

<p style="text-align: center;"><b>ANNUAL REPORT ON THE WORK OF THE AUDIT COMMITTEE 2020/21 FINANCIAL YEAR</b></p>
---

**1. Introduction**

This reports covers the period April 2020 to May 2021 and outlines:-

- Information relating to the Audit Committee;
- The coverage of work undertaken by the Audit Committee;
- Actions taking during the year, including training, to ensure the effectiveness of the Audit Committee; and
- Future planned work and challenges.

**2. Background**

- 2.1 The Audit Committee has been in place for a number of years. The Committee's terms of reference list the responsibilities and authorities delegated in the Council's Constitution, which comprise:

**Internal control**

- To consider and monitor the adequacy and effectiveness of the authority's risk management and internal control environment and to make recommendations to full Council where necessary.

**External audit**

- To monitor the adequacy and effectiveness of the External Audit Service and respond to its findings.

**Internal audit**

- To support the Officers with their delegated responsibility of ensuring arrangements for the provision of an adequate and effective internal audit.
- To monitor the adequacy and effectiveness of the internal audit service and to receive and monitor an annual internal audit plan from the audit manager.
- To approve the Annual Statement of Accounts, including the Annual Governance Statement, and to recommend as necessary to the Governance Committee regarding the committee's responsibilities to monitor corporate governance matters generally.
- To monitor proactive fraud and corruption arrangements.

### **The Audit Structure (as at April 2019):**

Audit Committee: Councillor Martin Goode (Chairman)  
Councillor Viddy Persaud (Vice Chairman)  
Councillor Gillian Ford  
Councillor Gerry O'Sullivan  
Councillor Judith Holt  
Councillor Roger Ramsey

Internal Auditors: oneSource

External Auditors: Ernst & Young

During the year under review, the Committee met on four occasions and dealt with the following issues:

### **3. Audit Committee coverage**

3.1 The Audit Committee has received the reports as set out in Appendix A. The coverage can broadly be categorised as regular and specific. More information on both is set out below.

#### **3.2 Regular work**

The Committee has regularly reviewed:

- Progress against the audit plan and performance;
- Key findings/issues arising from each audit undertaken;
- Progress against implementation of the recommendations;
- Anti-fraud and corruption activity, including frauds investigated and outcomes;
- Treasury Management activity; and
- The Accounts closedown timetable and progress reports.

#### **3.3 Specific Review / Reports**

There were several during the year including a review and approval of:

- the Statement of Accounts;
- the Annual Governance Statement; and
- the Annual Audit Plan.

The Committee also received assurances via:

- Annual Report from Internal Audit that includes the Annual Assurance Statement; and
- The work of external Audit (EY).

## **Priorities and work plan for the forthcoming year**

- 4.1 The Audit Committee is currently planned to meet on four occasions over the next municipal year. There are specific reports planned throughout the year, running through a mix of quarterly progress reports and annual reviews of specific strategies and policies within the remit of the Committee, together with progress reports from the Council's external auditor.
- 3.2 Officers will continue to ensure all members on the Committee, and their nominated substitutes, are adequately trained.
- 3.3 The Committee will continue to oversee the effectiveness of the audit team and wider fraud resources in accordance with Public Sector Audit Standards Audit and Accounts Regulations 2015.
- 3.4 The Committee will focus on the embedding of the Risk Management arrangements agreed in the Revised Management Policy and Strategy.
- 3.5 Fraud prevention and detection will continue to be high on the Audit Committees agenda going forward.
- 3.6 The Committee will continue to focus on ensuring Value for Money and challenging weak areas that have been highlighted by the work of Internal Audit.

**AUDIT COMMITTEE AGENDA ITEMS – FROM JULY 2019 TO MAY 2020**

**July 2020**

- Audic Committee Annual Report 19/20
- Annual Governance Statement 19/20
- Corporate Risk Register
- Head of Assurance Report
- Internal Audit Plan 20/21
- Draft Statement of Accounts 19/20
- EY Audit Plan 19/20
- Annual Treasury Management Report

**October 2020**

- Assurance Progress Report Q1 and Q2
- Mid-Year Treasury Management 20/21
- Whistleblowing Policy Report
- EU Transition Report

**February 2021**

- Accounting Policies 21/22
- Closedown Timetable 20/21
- LBH Council and Pension Fund Annual Statement 19/20
- AGS 19/20 Significant Issues
- Corporate Risk Register
- Draft Internal Audit Plan 21/22
- Internal Audit and Counter Fraud Report
- Treasury Management Strategy Statement 21/22 Report

**April 2021**

- Head of Assurance Report
- EY Audit Plan 20/21