

## Audit and Standards Committee

09 June 2021

### Draft Annual Report

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<b>Is the paper exempt from the press and public?</b>	No
<b><i>Reason why exempt:</i></b>	Not applicable
<b>Purpose of this report:</b>	Governance
<b>Funding Stream:</b>	Not applicable
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	No - Not a Key Decision

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**Director Approving Submission of the Report**  
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#### **Executive Summary**

The Audit, Standards and Risk Committee Annual Report summarises the work of the Committee during 2021/22, demonstrating how it has fulfilled its terms of reference and provided assurance to the Authority on its governance arrangements, risk management arrangements and the internal control environment.

#### **What does this mean for businesses, people and places in South Yorkshire?**

Good governance enables the Combined Authority to pursue its ambitions and objectives in the most effective and efficient way, bringing about better outcomes for residents and businesses in South Yorkshire.

#### **Recommendations**

The Committee is asked to consider the draft Annual Report and recommend any amendments or additions ahead presentation to the Combined Authority meeting on 25<sup>th</sup> July.

#### **Consideration by any other Board, Committee, Assurance or Advisory Panel**

Not applicable

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## 1. Background

- 1.1 The Audit, Standards and Risk Committee is a key component of corporate governance providing an independent, high-level focus on the audit, assurance and reporting framework underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance of governance arrangements, risk management and control frameworks. It also undertakes the Authority's Standards Committee function.

The terms of reference for the Audit, Standards and Risk Committee are included in Part 4D of the MCA Constitution<sup>1</sup>.

- 1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued guidance to help ensure that Audit Committees operate effectively. The guidance recommends that Audit Committees should report annually on how they have discharged their responsibilities. A copy of the Draft Annual Report for 2021/22 is provided at appendix A.

## 2. Key Issues

- 2.1 The Annual Report sets out the membership of the Committee for 2021/22 and provides detail on attendance and quoracy levels as well as an overview of the work of the Committee. It also summarises the work of the internal and external audit functions, provides information on the level of public engagement with the Committee and aims to demonstrate how the Committee has fulfilled its terms of reference and provided assurance to the Authority during the year.

### 2.2 Effectiveness

CIPFA guidance recommends that Audit Committees undertake an assessment of their own effectiveness annually. A survey to facilitate this took place in quarter four, closing on 22nd March. The Committee considered the results of the survey at the meeting 24<sup>th</sup> March. The Annual Report summarises the outcome of the self-evaluation and proposes an improvement plan to address some of the findings. This can be found at section 6 of the report.

In particular, Members are asked to note the actions (p.10, table 3) to explore whether a smaller committee might have a positive effective on attendance and quoracy as well as facilitate a deeper level of debate and discussion. This action has been taken forward as part of the current nomination process. A report is to be considered by the MCA on 6<sup>th</sup> June which gives the Leaders 2 options, remain with the existing 10 Member arrangements or, as an alternative option, the membership is reduced to four elected members, one from each Local Authority. The proposal can still meet the political balance requirements of the legislation.

In either option and in line with existing arrangements, it is proposed that each member will have a substitute of the same political party and the Committee will retain two independent member posts.

The outcome of the MCA's discussion will be reported to the Committee at the meeting 9<sup>th</sup> June.

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<sup>1</sup> <https://governance.southyorkshire-ca.gov.uk/ielListMeetings.aspx?Committeeld=181&info=1&bcr=1>

### **3. Timetable and Accountability for Implementation**

3.1 Target dates will be added to the Effectiveness Improvement Plan once agreed, and a final draft of the Annual Report will be presented to the MCA on 25<sup>th</sup> July.

### **4. Financial and Procurement Implications and Advice**

4.1 There are no financial or procurement implications associated with this report.

### **5. Legal Implications and Advice**

5.1 There are no legal implications associated with this report.

### **6. Human Resources Implications and Advice**

6.1 There are no human resource implications associated with this report.

### **7. Equality and Diversity Implications and Advice**

7.1 There are no equality and diversity issues associated with this report.

### **8. Climate Change Implications and Advice**

8.1 There are no climate change implications associated with this report.

### **9. Information and Communication Technology Implications and Advice**

9.1 There are no information and communication technology implications associated with this report.

### **10. Communications and Marketing Implications and Advice.**

10.1 There are no communications or marketing implications associated with this report, however, the report will be available on the Authority's website.

### **List of Appendices Included**

A Draft Annual Report 2022

### **Background Papers**

[Committee Engagement and Annual Report Proposal - ASRC 15th July 2021](#)