

AUDIT COMMITTEE

31 MARCH 2022

REPORT OF ASSISTANT DIRECTOR (FINANCE & IT)

A.4 AUDIT COMMITTEE WORK PROGRAMME 2022/23

(Report prepared by Karen Townshend)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present for approval the Audit Committee's proposed work programme covering the period April 2022 to March 2023.

EXECUTIVE SUMMARY

A work programme covering the period April 2022 to March 2023 has been prepared which continues to reflect the significant element of regulatory / statutory activity required, along with other associated work, which fall within the responsibilities of the Audit Committee.

RECOMMENDATION(S)

That the Audit Committee approves its Work Programme for 2022/23.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The existence of sound governance, internal control and financial management practices and procedures are essential to the delivery of the Corporate priorities supported by effective management and forward planning within this overall framework.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

Although there are no significant financial implications associated with the work programme of the Committee, additional officer time or resources may be required to support the activities of the Committee and existing budgets will be reviewed as appropriate if the potential for additional costs arises.

Risk

The work programme of the Committee covers a mix of governance arrangements along with statutory and regulatory functions. The work programme aims to address these areas of responsibility within related timescales and deadlines to support, protect and enhance the Council's reputation and governance framework.

LEGAL

Statutory and regulatory requirements have been recognised within the work programme.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following

and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

The work programme has no direct impact on these issues although they could feature within areas of work falling within the remit of the Audit Committee in future, which would be addressed specifically as and when they arise.

PART 3 – SUPPORTING INFORMATION

PROPOSED WORK PROGRAMME 2022/23

The Audit Committee has a wide-ranging area of responsibility with statutory and regulatory functions making up a significant element of their work. The meetings of the Committee are scheduled around a quarterly basis subject to the work required of the Committee to support the statutory and regulatory timescales and deadlines. The Audit Committee's work programme therefore needs to take account of various demands whilst balancing a number of activities within the planned number of meetings scheduled for the year.

In addition to the regulatory and statutory activities undertaken by the Committee such as the Statement of Accounts, Corporate Governance and Risk Management, the Committee are also required to review and scrutinise:

- The work and performance of the Internal Audit function
- The outcomes from the work of the Council's External Auditor
- Progress against audit recommendations and other items identified by the Committee

During the year other matters apart from those set out above may be presented to the Committee for consideration, for example the outcome from regulatory reviews or other external inspections. Given the on-going regulatory and statutory workload and the various additional activities undertaken by the Committee, any additional items that may arise will need to be considered against the proposed work programme and included for reporting at the appropriate meeting, or considered for inclusion in subsequent work programmes.

Although not included in the formal work programme, a formal Audit Committee training programme is being developed. The associated training opportunities will either form part of future meetings or, where necessary, separate arrangements made.

There has been a significant amount of specific activities and associated reporting to be considered by the Committee, therefore it has not been possible to present a number of items originally planned for the March meeting of the Committee. However, in consultation with the Chairman of the Committee, an additional meeting will be held in April 2022 to enable these outstanding items to be completed and presented to the Committee in as timely a manner as possible. The items to be considered in April include the Final Statement of Accounts 2020/21 given the challenges faced by the External Auditor in completing their associated audit work any earlier.

In respect of the on-going challenges faced by External Auditors nationally, the Government have again extended the deadline for the publication of the audited accounts. For the 2021/22 accounts, the deadline is now the end of November 2022, before being moved back to the end of September from the following year. The proposed work programme therefore includes an additional meeting in November. However, a date has

not been formally agreed for this meeting at the present time as discussions will remain on-going with the External Auditor and an update will be presented to Members later in the year following consultation with the Chairman of the Committee.

In addition to the above, the Council is still waiting for the Government's response to the wider Redmond review into the effectiveness of external audit, which is likely to have an impact on the work of the Committee and its associated work programme. Although updates will be provided to the Committee during the year, a useful summary of the latest Government response is set out below:

"The Government is committed to supporting the improvement of audit committee arrangements and delivery of good practice in response to Sir Tony's recommendations through the development and production of strengthened guidance on audit committees. CIPFA is leading this work, with support and input from the LGA, PSAA, and others, and revised guidance will be published in spring 2022.

This guidance will emphasise the important role that audit committees have in ensuring that accounts are prepared to a high standard and that issues identified by audit firms are resolved swiftly. It will also include guidance on the appointment of independent members, who can often play a key part in ensuring the apolitical role of the audit committee. The Government has recently consulted on whether the guidance, or the principle of audit committees themselves, should be made a statutory requirement, and will be setting out a response in due course, including the case for making independent members a statutory requirement.

The guidance will also allow content to be targeted at the different audiences given the role that audit committee members, those guiding and supporting the committee, and local body leadership teams all have in ensuring the processes work effectively.

Further, to strengthen the capability and skills of audit committee members, the Local Government Association, with support from DLUHC, will establish a number of targeted forums."

Taking into account the responsibilities of the Audit Committee as highlighted above the proposed work programme covering the period from April 2022 up to and including March 2023 is set out in the Appendix. Given the changes to the timing of the Statement of Accounts, it is also proposed to revert back to a meeting in June rather than July, that better reflects a quarterly 'cycle' of meetings, as was the case in earlier years.

As the year progresses, it may be necessary to review items as some reports / activities and associated timescales may be subject to change or need to be flexible. As appropriate, the Chairman of the Committee will be consulted with on any significant changes if required.

BACKGROUND PAPERS FOR THE DECISION

Not applicable

APPENDICES

Appendix A – Audit Committee Work Programme 2022/23