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| <b>Report To:</b>  | <b>AUDIT PANEL</b>   |
| <b>Date:</b>   | 9 November 2021  |
| <b>Reporting Officer:</b>  | Kathy Roe – Director of Finance<br>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 2021/22 and 2022/23.   |
| <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 CIPFA Position Statement: Audit Committees in Local Authorities and Police 2018 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:</b><br><b>(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:</b><br><b>(Authorised by the Borough Solicitor)</b>   | An effective work plan and training should minimise the risk of successful regulatory, judicial and ombudsman challenge against the council whilst at the same time continuing to drive improvements in service delivery.  |
| <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 Wendy Poole.  |



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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) Position Statement on the role of the Audit Committee in Local Authorities sets out the core functions of the Audit Committee, as follows:
  - To 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, and demonstrate how governance supports the achievement of the authority's objectives;
  - In relation to the authority's internal audit functions:
    - oversee its independence, objectivity, performance and professionalism
    - support the effectiveness of the internal audit process
    - promote the effective use of internal audit within the assurance framework;
  - Consider the effectiveness of the authority's risk management arrangements and the control environment, reviewing the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships and collaborations with other organisations;
  - Monitor the effectiveness of the control environment, including arrangements for ensuring value for money, supporting standards and ethics and for managing the authority's exposure to the risks of fraud and corruption;
  - Consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control;
  - Support effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process; and
  - 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.

## 3. FORWARD PLAN

- 3.1 To assist the Audit Panel with delivering its terms of reference, officers have prepared the updated work plan for 2021/22 and 2022/23, 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 September 2021 and include March 2023.
- 3.2 The forward plan also identifies proposed training for the coming year. 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 2018](#).

## **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 nonfinancial).
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

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

| November 2021   | March 2022  | June 2022  | July 2022   | November 2022   | March 2023  |
|---|---|--|---|---|---|
| NAFN Data and Intelligence Services Annual Report                   |   |  | NAFN Data and Intelligence Services Annual Report                   | NAFN Data and Intelligence Services Annual Report                   |   |
| <b>External Audit</b>   |   |  |   |   |   |
| Audit Findings Report (ISA260)                                      | External Auditor Annual Report                                      | Audit Strategy Memorandums                                   | Audit Findings Report (ISA260)                                      | External Auditor Annual Report                                      |   |
| <b>Risk Management</b>  |   |  |   |   |   |
| Corporate Risk Register Review                                      | Corporate Risk Register Review                                      | Corporate Risk Register Review<br><br>Risk Management Report |   | Corporate Risk Register Review                                      | 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  | Procurement Update  |   |
|   |   | Review against the Code of Corporate Governance              |   |   |   |
| Annual Governance Statement 2020/21 (Approval)                      | Annual Governance Statement Improvement Plan Update                 | Draft Annual Governance Statement 2021/22                    | Annual Governance Statement 2021/22 (Approval)                      | Annual Governance Statement Improvement Plan Update                 | Annual Governance Statement Improvement Plan Update                 |
| <b>Work Plan</b>  |   |  |   |   |   |
| Forward Plan  | Forward Plan  |  | Forward Plan  | Forward Plan  | Forward Plan  |

| November 2021  | March 2022   | June 2022  | July 2022  | November 2022  | March 2023   |
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| <b>Training</b>  |  |  |  |  |  |
| Training – Accounts  | Training – To Be Determined                                    | Training – To Be Determined                                    | Training – Accounts  | Training – To Be Determined                                    | Training – To Be Determined                                    |
| <b>Other</b>   |  |  |  |  |  |
| Private Meeting with Internal and External Audit (If Required) | Private Meeting with Internal and External Audit (If required) | Private Meeting with Internal and External Audit (If Required) | Private Meeting with Internal and External Audit (If Required) | Private Meeting with Internal and External Audit (If Required) | Private Meeting with Internal and External Audit (If Required) |