

Audit Committee	
Meeting Date	30 July 2018
Report Title	Committee Work Plan
Cabinet Member	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance & Performance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Rich Clarke, Head of Audit Partnership/Nick Vickers, Chief Financial Officer
Lead Officer	Rich Clarke Head of Audit Partnership/Nick Vickers Chief Financial Officer
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. To determine whether to request General Purposes Committee to consider any changes to the Committee's Terms of Reference. 2. To endorse the need for member training and development. 3. To agree the annual work plan.

1 Purpose of Report and Executive Summary

- 1.1 The Chairman, Cllr Kay, has asked for a revised format for this report and also for an update on the Terms of Reference issue and Member Development.

2 Background

Terms of Reference

- 2.1 The Terms of Reference for the Committee are set by Council. The current Terms of Reference of the Committee and those of the other Mid Kent Councils are shown in Appendix I. Members are reminded that Maidstone is a hung Council with a Committee system so its constitutional arrangements are quite different from the other three Councils.
- 2.2 The Head of Audit Partnership reported to the Committee in March and his report is included in the background documents.
- 2.3 Members are asked if there are any issues other than Treasury Management to ask General Purposes Committee to consider. The proposed wording on Treasury Management is:

“Maintain oversight of the Council's Treasury Strategy and receive six monthly monitoring reports.”

Member Development

- 2.4 It is essential that Members have the necessary skills and knowledge to undertake their role. The Head of Audit Partnership usually delivers an update each June but this was not done this year given how well advanced we now are in the four year cycle. The Chairman suggests using the beginning of the next two meetings for training purposes.
- 2.5 The Chairman has asked that CIPFA and Grant Thornton updates are provided to all members of the Committee.

Annual Work Plan

- 2.6 The Chairman has discussed the Annual Work Plan with Officers and a revised plan is attached in Appendix II.

3 Proposals

- 3.1 Recommendations are made to General Purposes Committee on amended Terms of Reference.
- 3.2 The importance of Member Training and Development is endorsed.
- 3.3 The Annual Work Plan is agreed.

4 Alternative Options

- 4.1 The report addresses clarification issues in relation to the role of the Committee and the discharge of its duties.

5 Consultation Undertaken or Proposed

- 5.1 Research has been undertaken on how similar Committees operate in other Councils and the Head of Audit Partnership and Chief Financial Officer can supplement this from their experience of other Councils. The Chairman is also seeking to engage with other Chairmen of Audit Committees.

6 Implications

Issue	Implications
Corporate Plan	Supports the priority of being a Council to be Proud Of.
Financial, Resource and Property	No direct implications.
Legal, Statutory	No direct implications.

and Procurement	
Crime and Disorder	No direct implications.
Environment and Sustainability	No direct implications.
Health and Wellbeing	No direct implications.
Risk Management and Health and Safety	No direct implications.
Equality and Diversity	No direct implications.
Privacy and Data Protection	No direct implications.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Mid Kent Councils Terms of Reference
- Appendix II Annual Work Plan

8 Background Papers

Head of Audit Partnership March 2018 report

https://services.swale.gov.uk/meetings/documents/s9416/ITEM%209%20Memo_on_Swale_BC_Audit_Committee_Terms_of_Reference.pdf

APPENDIX I

Mid Kent Councils Audit Committee Terms of Reference

<u>Swale Borough Council</u>	<u>Ashford Borough Council</u>
<p>Consider the effectiveness of the authority's risk management arrangements, the control environment and associated antifraud and anti-corruption arrangements.</p> <p>Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.</p> <p>Be satisfied that the authority's assurance statements, including the Statement on Internal Control, properly reflect the risk environment and any actions required to improve it.</p> <p>Approve (but not direct) internal Audit's strategy and Annual Audit Plan and monitor performance against them.</p> <p>Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.</p> <p>Receive the annual report of the Head of Internal Audit.</p> <p>Consider the reports of external audit and inspection agencies.</p> <p>Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.</p> <p>Review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.</p> <p>Approve the Annual Statement of Accounts.</p>	<p>The Head of Internal Audit's Annual Report and Opinion, and a summary of the internal audit activity (actual and proposed) and the level of assurance it can give over the Council's Corporate Governance arrangements.</p> <p>The summary of internal audit reports issued in the previous period.</p> <p>Reports on the management and performance of the Audit Partnership Agreement.</p> <p>Reports from the Head of Internal Audit on agreed recommendations not implemented within reasonable timescales.</p> <p>The External Auditors management letter and relevant reports.</p> <p>Any detailed responses to the External Auditor's Annual Letter.</p> <p>Specific reports as agreed with the External Auditor.</p> <p>The scope and depth of external audit work and ensure it gives value for money.</p> <p>Liaison with the Audit Commission on the appointment of the Council's External Auditor.</p> <p>The commissioning of work from internal and external audit.</p>

<p>Present an annual report to the Executive on exceptions and highlights throughout the year.</p>	
<p><u>Maidstone Borough Council</u></p> <p>To Consider the Head of Internal Audit Partnership's annual report and opinion, and a summary of Internal Audit activity (actual and proposed and the level of assurance it can give over the Council's corporate governance arrangements.</p> <p>To consider reports dealing with the management and performance of Internal Audit Services, including consideration of endorsement of the Strategic Internal Audit Plan and any report on agreed recommendations not implemented within a reasonable timescale; and the Internal Audit Charter.</p> <p>To consider the External Auditor's Annual Audit letter, relevant reports, and any other report of recommendations to those charged with governance; and ensure that the Council has satisfactorily addressed all issues raised. To comment on the scope and depth of external audit work and to ensure it gives value for money.</p> <p>To review and approve the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of Policy and Resources Committee and Council.</p> <p>Consider and review the effectiveness of the Treasury Management Strategy, Investment Strategy, Medium Term Financial Strategy, Annual Report and Mid Year review and make recommendations to Policy and Resources Committee and Cabinet.</p> <p>Recommend and monitor the effectiveness of the Council's Counter Fraud and</p>	<p><u>Tunbridge Wells Borough Council</u></p> <p>To consider the Internal Audit Manager's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.</p> <p>To agree the external Audit Plan for the year.</p> <p>To approve the cost of the Audit.</p> <p>To consider summaries of specific internal audit reports as requested.</p> <p>To consider reports dealing with the management and performance of the providers of internal audit services.</p> <p>To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.</p> <p>To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.</p> <p>To consider specific reports as agreed with the external audit work and to ensure it gives value for money.</p> <p>To comment on the scope and depth of external audit work and to ensure it gives value for money.</p> <p>To liaise with the Audit Commission over the appointment of the Council's external auditor.</p> <p>To commission work from internal and external audit.</p> <p>To oversee the whistle-blowing policy and make appropriate recommendations for change to the policy;</p>

<p>Corruption Strategy</p> <p>.</p> <p>To maintain a financial overview of the operation of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.</p> <p>In conjunction with Policy and Resources Committee to monitor the effective development and operation of risk management and corporate governance in the Council to ensure that strategically the risk management and corporate governance arrangements protect the Council.</p> <p>To monitor Council policies on 'Raising Concerns at Work' (Whistleblowing') and the Anti-fraud and corruption' strategy.</p> <p>To oversee the production of the authority's Annual Governance Statement and to agree its adoption.</p> <p>The Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice and high standards of ethics and probity.</p> <p>This Committee will receive the annual review of the Local Code of Corporate Governance and may make recommendations to Policy and Resources Committee for proposed amendments, as necessary.</p> <p>To consider whether safeguards are in place to secure the Council's compliance with its own and other published standards and controls.</p>	<p>To liaise with the Overview and Scrutiny Committee Chairman to coordinate cross-cutting issues and avoid duplication.</p>
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Appendix II

Annual Work Plan

30 July	Lead Officer
Work Plan (including professional updates)	Chief Financial Officer
Annual Statement of Accounts	Chief Financial Officer
Audit Findings Report	External Auditor
External Audit Fee Letter	External Auditor
Audit Committee Annual Report	Head of Audit Partnership
19 September	
Work Plan (including professional updates)	Chief Financial Officer
Member training & development	All
Annual Treasury Management Review	Chief Financial Officer
Fraud and Compliance	Revenues and Benefits
Annual Audit Letter	External Auditor
Update	External Auditor
28 November	
Work Plan (including professional updates)	Chief Financial Officer
Member training & development	All
Six Month Treasury Management Review	Chief Financial Officer
Internal Audit Interim Report	Head of Audit Partnership
Internal Audit Charter	Head of Audit Partnership
Update	External Auditor
13 March	

Work Plan (including professional updates)	Chief Financial Officer
Internal Audit Plan 2019/20	Head of Audit Partnership
Strategic Risk Register and Action	Head of Audit Partnership
Certification of Claims and Returns	External Auditor
2019/20 Audit Plan – External Audit	External Auditor