

**Bolsover District Council**

**Audit Committee**

**25th July 2017**

**Committee Work Programme 2017/2018**

**Report of the Assistant Director Finance and Revenues and Benefits**

This report is public

**Purpose of the Report**

- To enable the Committee to consider an appropriate Work Programme for the municipal year 2017/2018.

**1 Report Details**

- 1.1 The Audit Committee considers a range of financial and governance issues on a regular basis. Given the requirement to operate an effective Audit Committee it is crucial that there is an appropriate plan in place to ensure that the Committee systematically addresses those issues for which it has responsibility. Accordingly, it is appropriate that an Annual Work Programme continues to be in place.
- 1.2 The proposed Work Programme is set out in the attached **Appendix 1**. It should be recognised that the work plan for the remainder of the year is at this stage an indicative one to which matters may be added or removed as appropriate.
- 1.3 The draft work programme enables Members to give structured consideration as to whether the proposed agenda items are appropriate and serve to meet the objectives of the Committee. That question needs to be considered in the light of the Council's Constitution, Chartered Institute of Public Finance and Accountancy (CIPFA) Guidance on the role of an Audit Committee and established good practice. Attached as **Appendix 2** for Members information is a copy of the Committees delegations, taken from the Council's Constitution.

**2 Conclusions and Reasons for Recommendation**

- 2.1 To enable the Committee to consider its Work Programme for 2017/2018.

**3 Consultation and Equality Impact**

- 3.1 There are no consultation and equality impact matters arising directly from the content of this report.

#### **4 Alternative Options and Reasons for Rejection**

- 4.1 The option of not having a work programme is not considered as being appropriate, as the absence of a clear programme of work would undermine the effectiveness of the Committee.

#### **5 Implications**

##### **5.1 Finance and Risk Implications**

The development of a Work Programme for the Audit Committee will provide an appropriate structure to assist and support the Committee's work. This will help to ensure that the Committee continues to operate effectively and that the Council's governance/scrutiny and accountability arrangements remain robust. The Programme is designed to allow the Audit Committee to continue its flexible approach to its work and consider the range of matters which are within its remit.

There are no financial issues arising from the report.

##### **5.2 Legal Implications including Data Protection**

There are no legal issues or Data Protection matters arising directly from this report.

##### **5.3 Human Resources Implications**

There are no Human Resource issues arising from the report.

#### **6 Recommendations**

- 6.1 That the Committee notes and endorses the Audit Committee Work Programme 2017/2018 as set out in the attached **Appendix 1**.

#### **7 Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
<b>District Wards Affected</b>	None directly
<b>Links to Corporate Plan priorities or Policy Framework</b>	Transforming Our Organisation – Demonstrating Good Governance.

8 **Document Information**

Appendix No	Title
1	Audit Committee Work Programme 2017/2018
2	Audit Committee – Remit as set out in the Constitution.
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
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**AUDIT AND CORPORATE GOVERNANCE SCRUTINY COMMITTEE; PROPOSED  
WORK PROGRAMME 2017/2018**

<b><u>DATE OF MEETING</u></b>	<b><u>ITEM</u></b>
11 <sup>th</sup> April 2017	<ul style="list-style-type: none"> <li>• External Audit Plan 2016/17 (KPMG)</li> <li>• Progress Report and Technical Update (KPMG)</li> <li>• Internal Audit Plan 2017/18</li> <li>• Summary of Progress on the 2016/17 Internal Audit Plan</li> <li>• Accounting Policies 2016/17</li> <li>• Derbyshire Audit Forum</li> <li>• Response to KPMG's Inquiries to those Charged with Governance</li> <li>• Key Issues of Financial Governance</li> </ul>
16 May 2017	<ul style="list-style-type: none"> <li>• Summary of Progress on the 2016/17 Internal Audit Plan.</li> <li>• Internal Audit Consortium: Annual Report to Bolsover District Council</li> <li>• Annual Governance Statement and Local Code of Corporate Governance</li> <li>• Annual Review of the Effectiveness of Internal Audit</li> <li>• Key Issues of Financial Governance</li> <li>• Update on addressing issues identified in "Marginal audit reports"</li> </ul>
25 July 2017	<ul style="list-style-type: none"> <li>• Report of Those Charged with Governance ISA 260 (KPMG)</li> <li>• BDC Statement of Accounts 2016/17</li> <li>• Report of External Auditor (KPMG) – Annual Audit Fee letter 2017/18</li> <li>• Financial Outturn 2017/18</li> <li>• Audit and Corporate Governance Committee – Proposed Workplan 2017/18</li> <li>• Strategic Risk Register and Partnership Arrangements</li> <li>• Quarter 1 2017/18 Financial Monitoring</li> <li>• Key Issues of Financial Governance</li> </ul>
26 September 2017	<ul style="list-style-type: none"> <li>• Report of External Auditor (KPMG) Annual Audit Letter 2016/17</li> <li>• Report of Internal Audit – Summary of Progress on the Internal Audit Plan</li> <li>• Fighting Fraud and Corruption Locally</li> <li>• Key Issues of Financial Governance</li> </ul>
21 November 2017	<ul style="list-style-type: none"> <li>• Quarter 2 2017/18 Financial Monitoring</li> <li>• Strategic Risk Register and Partnership arrangements</li> <li>• Evaluate the Effectiveness of the Audit and Corporate Governance Committee</li> <li>• Key Issues of Financial Governance</li> </ul>
23 January 2018	<ul style="list-style-type: none"> <li>• Medium Term Financial Plan 2018/19 to 2021/22</li> <li>• Report of Internal Audit – Summary of Progress on the</li> </ul>

	<p>Internal Audit Plan</p> <ul style="list-style-type: none"> <li>• Strategic Risk Register and Partnership Arrangements</li> <li>• Key Issues of Financial Governance</li> </ul>
10 April 2018	<ul style="list-style-type: none"> <li>• Report of the External Auditor (KPMG): External Audit Plan 2018/19</li> <li>• Report of the External Auditor (KPMG): Progress Report and Technical Update</li> <li>• Internal Audit Plan 2018/19</li> <li>• Key Issues of Financial Governance</li> <li>• Strategic Risk Register and Partnership Arrangements</li> <li>• Proposed Accounting Policies 2017/18</li> </ul>
15 May 2018	<ul style="list-style-type: none"> <li>• Internal Audit Consortium: Annual Report 2017/2018</li> <li>• Summary of Internal Audit Reports Issued 2017/2018</li> <li>• Annual Review of Effectiveness of Internal Audit</li> <li>• Annual Governance Statement 2017/18</li> <li>• Key Issues of Financial Governance</li> </ul>

## **(4) AUDIT COMMITTEE**

### **1. Statement of Purpose**

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Authority's financial and non financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment. The Audit Committee will also oversee the Authority's corporate governance arrangements.

### **2. Reporting Framework**

The Audit Committee will report directly to the Council, and provide information to the Executive for action, whilst maintaining its independence.

### **3. Membership and Structure of Meetings**

The Audit Committee will have a membership of six plus one co-opted member and reflect the political composition of the Council. A quorum will constitute at least three members of the Committee, including the co-opted member.

The Chair and Vice Chair of the Committee will be elected from its membership.

The Audit Committee will meet at least four times per year.

### **4. Principal Responsibilities**

(1) To ensure that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions to include the following:-

i) Arrangements for the assessment and management of risk within the Authority and ensuring they are embedded within the organisation.

ii) Approving and modifying the terms of reference and strategy for internal audit.

iii) Receiving and approving the annual internal audit plan and reviewing the external audit plan.

iv) Receiving quarterly reports on the progress against the annual audit plan.

v) Reviewing and adopting the Annual Governance Statement.

vi) Reviewing the Council's anti-fraud policy.

(2) To consider the Council's Code of Corporate Governance and approve the annual statement in that respect.

(3) To consider the External Auditors findings from their review of the Statement of Accounts.

(4) To consider and approve, after review by External Audit the Statement of Accounts and report such to Council. The date by which this must be achieved is 30<sup>th</sup> September each year.

(5) To review and adopt the detailed and summary Annual Governance Statement in light of the Internal Audit Annual review, report on the

effectiveness of Internal Audit, Governance letters and the financial details shown in the statement of Accounts. In addition when these items are scheduled for consideration the Leader, Deputy Leader and the appropriate Cabinet member would be invited to attend the Audit Committee and participate in the debate and discussion, but no voting rights would be associated with the invitation.

(6) To review the Council's internal audit function and monitor performance.

(7) To monitor and ensure implementation of internal and external audit recommendations.

(8) To be responsible for ensuring effective scrutiny of the treasury management strategy and policies.