

AUDIT COMMITTEE ANNUAL REPORT 2013-14

Council – 1 April 2014

Report of Cllr Grint, Chairman of the Audit Committee

Status: For Consideration

Introduction and Background

- 1 This is my report to the Council on the work of the Audit Committee during the year 2013-14.
- 2 The Audit Committee is responsible for discharging the functions conferred by the Accounts and Audit Regulations 2011. The Committee met four times during the year. As a newly created Committee, we commenced the year with a presentation, by the Audit, Risk and Anti-Fraud Manager, on the Committee's role and the scope of its responsibilities. 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 regularly during the course of the year. As Chair of the Committee, I have held regular protocol briefings with Officers. Details of the range of issues considered by the Committee over the course of the year are set out below:.

Internal Audit

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| June 2013 | <ul style="list-style-type: none">• Summary of the Public Sector Internal Audit Standards• Annual review of the Effectiveness of Internal Audit• Internal Audit Annual Report 2012/13 |
| September 2013 | <ul style="list-style-type: none">• Internal Audit First Progress Report 2013/14 |
| January 2014 | <ul style="list-style-type: none">• Internal Audit Second Progress Report• Revised Internal Audit Charter |
| March 2014 | <ul style="list-style-type: none">• Internal Audit Third Progress Report• Annual Internal Audit Plan for 2014/15 |

Governance, Risk & Anti-Fraud

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| June 2013 | <ul style="list-style-type: none">• Investigations Team Annual Report – summary of anti-fraud work carried out in 2012/13 and work plan for |
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2013/14, and approval of the Sanctions & Prosecution Policy

- Risk Management Report – Summary of Progress made in implementing the Council’s revised risk management framework
- September 2013
- Report of the Officer of the Surveillance Commissioner regarding the Council’s Surveillance Policy
 - Annual Governance Statement 2012/13
- January 2014
- Revised Risk Management Policy Statement
- March 2014
- Revised Risk Management Strategy

Reports of the External Auditor

- June 2013
- Audit Plan and Audit Fee
 - Housing & Council Tax Benefit Grant
- September 2013
- Statement of Accounts for 2012/13
- January 2014
- Annual Audit Letter and Update on External Audit work
 - Housing & Council Tax Benefit Grant

4. In addition to the core work of the Committee, a Member Working Group was also set up in July 2013 to review the draft Statement of Accounts. Its findings were reported back to the full Audit Committee at its meeting in September, and included several recommendations to improve the presentation of financial information.
5. At the meeting held in January 2014, Members of the Committee considered their training needs. It was agreed that enhanced introductions to reports will seek to address members’ training needs in the first instance.
6. The Audit Committee maintains a constructive dialogue and effective working relationship with the Council’s external auditors, Grant Thornton. The audit partner and audit manager from Grant Thornton have attended 3 of the 4 Audit Committee meetings during the year. In March 2014 I also attended an inaugural event, facilitated by Grant Thornton, bringing together the chairmen of Audit Committees from local authorities across Kent.
7. The Committee intends to undertake a self-assessment of its performance over the past year, in accordance with regulatory guidance. The outcome will be reported as part of the Annual Governance Statement process at the June Committee meeting.
8. It is my opinion that the work of the Committee has had a positive influence on the overall control environment within the Council, with recommendations made and adopted which led to amendments to the draft statement of accounts and

enhancements to the Internal Audit Plan. The Committee has developed good working relationships with Officers and External Audit, and has offered constructive comments on a range of issues. The Committee also continues to develop and improve its understanding of the many technical issues presented to it.

9. I should like to thank all members of the Audit Committee for their personal contribution to the work of the Committee over the past year. I should also like to thank Officers, in particular Adrian Rowbotham and Bami Cole, for the help and support they have given the Committee throughout the year.

Cllr John Grint
Chairman, Audit Committee