audit Work: External Audit interim and year end reports. <i>The Committee should (in particular) review the external Auditors' best value opinion and the work to achieve this. The audit of the accounts is strongly governed by statute and external audit is subject to inspections on the quality of this work. The best value opinion is more subjective. The Committee should seek to also gain assurance via the Council's S151 Officer and its Finance function.</i>	Annually
18	Annual Accounts: External Audit interim, year end and ad hoc reports, the Draft Annual Accounts. <i>The Committee should seek to also gain assurance via the Council's S151 Officer and its Finance function.</i>	Annually

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