

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

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| REPORT TO: | Audit Committee | | |
| DATE: | 3 June 2019 | | |
| TITLE: | Audit Committee Effectiveness 2018/19 | | |
| TYPE OF REPORT: | Monitoring | | |
| PORTFOLIO(S): | Cllr Long, Finance | | |
| REPORT AUTHOR: | Kathy Woodward, Internal Audit Manager | | |
| OPEN | | WILL BE SUBJECT TO A FUTURE CABINET REPORT: | Yes |

REPORT SUMMARY/COVER PAGE

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| PURPOSE OF REPORT/SUMMARY: It is 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. This report reviews the work of the Audit Committee during the year 2018/19 and considers if the Committee has effectively fulfilled its role. |
| KEY ISSUES: The report indicates the training received by the Committee in order to be able to fulfil their governance role, the reports received and a summary of the points discussed. |
| OPTIONS CONSIDERED: Not applicable. |
| RECOMMENDATIONS: That the Audit Committee considers the content of the report and decides if it accurately reflects the work of the Committee in 2018/19. That the Audit Committee confirms their agreement to the Chair taking the report to Cabinet as evidence that the Committee operated effectively. Due to the change in membership of the committee it may be considered appropriate for the Internal Audit Manager to present this report to Cabinet for the 2018/19 year. |
| REASONS FOR RECOMMENDATIONS: To comply with best practice and to enhance the effectiveness of the Audit Committee. |

REPORT DETAIL

1. Introduction

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.

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.'

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 2018/19.

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. Review Details

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.

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. Items considered during 2018-19

Throughout 2018-19 the Audit Committee held 6 meetings and received a total of 26 reports on a number of issues, including:

Internal Audit and Fraud

- Internal Audit Annual Report and Opinion 2017-18
- Internal Audit Plan 2017-18 – End of year progress report
- Internal Audit and Fraud half year progress report 18-19
- Strategic Internal Audit Plan 2019-24
- KLIC Review

External Audit

- Annual Audit Letter for year ended 31 March 2018
- External ISA 260 report
- External Audit Plan

Finance

- Certification of Claims and Annual Report 2016-17
- Certification of Claims and Annual Report 2017-18
- Annual Treasury Report 2017-18
- Statement of Accounts 2017-18
- Mid-year Treasury Report 2018-19

Corporate Governance and Risk

- Draft Annual Governance Statement
- Annual Governance Statement
- Update on the Annual Governance Statement
- Draft Code of Corporate Governance
- Audit Committee Effectiveness Review 2017-18
- Business Continuity Annual Update
- Risk Register Update May 2018 and November 2018
- Risk Management Policy and Strategy Review
- Record Retention and Disposal Policy Review
- Risk Based Verifications – Policy Update

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

The Committee received 5 training sessions during the year on:

- Internal Audit Vs External Audits
- Audit Committee – An Introduction
- Review of Funding
- Statement of Accounts
- Treasury Strategy

During the year it was agreed that all members of the Audit Committee are to attend compulsory training sessions held throughout the year. These will also be made available to all members of the Council.

4. Conclusion

During 2018-19 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.

5. Background Papers

Accounts and Audit Regulations 2015.

Audit and Risk Committee Self-Assessment Exercise

| No | Issue | Y | P | N | Evidence/ Comment | Action Required |
|----|-------|---|---|---|-------------------|-----------------|
|----|-------|---|---|---|-------------------|-----------------|

| 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 | | | Principal 6 n the AGS 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 | | | | |

Audit and Risk 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. | |
| 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. In 2018-19 it was decided that all members of the Audit Committee must be trained to be able to participate in future discussions. | |
| 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 2018-19. The programme for 2019-20 includes 6 planned meetings, but this may increase if the Committee needs to consider urgent reports in the intervening time. | |

APPENDIX 1

Borough Council of King's Lynn and West Norfolk

For the year 2018-19

Audit and Risk Committee Self-Assessment Exercise

| No | Issue | Y | P | N | Evidence/ Comment | Action Required |
|----------------------------|---|---|---|---|--|-----------------|
| 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. | |
| 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 / Deputy Chief Executive (S151) | |
| 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 2017-18 was presented on 30 May 2018, which included an assessment of the effectiveness of Internal Audit. | |

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| No | Issue | Y | P | N | Evidence/ Comment | Action Required |
|-----|---|---|---|---|---|-----------------|
| 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 30 July 2018 as a separate report from the Statement of Accounts 2017-18. | |
| 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. During 2018-19 the Code of Corporate Governance was also considered. | |
| 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. | |

Audit and Risk Committee Self-Assessment Exercise

| No | Issue | Y | P | N | Evidence/ Comment | Action Required |
|--|--|---|---|---|--|-----------------|
| 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 | | | | | | |
| 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 | | | The Committee met in July 2018 to discuss the external auditors report and issues arising. | |
| 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 | |

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Audit and Risk Committee Self-Assessment Exercise

| No | Issue | Y | P | N | Evidence/ Comment | Action Required |
|--------------------------|--|---|---|---|--|-----------------|
| | | | | | 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 Deputy Chief Executive (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 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 2018-19 the Plan was presented on 12 th February 2018. | |
| 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. | |

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| No | Issue | Y | P | N | Evidence/ Comment | Action Required |
|-----|--|---|---|---|--|--------------------|
| 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 2018-19. | |
| 4.6 | Is there appropriate co-operation between the internal and external auditors? | Y | | | Ernst and Young receive all Internal Audit reports, but adopt a substantive audit approach and perform their own tests. This was discussed in detail with the Audit Committee and Ernst and Young in May 2018. Internal Audit and External audit hold periodic meeting to discuss issues of concern and update on each others progress where relevant. | 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. | |

Audit and Risk Committee Self-Assessment Exercise

| No | Issue | Y | P | N | Evidence/ Comment | Action Required |
|--------------------------|--|---|---|---|---|-----------------|
| 4.10 | Has the audit committee considered the information it wishes to receive from internal audit? | Y | | | During 2018-19 specific reports were presented to member of the Audit Committee at their request. | |
| 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 2018-19. | |
| 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. | |
| 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) – 30 July 2018. Annual Audit Letter – 17 September 2018 Audit Plan 2018-19 – 11 March 2019 | |
| 5.6 | Does the audit committee assess the performance of external audit? | Y | | | Considered as reports are presented. | |

Audit and Risk Committee Self-Assessment Exercise

| No | Issue | Y | P | N | Evidence/ Comment | Action Required |
|----|-------|---|---|---|-------------------|-----------------|
|----|-------|---|---|---|-------------------|-----------------|

| 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. All reports are dispatched within 6 working days prior to the committee dates. | |
| 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 | | | | | | |
| 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. | |

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| No | Issue | Y | P | N | Evidence/ Comment | Action Required |
|-----|---|---|---|---|------------------------|-----------------|
| 6.8 | Do action points indicate who is to perform what and by when? | Y | | | If action is required. | |

ISSUES DISCUSSED AT MEETINGS OF THE AUDIT COMMITTEE 2018 – 2019

Appendix 2

| <u>Date of Meeting/Length of Meeting</u> | <u>Details</u> | <u>Outcome/Recommendation</u> |
|--|---|---|
| 30.05.18 (130 mins) | | |
| A8: Training – Internal and External Audits | Training from the Shared Internal Audit Manager. | To enable the Committee to gain an understanding of the difference between Internal and External Audits. |
| A9: Certification of Claims and Annual Report 2016/2017 | Dan Cooke from Ernst and Young presented the Certification of Claims and Annual Report 2016/2017. | The Committee received the Certification of Claims and Returns Annual Report 2016/2017. |
| A11: Exempt Report – Risk Based Verification Policy Update | The Revenues and Benefits Manager presented the report which provided an update for the Committee on Risk Based Verification activity over the past year. | Update report. |
| A12: Corporate Risk Register | The Senior Policy and Performance Officer presented the report which detailed the changes to the Corporate Risk Register since the last monitoring report in October 2017. | 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. |
| A13: Draft Annual Governance Statement covering the 2017/2018 year | The Senior Policy and Performance Officer outlined the purpose of the report and reminded Members that the report brought the Council’s draft Annual Governance Statement (AGS) 2018 to the Committee to review, challenge and provided an opportunity to input prior to the AGS being finalised and considered by the Committee at its meeting in July 2018. | The Committee reviewed the draft Annual Governance Statement 2018 and determined that the work undertaken to review the governance arrangements in place during the 2017/18 year was appropriate. |

| <u>Date of Meeting/Length of Meeting</u> | <u>Details</u> | <u>Outcome</u> |
|---|---|---|
| A14: Internal Audit Annual Report and Opinion 2017/2018 | The Shared Internal Audit Manager presented the report which provided the Committee with an overview of the work undertaken by Internal Audit during 2017/18 and provided the Audit Manager's annual audit opinion on the system of internal control. | The Committee received the annual audit opinion and noted the work of Internal Audit for 2017/18. |
| A15: Internal Audit Full Year Progress Report 2017/2018 | The Shared Internal Audit Manager presented the report which provided Members with an update on progress against the Internal Audit Strategic Plan 2017/18 that was endorsed by the Audit Committee at their meeting on 13 February 2017. | The Committee reviewed the progress against the planned work and ensured that it complied with the requirement of the Accounts and the Audit Regulations 2015. |
| A16: Audit Committee Effectiveness Report 2017/2018 | The Shared Internal Audit Manager presented the report which reviewed the work of the Audit Committee during the year 2017/18 and considered if the Committee had effectively fulfilled its role. | That the Audit Committee: <ul style="list-style-type: none"> 1) Considered the content of the report and decided it accurately reflected the work of the Committee in 2017/18. 2) Confirmed their agreement to the Chairman taking the report to Cabinet as evidence that the Committee operated effectively. |
| 30.07.18 (120 mins) | | |
| A24: Training – Statement of Accounts | The Committee received training from the Group Account on the Statement of Accounts. | |

| <u>Date of Meeting/Length of Meeting</u> | <u>Details</u> | <u>Outcome/Recommendation</u> |
|--|---|--|
| A25: Statement of Accounts and External ISA 260 Report | <p>In presenting the ISA 260 report, the External Auditor, Dan Cook, advised that the audit of the BCKLWN had been completed for the year ended 31 March 2018 and that the outstanding matters listed in their report had now all been concluded. He confirmed that they were issuing an unqualified audit opinion on the financial statements in the form at Section 3. He acknowledged the assistance given by the S151 Officer and her team to carry out the audit, particularly with the new deadline of 31 July 2018 for the closure of accounts.</p> <p>The Committee considered the Statement of Accounts.</p> | <p>The Audit Committee:</p> <ol style="list-style-type: none"> 1) Considered the comments of the Auditor in the ISA 260. 2) Approved the Statement of Accounts for 2016/2017 as now amended. |
| A26: Annual Governance Statement covering the 2017/2018 Year | <p>In presenting the report, the senior Policy and Performance Officer reminded the Committee that the preparation and publication of an Annual Governance Statement (AGS) 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 the Code of Corporate Governance during a particular financial year.</p> | <ol style="list-style-type: none"> 1) The Committee confirmed that the 2018 Annual Governance Statement properly reflected the risk environment and that actions required to improve it were in hand. 2) The Committee approved the 2018 Annual Governance Statement and confirmed that the Chairman of the Audit Committee should sign accordingly. |
| A27: Annual Treasury Outturn Report 2017/2018 | <p>The Committee considered the report which reminded Members that the Council had formally adopted the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management (2009) and remained fully compliant with its requirements. As such there was a requirement to make an annual review of its Treasury operation for the previous year.</p> | <p>That the Actual Treasury Outturn 2017/2018 be approved.</p> |

| <u>Date of Meeting/Length of Meeting</u> | <u>Details</u> | <u>Outcome/Recommendation</u> |
|---|--|--|
| 17.09.18 (17 mins) | | |
| A36: Annual Audit Letter for year ended 31 March 2018 | The Executive Director – Finance presented the Annual Audit Letter for the year ended 31 March 2018. | The Audit Committee received and noted the Annual Audit Letter for year ended 31 March 2018. |
| 12.11.18 (117 mins) | | |
| A45: Mid-Year Treasury Report 2018/2019 | <p>The Financial Services Manager presented the Mid-Year Review Treasury Report 2018/2019 and reminded Members that the Council had formally adopted the CIPFA Code of Practice on Treasury Management (2011) and remained fully compliant with its requirements.</p> <p>The Committee was advised that one of the primary requirements of the Code is receipt by Council of a Mid-Year Review Report.</p> | RESOLVED: The Audit Committee reviewed the report and the treasury activity. |
| A46: Business Continuity Annual Update | The Senior Policy and Performance Officer presented the annual update report which outlined the current position of the Council's business continuity arrangements, summarised progress made since the last update in November 2017 and described work that was planned to be undertaken over the coming months. | <p>RESOLVED: The Audit Committee:</p> <ol style="list-style-type: none"> 1) Reviewed progress made and endorsed the approach being taken to the Council's business continuity arrangements. 2) Confirmed annual updates to be presented to the Committee. |
| A47: Corporate Risk Register Monitoring Report | The Senior Policy and Performance Officer presented the report which outlined the changes to the Corporate Risk Register since the last monitoring report in May 2018. The report set out details of the risks falling into the 'Very High' category and the associated work being progressed to mitigate the effects. | <p>RESOLVED: The Audit Committee:</p> <ol style="list-style-type: none"> 1) Considered the contents of the Corporate Risk Register and confirmed agreement with Management Team's assessment of the risks to the Corporate Objectives. |

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| | | <p>2) To monitor the proposed Cinema Project if approved by Cabinet on 13 November 2018.</p> <p>3) To monitor progress on major housing schemes.</p> |
| A48: Risk Management Policy and Strategy Review | The Senior Policy and Performance Officer advised Members that the Council's risk management policy and strategy were due to be refreshed in March 2019. The report introduced a draft framework and sought Member's comments. Members were advised that a final version will be presented to the Committee in January 2019 to take forward to Cabinet in March 2019. | RESOLVED: The Committee confirmed the draft report and noted that the Committee would receive the final version on 28 January 2018. |
| A49: Record Retention and Disposal Policy Review | The Senior Policy and Performance Officer advised that the Council's record retention and disposal policy and strategy were due to be refreshed. The report introduced a draft framework and sought Member's comments. It was noted that a final version would be presented to the Committee in January 2019 to take forward to Cabinet in March 2019. | RESOLVED: The Audit Committee confirmed the draft documents and noted that a final version would be presented to Members on 28 January 2019. |
| A50: Internal Audit Half Year Progress Report | <p>The Internal Audit Manager presented the report which provided Members with an update on progress against the Internal Audit Strategic Plan 2018/19 that was endorsed by the Audit Committee at the meeting on 12 February 2018. It was highlighted that the report also provided an update on the fraud work for the first half of the year.</p> <p>Members were informed that a member of staff had left the Council's Audit Team and a recruitment process was undertaken which had had an impact on the audits completed during the first half of 2018/2019.</p> | RESOLVED: The Audit Committee reviewed the progress against the audit plan and noted the update of the fraud work. |

| <u>Date of Meeting/Length of Meeting</u> | <u>Details</u> | <u>Outcome/Recommendation</u> |
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| 28.01.19 (66 mins) | | |
| A59: Risk Management Policy and Strategy Review – Final Report | <p>The Senior Policy and Performance Officer presented the final version of the report prior to it being taken forward to Cabinet in march 2019.</p> <p>Members were reminded that a draft version of the report was presented to the Committee in November 2018 and drew Members’ attention to section 3.2 of the report which set out the two amendments by the Committee at their previous meeting.</p> | <p>RESOLVED: The Panel approved the final version of the report prior to it being presented to Cabinet in March 2019, subject to the following recommendation:</p> <p>“This policy/strategy will be reviewed every three years, or earlier in the light of new guidance, to ensure it remains relevant to the needs of the council. The next review will take place no later than March 2022.</p> |
| A60: Record Retention and Disposal Policy Review – Final Report | <p>The Senior Policy and Performance Officer presented the final version of the report prior to it being taken forward to Cabinet in March 2019.</p> <p>Members were reminded that a draft version of the report was presented to the Committee in November 2018. It was noted that there were some modifications to the retention schedule at Appendix B.</p> | <p>RESOLVED: 1) The Committee approved the final version of the report prior to it being presented to Cabinet in March 2019.</p> <p>2)Legal advice be sought from Eastlaw on the legal requirement for the destruction of Committee Clerk’s notes and approval of the minutes.</p> |
| A61: Update on Progress with the Annual Governance Statement covering the 2018/2019 Year | <p>The Senior Policy and Performance Officer reminded Members that at the Audit Committee meeting in July 2018, Members approved the Council’s Annual Governance Statement covering and reflecting back on the 2017/18 financial year.</p> <p>The report provided an update in relation to the action plan for 2018/2019.</p> | <p>RESOLVED: The Committee noted the progress report with the Council’s Annual Governance Statement arrangements.</p> |

| <u>Date of Meeting/Length of Meeting</u> | <u>Details</u> | <u>Outcome/Recommendation</u> |
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| 11.03.19 (209 mins) | | |
| A70: Annual Audit Plan for year ended 31 March 2019 – Ernst and Young, External Auditors | M Hodgson, Ernst and Young presented the Annual Audit Plan for year ended 31 March 2019. | RESOLVED: The Committee received and noted the Annual Audit Plan for year ended 31 March 2019. |
| A71: Certification of Claims Annual Report 2017/2018 | M Hodson, Ernst and Young presented the report which summarised the results of the external auditor's work on the Borough Council of King's Lynn and West Norfolk's 2017/2018 of the housing benefits subsidy claim. | RESOLVED: The Audit Committee received and noted the Certification of Claims Annual Report 2017/2018. |
| A72: Draft Code of Corporate Governance | The Senior Policy and Performance Officer presented the report and reminded Members of the Terms of Reference of the Audit Committee. The Code information the preparation of the Statutory Annual Governance Statement. | RESOLVED: The Committee: 1) Reviewed the draft Code of Corporate Governance. 2) Recommended the Code for approval by Cabinet. |
| A73: Strategic Internal Audit Plan 2019/2024 | The Audit Manager presented the Internal Audit Strategic Plan 2019/2024 which provided the Committee with the opportunity to review the proposed Strategic Internal Audit Plan for 2019/2024. | RESOLVED: The Committee acknowledged the Internal Audit resources and agreed the work planned for 2019/2024. |

| <u>Date of Meeting/Length of Meeting</u> | <u>Details</u> | <u>Outcome/Recommendation</u> |
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| <p>A75: <u>Exempt Report</u> (The press and public were excluded for this item) Risk Based Verification Policy Update for 2019/2020</p> | <p>In presenting the report the Revenues and Benefits Manager explained that the Council introduced Risk Based Verification (RBV) to assess the risk of fraud and error in new claims for Housing Benefit and Council Tax Support from April 2015. In February 2016 RBV was extended to include changes of circumstance. The report provided an update for the Committee on RBV activity over the past year, and made some minor updates to the RBV policy.</p> | <p>RESOLVED: Members noted and agreed the RBV policy and the RBV procedure updates in the report.</p> |
| <p>A76: <u>Exempt Report</u> (The press and public were excluded for this item) KLIC Review Report</p> | <p>The Internal Audit Manager presented the report. The Committee discussed the report.</p> | <p>RESOLVED: 1) Eastlaw does provide a redacted version of the report for the Council with reasons for redactions, as soon as possible.</p> <p>2)A cross party working group be established to consider the report, lessons learnt and a way forward and report back to the Audit Committee.</p> <p>3)The Major Projects Board does establish a report mechanism to enable the Audit Committee to monitor major projects and identify any steps or action required and commence a programme of reviewing each of the large scale projects currently underway.</p> |