

**11 April 2018**

## **Audit Committee Annual Report 2017/18**

### **Report of the Audit Committee Chairman**

#### **PURPOSE OF REPORT**

To inform the Council of the current position on issues being dealt with by the Audit Committee.

**This report is public**

#### **1.0 Introduction**

1.1 I am pleased to present my Annual Report to Council on the work of the Audit Committee during 2017/18.

1.2 The Terms of Reference of the committee are set out in Part 3, Section 8 of the Council's Constitution. The scope of its activity is summed up in the statement of purpose:

*"The audit committee's purpose is to oversee and, independently of the Executive and Overview and Scrutiny function, provide the council with assurance of the adequacy of its corporate governance arrangements, including the risk management framework and the associated control environment. The committee reviews the authority's exposure to and management of risk across all financial and non-financial activity, and oversees the financial reporting process."*

#### **2.0 Audit Committee Meetings**

2.1 Since the last Annual Report, which was discussed at Council on the 12 April 2017, the Audit Committee has met three times. A link to the website for further details on the reports and minutes is included here:

<https://committeeadmin.lancaster.gov.uk/ieListMeetings.aspx?CId=316&Year=0>

2.2 In summary, the following areas have been considered by the Committee:

##### At the 28 June 2017 meeting

- External Audit plan 2016/17
- External Audit fee 2017/18
- Annual review of Internal Audit compliance with professional standards
- Internal Audit annual report and assurance statement
- Internal Audit management – collaboration with Wyre Council
- Internal Audit strategy and risk based plan

#### At the 13 September 2017 meeting

- The Annual Governance Statement (AGS) 2016/17
- Statement of Accounts (SOA) 2016/17 & ISA 260 report
- Internal Audit monitoring
- Local Government Ombudsman's annual review letter 2016/17
- Counter fraud annual report

#### At the 21 February 2018 meeting

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- Annual report on grants claims and returns 2016/17
- External Audit plan 2017/18
- Internal Audit – Future management and delivery
- Audit Committee terms of reference
- Internal Audit Charter
- Internal Audit strategy and risk based plan 2018/19

2.3 The next Audit Committee meeting is arranged for 23 May 2018, where the following areas will be considered:

- Internal Audit annual opinion
- Annual Governance Statement
- Counter Fraud annual report
- Effectiveness of Internal Audit
- Public Sector Internal Audit Standards Peer review report

### **3.0 Key Activities**

3.1 The three main documents considered by the Audit Committee annually are the Annual Governance Statement (AGS), the Statement of Accounts (SOA) and the report to those charged with governance (ISA 260). Each one has been considered in detail by the Committee in line with statutory deadlines.

### **4.0 Constitutional Matters**

4.1 The Committee did not consider any constitutional matters during the year.

### **5.0 Conclusion**

5.1 The organisation and operation of the Audit Committee is considered as part of the external auditor's annual value for money opinion. I am certain that the work of the Audit Committee, other elected members and council officers in providing effective systems of corporate governance and internal control have continued to make an important contribution to the standing and achievements of the council. I would like to thank them all again for their continued support and hard work.