

Report to: **Audit Committee**
Date: **21 June 2018**
Title: **Annual Report of the Statutory Officers' Panel**
Portfolio Area: **Portfolio Area**
Resources and Performance
Wards Affected: **All**
Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **N/a**

Date next steps can be taken: **N/a**
(e.g. referral on of recommendation or implementation of substantive decision)

Author: **Statutory Officers' Panel** Role: **Head of Paid Service**
Section 151 Officer
Monitoring Officer

Contact: **Catherine.Bowen@swdevon.gov.uk**

Recommendations:

1.To note the report and make any necessary recommendations

1. Executive summary

- 1.1 The Statutory Officers' Panel comprises the officers that the Council must appoint to ensure that it operates fairly and within the law. These officers are the Head of Paid Service, Section 151 (Finance) Officer and the Monitoring Officer. The Panel meets four times a year and has a forward plan of matters that it considers on an annual basis.
- 1.2 The Panel has the appropriate knowledge, expertise and levels of seniority to consider the extent to which the Council complies with, and manages, the following areas:
- the principles and elements of control and governance frameworks;
 - strategic risk management;
 - fraud and corruption;
 - investigations undertaken under Disciplinary Procedures; and
 - regulatory framework (policies and strategies)

- 1.3 The purpose of this report is to inform members of the work that the Statutory Officers' Panel has carried out over the last financial year (April 2017 to March 2018).

2. Work of the Statutory Officers' Panel

- 2.1 The Statutory Officers' Panel meets quarterly and invites other officers as required, such as the Deputy Executive Director (formerly the Executive Director for Service Delivery and Commercial Development), Internal Auditor HR Business Lead and the Health & Safety Officer.
- 2.2 Over the past financial year (April 2017 to March 2018) the Panel has considered the following issues to ensure that the Council manages and complies with its governance, strategic risk management, fraud and corruption, and regulatory framework requirements. This cohesive overview has ensured that issues are identified and discussed early on in the process, or as they arise.
- 2.3 **Corporate Governance:** the Panel ensures that the Council complies with and manages the following:
- The Code of Corporate Governance and Annual Governance Statement to ensure that they are presented annually to the June Audit Committee. The purpose of the Annual Governance Statement (AGS) is to provide evidence that the Council continuously reviews its internal control and risk management processes and to identify any actions and solutions in a timely way. Consequently the AGS and its content has been considered annually in accordance with financial requirements with the full endorsement of the statutory officers.
 - The annual review of the Council's Constitution and its various parts to ensure that it is fully considered by the Audit Committee before adoption at the Annual Meeting, and that any changes are made as required throughout the Council year. There are many parts to the Constitution which underpin how the Council operates and provides a lawful foundation for its decision, and an overview by this Panel has ensured that necessary recommendations are made to the Audit Committee.
 - The Annual Report on the Council year to ensure it is adopted at the Annual Meeting, and the Panel's early consideration ensures that significant relevant issues are included in the Report.
 - Oversight of the review and adoption process for the Corporate Strategy
 - Other governance issues as they arise, for example, the Panel was involved in a close overview of the Local Authority Controlled Company and One Council projects to make sure that the Council was following a lawful process and carried out the necessary due diligence throughout the process.
- 2.4 **Risk Management:** the Panel:
- Oversees the Council's Risk Management Policy to ensure it complies with current best practice and has directed that the Policy is reviewed in the next few months and brought to the Audit Committee.
 - Ensures that the Senior Leadership Team considers the Corporate Risk Register regularly at its meetings, and checks are made to ensure that this is being carried out
 - Identifies, evaluates, manages and mitigates strategic and operational risk and that risk management is implemented and embedded across the organisation
 - The Panel reviewed the Internal Audit report on risk management to ensure that meaningful actions were included in the management

response, a lead officer appointed to ensure consistency, and to ensure compliance with the actions agreed by the Audit Committee.

2.5 Regulatory Framework:

- Annual review of the anti-fraud, corruption and bribery strategy, the anti-money laundering policy and the whistle blowing policy to ensure they are fit for purpose and reflect best practice. If amendments are required, the policies are brought to the Audit Committee for consideration. For example, the Panel looked at the regulatory framework in early 2016 and considered that it required a formal review. All of the policies (and their supporting documents) mentioned in paragraph 2.5 were subsequently reviewed and revised by the 151 Officer, Monitoring Officer and Internal Audit, in order to comply with the law, best practice and the Council's internal structure. The revised documents were subsequently fully considered by the Audit Committee and the Panel considers these documents on an annual basis as part of its forward plan, in order to ensure continuing compliance.

2.6 Other: during the year the Panel has also considered:

- Business continuity & emergency planning to make sure that the Council's Positional Statement and Action Plan is implemented and to raise awareness of the Plan across all senior officers
- Oversight of internal audit actions
- Oversight of the implementation and embedding of the Health, Safety & Wellbeing plan – this a regular item on the Panel's forward plan and it receives reports on implementation, awareness raising and progress on how the Plan is being embedded in the Council's culture.

2.7 The Panel's work programme for 2018-19 includes a review of the Council's Finance Procedure Rules.

3. Outcomes/outputs

3.1 The Statutory Officers' Panel ensures that the Council deals with the above issues in a timely manner, and identifies any issues so that they are resolved early on in the process. Ensuring that the Council manages and complies with its governance, risk and regulatory matters ensures that the Council has a sound basis for making decisions and delivering its services.

3.2 Success is measured by early identification of issues, and compliance with the statutory requirements and best practice which are reflected in positive audit reports.

4. Options available and consideration of risk

4.1 The Council has various statutory duties with which it must comply. It is possible for the Council to operate without a Statutory Officers' Panel but the risk of failing to identify issues early on (together with the risk of the Council failing to comply with these requirements) would increase with a potentially higher risk of legal challenges against the Council.

5. Proposed Way Forward

5.1 That the Audit Committee consider this report and make any necessary recommendations

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The Council is required by law to appoint a Head of Paid Service, Section 151 (Finance) Officer and a Monitoring Officer, to ensure that the Council operates lawfully and fairly.</p> <p>The Statutory Officers' Panel complies with good practice and ensures that senior officers are aware of and comply with important governance (legal and financial), corporate risk, fraud and other regulatory issues.</p> <p>The Audit Committee is responsible for financial, governance and risk controls.</p>
Financial	Y	There are no direct financial implications arising from this report but the purpose of the Panel is to ensure that the Council manages and complies with its financial responsibilities.
Risk	Y	The work carried out by the Statutory Officers' Panel minimises significantly the risk of the Council failing to comply with its requirements under legal and financial governance, risk, systems of internal control and the Council's regulatory framework
Comprehensive Impact Assessment Implications		
Equality and Diversity		N/a to this report
Safeguarding		N/a to this report
Community Safety, Crime and Disorder		N/a to this report
Health, Safety and Wellbeing		N/a to this report
Other implications		