

<b>Report To:</b>	<b>AUDIT PANEL</b>
<b>Date:</b>	26 July 2022
<b>Reporting Officer:</b>	Kathy Roe – Director of Finance Caroline Barlow – Assistant Director of Finance
<b>Subject:</b>	<b>AUDIT PANEL FORWARD PLAN AND TRAINING</b>
<b>Report Summary:</b>	The report sets out the updated forward plan and training programme for the Audit Panel for 2022/23 and 2023/24.
<b>Recommendations:</b>	Members are asked to: <ol style="list-style-type: none"> <li>1) Approve the updated work programme, including training, as set out in <b>Appendix 2</b>; and</li> <li>2) Note the core functions outlined in Section 2 of the report and the updated CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022 and consider whether any further training would be beneficial for the Audit Panel.</li> </ol>
<b>Corporate Plan:</b>	The functions of the Audit Panel support the operations of the Council, which deliver the objectives of the Corporate Plan.
<b>Policy Implications:</b>	An effective Audit Committee supports the achievement of Council objectives and demonstrates a commitment to high standards of corporate governance.
<b>Financial Implications: (Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	An effective Audit Committee supports corporate governance, internal control, risk management and arrangements to ensure value for money.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	Failure to organise in this way would put the Council at greater risks of successful regulatory, judicial and ombudsman challenge.
<b>Risk Management:</b>	The Audit Committee supports effective risk management and internal control arrangements across the Council.
<b>Access to Information:</b>	This report is to be considered in public.
<b>Background Papers:</b>	The background papers relating to this report can be inspected by contacting Christine Weston.



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## 1. BACKGROUND

- 1.1 The Audit Panel is the Committee of Tameside Council that undertakes the role of the Audit Committee. The terms of reference for the Audit Panel are listed in **Appendix 1**.
- 1.2 The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. By overseeing both internal and external audit, it makes an important contribution to ensuring that effective assurance arrangements are in place.
- 1.3 The Audit Panel is a key component of the Council's governance framework. Its function is to provide an independent and high-level resource to support good governance and strong public financial management.

## 2. ROLE OF THE AUDIT COMMITTEE

- 2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) has recently released an updated Position Statement on the role of the Audit Committee in Local Authorities which replaces the 2018 statement.
- 2.2 The Position Statement identifies the purpose of the Audit Committee as:  
*"Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective"*.
- 2.3 It states that it should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.
- 2.4 It sets out the core functions of the Audit Committee, as follows:

### Maintenance of governance, risk and control arrangements

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.

### Financial and governance reporting

- Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

Establishing appropriate and effective arrangements for audit and assurance

- Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
- In relation to the authority's internal audit functions
  - oversee its independence, objectivity, performance and conformance to professional standards
  - support effective arrangements for internal audit
  - promote the effective use of internal audit within the assurance framework
- Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

2.5 The role of the Audit Committee referred to CIPFA is delivered by the Audit Panel at Tameside.

### 3. FORWARD PLAN

3.1 To assist the Audit Panel with delivering its terms of reference, officers have prepared the updated work plan for 2022/23 and 2023/24, which sets out the areas that should be considered by the Audit Panel. The work plan outlined in **Appendix 2** has been updated to remove March 2022 and include September 2023. The dates for 2023 are provisional and may need to be amended if the reporting deadlines for the Statement of Accounts revert move back to the pre-Covid timescales when the accounts were signed off in September.

3.2 Members of the panel are asked to consider whether any additional items or training are required, with reference to the core functions listed above and the [CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022](#).

### 4. RECOMMENDATIONS

4.1 As set out on the front of the report.

## **Audit Panel Terms of Reference (Approved by Full Council May 2019)**

## **APPENDIX 1**

### **Role**

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 and to oversee the financial reporting process.

To undertake the functions of an Audit Committee in accordance with the CIPFA Statement on Audit Committees in Local Authorities.

The Panel shall comprise a membership of 8 Members and is subject to the rules of political balance. The Panel shall be chaired by the Chair of the Overview Panel.

### **Terms of Reference**

1. To overview the arrangements for internal control (both financial and non financial).
2. Consider the Annual Audit Letter from our External Auditors.
3. Approve (but not direct) both external and internal audit's strategy, annual plans and monitor performance.
4. Review summary internal audit reports and the main issues arising and seek assurance that management action has been taken where necessary.
5. Receive the annual report and Head of Internal Audit opinion on the Council's corporate governance, risk management and internal control arrangements.
6. Consider the reports of other regulators and inspectors.
7. Consider the effectiveness of the authority's risk management arrangements, the control environment and associated anti-fraud and anticorruption arrangements. Seek assurances that action is being taken on risk related issues identified by auditors and inspectors.
8. Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it.
9. To review existing and proposed arrangements, recommend changes and receive assurance that the systems of corporate governance are operating effectively and in accordance with best practice.
10. Review and approval of the annual Statement of Accounts, including the Annual Governance Statement and related matters. Approval of accounting policies and consideration of whether there are any concerns arising from the financial statements or external audit that need to be brought to the attention of the Council.
11. Receive and consider the external auditor's report and opinion on the financial statements.
12. Monitor action taken in response to any matters raised in the external auditor's report.
13. Monitor action taken in response to any matters raised in the Annual Governance Statement.

**PROPOSED WORK PLAN AND TRAINING FOR AUDIT PANEL**

**APPENDIX 2**

July 2022	September 2022	November 2022	March 2023	July 2023	Sept 2023
<b>Financial Reporting and Accounts</b>					
	Audited Statement of Accounts 2020/21  Draft Statement of Accounts 2021/22	Audited Statement of Accounts 2021/22 (Approval)	Accounting Policies and Critical Judgements 22/23	Draft Statement of Accounts 2022/23	
Treasury Outturn Report		Treasury Mid-Year review	Treasury Strategy	Treasury Outturn Report	
<b>Internal Audit</b>					
		Internal Audit Progress Report Q1/Q2	Risk Management and Audit Progress Report Q3		
Internal Audit Annual Report and Head of Internal Audit Opinion 2021/22			Risk Management and Audit Services Planned Work 2023/24	Internal Audit Annual Report and Head of Internal Audit Opinion 2022/23	
Review of Internal Audit 2021/22				Review of Internal Audit 2022/23	
	External Audit Assurance Letters from Management and TCWG 2021/22			External Audit Assurance Letters from Management and TCWG 2022/23	
		Procurement Update			

July 2022	September 2022	November 2022	March 2023	July 2023	Sept 2023
		NAFN Data and Intelligence Services Annual Report			
<b>External Audit</b>					
	External Audit Completion Report 2020/21 (Updated)  Audit Strategy Memorandum 2021/22	External Auditor Annual Report 2020/21  External Audit Completion Report 2021/22	External Auditor Annual Report 2021/22  Audit Strategy Memorandum 2022/23		External Audit Completion Report 2022/23
<b>Risk Management</b>					
Corporate Risk Register Review	Corporate Risk Register Review	Corporate Risk Register Review	Corporate Risk Register Review	Corporate Risk Register Review  Risk Management Report	Corporate Risk Register Review
	Data Protection/ Information Governance Update Report (If required)	Data Protection/ Information Governance Update Report (If required)	Data Protection/ Information Governance Update Report (If required)	Data Protection/ Information Governance Update Report (If required)	Data Protection/ Information Governance Update Report (If required)
<b>Internal Control and Governance Environment</b>					
	Procurement Update				Procurement Update
Review against the Code of Corporate Governance				Review against the Code of Corporate Governance	

