

Appendix A - ANNUAL REPORT OF THE AUDIT AND RISK COMMITTEE FOR 17/18

1. Background

The purpose of the Audit and Risk Committee is to provide assurance of the adequacy of the risk management framework and control environment, scrutiny of the authority's financial and non-financial performance in that context, and oversee the financial reporting process, including:

- To review summary internal audit reports and actions arising from them.
- To consider reports of external audit and inspection agencies and monitor action arising from them.
- To monitor the effective development and operation of risk management and corporate governance.
- To monitor the effectiveness of the whistleblowing and anti-fraud and anti-corruption policies.
- To approve the annual governance statement.
- To approve the annual statement of accounts for publication

The Terms of Reference can be found in the Constitution and were refreshed and approved at the meeting in April 2018.

This report, in line with best practice, sets out the committee's work and performance during the year, including how it has met its terms of reference.

2. Membership of the Committee and meetings

The Committee has met on the following dates with the following attendees:

	April 25th	July 11th	August 30th	September 19th	January 30th
Cllr MacDuff	X	N/A	N/A	N/A	N/A
Cllr Baines	X	N/A	N/A	N/A	N/A
Cllr Lammie	-	X	X	X	A
Cllr Waller	X	X	X	X	X
Cllr Burkitt	N/A	X	X	X	X
Cllr Fox	N/A	X	X	X	A
Cllr Arnold	N/A	N/A	N/A	X	X
Cllr Begy	X	X	X	R	X
Cllr Conde	A	X	X	X	X
Cllr Oxley	X	R	X	N/A	N/A
Cllr Brown				S	
Cllr Bird		S			

KEY	
N/A	Not appointed to panel at this time
X	Present
A	Apologies given
R	Representative sent as alternative
-	Absent
S	Attended as Substitute

Cllr Waller became the Chair after Annual Council in May 2017.

Cllr Arnold replaced Cllr Oxley after Council in September 2017.

Senior Officers from the Council are also present, including the Director for Resources, Section 151 Officer, the Head of Internal Audit and where appropriate the External Auditor (KPMG) also attended. The Chair of the Committee also meets in private with Audit Services & the Section 151 Officer on a regular basis.

3. Audit Committee business

During the year the Committee conducted the following business:

- Received the annual internal audit report for 2016/17
- Received the external audit plan for 2016/17
- Received the annual fraud report for 2016/17
- Received limited assurance reports across a number of areas and requested follow up work to assess the implementation of agreed actions
- Reviewed and contributed to a draft of the Annual Governance Statement
- Approved the Internal Audit plan for 2017/18
- Received Internal Audit updates of progress against the Audit Plan (a full list of audits and consultancy projects delivered are listed in an annex to this report)
- Considered its training requirements and agreed to undertake training sessions at every second meeting (two sessions were held in the year on “Effective Audit Committees” and “Audit Plan development”)
- Received and reviewed the Councils fraud risk register
- Received the Council’s strategic risk register
- Approved the Statement of Accounts for 2016/17
- Received the external auditors Annual Governance Report
- Approved the Internal Audit charter in July 2017

4. The Committee’s main achievements

The Committee believes its key achievements during the year were:

- Engaging in the audit planning process to ensure the internal audit plan focuses on key risk areas
- Review of Risk Register and Fraud Risk Register in order to seek assurance that key risks are being appropriately mitigated. Thereby, providing additional assurance through a process of independent review.
- Scrutinising the Statement of Accounts prior to approval
- Approving a project management framework for use in delivering key projects in January 2018
- Undertaking a lessons learned review into the Children’s Centre and library project in August 2017
- Reviewing details of a service provider fraud in respect of public health and ensuring adequate arrangements were in place to avoid reoccurrences

5. Audit Committee effectiveness review

The Committee originally planned to review its effectiveness in 2018, however with various changes to the membership of the Committee, this review was deferred.

6. Conclusion

The Committee was able to confirm:

- That the system of internal control, governance and risk management in the authority was adequate in identifying risks and allowing the authority to understand the appropriate management of these risks.
- That there were no areas of significant duplication or omission in the systems of internal control, governance and risk management that had come to the Committee's attention, that had not been adequately resolved or were in the process of being resolved.

The Committee's conclusion is based on assurance gained from its own work and the work of Internal Audit and External Audit.

Audit Area
Creditors
Debtors
Local Taxation
Benefits
Payroll
Main Accounting
Cyber Security
Risk Management
Fraud Risk Register
Council Tax Fraud and NNDR Fraud
Business Continuity Management and Emergency Plan
Treasury Management
Waste Contract
Safeguarding Children
Safer Recruitment*
Deputyship and Court of Protection
Direct Payments
Castle Restoration
Affordable Housing – monitoring (consultancy)*
SEN (consultancy)*

* Reports considered as substantive items by the Committee.