

COUNCIL	DATE: 26th June 2024	ITEM No. 5
REPORT TITLE: Report on the work of the Audit and Risk Management Panel 2023/24		WARDS All
CHIEF OFFICER Director of Finance	CABINET MEMBER Finance, Resources and Social Value	
DECISION CLASSIFICATION Non-Key Subject to call in Non exempt	IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING? Yes	

I. Decision Required

This report makes the following recommendations to Council:

- 1.1 To note the report, setting out the work undertaken by the Audit and Risk Management Panel during 2023/24.

2. Links to Our Greenwich missions

- 2.1 This report relates to the Council's agreed missions as follows:

- Our Council is an adaptive organisation, enabling it to navigate the increasing number of challenges it faces while remaining financially sustainable
- Our Council works in the most efficient and effective ways possible

- 2.2 This report is the annual review of the work undertaken by the Audit and Risk Management Panel of the Royal Borough of Greenwich.

- 2.3 It summarises the role of the Panel in the Council's control framework and governance arrangements, showing an adaptive borough able to navigate increasing number of challenges while remaining financially sustainable.

2.4 It is a formal statement by the Panel on how its role, as set out in the Council's Constitution, was fulfilled in 2023/24.

3. Purpose of the Report and Executive Summary

3.1 The purpose of the Audit and Risk Management Panel is to provide an independent assurance of the adequacy of the Royal Borough's risk management framework and the associated control environment, including the effectiveness of the Internal Audit and Corporate Anti- Fraud functions, alongside other key areas.

3.2 In particular, the Audit and Risk Management Panel has a number of key responsibilities which are:

- to receive the annual review of internal controls and be satisfied that the Annual Governance Statement properly reflects the risk environment and any actions required to improve it.
- to consider (but not direct) the annual plans of the Internal Audit and Corporate Anti-Fraud Services and to monitor performance throughout the year.
- to consider summaries of specific Internal Audit reports as requested and to seek assurances that action has been taken where necessary.
- to receive regular reports covering implementation of the Council's risk management policy and strategy to determine whether strategic risks are being actively managed.
- to report to Council on the risk management framework.
- to consider the effectiveness of the relationships between external and internal audit, inspection agencies and other relevant bodies, and to ensure that the value of the audit process is actively promoted.
- to receive reports on audit issues arising from the financial statements, external auditor's opinion and reports to members, and monitor management action in response to such issues.
- to provide input into the appointment of the Council's external auditor.

- to maintain an audit overview of the Council's constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.
- to consider the Council's audit arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- to comment on the Treasury Management Strategy, review the previous year's outturn position and to undertake a mid-year review.
- to comment on the Capital Strategy.

4. Introduction and Background

4.1 This report updates Members on the key areas the Audit and Risk Management Panel reviewed and considered during their meetings in 2023/24.

4.2 A breakdown of the specific items considered at each Panel meeting, which include the following subjects, are shown at **Appendix A**:

- External Audit Plan
- Annual Governance Statement
- Statement of Accounts
- Internal Audit & Anti-Fraud Plan and Performance
- Public Sector Internal Audit Standards Assessment
- Internal Audit Charter
- Treasury Management and Capital Strategy
- Risk Management

5. Summary of work undertaken during 2023/24

External Audit Plan

5.1 Grant Thornton was the Council's external auditor for 2023/24 and to this end the Panel scrutinised their audit plan for the authority, the Pension Fund, forecast fees, work undertaken and proposals in respect of ongoing and future work, and information provided by the Council's management to help inform the risk assessment for the authority and the Pension Fund.

- 5.2 The audit plan and risk assessment provided an overview of the planned scope and timing of the statutory audit of the Royal Borough of Greenwich and associated risk assessment for the authority and Pension Fund to those charged with Governance.

Annual Governance Statement (AGS)

- 5.3 The Panel reviewed the Council's governance arrangements and AGS as required by the Accounts and Audit Regulations.
- 5.4 The Panel scrutinised the AGS, which detailed how the Council had monitored and evaluated the effectiveness of its governance arrangement in the year and any planned changes in the coming period.

Statement of Accounts

- 5.5 The Panel was asked to review and comment on the draft annual Statement of Accounts for the year ended 31 March 2023. The Accounts were submitted to Grant Thornton, the external auditor, for audit on 06 July 2023 and subsequently considered by Cabinet on 20 September 2023.

Internal Audit & Anti-Fraud Plan and Performance

- 5.6 The Internal Audit Plan for 2023/24 was reported to the Panel for review. The performance against the Plan was also reviewed by the Panel on an ongoing basis to ensure that adequate progress was made and to ensure the control risks identified were being reviewed and resolved as required.
- 5.7 The Panel also considered the Head of Internal Audit's opinion on the soundness of the control environment in place to minimise risk to the Council.
- 5.8 As part of the review of the performance of Internal Audit & Anti-Fraud during 2022/23, the Panel was advised of the work undertaken by the Anti-Fraud team covering various areas such as tenancy and sub-letting, temporary accommodation costs, unauthorised occupation team, National Fraud Initiative, corporate related fraud, cabinet office housing tenancy pilot, council tax rebate (energy support scheme), direct payments, blue badge fraud, performance monitoring and partnership with the London Borough of Bromley.

Public Sector Internal Audit Standards – Assessment (PSIAS)

- 5.9 In addition to the review of performance, the Panel reviewed and raised several queries in relation to the outcome of the internal assessment of the Royal Borough's Internal Audit function which was completed using the Chartered Institute of Public Finance and Accountancy's PSIAS self-assessment tool.

Internal Audit Charter

- 5.10 The Panel also reviewed the updated / revised version of the Council's Internal Audit Charter, completed as part of the Council's commitment to adhere to the Public Sector Internal Audit Standards.

Treasury Management and Capital Strategy

- 5.11 The Panel reviewed reports with regards to the Council's treasury management activities during 2022/23 as well as the capital outturn position for 2022/23.

Risk Management

- 5.12 The Panel also received a report on, and scrutinised, the Council's updated Strategic Risk Register and revised Risk Management Toolkit, both of which were reported to Full Council on 21 February 2024.

Conclusion

- 5.13 During 2023/24, the Panel concentrated on ensuring that the key risks faced by the Royal Borough of Greenwich were being properly managed and that the Council's systems of internal audit and the framework for control were robust.
- 5.14 Details of the specific items considered at each committee meeting are shown in **Appendix A**.
- 5.15 For 2024/25, the Panel will continue with its core objectives and seek to ensure that the Council's overall governance processes, procedures and policies are in place and operating effectively.

6. Available Options

6.1 This report provides Council with a summary of the work of the Audit & Risk Management Panel during 2023/24. As this is an information report there is only one option which is to note the information provided

7. Preferred Option

7.1 Not applicable

8. Reasons for Recommendations

8.1 Noting the work of the Audit & Risk Management Panel supports the Council's governance arrangement with regard to risk management.

9. Consultation Results

9.1 No consultation is required, and none has been undertaken

10. Cross Cutting Issues and Implications

Issue	Implications	Sign-off
Legal including Human Rights Act	This report provides Council with a summary of the work of the Audit & Risk Management Panel during 2023/24 and raises no Legal issues or Human Rights issues.	Davidaire Horsford Interim Head of Legal Services 3rd June 2024
Finance and other resources including procurement implications	<p>This report makes the following recommendations to Council:</p> <ul style="list-style-type: none">To note the report, setting out the work undertaken by the Audit and Risk Management Panel during 2023/24. <p>This draft report has been prepared by the Director of Finance and summarises the work undertaken by the Audit & Risk Management Panel in fulfilling its role as outlined in the Council's Constitution.</p> <p>It has no other financial implications.</p>	Joanne Stark Head of Accounting & Business Change 3rd June 2024

Issue	Implications	Sign-off
Equalities	The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users. Further, given the nature of the report it has a remote or low relevance to the Councils Equity and Equality Charter and the Council's Equality Objectives 2020-2024.	Vivian Uzoечи Head of Financial Governance, Insurance & Risk 3rd June 2024
Climate change	The decision recommended through this paper has a remote or low relevance to the substance of the Greenwich Carbon Neutral Plan, as agreed by Cabinet on 18th November 2020.	Vivian Uzoечи Head of Financial Governance, Insurance & Risk 3rd June 2024
Risk Management	If the work of the Audit & Risk Management Panel is not reported and considered in line with the Constitution, then the Council may not be compliant and able to demonstrate that its statutory responsibilities are met.	Vivian Uzoечи Head of Financial Governance, Insurance & Risk 3rd June 2024

11. Report Appendices

- Appendix A : Audit & Risk Management Panel Meeting Items 2023/24

12. Background Papers

None

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