

East Herts Council Report

Audit & Governance Committee

Date of meeting: 24 January 2023

Report by: Head of Strategic Finance & Property

Report title: Audit and Governance Committee Work Programme

Ward(s) affected: All

Summary – To present to Audit and Finance Committee the work programme for the year of finance and audit business with a brief summary of each report so that Members can see the business that will come before the Committee at each meeting.

RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE

- a)** Approve the work programme as set out in the report; and
- b)** Specify any training requirements.

1.0 Proposal(s)

- 1.1 Audit and Governance Committee's audit functions are:
 - 1.1.1 Approving the Council's statement of accounts.
 - 1.1.2 Consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
 - 1.1.3 Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.

- 1.1.4 Be satisfied that the Council's assurance statements, including reviewing the Annual Governance Statement against the good governance framework, properly reflect the risk environment and any actions required to improve it.
 - 1.1.5 Approve internal audit's strategy, its plan and monitor its performance.
 - 1.1.6 Approve the shared anti-fraud service strategy, its plan and monitor its performance.
 - 1.1.7 Review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary.
 - 1.1.8 Receive the annual report of the head of internal audit.
 - 1.1.9 Receive and consider the reports of external audit (including the annual audit letter) and inspection agencies, and monitor management action in response to the issues raised.
 - 1.1.10 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.
 - 1.1.11 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.
 - 1.1.12 Oversight of the Council's commercial projects.
- 1.2 Audit and Governance Committee's finance functions are:
- 1.2.1 Receive budget monitoring reports and risk management reports.

- 1.2.2 Lead the cross Member scrutiny and consideration of the Council's draft annual budget and medium term financial plan.
 - 1.2.3 Scrutinise the Council's Annual Investment Strategy, Annual Capital Strategy, Mid-Year Treasury Management Report and Annual Treasury Management Report and through review gain assurance that systems of governance and control for Treasury Management are effective.
 - 1.2.4 Where appropriate, assisting the Council and the Executive in the development of its budget and policy framework by in-depth analysis of financial, procurement and governance related policy issues.
 - 1.2.5 Where relevant to the audit or finance functions of the Committee, overseeing and scrutinising all Internal, Corporate and Corporate Governance functions of the Council.
- 1.3 In order to fulfil these functions a series of reports will be brought to Members to provide:
- 1.3.1 Assurance that the council's financial affairs are being properly managed and that the council is making the best use of resources;
 - 1.3.2 An adequate and effective system of internal audit is operating and that it's approved plan is being delivered;
 - 1.3.3 The Council's governance arrangements are adequate;
 - 1.3.4 That key business risks have been identified, evaluated and are being managed;

- 1.3.5 That key systems and controls are operating effectively giving assurance that the Statement of Accounts is materially correct and can be approved;
- 1.3.6 Receive and consider the external auditor's Audit Plan, report and Annual Audit Letter; and
- 1.3.7 Receive copies of Executive budget monitoring reports, for information, so that the final accounts outturn position can be compared to forecasts during the year.

2.0 Training

- 2.1 Training for Members of the Committee will be delivered for the first 30 minutes of the Committee meeting and will be related to the business before the Committee.
- 2.2 Members are recommended to review the proposed work programme and suggested training and identify any other training needs they require.

3.0 Work Programme

- 3.1 The Committee will recall that the external audit of the council's accounts was due to start in October 2021 and conclude in December 2021. EY delayed the start to the audit until 3 January 2022. The audit is still not concluded, and the external auditor ceased working on the council's audit in May and June to work on their NHS audits. The external auditor has given no estimated date for the completion of the audit.
- 3.2 The work programme for the Committee is proposed to be as follows:

Committee	Date	Report Title	Report Summary
Audit & Governance (Accounts Approval) Sub Committee	February 2023	Training: Statement of Accounts	Presentation to Members on the key elements of the Statement of Accounts and the inter-relationship of the core statements.
		Receipt of the Final External Auditor's Annual Governance Report	In accordance with the Code of Audit Practice (the Code), this report provides a summary of the work the external auditor has carried out during their audit of accounts, the conclusions they have reached and the recommendations they have made to discharge their statutory audit responsibilities to those charged with governance (in this case the Audit and Finance Committee) at the time they are considering the financial statements. In preparing their report, the Code requires them to comply with the requirements of International Standards on Auditing (United Kingdom & Ireland) – ISA (UK&I) - 260 'Communication of Audit Matters to Those Charged With Governance'.
		Approval of the Statement of Accounts	Regulation 10 (1) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a committee of the Council, such approval to take place before 30 September immediately

Committee	Date	Report Title	Report Summary
			following the end of a year, or as soon as practicable after the conclusion of the audit.
Audit & Governance	28 March 2023	Training: Cyber Security	Presentation on risk management and its importance for the council
		Internal Audit Plan	To present to Audit and Governance Committee the Shared Internal Audit Service Audit Plan for the financial year.
		Anti-Fraud Plan	To present to Audit and Governance Committee the Shared Anti-Fraud Service Anti-Fraud Plan for the financial year.
		Data Protection Update	To present to Audit and Governance Committee the progress on data protection policies and practices.
		Strategic Risk Register Monitoring Q3 2022/23 and Annual Review of Risk Management Strategy	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 3 and the annual review of the council's risk management strategy.
		Financial Management Quarter 3 Forecast to Year End	To provide Audit and Finance Committee with a copy for information of the Executive Report with the forecast position on revenue spending and the capital programme as at the end of quarter 3.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.

Committee	Date	Report Title	Report Summary
Audit & Governance	31 May 2023	Training	The role of the Audit & Governance Committee
		External Audit Planning Report 2022/23	To present to Audit and Governance Committee the external auditor's Audit Planning Report. The Committee receives the report on behalf of the Council.
		Annual Assurance Statement and Internal Audit Annual Report	To present to Audit and Governance Committee the Annual Report on Internal Audit Activity for the preceding financial year and the level of assurance on the financial systems. Regulation 6 of The Accounts and Audit Regulations 2015 require the Council, at least once a year, to conduct a review of the effectiveness of its internal audit.
		Draft Annual Governance Statement	To present to Audit and Governance Committee for comment the Draft Annual Governance Statement for incorporation in the Statement of Accounts. Regulation 6 of the Accounts and Audit Regulations 2015 requires the Council to conduct a review, at least once a year, of the effectiveness of its system of internal control and approve an annual governance statement to accompany the statement of accounts.
		Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit

Committee	Date	Report Title	Report Summary
			Service's progress against the Internal Audit Plan.
		Anti-Fraud Report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's annual anti-fraud report detailing work completed on the Anti-Fraud Plan and detailing detected fraud and any recovery of monies
		Shared Anti-Fraud Service Anti-Fraud Plan Progress Report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's progress against the Anti-Fraud Plan.
		Strategic Risk Register Monitoring Q4 2022/23	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 4.
		Assets of Community Value	To present to Audit & Governance Committee the Register of Assets of Community Value annual update report.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.
Audit & Governance	26 September 2023	Training: Statement of Accounts	Presentation to Members on the key elements of the Statement of Accounts and the inter-relationship of the core statements.
		Receipt of the External Auditor's Annual Governance Report	In accordance with the Code of Audit Practice (the Code), this report provides a summary of the work the external auditor has carried out

Committee	Date	Report Title	Report Summary
			<p>during their audit of accounts, the conclusions they have reached and the recommendations they have made to discharge their statutory audit responsibilities to those charged with governance (in this case the Audit and Finance Committee) at the time they are considering the financial statements. In preparing their report, the Code requires them to comply with the requirements of International Standards on Auditing (United Kingdom & Ireland) – ISA (UK&I) - 260 ‘Communication of Audit Matters to Those Charged With Governance’.</p>
		Approval of the Statement of Accounts	<p>Regulation 10 (1) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a committee of the Council, such approval to take place before 30 September immediately following the end of a year, or as soon as practicable after the conclusion of the audit.</p>
		Approval of the Annual Governance Statement	<p>To present to Audit and Governance Committee for approval the Annual Governance Statement for incorporation in the Statement of Accounts. Regulation 6 of the Accounts and Audit Regulations 2015</p>

Committee	Date	Report Title	Report Summary
			requires the Council to conduct a review, at least once a year, of the effectiveness of its system of internal control and approve an annual governance statement to accompany the statement of accounts.
		Shared Anti-fraud Service Anti-Fraud Plan progress report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's progress against the Anti-Fraud Plan.
		2022/23 Provisional Outturn	To provide Audit and Governance Committee with a copy, for information, of the Executive Report with the provisional outturn position on revenue spending and the capital programme as at the end of the financial year.
		Financial Management 2023/24 – Quarter 1 Forecast to Year End	To provide Audit and Governance Committee with a copy for information of the Executive Report with the forecast position on revenue spending and the capital programme as at the end of quarter 1
		Strategic Risk Register Monitoring Q1 2023/24	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 1.
Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.		

Committee	Date	Report Title	Report Summary
	29 November 2023	Training: Treasury Management	Presentation to Members on Treasury Management and the Committee's role in overseeing treasury policies
		Annual Infrastructure Funding Statement Report 2022/23	To present to Audit and Governance Committee an update on Section 106 contributions and the council's Annual Infrastructure Funding Statement Report 2020/21
		Budget 2024/25 and Medium Term Financial Plan 2024/25 – 2028/29	To provide Audit and Governance Committee with an update on the budget and MTFP including costs pressures, savings and efficiencies against the original proposals, and budget planning assumptions for scrutiny.
		Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit Service's progress against the Internal Audit Plan.
		Annual Treasury Report 2022/23	To provide Audit and Governance Committee with a copy of the Annual Treasury Report so that they can scrutinise the Report.
		Treasury Management 2023/24 Mid-Year Review	To provide Audit and Governance Committee with a copy of the Treasury Management Mid-Year Review Report so that they can scrutinise the Report

Committee	Date	Report Title	Report Summary
		Strategic Risk Register Monitoring Q2 2023/24	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 2.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year
Audit & Governance	January 2024	Budget Scrutiny - Budget 2024/25 and Medium Term Financial Plan 2023-27	To present to Audit and Governance Committee the Executive's proposed General Fund Budget and Medium Term Financial Plan for scrutiny.
		Investment Strategy 2024/25 for scrutiny	To present to Audit and Governance Committee the Executive's proposed Investment Strategy for scrutiny.
		Capital Strategy and Minimum Revenue Provision Policy 2024/25 for scrutiny	To present to Audit and Governance Committee the Executive's proposed Capital Strategy and Minimum Revenue Provision Policy for scrutiny.
		Shared Anti-Fraud Service Anti-Fraud Plan Progress Report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's progress against the Anti-Fraud Plan.
		Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit Service's progress against the Internal Audit Plan.
		Financial Management 2023/24 – Quarter 2 Forecast to Year End	To provide Audit and Governance Committee with a copy for information of the Executive

Committee	Date	Report Title	Report Summary
			Report with the forecast position on revenue spending and the capital programme as at the end of quarter 2.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.

4.0 Reasons

4.1 To ensure that Audit and Finance Committee is aware of the work programme and ensure that Members have the opportunity to request any training or briefing around upcoming items.

5.0 Risks

5.1 Risk Management is reported to the Committee regularly.

6.0 Implications/Consultations

Community Safety

No

Data Protection

Data Protection reports and policies will be brought before the Committee as appropriate.

Equalities

No

Environmental Sustainability

No

Financial

The report details the Committee's responsibilities in relation to finance.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

Legal requirements are noted in the report summaries in the table in this report.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 None

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