


<b>Report To:</b>	<b>COUNCIL</b>
<b>Date:</b>	3 October 2023
<b>Reporting Member/ Officer:</b>	Councillor Jack Naylor, Chair of the Audit Panel
<b>Subject:</b>	<b>ANNUAL REPORT OF THE AUDIT PANEL 2022/23</b>
<b>Report Summary:</b>	<p>This report details the Annual Report of the Audit Panel 2022/23 for Council.</p> <p>CIPFA recommends that Audit Committees produce an Annual Report to promote the role and purpose of the Committee, account for its performance, evaluate how it meets its terms of reference and how it adds value.</p>
<b>Recommendations:</b>	That the report is noted.
<b>Corporate Plan:</b>	Through the terms of reference the Audit Panel provides assurance to the Council that the risks associated with the delivery of Corporate Plan are being managed.
<b>Policy Implications:</b>	Sound governance arrangements, including an effective Audit Panel helps to ensure that the Council's plans, strategies and policies are delivered.
<b>Financial Implications:</b> (Authorised by the statutory Section 151 Officer and Chief Finance Officer)	No financial implications arising. A key responsibility of the Panel is oversight of the Council's risk management and financial control functions. By considering this annual report, the Audit Panel is highlighting its work in these areas.
<b>Legal Implications:</b> (Authorised by the Borough Solicitor)	Audit Panels 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. Considering this annual activity, gives greater confidence to all those charged with governance that those arrangements are effective.
<b>Risk Management:</b>	The Audit Panel receives regular assurances through its terms of reference that the Council's most significant / material risks are being managed.
<b>Access to Information:</b>	<p>The background papers can be obtained from Rebecca Neill, Interim Head of Audit:</p> <p> Telephone: 0161 342 3126</p> <p>e-mail: <a href="mailto:rebeccaneill@tameside.gov.uk">rebeccaneill@tameside.gov.uk</a></p> <p>CIPFA's latest guidance on Audit Committee's is detailed for information at the links below:</p> <p><a href="#">CIPFA 2022 POSITION STATEMENT FOR AUDIT COMMITTEES</a></p> <p><a href="#">CIPFAAUDIT COMMITTEE GUIDANCE 2022</a></p>

## **1 AN INTRODUCTION FROM THE CHAIR**

- 1.1 Welcome to the Annual Report of the Audit Panel. The main purpose of this report is to allow the Council to demonstrate to residents, stakeholders and partners, the significance of the Audit Panel's role and the positive contribution it has made to the Council's overall governance arrangements during 2022/23.
- 1.2 The 2022/23 municipal year has been yet another year of challenge for local government in terms of the unprecedented demand on our services and extremely challenging prevailing economic environment. As the Council's committee whose remit it is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements, the Audit Panel has played a key role in maintaining oversight of these challenges during this year.
- 1.3 There have been a number of examples of this, most notably, in receiving regular assurance on the Council's corporate risks, including the mitigations in place to manage those risks; and updates from Internal Audit on their programme of planned work. The Panel has also received assurances from the External Auditor. Due to technical challenges in the audit process, there has been delays in concluding previous years' financial statements (from 2020/21). We look forward to progressing and resolving these issues in the coming year.
- 1.4 Looking forward to 2023/24 the Panel will continue its important work as well as continuing to develop its own effectiveness. Highlights for this year include oversight of the embedding of a new 'assurance model', which is best practice in integrating the disciplines of audit and risk. As part of this, the Panel will receive a refreshed internal audit plan linked to risk and oversee the implementation of the new approach to risk management by rationalising the corporate register and implementing the '3 lines' of assurance.
- 1.5 A new Audit Panel work plan is being introduced for 2023/24 and the Panel will also seek to further improve its own effectiveness by benchmarking itself against the latest CIPFA 2022 Position Statement for Audit Committees.
- 1.6 The Panel also looks forward to welcoming two new independent members in 2023/24, in Ian Duncan and Stuart Fair. Both come with a substantial amount of senior finance experience from within the sector. I am confident that they will add significant value including as a technical support to the Panel in its work.
- 1.7 I believe that the Audit Panel has taken significant steps this year to deliver the oversight necessary to strengthen the Council's governance and control arrangements. There will be continuing challenges facing the Council and the Panel, but the Panel has solid foundations on which to meet those challenges and ensure the Council's overall governance framework remains fit for purpose.
- 1.8 Finally, I would like to thank all members of the Audit Panel and the officers who have contributed to the important work of the Panel over the last 12 months. The Panel has appreciated the support and assurance it has received.

Councillor Jack Naylor, Chair of the Audit Panel

## **2 COMPLIANCE WITH THE CIPFA POSITION STATEMENT 2022**

- 2.1 The terms of reference, which the Audit Panel operated to during 2022/23, is detailed at this link: [Committee details - Audit Panel \(moderngov.co.uk\)](https://www.moderngov.co.uk/committees/audit-panel/)
- 2.2 The Panel received a report on the CIPFA Position Statement 2022 at its 14 March 2023 meeting. A self-assessment of compliance against the new standard is in the Panel's work

programme for September 2023.

### 3 AUDIT PANEL 2022/23

3.1 The Audit Panel met 3 times during the 2022/23 Municipal Year. Membership of the Audit Panel during the 2022/23 municipal year is as below.

<b>Audit Panel Member</b>
Councillor Naylor (Chair)
Councillor M Smith (Deputy Chair)
Councillor Billington
Councillor L Boyle
Councillor Bray
Councillor Kitchen
Councillor Ryan

3.2 A number of the Audit Panel members also sat on various other Committees. There were no reports received during the year that necessitated members absenting themselves. Senior officers from the Council also attended the Audit Panel meetings as appropriate, including the Chief Executive (formerly Monitoring Officer), Director of Finance (Section 151), Assistant Director of Finance and Interim Head of Risk Management and Audit Services. The External Auditors from Mazars also attended.

### 4 TRAINING & DEVELOPMENT UNDERTAKEN BY THE AUDIT PANEL 2022/23

4.1 Panel members received relevant Audit Committee training during the year. In July 2022, the Panel received Audit Committee training and in September 2022, a session on the statement of accounts. For 2023/24, CIPFA are delivering a training seminar to all Panel Members scheduled for Summer 2023.

### 5 SOURCES OF ASSURANCE RECEIVED BY THE AUDIT PANEL DURING 2022/23

5.1 The table below details how the Panel addressed its terms of reference in terms of the sources of assurance received during the year, summarised as follows:

- **Finance** - The Panel received assurances on the Council's financial management arrangements (e.g. treasury management).
- **Internal Audit** – The Panel received the 2021/22 annual opinion and approved the draft audit plan for 2022/23. The Panel also received the results of Internal Audit's compliance against the Public Sector Internal Audit Standards. The Panel received regular Internal Audit progress reports including performance against their plan and their other metrics. In November 2022, the Panel also approved a refreshed Anti Money Laundering Policy.
- **Risk Management** – Assurance against the Council's key corporate risks have been monitored at each Panel.
- **Governance & Performance** – The Panel sought assurances on the Council's governance and performance arrangements throughout the year. The Panel had oversight of the Annual Governance Statement and sought assurance on the Council's use of Investigatory Powers, the work of the National Anti-Fraud Network (NAFN) via their annual report and an update from STAR procurement.
- **External Audit** - The main responsibility of the External Auditor is to report on the Council's Accounts and whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. While there has been delays in sign off of the Council's statutory accounts, Mazars have provided regular updates to the Panel on

their progress.

<b>Sources of Assurance 2022/23 Municipal Year</b>			
	<b>26 July 2022</b>	<b>22 Nov 2022</b>	<b>14 March 2023</b>
<b>Finance</b>			
Treasury Management Year End	✓		
Treasury Management Strategy 2023/24	✓		✓
Treasury Management Mid-Year		✓	
<b>Internal Audit</b>			
Review of Internal Audit (PSIAS)	✓		
Annual Report (2021/22)	✓		
Annual Governance Statement (2021/22)	✓		
Progress Report		✓	✓
Internal Audit Plan			✓
Anti Money Laundering Policy		✓	
NFI Annual Report			✓
<b>Risk Management</b>			
Corporate Risk Register Review	✓	✓	✓
<b>Governance &amp; Performance</b>			
Audit Panel Forward Plan and Training	✓		✓
CIPFA Audit Committee Guidance			✓
STAR Procurement Update			✓
Revised RIPA Policy		✓	
Annual Report NAFN		✓	
<b>External Audit</b>			
External audit progress report	✓		✓
GMPF External Audit Strategy Memorandum			✓

## **6 CONCLUSION**

- 6.1 Through this report, the Audit Panel has been able to demonstrate that it has delivered against its terms of reference, maintained its effectiveness and added value to the Council through its oversight of the systems of governance, risk management and internal control. The Audit Panel will continue this work positively into 2023/24.