

GATESHEAD METROPOLITAN BOROUGH COUNCIL
AUDIT AND STANDARDS COMMITTEE MEETING

Thursday, 16 March 2023

PRESENT: Councillor L Kirton (Chair)
Councillor(s): R Beadle, H Kelly, J McElroy, Mr Stuart Bell (Independent Member), R Mullen and C Ord

IN ATTENDANCE: Councillor(s):

APOLOGIES: Councillor(s): L Green

ASC429 MINUTES

The minutes were approved as a correct record.

ASC430 DECLARATIONS OF INTEREST

There were no declarations of interest.

ASC431 ANNUAL GOVERNANCE STATEMENT 2022/23 - ASSURANCE FRAMEWORK

The Committee received an overview of the work to be undertaken to produce the Annual Governance Statement (AGS) for 2022/23 which demonstrates the level of assurance that can be given by the Council's control systems and governance arrangements.

The assurance framework supports the AGS and provides councillors with information on the Council's control environment and governance arrangements. It maps the Council's strategic objectives to risks and controls and seeks assurance from a number of sources of Council activity.

The process of preparing the AGS should itself add value to the effectiveness of the Governance Assurance Framework. The assurance process will demonstrate four aspects:

- **Identify** – what do we want assurance on?
- **Assess** – what are the sources of assurance?
- **Review** – how is assurance validated?
- **Act** – what are the opportunities to improve?

The Committee were advised that in preparing the governance statement it will be necessary to review evidence from the following sources which together form the assurance framework:

- Governance arrangements

- Councillors
- Senior Managers
- The system of internal audit
- Risk Management arrangements
- Counter Fraud arrangements
- Performance Management and data quality
- Views of the external auditor and other external inspectorates
- The legal and regulatory framework
- Financial controls
- Partnership arrangements and governance
- Other sources of assurance

The Committee were advised that the Council has a Local Code of Governance which was last updated and agreed by the Audit and Standards Committee on 7 February 2023. This code defines how the Council complies with the principles of good governance as set out in the Local Code of Governance developed by CIPFA, Delivering Good Governance in Local Government: Framework. The principles of good governance in the framework are:

- Behaving with integrity
- Ensuring openness and comprehensive engagement
- Defining sustainable outcomes
- Determining interventions
- Developing capacity
- Managing risks and performance
- Implementing good practice in transparency

The Committee were advised that a corporate group, chaired by the Strategic Director, Resources and Digital will use the findings of the sources of assurance to form a view on the adequacy of the Council's overall internal control and governance arrangements.

Using evidence from this assessment the Group will prepare the AGS for 2022/23 for approval by the Audit & Standards Committee in June 2023. This will then accompany the Statement of Accounts for 2022/23.

RESOLVED – That the Assurance Framework as set out in the report be agreed.

ASC432 TREASURY POLICY STATEMENT AND TREASURY STRATEGY 2023/24 TO 2027/28

The Committee received the proposed Treasury Policy Statement and Treasury Strategy for 2023/24 to 2027/28 prior to consideration be Cabinet.

The Committee were informed that in order to provide a framework for the Strategic Director, Resources and Digital to exercise his delegated powers, the Council agree a five-year Treasury Management Policy and Treasury Strategy which is reviewed at the start of each financial year.

The Committee were advised that the Treasury Policy and Treasury Strategy appended to the main report have been prepared considering the Local Government Act 2003, Department for Levelling up, Housing and Communities (DLUHC) Guidance on Local Government Investments, CIPFA's Prudential Code for Capital (2021) and CIPFA's Code of Practice on Treasury Management (2021).

The Committee were asked to review the Treasury Policy and Treasury Strategy to ensure that the Council fully complies with the requirement of good financial practice in Treasury Management.

The Committee also requested that in future any changes that occur from year to year within the report are identified and highlighted for consideration by the members of the Committee.

- RESOLVED -
- i) That the information be noted
 - ii) That the recommendations on the Treasury Policy and the Treasury Strategy be noted and submitted to Cabinet.

ASC433 EXTERNAL AUDITOR PROGRESS REPORT

The External Auditor presented the Committee with the Audit Progress Report and details of national publications and key points for noting by Committee.

RESOLVED – That the information be noted.

ASC434 DATE AND TIME OF NEXT MEETING

Thursday 25 April 2023 at 4.00 pm

Chair.....