

AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL 2021/22 - 26 APRIL 2022

Council - 26 April 2022

Report of: Cllr McGarvey, Chair of the Audit Committee

Status: For Consideration

Introduction and Background

- 1 This is our report to the Council on the work of the Audit Committee during the year 2021/22.
- 2 The Audit Committee is responsible for discharging the functions conferred by the Accounts and Audit Regulations 2015. The key responsibilities include approving the Council's Annual Statement of Accounts, approving the Annual Governance Statement, approving the Annual Internal Audit Plan and monitoring and reviewing the work of Internal Audit, and reviewing the arrangements for the management of business risks.
- 3 In line with its Terms of Reference, the Audit Committee has met four times during the course of the year.
- 4 As Chair of the Committee, I have additionally held monthly briefings with Officers.
- 5 Details of the range of issues considered by the Committee over the course of the year are set out below:

Internal Audit

Date of Meeting	Agenda Items
July 2021	<ul style="list-style-type: none">• Internal Audit Annual Report and Annual Opinion 2020/21
September 2021	<ul style="list-style-type: none">• Internal Audit Progress Report 2021/22
January 2022	<ul style="list-style-type: none">• Internal Audit Progress Report 2021/22
March 2022	<ul style="list-style-type: none">• Internal Audit Progress Report 2021/22• Internal Audit Plan 2022/23

Governance, Risk & Anti-Fraud

Date of Meeting	Agenda Items
July 2021	<ul style="list-style-type: none"> • Audit Committee Terms of Reference • Counter Fraud and Compliance Report 2020/21 • Review of the Effectiveness of the Audit Committee 2020/21 • Consideration of recruitment of Independent Audit Committee Member(s)
September 2021	<ul style="list-style-type: none"> • Members' Allowance Scheme Monitoring 2020/21 • Strategic Risk Register
January 2022	<ul style="list-style-type: none"> • Risk Management Strategy • Audit Committee Independent Members - Update
March 2022	<ul style="list-style-type: none"> • Strategic Risk Register Update

Accounts and External Audit

Date of Meeting	Agenda Items
July 2021	<ul style="list-style-type: none"> • External Audit - Housing Benefit Subsidy 2019/20 • Annual Governance Statement 2020/21 • Statement of Accounts 2020/21 - Establishment of Member Working Group
September 2021	<ul style="list-style-type: none"> • Statement of Accounts 2020/21 progress update
January 2022	<ul style="list-style-type: none"> • Future Appointment of External Auditors • Statement of Accounts 2020/21 progress update
March 2022	<ul style="list-style-type: none"> • Statement of Accounts 2020/21

- 6 The Audit Committee maintains a constructive dialogue and effective working relationship with the Council's external auditors, Grant Thornton who have attended several Audit Committee meetings during the year.
- 7 Training of Audit Committee Members is important to ensure that they can add value to the discussions at the Committee. A Member Development Plan

has been agreed by the Committee and the following training sessions have taken place over the year:

- Counter Fraud and Whistle Blowing
- Internal Audit and the Role of the Audit Committee
- Risk Management

- 8 In addition to the core work of the Committee, a Member Working Group took place in August 2021 to review the draft Statement of Accounts. Its findings were reported back to the full Audit Committee. The external auditors commented favourably on Members' involvement in the Annual Accounts process.
- 9 The 2020/21 Statement of Accounts was approved by the Audit Committee in March pending some final work by Grant Thornton. Over recent years, the external audit of council accounts across the country has taken longer than planned and several individuals and bodies have looked to address the issue. To highlight this, only 32% of 2020/21 district council accounts were signed off by the end of February 2022. Officers and the Committee will continue to participate in national discussions to try to improve the situation.
- 10 As approved by Council in February we are currently in the process of appointing independent member(s) to the committee so long as there are suitable candidates who can enhance the committee.
- 11 It is my opinion that the work of the Committee has a positive impact on the overall control environment within the Council and has developed good working relationships with officers and External Audit, and has offered constructive comments on a range of issues. The Committee continues to develop and improve its understanding of the many technical issues presented to it.
- 12 Fran Chivers, Audit Manager, left the Council in December 2021 and Jen Warrillow started as the new Audit Manager in February 2022.
- 13 I thank all members of the Audit Committee for their personal contribution to the work of the Committee. I also thank Officers, in particular Adrian Rowbotham, Jen Warrillow, Fran Chivers, Alan Mitchell, Ian Wiltshire and Glen Moore, for the help and support they have given the Committee.

Cllr Philip McGarvey, Chairman, Audit Committee