

Bolsover District Council

Audit Committee

25th July 2018

Audit Committee Work Programme 2018/19

Report of the Head of Finance & Resources

This report is public

Purpose of the Report

- To enable the Committee to consider an appropriate Work Programme for the municipal year 2018/19.

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 2018/19.

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 2018/19 as set out in the attached **Appendix 1**.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	N/A
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	N/A
Has the relevant Portfolio Holder been informed	Yes
District Wards Affected	None directly

Links to Corporate Plan priorities or Policy Framework	Transforming Our Organisation – Demonstrating Good Governance.
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8 Document Information

Appendix No	Title
1	Audit Committee Work Programme 2018/19
2	Audit Committee – Remit as set out in the Constitution.
Background Papers (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 COMMITTEE; PROPOSED WORK PROGRAMME 2018/19

DATE OF MEETING	ITEM
25 th July 2018	<ul style="list-style-type: none"> • Report of Those Charged with Governance ISA 260 (KPMG) • Report of Internal Audit – Summary of Progress on the Internal Audit Plan • Report of Internal Audit – Internal Audit Charter • BDC Statement of Accounts 2017/18 • Audit Committee – Proposed Workplan 2018/19
25 th September 2018	<ul style="list-style-type: none"> • Report of External Auditor (KPMG) Annual Audit Letter 2017/18 • Strategic Risk Register and Partnership Arrangements • Fighting Fraud and Corruption Locally • Audit Committee – Self Assessment
20 th November 2018	<ul style="list-style-type: none"> • Report of Internal Audit – Summary of Progress on the Internal Audit Plan • Strategic Risk Register and Partnership arrangements • Evaluate the Effectiveness of the Audit Committee
29 th January 2019	<ul style="list-style-type: none"> • Report of Internal Audit – Summary of Progress on the Internal Audit Plan • Strategic Risk Register and Partnership Arrangements • Annual Review of Effectiveness of Internal Audit
16 th April 2019	<ul style="list-style-type: none"> • Report of the External Auditor: External Audit Plan 2019/20 • Report of the External Auditor: Progress Report and Technical Update • Internal Audit Plan 2019/20 • Summary of Progress on the 2018/19 Internal Audit Plan • Accounting Policies 2018/19 • Annual Governance Statement and Local Code of Corporate Governance

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.

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 30th 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.