

Title of Report:	Annual Report on Audit Committee performance (2022-2023)
Committee Report Submitted To:	Audit Committee
Date of Meeting:	14th June 2023
For Decision or For Information	For Information

Linkage to Council Strategy (2019-23)	
Strategic Theme	Improvement and Innovation
Outcome	n/a
Lead Officer	Audit, Risk & Governance Manager

Budgetary Considerations	
Cost of Proposal	n/a
Included in Current Year Estimates	YES/NO
Capital/Revenue	Revenue
Code	n/a
Staffing Costs	Internal Staffing Cost to Complete

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

Table of Contents

1	Overview	1
2	Attendance	3
3	Performance Evaluation.....	3
4	Terms of Reference and Audit Charter	4
5	Audit Committee Meetings.....	4
6	Draft Financial Statements and Approval of Annual Governance Statements.....	5
7	Risk Management.....	5
8	Internal Audit	4
9	External Audit	5
10	Conclusion/Recommendations	6
	Appendix I: Audit Committee Work Plan	7

1 Overview

The Audit Committee met on five occasions throughout 2022/23 on the following dates:

- 8th June 2022
- 21st Sept 2022
- 14th December 2022
- 31st January 2023
- 8th March 2023

Due to the ongoing strike action, the audit committee meeting held on the 14th December was adjourned until the conclusion of strike action. The meeting was reconvened on the 31st of January 2023.

Mrs Lesley Mitchell was appointed as an Independent Member of the Audit Committee on 9th September 2020 for 12 months with a possible extension of 24 months. She continues in her role as an Independent Member of the Audit Committee until 8th September 2023 after which time the position will be readvertised.

2 Attendance

Members attendance at audit committee meetings was as follows:

Members Present:	Jun	Sept	Dec	Jan 23	Mar	Total
Alderman McKeown (chair)		✓	✓	✓	✓	4/5
Alderman S McKillop	✓	✓	✓	✓	✓	5/5
Councillor Anderson		✓	✓	✓	✓	4/5
Councillor Beattie	✓	✓		✓	✓	4/5
Councillor Chivers			✓	✓	✓	3/3
Councillor Dallat O'Driscoll	✓	✓	✓	✓	✓	5/5
Councillor Holmes	✓	✓	✓	✓	✓	5/5
Councillor MA McKillop	✓	✓	✓	✓	✓	5/5
Councillor A McQuillan		✓		Vacancy		1/3
Councillor C McQuillan			✓	✓		2/3
Councillor O McMullan	✓	✓		Replaced		2/2
Councillor C McShane			✓	✓	✓	3/3
Councillor P McShane	✓		✓	✓	✓	4/5
Councillor D Nicholl		✓	Replaced			1 / 2
Councillor L Peacock		✓	Replaced			1 / 2
Councillor Schenning		✓		✓		2/5
Councillor Storey		✓		✓	✓	3/4
Councillor Wallace	✓	✓	✓		✓	4/5
Councillor Watton	✓	✓	✓	✓	✓	5/5

The Chair of the Audit Committee is appointed at the first Annual General Meeting (AGM) of each new Council for the term of the Council. For the 2022/23 the chair of the Audit Committee is Alderman Tom McKeown. During the year one political party had a reshuffle resulting in a change of membership to the Audit Committee.

3 Performance Evaluation

In accordance with best practice, the Audit Committee should benchmark its performance on a regular basis. For the 2022/23 the Audit Committee assessed its effectiveness against the HM Treasury's Audit and Risk Assurance Committee Handbook and a report on the outcomes of the exercise was taken to the 21st September 2022 audit committee. For the 2023/24 financial year the Audit Committee will assess its performance against the National Audit Office Self-Assessment Checklist.

An evening training event on the role of the Audit Committee was held on 9th March 2022 for Members of the Audit Committee and any additional Elected members interested in attending the training.

4 Terms of Reference and Audit Charter

The Audit Committee terms of reference were agreed at the 21st September 2022 Audit Committee and formally ratified at full Council on 4th October 2022. It is planned to review the terms of reference during 2023/24.

The Internal Audit Charter Review was presented at the Audit Committee on the 21st September 2022 and formally ratified at full Council on 4th October 2022.

5 Audit Committee Meetings

The Audit Committee meetings require the attendance of the Chief Executive on an annual basis, the Director of Corporate Services and the Internal Auditors. The Audit, Risk and Governance Manager who delivers part of the annual planned internal audit work for the Council, the Head of Finance, the NIAO and the Independent Member also usually attend. The programme of audit work undertaken for 2022/23 had been agreed by the Audit Committee in the audit strategy for 2019/23 and is presented over the meetings during the year.

The Audit Committee may ask any other officials of the Council to attend to assist it with its discussions on any matter.

The Audit Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters; and

The Accounting Officer (Chief Executive) or Elected Members (Board) may ask the Audit Committee to convene further meetings to discuss issues on which they want the Audit Committee's advice.

6 Review of Draft Financial Statements and Annual Governance Statement

The draft Financial Statements including the Annual Governance Statement for the Council will be reviewed and approved for signing at the Audit Committee in June 2023.

7 Risk Management

The Director for Corporate Services presents the Quarterly Corporate Risk matrix and register to the Audit Committee.

8 Internal Audit

Cavanagh Kelly were appointed to deliver the co-sourcing element of the annual internal audit work contracted out and provide the annual assurance rating for the Council in 2022/23. The Audit Risk and Governance Manager will deliver the second element of the planned internal audit work.

The Audit Committee at its meeting on 31st January reviewed and approved the Internal Audit plan for 2022/23.

The Committee will note the Internal Audit's Draft Assurance Report for 2022/23 at its meeting in June 2023. The Committee will also consider a comprehensive follow up report on the progress of the Implementation of Prior Year Internal Audit recommendations. The Audit committee will continue to emphasise the importance of the implementation of the recommendations to strengthen internal controls to ensure that they are implemented in a timely manner.

9 External Audit

The NIAO presented their Annual Audit Strategy for the Year Ending 31 March 2023 to the Audit Committee in June 2023 and highlighted areas of significant risk.

The deadline for certifying local government bodies Accounts has been changed to 30 September and to ensure compliance with the Audit Committee certifying the accounts the Audit Committee will be scheduled for the third week in September to approve the financial accounts.

10 Conclusions

The Audit Committee should note the work completed to date by Officers, Internal and External Auditors to ensure that the Council complies with their regulatory and statutory requirements, thereby allowing it to meet its objectives.

It is recommended that Committee approves the work plan (Appendix I) for the 2023/24 financial year.

It is recommended that Committee notes the dates (Appendix II) for the 2023/24 financial year.

Appendix I: Audit Committee Work Plan

In order to assist the audit committee with its oversight responsibilities a suggested meeting work plan has been prepared.

Meeting Date	Agenda Items
June	<ul style="list-style-type: none">• Draft Financial Statements Review• Draft Annual Governance Statement Review• Performance Improvement Audit Strategy• Internal Audit Annual Assurance Report• Audit Committee Performance Report
Sept	<ul style="list-style-type: none">• NFI exercise and update report• Recommend approval of Final Financial Statements• Draft Report to those charged with Governance
Dec	<ul style="list-style-type: none">• Final Report to those charged with Governance• Annual audit letter for publishing• S95 report Improvement audit and Assessment reports
March	<ul style="list-style-type: none">• Review of Audit Committee Terms of Reference and Internal Audit Charter• NFI update• Performance update• Internal Audit Annual Plan• Audit Committee Self-assessment

In addition, there are standing items on the audit agenda:

- Declarations of Interest
- Follow up actions from previous meetings
- Follow up of internal audit recommendations
- Routine internal audit reports
- Circulars/guidance
- Direct Award Contracts update
- Fraud/Whistleblowing

Appendix II: Audit Committee Dates

The schedule for audit committee dates as approved at the Annual Meeting are:

- Wednesday 14th June 2023 at 7pm
- Wednesday 20th September 2023 at 7pm and
- Wednesday 13th December 2023 at 7pm
- Wednesday 13th March 2024 (TBC)