

# AUDIT COMMITTEE ANNUAL REPORT 2020/21

Audit Committee - 30 March 2021

Report of: Cllr McGarvey, Chair 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 2020/21.
- 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 regularly (three times) during the course of the year. As Chair of the Committee, I have additionally held monthly 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

Date of Meeting	Agenda Items
July 2020	<ul style="list-style-type: none"><li>• Internal Audit Annual Opinion 2019/20</li><li>• Internal Audit Plan 2020/21</li><li>• External Quality Assessment</li></ul>
November 2020	<ul style="list-style-type: none"><li>• Internal Audit Progress Report 2020/21</li></ul>
March 2021	<ul style="list-style-type: none"><li>• Internal Audit Progress Report 2020/21</li><li>• Internal Audit Plan and Charter 2021/22</li><li>• External Quality Assessment</li></ul>

## Governance, Risk & Anti-Fraud

Date of Meeting	Agenda Items
July 2020	<ul style="list-style-type: none"><li>• Member Development - Understanding Local Government Accounts</li><li>• Audit Committee Terms of Reference</li><li>• Counter Fraud and Compliance Report 2019/20</li><li>• Review of the Effectiveness of the Audit Committee 2019/20</li></ul>
November 2020	<ul style="list-style-type: none"><li>• Counter Fraud Policies</li><li>• Strategic Risk Register</li><li>• Members' Allowance Scheme Monitoring 2019/20</li></ul>
March 2021	<ul style="list-style-type: none"><li>• Audit Committee Member Development</li></ul>

## Accounts and External Audit

Date of Meeting	Agenda Items
July 2020	<ul style="list-style-type: none"><li>• Annual Governance Statement 2019/20</li><li>• External Audit - Annual Audit Plan 2019/20</li><li>• Statement of Accounts 2019/20 - Establishment of Member Working Group</li></ul>
November 2020	<ul style="list-style-type: none"><li>• Statement of Accounts 2019/20</li></ul>
March 2021	<ul style="list-style-type: none"><li>• External Audit - Annual Audit Letter 2019/20</li><li>• External Audit - Annual Audit Plan 2020/21</li><li>• Statement of Accounts 2019/20 - Update</li><li>• Statement of Accounts 2020/21 - Establishment of Member Working Group</li></ul>

- 4 The Audit Committee maintains a constructive dialogue and effective working relationship with the Council's external auditors, Grant Thornton.

The audit partner and/or audit manager from Grant Thornton have attended all of the Audit Committee meetings during the year.

- 5 Training of Audit Committee Members is important so as to ensure that they can add value to the discussions at the Committee. A new Member Development Plan was presented at the March Committee and regular training sessions are scheduled to take place over the next year.
- 6 In addition to the core work of the Committee, a Member Working Group took place in August 2020 to review the draft Statement of Accounts. Its findings were reported back to the full Audit Committee at its meeting in November. The external auditors commented favourably on Members' involvement in the Annual Accounts process.
- 7 Francesca Chivers commenced as the Audit Manager in May 2020. Francesca has brought in some new ideas to ensure that the service can add greater value to the Council and this approach was supported during the recent External Quality Assessment.
- 8 It is my opinion that the work of the Committee has had a positive impact on the overall control environment within the Council. The Committee 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.
- 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 Francesca Chivers for the help and support they have given the Committee during the year.

**Cllr Philip McGarvey**

**Chairman, Audit Committee**