

ROTHERHAM BOROUGH COUNCIL – REPORT TO AUDIT COMMITTEE

1.	Meeting:	Audit Committee
2.	Date:	7 December 2011
3.	Title:	Audit Committee Update Issue 6 – Partnerships' Governance
4.	Directorate:	Resources

5. Summary

The Audit Committee's work programme provides for briefings to be presented to the Committee on any significant publications issued on any areas covered by the Committee's terms of reference.

The Better Governance Forum has recently issued the sixth Audit Committee Briefing Paper. The purpose of the publication is to provide Members with direct access to relevant and topical information that will support them in their role. This briefing provides information on partnerships' arrangements and the extent of scrutiny on such arrangements by audit committees.

The Council has done more work and is better placed than most in this area. The briefing paper includes Rotherham's arrangements as a case study of good practice.

6. Recommendations

The Audit Committee is asked to note the contents of the Better Governance Forum briefing paper and in particular the positive reference made to Rotherham's arrangements in relation to partnerships' governance.

7. Proposals and Details

This report refers to a recent briefing paper for Audit Committee Members provided by the Better Governance Forum. The purpose of the publication is to provide Members with direct access to relevant and topical information that will support them in their role. This briefing, attached at **Appendix 1**, provides information on partnerships' arrangements and the extent of scrutiny on such arrangements by audit committees.

The briefing suggests that sometimes audit committees have only a limited view of partnerships and assurance arrangements can be far from clear. In a recent survey of audit committees in local government, only 3% of respondents considered their audit committee to be very effective in assuring partnership arrangements.

The briefing suggests audit committees should adopt a more proactive role in assuring themselves that sound governance arrangements are in place, including:

- Ensuring there is appropriate consideration of partnership arrangements within the process for producing the Annual Governance Statement.
- Reviewing Internal Audit reports on partnership arrangements and key partnerships
- Ensuring there are appropriate risk management arrangements for partnerships and that risk registers exist
- Obtaining assurance that there are robust arrangements for in place for whistleblowing and managing the risk of fraud.

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The briefing highlights actions required in 2 key areas. These are repeated below along with comments on current arrangements at Rotherham Council:

Key Questions	Comments
<p><i>Assurance on partnerships</i> Does the assurance framework underpinning the Annual Governance Statement adequately cover partnerships? What conclusions on partnership working were made in the Annual Governance Statement? Are there any actions you should be monitoring? Are risk management arrangements in place to cover partnership risks? Are they effective? What other existing assurances do you have on partnerships, for example the internal audit annual report? Has the organisation identified all its significant partnerships? Is the list up to date?</p>	<p><i>Partnerships' arrangements are integrated into the Council's governance framework and have been reviewed annually as part of the process for producing the Annual Governance Statement.</i></p> <p><i>The arrangements in place were found to be satisfactory, with some improvement actions noted.</i></p> <p><i>The Council's risk management arrangements cover partnerships and partnerships have been encouraged to produce their own risk registers.</i></p> <p><i>Internal Audit considers partnerships for coverage in its audit plan as part of the annual audit planning process. Any coverage is based on an assessment of risks.</i></p> <p><i>The Council's list of significant partnerships is kept up to date on a regular basis.</i></p>

Key Questions	Comments
<p><i>Supporting good governance in partnerships</i> What advice or policy is available to cover partnership governance arrangements? For example, many have a 'protocol' or handbook that sets out who is responsible and what should be put in place.</p> <p>Find out what the audit committees of partner organisations do in relation to the partnership. Perhaps there are opportunities to work together?</p> <p>Consider whether decision making in partnerships is transparent and whether accountability is clear.</p> <p>Consider whether the initiatives that your organisation takes to improve governance should also be developed within the partnership. For example if you undertake ethical awareness training, could that be extended to the partnership?</p>	<p><i>The Council has a governance framework for partnerships, which is supported by more detailed guidance.</i></p> <p><i>The Council and partner organisations discuss partnership issues at the 'Rotherham Audit Committee'. Other services have agreed to adopt Rotherham's governance framework and the PCT has adopted the Council risk register template.</i></p> <p><i>The governance framework covers decision making, performance management, financial management and ethical arrangements.</i></p> <p><i>Joint development issues can be considered through the Rotherham Audit Committee.</i></p>

8. Finance

There are no direct financial implications arising from this report.

9. Risks and Uncertainties

The Audit Committee has a key role to play in supporting the application of good governance principles. The information and guidance contained within this briefing will help Members to perform their roles in a positive way.

10. Policy and Performance Agenda Implications

The Audit Committee's work is wholly related to the achievement of the objectives in the Council's Corporate Plan.

11. Background Papers and Consultation

Better Governance Forum – Audit Committee Update 6

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