

Strategy & Resources Committee – 8th October 2020

Streamlining the process for approving the Council’s annual statement of accounts

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Publication status:	Open
Wards affected:	All Wards
Recommendation:	It be recommended to full Council that, the following delegated powers ‘to resolve’ be transferred from the Strategy & Resources Committee to the Audit & Scrutiny Committee: <ul style="list-style-type: none">• approval of the Council’s annual statements of accounts; and• issues arising out of the financial audit of the accounts.
Appendices:	Appendix A – existing terms of reference of the Overview & Scrutiny Committee and proposed new terms of reference for the Audit & Scrutiny Committee
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Executive Summary

1.1 In previous years, two Committees have been involved in the process for considering the Council’s final accounts for the preceding year and the associated external audit, i.e.:

- the Strategy & Resources Committee (or equivalent policy committee) has been responsible for approving the accounts and resolving issues arising from the audit of those accounts; and
- the Overview & Scrutiny Committee has considered the report of the external auditors regarding their audit of the accounts (otherwise known as the ISA 260).

1.2 This has involved two meetings (one for each Committee) often in the same week leading up to the statutory deadline for publishing the approved accounts. The Chief Finance Officer and External Auditors have usually been required to attend both meetings. The relevant papers have also been reproduced for both Committees.

1.3 The Chief Finance Officer has identified the need to eliminate this duplication by enabling the process to be dealt with exclusively by one Committee, namely Audit & Scrutiny. This could be achieved if the following clauses, currently delegated to the Strategy & Resources Committee (numbered ix and x respectively within the 'powers to resolve' section of its scheme of delegation within Part E of the Constitution) are transferred to the prospective new Audit & Scrutiny Committee:

- approval of the Council's annual statements of accounts; and
- issues arising out of the financial audit of the accounts.

1.4 The above recommendation has been drafted accordingly.

2. Background

2.1 At its meeting on the 30th July 2020, the Overview & Scrutiny Committee recommended changes to its name (to 'Audit & Scrutiny') and its terms of reference. (Appendix A refers). This recommendation will be considered by Full Council on the 22nd October.

2.2 Changes to a Committee's terms of reference can only be determined by Full Council. The above recommendations will, therefore, also be subject to ratification by Council on the 22nd October. If approved, the new streamlined arrangements will be in place in time for the final accounts and associated audit report to be presented to the Audit & Scrutiny Committee on the 26th November 2020.

3. Climate Change implications

3.1 The recommended approach would be more environmentally friendly on the basis that only one set of (often bulky) papers would need to be printed for Members.

4. Equality implications

4.1 None

5. Comments of the Chief Finance Officer

5.1 The proposed changes will put responsibility for approving the annual statement of accounts with the appropriate committee and remove unnecessary duplication, therefore freeing up valuable resources. The role of the Strategy & Resources Committee should be prospective, looking to the future at budget setting and monitoring, whereas the role of Overview & Scrutiny should be retrospective, looking at items such as the statement of accounts and audit reports.

6. Comments of the Head of Legal Services

6.1 The proposed changes set out in this report would need to be approved by Full Council and the Council's Constitution be amended accordingly. There are no additional legal implications.

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Existing terms of reference of the Overview & Scrutiny Committee

To be responsible for the review and scrutiny of the decisions and performance of the Council, audit arrangements and providing opportunities for other organisations to present / explain key aspects of their local services, including:

- (i) Exercising the right to call-in, for reconsideration of, certain decisions made, but not yet implemented by the Policy Committees;*
- (ii) Consideration of matters arising from the Internal and External Audit functions;*
- (iii) Monitoring the Council's performance against targets which seek to ensure the provision of cost effective, quality services to the community (as part of the Council's own performance management regime);*
- (iv) Responding to any Government sponsored assessment regime;*
- (v) Calling upon representatives of outside organisations to present information about services which have a significant impact upon local residents, including measures to minimise crime & disorder delivered via the Community Safety Partnership;*
- (vi) To act as the local Crime & Disorder Committee.*

Proposed terms of reference of the new Audit & Scrutiny Committee

"To be responsible for the review and scrutiny of the decisions and performance of the Council, audit arrangements and providing opportunities for other organisations to present / explain key aspects of their local services, including:

- (i) Exercise the Council's scrutiny and review functions including overall responsibility for audit and governance frameworks;*
- (ii) Exercise the right to call-in, for reconsideration, decisions made by any policy committee but not yet implemented by any policy committee;*
- (iii) Exercise scrutiny over the Council's budget, the management of its budget, capital programme, revenue borrowing and assets and its audit arrangements;*
- (iv) Monitor implementation of recommendations from the external and internal auditors;*
- (v) Monitor and review the Council's Anti-Bribery and Anti-Corruption policy;*
- (vi) Oversee compliance with the Council's duties concerning Best Value;*
- (vii) Review opportunities for cooperation with other authorities;*

- (viii) Review and/or scrutinise decisions made, or actions taken, in connection with the discharge of any of the Council's functions and make reports and/or recommendations to full Council where necessary;*
- (ix) Monitor progress on the Council's Strategic Plan;*
- (x) Review and approve the Annual Governance Statement;*
- (xi) Calling upon representatives of outside organisations to present information about services which have a significant impact upon local residents, including measures to minimise crime & disorder delivered via the Community Safety Partnership;*
- (xii) Exercise the Council's scrutiny and review functions in relation to local crime and disorder matters and act as the local Crime & Disorder Committee.*
- (xiii) Monitor the Council's performance against targets which seek to ensure the provision of cost effective, quality services to the community (as part of the Council's own performance management regime);*
- (xiv) Monitor and review the Council's Whistle Blowing Policy;*
- (xv) Monitor and review the Local Government Ombudsman's annual report.*