

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	Be entirely within Cabinet's powers to decide	YES	
		Need to be recommendations to Council	NO	
		Is it a Key Decision	NO	
Lead Member: Cllr Peter Hodson E-mail: cllr.Peter.Hodson@west-norfolk.gov.uk Cllr Graham Middleton E-mail:		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Kathy Woodward E-mail: kathy.woodward@west-norfolk.gov.uk Direct Dial: 01553 616252		Other Officers consulted: Assistant Director, Resources Democratic Services Manager Democratic Services Officer		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment NO	Risk Management Implications YES

Date of meeting: 25th June 2018

Review of the Effectiveness of the Audit and Risk Committee 2017-18

Summary

This report provides Cabinet with the results of the 'Review of the Effectiveness of the Audit Committee' for 2017-18 and confirms that the Committee is fulfilling its stated purpose which is 'to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process'.

Recommendation

To consider and accept the evidence presented in the report as confirming that the Audit Committee operated effectively during 2017-18.

Reason for Decision

To ensure the Council continues to meet its obligations under the Accounts and Audit Regulations 2015.

REPORT DETAIL

1.0 BACKGROUND

- 1.1 The Audit Committee was set up in 2006, with Terms of Reference drawn up in line with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). These were reviewed and updated as part of the review of the scrutiny arrangements in June 2016.
- 1.2 Under the Accounts and Audit Regulations 2015, a council is required to *'ensure that it has a sound system of internal control which:*
- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;*
- (b) ensures that the financial and operational management of the authority is effective; and*
- (c) includes effective arrangements for the management of risk.'*
- 1.3 Good corporate governance requires independent, effective assurance about the adequacy of financial and operational management and reporting. This assurance is best delivered by a committee that is independent from the executive and scrutiny functions. This was provided by the Audit Committee during 2017/18.
- 1.4 In order to ensure that this monitoring of governance is carried out effectively, a regular review of the role and activities of the Audit Committee is necessary.

2.0 REVIEW DETAILS

- 2.1 The review was completed by the Audit Manager using a checklist compiled by CIPFA. The completed checklist is attached as **Appendix 1** of this report. In addition information has been compiled on the reports considered by the Committee and attached as **Appendix 2**. The resulting draft report was then considered by the Chair and Vice Chair of the Audit Committee.
- 2.2 The responses in the checklist are ticked as:
- 'Y' – Yes. The criteria have been met and no action is required.
 - 'P' – Partial. The criteria have only been met in part, some action may be required.
 - 'N' – No. The criteria have not been met and action may be required

3.0 ITEMS CONSIDERED DURING 2016-17

3.1 Throughout 2017-18 the Audit Committee held 6 meetings and received a total of 22 reports on a number of issues, including:

Internal Audit and Fraud

- Internal Audit Annual Report and Opinion 2016-17
- Internal Audit Plan 2016-17 – End of year progress report
- Internal Audit Terms of Reference
- Audit and Fraud half year progress report
- Strategic Internal Audit Plan 2018-23

External Audit

- Annual Audit Letter for year ended 31 March 2017
- External Audit ISA 260 report
- External Audit Plan

Finance

- Annual Treasury Report
- Statement of Accounts 2016-17
- Mid-year Treasury Report
- Budget Monitoring reports – October, November, December 2017

Corporate Governance and Risk

- Draft Annual Governance Statement
- Annual Governance Statement
- Monitoring Officer Report 2016-17
- Audit Committee Effectiveness Review 2016-17
- External Auditor Appointment for Grant Certification Work
- Business Continuity Annual Update
- Update on the Annual Governance Statement
- Risk Register Update November 2017

A summary of the content of each report and the subsequent discussion has been compiled by Democratic Services and is attached as **Appendix 2**.

3.2 The Committee received 5 training sessions during the year on:

- Cost Reduction Programme
- Budget Cycle
- IT Back up Systems
- Statement of Accounts
- How to undertake an Audit

4.0 OUTCOMES

4.1 The outcome of this report will be to:

- Show evidence that the Audit Committee is effective in its role.
- Satisfy the requirement of an annual review of the effectiveness of the Audit Committee.

5.0 CONCLUSIONS

5.1 During 2017-18 the Audit Committee received and commented on all relevant reports and actively monitored risk and internal controls. As a result it is continuing to perform effectively and the Council is meeting its requirements under the Accounts and Audit Regulations 2015.

6.0 RISK MANAGEMENT IMPLICATIONS

Having an effective Audit and Risk Committee is an important element in the Council's risk management framework.

7.0 BACKGROUND PAPERS

Accounts and Audit Regulations 2015.

Audit Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
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1. ESTABLISHMENT, OPERATION AND DUTIES**Role and Remit**

1.1	Does the audit committee have written Terms of Reference?	Y			The Terms of Reference were reviewed and approved by Council on 30 June 2016.	
1.2	Do the Terms of Reference cover the core functions of an audit committee as identified in the CIPFA guidance?	Y				
1.3	Are the Terms of Reference approved by the council and reviewed periodically?	Y			The next review is due in May 2019.	
1.4	Can the audit committee access other committees and full council as necessary?	Y			All Members attend Full Council and can attend any other Panel or Committee meeting under Standing Order 34.	
1.5	Does the authority's Annual Governance Statement include a description of the audit committee's establishment and activities?	Y			Section 4 'Review of Effectiveness' includes a description of the Audit Committee's function.	
1.6	Does the audit committee periodically assess its own effectiveness?	Y			An annual review is carried out.	

Membership, Induction and Training

1.9	Has the membership of the audit committee been formally agreed and a quorum set?	Y			Formally appointed by Council. Quorum set through Standing Orders.	
1.10	Is the chair independent of the executive function?	Y				

APPENDIX 1

Borough Council of King's Lynn and West Norfolk

For the year 2017-18

Audit Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
1.11	Has the audit committee chair previous knowledge of, or received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime?	Y			The Chair has attended all training offered to the Committee, which included Financial training. The Chair has also attended external training during 2017/18 covering financial aspects of the role.	
1.12	Are new audit committee members provided with appropriate induction?	Y			Training is offered to all Members by Democratic Services. The training is carried out prior to the start of a meeting to maximize participation.	
1.13	Have all member's skills and experiences been assessed and training given for identified gaps?	Y			Members training requirements are discussed at each meeting to identify any gaps and a training programme has been designed to cover all previously identified training needs. Members can request specific training if necessary.	Continue to review Members training programme.
1.14	Has each member declared his or her business interests?	Y			Records of interests are kept by Democratic Services. A standing item of each agenda requires Members to declare any relevant interests.	
1.15	Are members sufficiently independent of other key committees of the council?	Y			Under the new Scrutiny arrangements the Audit Committee became an independent Committee from June 2016.	
Meetings						
1.16	Does the committee meet regularly?	Y			6 meetings were held in 2017-18. The programme for 2018-19 includes 6 planned meetings, but this may increase if the Committee needs to consider urgent reports in the intervening time.	
1.17	Do the Terms of Reference set out the frequency of meetings?	Y			Minimum of 4 meetings a year, but this can be increased if necessary.	

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For the year 2017-18

Audit Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
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1.18	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	Y			A calendar of meetings is published for each year and dates are co-ordinated with Cabinet and specific key events.	
1.19	Are members attending meetings on a regular basis and if not, is appropriate action taken?	Y			A record of attendance is kept by Democratic Services. Any persistent non-attendance is brought to the attention of the relevant party leader.	
1.20	Are members free and open without political influences being displayed?	Y				
1.21	Does the authority's s151 officer or deputy attend all meetings?	Y			All meetings were attended by the Executive Director, Finance Services	
1.22	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	Y			Relevant officers attend to present the reports and answer questions.	
1.23	Are decisions reached promptly?	Y			A decision is made at the end of each item on the agenda.	

2. INTERNAL CONTROL

2.1	Does the audit committee consider the findings of the annual review of effectiveness of the system of internal control (as required by the Accounts and Audit Regulations) including the review of the effectiveness of the system of internal audit?	Y			Audit Manager's Annual Report for 2016-17 was presented on 30 May 2017, which included an assessment of the effectiveness of Internal Audit.	
2.2	Does the audit committee have responsibility for review and approval of the Annual Governance Statement and does it consider it separately from the accounts?	Y			AGS presented 31 July 2017 as a separate report from the Statement of Accounts 2016-17.	

Audit Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
2.3	Does the audit committee consider how meaningful the Annual Governance Statement is?	Y			The Committee received a training session on the relevance and content of the AGS on 28 November 2016. They also received updates throughout the year and have an opportunity to consider it's meaningfulness.	
2.4	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	Y			Various reports are presented to the Committee throughout the year relating to internal audit, external audit, finance, fraud, corporate governance and risk.	
2.5	Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	Y				
2.6	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	Y			The report setting the Strategic Internal Audit Plan each year contains an explanation of the consideration of risk management in the planning process.	
2.7	Does the audit committee review the authority's strategic risk register at least annually?	Y			Update reports are presented twice a year in April/May and October/November.	
2.8	Does the audit committee monitor how the authority assesses risk?	Y			Included in the 6-monthly reports. Updates to the Risk Management Policy and Strategy are reviewed and approved by the Audit Committee.	
2.9	Do the audit committee's Terms of Reference include oversight of the risk management processes?	Y			Terms of Reference F.8 (a) and (b) refers.	
2.10	Does the audit committee take a role in overseeing anti-fraud and whistleblowing arrangements?	Y			Terms of Reference F.8 (a) refers.	

3. FINANCIAL REPORTING & REGULATORY MATTERS
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Borough Council of King's Lynn and West Norfolk

For the year 2017-18

Audit Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
3.1	Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	Y			Terms of Reference F.7 (a) refers. The timetable of meetings includes provision for meetings in July to consider the Statement of Accounts.	
3.2	Does the audit committee consider specifically: <ul style="list-style-type: none"> ▪ The suitability of accounting policies and treatments ▪ Major judgements made ▪ Large write-offs ▪ Changes in accounting treatment ▪ The reasonableness of accounting estimates ▪ The narrative aspects of reporting? 	Y			The financial reports presented cover all the aspects stated.	
3.3	Is an audit committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Y			Meeting in July.	
3.4	Does the audit committee review management's letter of representation?	Y			Management responses are included in the covering report to the external auditors report. The responses are also discussed at the meeting.	
3.5	Does the audit committee annually review the accounting policies of the authority?	Y			Included in the Statement of Accounts report.	
3.6	Does the audit committee gain an understanding of management's procedures for preparing the authority's annual accounts?	Y			The Executive Director Finance Services (s151 Officer) and Group Accountant attended the relevant meetings to present the report and answer questions relating to the preparation of accounts. Training on the Closedown	

Audit Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
					of Accounts is also provided immediately prior to the meeting.	
3.7	Does the audit committee have a mechanism to keep it aware of topical legal and regulatory issues, for example by receiving circulars and through training?	Y			'Members Bulletin' is circulated to all Members, which contains general updates and circulars when they occur. For issues specifically relevant to the Committee, a report is presented.	
4. INTERNAL AUDIT						
4.1	Does the audit committee approve annually, and in detail, the internal audit strategic and annual plans including consideration of whether the scope of internal audit work addresses the authority's significant risks?	Y			The Internal Audit Strategic Plan is presented in February each year for approval. Details of how the plan is compiled are included in the covering report. For the year 2017-18 the Plan was presented on 12 th February 2017.	
4.2	Does internal audit have an appropriate reporting line to the audit committee?	Y			Direct access to the Chair is included in the revised Terms of Reference, along with the potential for Internal Audit to meet with the Committee, without Senior Management being present, if necessary.	
4.3	Does the audit committee receive periodic reports from the internal audit service including an annual report from the Audit Manager?	Y			The Committee receives reports on progress against the Strategic Plan, and the Audit Manager presents the Annual Report in May.	
4.4	Are follow-up audits by Internal Audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	Y			Included in the progress reports. Officers can be asked to attend the meetings to answer questions if progress is not satisfactory.	
4.5	Does the audit committee hold periodic private discussions with the Audit Manager?	Y			The facility is available within the Terms of Reference if required. No meetings were required during 2017/18.	

APPENDIX 1

Borough Council of King's Lynn and West Norfolk

For the year 2017-18

Audit Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
4.6	Is there appropriate co-operation between the internal and external auditors?		P		Ernst and Young receive all Internal Audit reports, but adopt a substantive audit approach and perform their own tests.	No action required
4.7	Does the audit committee review the adequacy of internal audit staffing and other resources?	Y			Included in the Strategic Audit Plan report and the half-yearly progress reports.	
4.8	Has the audit committee evaluated whether its internal audit service complies with Public Sector Internal Audit Standards (PSIAS)?	Y			An external quality assessment was completed in 2014 by the Chartered Institute of Internal Auditors and the resulting report was presented to the Committee in October 2014. The next external review will be due in 2019. In intervening years an internal self-assessment is completed and made available to Members of the Audit Committee.	
4.9	Are internal audit performance measures monitored by the audit committee?	Y			Performance Indicators are set as part of the Strategic Plan and monitored in the progress reports.	
4.10	Has the audit committee considered the information it wishes to receive from internal audit?	Y			No requests for specific reports were made in 2017-18, although further information was provided in response to requests from Members.	
5. EXTERNAL AUDIT						
5.1	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognising the statutory duties of external audit)?	Y			Ernst Young attend meetings to present their reports and answer questions.	
5.2	Does the audit committee hold periodic private discussions with the external auditor?	Y			The facility is available within the Terms of Reference if required. No meetings were required during 2017/18.	
5.3	Does the audit committee review the external auditor's annual report to those charged with governance?	Y			Report is presented at the meeting in July.	

Audit Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
5.4	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	Y			Recommendations are taken into account when preparing the Internal Audit Strategic Plan.	
5.5	Are reports on the work of external audit and other inspection agencies presented to the committee.	Y			Report to those charged with governance (ISA260) – 31 July 2017 Annual Audit Letter – 27 November 2017 Audit Plan 2017/18 – 12 February 2018	
5.6	Does the audit committee assess the performance of external audit?	Y			Considered as reports are presented.	
6. ADMINISTRATION						
Agenda Administration						
6.1	Does the audit committee have a delegated secretary from Committee/Member Services?	Y			Wendy Vincent, Democratic Services.	
6.2	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	Y			A timetable is set for the year detailing meeting dates and deadlines for reports to be submitted.	
6.3	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	Y			Included in the timetable for the year.	
6.4	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?			N	'Any Other Business' is not an agenda item. Only 'Urgent Business' is accepted under Standing Order 7.	No action required.
Papers						

Audit Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
6.5	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	Y			The timetable is designed to ensure the timing and frequency of routine reports is appropriate. Ad hoc reports are presented as they arise and also in line with Cabinet requirements if necessary.	
6.6	Does the audit committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?			N	The format is a corporate template.	No action required.
Actions Arising						
6.7	Are minutes prepared and circulated promptly to the appropriate people?	Y			Minutes are produced within a week of the meeting.	
6.8	Do action points indicate who is to perform what and by when?	Y			If action is required.	

ISSUES DISCUSSED AT MEETINGS OF AUDIT COMMITTEE 2017 – 2018

Appendix 2

<u>Date of Meeting/Length of Meeting</u>	<u>Details</u>	<u>Outcome</u>
30.05.17 (164 mins)		
A9: Training - How to undertake an Audit	The Audit Manager and Auditor provided a training session via a PowerPoint Presentation.	The training session provided Members with an understanding of how an audit is undertaken within the Council.
A10: Draft Annual Governance Statement	The Performance and Information Officer presented the draft 2017 Annual Governance Statement (AGS) – covering 2016-2017 which provided the Committee with the opportunity to review, challenge and provide input prior to the AGS being finalised which will be brought back to the Committee in July 2017.	<p>RESOLVED: 1) The Committee reviewed the draft 2017 Annual Governance Statement and determined that the work undertaken to review the governance arrangements in place during the 2016/2017 year was appropriate.</p> <p>2) The ICT Manager be invited to attend a future meeting of the Audit Committee to give a presentation on the back-systems operated by the Council.</p>
A11: Corporate Risk Register Monitoring Report	The Performance and Information Officer presented the report which set out the changes to the Corporate Risk Register since the last monitoring report in October 2016. The report gave details of the risks falling into the 'Very High' category and the associated work being progressed to mitigate the effects.	RESOLVED: The Committee considered the contents of the Corporate Risk Register and confirmed agreement with Management Team's assessment of the risks to the corporate objectives.
A12: Internal Audit Annual Report and Opinion 2016/2017	The Audit Manager explained that the purpose of the report was to provide the Audit Committee with an overview of the work undertaken by Internal Audit during 2016/17 and provide the Audit Manager's annual opinion on the system of internal control.	RESOLVED: The Committee received the annual audit opinion and note the work of Internal Audit for 2016/2017.

<u>Date of Meeting/Length of Meeting</u>	<u>Details</u>	<u>Outcome</u>
A13: Internal Audit Full Year Progress Report 2016/2017	In presenting the report, the Audit Manager explained that the report provided Members with an update on progress against the Internal Audit Strategic Plan 2016/2017 that was endorsed by the Audit Committee at the meeting on 23 February 2016.	RESOLVED: The Committee reviewed the progress against the planned work and ensured that it complied with the requirement of the Accounts and Audit Regulations 2015.
A14: Audit Committee Effectiveness Report	The Audit Manager informed Members that it was considered to be good practice for the Audit Committee to present Cabinet with an annual report on the work carried out by the Committee in the preceding year. The report reviewed the work of the Audit Committee during the year 2016/2017 and considered if the Committee had effectively fulfilled its role.	RESOLVED: 1) That the Audit Committee considered the content of the report and agreed that it accurately reflected the work of the Committee in 2016/2017. 2) That the Audit Committee confirmed their agreement to the Chairman taking the report to Cabinet as evidence that the Committee operated effectively.
19.06.17 – MEETING CANCELLED. Training Session held on Statement of Accounts to which <u>all Members of the Council</u> were invited to attend.		
31.07.17 (66 mins)		
A23: Statement of Accounts	The Executive Director presented the Statement of Accounts 2016/2017 and explained that the Statement of Accounts was the final accounts set out in a format which included the Council's balance sheet and associated notes. The report also considered the report from the Auditor on the Accounts 2016/2017.	RESOLVED: The Audit Committee: 1) Considered the comments of the Auditor in the ISA260. 2) Approved the Statement of Accounts for 2016/2017. 3) The Chairman signed the Statement of Accounts and the Letter of Representation on behalf of the Borough Council of King's Lynn and West Norfolk.

<u>Date of Meeting/Length of Meeting</u>	<u>Details</u>	<u>Outcome</u>
A24: External ISA 260 Report	The External Auditors advised that the audit of the Borough Council had been substantially completed for the year ended 31 March 2017 and that subject to concluding the outstanding matters listed in their report, Ernst and Young confirmed that they expected to issue an unqualified audit opinion on the financial statements in the form at Section 3.	RESOLVED: The Committee considered and noted the comments of the Auditor in the ISA260.
A25: Annual Governance Statement	The Performance and Information Officer reminded the Committee that the preparation and publication of an Annual Governance Statement was a statutory requirement. The AGS was a public statement that described and evaluated the Council's overall governance arrangements, in particular, how it had complied with its Code of Corporate Governance during a particular financial year.	RESOLVED: 1) The Committee confirmed that the 2017 Annual Governance Statement (as attached) properly reflects the risk environment and that actions required to improve it are in hand. 2) The Committee approved the 2017 Annual Governance Statement (as attached) and confirm that the Chairman of the Audit Committee should sign accordingly.
A26: External Auditor Appointment for Grant Certification Work	The Internal Audit Manager presented the report which provided the Committee with an overview of the required process for appointing external auditors in relation to the Grant Certification work. It was explained that the work primarily covered auditing the Housing Benefit Subsidy claim and did not form part of the arrangements previously agreed for the general external audit appointment process.	RESOLVED: 1) To suspend Contract Standing Orders as noted within the report in order to appoint the same auditor for the grant certification work as is appointed by the PSAA for the general audit work. 2) To delegate to the Section 151 Officer the authority to negotiate and enter into a contract with the preferred supplier for the grant certification work, for the same term as the contract awarded through PSAA.

<u>Date of Meeting/Length of Meeting</u>	<u>Details</u>	<u>Outcome</u>
04.09.17 (72 mins)		
A36: Presentation on IT Back-Up Systems	The Committee received a presentation from the ICT Manager, a copy of which is attached to the Minutes.	RESOLVED: The Committee noted the contents of the presentation.
A37: Monitoring Officer Report 2016/2017	The Monitoring Officer presented the report which summarised the more important matters arising from the Monitoring Officer's work for the Borough Council from 1 April 2016 to 31 March 2017 and commented on other issues. The Monitoring Officer advised the Committee of an update since the publication of the Agenda. The Committee was informed that following an Ombudsman decision, a payment of £100 had been made regarding a planning issue.	RESOLVED: 1) That the Committee noted the Monitoring Officer Annual Report 2016/2017. 2) Consideration be given to update Members on the Code of Conduct at a future pre-Council briefing.
A38: Treasury Outturn Report	The Group Accountant presented the report and advised the Committee that the Annual Treasury Outturn Report looked backwards at 2016/2017 and covered: <ul style="list-style-type: none"> - The 2016/2017 Treasury Outturn. - Compliance with Treasury Limited. - Outturn Summary. <p>Additional supporting information:</p> <p>Appendix 1 – Investments as at 31 March 2017 Appendix 2 – Borrowing as at 31 March 2017 Appendix 3 – Prudential Indicators Appendix 4 – Treasury Benchmarking Group Appendix 5 – The Economy 2016/2017</p>	RESOLVED: The Audit Committee noted the Actual Treasury Outturn 2016/2017.

<u>Date of Meeting/Length of Meeting</u>	<u>Details</u>	<u>Outcome</u>
A39: Update – Internal Audit Terms of Reference	The Audit Manager explained that the Internal Audit Terms of Reference were last reviewed in 2013/2014 and were therefore overdue a review as part of the three year review process. The documents had been reviewed and the results were being presented to the Committee to consider and comment on before they were adopted by the Internal Audit Team.	RESOLVED: The Committee considered the changes made to the Internal Terms of Reference and recommend approval for adoption of these revised documents.
27.11.17 (122 mins)		
A49: Training Session for all Members - Budget	The Group Accountant gave a presentation on the budget process. Please note that <u>all</u> Members of the Council were invited to attend the training.	
A50: Annual Audit Letter for Year ending 31 March 2017	D Cooke from Ernst and Young, the Council's External Auditors presented the Annual Audit Letter for the year ending 31 March 2017 and reminded the Committee that the audit results had been presented to Members at the 31 July 2017 meeting.	RESOLVED: The Audit Committee noted the Annual Audit Letter for year ending 31 March 2017.
A51: Business Continuity – Annual Update	The Business Manager presented the annual update report which outlined the current position of the Council's Business Continuity arrangements, summarised progress made since the last update and described work that was planned to be undertaken over the coming months.	RESOLVED: 1) The Audit Committee reviewed the progress made and endorsed the approach being taken to the Council's Business Continuity arrangements. 2) The Audit Committee confirmed it wished to receive further annual updates on the topic as required.

<u>Date of Meeting/Length of Meeting</u>	<u>Details</u>	<u>Outcome</u>
A52: Corporate Risk Register Monitoring Report	The Policy, Performance and Personnel Manager presented the report which outlined the changes to the Corporate Risk Register since the last monitoring report in April 2018. The report gave details of the risks falling into the 'Very High' category and the associated work being progressed to mitigate the effects.	RESOLVED: The Committee considered the contents of the Corporate Risk Register and confirmed agreement with Management Team's assessment of the risks to the Corporate Objectives.
A53: Mid-Year Treasury Report	<p>The Group Accountant reminded the Committee that the Council had formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (2011) and remained fully compliant with its requirements.</p> <p>The Mid-Year Review Report had been prepared in compliance with CIPFA's Code of Practice, and covering the following:</p> <ul style="list-style-type: none"> • A review of the Treasury Management Strategy. • The Council's capital expenditure (prudential indicators). • An economic update for the first six months of 2017/2018. 	RESOLVED: The Committee reviewed and noted the report and the treasury activity.
A54: Internal Audit Half Year Progress Report	The Audit Manager presented the report which showed the Internal Audit activity against the Strategic Audit Plan 2017/2018 and fraud work for April to October 2017.	RESOLVED: The Committee considered with work completed and indicated they were satisfied and the progress against the agreed plan.
A55: Budget Monitoring Reports – October and November 2017	The Committee received the Budget Monitoring Reports for October and November 2017.	

<u>Date of Meeting/Length of Meeting</u>	<u>Details</u>	<u>Outcome</u>
12.02.18 (58 mins)		
A65: Training – Cost Reduction	The Committee received an update on the Cost Reduction Programme from the Executive Director – Finance Services.	
A66: Borough Council of King's Lynn and West Norfolk Audit Planning Report – Year ended 31 March 2018	S Zahid, Ernst and Young presented the Audit Planning Report for year ended 31 March 2018 which provided the Committee with a basis to review Ernst and Young's proposed audit approach and scope for the 2017/18 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the national Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.	RESOLVED: That the Audit Committee noted the Audit Planning Report for year ended 31 March 2018.
A67: Update on Progress with the Annual Governance Statement covering the 2017/18 Year	<p>Members were reminded that at its meeting in May 2017, the Audit Committee approved the Council's Annual Governance Statement (AGS) covering and reflecting back on the 2016/17 year.</p> <p>During the 2015/16 year it had been agreed that the Committee should receive an update halfway through the year on the progress being made with the Action Plan arising from the Annual Governance Statement report. The report provided that update in relation to the action plan for the 2017/18 year.</p>	RESOLVED: The Committee reviewed the progress made and endorsed the approach being taken to achieve the actions arising from the 2016/17 Annual Governance Statement, as detailed on the 2017/18 AGS Action Plan.

<u>Date of Meeting/Length of Meeting</u>	<u>Details</u>	<u>Outcome</u>
A68: Strategic Internal Audit Plan 2018/23	<p>The Audit Manager presented the report which provided Members with the opportunity to review the proposed Strategic Internal Audit Plan for 2018/23.</p> <p>The Committee was reminded that the Audit Manager had to provide an annual Internal Audit opinion on the system of internal control to support the Annual Governance Statement.</p>	RESOLVED: The Committee acknowledged the Internal Audit resources and agreed the work planned for 2018/23.
A69: Budget Monitoring Report – December 2017	The Executive Director explained that as at 31 December 2017 there was no variance to report.	