

## AUDIT COMMITTEE REPORT TO COUNCIL

Council - 25 April 2023

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 February 2023.
- 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 28 March are set out below:

#### Internal Audit

Date of Meeting	Agenda Items
28 March 2023	<ul style="list-style-type: none"><li>• Internal Audit Progress Report 2022/23</li><li>• Internal Audit Plan 2023/24</li><li>• Internal Audit Charter</li></ul>

#### Governance, Risk & Anti-Fraud

Date of Meeting	Agenda Items
28 March 2023	<ul style="list-style-type: none"><li>• Strategic Risk Register</li></ul>

Date of Meeting	Agenda Items
	<ul style="list-style-type: none"> <li data-bbox="584 277 1362 344">• Audit Committee - Independent Members Terms of Office</li> </ul>

### Accounts and External Audit

Date of Meeting	Agenda Items
28 March 2023	<ul style="list-style-type: none"> <li data-bbox="584 609 1326 698">• Statement of Accounts 2020/21 - External Audit Findings Report</li> </ul>

Training of Audit Committee Members is important to ensure that they can add value to the discussions at the Committee. A Member Development Plan was agreed by the Committee and a number of training sessions have taken place over recent years. The outgoing Committee has reviewed its training received in the past 4 years and has given feedback to the Chief Officer - Finance and Trading, with recommendations on what should be included in future.

- 6 There remains an issue nationally with Statement of Accounts not being agreed by the deadline. This is largely due to the increased requirements and complexity of the accounts and the available resources of the external auditors. This is also true for Sevenoaks DC.
- 7 The Audit Committee maintains a constructive dialogue and effective working relationship with the Council's external auditors, Grant Thornton who again attended our most recent Audit Committee meeting.
- 8 As mentioned previously, two independent members are now on the Committee, Lynda McMullan and Mr Mo Chughtai. Both attended the meeting on 28 March, and it was resolved that the terms of office of the Independent Members of the Audit Committee be staggered from May 2023 and;
  - a) Mo Chughtai serve as a non-voting, co-opted member for a further 2 year term until May 2025,
  - b) Lynda McMullan serve as a non-voting, co-opted member for a further 1 year Term, until May 2024.

In doing this, the outgoing Committee bequeathed to the next Audit Committee the ability to then renew the Independent Members' contracts for 4 years thereafter, if they wished, and thus be able to continue to avoid their terms of office being coterminous with those of elected members.

- 9 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.
- 10 I thank committed members of the Audit Committee for their personal contribution to the work of the Committee. I also thank Officers, in particular Adrian Rowbotham, Jennifer Warrillow and Alan Mitchell for the help and support that they have given to the Committee.
- 11 The Chairman confirmed his imminent retirement from District Council after 20 years, and therefore from Audit Committee (having served as its Chairman for 4 years), and thanked officers and members present for their commitment & support for him as well as for the Audit function.

**Cllr Philip McGarvey, Chairman, Audit Committee**