



Audit Committee
Annual Report
2022/23
March 2023

Foreword

I am pleased to present the second annual report of the Authority's Audit Committee covering the Committee's activity during the 2022/23 financial year.

Reporting on the Committee's work in this way contributes to the process of assurance gathering which is used to produce the Authority's Annual Governance Statement and demonstrates the robustness of the overall governance arrangements that are in place.

Councillor Garry Weatherall

Chair, Audit Committee



1. Introduction

This report is produced in order to provide stakeholders with information on the work of the Committee over the 2022/23 Municipal Year and to support the process of assurance gathering required in order to produce the Authority's Annual Governance Statement.

It outlines the Committee's:

- Role and responsibilities.
- Membership and attendance; and
- Work programme.

2. Committee Information

Role and Responsibilities

The Committee's terms of reference are set out in the Authority's Constitution and are as follows.

To fulfil the following core Audit Committee functions:

Maintenance of governance, risk, and control arrangements

- a) Support and promote a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance and the Authority's [Local Code of Corporate Governance](#).
- b) Consider the adequacy, effectiveness and efficiency of the Authority's risk management arrangements. The Committee should understand the risk profile of the organisation and seek assurances that effective arrangements are in place to identify and manage risks to the organisation, both for the Authority and for its collaborative arrangements.
- c) Consider the adequacy, effectiveness and efficiency of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics, and obtaining assurance regarding the Authority's exposure to and response to the risks of fraud and corruption.
- d) Monitor and oversee the adequacy, effectiveness and efficiency of the information governance framework including compliance with legislative requirements in relation to data breaches, Data Protection Impact Assessments (DPIA) and Data Subject Access requests (DSAR). Receive annual report from the external DPO to provide assurance of data protection compliance, processes, and systems.
- e) Financial and governance reporting:
 - i. Under the Code of Practice on Local Authority Accounting in the UK, be satisfied that the Authority's accountability statements, including the Annual Governance Statement (AGS), properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the Authority's objectives.
 - ii. The responsible financial officer is required by statutory provision to sign the annual statement of accounts to confirm that they have been properly prepared and are ready for audit prior to the commencement of the period for the exercise of public rights. These are the unaudited accounts.
 - iii. CIPFA recommends that it is good practice for both the accounts and the draft AGS to be reviewed by the audit committee prior to the commencement of the external

audit. The draft accounts shall be provided to Committee members prior to the external audit; this may fall outside of the meeting cycle. The draft AGS shall be considered, commented upon and challenged as appropriate by the Committee prior to the external audit.

- iv. The Committee is designated as Those Charged with Governance (TCWG) and will formally approve the financial statements after the completion of the external audit, prior to publication.
 - v. Consider the maintenance of adequate, effective, and efficient arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.
- f) Establishing appropriate and effective arrangements for audit and assurance.
 - g) Consider the arrangements in place to secure adequate, effective, and efficient assurance across the body's full range of operations and collaborations with other entities.
 - h) In relation to the Authority's internal audit functions:
 - i. Consider and obtain assurance regarding its independence, objectivity, performance, and conformance to Public Sector Internal Audit Standards (PSIAS).
 - ii. Consider and be satisfied as to the effective use of internal audit within the overall assurance framework. This may include independent, external evaluation periodically.
 - iii. Approve (but not direct) the annual Internal Audit plan.
 - iv. Monitor performance against Internal Audit's Charter and Annual Plan and receive the Annual Report and periodic reports of the Head of Internal Audit.
 - v. Monitor progress against management actions agreed in response to the internal audit reports.
 - i) Safeguard against threats to independence and to satisfy itself that the external auditor's independence is safeguarded. The critical issue of independence will be considered when the external auditor is appointed, but the Committee's role will be to monitor on an annual basis, or more often when required.
 - j) The Committee should discuss with the external auditor their assessment of threats to independence and any safeguards. The potential threats are self-interest, self-review, management, advocacy, familiarity, or intimidation threats.
 - k) Consider the opinion, reports, and recommendations of external audit and those of any inspection agencies, and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
 - l) Ensure regular communication between the Chair and internal / external auditors and ensure that both internal and external audit have access to the Chair as required.
 - m) Consider and monitor the operation of adequate, efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
 - n) Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review, and accountability.

Other Responsibilities

- a) The adoption of the CIPFA Position Statement on Audit Committees and compliance with the practice and principles therein. The statement sets out the purpose, model, core functions and membership of the committee.
- b) To determine, implement and evaluate the annual work plan to achieve the responsibilities of the Audit Committee.

- c) To conduct an annual review of its performance against these Terms of Reference and the annual work plan.
- d) To participate in related training and development activities to fulfil its remit effectively.

Minutes of the Audit Committee meeting (agreed by the Chair) shall be submitted for information at the subsequent Authority meeting.

Membership

The Committee's membership at the end of March 2023 was:

Councillor Garry Weatherall (Chair)

Councillor Roy Bowser

Councillor Simon Clement-Jones

Councillor David Nevett

Councillor Steve Cox

Councillor Marnie Havard

In addition, the three observers nominated to the Authority by the recognised trade unions are entitled to attend and participate in meetings of the Committee. During the year these representatives were:

Nicola Doolan-Hamer (Unison)

Doug Patterson (Unite)

Garry Warwick (GMB)

Committee Meetings and Attendance

The Committee held three meetings during the municipal year (28 July 2022, 20 October 2022 and 02 March 2023). The schedule of Members' and Officers' attendance is included at Appendix A.

Good practice guidance suggests that the Chief Financial Officer should attend regularly, and that the Monitoring Officer and other senior officers should contribute as appropriate. The actual attendance recorded demonstrates that this was achieved.

3. Committee Work Programme and Outcomes

The work programme of the Committee for the year reflected the terms of reference and the pattern of work of the Authority's internal and external auditors.. The reports received during 2022/23 are shown in Appendix B; the outcomes of the Committee's work in relation to these are summarised below.

Risk Management and Internal Control

Core functions per CIPFA Guidance:

- Considering the effectiveness of the Authority's risk management arrangements, the control environment and associated anti-fraud and corruption arrangements.
- Seeking assurances that action is being taken on risk-related issues identified by auditors and inspectors.
- Being satisfied that the Authority's assurance statements, including the Annual Governance Statement properly reflect the risk environment and any actions required to improve it.

The Committee has:

- Completed the Annual Review of the Authority's Risk Management Framework in October 2022.
- Received regular progress reports from the Head of Internal Audit on internal control matters.
- Received regular reports on progress against audit recommendations.
- Considered the results of the review of internal control and internal audit for 2021/22.

Internal and External Audit

Core functions per CIPFA Guidance:

- Approving (but not directing) Internal Audit's strategy and plan, and monitoring performance.
- Reviewing summary Internal Audit reports and the main issues arising and seeking assurance that action has been taken where necessary.
- Receiving the annual report of the head of Internal Audit.
- Considering the reports of external audit and inspection agencies.
- Ensuring that there are effective relationships between Internal Audit and external audit, inspection agencies and other relevant bodies, and that the value of the process is actively promoted.

The Committee has:

Internal Audit

- Agreed the Internal Audit Strategy and Annual Plan for 2023/24.
- Received and considered Head of Internal Audit's Annual Report for 2022/23, including the opinion on the Authority's internal control arrangements.
- Received and considered regular reports from the Head of Internal Audit on the Internal Audit Team's progress against the annual plan, including summaries of the reports issued and management's response.

External Audit

- Received reports from Deloitte on their Audit Plans for the Authority and their Annual Report which was recommended to the Full Authority for consideration.
- Received regular progress reports from Deloitte
- Approved Deloitte's fee for the audit of the financial year 2022/23.

Financial Accounts

Core functions per CIPFA Guidance:

- Reviewing the financial statements, the external auditor's opinion and reports to members, and monitoring management action in response to the issues raised by external audit.
- Overseeing the production of, and approving, the Authority's Annual Governance Statement.
- Overseeing the production of, and approving, the Authority's Annual Statement of Accounts, focussing on:
 - the suitability of, and any changes in, accounting policies;
 - Major judgemental issues e.g. provisions.
- Receiving and agreeing the response to the external auditor's report to those charged with governance on issues arising from the audit of the accounts, focussing on significant adjustments and material weaknesses in internal control reported by the external auditor

The Committee has:

- Reviewed and approved the Authority's Statement of Accounts and Annual Report and letter of representation for 2021/22.
- Overseen the production of and approved the Authority's Annual Statement of Accounts 2021/22.
- Reviewed and approved the accounting policies to be used in the production of the Authority's Annual Statement of Accounts 2022/23.
- Received and approved Deloitte's Annual Audit Report on the audit of the financial statements for year ended 31 March 2022.

Working Arrangements

The Committee undertook a self-assessment of its position and effectiveness against best practice guidance and considered the extent to which its arrangements remained robust.

APPENDIX A

Member and Officer Attendance at Audit Committee Meetings 2022/23

Member/Officer	28 July 2022	20 October 2022	02 March 2023
Cllr Garry Weatherall	✓	Note 1	✓
Cllr Roy Bowser	Note 1	✓	Note 1
Cllr Steve Cox	✓	Note 1	✓
Cllr Simon Clement-Jones	✓	✓	✓
Cllr Marnie Havard	✓	✓	✓
Cllr David Nevett	✓	✓ Note 2	✓
Nicola Doolan-Hamer	✓	✓	✓
Doug Patterson	✓	Note 1	✓
Garry Warwick	✓	✓	✓
Director: George Graham	✓	✓	✓
Assistant Director - Resources (Deputy Treasurer): Gillian Taberner	✓	✓	✓
Head of Governance: Jo Stone (Monitoring Officer from Jan 2023)	✓	✓	✓
Monitoring Officer (Apr to Dec 2022)	Note 1	Note 1	
Deputy Clerk: (from Jan 2023) Sukdave Ghuman, Director of Legal & Governance, Barnsley MBC			✓
External Audit (Deloitte)	✓	✓	✓
Internal Audit (Barnsley MBC)	✓	✓	✓

Notes

1. Apologies
2. Acted as Chair for the meeting

APPENDIX B

Committee Activity

Function/Issue	28 July 2022	20 October 2022	02 March 2023
Risk Management			
Annual Review of the Risk Management Framework		Approved	
Governance and Internal Control			
Annual Review of the Governance Compliance Statement		Approved	
Progress on Implementation of Audit Recommendations	Noted	Noted	Noted
Annual Procurement Report 2022/23			Noted
Accounting Policies 2022-23			Noted
Internal Audit			
Progress Report	Noted	Noted	Noted
External Quality Assessment		Noted	
Annual Report 2021/22	Noted		
Internal Audit Charter	Approved		
Internal Audit Plan 2022/23			Noted
External Audit			
Auditor Appointment Process		Recommended to the Authority	
Report on the 2021/22 Audit	Noted		
Annual Audit Report 2021/22	Noted	Noted and recommended to the Authority	
External Audit Plan 2022/23			Noted
Statement of Accounts			
Audited Annual Report and Statement of Accounts 2021/22	Approved		
Letter of Representation 2021/22	Approved		
Accounting Policies 2022-23			Approved
Working Arrangements			
Audit Committee Annual Report 2022/23			Approved
Audit Committee Terms of Reference and Work Cycle			Approved

(The term "Noted" is used to include resolutions to note and to receive reports).