

# Audit Committee Overview

June 2022

Reigate & Banstead  
BOROUGH COUNCIL  
Banstead | Horley | Redhill | Reigate



# Role of Audit Committee

## To support:

- Raising awareness of the importance of risk management
- Ensuring high corporate governance standards
- Adopting an independent, objective perspective
- Implementation of internal audit findings and management actions
- Objective and fair financial reporting

## By seeking assurance on:

- Internal Audit
- Risk Management and Mitigating Controls
- External Audit and Financial Reporting
- Governance arrangements – Annual Governance Statement and Code of Corporate Governance
- Treasury Management Strategy

# Audit Committee compared to Overview & Scrutiny

## Audit Committee

- Stands back from service operations
- Focus on risk management and governance
- Oversight of internal audit plan
- Oversight of treasury management strategy
- Forum for constructive challenge
- Independent of Executive and O&S
- Reports direct to Full Council
- Follows guidance from CIPFA
- Non-political

## Overview & Scrutiny

- Support work of the Leader/Executive and the Council as a whole in order to improve services
- Monitor Budget and Performance
- Influence Policy development
- Review and scrutinise decisions and performance of the Leader, Executive, and Committees
- Part of the political process

# Work programme

|                                                 | <b>Internal Audit</b>                                                                                                  | <b>Risk Management</b>                                                                                                            | <b>External Audit &amp; Financial Reporting</b>                                                                                        | <b>Governance</b>                                                                                                                 | <b>Treasury Management</b>                                                 |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <b>June</b>                                     | <ul style="list-style-type: none"> <li>• Annual Report &amp; Opinion</li> <li>• Quarterly Report – Q4</li> </ul>       | <ul style="list-style-type: none"> <li>• Quarterly Report – Q4</li> </ul>                                                         |                                                                                                                                        | <ul style="list-style-type: none"> <li>• Draft Annual Governance Statement</li> </ul>                                             |                                                                            |
| <b>September</b>                                | <ul style="list-style-type: none"> <li>• Quarterly Report – Q1</li> </ul>                                              | <ul style="list-style-type: none"> <li>• Quarterly Report – Q1</li> </ul>                                                         |                                                                                                                                        |                                                                                                                                   | <ul style="list-style-type: none"> <li>• Outturn Report</li> </ul>         |
| <b>November</b>                                 | <ul style="list-style-type: none"> <li>• Quarterly Report – Q2</li> </ul>                                              | <ul style="list-style-type: none"> <li>• Quarterly Report – Q2</li> </ul>                                                         |                                                                                                                                        | <ul style="list-style-type: none"> <li>• Code of Corporate Governance</li> </ul>                                                  | <ul style="list-style-type: none"> <li>• Mid-Year Report</li> </ul>        |
| <b>March</b>                                    | <ul style="list-style-type: none"> <li>• Quarterly Report – Q3</li> <li>• Internal Audit Plan &amp; Charter</li> </ul> | <ul style="list-style-type: none"> <li>• Quarterly Report – Q3</li> <li>• Strategic Risks Review (for the coming year)</li> </ul> |                                                                                                                                        | <ul style="list-style-type: none"> <li>• Audit Committee Annual Report</li> <li>• Work Programme (for the coming year)</li> </ul> | <ul style="list-style-type: none"> <li>• Annual Strategy Report</li> </ul> |
| <b>TBC – when the annual audit is concluded</b> |                                                                                                                        |                                                                                                                                   | <ul style="list-style-type: none"> <li>• External Audit Plan</li> <li>• Statement of Accounts and External Auditor's Report</li> </ul> |                                                                                                                                   |                                                                            |

# Committee Member Responsibilities

- Contribute to discussion and debate:
  - Read agenda papers
  - Submit advance questions
  - Use resources in ModGov
- Attend training
  - Role of the Audit Committee and CIPFA Guidance
  - Role of Internal Audit
  - The Council's approach to Risk Management
  - Treasury Management Reporting
  - Annual Statement of Accounts & External Auditor's Report
- Adhere to the Member Code of Conduct

# Things to avoid / Things to do

|            |                                                                                                           |
|------------|-----------------------------------------------------------------------------------------------------------|
| Stay Out   | Stay out of the detail – keep high level, risk-focussed                                                   |
| Stay On    | Point – what is being reported? Anything missing?                                                         |
| Understand | Context of how we operate in this Council and why                                                         |
| Avoid      | Digression and repetition<br>Blame culture – provide constructive feedback<br>Risk of reputational damage |
| Leave Out  | Politics<br>Irrelevant comparisons with other organisations                                               |
| Prepare    | Read agenda papers<br>Ask advance questions<br>Take up training opportunities                             |
| Ask        | Ask if unsure – seek advice and information from the Lead Officers                                        |

# Lead Officer Contacts

## **Pat Main, Interim Head of Finance (Section 151 Officer)**

- All matters relating to the role of Committee and its members
- Agenda planning and arranging for other officers to attend
- Annual Governance Statement
- Treasury Management
- External Audit and Financial Statements

## **Cath Rose (Head of Corporate Policy, Projects & Performance); Luke Harvey (Projects & Performance Team Leader)**

- Risk Management & Assurance

## **Natalie Jerams, (Chief Internal Auditor, Southern Internal Audit Partnership)**

- Internal Audit

## **Joyce Hamilton (Head of Legal & Governance and Monitoring Officer)**

- Code of Corporate Governance

## **Liane Dell (Democratic Services Officer)**

- Meeting papers dispatch and minute taking
- Managing advance questions from Members
- Arranging Member training
- Drafting the Committee's Annual Report and Work Programme

# Audit Committee

## Overview

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