

DERBYSHIRE COUNTY COUNCIL

AUDIT COMMITTEE MEETING

10 December 2019

Report of the Assistant Director of Finance (Audit)

ANNUAL REVIEW OF THE COUNTY COUNCIL'S REGULATORY FRAMEWORK

1. Purpose of Report

The Audit Committee has been designated by the Council as the committee charged with ensuring the on-going effectiveness of the Authority's overall governance arrangements.

This report updates Members on the continued effectiveness of the Council's Constitution, Financial Regulations and Standing Orders relating to Contracts, Anti Fraud and Anti Corruption Strategy, Fraud Response Plan, Confidential Reporting Code and Codes of Conduct for Members and Employees.

2. Information & Analysis

The Council's Constitution, Financial Regulations and Standing Orders relating to Contracts, Anti Fraud and Anti Corruption Strategy, Fraud Response Plan, Confidential Reporting Code and Codes of Conduct for Members and Employees form a key part of the overall governance framework of the Authority.

Members have previously decided that officers should provide an annual report on:

- the continued relevance of these documents;
- the extent of any noted non-compliance with the requirements detailed which had been disclosed during the year;
- the need for any potential review or amendment of their contents; and
- those measures taken to ensure that the requirements contained within these regulations were made known to staff.

It had been identified that there was a need to strengthen the role and raise the profile of the Council's Governance Group which takes the lead on such arrangements. Consequently a report was presented to Corporate Management Team on 3 September 2019 proposing how this could be achieved along with proposed Terms of Reference for the Group which are attached at Appendix 1.

In future the Governance Group will be chaired by Ms Emma Alexander (Head of Paid Service and Executive Director – Commissioning, Communities and Policy) and include the Director of Finance & ICT, Director of Legal and Democratic Services, Director of Organisation Development and Policy, Assistant Director of Finance (Audit) and senior managers from each Department. The Head of Paid Service (HoPS) has also determined that HoPS meetings will take place chaired by her and involving the Director of Finance & ICT, Acting Director of Legal Services, Director of Organisation Development and Policy, and Assistant Director of Finance (Audit); such meetings will be timed to coincide with those of the Governance Group.

The Governance Group will be supported by a working group to progress issues considered by the Group.

The previous Director of Legal and Democratic Services undertook a significant review and refresh of the Constitution which was approved by Council on 15 May 2019. Similarly Financial Regulations and Standing Orders relating to Contracts were reviewed, refreshed and approved by Council on 6 February 2019.

The Anti Fraud and Anti Corruption Strategy, Fraud Response Plan, Confidential Reporting Code and Codes of Conduct for Members and Employees require review, which will be undertaken as part of the work scheduled for the Governance Group.

Any revisions to the Code of Conduct for Members is the responsibility of Council, oversight of the Confidential Reporting Code is the responsibility of the Governance, Standards and Ethics Committee, whilst the Code of Conduct for Employees is the responsibility of the Appointments and Conditions of Service Committee.

These key documents underpin the Council's governance framework and compliance will continue to be assessed by Audit Services as part of our work.

3. Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

4. Background Papers

A file held by the Assistant Director of Finance (Audit).

5. Officer's Recommendation

That the Committee note the current status of, and arrangements for the review of those key policies underpinning the Council's governance framework

Carl Hardman
Assistant Director of Finance (Audit)

DRAFT

Derbyshire County Council Governance Group - Terms of Reference

Membership: (to include all Departments of the Council)

Janie Berry – Director of Legal and Democratic Services (Chair/Vice Chair?)

Peter Handford – Director of Finance & ICT (Chair/Vice Chair?)

Carl Hardman – Assistant Director of Finance (Audit) (Chair/Vice Chair?)

Emma Crapper – Director of Organisation Development & Policy

ETE Representative: Angela Glithero – Assistant Director, Resources and
Improvement

Children's Services Representative: Ali Noble – Service Director (Early Help and
Safeguarding)

Adult Care and Public Health Representative: Julie Vollar - (Service Director
Commissioning & Performance)

Frequency of meetings: every 6/8 weeks. The initial meeting will be convened by the Director of Legal and Democratic Services and thereafter by the appointed Chair of the Group.

Purpose:

To promote and enhance a robust governance and assurance framework which supports the global functions of Derbyshire County Council and the continuous development of the Council's Annual Governance Statement.

To support the work of the Council's Audit Committee and the Governance, Ethics and Standards Committee.

Key activities:

Considering the CIPFA/Solace Delivering Good Governance Principles and the associated Code of Corporate Governance and the Council's Constitution:

- Develop, implement, promote and embed a Derbyshire County Council Local Code of Corporate Governance;

- Conduct a six monthly review and annual fitness for purpose test of the Local Code of Corporate Governance;
- To receive details of and undertake lessons learned from governance and assurance issues which may arise across the Council and to provide observations on the said learning where necessary;
- To support the Council's assurance framework via the recommendations received from Audit Services;
- To undertake any related governance and assurance activities which from time to time may be referred to this Governance Group.

To support the work of the Audit Committee particularly in relation to its promotion of good governance, risk management and internal control, and review of the Council's Regulatory Framework and associated Policies.

To support the work of the Governance, Standards and Ethics Committee particularly in relation to its promotion of openness, accountability and probity in order to ensure the highest standards of conduct of Councillors and employees, and review of associated Codes of Conduct and Policies.

To monitor agreed recommendations and actions relating to relevant reports provided by the External Auditor.

The terms of reference of the Governance Group will be reviewed on an annual basis to ensure they remain fit for purpose.

Reporting Mechanisms

The outcomes and findings of the Governance Group will be reported (at appropriate intervals to be agreed) to:

- CMT;
- Audit Committee;
- Governance, Standards and Ethics Committee;
- External Audit where appropriate.