

AUDIT COMMITTEE REPORT TO COUNCIL - 16 NOVEMBER 2021

Council - 16 November 2021

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 since Council last met in July 2021.
- 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 meets four times per year and has met once since the last report to Council.
- 4 As Chair of the Committee, I have continued to hold monthly briefings with Officers.
- 5 Details of the range of issues considered by the Committee on 23 September are set out below:

Internal Audit

Date of Meeting	Agenda Items
September 2021	<ul style="list-style-type: none">• Internal Audit Progress Report 2021/22

Governance, Risk & Anti-Fraud

Date of Meeting	Agenda Items
September 2021	<ul style="list-style-type: none">• Members' Allowance Scheme Monitoring 2020/21• Strategic Risk Register

Accounts and External Audit

Date of Meeting	Agenda Items
September 2021	<ul style="list-style-type: none">• Statement of Accounts 2020/21 progress update

- 6 The Audit Committee maintains a constructive dialogue and effective working relationship with the Council's external auditors, Grant Thornton who attended on 23 September.
- 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 including a training session on Internal Audit and the Role of the Audit Committee which took place on 23 September.
- 8 The draft statement of accounts for 2020/21 was completed by the deadline but the audit by Grant Thornton is still continuing. This is a common issue across the country as external auditors are struggling to provide the resources required to complete the work on time as evidenced by 90% of councils not having their audited accounts signed off by the 30 September deadline. It is expected that an additional Audit Committee will be held once Grant Thornton have completed their work.
- 9 At the July Audit Committee, a report on having independent members on the committee was discussed. It was agreed that the Chairman would attend Audit Committee meetings at other councils that have independent members and report back in January. After sitting in on a neighbouring council's Audit Committee meeting in September, it is already apparent that the benefit of having any independent person join an Audit Committee would very much depend on the skills & insightfulness of the individual concerned, so if this is pursued here, recruiting the right person would be the key to success or otherwise.
- 10 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.

- 11 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, Fran Chivers and Alan Michell, for the help and support they have given the Committee. I am sad to report that Fran Chivers (Audit Manager) will be leaving the council in December to become the Head of Internal Audit at LB Bromley. The recruitment process for a new Audit Manager is due to be completed in November.

Cllr Philip McGarvey, Chairman, Audit Committee