

By: Zena Cooke, Corporate Director of Finance  
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To: Governance and Audit Committee – April 23<sup>rd</sup> 2021

Subject: The Future Role of the Governance and Audit Committee

Classification: Unrestricted

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Summary: This report provides further detail on developing the future role of the Governance and Audit Committee to meet the current and future challenges.

### **FOR DECISION**

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1. In October 2020, Members of Governance and Audit Committee considered and approved the Annual Governance Statement. Whilst the statement specifically considered the financial year 2019/20, it recognised the exceptional operating environment and recognised the need for the organisation to continually and fundamentally review governance.
2. Through the AGS process, activity was identified by the Head of Paid Service, General Counsel and Head of Internal Audit which is reflected in the identified actions within the statement itself and the audit of the process. These reflect the importance of continually reviewing and refreshing the arrangements that are in place to govern the Council.
3. At the January 2021 meeting, Members were once again advised of the key strategic role played by the Governance and Audit Committee and the central importance of the Committee's work to ensuring Kent's residents are best served. It had been hoped that work could be completed and a paper could be finalised in time for the April meeting but that has not been possible.
4. Since the meeting took place, a further relevant report has been published and is attached at Appendix 1 to this paper. The Best Value Report into Liverpool City Council by Max Caller (Lead Inspector) follows on from the reports previously provided to the Committee and merits discussion.
5. Again, whilst operating environment and circumstances are very different to Kent, the report provides useful learning and reflection ahead of the changes being contemplated to the Committee's role.
6. One key reflection in many of these recent reports and part of previous discussions is the concept of an annual report from the Governance and Audit Committee to the County Council. Given that this is the last meeting of the current electoral cycle, Members are asked to consider formally agreeing to the

annual report to County Council in order that this be added to the County Council forward agenda.

7. To support this activity, it would be recommended that the standing agenda for the Governance and Audit Committee receive an annual report on the committee's effectiveness alongside the Annual Governance Statement in the July meeting each year. This would mean that the significant financial, audit and governance outputs would all be overseen by the Committee in July and that a report to full Council be prepared for the October or December County Council meeting each year.
8. The approach outlined in the paragraph above also provides greater meeting capacity for the January and April meetings to consider the likely additional items regarding company ownership given the business planning cycle.
9. At the meeting on April 23<sup>rd</sup> 2021, officers will provide a presentation in relation to the future role of the Committee which will be finalised into a report for the first meeting of the Governance and Audit Committee after the election.

**Recommendation:**

The Committee is invited to discuss the paper and:

- a. NOTE and COMMENT on the Best Value Report into Liverpool City Council
- b. AGREE that the Governance and Audit shall prepare an annual report to the County Council and instruct the Monitoring Officer to speak with the Chairman to add this to the forward agenda.

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