

DRAFT AUDIT COMMITTEE ANNUAL REPORT 2018/19

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 8.2

Reason for the Report

1. The Terms of Reference for the Audit Committee sets out its responsibility:
 - To report to Council on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
 - To report to Council on an annual basis on the committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.
2. The draft Annual Report is provided for Audit Committee to consider the documented account of its activities, outcomes and performance for 2018/19.

Background

3. The Audit Committee prepares an Annual Report, in which it discloses the outcomes of a Self-Assessment of the effective delivery of its role, and it provides an account of its activities, findings and opinion in respect of its terms of reference. The Audit Committee Chairperson is due to present the Audit Committee Annual Report 2018/19 to Council in September 2019.
4. This Committee meets five times every year and receives a wide range of information to meet its responsibilities, as set out in the Committee's Terms of Reference. The Audit Committee Annual Report is prepared based on the evidence presented to the Committee throughout the year. It allows Committee Members the opportunity to provide their views on the key messages considered appropriate to report.
5. On 22 January 2019, the Audit Committee considered indicative observations and findings from its work to date following a desktop review of the Audit Committee agenda, programme of work and minutes. The Audit Committee agreed with the indicative findings and observations captured at this stage, to be developed within its Annual Report.
6. The Audit Committee held a self-assessment workshop prior to its meeting in January 2019, to review its performance against a best practice CIPFA framework, which followed the completion of individual Committee Member self-assessments against the CIPFA core knowledge and skills areas from the framework. The Audit Committee in its meeting of 2 April 2019 approved the assessment results and the Action Plan.

Issues

7. The Audit Committee Annual Report has been prepared following a review of meeting agendas and minutes for 2018/19. The report sets out the role of the Committee and its work programme and activities delivered within the year.
8. The report outlines the approach the Audit Committee has taken to discharge its role, through receiving standard agenda items for ongoing assurance in core areas of its role, relating to matters of corporate finance, risk, governance and audit. The Audit Committee has also allocated time in its work programme to invite senior officers to Committee meetings to seek and gain assurance on the control environment within a range of directorates, and invited responsible officers to attend Committee meetings and account for their management of certain corporate risks, matters of governance and internal control.
9. Contained within the annual report is the opinion of the Audit Committee which sets out that the Council does have, for the most part, sound financial controls and governance arrangements in place. In considering that opinion, Audit Committee will continue to receive regular reports during 2019/20 in respect of Budget Management, Internal Control, Financial Resilience and School Governance & Compliance. Further detail on the opinion of the Audit Committee can be found in Section 6 of the report.
10. Appended to the Annual Report are the Action Plan, resulting from the Audit Committee Self-Assessment in January 2019, Audit Committee assessment information, to include both self-assessment and client comments, following attendance and Committee meetings, and the profiles of Members who served on the Audit Committee in 2018/19.

Legal Implications

11. There are no legal implications arising directly from the contents of this report.

Financial Implications

12. The annual report of the Audit Committee sets out the work it has delivered during the year. There are no financial implications arising from the contents of this report.

Recommendation

13. To approve the Audit Committee's Annual Report for 2018/19 and delegate authority to the Audit Manager to make any minor amendments required.

CHRISTOPHER LEE
CORPORATE DIRECTOR RESOURCES

The following Appendix is attached:

Appendix A - Draft Audit Committee Annual Report 2018-19